

INFORMATION SHEET

PRESIDING: Chair Charlotte A. Mitchell, Commissioners Duffley and Hughes

PLACE: Dobbs Building, Raleigh, North Carolina

DATE: Friday July 22, 2022

TIME: 10:00 a.m. – 11:51 a.m.

DOCKET NO.: W-1125, Sub 9 & 10

COMPANY: Greater Kinnakeet Shores Home Owners Inc. and Outer Banks/Kinnakeet Associates, LLC

DESCRIPTION: In the Matter of Greater Kinnakeet Shores Home Owners Inc., c/o Pat Weston,
Complainant, versus Outer Banks/Kinnakeet Associates, LLC

APPEARANCES

See Attached

WITNESSES

See Attached

EXHIBITS

See Attached

CONFIDENTIAL COPIES OF TRANSCRIPTS AND EXHIBITS ORDERED BY:

REPORTED BY: Tonja Vines

TRANSCRIBED BY: Tonja Vines

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1 PLACE: Dobbs Building, Raleigh, North Carolina

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5 BEFORE: Chair Charlotte A. Mitchell, Presiding

6 Commissioner Kimberly W. Duffley

7 Commissioner Jeffrey A. Hughes

8

9

10 IN THE MATTER OF:

11 Greater Kinnakeet Shores Home Owners, Inc.

12 c/o Pat Weston,

13 P.O. Box 853, Avon, North Carolina 27915

14 Complainant

15 v

16 Outer Banks/Kinnakeet Associates, LLC.,

17 Defendant

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NORTH CAROLINA UTILITIES COMMISSION

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**State of North Carolina, ex rel., North Carolina Department of Environmental
Quality, Plaintiff, v. Outer Banks/Kinnakeet Associates, LLC, Defendant
Complaint and Motion for Injunctive Relief
Dare County Superior Court
22 CVS 177**

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OFFICIAL COPY

Aug 15 2022

STATE OF NORTH CAROLINA
COUNTY OF DARE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION

FILED
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DARE COUNTY, C.S.C.
BY W

STATE OF NORTH CAROLINA, *ex rel.*,)
NORTH CAROLINA DEPARTMENT OF)
ENVIRONMENTAL QUALITY,)

Plaintiff,)

v.)

OUTER BANKS/KINNAKEET)
ASSOCIATES, LLC,)

Defendants.)

**COMPLAINT AND MOTION
FOR INJUNCTIVE RELIEF**

INTRODUCTION

This is an action to put an end to the chronic neglect and mismanagement of a wastewater collection system and wastewater treatment and disposal system serving approximately 178 homes and businesses in Avon, North Carolina. Defendant's failure to maintain these permitted systems place the groundwater and surface water of the community at risk based on the failure to provide the requisite treatment for the wastewater from the community. As new development projects have increased in the area over the last year, it is imperative that the Outer Banks/Kinnakeet Associates, LLC's wastewater collection and treatment and disposal systems be functional and able to serve a growing community. By this action, the State of North Carolina seeks to compel Defendant to bring the systems back into compliance with their permits and to require Defendant to collect, treat, and dispose of the wastewater in a manner that does not endanger waters of the State.

The State of North Carolina, complaining of Defendant, alleges and says:

PARTIES

1. Plaintiff is the sovereign State of North Carolina. This action is being brought on the relation of the North Carolina Department of Environmental Quality (“DEQ”), the State agency established pursuant to N.C. Gen. Stat. § 143B-279.1 *et seq.*, and vested with the statutory authority to enforce the State’s environmental pollution laws, including laws enacted to protect the water quality of the State. The Division of Water Resources (“DWR”) is a division within DEQ and all actions taken by DWR are necessarily actions of Plaintiff.

2. Defendant Outer Banks/Kinnakeet Associates, LLC (“Defendant”), is a limited liability corporation formed in North Carolina with its principal office located at 41105 Big Kinnakeet Drive, Avon, NC 27915. Defendant is the owner and operator of the Outer Banks/Kinnakeet Associates, LLC Wastewater Treatment Facility (“the Treatment and Disposal System”) located at the same address, as well as a wastewater collection system serving the surrounding community (“the Collection System”).

JURISDICTION

3. Jurisdiction for injunctive relief sought to compel enforcement of a statute or regulation rests in the Superior Court pursuant to N.C. Gen. Stat. § 7A-245(a)(2) and N.C. Gen. Stat. § 1-493. Furthermore, the Superior Court has jurisdiction of this action for injunctive relief for existing or threatened violations of various laws and rules governing the protection of water quality pursuant to N.C. Gen. Stat. § 143-215.6C.

VENUE

4. Dare County, North Carolina is a proper venue for this action because the violations or threatened violations that are the subject of this action for injunctive relief have occurred, are occurring, and may continue to occur in Dare County. N.C. Gen. Stat. § 143-215.6C.

LEGAL FRAMEWORK

5. The Environmental Management Commission (the “Commission”) is an agency of the State established pursuant to the provisions of N.C. Gen. Stat. § 143B-282 *et seq.* Pursuant to N.C. Gen. Stat. § 143-215.3(a)(1), the Commission has the power “[t]o make rules implementing Articles 21, 21A, 21B, or 38 of this Chapter.” These statutes and the rules adopted under them are designed to further the public policy of the State, as stated in N.C. Gen. Stat. § 143-211, “to provide for the conservation of its water and air resources . . . [and], within the context of this Article [21] and Articles 21A and 21B of this Chapter [143], to achieve and to maintain for the citizens of the State a total environment of superior quality.”

6. Pursuant to its authority under N.C. Gen. Stat. § 143-215.3(a)(1), the Commission has adopted rules governing wastewater collection systems and treatment works such as Defendant’s that do not discharge to surface waters of the State. *See* 15A NCAC 2T .0101 *et. seq.*

7. Reclaimed water systems are one type of non-discharge treatment works. *See* 15A NCAC 2U .0101 *et. seq.* Reclaimed water is “treated wastewater effluent meeting effluent standards established pursuant to Rule .0301 of [Subchapter 2U], and used for beneficial reuse.” 15A NCAC 2U .0103(10). Reclaimed water systems generate and use “reclaimed water in a beneficial manner and for the purpose of conservation of the State’s water resources by reducing the use of potable water, surface water, and groundwater.” 15A NCAC 2U .0101.

8. A “collection system” is defined as “a public or private sewer system that conveys wastewater to a designated wastewater treatment facility or separately-owned sewer system.” 15A NCAC 2T .0402(1). The sewer system includes “any existing or newly installed sewer system extension up to the wastewater treatment facility property or point of connection with a separately-owned sewer system.” *Id.*

9. A permit is required for the operation of wastewater collection systems and treatment works. N.C. Gen. Stat. § 143-215.1(a)(2). Reclaimed water treatment works generally must be individually permitted. *See* 15A NCAC 2U .0113. Collection systems with an average daily flow of over 200,000 gallons per day must also obtain an individual non-discharge permit. *See* 15A NCAC 2T .0403(a), .0405(b). The Commission has delegated its authority to issue these permits to DWR. N.C. Gen. Stat. § 143-215.3(4); 15A NCAC 2T .0101 *et. seq.*

10. Whenever DEQ has reasonable cause to believe that any person has violated or is threatening to violate any of the provisions of the State’s environmental laws or administrative rules, including State water quality laws and rules, DEQ is authorized to “request the Attorney General to institute a civil action in the name of the State upon the relation of [DEQ] for injunctive relief to restrain the violation or threatened violation.” N.C. Gen. Stat. § 143-215.6C. That section further provides that “[u]pon a determination by the court that the alleged violation of the provisions of this Part or the regulations of the Commission has occurred or is threatened, the court shall grant the relief necessary to prevent or abate the violation or threatened violation.” N.C. Gen. Stat. § 143-215.6C.

11. When the State brings an action to vindicate the public interest pursuant to a statute which provides for injunctive relief to abate violations of law, the usual test for issuance of injunctions need not be met. *State ex rel. Edmisten v. Challenge, Inc.*, 54 N.C. App. 513, 521-22, 284 S.E.2d 333, 338-39 (1981) (explaining that irreparable harm need not be established by the State as long as the statutory conditions for issuance of an injunction exist); *State ex rel. Morgan v. Dare To Be Great, Inc.*, 15 N.C. App. 275, 189 S.E.2d 802 (1972) (negating the general rule that there will be no equitable relief if there is an adequate remedy at law when the statutory scheme provided the State with injunctive relief under the circumstances presented). For example, the

State is not required to show actual injury, such as irreparable harm, in order to obtain injunctive relief, including a preliminary injunction. Rather, it must show only that the violative acts or practices adversely affect the public interest. *See Challenge, Inc.*, 54 N.C. App. at 521-22, 284 S.E.2d at 338-39. An adverse effect on the public interest exists as a matter of law where the statutory conditions for issuance of injunctive relief are present, i.e., where a violation of the applicable statute or regulations exists or is threatened. *Id.* at 522, 284 S.E.2d at 339.

FACTUAL ALLEGATIONS

12. Defendant owns and operates two systems at issue in this case: a wastewater collection system and a wastewater treatment and disposal system. The Collection System is a system of pipes and pumps that collects wastewater from approximately 178 homes and businesses in the Kinnakeet Shores community in Avon, North Carolina. The Treatment and Disposal System is the system that is permitted to treat and dispose of that wastewater.

The Collection System and Collection System Permit

13. On June 19, 2014, DWR issued non-discharge permit WQCS00295 to Defendant for operation of the Collection System (“Collection System Permit”). A true and accurate copy of the Collection System Permit and the associated cover letter are attached hereto as Exhibit A, and are incorporated herein by reference.

14. The Collection System consists of approximately 2.4 miles of gravity sewer, approximately 1.4 miles of pressure sewer, approximately 1.8 miles of force main, 13 simplex pump stations, 32 duplex pump stations, as well as “all associated piping, valves, and appurtenances required to make a complete and operational wastewater collection system.” Ex. A, p.1.

15. The Collection System is designed so that wastewater generated at individual

houses and businesses is directed to pump stations located within the development. From the pump stations, pumps route wastewater under pressure through a series of pipes to the wastewater treatment and disposal system for processing.

16. A release of wastewater from the Collection System prior to its disposal in the wastewater treatment plant is referred to as a sanitary sewer overflow, or SSO. Ex. A, cover letter p. 1.

17. Condition I.2 of the Collection System Permit requires that the Collection System be effectively managed, maintained and operated at all times so that there is no SSO to land or surface waters, nor any contamination of groundwater. In the event that the wastewater collection system fails to perform satisfactorily, including the creation of nuisance conditions, [Defendant] shall take immediate corrective actions, including actions that may be required by [DWR], such as the construction of additional or replacement sewer lines and/or equipment.

Ex. A, Condition I.2.

18. Collection System Permit Condition I.6 requires a Capital Improvement Plan designating funding for reinvestment into the Collection System infrastructure. Ex. A, Condition I.6. Condition I.8 additionally requires a contingency plan for pump failures at each pump station, and Condition II.9 requires a Response Action Plan for measures to be taken to contain and properly dispose of materials associated with SSOs. *Id.*, Conditions I.8, I.9.

19. Collection System Permit Condition I.9 requires that each pump station be “clearly and conspicuously posted with a pump station identifier and an emergency contact telephone number.” Ex. A, Condition I.9.

20. Pump stations without an automatic polling feature (a computer and telephone system that provides automated notifications to previously identified contacts in the event of a collection system problem) must have both an audible and visual high alarm. Ex. A, Condition I.11.

21. Defendant is required to designate a certified operator in responsible charge and one certified backup operator. Ex. A, Condition II.1. The operator in responsible charge or backup operator is required to visit the system “within 24 hours of knowledge of a bypass, spill, or overflow of wastewater from the system.” *Id.*

22. Routine pump station inspections and maintenance are required, and must include, among other items, cleaning and removal of debris, and verification that alarms are operating properly. Ex. A, Condition II.4. Spare pumps must also be kept on site for each pump station without pump reliability. Ex. A, Condition II.5.

23. Collection System Permit Condition III.3 requires Defendant to maintain a comprehensive map of the collection system including “pipe size, pipe material, pipe location, flow direction, approximate pipe age, number of active service taps, and each pump station identification, location and capacity.” Ex. A, Condition III.3.

24. High priority lines must be inspected every six months. Ex. A, Condition V.4.

25. The Collection System Permit requires that all wastewater collected flow to and be treated at the wastewater treatment plant. Ex. A, Condition I.1.

The Treatment and Disposal System and the Treatment and Disposal System Permit

26. The Treatment and Disposal System’s wastewater treatment plant is located at 41105 Big Kinnakeet Drive in Avon, North Carolina, and is approximately 1,650 feet from the Pamlico Sound, and 2,000 feet from the Atlantic Ocean. A canal on the wastewater treatment plant’s northern edge runs directly into the Sound. An aerial map depicting the Treatment and Disposal System is below:



27. On October 1, 1988, DWR issued wastewater treatment system permit WQ0002284 to Defendant for operation of a 350,000 gallon per day reclaimed water generation system and non-conjunctive reclaimed water utilization system (“the Treatment and Disposal System Permit”). On August 17, 2018, DWR issued a renewal of this permit. A true and accurate copy of this renewed permit is attached hereto as Exhibit B and is incorporated herein by reference.

28. When functioning as permitted and designed, the Treatment and Disposal System works as follows:

- a. Wastewater from the Collection System enters the wastewater treatment plant through a main pump station and is pumped up to an equalization basin. The equalization basin ensures that wastewater enters the treatment system at a steady rate, regardless of the rate at which it flows into the plant from the Collection System.
- b. From the equalization basin, the now steady-rate wastewater is pumped through a bar screen to remove larger solids such as plastic and trash.
- c. After passing through the bar screen, wastewater flows by gravity to the anoxic zone, where bacteria break down and remove nitrogen from the wastewater.

- d. Following treatment in the anoxic zone, the wastewater flows to the aeration tank where “blowers” pump oxygen into the wastewater to aid bacteria in breaking down nitrogen compounds and organic waste.
- e. Next, wastewater moves to the clarifier where the water is slowed down to allow solids to separate from fluids. The clarifier has a sweep arm at the bottom and top of the tank. The bottom arm removes sinking solids from water, and the top arm removes any floating solids, such as grease. The removed solids, or sludge, must then be transported off site for disposal.
- f. Once solids are removed, water from the clarifier overflows the weirs into the tertiary filter where it percolates through sand that captures any remaining solids. A mechanical traveling bridge filter traverses the sand to “backwash” the tertiary filter and remove solids that have collected therein. The backwashed water is sent back to the front of the plant for further treatment.
- g. Water that percolated through the tertiary filter moves on to chemical disinfection. After chemical disinfection, the water is considered fully treated.
- h. When the treated wastewater meets the standards to be considered reclaimed water, it is discharged to an irrigation pond where it is held until it can be used for irrigation in the surrounding community.
- i. In the event treated wastewater does not meet reclaim standards, the wastewater is automatically routed to a 5-day upset pond where it is held until it can reenter the treatment process.

29. The Treatment and Disposal System Permit requires that the facilities be “effectively maintained and operated at all times so there is no discharge to surface waters, nor any contravention of groundwater or surface water standards.” Ex. B, Condition II.1. In addition, the Treatment and Disposal System must be “effectively maintained and operated as a reclaimed water system to prevent the discharge of any reclaimed water or partially treated effluent resulting from the operation of this facility.” Ex. B, Condition III.1. In order to meet these permit requirements, each process and mechanical feature of the treatment works listed above must be in working order.

30. Treated wastewater must meet the effluent standards for reclaimed water set forth at 15A NCAC 2U .0301 and incorporated into the Treatment and Disposal System Permit as Condition II.5. To ensure effluent standards are consistently met, as well as to monitor the treated wastewater’s effects on surface and groundwater, Defendant is required to test for certain

parameters at set frequencies and locations and report the results to DWR on a monthly basis. Ex. B, Conditions IV.3, IV.4, IV.9; Attachment A; 15A NCAC 2T .0108(c) (requiring monitoring of waste for its effect on surface water and groundwater). Effluent monitoring and reclaimed water data must be reported on a Non-Discharge Monitoring Report (“NDMR”). Ex. B, Condition IV.9.

31. When effluent does not meet reclaim standards for two parameters—fecal coliform (bacteria from fecal matter) or turbidity (cloudiness of a fluid caused by suspended particles)—wastewater must be routed away from the irrigation pond to the 5-day upset pond “until the problems associated with the wastewater treatment plant have been corrected.” Ex. B, Condition III.18.

32. Defendant must also monitor the system for appropriate reclaimed water use and provide DWR a monthly report via a Non-Discharge Application Report (“NDAR-1”). Ex. B, Conditions IV.5, .10.

33. Monitoring wells must be installed and groundwater periodically sampled to ensure effluent in the 5-day and irrigation ponds are not discharging to groundwater and affecting groundwater quality. Ex. B, Condition I.4.

34. In addition to the requirements above, the Treatment and Disposal System Permit renewal issued in 2018 included a number of conditions requiring Defendant to address structural and mechanical issues present at the wastewater treatment plant at the time of the permitting renewal, including:

- a. Provide a functioning flow meter for the reclaimed irrigation system and have the reclaimed water spray irrigation system operational no later than August 1, 2018” (Ex. B, Condition I.3);
- b. Replace the tertiary filter media by April 1, 2019 (Ex. B, Condition I.5);
- c. Repair the damaged roof (Ex. B, Condition I.6);
- d. Provide a functioning and calibrated turbidimeter, a device designed to measure turbidity (Ex. B, Condition III.9);

- e. Provide an automatic backup power supply, in this case, a generator (Ex. B, Condition III.11); and
- f. Submit a certification from a licensed Professional Engineer certifying a new chlorine disinfection system (Ex. B, Condition I.8).

35. Condition I.1 of the Treatment and Disposal System Permit also required Defendant to submit a permit modification addressing various property issues, including:

- a. Setback waivers for any residence within 100 feet of the 5-day upset pond;
- b. Easements for all parcels Defendant does not own indicating the use of the property;
- c. "A table listing each irrigation field, property owner(s), and easement book and page;" and
- d. A detailed site map.

Ex. B, Condition I.1. The modification was required to be submitted by November 15, 2019. *Id.*

Defendant's Chronic Failure to Comply with the Collection System Permit and Treatment and Disposal System Permit

36. On December 9, 2019, DWR staff members Sarah Toppen, Robert Tankard, Paul Mays, and Robert Bullock, conducted a routine inspection of the Collection System and the Treatment and Disposal System. A true and accurate copy of the December 9, 2019 inspection report is attached hereto as Exhibit C and is incorporated by reference herein.

37. The December 9, 2019 site inspection revealed that several necessary components of the Treatment and Disposal System were in disrepair:

- a. Two 3,000 CFM blowers necessary for treatment in the aeration basin were broken;
- b. The traveling bridge filter used to backwash the tertiary filter would not travel;
- c. One clarifier was non-operational, cutting in half the wastewater treatment plant's treatment capacity from 350,000 gallons per day ("GPD") to 175,000 GPD;
- d. The effluent flow meter was not recording flow; and
- e. The turbidimeter was faulty—it showed turbidity at 4 NTUs, but DWR sampling revealed the turbidity was actually 10 NTUs.

38. Although the chlorine disinfection system appeared to be operating at the December

2019 inspection, Defendant had not provided an engineering certification for the system as required as a part of the permit renewal.

39. In addition, effluent samples taken during the inspection showed that turbidity, total suspended solids, and fecal coliform levels were beyond permitted allowances. In particular, compliance sampling during the inspection showed that fecal levels in the recreational pond located adjacent to the irrigation pond and where inspectors had observed children playing were so high that Dare County Environmental Health was contacted.

40. The December 2019 inspection also revealed that no monitoring wells had been installed to ensure that the irrigation and 5-day upset ponds were not impacting groundwater. The reclaim system was in such disrepair that it was unclear whether upset valves designed to transfer non-reclaim wastewater to the 5-day pond were even functional. The irrigation system was also broken, limiting Defendant's ability to dispose of reclaimed water.

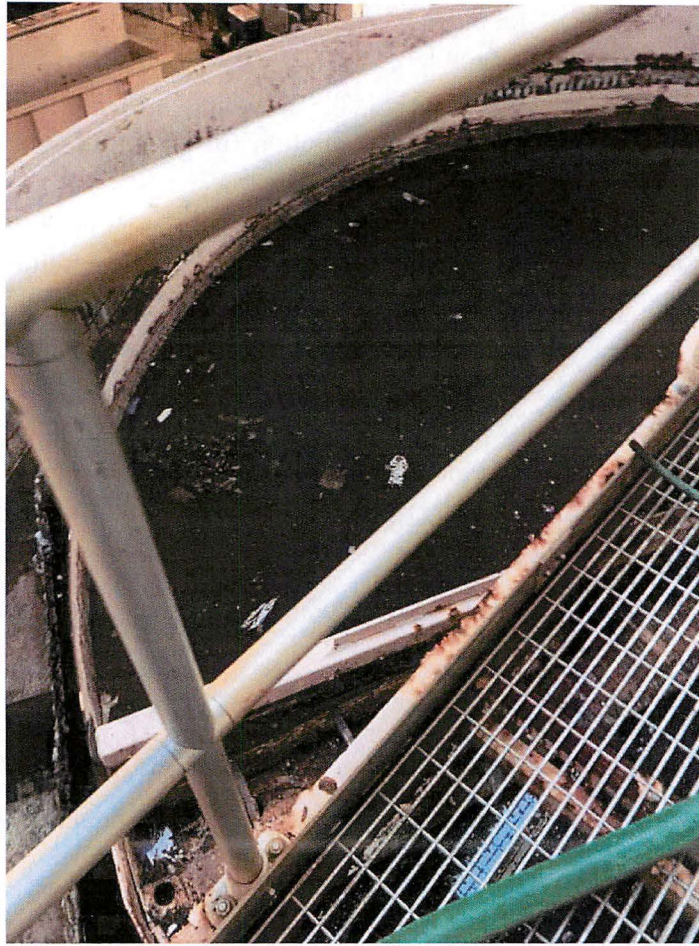
41. The Collection System was also found to be non-compliant with the Collection System Permit. DWR staff noted that both pumps in the main lift station were broken, and a rigged pump that could not accommodate high flows had been installed. In addition, duplex pumps had been replaced with single pumps, although DWR staff could not determine the number of pumps that needed to be replaced to bring the Collection System into compliance.

42. On January 29, 2020, DWR issued a Notice of Violation and Intent to Enforce ("NOV") to Defendant pertaining to the December 9, 2019 inspection. A true and accurate copy of the January 29, 2020 NOV is attached hereto as Exhibit D and is incorporated herein by reference. The January 29, 2020 NOV identified the following violations:

- a. Failure to submit numerous months of NDMRs and NDAR-1s in violation of Treatment and Disposal System Permit Conditions IV.9 and IV.10;
- b. A nonfunctioning flow meter in violation of Treatment and Disposal System Permit Condition IV.3;

- c. Failure to install monitoring wells in violation of Treatment and Disposal System Permit Condition I.4;
 - d. Failure to effectively maintain the traveling bridge filter, two 3,000 CFM blowers, and one clarifier, in violation of Treatment and Disposal System Permit Conditions II.1 and III.1;
 - e. Exceeding effluent limitations for reclaimed water in the irrigation pond in violation of Treatment and Disposal System Permit Condition II.5;
 - f. Failure to provide an engineering certification for the liquid chlorine disinfection system in violation of Treatment and Disposal System Permit Condition I.2;
 - g. Failure to have the reclaimed water spray irrigation system operational in violation of Treatment and Disposal System Permit Condition I.3;
 - h. Failure to maintain the turbidity meter in violation of Treatment and Disposal System Permit Condition III.9;
 - i. Failing to transfer water to the 5-day upset pond when wastewater does not meet reclaim standards in violation of Treatment and Disposal System Permit Condition III.18; and
 - j. Failing to repair or replace broken pumps in the pump stations as soon as possible in violation of Collection System Permit Condition I.8.
43. To date, Defendant has not provided a response to the January 29, 2020 NOV.

44. On December 18, 2020, Ms. Toppen and Mr. Tankard conducted another inspection. The Treatment and Disposal System was again found to be in disrepair. Both clarifiers, the traveling bridge filter, turbidimeter, and flow meter continued to be non-operational. The irrigation system had not been fixed, and it remained unclear whether transfer to the 5-day upset pond occurred when wastewater was not meeting reclaim standards. A photograph showing a true and accurate depiction of the broken clarifier collecting solids taken during the inspection is below:



Broken Clarifier Filled with Solids (Dec. 18, 2020)

In addition to the deficiencies that continued from the 2019 inspection, DWR noted that the backup generator was not working, and that Defendant had failed to meet deadlines set in the Treatment and Disposal System Permit to address property issues, provide a functioning flow meter and fix the reclaim irrigation system, install monitoring wells, replace tertiary filter media, and replace the damaged roof. A true and accurate copy of the December 18, 2020 Treatment and Disposal System inspection report is attached hereto as Exhibit E and is incorporated by reference herein.

45. The same day, Ms. Toppen and Mr. Tankard conducted an inspection of the Collection System. At least two pump stations were noncompliant with the permit, with no signs posting a phone number to call in case of problems, grease buildup, collected debris, and no

working visible light. One pump station had a bypass due to a line blockage, and a duplex pump station was running on a single pump and had no functioning alarm. Ms. Toppen and Mr. Tankard also noted that the inspection was limited as no map of the Collection System is available, and even the operator in responsible charge did not know the complete system layout. A true and accurate copy of the December 18, 2020 Collection System inspection report is attached hereto as Exhibit F and is incorporated by reference herein.

46. On February 15, 2021, DWR issued an NOV to Defendant pertaining to the December 18, 2020 Treatment and Disposal System inspection. A true and accurate copy of the February 15, 2021 NOV is attached hereto as Exhibit G and is incorporated herein by reference. The February 15, 2021 NOV identified the following violations of the Treatment and Disposal System Permit:

- a. Failure to have the reclaimed water spray irrigation system operational in violation of Condition I.3;
- b. Failure to provide a functioning flow meter for the irrigation system in violation of Conditions I.3 and IV.3;
- c. Failure to effectively maintain two clarifiers and the traveling bridge filter in violation of Conditions II.1 and III.1;
- d. Failure to maintain an operational backup generator in violation of Condition III.11;
- e. Failure to maintain the turbidimeter in violation of Conditions I.2 and III.9;
- f. Failing to submit a permit modification by November 17, 2018 addressing property issues in violation of Condition I.1;
- g. Failure to install monitoring wells in violation of Condition I.3;
- h. Failure to replace the tertiary filter media in violation of Condition I.4; and
- i. Failure to repair the damaged roof in violation of Condition I.6.

47. DWR assessed a civil penalty of \$8,656.38 against Defendant on July 23, 2021 for four violations of the Treatment and Disposal System Permit found during the February 15, 2021 inspection. Specifically, DWR assessed penalties for violations of Treatment and Disposal System Permit Condition I.3 (failure to have the reclaimed water spray irrigation system operational),

Conditions II.1 and III.1 (failure to effectively maintain two clarifiers and the traveling bridge filter), and Condition III.11 (failure to maintain an operational backup generator). A true and accurate copy of the July 23, 2021 Civil Penalty Assessment is attached hereto as Exhibit H and incorporated herein by reference.

48. Mr. Tankard conducted a follow-up inspection on August 17, 2021. A true and accurate copy of the August 17, 2021 inspection is attached hereto as Exhibit I and is incorporated herein by reference. No improvements appeared to have been made. Both clarifiers, the tertiary filter, anoxic mixing pumps, the flow meter, the irrigation system, and the backup generator all were non-operational. Chlorine was no longer being provided for disinfection. Floating sludge was visible in the clarifier, and the Treatment and Disposal System operator stated that sludge had not been hauled from the wastewater treatment plant in eight years. Monitoring wells still had not been installed, nor had Defendant addressed the unresolved property issues or repaired the damaged roof. Indeed, Mr. Tankard noted that “[t]he only thing that appears to be functioning as designed is the aeration basins.” Ex. I, p. 3.

49. On August 25, 2021, DWR issued an NOV to Defendant pertaining to the August 17, 2021 inspection. A true and accurate copy of the August 25, 2021 NOV is attached hereto as Exhibit J and is incorporated herein by reference. The August 25, 2021 NOV identified the following violations of the Treatment and Disposal System Permit:

- a. Failure to have the reclaimed water spray irrigation system operational in violation of Condition I.3;
- b. Failure to effectively maintain two clarifiers and the traveling bridge filter in violation of Conditions II.1 and III.1;
- c. Failure to provide a functioning flow meter for the irrigation system in violation of Condition I.3 and IV.3;
- d. Failure to maintain an operational backup generator in violation of Condition III.11;
- e. Failure to install monitoring wells in violation of Condition I.3;

- f. Failure to repair the damaged roof in violation of Condition I.6; and
- g. Failure to submit a permit modification by November 17, 2018 addressing property issues in violation of Condition I.1.

50. Also on August 25, 2021, DWR notified Defendant by letter that it was issuing a sewer moratorium—a prohibition on the installation of new sewer taps, sewer extensions, or additional flow—for the Treatment and Disposal System due to its “inability to adequately collect and treat waste tributary to its wastewater treatment plant.” A true and accurate copy of the August 25, 2021 sewer moratorium notification is attached hereto as Exhibit K and is incorporated herein by reference. Specifically, DWR noted that “major treatment units are no longer functional” including both clarifiers, the tertiary filter, the spray irrigation system, and the backup generator. Ex. K, p _____. The sewer moratorium went into effect on October 13, 2021 and remains in place until Defendant repairs the Treatment and Disposal System and meets all conditions of the Treatment and Disposal System Permit. Ex. K, p _____.

51. In a letter dated September 15, 2021, Defendant responded to the February 15, 2021 NOV and July 23, 2021 Civil Penalty Assessment. Defendant stated that funds were not available to repair the irrigation system, to install monitoring wells, to replace the tertiary filter media, or fix the clarifier. Defendant requested that the Treatment and Disposal System Permit be modified to relieve Defendant of the obligation to repair the irrigation system and asked that the condition to repair the roof be removed as the roof is not a treatment component. According to Defendant, the turbidity meter was cleared of a system error and resumed normal operation at the inspection. Defendant conceded that the generator was not operational and stated it was working on bringing in an outside contractor to diagnose and repair the machine. Defendant noted that the traveling bridge filter works if operated by hand and that unsuccessful attempts were made to fix the clarifier. Defendant did not address most of the property issues as required for the Permit modification, but stated that it would request drawings from an engineer. Defendant noted that it

applied for a rate increase with the North Carolina Utilities Commission to help cover the costs of ongoing maintenance. A true and accurate copy of the September 15, 2021 letter is attached hereto as Exhibit L and incorporated herein by reference.

52. As of April 13, 2022, a search of the North Carolina Utilities Commission dockets showed no requests for a rate increase from Defendant.

53. In a letter dated November 2, 2021, Defendant responded to the August 25, 2021 NOV and an NOV citing Defendant for effluent limitation violations and missing parameters dated October 14, 2021.¹ Defendant stated that money was set aside to repair the clarifiers, but parts were not available. Defendant provided no update on the broken generator or traveling bridge filter beyond that provided in the September 15, 2021 response. The broken flow meter was replaced with an exact model taken from “another system,” and Defendant pledged to have the monitoring wells installed within 90 days. Defendant again noted its objection to repairing the damaged roof as a condition of the Treatment and Disposal System Permit. Defendant contended that setback waivers required under Treatment and Disposal System Permit Condition I.1 should not be required as the original permit did not include a setback requirement. According to Defendant, nitrogen ammonia and BOD limits were exceeded due to summer temperatures, but “adjustments were made” and at least BOD levels were meeting effluent limitations by the end of July. As to the missing parameters, Defendant stated that testing occurred but was not reported, and submitted an amended NDMR with testing results. A true and accurate copy of the November 2, 2021 letter is attached hereto as Exhibit M and incorporated herein by reference.

54. On November 17, 2021, DWR assessed a civil penalty of \$14,994.67 against

¹ The October 14, 2021 NOV noted that Defendant exceed the daily maximum allowance for nitrogen ammonia on July 1 and 7, 2021, for BOD on July 7 and 13, 2021, and the monthly average for nitrogen ammonia for the month of July 2021. Testing results were missing for chloride, total dissolved solids, and dissolved oxygen at two locations. The October 14, 2021 NOV is also noted in paragraph 70 below.

Defendant for violations of the Treatment and Disposal System Permit found during the August 17, 2021 inspection. Specifically, DWR assessed penalties for violations of Treatment and Disposal System Permit Condition I.4 (failure to install monitoring wells), Condition I.1.d (failure to provide a site map), Condition I.3 (failure to have the reclaimed water spray irrigation system operational), Conditions II.1 and III.1 (failure to effectively maintain two clarifiers and the traveling bridge filter), and Condition III.1 (failure to maintain an operational backup generator). A true and accurate copy of the November 17, 2021 Civil Penalty Assessment is attached hereto as Exhibit N and incorporated herein by reference.

55. On November 16, 2021, Mr. Tankard and Mr. Bullock conducted another follow-up inspection. Defendant had repaired the flow meter, but no other improvements had been made and the facility appeared to have further deteriorated. The clarifiers and tertiary filter were not functioning and had filled with solids. The generator and irrigation system did not work, and the chlorine disinfection system was off. The monitoring wells still were not installed, property issues had not been addressed, and the roof was still damaged. A true and accurate copy of the November 16, 2021 inspection report is attached hereto as Exhibit O and is incorporated herein by reference.

56. On November 29, 2021, DWR issued an NOV to Defendant pertaining to the November 16, 2021 inspection along with two other NOVs for exceeding effluent limitations.² A true and accurate copy of the November 29, 2021 NOV is attached hereto as Exhibit P and is incorporated herein by reference. The November 29, 2021 NOV identified the following violations of the Treatment and Disposal System Permit:

- a. Failure to repair the damaged roof in violation of Condition I.6;
- b. Failure to effectively maintain two clarifiers in violation of Conditions II.1 and III.1;
- c. Failure to have the reclaimed water spray irrigation system operational in

² Details of those NOV's are provided in the table in paragraph 70 below.

violation of Condition I.3;

- d. Failure to maintain an operational backup generator in violation of Condition III.11;
- e. Failure to install monitoring wells in violation of Condition I.3;
- f. Failure to provide a site map in violation of Condition I.1.d; and
- g. Failure to replace the tertiary filter media in violation of Condition I.5.

57. DWR issued two other NOV's for exceeding effluent limitations on November 29, 2021 as well. In a letter dated December 12, 2021, Defendant responded to all three November 29, 2021 NOV's. Defendant stated that the effluent limitation violations were due to the broken clarifiers and the tertiary filter media needing to be replaced. According to Defendant, replacement parts for the clarifier were recently purchased despite being discontinued, but effluent limit violations would continue until all repairs were made. Defendant estimated the cost to fix both clarifiers and replace the tertiary filter media to be around \$44,000.00. Defendant stated that the monitoring wells would be installed after the clarifier and filter repairs were made. Defendant provided no solution for the nonfunctional irrigation system and blamed the generator's failure on "the corrosive environment" at the wastewater treatment plant. Defendant claimed to have "found a company that can provide a solution" to the generator as of the date of the letter. Defendant acknowledged that no solution was offered to the missing site map or to fix the roof. A true and accurate copy of the December 12, 2021 letter is attached hereto as Exhibit Q and incorporated herein by reference.

58. In a letter dated December 22, 2021, Defendant requested remission or mitigation of the November 17, 2021 Civil Penalty Assessment. Defendant stated that it did not have the funds to pay for the civil penalty assessments because operating expenses had exceeded income for years. Defendant noted that it had secured outside funding for repair costs, but that a reduction in the penalty amounts would allow Defendant to continue to make necessary repairs. Defendant

attached to the remission request a purchase order for parts to fix the clarifier. A true and accurate copy of the December 22, 2021 letter is attached hereto as Exhibit R and incorporated herein by reference.

59. On January 12, 2022,³ DWR assessed a civil penalty of \$15,994.67 against Defendant for violations of the Treatment and Disposal System Permit found during the November 16, 2021 inspection. Specifically, DWR assessed penalties for violations of Treatment and Disposal System Permit Conditions II.1 and III.1 (failure to effectively maintain two clarifiers), Condition I.3 (failure to have the reclaimed water spray irrigation system operational), Condition III.1 (failure to maintain an operational backup generator), Condition I.4 (failure to install monitoring wells), Condition I.1.d (failure to submit a site map), and Condition I.5 (failure to fix the tertiary filter). A true and accurate copy of the January 12, 2022 Civil Penalty Assessment is attached hereto as Exhibit S and incorporated herein by reference.

60. Defendant has not provided a response to the January 12, 2022 Civil Penalty Assessment to date.

61. On January 11, 2022, Mr. Tankard and Mr. Bullock returned to the wastewater treatment plant to see if any repairs had been made. No improvements were noted. Both clarifiers and the tertiary filter were out of service, and bypasses were engineered within the clarifier to send untreated wastewater directly to the irrigation pond. Multiple necessary pumps needed to be repaired, and no disinfection was occurring as there was no chlorine on site. The irrigation system remained non-operational, the generator was still broken, monitoring wells had not yet been installed, and Defendant had not provided a site map. In addition to the ongoing mechanical failures, water samples pulled from the wastewater treatment plant's effluent, the irrigation pond,

³ On the same date, DWR resent the July 23, November 17, and November 30, 2021 Civil Penalty Assessments to Defendant to ensure proper service.

and an adjacent pond outside of the plant's boundaries showed that biological oxygen demand ("BOD"), fecal coliform, turbidity, and total suspended solids were all well above permitted daily limits. A true and accurate copy of the January 11, 2022 inspection report is attached hereto as Exhibit T and incorporated herein by reference.

62. On January 24, 2022, DWR issued an NOV to Defendant pertaining to the January 11, 2022 inspection. A true and accurate copy of the January 24, 2022 NOV is attached hereto as Exhibit U and is incorporated herein by reference. The January 24, 2022 NOV identified the following violations of the Treatment and Disposal System Permit:

- a. Failure to effectively maintain the clarifiers, the traveling bridge filter, and the disinfection system in violation of Conditions II.1 and III.1;
- b. Failure to have the reclaimed water spray irrigation system operational in violation of Condition I.3;
- c. Failure to maintain an operational backup generator in violation of Condition III.11;
- d. Failure to provide a functioning flow meter in violation of Conditions I.3 and IV.3; and
- e. Failure to provide a functioning and calibrated turbidity meter in violation of Condition III.9.

63. Defendant has not provided a response to the January 24, 2022 NOV to date.

64. On March 2, 2022, DWR staff conducted another inspection. The Treatment and Disposal System remained in severe disrepair. No substantial improvements were noted. Both clarifiers and the tertiary filter remained out of service, and bypasses remained in place within the clarifier to send untreated wastewater directly to the irrigation pond. Multiple necessary pumps still needed to be repaired, and no disinfection was occurring as there was no chlorine on site. The irrigation system remained non-operational, the generator was still broken, monitoring wells still had not yet been installed, and Defendant had not provided a site map.

65. DWR staff also inspected the Collection System on March 2, 2022. No spare

pumps were on site, at least one pump was not working, and 45 duplex lift stations were running on a single pump despite requiring two pumps to operate correctly. A blockage in the sewer line was noted where a bypass had been engineered to allow wastewater to continue to flow to the wastewater treatment plant. No generators were present. The Capital Improvement Plan and Spill Response Plan needed to be updated. A detailed map of the Collection System was missing and no engineering certifications for construction had been provided for the multiple collection system construction permits issued to Defendant. Numerous administrative deficiencies were also noted, including Defendant not submitting a permit renewal application, not paying the yearly permit fee since 2015, and not listing an active backup operator. A true and accurate copy of the March 2, 2022 inspection report is attached hereto as Exhibit V and is incorporated herein by reference.

66. On March 21, 2022, DWR issued an NOV to Defendant pertaining to the March 2, 2022 Collection System inspection. A true and accurate copy of the March 21, 2022 NOV is attached hereto as Exhibit W and is incorporated herein by reference. The March 21, 2022 NOV identified the following violations of the Collection System Permit:

- a. Failure to provide a complete and detailed map of the collection system in violation of Condition III.3;
- b. Failure to provide an updated Capital Improvement Plan in violation of Condition I.6;
- c. Failure to provide an updated Spill Response Plan in violation of Condition II.9;
- d. Failure to pay an annual permit fee at any time since 2015 in violation of Condition VI.5;
- e. Failure to provide spare pumps in violation of Condition II.5;
- f. Failure to maintain working pumps in all stations in violation of Condition I.8;
- g. Failure to maintain the collection system to perform satisfactorily in violation of Condition I.2;
- h. Failure to provide engineering certifications for all construction permits issued as required by 15A NCAC 2T .0305(b); and
- i. Failure to provide a generator for all pump stations as required by 15A NCAC 2T .0305(h)(1).

67. In a letter dated April 14, 2022, Defendant responded to the March 21, 2022 NOV. Defendant stated that it was in the process of making permit fee payments, and “researching and compiling” engineer certified construction permits. Defendant acknowledged that spare pumps were not on site, but stated that the operator maintains spare pumps and charges Defendant when used. Defendant stated that it lacked funds to install 45 pumps for the duplex pump stations, and acknowledged that a line blockage still was not cleared. Attached to the letter, Defendant provided a Capital Improvement Plan and a Spill Response Plan. Defendant also provided a map, but it was pieced together and incomplete. A true and accurate copy of the April 14, 2022 letter is attached hereto as Exhibit X and is incorporated herein by reference. As of the date of this filing, Defendant has failed to provide the Permit modification as required under Treatment and Disposal System Permit Condition I.1, nor has Defendant provided any verification of improvements to the mechanical and structural items required in the Treatment and Disposal System Permit.

Defendant’s Failure to Properly Monitor and Report Parameters Demonstrating the Performance of the System

68. In addition to the Treatment and Disposal System’s disrepair noted in the above inspections, beginning in late 2018, Defendant began to regularly miss monthly deadlines to provide required NDMR and NDAR-1 forms to DWR. For example, between October 2018 and January 2020, over 10 monthly reports were not submitted or submitted late. When Defendant has submitted the required NDMR and NDAR-1 forms, numerous required parameters were not tested at all or were not tested at the required frequencies. When testing occurred and Defendant submitted the results, effluent limitations for fecal coliform, nitrogen ammonia, and BOD were exceeded on multiple occasions. Violations of the monitoring and reporting requirements since October 2018 include:

- a. Failure to submit NDMRs (violation of Treatment and Disposal System Permit

Condition IV.9);

- b. Failure to submit NDAR-1s (violation of Treatment and Disposal System Permit Condition IV.10);
- c. Failure to test for required parameters (violation of Treatment and Disposal System Permit Condition IV.4);
- d. Failure to test parameters at required frequencies (violation of Treatment and Disposal System Permit Condition IV.4); and
- e. Exceeding effluent limitations (violation of Treatment and Disposal System Permit Condition II.5).

Below is a table summarizing the monitoring and reporting violations since August 2018. Other than as noted in subsequent paragraphs, Defendant did not provide responses to any of the NOV's noted below.

DATE OF VIOLATION	VIOLATION TYPE	NOV DATE
<ul style="list-style-type: none"> August 2018 August 31, 2018 	<ul style="list-style-type: none"> Testing frequency violations Parameters missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> October 31, 2018 	<ul style="list-style-type: none"> Parameters missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> November 30, 2018 November 30, 2018 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> November 30, 2018 March 1, 2019 	<ul style="list-style-type: none"> Parameters missing Field sites missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> February 28, 2019 	<ul style="list-style-type: none"> Parameters missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> March 2, 2109 March 2, 2109 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> March 31, 2019 March 31, 2019 	<ul style="list-style-type: none"> Effluent limit exceeded (Nitrogen Ammonia) Parameters missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> April 2, 2019 April 2, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> July 23, 2019
<ul style="list-style-type: none"> July 31, 2019 July 31, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> October 23, 2019
<ul style="list-style-type: none"> August 30, 2019 August 30, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> October 23, 2019
<ul style="list-style-type: none"> September 30, 2019 September 30, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> October 23, 2019
<ul style="list-style-type: none"> November 30, 2019 November 30, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> February 6, 2020
<ul style="list-style-type: none"> December 31, 2019 December 31, 2019 	<ul style="list-style-type: none"> NDMR late/missing NDAR-1 late/missing 	<ul style="list-style-type: none"> February 6, 2020

• December 16, 2019	• Effluent limit exceeded (fecal coliform)	• May 8, 2020
• January 30, 2020	• NDMR late/missing	• May 8, 2020
• January 30, 2020	• NDAR-1 late/missing	
• April 1, 2020	• NDMR late/missing	• May 8, 2020
• April 1, 2020	• NDAR-1 late/missing	
• January 2020	• Testing frequency violation	• July 26, 2021
• March 31, 2020	• Parameter missing	• July 26, 2021
• June 2020	• Testing frequency violation	• July 26, 2021
• November 30, 2020	• Parameters missing	• July 26, 2021
• December 2020	• Effluent limits exceeded (BOD)	• July 26, 2021
• March 31, 2021	• Parameter missing	• July 26, 2021
• May 2021	• Testing frequency violation	• July 26, 2021
• July 2021	• Effluent limits exceeded (nitrogen ammonia, BOD)	• October 14, 2021
• July 31, 2021	• Parameters missing	
• August 2021	• Effluent limits exceeded (BOD)	• November 29, 2021
• September 2021	• Effluent limits exceeded (nitrogen ammonia, BOD)	• November 29, 2021
• September 30, 2021	• Parameters missing	

69. DWR assessed a civil penalty of \$1,950.00 against Defendant on November 30, 2021 for violations of effluent limitations and monitoring requirements during July 2021 and noted in the October 14, 2021 NOV. Specifically, DWR assessed penalties for violations of Treatment and Disposal System Permit Condition II.5 for exceeding the daily maximum for BOD on July 7 and 13, 2021, for exceeding the daily maximum for nitrogen ammonia on July 1 and 7, 2021, and exceeding the monthly limit for nitrogen ammonia for July, 2021. Penalties were also assessed for violations of Treatment and Disposal System Permit Condition IV.4 for missing parameters for chloride, total dissolved solids, and dissolved oxygen. A true and accurate copy of the November 30, 2021 Civil Penalty Assessment is attached hereto as Exhibit Y and incorporated herein by

reference.

70. On December 22, 2021, Defendant requested remission or mitigation of the November 30, 2021 Civil Penalty Assessment. Defendant stated that it did not have the funds to pay for the civil penalty assessments because operating expenses had exceeded income for years. Defendant noted that it had secured outside funding for repair costs, but that a reduction in the penalty amounts would allow Defendant to continue make necessary repairs. Defendant attached a purchase order for parts to fix the clarifier to the remission request.

CLAIM FOR RELIEF

71. The allegations contained in Paragraphs 1 through 72 are incorporated into this claim for relief as if fully set forth herein.

72. As of the date of this Complaint, Defendant has failed to correct violations in the Treatment and Disposal System and in the Collection System, including but not limited to failing to properly maintain and operate the wastewater treatment plant, failing to properly maintain and operate the reclaimed water generation and utilization facilities, failing to properly monitor and report results of treated wastewater effluent, exceeding effluent limitations, failing to provide a permit modification addressing outstanding property issues, and failing to maintain the Collection System in accordance with its permit.

73. Defendant's failure to correct these violations constitute continuing violations of the Treatment and Disposal System Permit and the Collection System Permit.

74. The current state of the Treatment and Disposal System and the Collection System presents a current and ongoing threat that wastewater discharged into the Collection System will not be adequately treated and disposed of in violation of N.C. Gen. Stat. § 143-215.1(a)(2). The continuing threat adversely affects the public interest as described in N.C. Gen. Stat. § 143-211.

75. The State is entitled to preliminary and permanent injunctive relief against Defendant to abate the ongoing violations and prevent the threatened violations set forth in this Complaint pursuant to N.C. Gen. Stat. § 143-215.6C.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff, State of North Carolina, prays that the Court grant the following relief:

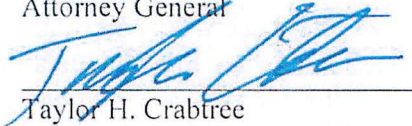
1. That this verified Complaint be used as an affidavit upon which to base all orders of the Court.
2. That the Court preliminarily and permanently enter a prohibitory and/or mandatory injunction providing that:
 - a. Defendant shall take all necessary steps to comply with the terms and conditions of the Treatment and Disposal System Permit and the Collection System Permit, as well as State water quality laws;
 - b. As to the Treatment and Disposal System:
 - i. Repair or replace all broken, malfunctioning, or otherwise nonoperational mechanical elements of the treatment system, including, but not limited to:
 1. Clarifiers,
 2. Waste/return pumps,
 3. The tertiary filter,
 4. Aeration tank blowers,
 5. The backup generator, and
 6. All remaining pumps and mixers;
 - ii. Repair the disinfection system;
 - iii. Remove solids from the clarifiers and sludge holding and dispose of properly;
 - iv. Install all monitoring wells required by the Treatment and Disposal System Permit and begin sampling of wells as required immediately upon installation;
 - v. Install telemetry/SCADA alarm systems;
 - vi. Repair or replace the irrigation pumps and irrigation system;
 - vii. Repair or replace the turbidimeter and the flow meter to comply with Treatment and Disposal System Permit conditions;
 - viii. Provide an outside contractor to calibrate the repaired or replaced turbidimeter and flow meter;
 - ix. Replace the composite sampler;
 - x. Notify the Washington Regional Office 72 hours in advance of any sampling; and
 - xi. Provide DEQ inspectors access to the treatment and disposal facility within two hours of requested access.

- c. As to the Collection System:
 - i. Provide and install all pumps necessary to meet Collection System Permit requirements;
 - ii. Purchase and have immediately available five additional spare pumps;
 - iii. Replace a blocked force main on Latitude Lane;
 - iv. Provide an accurate, up-to-date, and comprehensive map of the Collection System, including at a minimum all of the following:
 - 1. Pipe size,
 - 2. Pipe material,
 - 3. Pipe location,
 - 4. Flow direction,
 - 5. Approximate age of pipe,
 - 6. Number of active service taps, and
 - 7. Identification, location, and capacity of each pump station; and
 - v. Provide final engineer's certifications for each of the following construction permits:
 - 1. WQ0000215
 - 2. WQ0002295
 - 3. WQ0002296
 - 4. WQ0035200
 - 5. WQ0035842
 - 6. WQ0021012
 - 7. WQ0017527
- 3. That the costs of this action, including attorneys' fees, if allowable, be taxed against Defendant.
- 4. That this Court grant such other and further relief as the Court shall deem to be just and proper.

This the 26th day of April, 2022.

JOSHUA H. STEIN
Attorney General

By:



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Assistant Attorney General
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(919)716-6600 (phone)
Attorney for Plaintiff

OFFICIAL COPY

Aug 15 2022

STATE OF NORTH CAROLINA
COUNTY OF DARE

VERIFICATION

David May, affirms and says he is the Regional Supervisor for the Washington Regional Office Water Quality Operations Section, of the North Carolina Department of Environmental Quality, that he has read the foregoing COMPLAINT AND MOTION FOR INJUNCTIVE RELIEF and that he is acquainted with the facts and circumstances stated therein; that the same are true of his own knowledge except as to those matters and things stated and alleged upon information and belief, and as to those matters and things he believes them to be true.

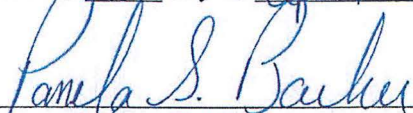
This the 26 day of April, 2022.



DAVID MAY

Subscribed and sworn to me

this the 26 day of April 2022.



Notary Public

My Commission expires: July 29, 2025

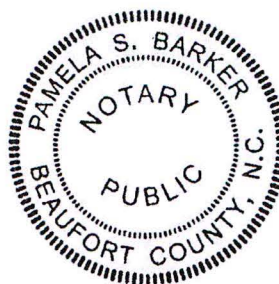


Exhibit A



North Carolina Department of Environment and Natural Resources
Division of Water Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

June 19, 2014

Mr. Ray Hollowell, Jr.
Outer Banks/Kinnakeet Associates, LLC
PO Box 786
Avon, NC 27915

Subject: Permit No. WQCS00295
Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Dare County

Dear Mr. Hollowell:

In accordance with your application received June 9, 2014, we are forwarding herewith Permit No. WQCS00295, dated June 19, 2014, to the Outer Banks/Kinnakeet Associates, LLC for the operation and maintenance of the subject wastewater collection system.

This permit shall be effective from July 1, 2014 until June 30, 2022 and shall be subject to the conditions and limitations specified herein. It is your responsibility to thoroughly review this permit. Please pay particular attention to the monitoring and reporting requirements in this permit and any compliance schedules shown in **bold**.

For purposes of permitting, the collection system is considered to be any existing or newly installed system extension up to the wastewater treatment facility property or point of connection with a separately owned sewer system. The collection system is considered all gravity lines, pump stations, force mains, low pressure sewer systems, STEP systems, vacuum systems, etc. and associated piping, valves and appurtenances that help to collect, manage and transport wastewater to a wastewater treatment plant under the Permittee's ownership or maintained and operated by the Permittee through a perpetual legal agreement. Satellite systems are systems tributary to the Permittee's collection system but those collection systems are not owned or maintained by the Permittee. The system description provided on Page 1 of this permit is meant to provide a general idea about the size of the system and may not be all inclusive of the collection system at the time of permit issuance or afterward.

A release of wastewater from the wastewater collection system is referred to herein as a Sanitary Sewer Overflow (SSO). The evaluation of enforcement options after an SSO will be determined considering the criteria listed in condition I(3)(a) and I(3)(b) of the permit and all other relevant information available or requested of the Permittee. Compliance with all conditions of the

June 19, 2014
Page 2 of 3

permit as well as all statutes and regulations pertaining to the collection system must be maintained or appropriate enforcement actions may be taken as noted in Condition VI(2).

A reportable SSO is an SSO greater than 1,000 gallons to the ground or an SSO of any amount that reaches surface water (including through ditches, storm drains, etc.) Below is the procedure to use for reporting SSOs to the Division:

1. Report by telephone to a Division of Water Resources (DWR) staff member (not email, facsimile, or voicemail) at your regional DWR office during regular business hours (Monday to Friday, 8AM to 5PM) as soon as possible, but in no case more than 24 hours after the SSO is known or discovered. To report outside of regular business hours, call (800) 858-0368.
2. Follow up the verbal report by sending a completed written report on the most current Division approved form within five days.

To provide a uniform method for all systems covered under this permit and to provide useful and consistent information pertaining to SSOs, please utilize form CS-SSO consisting of two parts. Part I serves to provide to the Division the required information that has always been necessary. Part II serves as an area to provide a justification for the spill, as optional under Condition I(3) of your permit. Form CS-SSO can be downloaded from the SSO Reporting area at <http://portal.ncdenr.org/web/wq/swp/ps/cs/ssoreport>.

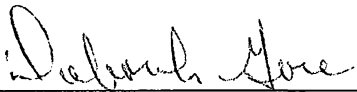
An NOV, civil penalty, and/or a moratorium on the addition of waste to the system may be issued if adequate justification for an SSO is NOT submitted to the regional office. In order to submit a claim for justification of an SSO, you must use Form CS-SSO with additional documentation as necessary. DWR staff will review the justification claim and determine if enforcement action is appropriate. Please be advised that the information needed to justify a spill is very comprehensive. Begin using this form immediately to report SSOs from the collection system. Continue to use our old form for reporting bypasses at the wastewater treatment plant until further notice. The time frame for submittal of both Part I and Part II, if pertinent, is five days.

Failure to abide by the conditions in this permit may subject the Permittee to enforcement action. If any parts, requirements, or limitations contained in this permit are unacceptable, you have the right to request an adjudicatory hearing upon written request within thirty days following the receipt of this permit. This request must be in the form of a written petition, conforming to Chapter 150B of the North Carolina General Statutes, and filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, NC 27699-6714. Unless such demands are made, this permit shall be final and binding.

If you have questions regarding compliance contact your regional office or the Pretreatment, Emergency Response and Collection Systems Unit of the North Carolina Division of Water Resources at (919) 807-6300. If you need additional information concerning this permit, please contact Steve Lewis at (919) 807-6308.

June 19, 2014
Page 3 of 3

Sincerely,



for Thomas A. Reeder, Director
Division of Water Resources

by Deborah Gore, Supervisor
Pretreatment, Emergency Response, Collection System Unit

enclosure: Permit No. WQCS00295

cc: Dare County Health Department
Mark Bissell, P.E.
PO Box 1068
Kitty Hawk, NC 27949
Washington Regional Office, Surface Water Protection Section
Water Resources Central Files -- WQCS00295
Steve Reid, NPDES -- Compliance & Expedited Permitting Unit (electronic)
PERCS Files (electronic)

OFFICIAL COPY

Aug 15 2022

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
RALEIGH
SYSTEM-WIDE WASTEWATER COLLECTION SYSTEM PERMIT

In accordance with the provisions of Article 21 of Chapter 143, General Statutes of North Carolina as amended, and other applicable Laws, Rules, and Regulations

PERMISSION IS HEREBY GRANTED TO THE
Outer Banks/Kinnakeet Associates, LLC
Dare County

FOR THE

operation and maintenance of a wastewater collection system consisting of, at the time of permit issuance, approximately 2.4 miles of gravity sewer, approximately 1.4 miles of pressure sewer, approximately 1.8 miles of force main, 13 simplex pump stations that discharge to a pressure sewer and serve a single building and 32 duplex pump stations, and all associated piping, valves, and appurtenances required to make a complete and operational wastewater collection system to serve the Outer Banks/Kinnakeet Associates, LLC and any deemed permitted satellite communities, pursuant to the application received June 9, 2014, and in conformity with the documents referenced therein and other supporting data subsequently filed and approved by the Department of Environment and Natural Resources and considered a part of this permit.

This permit shall be effective from July 1, 2014 until June 30, 2022, and shall be subject to the following specified conditions and limitations:

I. PERFORMANCE STANDARDS

1. The sewage and wastewater collected by this system shall be treated in the Outer Banks/Kinnakeet Associates, LLC Wastewater Treatment Facility (WQ0002284) prior to being disposed into the spray irrigation system.
2. The wastewater collection system shall be effectively managed, maintained and operated at all times so that there is no SSO to land or surface waters, nor any contamination of groundwater. In the event that the wastewater collection system fails to perform satisfactorily, including the creation of nuisance conditions, the Permittee shall take immediate corrective actions, including actions that may be required by the Division of Water Resources (Division), such as the construction of additional or replacement sewer lines and/or equipment.

3. The Director may take enforcement action against the Permittee for SSOs that must be reported to the Division as stipulated in Condition IV(2). This includes SSOs that were caused by severe natural conditions or exceptional events **unless** the Permittee demonstrates through properly signed, contemporaneous operating logs, or other relevant evidence that:
 - a. The SSO was caused by severe natural conditions; there were no feasible alternatives to the SSO, such as the use of auxiliary treatment facilities, retention of untreated wastewater, reduction of inflow and infiltration, use of adequate back-up equipment, or an increase in the capacity of the system. This provision is not satisfied if, in the exercise of reasonable engineering judgment, the Permittee should have installed auxiliary or additional collection system components, wastewater retention or treatment facilities, adequate back-up equipment or should have reduced inflow and infiltration; or
 - b. The SSO was exceptional, unintentional, temporary and caused by factors beyond the reasonable control of the Permittee; the SSO could not have been prevented by the exercise of reasonable control, such as proper management, operation and maintenance; adequate treatment facilities or collection system facilities or components (e.g., adequately enlarging treatment or collection facilities to accommodate growth or adequately controlling and preventing infiltration and inflow); preventive maintenance; or installation of adequate back-up equipment;

The Permittee can submit a claim to the Division Regional Office that the SSO meets the criteria of this condition. The Permittee has the option of submitting this claim along with the spill report required by Condition IV(2) (i.e., within five days) in order to be considered for immunity from enforcement action. Form CS-SSO Part II, or most current Division approved form, shall be used for any claims. The Permittee has the burden of proof that the above criteria have been met.

4. The Permittee shall establish by ordinance its legal authority to require new sewers be properly constructed; to ensure proper inspection and testing of sewer mains and service laterals; to address flows from satellite systems and to take enforcement action as required by Condition I(5).
5. The Permittee shall develop and implement an educational fats, oils and grease program that shall include at least bi-annual distribution of educational material targeted at both residential and non-residential users. The Permittee shall also develop and implement an enforceable fats, oils and grease program for non-residential users under which the Permittee can take enforcement against users who have not properly installed, operated and maintained grease traps or grease interceptors as directed or otherwise violated the terms of the local ordinance pertaining to fats, oils and grease.
6. The Permittee shall adopt and implement a Capital Improvement Plan (CIP) to designate funding for reinvestment into the wastewater collection system infrastructure. The CIP should address the short-term needs and long-term "master plan" concepts. The CIP should typically cover a three to five year period and include a goal statement, description of the project area, description of the existing facilities, known deficiencies (over a reasonable period) and forecasted future needs. Cost analysis is integral to the CIP.

7. Existing overflow piping from manholes and pump stations, excluding piping to approved equalization structures, known or discovered after permit issuance shall be immediately removed or permanently capped. Plugged emergency pumping connections are allowable for portable pumping or rerouting without intentionally bypassing the wastewater treatment facility.
8. The Permittee shall maintain a contingency plan for pump failure at each pump station. If one of the pumps in a pump station containing multiple pumps fails, the process of repairing or replacing the pump shall be initiated immediately and the new parts or pump shall be installed as soon as possible. If the pump in a simplex pump station fails, it shall be replaced immediately.
9. Each pump station shall be clearly and conspicuously posted with a pump station identifier and an emergency contact telephone number at which an individual who can initiate or perform emergency service for the wastewater collection system 24 hours per day, seven days per week can be contacted. This emergency contact telephone number shall be coupled with instructions that the emergency contact should be called if the visual alarm illuminates, if the audible alarm sounds, or if an emergency is apparent.
10. Pump station sites, equipment and components shall have restricted access, per 15A NCAC 02T .305(h)(4).
11. Pump stations that do not employ an automatic polling feature (i.e. routine contact with pump stations from a central location to check operational status of the communication system) shall have both audible and visual high water alarms. The alarms shall be weather-proof and placed in a clear and conspicuous location. Permits issued for the construction of pump stations that included high water alarms in the description must maintain the alarms even if simple telemetry (i.e. notification of an alarm condition initiated by the pump station control feature) is installed.
12. For all newly constructed, modified and rehabilitated pump stations, all equipment and components located within the pump station shall be corrosion-resistant and components in close proximity of the pump station shall be sealed within a corrosion-resistant coating or encasement.
13. All construction and rehabilitation of the wastewater collection system (i.e., permitted or deemed permitted) shall be scheduled to minimize the interruption of service by the existing utilities. Construction and rehabilitation shall not result in the violation of Condition (I)(2) of this permit.

II. OPERATION AND MAINTENANCE REQUIREMENTS

1. Upon classification of the collection system by the Water Pollution Control System Operators Certification Commission (WPCSOCC), the Permittee shall designate and employ a certified operator to be in responsible charge (ORC) and one or more certified operator(s) to be back-up ORC(s) of the facilities in accordance with 15A NCAC 8G .0201. The ORC shall visit the system within 24 hours of knowledge of a bypass, spill, or overflow of wastewater from the system, unless visited by the Back-Up ORC, and shall comply with all other conditions of 15A NCAC 8G .0204.

2. The Permittee shall develop and adhere to a schedule for reviewing all inspection, maintenance, operational and complaint logs. If the review process results in the identification of any recurring problem in the wastewater collection system that cannot be resolved in a short time period, the Permittee shall establish a plan for addressing the problem(s).
3. The Permittee shall develop and adhere to a schedule for testing emergency and standby equipment.
4. The Permittee shall develop and implement a routine pump station inspection and maintenance program, which shall include, but not be limited to, the following maintenance activities:
 - a. Cleaning and removing debris from the pump station structure, outside perimeter, and wet well;
 - b. Inspecting and exercising all valves;
 - c. Inspecting and lubricating pumps and other mechanical equipment according to the manufacturer's recommendations; and
 - d. Verifying the proper operation of the alarms, telemetry system and auxiliary equipment.
5. For each pump station without pump reliability (i.e. simplex pump stations serving more than a single building or pump stations not capable of pumping at a rate of 2.5 times the average daily flow rate with the largest pump out of service), at least one fully operational spare pump capable of pumping peak flow shall be maintained on hand.
6. The Permittee shall maintain on hand at least two percent of the number of pumps installed, but no less than two pumps, that discharge to a pressure sewer and serve a single building, unless the Permittee has the ability to purchase and install a replacement pump within 24 hours of first knowledge of the simplex pump failure or within the storage capacity provided in any sewer line extension permit.
7. Rights-of-way and/or easements shall be properly maintained to allow accessibility to the wastewater collection system unless the Permittee can demonstrate the ability to gain temporary access in an emergency situation where existing land-use conditions do not allow the establishment and maintenance of permanent access. In this case, the Permittee shall continue to observe the lines visually, utilize remote inspection methods (e.g. CCTV) and use the opportunity of drier conditions to perform further inspections and necessary maintenance.
8. The Permittee shall assess cleaning needs, and develop and implement a program for appropriately cleaning, whether by hydraulic or mechanical methods, all sewer lines. At least 10 percent of the wastewater collection system, selected at the discretion of the ORC, shall be cleaned each year. Preventative cleaning is not required for sewer lines less than five years old unless inspection otherwise reveals the need for cleaning or cleaning is required by a sewer line extension permit.
9. Adequate measures shall be taken to contain and properly dispose of materials associated with SSOs. The Permittee shall maintain a Response Action Plan that addresses the following minimum items:
 - a. Contact phone numbers for 24-hour response, including weekends and holidays;

- b. Response time;
 - c. Equipment list and spare parts inventory;
 - d. Access to cleaning equipment;
 - e. Access to construction crews, contractors and/or engineers;
 - f. Source(s) of emergency funds;
 - g. Site sanitation and clean up materials; and
 - h. Post-SSO assessment.
10. The Permittee, or their authorized representative, shall conduct an on-site evaluation for all SSOs as soon as possible, but no more than two hours after first knowledge of the SSO.
11. In the event of an SSO or blockage within the wastewater collection system, the Permittee shall restore the system operation, remove visible solids and paper, sanitize any ground area and restore the surroundings.

III. RECORDS

1. Records shall be maintained to document compliance with Conditions I(5), II(2) - II(4), II(7) - II(8), IV(3) and V(1) -V(4). Records shall be kept on file for a minimum of three years.
2. The Permittee shall maintain adequate records pertaining to SSOs, and complaints for a minimum of three years. These records shall include, but are not limited to, the following information:
 - a. Date of SSO or complaint;
 - b. Volume of wastewater released as a result of the SSO and/or nature of complaint;
 - c. Location of the SSO and/or complaint;
 - d. Estimated duration of the SSO;
 - e. Individual from the Division who was informed about the SSO and/or complaint, when applicable;
 - f. Final destination of the SSO;
 - g. Corrective actions;
 - h. Known environmental/human health impacts resulting from the SSO; and
 - i. How the SSO was discovered.
3. The Permittee shall maintain an up-to-date, accurate, comprehensive map of its wastewater collection system that also notes the locations where other wastewater collection systems become tributary. If a comprehensive map of the collection system has not been established, a rough sketch shall be drawn. The Permittee shall map approximately 10 percent of its existing collection system each year for the next ten years beginning at the original permit issuance date, or until complete, whichever is sooner. The comprehensive map shall include, but is not limited to: pipe size, pipe material, pipe location, flow direction, approximate pipe age, number of active service taps, and each pump station identification, location and capacity.
4. The Permittee shall maintain records of all of the modifications and extensions to the collection system permitted herein. The Permittee shall maintain a copy of the construction record drawings and specifications for modifications/extensions to the wastewater collection system for the life of the modification/extension. Information

concerning the extension shall be incorporated into the map of the wastewater collection system within one year of the completion of construction. The system description contained within this permit shall be updated to include this modification/extension information upon permit renewal.

IV. MONITORING AND REPORTING REQUIREMENTS

1. Any monitoring (including, but not necessarily limited to, wastewater flow, groundwater, surface water, soil or plant tissue analyses) deemed necessary by the Division to ensure surface water and groundwater protection will be established, and an acceptable sampling and reporting schedule shall be followed.
2. The Permittee shall verbally report to a Division of Water Resources staff member at the Washington Regional Office, at telephone number (252) 946-6481 as soon as possible, but in no case more than 24 hours following the occurrence or first knowledge of the occurrence of either of the following:
 - a. Any SSO and/or spill over 1,000 gallons; or
 - b. Any SSO and/or spill, regardless of volume, that reaches surface water.

Voice mail messages or faxed information shall not be considered as the initial verbal report. SSOs (and other types of spills) occurring outside normal business hours may also be reported to the Division of Emergency Management at telephone number (800) 858-0368 or (919) 733-3300. Persons reporting any of the above occurrences shall file a spill report by completing Part I of Form CS-SSO (or the most current Division approved form), within five days following first knowledge of the occurrence. This report shall outline the actions taken or proposed to ensure that the problem does not recur. Per Condition I(3), Part II of Form CS-SSO (or the most current Division approved form) can also be completed to show that the SSO was beyond control.

3. The Permittee shall meet the annual reporting and notification requirements provided in North Carolina General Statute §143-215.1C.

V. INSPECTIONS

1. The Permittee or the Permittee's designee shall inspect the wastewater collection system regularly to reduce the risk of malfunctions and deterioration, operator errors, and other issues that may cause or lead to the release of wastes to the environment, threaten human health or create nuisance conditions. The Permittee shall keep an inspection log or summary including, at a minimum, the date and time of inspection, observations made, and any maintenance, repairs, or corrective actions taken by the Permittee.
2. Pump stations without Supervisory Control and Data Acquisition (SCADA) systems or telemetry shall be inspected everyday (i.e. 365 days per year). Pump stations equipped with SCADA systems or telemetry shall be inspected at least once per week.
3. A general observation of the entire collection system shall be performed throughout the course of every year.

4. Inspections of all high priority lines (i.e. aerial line, sub-waterway crossing, line contacting surface waters, siphon, line positioned parallel to stream banks that are subject to eroding in such a manner that may threaten the sewer line, or line designated as high-priority in a permit) shall be performed at least once per every six-month period of time. A list of high-priority lines is presented as Attachment A and is hereby incorporated into this permit condition. New high priority lines installed or identified after permit issuance are incorporated by reference and subject to this permit condition until permit renewal where they shall be referenced in writing in **Attachment A**.

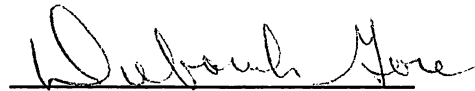
VI. GENERAL CONDITIONS

1. This permit is not transferable. In the event that the Permittee desires to transfer ownership of the wastewater collection system or there is a name change of the Permittee, a formal permit modification request shall be submitted to the Division. The request shall be accompanied by documentation from the parties involved, and other supporting materials as may be appropriate. Such request will be considered on its merits and may or may not be approved.
2. Failure to abide by the conditions and limitations contained in this permit may subject the Permittee to an enforcement action by the Division in accordance with North Carolina General Statute §143-215.6A through §143-215.6C, and a sewer moratorium may be established.
3. The issuance of this permit does not exempt the Permittee from complying with any and all statutes, rules, regulations, or ordinances that may be imposed by other government agencies (i.e., local, state, and federal) having jurisdiction, including but not limited to applicable river buffer rules in 15A NCAC 2B .0200, soil erosion and sedimentation control requirements in 15A NCAC Chapter 4 and under the Division's General Permit NCG010000, and any requirements pertaining to wetlands under 15A NCAC 2B .0200 and 15A NCAC 02T .0100 and all applicable North Carolina Occupational Safety and Health Act health and safety standards.
4. The issuance of this permit does not prohibit the Division from reopening and modifying the permit, revoking and reissuing the permit or terminating the permit as allowed by the laws, rules, and regulations contained in 15A NCAC 02T .0100 and North Carolina General Statute §143-215.1 et. al., or as needed to address changes in federal regulations with respect to the wastewater collection system.
5. The Permittee shall pay the annual fee within thirty (30) days after being billed by the Division. Failure to pay the fee accordingly may cause the Division to initiate action to revoke this permit as specified by 15A NCAC 02T .0110(4).
6. The Permittee shall request renewal of this permit at least six months prior to the expiration of this permit. Upon receipt of the request, the Commission will review the adequacy of the wastewater collection system described therein, and if warranted, will extend the permit for a period of time and under such conditions and limitations, as the Commission may deem appropriate.
7. The Permittee shall notify the Division's Pretreatment, Emergency Response and Collection Systems Unit in writing at 1617 Mail Service Center, Raleigh, North Carolina 27699-1617 of any changes to the name and/or address of the responsible party (i.e. mayor, city/town manager) of the wastewater collection system.

8. Any duly authorized officer, employee, or representative of the Division may, upon presentation of credentials, enter and inspect any property, premises or place on or related to the collection system at any reasonable time for the purpose of determining compliance with this permit, may inspect or copy any records that must be maintained under the terms and conditions of this permit, and may obtain samples of wastewater, groundwater, surface water, soil, or plant tissue.

Permit issued this the 19th of June, 2014

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION



for Thomas A. Reeder
Division of Water Resources
By Authority of the Environmental Management Commission

by Deborah Gore, Supervisor
Pretreatment, Emergency Response, Collection System Unit

Permit Number WQCS00295 (Renewal)

Outer Banks Kinnakeet Associates, LLC

P.O. Box 786, Avon, NC 27915

Section IV.3

Pump Station List

1. Lift Station No. 1 (Lakeside Station)

41138 Starboard Drive

Duplex Pump station, 7.5 HP Meyers pumps

Rated at 80 GPM.

Audio 6 and Visual Alarm

5 HP Honda Portable pump

2. Lift Station No. 2 (Dory Lane Station)

41101 Starboard Drive

Duplex pump Station, 20 HP Meyers pumps

Rated at 280 GPM.

Audio 6 and Visual Alarm

Note: (Simplex and Duplex pump stations serving 1 and 2 residences are indicated in item IV.2 but not itemized here. Additional data are provided on the following pages.)

Outer Banks Kinnakeet Associates, LLC

P.O. Box 786, Avon, NC 27915

Attachment A for Condition V. (4)

KinnaKeet Shores

High Priority Lines List

High Priority Line: 425 feet of 2" force main from duplex grinder station serving Bauman property to connection to main in phase 21 on Silversands Court (See attached map).

Type: Wetland crossing; material: PVC

Exhibit B



NORTH CAROLINA
Environmental Quality

ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

LINDA CULPEPPER
Interim Director

August 17, 2018

RAY E. HOLLOWELL, JR. – MANAGER
OUTER BANKS/KINNAKEET ASSOCIATES, LLC
POST OFFICE BOX 1158
AVON, NORTH CAROLINA 27915-1158

Subject: Permit No. WQ0002284
Kinnakeet Shores WWTP
Reclaimed Water Generation
and Non-Conjunctive
Reclaimed Water
Utilization System
Dare County

Dear Mr. Hollowell:

In accordance with your permit major modification request received August 1, 2018, we are forwarding herewith Permit No. WQ0002284 dated August 17, 2018, to Outer Banks/Kinnakeet Associates, LLC for the construction and operation of the proposed modification, as well as the continued operation of the reclaimed water generation and non-conjunctive reclaimed water utilization facilities.

Modifications to the subject permit are as follows:

- The disinfection system is being modified.

This permit shall be effective from the date of issuance until February 28, 2023, shall void Permit No. WQ0002284 issued March 14, 2018, and shall be subject to the conditions and limitations as specified therein. Please pay particular attention to the monitoring requirements listed in Attachments A, B, and C for they may differ from the previous permit issuance. Failure to establish an adequate system for collecting and maintaining the required operational information shall result in future compliance problems.



Mr. Ray E. Hollowell, Jr.
August 17, 2018
Page 2 of 2

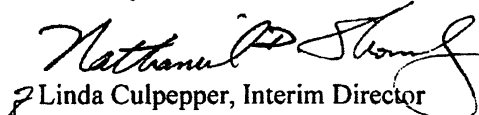
Please note the following permit conditions are new since the last permit issuance dated March 14, 2018:

- Condition I.1. – Within 90 days of permit issuance, the Permittee shall submit a permit modification addressing setback waivers and easements.
- Condition I.4. – Upon completion of construction and prior to operation of the new disinfection system, a certification (attached) shall be submitted from a licensed North Carolina Professional Engineer certifying that the permitted facility has been installed in accordance with this permit.
- Condition I.6. – Within 30 days of construction, a Well Construction Record (Form GW-1) shall be submitted.

If any parts, requirements or limitations contained in this permit are unacceptable, the Permittee has the right to request an adjudicatory hearing upon written request within 30 days following receipt of this permit. This request shall be in the form of a written petition, conforming to Chapter 150B of the North Carolina General Statutes, and filed with the Office of Administrative Hearings at 6714 Mail Service Center, Raleigh, NC 27699-6714. Unless such demands are made, this permit shall be final and binding.

One set of approved plans and specifications is being forwarded to you. If you need additional information concerning this permit, please contact Tessa Monday at (919) 707-3660 or tessa.monday@ncdenr.gov.

Sincerely,


Linda Culpepper, Interim Director
Division of Water Resources

cc: Dare County Health Department (Electronic Copy)
Washington Regional Office, Water Quality Regional Operations Section (Electronic Copy)
Mark S. Bissell, PE – Bissell Professional Group (Electronic Copy)
Beth Buffington – Protection and Enforcement Branch (Electronic Copy)
Laserfiche File (Electronic Copy)
Digital Permit Archive (Electronic Copy)
Central Files

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Aug 15 2022

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENTAL QUALITY

RALEIGH

**RECLAIMED WATER GENERATION SYSTEM AND NON-CONJUNCTIVE RECLAIMED
WATER UTILIZATION SYSTEM PERMIT**

In accordance with the provisions of Article 21 of Chapter 143, General Statutes of North Carolina as amended, and other applicable Laws, Rules and Regulations

PERMISSION IS HEREBY GRANTED TO

Outer Banks/Kinnakeet Associates, LLC
Dare County

FOR THE

operation of a 350,000 gallon per day (GPD) wastewater collection, reclaimed water generation, and non-conjunctive reclaimed water utilization system consisting of the:

construction and operation of chlorination and de-chlorination system consisting of: a hypochlorite metering pump; calcium thiosulfate metering pump; and all associated piping, valves, controls, and appurtenances; the

abandonment of the existing ultraviolet (UV) disinfection system; and all associated piping, valves, controls, and appurtenances; the

continued operation of a wastewater collection system consisting of: approximately 3,143 linear feet (LF) of 8-inch gravity sewer; a 134 gallon per minute (GPM) pump station with duplex pumps and high-water alarms; approximately 3,362 LF of 4-inch force main; a standby power supply; and all associated piping, valves, controls, and appurtenances; the

continued operation of a 350,000 gallon per day (GPD) reclaimed water generation system consisting of: a manually cleaned influent bar screen; a 140,000 gallon aerated flow equalization basin with two 243 GPM submersible transfer pumps; a 300 cubic feet per minute (CFM) blower; two 23,985 gallon anoxic tanks with two submersible transfer pumps and two anoxic mixing pumps; a 2.5 gallon per hour (GPH) single head adjustable output peristaltic chemical feed pump (50% sugar solution); a flow splitter box; two 175,000 gallon coarse bubble aeration basins with four submersible recycle pumps and two 3,000 CFM blowers; two 31,050 gallon clarifiers; a second flow splitter box; a 61,650 gallon aerated sludge holding basin with two decant transfer pumps; a 348 square foot (ft²) traveling bridge filter (23 cells) rated at 0.70 GPM/ft²; a 1,750 gallon traveling filter backwash return tank with duplex pumps and audible/visual alarms; a turbidimeter; a flow meter; a 3.057 million gallon (MG) lined 5-day upset pond; a 35,000 gallon 5-day upset return pump station with duplex pumps and audible/visual alarms; 265,000 kilowatt (kW) backup generator; and all associated piping, valves, controls, and appurtenances; and the

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Aug 15 2022

continued operation of a non-conjunctive reclaimed water utilization system consisting of: a 5.1 MG storage/infiltration pond with a loading rate of 1.49 GPD/ft²; an irrigation pump station with duplex pumps and audible/visual alarms; a mini weather station; 16.88 acres of irrigation area; a groundwater lowering pump station with duplex pumps and audible/visual alarms; and all associated piping, valves, controls and appurtenances

to serve the Kinnakeet Shores WWTP, with no discharge of wastes to surface waters, pursuant to the application received August 1, 2018, and in conformity with the project plans, specifications, and other supporting data subsequently filed and approved by the Department of Environmental Quality and considered a part of this permit.

This permit shall be effective from the date of issuance until February 28, 2023, shall void Permit No. WQ0002284 issued March 14, 2018, and shall be subject to the following specified conditions and limitations:

I. SCHEDULES

1. Within 90 days of permit issuance, the Permittee shall submit a permit modification addressing the following:
 - a. Several residences appear to be within 100 feet of the 5-day upset pond. Any residences that are within 100 feet and were there prior to the permitting of the pond, must have a setback waiver. [15A NCAC 02T .0506(d)]
 - b. Easements for all parcels not owned by the applicant specifically indicating the intended use of the property and meeting the condition of 15A NCAC 02L .0107(f). [15A NCAC 02U .0202(f)(3)]
 - c. Provide a table listing each irrigation field, property owner(s), and easement book and page.
 - d. A site map with a scale no greater than 1-inch equals 100 feet; however, special provisions may be granted upon prior approval for large properties. At a minimum, the map shall include the following information:
 - i. The location and identity of each monitoring well.
 - ii. The location of major components of the waste disposal system.
 - iii. The wetted perimeter of all irrigation fields.
 - iv. The location and ownership of property boundaries within 500 feet of the disposal areas.
 - v. The location of all wells, streams (ephemeral, intermittent, and perennial), wetlands, springs, lakes, ponds, ditches, and other surface drainage features within 500 feet of all facilities.
 - vi. The elevation of the top of the well casing (i.e., measuring point) relative to a common datum.
 - vii. The depth of water below the measuring point at the time the measuring point is established.
 - viii. The delineation of compliance and review boundaries.
 - ix. The minimum distance for approved setback waivers.
 - x. The date the map is prepared and/or revised.

[15A NCAC 02T .0108(b)(2)]

2. The permit dated March 14, 2018 required that the Permittee have two of the three channels (each channel designed to disinfect a flow of 175,000 GPD) of the Severn Trent UltraDynamics Series 8200 Open Channel ultraviolet (UV) disinfection system operational and have additional bulbs available on site for replacement when needed. Compliance with this condition was due prior to August 1, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to have the two channels operational by August 1, 2018. All channels are no longer functional per the July 12, 2018 inspection. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessments until such time as the new proposed Liquid Chlorine disinfection system has been installed and operational, thereby replacing the need for the UV disinfection system. The permittee shall install the Liquid Chlorine system within 30 days of permit issuance. The Washington Regional Office, telephone number (252) 946-6481, shall be notified when the system has been installed and certified such that an in-place inspection can be made. [15A NCAC 02T .0108(b)(2)]
3. The permit dated March 14, 2018 required that the Permittee provide a functioning flow meter for the reclaimed irrigation system and have the reclaimed water spray irrigation system operational no later than August 1, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to have the flow meter and reclaim irrigation system operational by August 1, 2018. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessments until such time as compliance with this condition has been met. The Washington Regional Office, telephone number (252) 946-6481, shall be notified when the flow meter and irrigation system is functioning such that an in-place inspection can be made. [15A NCAC 02T .0108(b)(2)]
4. The permit dated March 14, 2018 required that the Permittee install monitoring wells MW-10, MW-11, and MW-12 prior to June 12, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to install the wells prior to June 12, 2018. The Permittee shall install the wells and sample the monitoring wells per permit conditions. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessments until such time as compliance with this condition has been met. Washington Regional Office, telephone number (252) 946-6481, shall be notified when the system has been installed and certified such that an in-place inspection can be made. [15A NCAC 02T .0108(b)(2)]
5. Prior to April 1, 2019, the Permittee shall replace the tertiary filter media. Compliance with this condition shall be verified with an inspection by the Washington Regional Office. [15A NCAC 02T .0108(b)(2)]
6. Prior to March 14, 2020, the Permittee shall repair the damaged roof above the wastewater treatment facility. Compliance with this condition shall be verified with an inspection by the Washington Regional Office. [15A NCAC 02T .0108(b)(2)]
7. The Washington Regional Office, telephone number (252) 946-6481, shall approve monitoring wells MW-10, MW-11, and MW-12 prior to installation. The regional office shall be notified at least 48 hours prior to the construction of any monitoring well, and such notification to the regional supervisor shall be made from 8:00 a.m. until 5:00 p.m. on Monday through Friday, excluding State Holidays. The monitoring wells shall be constructed such that the water level in the monitoring well is never above or below the screened (open) portion of the well at any time during the year, and in accordance with 15A NCAC 02C .0108. [15A NCAC 02T .0108(b)(2), 02C .0108]
8. Upon completion of construction and prior to operation of the new disinfection system, a certification (attached) shall be submitted from a licensed North Carolina Professional Engineer certifying that the permitted facility has been installed in accordance with this permit, Division approved plans and specifications, and other supporting documentation, including the location of all monitoring wells as applicable. If this project is to be completed in phases and partially certified, the Permittee shall retain the responsibility to track further construction approved under the same permit, and shall provide a final certificate of completion once the entire project has been completed. Mail the Certification to the Division of Water Resources, Non-Discharge Branch, 1617 Mail Service Center, Raleigh, NC 27699-1617 or Non-Discharge.Reports@ncdenr.gov. [15A NCAC 02T .0116]

9. The Washington Regional Office, telephone number (252) 946-6481, shall be notified at least 48 hours in advance (excluding weekends and holidays) of operation of the newly installed disinfection system such that an in-place inspection can be made. Notification to the regional supervisor shall be made from 8:00 a.m. until 5:00 p.m. on Monday through Friday, excluding State Holidays. [15A NCAC 02T .0108(b)(2)]
10. Within 30 days of construction, a Well Construction Record (Form GW-1) listing this permit number and the appropriate monitoring well identification number shall be completed for each well constructed and mailed to the Division of Water Resources, Non-Discharge Branch, 1617 Mail Service Center, Raleigh, NC 27699-1617 or Non-Discharge.Reports@ncdenr.gov. A North Carolina Certified Well Contractor shall construct the monitoring wells according to the North Carolina Well Construction Standards (15A NCAC 02C .0113) and local county rules. [15A NCAC 02C .011, 02T .0108(b)(2)]
11. No later than six months prior to the expiration of this permit, the Permittee shall request renewal of this permit on official Division forms. Upon receipt of the request, the Division will review the adequacy of the facilities described therein, and if warranted, will renew the permit for such period of time and under such conditions and limitations as it may deem appropriate. Please note Rule 15A NCAC 02T .0105(d) requires an updated site map to be submitted with the permit renewal application. [15A NCAC 02U .0106, 02U .0109]

II. PERFORMANCE STANDARDS

1. The subject reclaimed water facilities shall be effectively maintained and operated at all times so there is no discharge to surface waters, nor any contravention of groundwater or surface water standards. In the event the facilities fail to perform satisfactorily, including the creation of nuisance conditions due to improper operation and maintenance, or failure of the utilization areas to adequately assimilate the reclaimed water, the Permittee shall take immediate corrective actions including Division required actions, such as the construction of additional or replacement reclaimed water generation and utilization facilities. [G.S. 143-215.1, 143-213.3(a)]
2. This permit shall not relieve the Permittee of their responsibility for damages to groundwater or surface water resulting from the operation of this facility. [15A NCAC 02B .0200, 02L .0100]
3. All wells constructed for purposes of groundwater monitoring shall be constructed in accordance with 15A NCAC 02C .0108 (Standards of Construction for Wells Other than Water Supply), and any other jurisdictional laws and regulations pertaining to well construction. [15A NCAC 02C .0108]
4. The wastewater collection facilities shall be properly maintained and operated at all times. The Permittee shall maintain compliance with an individual system-wide collection system permit for the operation and maintenance of these facilities in accordance with 15A NCAC 02T .0400. If an individual permit is not required, the following performance criteria shall be met as provided in 15A NCAC 02T .0403.
 - a. The sewer system shall be effectively maintained and operated at all times to prevent discharge to land or surface waters, and any contravention of groundwater or surface water standards.
 - b. A map of the sewer system shall be developed and actively maintained.
 - c. An operation and maintenance plan shall be developed, implemented and maintained.
 - d. Pump stations not connected to a telemetry system shall be inspected every day (i.e., 365 days per year). Pump stations connected to a telemetry system shall be inspected at least once per week.
 - e. High-priority sewers shall be inspected at least once every six months.
 - f. A general observation of the entire sewer system shall be conducted at least once per year.
 - g. Overflows and bypasses shall be reported to the Washington Regional Office in accordance with 15A NCAC 02B .0506(a), and public notice shall be provided as required per North Carolina General Statute §143-215.1C.

- h. A grease control program shall be developed, implemented and maintained.
- i. Right-of-ways and easements shall be maintained.
- j. Inspection and maintenance records for Conditions II.4.a. through II.4.i. shall be maintained for a period of at least three years, except for Conditions II.4.b. and II.4.c., which shall be maintained for the life of the system.

[15A NCAC 02T .0403]

- 5. Effluent limitations for generated reclaimed water shall not exceed those specified in Attachment A. [15A NCAC 02U .0300]
- 6. Application rates shall not exceed those specified in Attachment B. [15A NCAC 02U .0401(g), 02U .0402(m)]
- 7. The following shall be requirements for the reclaimed water storage and utilization facilities:
 - a. All reclaimed water valves, storage facilities and outlets shall be tagged or labeled to warn the public or employees that reclaimed water is not intended for drinking. Where appropriate, such warning shall inform the public or employees to avoid contact with reclaimed water.
 - b. All reclaimed water piping, valves, outlets and other appurtenances shall be color-coded, taped or otherwise marked to identify the source of the water as being reclaimed water.
 - i. All reclaimed water piping and appurtenances shall be either colored purple (i.e., Pantone 522) and embossed or integrally stamped or marked "CAUTION: RECLAIMED WATER – DO NOT DRINK" or be installed with a purple (i.e., Pantone 522) identification tape or polyethylene vinyl wrap. The warning shall be stamped on opposite sides of the pipe and repeated every three feet or less.
 - ii. Identification tape shall be at least three inches wide and have white or black lettering on purple (i.e., Pantone 522) field stating "CAUTION: RECLAIMED WATER – DO NOT DRINK." Identification tape shall be installed on reclaimed water pipelines in a visible manner, fastened at least every 10 feet to each pipe length and run continuously the entire length of the pipe.
 - iii. Existing underground distribution systems retrofitted for the purpose of distributing reclaimed water shall be taped or otherwise identified as noted above. This identification need not extend the entire length of the distribution system, but shall be incorporated within 10 feet of crossing any potable water supply line or sanitary sewer line.
 - c. All reclaimed water valves and outlets shall be of a type, or secured in a manner, that permits operation by authorized personnel only.
 - d. Hose bibs shall be located in locked, below grade vaults that shall be labeled as being of non-potable quality. As an alternative to the use of locked vaults with standard hose bib services, other locking mechanisms such as hose bibs which can only be operated by a tool may be placed above ground and labeled as non-potable water.

[15A NCAC 02U .0403]

- 8. No direct cross-connections shall be allowed between reclaimed water and potable water systems, unless such connection has been approved by the Department pursuant to 15A NCAC 18C .0406. [15A NCAC 02U .0403(f)]
- 9. Reclaimed water distribution lines shall be located at least 10 feet horizontally from and 18 inches below any water line where practicable. Where these separation distances cannot be met, the piping and integrity testing procedures shall meet water main standards in accordance with 15A NCAC 18C. [15A NCAC 02U .0403(h)]

10. Reclaimed water distribution lines shall not be less than 100 feet from a well unless the piping and integrity testing procedures meet water main standards in accordance with 15A NCAC 18C, but in no case shall they be less than 25 feet from a private well or 50 feet from a public well. [15A NCAC 02U .0403(i)]
11. Reclaimed water distribution lines shall be located at least two feet horizontally from and 18 inches above any sewer line where practicable. Where these separation distances cannot be met, the piping and integrity testing procedures shall meet water main standards in accordance with 15A NCAC 18C. [15A NCAC 02U .0403(j)]
12. The compliance and review boundaries (for the Storage/Infiltration Basin and Irrigation Fields A10A – A9C) are established at the property boundary. Any exceedance of standards at the compliance or review boundary shall require action in accordance with 15A NCAC 02L .0106. [15A NCAC 02H .0219(k)(1)(C)(i)(III)]
13. The Permittee shall apply for a permit modification to establish a new compliance boundary prior to any sale or transfer of property affecting a compliance boundary. [15A NCAC 02L .0107(c)]
14. No wells, excluding Division approved monitoring wells, shall be constructed within the compliance boundary except as provided for in 15A NCAC 02L .0107(g). [15A NCAC 02L .0107(d)]
15. Except as provided for in 15A NCAC 02L .0107(g), the Permittee shall ensure any landowner who is not the Permittee and owns land within the compliance boundary shall execute and file with the Dare County Register of Deeds an easement running with the land containing the following items:
 - a. A notice of the permit and number or other description as allowed in 15A NCAC 02L .0107(f)(1);
 - b. Prohibits construction and operation of water supply wells within the compliance boundary; and
 - c. Reserves the right of the Permittee or the State to enter the property within the compliance boundary for purposes related to the permit.The Director may terminate the easement when its purpose has been fulfilled or is no longer needed. [15A NCAC 02L .0107(f)]
16. The facilities permitted under 15A NCAC 02H .0200 herein shall be constructed according to the following setbacks:
 - a. The setbacks for reclaimed utilization sites shall be as follows (all distances in feet):

i. Surface waters not classified SA:	25
ii. Surface waters classified SA:	100
iii. Any well with exception to monitoring wells:	100

[15A NCAC 02U .0701]
 - b. The setbacks for treatment units shall be as follows (all distances in feet):

i. Any well with exception of monitoring wells:	100
ii. Any property line:	50

[15A NCAC 02U .0701]

- c. The setbacks for final effluent storage and infiltration units shall be as follows (all distances in feet):
 - i. Any habitable residence or place of public assembly under separate ownership: 100
 - ii. Any private or public water supply source: 100
 - iii. Surface waters: 100
 - iv. Groundwater lowering ditches: 50
 - v. Surface water diversions: 50
 - vi. Any well with exception of monitoring wells: 100
 - vii. Any property line: 50

[15A NCAC 02H .0219(j), 02H .0404(g)]

III. OPERATION AND MAINTENANCE REQUIREMENTS

1. The reclaimed water generation and utilization facilities shall be properly maintained and operated at all times. The facilities shall be effectively maintained and operated as a reclaimed water system to prevent the discharge of any reclaimed water or partially treated effluent resulting from the operation of this facility. [15A NCAC 02T .0108(b)(1)]
2. The Permittee shall maintain an Operation and Maintenance Plan, which at a minimum shall include the following:
 - a. Description of the system in sufficient detail to show what operations are necessary for the system to function and by whom the functions will be conducted;
 - b. A map of all distribution lines and record drawings of all utilization systems under the Permittee's control;
 - c. Description of anticipated maintenance activities;
 - d. Include provisions for safety measures including restriction of access to sites and equipment; and
 - e. Spill control provisions including response to upsets and bypasses including control, containment, remediation, and contact information for plant personnel, emergency responders and regulatory agencies.

[15A NCAC 02U .0801]

3. Upon the Water Pollution Control System Operators Certification Commission's (WPCSOCC) classification of the subject non-discharge facilities, in accordance with 15A NCAC 08G .0200 the Permittee shall designate and employ a certified operator in responsible charge (ORC) and one or more certified operator(s) as back-up ORC(s). The ORC or their back-up shall visit the facilities in accordance with 15A NCAC 08G .0200, and shall comply with all other conditions specified in the previously cited rules. [15A NCAC 02U .0117]
4. An operator certified by the Water Pollution Control System Operators Certification Commission (WPCSOCC) of a grade equivalent or greater than the facility classification shall be on call 24 hours per day. [15A NCAC 02U .0401(e), 02U .0402(i)]
5. A suitable year round vegetative cover shall be maintained on irrigation sites at all times, such that crop health is optimized, allows for even distribution of reclaimed water, and allows inspection of the irrigation system. [15A NCAC 02T .0108(b)(1)]
6. Adequate measures shall be taken to prevent reclaimed water ponding in or runoff from the irrigation sites. [15A NCAC 02T .0108(b)(1)]

7. Irrigation shall not be performed during inclement weather or when the ground is in a condition that will cause ponding or runoff. [15A NCAC 02T .0108(b)(1)]
8. All reclaimed water irrigation equipment shall be tested and calibrated at least once per permit cycle. Calibration records shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. [15A NCAC 02T .0108(b)(1)]
9. The turbidimeter shall be tested and calibrated at a minimum of once per year. Calibration records shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. [15A NCAC 02T .0108(b)(1)]
10. Only reclaimed water generated at the Kinnakeet Shores WWTP shall be utilized and distributed in accordance with this permit. [G.S. 143-215.1]
11. An automatically activated standby power source capable of powering all essential treatment units shall be on site and operational at all times. If a generator is employed as an alternate power supply, it shall be tested weekly by interrupting the primary power source. [15A NCAC 02U .0402(h)]
12. Public access to the reclaimed water generation facilities and five day upset pond shall be prohibited. [15A NCAC 02U .0402(f)]
13. Public access to reclaimed water utilization sites shall be controlled during active site use. Such controls may include the posting of signs showing the activities being conducted at each site. [15A NCAC 02U .0501]
14. Diversion or bypassing of untreated or partially treated wastewater from the treatment facilities is prohibited. [15A NCAC 02T .0108(b)(1)]
15. Freeboard in the 3.057 MG lined 5-day upset pond and the 5.1 MG storage/infiltration pond shall not be less than two feet at any time. [15A NCAC 02T .0108(b)(1)]
16. A gauge to monitor reclaimed water levels in the 3.057 MG lined 5-day upset pond and the 5.1 MG storage/infiltration pond shall be provided. This gauge shall have readily visible permanent markings at inch or tenth of a foot increments. [15A NCAC 02T .0108(b)(1)]
17. A protective vegetative cover shall be established and maintained on all earthen embankments (i.e., outside toe of embankment to maximum allowable temporary storage elevation on the inside of the embankment), berms, pipe runs, erosion control areas, and surface water diversions. Trees, shrubs, and other woody vegetation shall not be allowed to grow on the earthen dikes or embankments. Earthen embankment areas shall be kept mowed or otherwise controlled and accessible. [15A NCAC 02T .0108(b)(1)]
18. All effluent shall be routed to the five day upset 3.057 MG lined 5-day upset pond should the limit for fecal coliform (e.g., daily maximum concentration of 25 colonies per 100 mL) or turbidity (e.g., instantaneous maximum of 10 NTU) be exceeded, until the problems associated with the wastewater treatment plant have been corrected. The wastewater in the five day upset 3.057 MG lined 5-day upset pond shall be pumped back to the treatment plant headworks for re-treatment or treated in the five day upset 3.057 MG lined 5-day upset pond prior to utilization. [15A NCAC 02U .0402(e)]
19. The Permittee shall develop and implement an education program to inform users (including employees) about the proper use of reclaimed water. Educational material shall be provided to all residents and/or other facilities provided with reclaimed water, and these materials shall be maintained consistent with the reclaimed water uses. All educational materials shall be made available to the Division upon request. [15A NCAC 02U .0501(a)(4)]

20. The Permittee shall provide notification to the public and/or employees about the use of reclaimed water, and that reclaimed water is not intended for drinking. Such notification shall be provided to employees in a language they can understand. [15A NCAC 02U .0501]
21. The residuals generated from the wastewater treatment facilities shall be disposed or utilized in accordance with 15A NCAC 02T .1100. The Permittee shall maintain a residual management plan pursuant to 15A NCAC 02U .0802. [15A NCAC 02T .1100, 02U .0802]

IV. MONITORING AND REPORTING REQUIREMENTS

1. Any Division required monitoring (including groundwater, plant tissue, soil and surface water analyses) necessary to ensure groundwater and surface water protection shall be established, and an acceptable sampling reporting schedule shall be followed. [15A NCAC 02T .0108(c)]
2. A Division certified laboratory shall conduct all laboratory analyses for the required effluent, groundwater or surface water parameters. [15A NCAC 02H .0800]
3. Flow through the reclaimed water generating facility shall be continuously monitored, and daily flow values shall be reported on Form NDMR.

The Permittee shall install and maintain an appropriate flow measurement device to ensure the accuracy and reliability of flow measurement consistent with accepted engineering and scientific practices. Selected flow measurement devices shall be capable of measuring flows with a maximum deviation of less than ten percent from true flow; accurately calibrated at a minimum of once per year; and maintained to ensure the accuracy of measurements is consistent with the selected device's accepted capability. The Permittee shall maintain records of flow measurement device calibration on file for a period of at least five years. At a minimum, documentation shall include:

- a. Date of flow measurement device calibration,
- b. Name of person performing calibration, and
- c. Percent from true flow.

[15A NCAC 02T .0105(k)]

4. The Permittee shall monitor the reclaimed water from the generating facility at the frequencies and locations for the parameters specified in Attachment A. [15A NCAC 02T .0108(c)]
 5. The Permittee shall maintain adequate records tracking the amount of reclaimed water utilized. Records shall be maintained for a minimum of five years. At a minimum, these records shall include the following information for each utilization site listed in Attachment B:
 - a. Date of reclaimed water utilization;
 - b. Volume of reclaimed water irrigated;
 - c. Site irrigated;
 - d. Length of time site is irrigated;
 - e. Continuous weekly, monthly, and year-to-date hydraulic (inches/acre) loadings;
 - f. Weather conditions; and
 - g. Maintenance of cover crops.
- [15A NCAC 02T .0108(c)]

6. Freeboard (i.e., reclaimed water level to the lowest embankment elevation) in the 3.057 MG lined 5-day upset pond and the 5.1 MG storage/infiltration pond shall be measured to the nearest inch or tenth of a foot, and recorded weekly. Weekly freeboard records shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. [15A NCAC 02T .0108(c)]
7. A record shall be maintained of all residuals removed from this facility. This record shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. At a minimum, this record shall include:
 - a. Name of the residuals hauler;
 - b. Non-Discharge permit number authorizing the residuals disposal, or a letter from a municipality agreeing to accept the residuals;
 - c. Date the residuals were hauled; and
 - d. Volume of residuals removed.[15A NCAC 02T .0108(c)]
8. A maintenance log shall be maintained at this facility. This log shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. At a minimum, this log shall include:
 - a. Visual observations of treatment plant and plant site;
 - b. Date of calibration of flow measurement device(s);
 - c. Date of calibration of turbidimeter;
 - d. Date and results of power interruption testing on alternate power supply;
 - e. Record of preventative maintenance (e.g., changing/adjusting of equipment, pump and valve maintenance, cross connection control, testing, inspections and cleanings, etc.; and
 - f. Record of all unpermitted releases of reclaimed water to surface water or land surface including date of occurrence, estimated volume of release, cause, and corrective action taken.[15A NCAC 02T .0108(b)(1)]
9. Three copies of all effluent monitoring data and reclaimed water distribution data (as specified in Conditions IV.3. and IV.4.) shall be submitted on Form NDMR for each PPI listed in Attachment A. Reporting forms shall be submitted on or before the last day of the following month. If no reclaimed water distribution activities occurred during the monitoring month, monitoring reports documenting the absence of the activity are still required to be submitted. All effluent monitoring data shall be submitted to the following address: Division of Water Resources, Information Processing Unit, 1617 Mail Service Center, Raleigh, North Carolina, 27699-1617. [15A NCAC 02T .0105(l)]
10. Three copies of all operation and utilization records (as specified in Conditions IV.5. and IV.6.) shall be submitted on Form NDAR-1 for every non-conjunctive utilization site listed in Attachment B. (Note: conjunctive use sites do not require NDAR-1 submission). Reporting forms shall be submitted on or before the last day of the following month. If no reclaimed water utilization activities occurred during the month, monitoring reports are still required documenting the absence of the activity. All information shall be submitted to the following address: Division of Water Resources, Information Processing Unit, 1617 Mail Service Center, Raleigh, North Carolina, 27699-1617. [15A NCAC 02T .0105(l)]
11. Monitoring wells shall be sampled after construction and within 3 months prior to initiating reclaimed water utilization operations. Monitoring wells shall be sampled thereafter at the frequencies and for the parameters specified in Attachment C. All mapping, well construction forms, well abandonment forms and monitoring data shall refer to the permit number and the well nomenclature as provided in Attachment C. [15A NCAC 02T .0105(m)]

12. For initial sampling of monitoring wells, the Permittee shall submit a Compliance Monitoring Form (GW-59) and a Well Construction Record Form (GW-1) listing this permit number and the appropriate monitoring well identification number. Initial Compliance Monitoring Forms (GW-59) without copies of the Well Construction Record Forms (GW-1) are deemed incomplete, and may be returned to the Permittee without being processed. [15A NCAC 02T .0105(m)]
13. Two copies of the monitoring well sampling and analysis results shall be submitted on a Compliance Monitoring Form (GW-59), along with attached copies of laboratory analyses, on or before the last working day of the month following the sampling month. The Compliance Monitoring Form (GW-59) shall include this permit number, the appropriate well identification number, and one GW-59a certification form shall be submitted with each set of sampling results. All information shall be submitted to the following address: Division of Water Resources, Information Processing Unit, 1617 Mail Service Center, Raleigh, North Carolina, 27699-1617. [15A NCAC 02T .0105(m)]

14. Noncompliance Notification:

The Permittee shall report by telephone to the Washington Regional Office, telephone number (252) 946-6481, as soon as possible, but in no case more than 24 hours, or on the next working day following the occurrence or first knowledge of the occurrence of any of the following:

- a. Treatment of wastes abnormal in quantity or characteristic, including the known passage of a hazardous substance.
- b. Any process unit failure (e.g., mechanical, electrical, etc.), due to known or unknown reasons, rendering the facility incapable of adequate wastewater treatment.
- c. Any failure resulting in a discharge of reclaimed water directly to surface waters or any unpermitted release of reclaimed water to land surface greater than or equal to 5,000 gallons. Unpermitted releases less than 5,000 gallons to land surface shall be documented by the Permittee in accordance with Condition IV.8.f. but do not require Regional Office notification.
- d. Any time self-monitoring indicates the facilities permitted herein have gone out of compliance with the limitations contained in this permit.
- e. Ponding in or runoff from the reclaimed water utilization sites.

Any emergency requiring immediate reporting (e.g., discharges to surface waters, imminent failure of a storage structure, etc.) outside normal business hours shall be reported to the Division's Emergency Response personnel at telephone number (800) 662-7956, (800) 858-0368, or (919) 733-3300. Persons reporting such occurrences by telephone shall also file a written report in letter form within five days following first knowledge of the occurrence. This report shall outline the actions taken or proposed to be taken to ensure the problem does not recur. [15A NCAC 02T .0108(b)(1)]

V. INSPECTIONS

1. The Permittee shall provide adequate inspection and maintenance to ensure proper operation of the reclaimed water generation and utilization facilities. [15A NCAC 02T .0108(b)]
2. The Permittee or their designee shall inspect the reclaimed water generation and utilization facilities to prevent malfunction, facility deterioration and operator errors resulting in discharges, which may cause the release of wastes to the environment, a threat to human health or a public nuisance. The Permittee shall maintain an inspection log that includes, at a minimum, the date and time of inspection, observations made, and any maintenance, repairs, or corrective actions taken. The Permittee shall maintain this inspection log for a period of five years from the date of the inspection, and this log shall be made available to the Division upon request. [15A NCAC 02T .0108(b)]
3. Any duly authorized Division representative may, upon presentation of credentials, enter and inspect any property, premises or place on or related to the reclaimed water generation and utilization facilities permitted herein at any reasonable time for the purpose of determining compliance with this permit; may inspect or copy any records required to be maintained under the terms and conditions of this permit, and may collect groundwater, surface water or leachate samples. [G.S. 143-215.1]

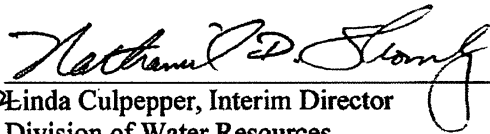
VI. GENERAL CONDITIONS

1. Failure to comply with the conditions and limitations contained herein may subject the Permittee to an enforcement action by the Division in accordance with North Carolina General Statutes 143-215.6A to 143-215.6C. [G.S. 143-215.6A to 143-215.6C]
2. This permit shall become voidable if the permitted facilities are not constructed in accordance with the conditions of this permit, the Division approved plans and specifications, and other supporting documentation. [15A NCAC 02T .0110]
3. This permit is effective only with respect to the nature and volume of wastes described in the permit application, Division approved plans and specifications, and other supporting documentation. No variances to applicable rules governing the construction or operation of the permitted facilities are granted, unless specifically requested and approved in this permit pursuant to 15A NCAC 02T .0105(n). [G.S. 142-215.1]
4. The issuance of this permit does not exempt the Permittee from complying with any and all statutes, rules, regulations, or ordinances, which may be imposed by other jurisdictional government agencies (e.g., local, state, and federal). Of particular concern to the Division are applicable river buffer rules in 15A NCAC 02B .0200; erosion and sedimentation control requirements in 15A NCAC Chapter 4 and under the Division's General Permit NCG010000; any requirements pertaining to wetlands under 15A NCAC 02B .0200 and 02H .0500; National Pollutant Discharge Elimination System (NPDES) requirements under 15A NCAC 02H .0100, and documentation of compliance with Article 21 Part 6 of Chapter 143 of the General Statutes. [15A NCAC 02T .0105(c)(6)]
5. In the event the permitted facilities change ownership or the Permittee changes their name, a written permit modification request shall be submitted to the Division. This request shall be made on official Division forms, and shall include appropriate property ownership documentation and other supporting documentation as necessary. The Permittee of record shall remain fully responsible for maintaining and operating the facilities permitted herein until a permit is issued to the new owner. [15A NCAC 02T .0104]
6. The Permittee shall retain a set of Division approved plans and specifications for the life of the facilities permitted herein. [15A NCAC 02T .0108(b)(1)]
7. The Permittee shall maintain this permit until all permitted facilities herein are properly closed or permitted under another permit issued by the appropriate permitting authority. [15A NCAC 02T .0105(j)]

8. This permit is subject to revocation or unilateral modification upon 60 days notice from the Division Director, in whole or part for the requirements listed in 15A NCAC 02T .0110. [15A NCAC 02T .0110]
9. Unless the Division Director grants a variance, expansion of the permitted facilities contained herein shall not be granted if the Permittee exemplifies any of the criteria in 15A NCAC 02T .0120(b). [15A NCAC 02T .0120]
10. The Permittee shall pay the annual fee within 30 days after being billed by the Division. Failure to pay the annual fee accordingly shall be cause for the Division to revoke this permit. [15A NCAC 02T .0105(e)(3)]

Permit issued this the 17th day of August 2018

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION


Linda Culpepper, Interim Director
Division of Water Resources
By Authority of the Environmental Management Commission

Permit Number WQ0002284

OFFICIAL COPY

Aug 15 2022

Permit No. WQ0002284
Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores WWTP

Reclaimed Water Generation and
Non-Conjunctive Reclaimed Water Utilization System
August 17, 2018
Dare County

ENGINEERING CERTIFICATION

☐ Partial ☐ Final

In accordance with 15A NCAC 02T .0116, I, _____, as a duly registered Professional Engineer in the State of North Carolina, having the Permittee's authorization to ☐ periodically ☐ weekly ☐ fully observe the construction of the permitted facility, hereby state to the best of my abilities that due care and diligence was used in the observation of the construction, such that the facility was built within substantial compliance and intent of this permit, the Division approved plans and specifications, and other supporting documentation.

☐ Any variation to this permit, the Division approved plans and specifications, and other supporting documentation has been documented in the attached as-built drawings, and shall serve as the Permittee's minor modification request to amend the permit accordingly.

Provide a brief narrative description of any variations: _____

Professional Engineer's Name		
Engineering Firm		
Mailing Address		
City	State	Zip
Telephone	E-mail	NC PE Seal, Signature & Date

THE COMPLETED ENGINEERING CERTIFICATION, INCLUDING ALL SUPPORTING INFORMATION AND MATERIALS, SHALL BE SENT TO THE FOLLOWING ADDRESS:

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER RESOURCES
NON-DISCHARGE BRANCH
NON-DISCHARGE PERMITTING UNIT**

By U.S. Postal Service:

1617 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-1617

By Courier/Special Delivery:

512 N. SALISBURY STREET
RALEIGH, NORTH CAROLINA 27604

PPI 001 – Reclaimed Water Generation System Effluent

EFFLUENT CHARACTERISTICS		EFFLUENT LIMITS					MONITORING REQUIREMENTS	
PCS Code	Parameter Description	Units of Measure	Monthly Average	Monthly Geometric Mean	Daily Minimum	Daily Maximum	Measurement Frequency	Sample Type
00310	BOD, 5-Day (20 °C)	mg/L	10			15	Weekly ¹ / 2 x Month ²	Composite
00940	Chloride (as Cl)	mg/L					3 x Year ³	Composite
50060	Chlorine, Total Residual	mg/L					5 x Week	Grab
31616	Coliform, Fecal MF, M-FC Broth, 44.5 °C	#/100 mL		14		25	Weekly ¹ / 2 x Month ²	Grab
50050	Flow, in Conduit or thru Treatment Plant	GPD	350,000				Continuous	Recorder
00610	Nitrogen, Ammonia Total (as N)	mg/L	4			6	Weekly ¹ / 2 x Month ²	Composite
00625	Nitrogen, Kjeldahl, Total (as N)	mg/L					Weekly ¹ / 2 x Month ²	Composite
00620	Nitrogen, Nitrate Total (as N)	mg/L	10				Weekly ¹ / 2 x Month ²	Composite
00600	Nitrogen, Total (as N)	mg/L					Weekly ¹ / 2 x Month ²	Composite
00400	pH	su					5 x Week	Grab
00665	Phosphorus, Total (as P)	mg/L					Weekly ¹ / 2 x Month ²	Composite
70300	Solids, Total Dissolved – 180 °C	mg/L					3 x Year ³	Composite
00530	Solids, Total Suspended	mg/L	5			10	Weekly ¹ / 2 x Month ²	Composite
00076	Turbidity, HCH Turbidimeter	NTU				10	Continuous	Recorder

1. Weekly sampling shall be conducted from May 1st through August 31st.
2. 2 x Month sampling shall be conducted from September 1st through April 30th.
3. 3 x Year sampling shall be conducted in March, July, and November.

PPI 002 – Groundwater Lowering Ditch 001 at Sampling Point DD-1

EFFLUENT CHARACTERISTICS		EFFLUENT LIMITS					MONITORING REQUIREMENTS	
PCS Code	Parameter Description	Units of Measure	Monthly Average	Monthly Geometric Mean	Daily Minimum	Daily Maximum	Measurement Frequency	Sample Type
00600	Nitrogen, Total (as N)	mg/L					3 x Year ¹	Grab
00610	Nitrogen, Ammonia Total (as N)	mg/L					3 x Year ¹	Grab
00300	DO, Oxygen, Dissolved	mg/L					3 x Year ¹	Grab
00665	Phosphorus, Total (as P)	mg/L					3 x Year ¹	Grab

1. 3 x Year sampling shall be conducted in March, July, and November.

PPI 003 – Groundwater Lowering Ditch 002 at Sampling Point DD-2

EFFLUENT CHARACTERISTICS		EFFLUENT LIMITS					MONITORING REQUIREMENTS	
PCS Code	Parameter Description	Units of Measure	Monthly Average	Monthly Geometric Mean	Daily Minimum	Daily Maximum	Measurement Frequency	Sample Type
00600	Nitrogen, Total (as N)	mg/L					3 x Year ¹	Grab
00610	Nitrogen, Ammonia Total (as N)	mg/L					3 x Year ¹	Grab
00300	DO, Oxygen, Dissolved	mg/L					3 x Year ¹	Grab
00665	Phosphorus, Total (as P)	mg/L					3 x Year ¹	Grab

1. 3 x Year sampling shall be conducted in March, July, and November.

NON-CONJUNCTIVE LAND APPLICATION SITES

Outer Banks/Kinnakeet Associates, LLC – Kinnakeet Shores WWTP

IRRIGATION AREA INFORMATION							APPLICATION LIMITATIONS			
Zone	Owner	County	Latitude	Longitude	Net Acreage	Dominant Soil Series	Parameter	Hourly Rate	Yearly Max	Units
A10A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.334167°	-75.511667°	.59	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A10B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.334167°	-75.511111°	.43	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A10C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.332222°	-75.511944°	.16	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A10D	Outer Banks/Kinnakeet Associates, LLC	Dare	35.331667°	-75.511944°	.11	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A11A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.334167°	-75.512222°	.10	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A11B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.332222°	-75.512500°	1.88	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A12A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.331389°	-75.512500°	.41	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A12B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.330000°	-75.513333°	.80	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A1A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.344444°	-75.507500°	.85	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A1B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.345278°	-75.507222°	.59	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.343056°	-75.508056°	.23	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.342500°	-75.507778°	.18	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.341944°	-75.508333°	.25	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2D	Outer Banks/Kinnakeet Associates, LLC	Dare	35.340833°	-75.508056°	.28	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2E	Outer Banks/Kinnakeet Associates, LLC	Dare	35.343333°	-75.508889°	.12	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2F	Outer Banks/Kinnakeet Associates, LLC	Dare	35.343611°	-75.509167°	.14	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A2G	Outer Banks/Kinnakeet Associates, LLC	Dare	35.343889°	-75.509167°	.13	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A3A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.340556°	-75.507778°	.47	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A3B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.340278°	-75.508611°	.62	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches

IRRIGATION AREA INFORMATION							APPLICATION LIMITATIONS			
Zone	Owner	County	Latitude	Longitude	Net Acreage	Dominant Soil Series	Parameter	Hourly Rate	Yearly Max	Units
A3C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.340278°	-75.508722°	0.3	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A4	Outer Banks/Kinnakeet Associates, LLC	Dare	35.340000°	-75.507778°	0.74	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.337778	-75.508611°	0.0	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.338661°	-75.509167°	0.21	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.339167	-75.508722°	0.28	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5D	Outer Banks/Kinnakeet Associates, LLC	Dare	35.338056°	-75.509137°	0.5	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5E	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336667	-75.510556°	0.26	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5F	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336667°	-75.510278°	0.09	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5G	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336111°	-75.510833°	0.08	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5H	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336111°	-75.510278°	0.27	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A5I	Outer Banks/Kinnakeet Associates, LLC	Dare	35.337500°	-75.508611°	0.27	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A6A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.334444°	-75.507500°	0.66	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A6B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336389°	-75.507500°	0.6	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A6C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.337222°	-75.508056°	0.44	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A6D	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336389°	-75.508056°	0.25	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A7	Outer Banks/Kinnakeet Associates, LLC	Dare	35.341389°	-75.505000°	1.42	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A8	Outer Banks/Kinnakeet Associates, LLC	Dare	35.341944°	-75.505556°	1.4	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A9A	Outer Banks/Kinnakeet Associates, LLC	Dare	35.338056°	-75.510833°	0.11	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A9B	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336667°	-75.513611°	0.43	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
A9C	Outer Banks/Kinnakeet Associates, LLC	Dare	35.336667°	-75.513889°	0.23	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	0.3	161.2	inches
POND 1	Outer Banks/Kinnakeet Associates, LLC	Dare	35.344705°	-75.507325°	2.5	Corolla fine sand, 0 to 6% slopes	01284 – Non-Discharge Application Rate	1.49		GPD/ft²
Totals					19.38					

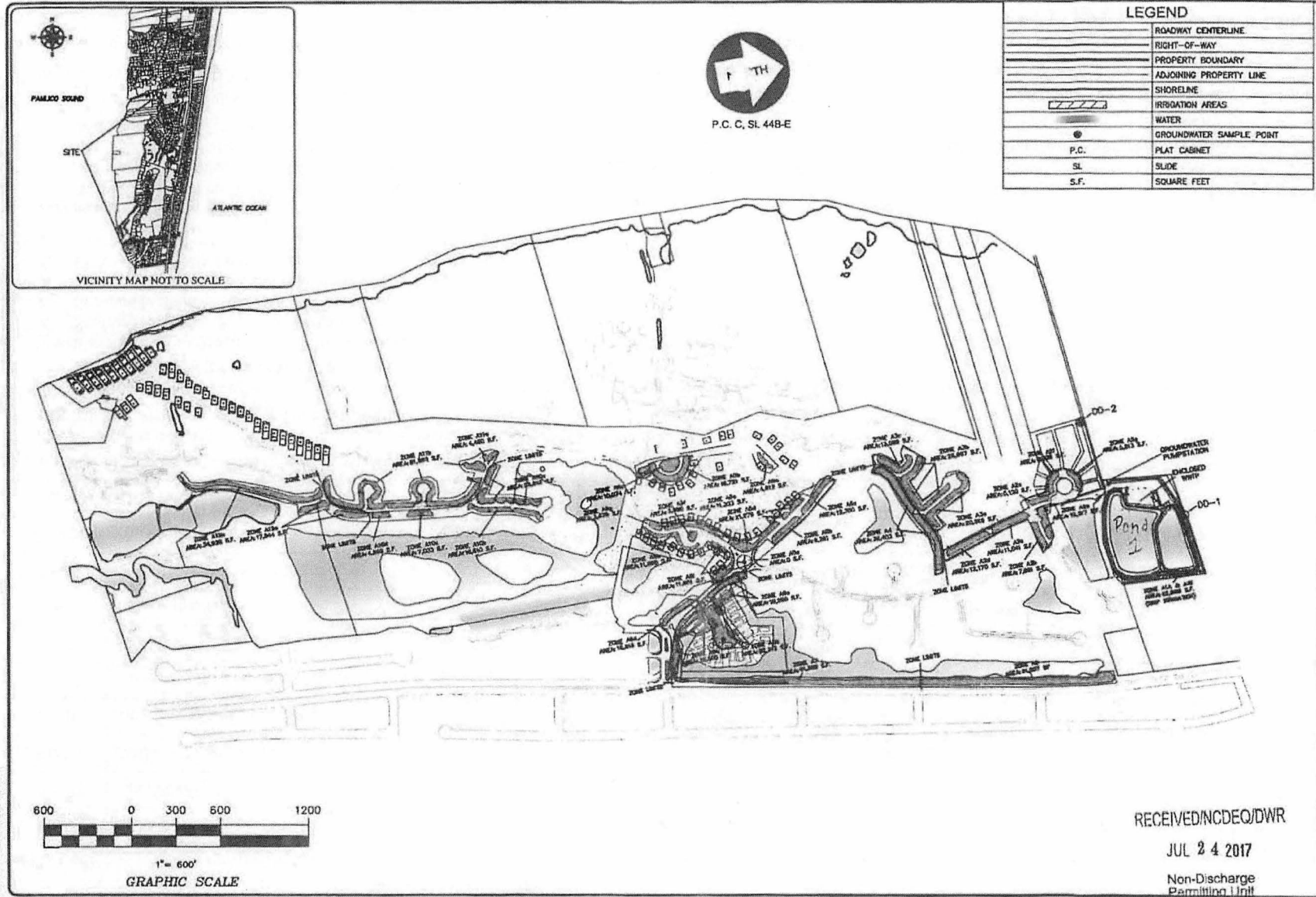
ATTACHMENT C – GROUNDWATER MONITORING AND LIMITATIONS**Permit Number: WQ0002284****Version: 3.1****Monitoring wells: MW-10, MW-11, and MW-12**

GROUNDWATER CHARACTERISTICS		GROUNDWATER STANDARDS		MONITORING REQUIREMENTS		
PCS Code	Parameter Description	Daily Maximum		Frequency Measurement	Sample Type	Footnotes
00680	Carbon, Tot Organic (TOC)		mg/L	3 x Year	Grab	1, 6
00940	Chloride (as Cl)	250	mg/L	3 x Year	Grab	1
31616	Coliform, Fecal MF, M-FC Broth, 44.5 °C		#/100 mL	3 x Year	Grab	1
00610	Nitrogen, Ammonia Total (as N)	1.5	mg/L	3 x Year	Grab	1
00620	Nitrogen, Nitrate Total (as N)	10	mg/L	3 x Year	Grab	1
00400	pH	6.5-8.5	su	3 x Year	Grab	1, 2
00665	Phosphorus, Total (as P)		mg/L	3 x Year	Grab	1
70300	Solids, Total Dissolved - 180 °C	500	mg/L	3 x Year	Grab	1
GWVOC	Volatile Compounds (GC/MS)		Present: Yes/No	Annually	Grab	1, 4, 5
82546	Water Level, Distance from measuring point		feet	3 x Year	Calculated	1, 2, 3

- 3 x Year monitoring shall be conducted in March, July, and November; Annual monitoring shall be conducted every November.
- The measurement of water levels shall be made prior to purging the wells. The depth to water in each well shall be measured from the surveyed point on the top of the casing. The measurement of pH shall be made after purging and prior to sampling for the remaining parameters.
- The measuring points (top of well casing) of all monitoring wells shall be surveyed to provide the relative elevation of the measuring point for each monitoring well. The measuring points (top of casing) of all monitoring wells shall be surveyed relative to a common datum.
- Volatile Organic Compounds (VOC) - In November only, analyze by one of the following methods:
 - Standard Method 6230D, PQL at 0.5 µg/L or less
 - Standard Method 6210D, PQL at 0.5 µg/L or less
 - EPA Method 8021, Low Concentration, PQL at 0.5 µg/L or less
 - EPA Method 8260, Low Concentration, PQL at 0.5 µg/L or less
 - Another method with prior approval by the Non-Discharge Branch Chief

Any method used must meet the following qualifications:

 - A laboratory must be DWR certified to run any method used.
 - The method used must, at a minimum, include all the constituents listed in Table VIII of Standard Method 6230D.
 - The method used must provide a PQL of 0.5 µg/L or less that must be supported by laboratory proficiency studies as required by DWR. Any constituents detected above the MDL but below the PQL of 0.5 µg/L must be qualified (estimated) and reported.
- If any volatile organic compounds (VOC) are detected as a result of monitoring as provided in Attachment C, then the Washington Regional Office supervisor, telephone number (252) 946-6481, must be contacted immediately for further instructions regarding any additional follow-up analyses required.
- If TOC concentrations greater than 10 mg/l are detected in any downgradient monitoring well, additional sampling and analysis must be conducted to identify the individual constituents comprising this TOC concentration. If the TOC concentration as measured in the background monitor well exceeds 10 mg/l, this concentration will be taken to represent the naturally occurring TOC concentration. Any exceedances of this naturally occurring TOC concentration in the downgradient wells shall be subject to the additional sampling and analysis as described above.
- Monitoring wells shall be reported consistent with the nomenclature and location information provided in this attachment.



REVISIONS

NO.	DATE	DESCRIPTION
1	07-25-17	1" = 600'

PROJECT
KINNAKEET SHORES
WASTEWATER SYSTEM
NORTH CAROLINA
AVERY TOWNSHIP
BASE
UPDATED SITE MAP

SCALE
1" = 600'

MOB
MOB
BPO

SHEET
1 of 1

PROJECT NO.
1523

PROJECT NO.
1523

Z:\1125 Kinnakeet Shores\WASTE WATER\152300\WTP-SM.dwg, Layout-11x17, 7/26/2017 10:47:12 AM,
KONICA MINOLTA CTR640, 11x17, 1:1

Exhibit C

Compliance Inspection Report

Permit: WQ0002284 Effective: 08/17/18 Expiration: 02/28/23 Owner : Outer Banks/Kinnakeet Associates LLC
SOC: Effective: Expiration: Facility: Kinnakeet Shores WWTP
County: Dare 41105 Big Kinnakeet Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell Title: Manager Phone:

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr Certification: 21101 Phone: 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 12/09/2019 Entry Time: 10:30AM Exit Time: 01:00PM
Primary Inspector: Sarah A Toppen Phone: 252-946-6481

Secondary Inspector(s):

Robert B Tankard Phone :252-946-6481 Ext.233
Paul M Mays
Robert E Bullock

Reason for Inspection: Routine Inspection Type: Compliance Sampling

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent	<input checked="" type="checkbox"/> Treatment Flow Measurement-Influent	<input checked="" type="checkbox"/> Miscellaneous Questions
<input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records	<input checked="" type="checkbox"/> Treatment	<input checked="" type="checkbox"/> Treatment Barscreen
<input checked="" type="checkbox"/> Treatment Fillers	<input checked="" type="checkbox"/> Record Keeping	<input checked="" type="checkbox"/> Treatment Activated Sludge
<input checked="" type="checkbox"/> Treatment Clarifiers	<input checked="" type="checkbox"/> Treatment Disinfection	<input checked="" type="checkbox"/> End Use-Infiltration
<input checked="" type="checkbox"/> Treatment Flow Measurement	<input checked="" type="checkbox"/> End Use-Reuse	<input checked="" type="checkbox"/> Wells

(See attachment summary)

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Inspection Summary:

A compliance sampling inspection was completed on December 9, 2019.

Our records indicate that the ORC is David Pharr but we do not have a current BORC listed. The operator designation form needs to be updated. We have verbally been informed that Michelle Pharr is the BORC.

Our records indicate that we haven't received all the monthly NDMRs and NDARs for 2019. It appears that we have only received February, March, and August 2019 monthly reports. We need these reports completed accurately and signed properly. We are suppose to receive each monthly report before the end of the next month.

No sludge removal records are present because facility hasn't removed sludge from the plant in several years.

A spot check was conducted on the NDMR forms for August 2018 . There was a lab report dated 8/9/2018 but was entered on the NDMR on 8/13/2018. Another spot check was conducted for July 2019. The lab reports showed a July 25, 2019 sampling event but it was not entered on the NDMR. The results for the sampling are listed below:

Fecal Coliform: >6000
BOD: 3
Nitrite: <0.02
TSS: 3.5

The bench sheets were not on-site for pH. The pH on the NDMR could not be confirmed based on the ORCs records. September 2019 spot check was looking at 9/9/2019. The parameters for that date were located under 9/19/2019.

The above NDMRs should be revised and resent.

Also, we reviewed the maintenance book for the facility. There was a few days that had been completed. No operation and maintenance book was available.

Pond 1 and the 5-day upset pond should have staff gauges so that the freeboard of each pond can be read weekly and shall not be less than two feet at any time.

Ground water monitoring via three groundwater wells are in the newest permit but they have not been constructed yet. There is also groundwater sampling that hasn't started due to the wells not being installed. Please refer back to 11, 12, and 13 under section IV. Monitoring and Reporting.

In the permit, Section IV. Monitoring and Reporting Requirements

6. Freeboard (i.e., reclaimed water level to the lowest embankment elevation) in the 3.057MG lined 5-day upset pond and the 5.1 MG storage/infiltration pond shall be measured to the nearest inch or tenth of a foot, and recorded weekly. Weekly freeboard records shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. [15A NCAC 02T .0108(c)]

8. A maintenance log shall be maintained at this facility. The log shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. At a minimum, this log shall include:

- a. Visual observations of treatment plant and plant site;
- b. Date of calibration of flow measurement device(s);
- c. Date of calibration of turbidimeter;
- d. Date and results of power interruption testing on alternate power supply;
- e. Record of preventative maintenance (e.g., changing/adjusting of equipment, pump and valve maintenance, cross connection contrl, testing, inspections and cleanings, etc.; and

Permit: WQ0002284 Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Date: 12/09/2019 Inspection Type : Compliance Sampling Reason for Visit: Routine

f. Record of all unpermitted releases of reclaimed water to surface water or land surface including date of occurrence, estimated volume of release, cause, and corrective action taken. [15A NCAC 02T .0108(b)(1)]

9. Three copies of all effluent monitoring data and reclaimed water distribution data (as specified in Conditions IV.3. and IV .4.) shall be submitted on Form NDMR for each PPI listed in Attachment A. Reporting forms shall be submitted on or before the last day of the following month. If no reclaimed water distribution activities occurred during the monitoring month, monitoring reports documenting the absence of the activity are still required to be submitted. All effluent monitoring data shall be submitted to the following address: Division of Water Resources, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617. [15A NCAC 02T .0105(1)]

There was a compliance sampling event that was conducted during the inspection. The results from the Fecal Coliform sampling is below:

Groundwater lowering ditch: 2000 Colonies/100mL
Effluent: 200 Colonies/100mL
Infiltration Pond: 420 Colonies/100mL
Recreational Pond (outside of fence): 1100 Colonies/100mL

Dare County Environmental Health was contacted by our office due to the results of the Fecal Coliform levels at the Recreational Pond (children splashing around pond and kayakers have been observed in and around pond). In turn they contacted Kinnakeet HOA to inform them.

Sampled for BOD, Turbidity, NH₃, NO₂+NO₃ as N, Total Phosphorus, Total Kjeldahl N as N (TKN), and Residue Suspended (TSS) were sampled at several different locations. Below you will find the location and the results for these parameters:

Effluent:

BOD: 2.1 mg/L
Turbidity 10 NTU
NH₃ as N: 0.02 mg/L
NO₂+NO₃ as N 0.04 mg/L
Total Phosphorus 0.03 mg/L
TKN. 0.40 mg/L
TSS. 12 U mg/L

Fecal Coliform, Turbidity and TSS all exceed the limits for PPI 001 Effluent. Also, there is no composite sampler used at the facility. There are nine parameters on PPI 001 of the permit that are required to use a composite sampler. The facility is using a small trash bin inside a small dorm refrigerator.

Infiltration Basin:

BOD: 23 mg/L
NH₃ as N: 14 mg/L
NO₂+NO₃ as N 3.3 mg/L
Total Phosphorus 2.7 mg/L
TKN. 16 mg/L
TSS: 16 U mg/L

Groundwater Lowering Ditch:

BOD: 12 mg/L
NH₃ as N. 0.90 mg/L
NO₂+NO₃ as N: 1.4 mg/L

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeel Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Total Phosphorus: 2.7 mg/L
TKN: 4.9 mg/L
TSS: 26 U mg/L

Recreational Pond:

BOD: 3.2 mg/L
NH3 as N: 0.02 mg/L
NO2+NO3 as N: 0.02 mg/L
Total Phosphorus: 0.13 mg/L
TKN: 0.99 mg/L
TSS: 6.2 U mg/L

The inspection of the plant showed several equipment failures. The two 3000 CFM blowers were not operable. The operator had maintained and fixed the third blower so it would work. One treatment train (which included one of the clarifiers) was down so that the maximum treatable capacity of the plant is 175,000 gallons per day. The 348 square foot traveling bridge filter rated at 0.70GPM/ft² was also not functional. The operator stated that they manually backwashed the filter on a weekly schedule. The traveling bridge would not travel. The turbidity meter was also non functional. Unsure whether the 5 day upset valves would transfer non reclaim wastewater to the pond. Nothing with the reclaimed system would work. All wastewater was going to the high rate system with no expectations of using the water for reclaimed irrigation. The high rate system is designed for 162,261 gallons per day and the reclaimed irrigation system is designed for 202,417 gallons per day.

The limiting capacity of the treatment and disposal system is 162,261 gpd.

Also, inspected the main lift station at Dory Lane. Both pumps in the station were broken. The operator had rigged a pump to take low flows to the plant. The system will not accommodate high flows during the summer months. Pictures are included behind this inspection report.

The collection system is suppose to have duplex pumps but they have been replaced with single/trash pumps that move the waste water from the grinder pump station to next. We can not determine the number of pumps that are missing and how many need to be replaced to become compliant.

OFFICIAL COPY

Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Type

Reuse (Quality)

Yes No NA NE

☐

Recycle/Reuse

☐

Activated Sludge Spray, LR

☐

Activated Sludge Drip, LR

☐

Activated Sludge Spray, HR

☐

Single Family Drip

☐

Single Family Spray, LR

☐

Lagoon Spray, LR

☐

Infiltration System

☒

Treatment

Yes No NA NE

Are Treatment facilities consistent with those outlined in the current permit?

☒ ☐ ☐ ☐

Do all treatment units appear to be operational? (if no, note below.)

☐ ☒ ☐ ☐

Comment: The facility is non-compliant because several needed treatment units are either not functional or close to not functional. The two 3000 CFM blowers are broken, one 175,000 gallon clarifier is broken and the 348 square foot traveling bridge filter is in need of repair.

Treatment Flow Measurement-Influent

Yes No NA NE

Is flowmeter calibrated annually?

☐ ☐ ☒ ☐

Is flowmeter operating properly?

☐ ☐ ☒ ☐

Does flowmeter monitor continuously?

☐ ☐ ☒ ☐

Does flowmeter record flow?

☐ ☐ ☒ ☐

Does flowmeter appear to monitor accurately?

☐ ☐ ☒ ☐

Comment:

Treatment Flow Measurement-Water Use Records

Yes No NA NE

Is water use metered?

☐ ☐ ☒ ☐

Are the daily average values properly calculated?

☐ ☐ ☒ ☐

Comment:

Treatment Flow Measurement-Effluent

Yes No NA NE

Is flowmeter calibrated annually?

☒ ☐ ☐ ☐

Is flowmeter operating properly?

☒ ☐ ☐ ☐

Does flowmeter monitor continuously?

☒ ☐ ☐ ☐

Does flowmeter record flow?

☐ ☒ ☐ ☐

Does flowmeter appear to monitor accurately?

☒ ☐ ☐ ☐

Comment: Flowmeter did not appear to be able to record flow.

Permit: WQ0002284
Inspection Date: 12/09/2019

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Sampling

Reason for Visit: Routine

Treatment Barscreen

Yes No NA NE

Is it free of excessive debris? ☒ ☐ ☐ ☐

Is disposal of screenings in compliance? ☐ ☐ ☐ ☒

Are the bars spaced properly? ☒ ☐ ☐ ☐

Is the unit in good condition? ☒ ☐ ☐ ☐

Comment:

Treatment Activated Sludge

Yes No NA NE

Is the aeration mechanism operable? ☒ ☐ ☐ ☐

Is the aeration basin thoroughly mixed? ☒ ☐ ☐ ☐

Is the aeration equipment easily accessed? ☒ ☐ ☐ ☐

Is Dissolved Oxygen adequate? ☐ ☐ ☐ ☒

Are Settleometer results acceptable? ☐ ☐ ☐ ☒

Is activated sludge an acceptable color? ☒ ☐ ☐ ☐

Comment: The two 3000 CFM blowers are broken. Only one train was running. It is not known whether the second train will operate.

Treatment Clarifiers

Yes No NA NE

Are the weirs level? ☒ ☐ ☐ ☐

Are the weirs free of solids and algae? ☒ ☐ ☐ ☐

Is the scum removal system operational? ☒ ☐ ☐ ☐

Is the scum removal system accessible? ☒ ☐ ☐ ☐

Is the sludge blanket at an acceptable level? ☐ ☐ ☐ ☒

Is the effluent from the clarifier free of excessive solids? ☒ ☐ ☐ ☐

Comment: One of the 31,050 gallon clarifiers is broken.

Treatment Filters

Yes No NA NE

Is the filter media present? ☒ ☐ ☐ ☐

Is the filter media the correct size and type? ☐ ☐ ☐ ☒

Is the air scour operational? ☐ ☒ ☐ ☐

Is the scouring acceptable? ☐ ☒ ☐ ☐

Is the clear well free of excessive solids? ☐ ☐ ☐ ☒

Is the mud well free of excessive solids and filter media? ☐ ☐ ☐ ☒

Does backwashing frequency appear adequate? ☐ ☒ ☐ ☐

Comment: Operator stated filter is backwashed once a week manually. However, the traveling bridge would not function correctly (would not travel the entire length of the filter). Therefore the system is not operating as designed.

Treatment Disinfection

Yes No NA NE

Is the system working? ☐ ☒ ☐ ☐

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				
If yes, then when was the RMP last updated?				

Comment: The liquid chlorine system is operating, however we do not have a engineers certification for the system which is required in the permit. Also, pulled samples during inspection. The fecal coliform came back at 200 colonies per 100ml. There has also been several fecal limit violations.

Record Keeping

	Yes	No	NA	NE
Is a copy of current permit available?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are monitoring reports present: NDMR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NDAR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are flow rates less than of permitted flow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are flow rates less than of permitted flow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are application rates adhered to?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is GW monitoring being conducted, if required (GW-59s submitted)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all samples analyzed for all required parameters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any 2L GW quality violations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is GW-59A certification form completed for facility?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is effluent sampled for same parameters as GW?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do effluent concentrations exceed GW standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are annual soil reports available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Are PAN records required?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Did last soil report indicate a need for lime?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If so, has it been applied?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Are operational logs present?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are lab sheets available for review?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do lab sheets support data reported on NDMR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do lab sheets support data reported on GW-59s?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are Operational and Maintenance records present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were Operational and Maintenance records complete?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has permittee been free of public complaints in last 12 months?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is a copy of the SOC readily available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No treatment units bypassed since last inspection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment:

End Use-Infiltration

Yes No NA NE

Is the application High Rate or Low Rate?

High Rate

Are buffers maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a usable green area maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the disposal site acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the distribution equipment acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the disposal site free of ponding?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the disposal site free of breakout?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the disposal sites free of solids, algae, etc.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the records show that the fields are properly maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the disposal sites free of vegetation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do any surface water features appear to be adversely impacted by GW discharge?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No chemicals or rototiller used to eliminate vegetation, solids, algae, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment: The infiltration pond has algae during the summer months. Samples were taken to evaluate the condition of the infiltration pond. No monitoring wells have been installed to monitor if groundwater has been impacted.

End Use-Reuse

Yes No NA NE

Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeel Associates LLC

Inspection Date: 12/09/2019

Inspection Type : Compliance Sampling

Reason for Visit: Routine

Is an automatically activated standby power source available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are buffers adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the site free of ponding/runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: The reclaimed system does not work. The operator has not used the system in some time. A complete rehab of the system would have to take place prior to operation. The wells for the infiltration/storage pond have not been installed. The turbidity meter does not appear to be functional. The meter was reading 4 NTUs and the effluent sample pulled was 10 NTUs.

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Aug 15 2022







Exhibit D

ROY COOPER
Governor

MICHAEL S. REGAN
Secretary

LINDA CULPEPPER
Director



NORTH CAROLINA
Environmental Quality

Certified Mail # 7018 1830 0000 9509 8850
Return Receipt Requested

January 29, 2020

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates, LLC
PO Box 34
Connelly Spring, NC 28612

SUBJECT: NOTICE OF VIOLATION & INTENT TO ASSESS CIVIL PENALTY

Tracking Number: NOV-2020-PC-0055

Permit No. WQ0002284

Kinnakeet Shores WWTP

Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of the Kinnakeet Shores WWTP on December 9, 2019. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The Compliance Sampling inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
Record Keeping	Numerous months of NDMRs and NDARs are missing, Data needs to be revised on a few of the NDMRs. Refer to the summary page of the Inspection Report for more detail.
Treatment Flow Measurement-Effluent	Flow meter did not appear to be able to record flow.
Wells	Monitoring wells are not installed
Treatment Filters	The traveling bridge filter is in disrepair. The travelling bridge would not traverse the filter during the backwash cycle. The system is not operating as designed.



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27889
252-846-6481

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Aug 15 2022

Inspection Area	Description of Violation
Treatment	The facility is non-compliant because several needed treatment units are either not functional or close to not functional. Two 3000 CFM blowers are broken, one 175,000 gallon clarifier is broken, and the 348 square foot traveling bridge filter is in need of repair.
End Use-Infiltration	The infiltration pond has algae during the summer months. Samples were taken to evaluate the condition of the infiltration pond. Samples indicated that the water did not meet reclaimed standards. Refer to summary page of the Inspection Report for more detail.
Treatment Disinfection	The liquid chlorine system is operating, however we do not have an engineers certification for the system which is required in the permit. Also, pulled samples during inspection. The fecal coliform came back at 200 colonies per 100ml. There has also been several fecal limit violations.
End Use-Reuse	The reclaimed irrigation system does not work. The operator has not used the system for some time. A complete rehab of the system would have to take place prior to operation. The wells for the infiltration/storage pond have not been installed. The turbidity meter does not appear to be functional. Turbidity samples came back at 10 NTU and the meter was reading 4 NTU.
End Use-Reuse	Turbidity meter down and water is not being transferred to 5 day pond when wastewater does not meet reclaimed standards.
Collection System	The main lift station at Dory Lane is not functioning as designed and has been reworked to keep running during low flows. Both pumps in the station are broken. Also, the duplex pumps have been replaced with single/trash pumps that move the wastewater from the grinder pump station to the next pump station.

A Notice of Violation/Intent to Issue Civil Penalty is being issued for the noted violation of North Carolina General Statute (G.S.) 143-215.1 and the facility's Non-discharge Permit. Pursuant to G.S. 143-215.6A, a civil penalty of not more than twenty-five thousand dollars (\$25,000.00) may be assessed against any person who violates or fails to act in accordance with the terms, conditions, or requirements of any permit issued pursuant to G.S. 143-215.1.

If you wish to provide additional information regarding the noted violation, request technical assistance, or discuss overall compliance please respond in writing within ten (10) business days after receipt of this Notice. A review of your response will be considered along with any additional information provided. You will then be notified of any civil penalties that may be assessed regarding the violations. **If no response is received in this Office within the 10-day period, a civil penalty assessment may be prepared.**



Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent.

Reminder: Pursuant to Permit Condition 14 in Section IV, the Permittee is required to verbally notify the Regional Office as soon as possible, not to exceed 24 hours, from first knowledge of any non-compliance at the facility including limit violations, bypasses of, or failure of a treatment unit. A written report may be required within 5 days if directed by Division staff. Prior notice should be given for anticipated or potential problems due to planned maintenance activities, taking units off-line, etc.

If you should have any questions, please do not hesitate to contact Sarah Toppen with the Water Quality Regional Operations Section in the Washington Regional Office at 252-946-6481.

Sincerely,

Robert Tankard

Robert Tankard, Assistant Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Ray Hollowell (rayehollowell@yahoo.com)
Laserfiche



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27889
252-946-6481

Compliance Inspection Report

OFFICIAL COPY

Aug 15 2022

Permit: WQ0002284 Effective: 08/17/18 Expiration: 02/28/23 Owner : Outer Banks/Kinnakeel Associates LLC
SOC: Effective: Expiration: Facility: Kinnakeel Shores WWTP
County: Dare 41105 Big Kinnakeel Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell Title: Manager Phone:

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeel Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr Certification: 21101 Phone: 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 12/09/2019 Entry Time: 10:30AM Exit Time: 01:00PM
Primary Inspector: Sarah A Toppen Phone: 252-946-6481

Secondary Inspector(s):

Robert B Tankard Phone: 252-946-6481 Ext.233
Paul M Mays
Robert E Bullock

Reason for Inspection: Routine Inspection Type: Compliance Sampling

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent	<input checked="" type="checkbox"/> Treatment Flow Measurement-Influent	<input checked="" type="checkbox"/> Miscellaneous Questions
<input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records	<input checked="" type="checkbox"/> Treatment	<input checked="" type="checkbox"/> Treatment Barscreen
<input checked="" type="checkbox"/> Treatment Filters	<input checked="" type="checkbox"/> Record Keeping	<input checked="" type="checkbox"/> Treatment Activated Sludge
<input checked="" type="checkbox"/> Treatment Clarifiers	<input checked="" type="checkbox"/> Treatment Disinfection	<input checked="" type="checkbox"/> End Use-Infiltration
<input checked="" type="checkbox"/> Treatment Flow Measurement	<input checked="" type="checkbox"/> End Use-Reuse	<input checked="" type="checkbox"/> Wells

(See attachment summary)

Permit: WQ0002284
Inspection Date: 12/09/2019

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Sampling

Reason for Visit: Routine

Inspection Summary:

A compliance sampling inspection was completed on December 9, 2019.

Our records indicate that the ORC is David Pharr but we do not have a current BORC listed. The operator designation form needs to be updated. We have verbally been informed that Michelle Pharr is the BORC.

Our records indicate that we haven't received all the monthly NDMRs and NDARs for 2019. It appears that we have only received February, March, and August 2019 monthly reports. We need these reports completed accurately and signed properly. We are suppose to receive each monthly report before the end of the next month.

No sludge removal records are present because facility hasn't removed sludge from the plant in several years.

A spot check was conducted on the NDMR forms for August 2018 . There was a lab report dated 8/9/2018 but was entered on the NDMR on 8/13/2018. Another spot check was conducted for July 2019. The lab reports showed a July 25, 2019 sampling event but it was not entered on the NDMR. The results for the sampling are listed below:

Fecal Coliform: >6000
BOD: 3
Nitrite: <0.02
TSS: 3.5

The bench sheets were not on-site for pH. The pH on the NDMR could not be confirmed based on the ORCs records. September 2019 spot check was looking at 9/9/2019. The parameters for that date were located under 9/19/2019.

The above NDMRs should be revised and resent.

Also, we reviewed the maintenance book for the facility. There was a few days that had been completed. No operation and maintenance book was available.

Pond 1 and the 5-day upset pond should have staff gauges so that the freeboard of each pond can be read weekly and shall not be less than two feet at any time.

Ground water monitoring via three groundwater wells are in the newest permit but they have not been constructed yet. There is also groundwater sampling that hasn't started due to the wells not being installed. Please refer back to 11, 12, and 13 under section IV. Monitoring and Reporting.

In the permit, Section IV. Monitoring and Reporting Requirements

6. Freeboard (i.e., reclaimed water level to the lowest embankment elevation) in the 3.057MG lined 5-day upset pond and the 5.1 MG storage/infiltration pond shall be measured to the nearest inch or tenth of a foot, and recorded weekly. Weekly freeboard records shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. [15A NCAC 02T .0108(c)]

8. A maintenance log shall be maintained at this facility. The log shall be maintained at the facility for a period of no less than five years, and shall be made available to the Division upon request. At a minimum, this log shall include:

- a. Visual observations of treatment plant and plant site;
- b. Date of calibration of flow measurement device(s);
- c. Date of calibration of turbidimeter;
- d. Date and results of power interruption testing on alternate power supply;
- e. Record of preventative maintenance (e.g., changing/adjusting of equipment, pump and valve maintenance, cross connection contrl, testing, inspections and cleanings, etc.; and

Permit: WQ0002284
Inspection Date: 12/09/2019

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Sampling

Reason for Visit: Routine

f. Record of all unpermitted releases of reclaimed water to surface water or land surface including date of occurrence, estimated volume of release, cause, and corrective action taken. [15A NCAC 02T .0108(b)(1)]

9. Three copies of all effluent monitoring data and reclaimed water distribution data (as specified in Conditions IV.3. and IV .4.) shall be submitted on Form NDMR for each PPI listed in Attachment A. Reporting forms shall be submitted on or before the last day of the following month. If no reclaimed water distribution activities occurred during the monitoring month, monitoring reports documenting the absence of the activity are still required to be submitted. All effluent monitoring data shall be submitted to the following address: Division of Water Resources, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617. [15A NCAC 02T .0105(1)]

There was a compliance sampling event that was conducted during the inspection. The results from the Fecal Coliform sampling is below:

Groundwater lowering ditch:	2000 Colonies/100mL
Effluent:	200 Colonies/100mL
Infiltration Pond:	420 Colonies/100mL
Recreational Pond (outside of fence):	1100 Colonies/100mL

Dare County Environmental Health was contacted by our office due to the results of the Fecal Coliform levels at the Recreational Pond (children splashing around pond and kayakers have been observed in and around pond). In turn they contacted Kinnakeet HOA to inform them.

Sampled for BOD, Turbidity, NH₃, NO₂+NO₃ as N, Total Phosphorus, Total Kjeldahl N as N (TKN), and Residue Suspended (TSS) were sampled at several different locations. Below you will find the location and the results for these parameters:

Effluent:

BOD:	2.1 mg/L
Turbidity	10 NTU
NH ₃ as N:	0.02 mg/L
NO ₂ +NO ₃ as N	0.04 mg/L
Total Phosphorus	0.03 mg/L
TKN	0.40 mg/L
TSS	12 U mg/L

Fecal Coliform, Turbidity and TSS all exceed the limits for PPI 001 Effluent. Also, there is no composite sampler used at the facility. There are nine parameters on PPI 001 of the permit that are required to use a composite sampler. The facility is using a small trash bin inside a small dorm refrigerator.

Infiltration Basin:

BOD	23 mg/L
NH ₃ as N	14 mg/L
NO ₂ +NO ₃ as N	3.3 mg/L
Total Phosphorus	2.7 mg/L
TKN	16 mg/L
TSS	16 U mg/L

Groundwater Lowering Ditch

BOD	12 mg/L
NH ₃ as N	0.90 mg/L
NO ₂ +NO ₃ as N	1.4 mg/L

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Owner - Facility: Outer Banks/Kinnakeel Associates LLC

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Total Phosphorus: 2.7 mg/L
TKN: 4.9 mg/L
TSS: 26 U mg/L

Recreational Pond:

BOD: 3.2 mg/L
NH3 as N: 0.02 mg/L
NO2+NO3 as N: 0.02 mg/L
Total Phosphorus: 0.13 mg/L
TKN: 0.99 mg/L
TSS: 6.2 U mg/L

The inspection of the plant showed several equipment failures. The two 3000 CFM blowers were not operable. The operator had maintained and fixed the third blower so it would work. One treatment train (which included one of the clarifiers) was down so that the maximum treatable capacity of the plant is 175,000 gallons per day. The 348 square foot traveling bridge filter rated at 0.70GPM/ft² was also not functional. The operator stated that they manually backwashed the filter on a weekly schedule. The traveling bridge would not travel. The turbidity meter was also non functional. Unsure whether the 5 day upset valves would transfer non reclaim wastewater to the pond. Nothing with the reclaimed system would work. All wastewater was going to the high rate system with no expectations of using the water for reclaimed irrigation. The high rate system is designed for 162,261 gallons per day and the reclaimed irrigation system is designed for 202,417 gallons per day.

The limiting capacity of the treatment and disposal system is 162,261 gpd.

Also, inspected the main lift station at Dory Lane. Both pumps in the station were broken. The operator had rigged a pump to take low flows to the plant. The system will not accommodate high flows during the summer months. Pictures are included behind this inspection report.

The collection system is suppose to have duplex pumps but they have been replaced with single/trash pumps that move the waste water from the grinder pump station to next. We can not determine the number of pumps that are missing and how many need to be replaced to become compliant.

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Owner - Facility: Outer Banks/Kinnakeel Associates LLC
Inspection Type : Compliance Sampling

Reason for Visit: Routine

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Type

	Yes	No	NA	NE
Reuse (Quality)	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Activated Sludge Spray, LR	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Infiltration System	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: The facility is non-compliant because several needed treatment units are either not functional or close to not functional. The two 3000 CFM blowers are broken, one 175,000 gallon clarifier is broken and the 348 square foot traveling bridge filter is in need of repair.

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Water Use Records

	Yes	No	NA	NE
Is water use metered?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the daily average values properly calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Effluent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Flowmeter did not appear to be able to record flow.

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Inspection Type : Compliance Sampling

Reason for Visit: Routine

Treatment Barscreen

Yes No NA NE

Is it free of excessive debris? ☒ ☐ ☐ ☐

Is disposal of screenings in compliance? ☐ ☐ ☐ ☒

Are the bars spaced properly? ☒ ☐ ☐ ☐

Is the unit in good condition? ☒ ☐ ☐ ☐

Comment:

Treatment Activated Sludge

Yes No NA NE

Is the aeration mechanism operable? ☒ ☐ ☐ ☐

Is the aeration basin thoroughly mixed? ☒ ☐ ☐ ☐

Is the aeration equipment easily accessed? ☒ ☐ ☐ ☐

Is Dissolved Oxygen adequate? ☐ ☐ ☐ ☒

Are Settleometer results acceptable? ☐ ☐ ☐ ☒

Is activated sludge an acceptable color? ☒ ☐ ☐ ☐

Comment: The two 3000 CFM blowers are broken. Only one train was running. It is not known whether the second train will operate.

Treatment Clarifiers

Yes No NA NE

Are the weirs level? ☒ ☐ ☐ ☐

Are the weirs free of solids and algae? ☒ ☐ ☐ ☐

Is the scum removal system operational? ☒ ☐ ☐ ☐

Is the scum removal system accessible? ☒ ☐ ☐ ☐

Is the sludge blanket at an acceptable level? ☐ ☐ ☐ ☒

Is the effluent from the clarifier free of excessive solids? ☒ ☐ ☐ ☐

Comment: One of the 31,050 gallon clarifiers is broken.

Treatment Filters

Yes No NA NE

Is the filter media present? ☒ ☐ ☐ ☐

Is the filter media the correct size and type? ☐ ☐ ☐ ☒

Is the air scour operational? ☐ ☒ ☐ ☐

Is the scouring acceptable? ☐ ☒ ☐ ☐

Is the clear well free of excessive solids? ☐ ☐ ☐ ☒

Is the mud well free of excessive solids and filter media? ☐ ☐ ☐ ☒

Does backwashing frequency appear adequate? ☐ ☒ ☐ ☐

Comment: Operator stated filter is backwashed once a week manually. However, the traveling bridge would not function correctly (would not travel the entire length of the filter). Therefore the system is not operating as designed.

Treatment Disinfection

Yes No NA NE

Is the system working? ☐ ☒ ☐ ☐

Permit: WQ0002284 Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Date: 12/09/2019 Inspection Type : Compliance Sampling Reason for Visit: Routine

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Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				
If yes, then when was the RMP last updated?				

Comment: The liquid chlorine system is operating, however we do not have a engineers certification for the system which is required in the permit. Also, pulled samples during inspection. The fecal coliform came back at 200 colonies per 100ml. There has also been several fecal limit violations.

Record Keeping

	Yes	No	NA	NE
Is a copy of current permit available?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are monitoring reports present: NDMR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NDAR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are flow rates less than of permitted flow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are flow rates less than of permitted flow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are application rates adhered to?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is GW monitoring being conducted, if required (GW-59s submitted)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all samples analyzed for all required parameters?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any 2L GW quality violations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is GW-59A certification form completed for facility?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is effluent sampled for same parameters as GW?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do effluent concentrations exceed GW standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are annual soil reports available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Are PAN records required?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Did last soil report indicate a need for lime?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If so, has it been applied?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Owner - Facility: Outer Banks/Kinnakeet Associates LLC

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Inspection Type : Compliance Sampling

Reason for Visit: Routine

Are operational logs present?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are lab sheets available for review?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do lab sheets support data reported on NDMR?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do lab sheets support data reported on GW-59s?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are Operational and Maintenance records present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were Operational and Maintenance records complete?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has permittee been free of public complaints in last 12 months?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is a copy of the SOC readily available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
No treatment units bypassed since last inspection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment:

End Use-Infiltration

Yes No NA NE

Is the application High Rate or Low Rate?

High Rate

Are buffers maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a usable green area maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the disposal site acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the distribution equipment acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the disposal site free of ponding?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the disposal site free of breakout?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the disposal sites free of solids, algae, etc.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the records show that the fields are properly maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the disposal sites free of vegetation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do any surface water features appear to be adversely impacted by GW discharge?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No chemicals or rototiller used to eliminate vegetation, solids, algae, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment: The infiltration pond has algae during the summer months. Samples were taken to evaluate the condition of the infiltration pond. No monitoring wells have been installed to monitor if groundwater has been impacted.

End Use-Reuse

Yes No NA NE

Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284
Inspection Date: 12/09/2019

Owner - Facility: Outer Banks/Kinnakeel Associates LLC
Inspection Type : Compliance Sampling

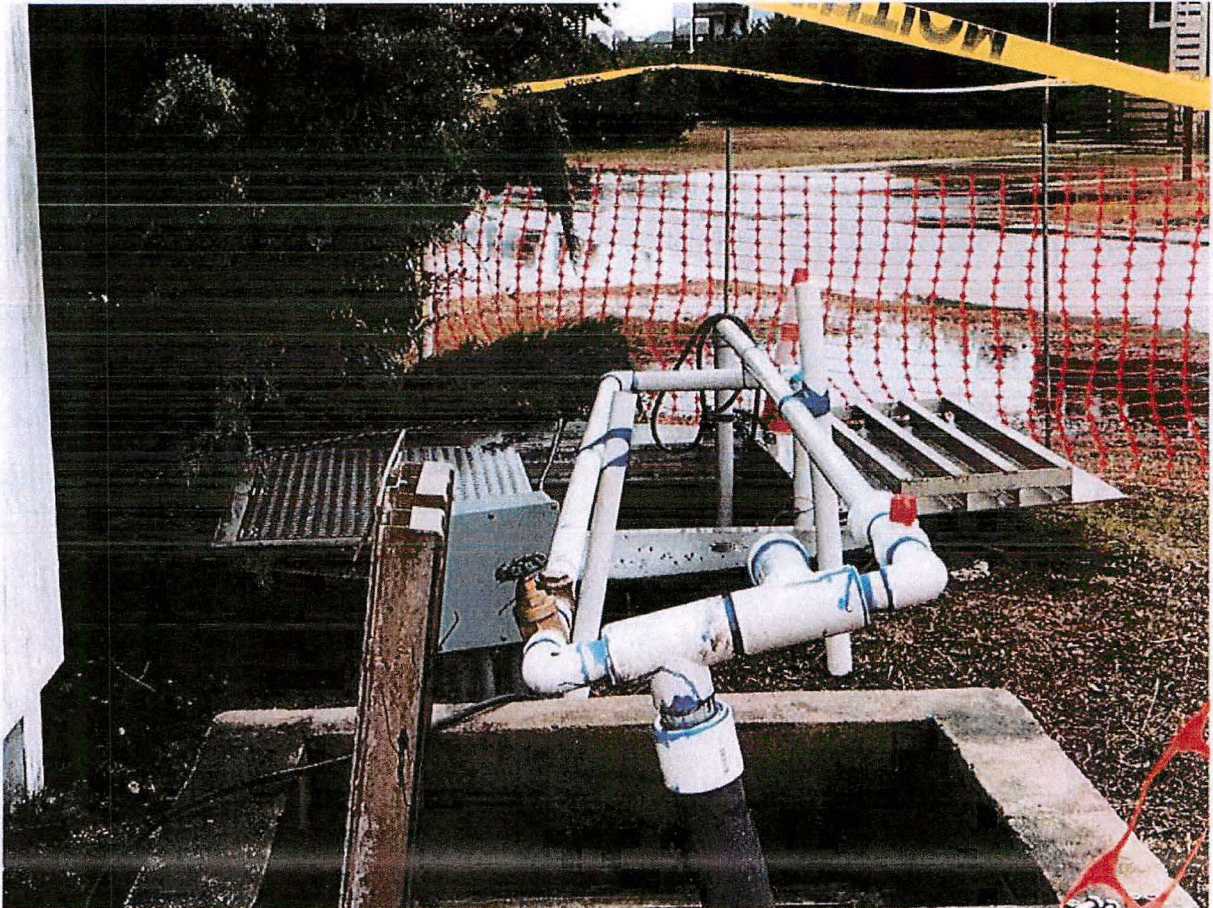
Reason for Visit: Routine

Is an automatically activated standby power source available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are buffers adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the site free of ponding/runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: The reclaimed system does not work. The operator has not used the system in some time. A complete rehab of the system would have to take place prior to operation. The wells for the infiltration/storage pond have not been installed. The turbidity meter does not appear to be functional. The meter was reading 4 NTUs and the effluent sample pulled was 10 NTUs.

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Attachment E

Compliance Inspection Report

Permit: WQ0002284 **Effective:** 08/17/18 **Expiration:** 02/28/23 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores WWTP
County: Dare 41105 Big Kinnakeet Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell **Title:** Manager **Phone:**

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr **Certification:** 21101 **Phone:** 252-473-3461
Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 12/18/2020 **Entry Time** 10:00AM **Exit Time:** 11:30AM
Primary Inspector: Sarah A Toppen **Phone:** 252-946-6481
Secondary Inspector(s):

Reason for Inspection: Routine **Inspection Type:** Compliance Evaluation

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent	<input checked="" type="checkbox"/> Treatment Flow Measurement-Influent	<input checked="" type="checkbox"/> Miscellaneous Questions
<input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records	<input checked="" type="checkbox"/> Treatment	<input checked="" type="checkbox"/> Treatment Barscreen
<input checked="" type="checkbox"/> Treatment Filters	<input checked="" type="checkbox"/> Treatment Activated Sludge	<input checked="" type="checkbox"/> Treatment Sludge Storage/Treatment
<input checked="" type="checkbox"/> Treatment Clarifiers	<input checked="" type="checkbox"/> Treatment Disinfection	<input checked="" type="checkbox"/> End Use-Infiltration
<input checked="" type="checkbox"/> Treatment Flow Measurement	<input checked="" type="checkbox"/> End Use-Reuse	<input checked="" type="checkbox"/> Standby Power
<input checked="" type="checkbox"/> Wells		

(See attachment summary)

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

Inspection Summary:

On December 18, 2020, Sarah Toppen and Robert Tankard with NCDWR conducted a Compliance Inspection with David Pharr, ORC, and Michelle Pharr present.

A walk through of the facility was conducted. Both clarifiers, the traveling bridge filter, and the generator were not working the day of inspection. Also, the last date that sludge has been removed from the plant is unknown.

In the facilities current permit dated August 17, 2018 the schedule has several dates that have expired and our Division has not received the information to show that it has been completed. The list is below:

1. Within 90 days of permit issuance, the Permittee shall submit a permit modification addressing the following:
 - a. Several residences appear to be within 100 feet of the 5-day upset pond. Any residences that are within 100 feet and were there prior to the permitting of the pond, must have a setback waiver. [15A NCAC 02T .0506(d)]
 - b. Easements for all parcels not owned by the applicant specifically indicating the intended use of the property and meeting the condition of 15A NCAC 02L .0107(f). [15A NCAC 02U .0202(f)(3)]
 - c. Provide a table listing each irrigation field, property owner(s), and easement book and page.
 - d. A site map with a scale no greater than 1-inch equals 100 feet; however, special provisions may be granted upon prior approval for large properties. At a minimum, the map shall include the following information:
 - i. The location and identity of each monitoring well.
 - ii. The location and major components of the waste disposal system.
 - iii. The wetted perimeter of all irrigation fields.
 - iv. The location and ownership of property boundaries within 500 feet of the disposal areas.
 - v. The location of all wells, streams (ephemeral, intermittent, and perennial), wetlands, ponds, ditches, and other surface drainage features within 500 feet of all facilities. springs, lakes,
 - vi. The elevation of the top of the well casing (i.e., measuring point) relative to a common datum.
 - vii. The depth of water below the measuring point at the time the measuring point is established.
 - viii. The delineation of compliance and review boundaries.
 - ix. The minimum distance for approved setback waivers.
 - x. The date the map is prepared and/or revised.

[15A NCAC 02T .0108(b)(2)]

3. The permit dated March 14, 2018 required that the Permittee provide a functioning flow meter for the reclaimed irrigation system and have the reclaimed water spray irrigation system operational no later than August 1, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to have the flow meter and reclaim irrigation system operational by August 1, 2018. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessment until such time as compliance with this condition has been met. The Washington Regional Office, telephone number (252)946-6481, shall be notified when the flow meter and irrigation system is functioning such that an in-place inspection can be made. [15A NCAC 02T .0108(b)(2)]

4. The permit dated March 14, 2018 required that the Permittee install monitoring wells MW-10, MW-11, and MW-12 prior to June 12, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to install the wells prior to June 12, 2018. The Permittee shall install the wells and sample the monitoring wells per permit conditions. The Permittee remains in noncompliance with this condition and is subject to daily civil penalty assessments until such time as compliance with this condition has been met. Washington Regional Office, telephone number (252)946-6481, shall be notified when the system has been installed and certified such that an in-place inspection can be made. [15A NCAC 02T .0108(b)(2)]

5. Prior to April 1, 2019, the Permittee shall replace the tertiary filter media. Compliance with this condition shall be verified with an inspection by the Washington Regional Office. [15A NCAC 02T .0108(b)(2)]

6. Prior to March 14, 2020, the Permittee shall repair the damaged roof above the wastewater treatment facility. Compliance with this condition shall be verified with an inspection by the Washington Regional Office [15A NCAC 02T .0108 (b)(2)]

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

The facility is in noncompliance. Please refer to the summary above and the rest of the inspection report for more details of what needs repairs/replacements.

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

Type

	Yes	No	NA	NE
Activated Sludge Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Infiltration System	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Reuse (Quality)	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>There are several treatment units not working the day of the inspection. the units not working are both clarifiers and the traveling bridge filter.</u>				

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment:				

Treatment Flow Measurement-Water Use Records

	Yes	No	NA	NE
Is water use metered?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the daily average values properly calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment:				

Treatment Flow Measurement-Effluent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

Comment: The effluent flow meter appeared to not be working. At the bottom of the display screen it showed a code RS485 timed out. A picture of this is attached to the back of the inspection report.
The flow meter had a sticker that listed Albemarle Environmental as the company that completed a calibration on 5-16-2020.

Standby Power

Yes No NA NE

Is automatically activated standby power available?

☒ ☐ ☐ ☐

Is generator tested weekly by interrupting primary power source?

☐ ☐ ☐ ☒

Is generator operable?

☐ ☒ ☐ ☐

Does generator have adequate fuel?

☐ ☐ ☐ ☒

Comment: the ORC stated that the generator wasn't currently working.

Treatment Barscreen

Yes No NA NE

Is it free of excessive debris?

☒ ☐ ☐ ☐

Is disposal of screenings in compliance?

☐ ☐ ☐ ☒

Are the bars spaced properly?

☒ ☐ ☐ ☐

Is the unit in good condition?

☒ ☐ ☐ ☐

Comment:

Treatment Activated Sludge

Yes No NA NE

Is the aeration mechanism operable?

☒ ☐ ☐ ☐

Is the aeration basin thoroughly mixed?

☒ ☐ ☐ ☐

Is the aeration equipment easily accessed?

☐ ☒ ☐ ☐

Is Dissolved Oxygen adequate?

☐ ☐ ☐ ☒

Are Settleometer results acceptable?

☐ ☐ ☐ ☒

Is activated sludge an acceptable color?

☐ ☒ ☐ ☐

Comment: The wastewater in the aeration basin looked septic the day of inspection.

Treatment Clarifiers

Yes No NA NE

Are the weirs level?

☐ ☐ ☐ ☒

Are the weirs free of solids and algae?

☒ ☐ ☐ ☐

Is the scum removal system operational?

☐ ☒ ☐ ☐

Is the scum removal system accessible?

☐ ☒ ☐ ☐

Is the sludge blanket at an acceptable level?

☐ ☐ ☐ ☒

Is the effluent from the clarifier free of excessive solids?

☐ ☐ ☐ ☒

Comment: Both clarifiers were observed during the inspection and not working. Pictures are attached at the end of the inspection report.

Treatment Filters

Yes No NA NE

Is the filter media present?

☐ ☐ ☐ ☒

Is the filter media the correct size and type?

☐ ☐ ☐ ☒

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

Is the air scour operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scouring acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the clear well free of excessive solids?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the mud well free of excessive solids and filter media?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does backwashing frequency appear adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Comment: <u>The ORC stated that the traveling bridge filter is not work.</u>				

Treatment Sludge Storage/Treatment

	Yes	No	NA	NE
Is the aeration operational?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the aeration pattern even?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If required, are Sanitary "Ts" present in tankage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Comment: <u>The facility hasn't removed sludge in a long time and the ORC can not remember the last time.</u>				

Treatment Disinfection

	Yes	No	NA	NE
Is the system working?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the fecal coliform results indicate proper disinfection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				
If yes, then when was the RMP last updated?				

Comment: Liquid Chlorine is used at the facility. House bleach is used. Operator provides bleach for disinfection.

End Use-Infiltration

	Yes	No	NA	NE
# Is the application High Rate or Low Rate?				
Are buffers maintained?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a usable green area maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the disposal site acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the distribution equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the disposal site free of ponding?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the disposal site free of breakout?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are the disposal sites free of solids, algae, etc.?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the records show that the fields are properly maintained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the disposal sites free of vegetation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do any surface water features appear to be adversely impacted by GW discharge?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No chemicals or rototiller used to eliminate vegetation, solids, algae, etc.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment: <u>Infiltration area is a pond. No vegetation except for algae.</u>				

End Use-Reuse

	Yes	No	NA	NE
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is an automatically activated standby power source available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are buffers adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the site free of ponding/runoff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Compliance Evaluation

Reason for Visit: Routine

How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: The spray irrigation equipment does not work. Operator has more issues to resolve than the irrigation system. All wastewater goes to the infiltration pond. Last two visits, the turbidity meter has been malfunctioning. Do not know if wastewater is diverted when ww does not meet reclaimed standards.

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Aug 15 2022

Exhibit F

Compliance Inspection Report

Permit: WQCS00295 **Effective:** 07/01/14 **Expiration:** 06/30/22 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores Collection System
County: Dare Kinnakeet Blvd
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell **Title:** Manager **Phone:**

Directions to Facility:

System Classifications: CS1,

Primary ORC: David Pharr **Certification:** 989248 **Phone:** 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

WQ0002284 Outer Banks/Kinnakeet Associates LLC - Kinnakeet Shores WWTP

Inspection Date: 12/18/2020 **Entry Time** 11:30AM **Exit Time:** 01:00PM

Primary Inspector: Sarah A Toppen **Phone:** 252-946-6481

Secondary Inspector(s):

Reason for Inspection: Routine

Inspection Type: Collection System Inspect Non Sampling

Permit Inspection Type: Collection system management and operation

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Miscellaneous Questions	<input checked="" type="checkbox"/> General	<input checked="" type="checkbox"/> Sewer & FOG Ordinances
<input checked="" type="checkbox"/> Capital Improvement Plan	<input checked="" type="checkbox"/> Map	<input checked="" type="checkbox"/> Reporting Requirements
<input checked="" type="checkbox"/> Inspections	<input checked="" type="checkbox"/> Spill Response Plan	<input checked="" type="checkbox"/> Spills
<input checked="" type="checkbox"/> Lines	<input checked="" type="checkbox"/> Manholes	<input checked="" type="checkbox"/> Pump Stations

(See attachment summary)

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Aug 15 2022

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

Inspection Summary:

On December 18, 2020 a Compliance Inspection of Kinnakeet Shores Collection Systme was conducted with Sarah Toppen and Robert Tankard with NCDWR. David Pharr, Michelle Pharr, Caroline Pharr, and Jonathan Pharr was present for Kinnakeet.

Lakeside pump station was visited during the inspection and there was no sign posted with a phone number to call for issues. Also, there was a lot of grease observed and a basket full of debris.

Dory pump station was observed with no visual light working and no phone number posted outside of station if problems arise.

The permit says there is a high priority line (HPL) of 425 feet of 2" force main from duplex grinder station serving Bauman property to connection to main in phase 21 Silversands Court. We went and tried to inspection the HPL but could not locate it.

The ORC has provided a pump station inspection list from 2020 of areas that need repair/replacements. Also, the 41010 Latitude Lane has a bypass due to a blockage in the line. 4125 Silver Sands is a duplex pump station but is running as a simplex now and the alarms didn't work.

We stopped by 41194 Costen Court were there have been previous sanitary sewer overflows but the day of inspection there were no issues observed at the time.

The facility is in non-compliance. The correct pumps need to be used according to the permit. Also, The pump stations need signs posted and the visual light repaired at Dory pump station. Lakeside pump station was observed with lots of grease and no sign with phone number if alarm is going is activated. Refer to the pump station list provided by the ORC to also see were repair and replacements need to be made. The flow direction and manhole identification were the only items that are provided on the map. Pipe type, pipe size, pipe material, pipe location, approximate pipe age, pump station ID, location and capacity, and force main air release valve location and type need to be added. Also, refer to rest of the inspection report for more information.

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Aug 15 2022

Permit: WQCS00295
Inspection Date: 12/18/2020

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

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Aug 15 2022

General

	Yes	No	NA	NE
Is there a properly designated primary ORC and at least one back-up of proper grade?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are logs being reviewed by the system management or owner on a regular basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# What is that frequency?	Quarterly			
# Are there any issues being addressed currently or any in the planning stages?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there a specific pump failure plan available for all pump stations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does plan indicate if pump parts/new pumps are in spare parts/equipment inventory?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are new/significantly upgraded pump stations equipped with anti-corrosion materials?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the permittee have a copy of their permit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Is permit expiring within the next 6 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, has the Permittee applied for renewal?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment: The ORC, David Pharr is correct but we have the BORC listed as James L. Coleman and he has not been back up operator in years. Please revise the ORC Designation Form to show the correct BORC. I was told that the issues that arise are being sent to the owner.

Sewer and FOG Ordinances

	Yes	No	NA	NE
Is Sewer Use Ordinance (SUO) or other Legal Authority available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it appear that the Sewer Use Ordinance is enforced?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is there a Grease Control Program that legally requires grease control devices?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
What is the standard grease trap cleaning requirement in the FOG ordinance?				
Is Grease Control Program enforced via periodic inspections/records review?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is action taken against violators?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Have satellite systems adopted an equivalent or more stringent ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is grease/sewer education program documented with req'd customer distribution?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are other types of education tools used like websites, booths, special meetings, etc?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, what are they? (This can reduce mailing to annual.)				

Comment: The Dare County Environmental Health Department handles the greasetrap program and enforcement.

The facility has been sending out a FOG brochure once a year but will start mailing it out an additional time during the year.

Capital Improvement Plan

	Yes	No	NA	NE
Has a Capital (CIP) or System Improvement Plan been developed and adopted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is it designated for wastewater only or does it have a dedicated section?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does CIP cover three to five year period of earmarked improvements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does CIP include description of project area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does CIP include description of existing facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does CIP include known deficiencies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

Does CIP include forecasted future needs?

☐ ☒ ☐ ☐

Comment: The CIP is for the Collection System only.

Map

Yes No NA NE

Is there a overall sewer system map?

☒ ☐ ☐ ☐

Does the map include:

Pipe Type (GS/FM)

☐ ☒ ☐ ☐

Pipe sizes

☐ ☒ ☐ ☐

Pipe materials (PVC, DIP, etc)

☐ ☒ ☐ ☐

Pipe location

☐ ☒ ☐ ☐

Flow direction

☒ ☐ ☐ ☐

Approximate pipe age

☐ ☒ ☐ ☐

Pump station ID, location and capacity

☐ ☒ ☐ ☐

Force main air release valve location & type

☐ ☒ ☐ ☐

Location of satellite connections

☐ ☐ ☒ ☐

Is the map being updated for changes/additions within 1 year of activation?

☐ ☒ ☐ ☐

Comment: Talked with the ORC about the other items that need to be listed/shown on the map. The flow direction and manhole identification were the only items that are provided on the map. Pipe type, pipe size, pipe material, pipe location, approximate pipe age, pump station ID, location and capacity, and force main air release valve location and type need to be added.

Reporting Requirements

Yes No NA NE

Have there been any sewer spills in the past 3 years?

☒ ☐ ☐ ☐

If Yes, were they reported to the Division if meeting the reportable criteria?

☒ ☐ ☐ ☐

If applicable, is there documentation of press releases and public notices issued?

☐ ☐ ☒ ☐

Is an Annual Wastewater Performance Report being filed with the Division, if required?

☐ ☐ ☐ ☒

Is the report being made available to all its sewer customers?

☐ ☐ ☐ ☒

How is it being made available?

Comment: The last reportable SSO that is in our records is from 2015. We have a reported SSO from 2020 but the amount of gallons that overflowed from this SSO was under the reportable amount and didn't reach surface waters.

Inspections

Yes No NA NE

Are adequate maintenance records maintained?

☒ ☐ ☐ ☐

Are pump stations being inspected at the required frequency?

☒ ☐ ☐ ☐

Is at least one complete functionality test conducted weekly per pump station?

☒ ☐ ☐ ☐

Is there a system or plan in place to observe the entire system annually?

☒ ☐ ☐ ☐

Is the annual inspection documented?

☒ ☐ ☐ ☐

Does the system have any high-priority lines/locations?

☒ ☐ ☐ ☐

Are inspections of HPL documented at least every 6 months?

☐ ☒ ☐ ☐

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

Are new lines being added to the HPL list when found or created?

☒ ☐ ☐ ☐

Comment: The permit list a High Priority line (HPL) but the ORC is not aware of it and when we went to inspect the property we could not locate the HPL either. the permit says that there is 425 feet of 2" force main from duplex grinder station serving Bauman Property to connection to main in phase 21 on Silversands Court. Type: Wetlands crossing.
The annual inspection was conducted June 3, 2020 by the ORC.

Spill Response Action Plan

Yes No NA NE

Is a Spill Response Action Plan available?

☒ ☐ ☐ ☐

Is a Spill Response Action Plan available for all personnel?

☒ ☐ ☐ ☐

Does the plan include:

24-hour contact numbers

☒ ☐ ☐ ☐

Response time

☒ ☐ ☐ ☐

Equipment list and spare parts inventory

☐ ☒ ☐ ☐

Access to cleaning equipment

☐ ☒ ☐ ☐

Access to construction crews, contractors, and/or engineers

☐ ☒ ☐ ☐

Source of emergency funds

☐ ☒ ☐ ☐

Site sanitation and cleanup materials

☐ ☒ ☐ ☐

Post-overflow/spill assessment

☐ ☒ ☐ ☐

Does the Permittee appear to respond within 2 hours of first knowledge of a spill?

☐ ☐ ☐ ☒

Comment: The ORC stated that they would work on trying to update the Spill Response plan to include the equipment list and spare parts inventory, access to cleaning equipment, access to construction crews, contractors, and/or engineers, source of emergency funds, site sanitation and cleanup materials, and the post-overflow/spill assessment.

Spills

Yes No NA NE

Is system free of known points of bypass?

☒ ☐ ☐ ☐

If No, describe type of bypass and location

Are all spills or sewer related issues/complaints documented?

☒ ☐ ☐ ☐

Are there repeated overflows/problems (2 or more in 12 months) at same location?

☒ ☐ ☐ ☐

If Yes, is there a corrective action plan?

☐ ☒ ☐ ☐

Comment: There has been a SSO that was less than the reportable amount and a complaint at the same 41194 Costen Light Court in the last 24 months and Michelle Pharr stated that she would work on a corrective action plan with David Pharr.

Lines/Right-of-Ways/Aerial Lines

Yes No NA NE

Please list the Lines/Right of Ways/Aerial Lines Inspected:

The permit says there is a high priority line (HPL) of 425 feet of 2" force main from duplex grinder station serving Bauman property to connection to main in phase 21 Silversands Court. We went and tried to inspection the HPL but could not locate it.

Are right-of-ways/easements maintained for full width for access by staff/equipment?

☐ ☐ ☒ ☐

If No, give details on temporary access:

Is maintenance documented?

☐ ☐ ☒ ☐

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

Are gravity sewer cleaning records available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has at least 10% of lines older than 5 yrs been cleaned annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Were all areas/lines inspected free of issues?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Manholes

Yes No NA NE

Please list the Manholes Inspected:

The manhole at Costen Light Court was inspected.

Are manholes accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are manhole covers/vents above grade?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of visible signs of overflow?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of sinkholes and depressions?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manhole covers present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are manholes properly seated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are manholes in good condition?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are inverts in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is flow unrestricted in manholes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of excessive amounts of grease?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of excessive roots?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of excessive sand?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manhole vents screened?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are vents free of submergence?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are manholes free of bypass structures or pipes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: There was a depression in the pavement. It was to the left of the manhole facing 41194 Costen Court.

Pump Stations

Yes No NA NE

Please list the Pump Stations Inspected:

Lakeside and Dory Pump stations were inspected.

Lakeside pump station was visited during the inspection and there was no sign posted with a phone number to call for issues. Also, there was a lot of grease observed and a basket full of debris.

Dory pump station was observed with no visual light working and no phone number posted outside of station if problems arise.

# Number of duplex or larger pump stations in system	32
# Number of vacuum stations in system	0
# Number of simplex pump stations in system	13
# Number of simplex pump stations in system serving more than one building	
How many pump/vacuum stations have:	
# A two-way "auto polling" communication system (SCADA) installed?	0

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 12/18/2020

Inspection Type : Collection System Inspect Non Sampling

Reason for Visit: Routine

A simple one-way telemetry/communication system (auto-dialer) installed?

2

For pump stations inspected:

Are they secure with restricted access?

☒ ☐ ☐ ☐

Were they free of by-pass structures/pipes?

☒ ☐ ☐ ☐

Were wet wells free of excessive grease/debris?

☐ ☒ ☐ ☐

Do they all have telemetry installed?

☒ ☐ ☐ ☐

Is the communication system functional?

☒ ☐ ☐ ☐

Is a 24-hour notification sign posted ?

☐ ☒ ☐ ☐

Does the sign include:

Owner Name?

☒ ☐ ☐ ☐

Pump station identifier?

☒ ☐ ☐ ☐

Address?

☒ ☐ ☐ ☐

Instructions for notification?

☐ ☒ ☐ ☐

24-hour emergency contact numbers?

☐ ☒ ☐ ☐

Are audio and visual alarms present?

☒ ☐ ☐ ☐

Are audio and visual alarms operable?

☐ ☒ ☐ ☐

Is there a backup generator or bypass pump connected?

☐ ☒ ☐ ☐

If tested during inspection, did it function properly?

☒ ☐ ☐ ☐

Is the back-up system tested at least bi-annually under normal operating conditions?

☐ ☐ ☐ ☒

Does it have a dedicated connection for a portable generator?

☒ ☐ ☐ ☐

Is the owner relying on portable units in the event of a power outage?

☐ ☐ ☐ ☐

If Yes, is there a distribution plan?

☐ ☐ ☐ ☒

If Yes, what resources (Units/Staff/Vehicles/etc) are included in Plan?

Dory lift station was observed with no visual light working the day of the inspection. Also, the small tag that provided a number to call

Does Permittee have the approved percentage of replacement simplex pumps?

☐ ☒ ☐ ☐

Is recordkeeping of pump station inspection and maintenance program adequate?

☐ ☐ ☐ ☐

Do pump station logs include at a minimum:

Inside and outside cleaning and debris removal?

☐ ☐ ☐ ☐

Inspecting and exercising all valves?

☐ ☐ ☐ ☐

Inspecting and lubricating pumps and other equipment?

☐ ☐ ☐ ☐

Inspecting alarms, telemetry and auxiliary equipment?

☐ ☐ ☐ ☐

Comment: dddd

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Aug 15 2022

Exhibit G

ROY COOPER
Governor
MICHAEL S. REGAN
Secretary
S. DANIEL SMITH
Director



Certified Mail # 7019 2970 0001 3140 1296
Return Receipt Requested

February 15, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
PO Box 34
Connelly Spring, NC 28612

SUBJECT: NOTICE OF VIOLATION/NOTICE OF INTENT TO ENFORCE

Tracking Number: NOV-2021-PC-0139
Permit No. WQ0002284
Kinnakeet Shores WWTP
Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of the Kinnakeet Shores WWTP on December 18, 2020. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The Compliance Evaluation inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
End Use-Reuse	The reclaim spray irrigation equipment does not work. All wastewater goes to the infiltration pond. Last two visits, the turbidity meter has been malfunctioning. Do not know if wastewater is diverted when wastewater does not meet reclaimed standards.
Treatment Clarifiers	Clarifiers were observed during the inspection and were not working. Pictures are attached at the end of the inspection report.
Standby Power	ORC stated that the generator wasn't currently working.



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square West | Washington, North Carolina 27689
252-646-6481

OFFICIAL COPY

Aug 15 2022

Inspection Area	Description of Violation
Treatment Filters	The ORC stated that the traveling bridge filter is not work. Filter has not worked now for several inspections.
Turbidity Meter	Turbidity meter was showing a malfunction light at time of inspection. This light has been on for the last two inspections.

In accordance with Permit No. WQ0002284, the permittee shall effectively maintain and operate the facility at all times and in the event the facility fails to perform satisfactorily, the permittee shall take immediate corrective action including Division required actions.

In addition, the issues below must also be addressed:

Permit Schedule Violations:

Below, are violations of permit conditions that have not been addressed or completed.

1. The Permittee shall submit a permit modification by November 17, 2018, addressing the following:
 - a. Several residences appear to be within 100 feet of the 5-day upset pond. Any residences that are within 100 feet and were there prior to the permitting of the pond, must have a setback waiver. [15A NCAC 02T .0506(d)]
 - b. Easements for all parcels not owned by the applicant specifically indicating the intended use of the property and meeting the condition of 15A NCAC 02L .0107(f). [15A NCAC 02U .0202(f)(3)]
 - c. Provide a table listing each irrigation field, property owner(s), and easement book and page.
 - d. A site map with a scale no greater than 1-inch equals 100 feet; however, special provisions may be granted upon prior approval for large properties. At a minimum, the map shall include the following information: i. The location and identity of each monitoring well. ii. The location and major components of the waste disposal system. iii. The wetted perimeter of all irrigation fields. iv. The location and ownership of property boundaries within 500 feet of the disposal areas. v. The location of all wells, streams (ephemeral, intermittent, and perennial), wetlands, springs, lakes, ponds, ditches, and other surface drainage features within 500 feet of all facilities. vi. The elevation of the top of the well casing (i.e., measuring point) relative to a common datum. vii. The depth of water below the measuring point at the time the measuring point is established. viii. The delineation of compliance and review boundaries. ix. The minimum distance for approved setback waivers. x. The date the map is prepared and/or revised. [15A NCAC 02T .0108(b)(2)]
2. The permit dated March 14, 2018 required that the Permittee provide a functioning flow meter for the reclaimed irrigation system and have the reclaimed water spray irrigation system operational no later than August 1, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to have the flow meter and reclaim irrigation system operational by August 1, 2018. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessment until such time as compliance with this condition has been met.
3. The permit dated March 14, 2018 required that the Permittee install monitoring wells MW-10, MW-11, and MW-12 prior to June 12, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to install the wells prior to June 12, 2018. The Permittee shall install the wells and sample the monitoring wells per permit



conditions. The Permittee remains in noncompliance with this condition and is subject to daily civil penalty assessments until such time as compliance with this condition has been met.

4. Prior to April 1, 2019, the Permittee shall replace the tertiary filter media.
5. Prior to March 14, 2020, the Permittee shall repair the damaged roof above the wastewater treatment facility.

Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law.

To prevent further action, please respond in writing to this office **within 15 days** upon your receipt of this Notice of Violation regarding your plans or measures to be taken to address the indicated violations and other identified issues, if applicable.

If you should have any questions, please do not hesitate to contact Sarah Toppen with the Water Quality Regional Operations Section in the Washington Regional Office at 252-946-6481.

Sincerely,

Robert Tankard

Robert Tankard, Assistant Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Bruce Miller (bruwmiller@hotmail.com)
Mark Bissell, PE (mark@bissellprofessionalgroup.com)
Laserfiche



Exhibit H

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 70201810000159811341
Return Receipt Requested

July 23, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
PO Box 34
Connelly Spg, NC 28612

SUBJECT: Notice of Violation and Assessment of Civil Penalty
for Violations of NC General Statute (G.S.) 143-215.1(a)(6)
and Non-discharge Permit No. WQ0002284
Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP
Case No. PC-2021-0034
Dare County

Dear Mr. Hollowell:

This letter transmits a Notice of Violation and assessment of civil penalty in the amount of \$8,656.38 (\$8,000.00 civil penalty + \$656.38 enforcement costs) against Outer Banks/Kinnakeet Associates LLC.

This assessment is based upon the following facts: an inspection of the Kinnakeet Shores WWTP was conducted on December 18, 2020. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. This inspection has shown the subject facility to be in violation of the conditions and limitations found in Non-discharge Permit No. WQ0002284. The violations found during the inspection are summarized in Attachment A to this letter.

Based upon the above facts, I conclude as a matter of law that Outer Banks/Kinnakeet Associates LLC violated the terms, conditions or requirements of Non-discharge Permit No. WQ0002284 and G.S. 143-215.1(a)(6) in the manner and extent shown in Attachment A. In accordance with the maximums established by G.S. 143-215.6A(a)(2), a civil penalty may be assessed against any person who violates the terms, conditions or requirements of a permit required by G.S. 143-215.1(a).



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27889
252-946-481

Based upon the above findings of fact and conclusions of law, and in accordance with authority provided by the Secretary of the Department of Environmental Quality and the Director of the Division of Water Resources, I, David May, Regional Supervisor, Washington Regional Office hereby make the following civil penalty assessment against Outer Banks/Kinnakeet Associates LLC:

\$8,000.00 For 4 of the 31 violations of the conditions and limitations specified in Permit No. WQ0002284 .

\$8,000.00 **TOTAL CIVIL PENALTY**

\$656.38 Enforcement Costs

\$8,656.38 **TOTAL AMOUNT DUE**

Pursuant to G.S. 143-215.6A(c), in determining the amount of the penalty I have taken into account the Findings of Fact and Conclusions of Law and the factors set forth at G.S. 143B-282.1(b), which are:

- (1) The degree and extent of harm to the natural resources of the State, to the public health, or to private property resulting from the violation;
- (2) The duration and gravity of the violation;
- (3) The effect on ground or surface water quantity or quality or on air quality;
- (4) The cost of rectifying the damage;
- (5) The amount of money saved by noncompliance;
- (6) Whether the violation was committed willfully or intentionally;
- (7) The prior record of the violator in complying or failing to comply with programs over which the Environmental Management Commission has regulatory authority; and
- (8) The cost to the State of the enforcement procedures.

Within **thirty (30) days** of receipt of this notice, you must do **one** of the following:

- (1) Submit payment of the penalty, **OR**
- (2) Submit a written request for remission, **OR**
- (3) Submit a written request for an administrative hearing

Option 1: Submit payment of the penalty:

Payment should be made directly to the order of the Department of Environmental Quality (*do not include waiver form*). Payment of the penalty will not foreclose further enforcement action for any continuing or new violation(s). Please submit payment to the attention of:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 2: Submit a written request for remission or mitigation including a detailed justification for such request:

Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Because a remission request forecloses the option of an administrative hearing, such a request must be accompanied by a waiver of your right to an administrative hearing and a stipulation and agreement that no factual or legal issues are in dispute. Please prepare a detailed statement that establishes why you believe the civil penalty should be remitted, and submit it to the Division of Water Resources at the address listed below. In determining whether a remission request will be approved, the following factors shall be considered:

- (1) whether one or more of the civil penalty assessment factors in NCGS 143B-282.1(b) was wrongfully applied to the detriment of the petitioner;
- (2) whether the violator promptly abated continuing environmental damage resulting from the violation;
- (3) whether the violation was inadvertent or a result of an accident;
- (4) whether the violator had been assessed civil penalties for any previous violations; or
- (5) whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

Please note that all evidence presented in support of your request for remission must be submitted in writing. The Director of the Division of Water Resources will review your evidence and inform you of his decision in the matter of your remission request. The response will provide details regarding the case status, directions for payment, and provision for further appeal of the penalty to the Environmental Management Commission's Committee on Civil Penalty Remissions (Committee). Please be advised that the Committee cannot consider information that was not part of the original remission request considered by the Director. Therefore, it is very important that you prepare a complete and thorough statement in support of your request for remission.

In order to request remission, you must complete and submit the enclosed "Request for Remission of Civil Penalties, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form within thirty (30) days of receipt of this notice. The Division of Water Resources also requests that you complete and submit the enclosed "Justification for Remission Request."

Both forms should be submitted to the following address:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 3: File a petition for an administrative hearing with the Office of Administrative Hearings:

If you wish to contest any statement in the attached assessment document you must file a petition for an administrative hearing. You may obtain the petition form from the Office of Administrative Hearings. You must file the petition with the Office of Administrative Hearings within thirty (30) days of receipt of this notice. A petition is considered filed when it is received in the Office of Administrative Hearings during normal office hours. The Office of Administrative Hearings accepts filings Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., except for official state holidays. The petition may be filed by facsimile (fax) or electronic mail by an attached file (with restrictions) - provided the signed original, one (1) copy and a filing fee (if a filing fee is required by NCGS §150B-23.2) is received in the Office of Administrative Hearings within seven (7) business days following the faxed or electronic transmission. You should contact the Office of Administrative Hearings with all questions regarding the filing fee and/or the details of the filing process.

The mailing address and telephone and fax numbers for the Office of Administrative Hearings are as follows:

6714 Mail Service Center
Raleigh, NC 27699 6714
Tel: (919) 431-3000
Fax: (919) 431-3100

One (1) copy of the petition must also be served on DEQ as follows:

Mr. William F. Lane, General Counsel
Department of Environmental Quality
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

Please indicate the case number (as found on page one of this letter) on the petition.

Failure to exercise one of the options above within thirty (30) days of receipt of this letter, as evidenced by an internal date/time received stamp (not a postmark), will result in this matter being referred to the Attorney General's Office for collection of the penalty through a civil action. Please be advised that additional penalties may be assessed for violations that occur after the review period of this assessment.

If you have any questions, please contact Robert Tankard with the Division of Water Resources staff of the Washington Regional Office at (252) 948-3921 or via email at robert.tankard@ncdenr.gov.

Sincerely,

David May

David May, Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
Mr. Bruce Miller, electronic copy
Mr. Mark Bissell, electronic copy

OFFICIAL COPY

Aug 15 2022

JUSTIFICATION FOR REMISSION REQUEST**Case Number:** PC-2021-0034**County:** Dare**Assessed Party:** Outer Banks/Kinnakeet Associates LLC**Permit No.:** WQ0002284**Amount Assessed:** \$8,656.38

Please use this form when requesting remission of this civil penalty. You must also complete the "Request For Remission, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form to request remission of this civil penalty. You should attach any documents that you believe support your request and are necessary for the Director to consider in evaluating your request for remission. Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Pursuant to N.C.G.S. § 143B-282.1(c), remission of a civil penalty may be granted only when one or more of the following five factors apply. Please check each factor that you believe applies to your case and provide a detailed explanation, including copies of supporting documents, as to why the factor applies (attach additional pages as needed).

- ☐ (a) one or more of the civil penalty assessment factors in N.C.G.S. 143B-282.1(b) were wrongfully applied to the detriment of the petitioner *(the assessment factors are listed in the civil penalty assessment document)*;
- ☐ (b) the violator promptly abated continuing environmental damage resulting from the violation *(i.e., explain the steps that you took to correct the violation and prevent future occurrences)*;
- ☐ (c) the violation was inadvertent or a result of an accident *(i.e., explain why the violation was unavoidable or something you could not prevent or prepare for)*;
- ☐ (d) the violator had not been assessed civil penalties for any previous violations;
- ☐ (e) payment of the civil penalty will prevent payment for the remaining necessary remedial actions *(i.e., explain how payment of the civil penalty will prevent you from performing the activities necessary to achieve compliance)*.

EXPLANATION:

STATE OF NORTH CAROLINA

DEPARTMENT OF ENVIRONMENTAL QUALITY

COUNTY OF DARE

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST

Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

) **WAIVER OF RIGHT TO AN**
) **ADMINISTRATIVE HEARING AND**
) **STIPULATION OF FACTS**

) **CASE NO. PC-2021-0034**

Having been assessed civil penalties totaling \$8,656.38 for violation(s) as set forth in the assessment document of the Division of Water Resources dated 07/23/2021, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the _____ day of _____, 20____

SIGNATURE

ADDRESS

TELEPHONE

OFFICIAL COPY
Aug 15 2022

ATTACHMENT A

Outer Banks/Kinnakeet Associates LLC

CASE NUMBER: PC-2021-0034

PERMIT NO: WQ0002284

REGION: Washington

FACILITY: Kinnakeet Shores WWTP

COUNTY: Dare

VIOLATION DATE	AREA	VIOLATION TYPE	VIOLATION DESCRIPTION	PENALTY AMOUNT
12/18/2020	End Use-Infiltration	Violation detected during inspection		\$0.00
12/18/2020	End Use-Reuse	Violation detected during inspection		\$0.00
12/18/2020	Treatment Activated Sludge	Violation detected during inspection		\$0.00
12/18/2020	Treatment Flow Measurement-Effluent	Violation detected during inspection		\$0.00
12/18/2020	End Use-Infiltration	Violation detected during inspection	Infiltration area is a pond. No vegetation except for algae.	\$0.00
12/18/2020	End Use-Reuse	Violation detected during inspection	The spray irrigation equipment does not work. Operator has more issues to resolve than the irrigation system. All wastewater goes to the infiltration pond. Last two visits, the turbidity meter has been malfunctioning. Do not know if wastewater is diverted when ww does not meet reclaimed standards.	\$0.00
12/18/2020	End Use-Reuse	Violation detected during inspection	The spray irrigation equipment does not work. Operator has more issues to resolve than the irrigation system. All wastewater goes to the infiltration pond. Last two visits, the turbidity meter has been malfunctioning. Do not know if wastewater is diverted when ww does not meet reclaimed standards.	\$2,000.00
12/18/2020	Treatment Clarifiers	Violation detected during inspection	Both clarifiers were observed during the inspection and not working. Pictures are attached at the end of the inspection report.	\$0.00
12/18/2020	Treatment Clarifiers	Violation detected during inspection	Both clarifiers were observed during the inspection and not working. Pictures are attached at the end of the inspection report.	\$2,000.00
12/18/2020	Standby Power	Violation detected during inspection	the ORC stated that the generator wasn't currently working.	\$2,000.00
12/18/2020	Treatment Filters	Violation detected during inspection	The ORC stated that the traveling bridge filter is not work.	\$0.00
12/18/2020	Treatment Filters	Violation detected during inspection	The ORC stated that the traveling bridge filter is not work.	\$2,000.00

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Aug 15 2022

ATTACHMENT A

Outer Banks/Kinnakeet Associates LLC

CASE NUMBER: PC-2021-0034

PERMIT NO: WQ0002284

REGION: Washington

FACILITY: Kinnakeet Shores WWTP

COUNTY: Dare

VIOLATION DATE	AREA	VIOLATION TYPE	VIOLATION DESCRIPTION	PENALTY AMOUNT
12/18/2020	Treatment	Violation detected during inspection	There are several treatment units not working the day of the inspection. the units not working are both clarifiers, the traveling bridge filter.	\$0.00

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Aug 15 2022

Exhibit I

Compliance Inspection Report

Permit: WQ0002284 **Effective:** 08/17/18 **Expiration:** 02/28/23 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores WWTP
County: Dare 41105 Big Kinnakeet Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell **Title:** Manager **Phone:**

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr **Certification:** 21101 **Phone:** 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 08/17/2021 **Entry Time** 09:45AM **Exit Time:** 11:00AM
Primary Inspector: Robert B Tankard **Phone:** 252-946-6481 Ext.233
Secondary Inspector(s):

Reason for Inspection: Follow-up **Inspection Type:** Compliance Evaluation

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent | <input checked="" type="checkbox"/> Treatment Flow Measurement-Influent | <input checked="" type="checkbox"/> Miscellaneous Questions |
| <input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records | <input checked="" type="checkbox"/> Treatment | <input checked="" type="checkbox"/> Treatment Filters |
| <input checked="" type="checkbox"/> Treatment Sludge Storage/Treatment | <input checked="" type="checkbox"/> Treatment Clarifiers | <input checked="" type="checkbox"/> Treatment Disinfection |
| <input checked="" type="checkbox"/> Treatment Flow Measurement | <input checked="" type="checkbox"/> End Use-Reuse | <input checked="" type="checkbox"/> Standby Power |

(See attachment summary)

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 08/17/2021

Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

Inspection Summary:

The facility was inspected on August 17, 2021, to verify any repairs that had been made to the facility since the last NOV. It appeared that no improvements were made. The following violations still exist at the facility:

- *Both clarifiers are out of service.
- *Tertiary filter is out of service.
- *Anoxic mixing pumps need to be repaired.
- *Chlorine is not being provided.
- *Flow meter needs repair.
- *Irrigation equipment needs repair. System is non-operational.
- *Back-up generator needs to be replaced.
- *Failure to submit waivers.
- *Failure to submit site map.
- *Failure to install monitoring wells.
- *Failure to repair damaged roof.

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 08/17/2021

Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

Type

	Yes	No	NA	NE
Infiltration System	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, LR	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Reuse (Quality)	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>The only thing that appears to be functioning as designed is the aeration basins. The clarifiers, tertiary filters, reclaimed irrigation system, and flow meter appear to be non functional.</u>				

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment:				

Treatment Flow Measurement-Water Use Records

	Yes	No	NA	NE
Is water use metered?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the daily average values properly calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment:				

Treatment Flow Measurement-Effluent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>ORC stated flowmeter is in need of repair.</u>				

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 08/17/2021

Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

Standby Power

	Yes	No	NA	NE
Is automatically activated standby power available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is generator tested weekly by interrupting primary power source?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is generator operable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does generator have adequate fuel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Comment: <u>ORC stated that generator is not operable.</u>				

Treatment Clarifiers

	Yes	No	NA	NE
Are the weirs level?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the weirs free of solids and algae?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scum removal system operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scum removal system accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the sludge blanket at an acceptable level?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the effluent from the clarifier free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>No flow was going over the weirs at the time of inspection. Both clarifiers are broken. One is drained and parts have been robbed to work on second clarifier. Second clarifier is broken and sweep arms are not functional. Floating sludge is visible in the clarifier.</u>				

Treatment Filters

	Yes	No	NA	NE
Is the filter media present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the filter media the correct size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the air scour operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scouring acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the clear well free of excessive solids?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the mud well free of excessive solids and filter media?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does backwashing frequency appear adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>Traveling bridge filter is not operational. ORC states it will only operate in hand mode, however, when on site the bridge would only travel a limited distance.</u>				

Treatment Sludge Storage/Treatment

	Yes	No	NA	NE
Is the aeration operational?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the aeration pattern even?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If required, are Sanitary "Ts" present in tankage?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment: <u>No air was seen in the digester/holding tank. ORC stated that sludge has not been hauled in 8 years.</u>				

Treatment Disinfection

	Yes	No	NA	NE
Is the system working?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 08/17/2021

Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				
If yes, then when was the RMP last updated?				

Comment: Disinfection system is using liquid chlorine. 55 gallon tank of disinfectant had approximately one inch of liquid in drum. ORC is buying household bleach to use for disinfection.

End Use-Reuse

	Yes	No	NA	NE
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is an automatically activated standby power source available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are buffers adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the site free of ponding/runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 08/17/2021

Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Irrigation equipment is not operational. WaRO believes all water is going to the irrigation/high rate pond. Required monitoring wells have not yet been installed.

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Aug 15 2022

Exhibit J

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



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Aug 15 2022

Certified Mail # 70201810000159809485
Return Receipt Requested

August 25, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates, LLC
8351 Fern Lane
Connelly Spring, NC 28612

SUBJECT: NOTICE OF VIOLATION & INTENT TO ASSESS CIVIL PENALTY
Tracking Number: NOV-2021-PC-0434
Permit No. WQ0002284
Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of August 17, 2021. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Permit No. WQ0002284. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
End Use-Reuse	Irrigation equipment is not operational. WARO believes all water is going to the irrigation/high-rate pond. Required monitoring wells have not yet been installed.
Treatment Clarifiers	No flow was going over the weirs at the time of inspection. Both clarifiers are broken. One is drained and parts have been robbed to work on second clarifier. Second clarifier is broken and sweep arms are not functional. Floating sludge is visible in the clarifier.
Treatment Flow Measurement-Effluent	ORC stated flowmeter is in need of repair.
Standby Power	ORC stated that generator is not operable.

Inspection Area	Description of Violation
Miscellaneous Questions	Permittee failed to install monitoring wells.
Miscellaneous Questions	Permittee failed to repair damaged roof.
Miscellaneous Questions	Permittee failed to submit required waivers and site map
Treatment Filters	Travelling bridge filter is not operational. ORC states it will only operate in hand mode, however, when on site the bridge would only travel a limited distance.

A Notice of Violation/Intent to Issue Civil Penalty is being issued for the noted violation of North Carolina General Statute (G.S.) 143-215.1 and the facility's Permit. Pursuant to G.S. 143-215.6A, a civil penalty of not more than twenty-five thousand dollars (\$25,000.00) may be assessed against any person who violates or fails to act in accordance with the terms, conditions, or requirements of any permit issued pursuant to G.S. 143-215.1.

If you wish to provide additional information regarding the noted violation, request technical assistance, or discuss overall compliance please respond in writing within ten (10) business days after receipt of this Notice. A review of your response will be considered along with any additional information provided. You will then be notified of any civil penalties that may be assessed regarding the violations. **If no response is received in this Office within the 10-day period, a civil penalty assessment may be prepared.**

Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent.

If you should have any questions, please do not hesitate to contact Robert Tankard with the Water Quality Regional Operations Section in the Washington Regional Office at 252-945-7658.

Sincerely,

Robert Tankard

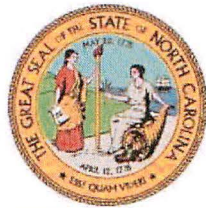
Robert Tankard, Assistant Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche

Exhibit K

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



NORTH CAROLINA
Environmental Quality

August 25, 2021

CERTIFIED MAIL 70192970000131401999
RETURN RECEIPT REQUESTED

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates, LLC
8351 Fern Lane
Connelly Spring, NC 28612

Subject: Notification of Sewer Moratorium
Permit No. WQ0002284
Kinnakeet Shores WWTP
Dare County

Dear Mr. Hollowell:

The Division of Water Resources has determined that the Kinnakeet Shores' Wastewater Treatment Plant (WWTP) is unable to adequately collect and treat waste tributary to its wastewater treatment facility. The determination is based on the inspection conducted on August 17, 2021 and that the WWTP is unable to comply with the current permit conditions as set forth in Permit Number WQ0023934. The treatment system can no longer treat and assimilate the wastewater that is received from the system as designed which contributes to the noncompliance of the Non-Discharge permit.

North Carolina General Statute (NCGS) 143-215.67(a) states in part, that no person subject to the provision of NCGS 143-215.1, 143-215.108 or 143-215.109 shall cause or allow the discharge of any wastes to a waste-disposal system in excess of the capacity of the disposal system or of any wastes which the disposal system cannot adequately treat. Should these terms be violated, NCGS 143-215.67 (c) states a moratorium may be imposed "on the addition of waste to a treatment works" if the treatment works is not capable of adequately treating additional waste.

The WWTP major treatment units are no longer functional. Both clarifiers, the tertiary filter, spray irrigation system, and back-up generator are not functional. Biosolids have not been removed from the plant for at least seven years. Therefore, the Kinnakeet Shores' WWTP is hereby placed on a sewer moratorium (with no new sewer taps, sewer extensions or additional flow) at its wastewater treatment plant effective October 13, 2021.



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27889
252.946.6481

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Aug 15 2022

Page Two
Kinnakeet Shores WWTP Moratorium
August 25, 2021

This moratorium will remain in effect until the Outer Banks/Kinnakeet Associates, LLC has repaired the WWTP and meet all conditions of Permit No. WQ0002284. The moratorium will be rescinded when Outer Banks/Kinnakeet Associates, LLC can demonstrate that it can adequately treat and dispose of its waste and has obtained written permission from the Division of Water Resources suspending the moratorium.

As required by NCGS 143-215.67(d), Outer Banks/Kinnakeet Associates, LLC shall give public notice within 15 days of receipt of this letter that a moratorium will be placed so that no additional flow can be added to the Kinnakeet Shores' WWTP. Outer Banks/Kinnakeet Associates, LLC shall give public notice of the moratorium by publication of the notice one time in a newspaper having general circulation in the county in which the treatment works is located. The notice shall be as provided in the attached public notice.

Outer Banks/Kinnakeet Associates, LLC shall provide an affidavit of publication and a copy of the public notice to this office fifteen (15) days from receipt of this letter.

Failure to place the public notice as directed may subject Outer Banks/Kinnakeet Associates, LLC to enforcement as required by NCGS 143-215.67(d). Outer Banks/Kinnakeet Associates, LLC shall give actions and in no way, absolves the Outer Banks/Kinnakeet Associates, LLC from past or future violation of North Carolina General Statutes.

Correspondence pertaining to this moratorium should be sent to the letterhead address. If you have any questions about this letter, please contact Robert Tankard at 252-948-3921.

Sincerely,

Robert Tankard

Robert Tankard
Assistant Regional Supervisor
Division of Water Resources
Water Quality Regional Operations Section

Attachment

cc: Danny Smith, Director, DWR
Nathaniel Thornburg, Non-Discharge Permitting Supervisor
Laserfiche
Dare County Inspections
Dare County Health Department



**PUBLIC NOTICE
SEWER MORATORIUM**

Kinnakeet Shores' Wastewater System

The Kinnakeet Shores' Wastewater Treatment Plant (WWTP) in Dare County cannot accept the discharge of additional waste to the Wastewater System effective October 13, 2021 due to problems associated with its wastewater plant and collections system. Therefore, the Kinnakeet Shores' WWTP is hereby placed on a sewer moratorium at its wastewater treatment plant effective October 13, 2021.

On the basis of thorough file review and application of Article 21 of Chapter 143, General Statutes of North Carolina, Public Law 92-500 and other lawful standards and regulations, the North Carolina Environmental Management Commission has determined that the Kinnakeet Shores' WWTP is unable to adequately collect and treat waste tributary to its wastewater treatment facility.

North Carolina General Statute 143-215.67(a) directs that no person subject to the provision of NCGS 143-215.1, 143-215.108 or 143-215.109 shall cause or allow the discharge of any wastes to a disposal system in excess of the capacity, which the disposal system cannot adequately treat. The moratorium on additional sewer connections or additional flow will remain in effect until the Outer Banks/Kinnakeet Associates, LLC has rectified the current noncompliant conditions of the facility and has obtained written permission from the North Carolina Environmental Management Commission suspending the moratorium.

The permit and other information may be inspected during normal office hours at the Division of Water Resources, 943 Washington Square Mall, Washington, North Carolina 27889, telephone: (252) 946-6481. Copies of the information on file are available upon request and payment of the costs of reproduction.

Questions regarding the status of the sewer moratorium should be directed to Mr. Ray Hollowell, at (252) 202-2358.



Exhibit L

Shipment Receipt: Page #1 of 1
THIS IS NOT A SHIPPING LABEL. PLEASE SAVE FOR YOUR RECORDS.

SHIP DATE:
THUR 16 SEP 2021

EXPECTED DELIVERY DATE:
FRI 17 SEP 2021 3:00 PM
SHIP FROM:
RAY MOLLOWELL
8351 FERN LANE
CONNELLY SPRING NC 28612
(252) 202-2358

SHIPMENT INFORMATION:
UPS NEXT DAY AIR SAVER COM
0 lb 2.5 oz actual wt
1.000 lb billable wt
DIMS: 9.00X11.00X1.00 IN
E-MAIL NOTIFICATION: SHIP, DELIVER

TRACKING NUMBER: 1Z978Y081327483169
SHIPMENT ID: MH7CD334HTCCJ
SHIP REF 1: - -
SHIP REF 2: - -

SHIP TO:
WASTEWATER BRANCH
DIVISION OF WATER RESOURCES
1617 MAIL SERVICE CTR
RALEIGH NC 27699-1800
BUSINESS

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THE UPS STORE #6305
MORGANTON, NC 28655-3422
(828) 433-8181

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SERVICE OPTIONS 0.00
FUEL SURCHARGE 2.40
CHS PROCESSING FEE 0.22

TOTAL \$30.89

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[HTTP://THEUPSSTORE.COM](http://theupsstore.com) (SELECT TRACKING, ENTER SHIPMENT ID #) SHIPMENT
QUESTIONS? CONTACT SHIPPED THROUGH ABOVE.

CUSTOMER ACKNOWLEDGEMENT: I ACKNOWLEDGE AND ACCEPT TERMS & CONDITIONS IN FORCE
FOR TENDERING SHIPMENTS THROUGH THIS LOCATION AND CERTIFY THAT ADDRESS, CONTENTS
AND VALUES PROVIDED FOR THIS SHIPMENT ARE ACCURATE IN ALL RESPECTS.

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Aug 15 2022

September 15, 2021

Robert Tankard
Division of Water Quality
Washington Regional Office
Washington, North Carolina

Reference: Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Permit No. WQCS00295
NOV-2021-PC-0139 Response

Dear Mr. Tankard;

I am writing response to the Notice of Violation, issued February 15, 2021 for the Kinnakeet Shores Waste Water Treatment System, Permit No. WQ0002284 and for the July 23, 2021 Notice of Violation and Assessment of Civil Penalty.

We have carefully reviewed the violations and are working to take the following actions to correct the deficiencies.

Description of Violation:

End Use-Reuse: The reclaim spray irrigation equipment does not work. All wastewater goes to the infiltration pond. Last two visits, the turbidity meter has been malfunctioning. Do not know if wastewater is diverted when wastewater does not meet reclaimed standards.

Response: *The funds have not been available to make this repair to the irrigation equipment. The Turbidity Meter, at the time of inspection, had a system error, when cleared, resumed normal operation.*

Treatment Clarifiers: Clarifiers were observed during the inspection and were not working.

Response: *The external clarifier's drive shaft broke and was repaired. The external clarifier was operating, however the drive shaft repair failed. The plant operates on one clarifier under normal conditions. We are working to find replacements to repair the external clarifier and have a back up for the external clarifier and restore the internal clarifier.*

Standby Power: ORC stated that the generator wasn't currently working.

Response: *Generator is not working. New batteries were purchased for the generator. We are working to bring in an outside contractor to diagnose and repair.*

Treatment Filters: The ORC stated that the traveling bridge filter is not working. Filter has not worked now for several inspections.

Response: *The traveling bridge filter works on hand but not automatic. At the time of the inspection, there was not enough flow in the plant to manually operate the traveling bridge filter the full length and return as requested. When funds are available, repairs will be made for filter to run in automatic mode of operation.*

Turbidity Meter: Turbidity meter was showing a malfunction light at time of inspection. This light has been on for the last two inspections.

Response: *The turbidity meter was reset at the inspection and worked.*

Permit Schedule Violations:

The Permittee shall submit a permit modification by November 17, 2018, addressing the following:

1.
 - a. Several residences appear to be within 100 feet of the 5-day upset pond. Any residences that are within 100 feet and were there prior to the permitting of the pond, must have a setback waiver. [15A NCAC 02T .0506(d)]
 - b. Easements for all parcels not owned by the applicant specifically indicating the intended use of the property and meeting the condition of 15A NCAC 02L .0107(f). [15A NCAC 02U .0202(f)(3)]
 - c. Provide a table listing each irrigation field, property owner(s), and easement book and page.
 - d. A site map with a scale no greater than 1-inch equals 100 feet; however, special provisions may be granted upon prior approval for large properties. At a minimum, the map shall include the following information: i. The location and identity of each monitoring well. ii. The location and major components of the waste disposal system. iii. The wetted perimeter of all irrigation fields. iv. The location and ownership of property boundaries within 500 feet of the disposal areas. v. The location of all wells, streams (ephemeral, intermittent, and perennial), wetlands, springs, lakes, ponds, ditches, and other surface drainage features within 500 feet of all facilities. vi. The elevation of the top of the well casing (i.e., measuring point) relative to a common datum. vii. The depth of water below the measuring point at the time the measuring point is established. viii. The delineation of compliance and review boundaries. ix. The minimum distance for approved setback waivers. x. The date the map is prepared and/or revised. [15A NCAC 02T .0108(b)(2)]

The plat originally filed with the state and Dare County has not been modified. We will request drawings from engineer.

2. The permit dated March 14, 2018 required that the Permittee provide a functioning flow meter for the reclaimed irrigation system and have the reclaimed water spray irrigation system operational no later than August 1, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to have the flow meter and reclaim irrigation system operational by August 1, 2018. The Permittee remains in noncompliance with this permit condition and is subject to daily civil penalty assessment until such time as compliance with this condition has been met.

The Flow meter was replaced. The irrigation system has not operated, as evidenced in the NDAR-1, since prior to 2005. As the funding is not available to repair/replace the irrigation system and restore to full operation, it would be requested that this condition of the permit be modified and removed until such time the funds are available for repairs/replacement.

3. The permit dated March 14, 2018 required that the Permittee install monitoring wells MW-10, MW-11, and MW-12 prior to June 12, 2018. Per Notice of Violation NOV-2018-PC-0311, the Permittee failed to install the wells prior to June 12, 2018. The Permittee shall install the wells and sample the monitoring wells per permit conditions. The Permittee remains in noncompliance with this condition and is subject to daily civil penalty assessments until such time as compliance with this condition has been met.

(see RESPONSE below)

4. Prior to April 1, 2019, the Permittee shall replace the tertiary filter media.

(see RESPONSE below)

5. Prior to March 14, 2020, the Permittee shall repair the damaged roof above the wastewater treatment facility.


We would like to repair and re-skin the building, but as this not a treatment component to the wastewater plant and was installed for aesthetics for the community, I would ask that this condition of the permit be omitted and the permit modified.

Response: *The OuterBanks/Kinnakeet Associates, LLC does not generate enough funds from utility revenues to pay ongoing normal operating expenses and can not afford the financial requirements of this Notice of Violation to make repairs and upgrade. We have not applied for a rate increase in 20 plus years and are still operating off the original rate that was assigned day one. We are applying for a rate increase with the North Carolina Utility Commission. Please find attached a copy of the letter of intent to seek rate increase, electronically filed. We will seek an interim rate change while we are working through the rate increase process.*

I respectfully request a remission of the civil penalties as the penalties will further prevent us for making repairs needed. The 8,656.38 penalties assessed could be put toward the clarifier repairs. We have already spent an estimated \$12,000.00 on two new blower motors and installation this year.

If there is any additional information needed, please let me know.

Best regards,



Ray Hollowell
Outer Banks/Kinnakeet Associates, LLC

OFFICIAL COPY

Aug 15 2022

STATE OF NORTH CAROLINA

DEPARTMENT OF ENVIRONMENTAL QUALITY

COUNTY OF DARE

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST

Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

) WAIVER OF RIGHT TO AN
) ADMINISTRATIVE HEARING AND
) STIPULATION OF FACTS

) CASE NO. PC-2021-0034

Having been assessed civil penalties totaling \$8,656.38 for violation(s) as set forth in the assessment document of the Division of Water Resources dated 07/23/2021, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the September 16th day of September, 2021

[Signature]
SIGNATURE

ADDRESS
8351 Fern Lane
Carmel, Springs, NC
28612

TELEPHONE
252-202-2358

OFFICIAL COPY

Aug 15 2022

Option 2: Submit a written request for remission or mitigation including a detailed justification for such request:

Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Because a remission request forecloses the option of an administrative hearing, such a request must be accompanied by a waiver of your right to an administrative hearing and a stipulation and agreement that no factual or legal issues are in dispute. Please prepare a detailed statement that establishes why you believe the civil penalty should be remitted, and submit it to the Division of Water Resources at the address listed below. In determining whether a remission request will be approved, the following factors shall be considered:

- (1) whether one or more of the civil penalty assessment factors in NCGS 143B-282.1(b) was wrongfully applied to the detriment of the petitioner;
- (2) whether the violator promptly abated continuing environmental damage resulting from the violation;
- (3) whether the violation was inadvertent or a result of an accident;
- (4) whether the violator had been assessed civil penalties for any previous violations; or
- (5) whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

Please note that all evidence presented in support of your request for remission must be submitted in writing. The Director of the Division of Water Resources will review your evidence and inform you of his decision in the matter of your remission request. The response will provide details regarding the case status, directions for payment, and provision for further appeal of the penalty to the Environmental Management Commission's Committee on Civil Penalty Remissions (Committee). Please be advised that the Committee cannot consider information that was not part of the original remission request considered by the Director. Therefore, it is very important that you prepare a complete and thorough statement in support of your request for remission.

In order to request remission, you must complete and submit the enclosed "Request for Remission of Civil Penalties, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form within thirty (30) days of receipt of this notice. The Division of Water Resources also requests that you complete and submit the enclosed "Justification for Remission Request."

Both forms should be submitted to the following address:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Exhibit M

November 02, 2021

Robert Tankard
Division of Water Quality
Washington Regional Office
Washington, North Carolina

Reference: Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Permit No. WQCS00295
NOV-2021-PC-0434 and NOV-LV-0775 Response

Dear Mr. Tankard:

I am writing in response to the Notice of Violations, issued August 25, 2021 and October 14, 2021 for the Kinnakeet Shores Waste Water Treatment System, Permit No. WQ0002284.

We have reviewed the violations and are providing the following response.

NOV-2021-PC-0434 Violations:

End Use-Reuse: Irrigation equipment is not operational. WARO believes all water is going to the irrigation/high-rate pond. Required monitoring wells have not yet been installed.

Response: See Page 2 relative to **Monitoring Wells**.

Treatment Clarifiers: Clarifiers were observed during the inspection and were not working.

Response: *The external clarifier's drive shaft broke and was repaired. The external clarifier was operating, however the drive shaft repair failed. The plant operates on one clarifier under normal conditions. We are working to find replacements to repair the external clarifier and have a back-up for the external clarifier and restore the internal clarifier. Mr. Pharr is currently looking for a speed reducing motor that turns the chain that operates the clarifier as well as continuing to look for clarifiers. We have the funds set aside to pay for the clarifiers when they are available. Unfortunately, we are being exposed to the same circumstances everyone is in getting parts and repair parts. Secondly it appears Mr. Pharr has located a source to rewind our existing motors. This is a major positive in rectifying these circumstances.*

Mr. Tankard
Page 2

Treatment Flow

Measurement-Effluent ORC stated the flowmeter is in need of repair.

It was determined through Hach Technologies that the sensory board was bad. The Flow meter was replaced with an exact model from another system.

Standby Power: ORC stated that the generator wasn't currently working.

Response: *Generator is not working. New batteries were purchased for the generator. We are working to bring in an outside source to diagnose and repair.*

Monitoring Wells Permittee failed to install monitoring wells.

Permittee, through Engineer Mark Bissell has located a well driller to install the wells as required for Outer Banks/Kinnakeet Associates, LLC. Installer is in the final stages of recovering from hip surgery to complete the installation of 100% of the wells within 90 days. I personally will be speaking with the driller tomorrow to engage him financially.

Damaged Roof Permittee failed to repair damaged roof.

We would like to repair the damaged roof, but as this not a treatment component to the waste water plant and was installed for aesthetics for the community, I would ask that this condition of the permit be omitted and the permit modified.

Permittee failed to submit required waivers and site map

For the setback waiver violation Mr. Bissell researched the permit history and noted that the WWTP was built under Permit EQ0002284 that was issued on January 31, 2003 which did not have a setback requirement from the storage pond to the habitable residences under separate ownership. This requirement was added with the August 2008 renewal after the facility was constructed and had been in operation for several years. Mr. Bissell believes that the Permittee should not be required to get after-the-fact waivers in this instance. I look forward to any other questions or discussion on this matter.

Mr. Tankard
Page 3

Treatment Filters: The ORC stated the traveling bridge filter is not working. Filter has not worked now for several inspections.

Response: *The traveling bridge filter works by hand but not automatic. At the time of the inspection on August 17, the traveling bridge was not operated manually at the request of the inspector. Mr. Pharr and I are searching the marketplace for the requisite motor.*

***Response:** *Outer Banks/Kinnakeet Associates, LLC does not generate enough funds from utility revenues to pay ongoing normal operating expenses. However, we are currently seeking the financial requirement to make the requisite repairs within 30 to 90 days. We are preparing for a 20+ year rate increase while still operating off the original rate that was assigned day 1. We have in essence been paying the utility rates of our customer base for 20+ years. We have not applied for a rate increase in 20 plus years and are still operating off the original rate that was assigned day one. We are applying for a rate increase with the North Carolina Utility Commission. We will seek an interim rate change while we are working through the increase process.*

Due to the significant impact of Covid 19, the inability to secure parts has dramatically impacted our response over the past year. Secondly, with strict and intense heart related matters and essentially 90 days of treatment at the Cleveland Clinic, I am on the mend.

NOV-2021-LV-0775 Violations:

Limit Exceedance Violation(s):

Sample Location	Parameter	Date	Limit Value	Reported Value	Type of Violation
001	Nitrogen, Ammonia Total as N) (00610)	7/1/2021	6	7.7	Daily Maximum Exceeded
	Nitrogen, Ammonia Total (as N) (00610)	7/7/2021	6	8.5	Daily Maximum Exceeded

Mr. Tankard
Page 4

001	BOD, 5-Day (20 Deg. C) (00310)	7/13/2021	15	16	Daily Maximum Exceeded
001	Nitrogen, Ammonia Total (as N) (00610)	7/31/2021	4	5.48	Monthly Average Exceeded

Summer temperatures effected treatment and exceeded monthly limit for Nitrogen on July 1 by 1.7 mgl, on July 7 by 2.5 mgl, on July 31 by 1.48 mgl was addressed in operations with increasing air in the treatment. Adjustments were made to include increase air to treatment.

Summer temperatures effected treatment and exceeded BOD limits by 3 mgl on July 7 and by 1 mgl on July 13. Adjustments were made and corrected as BOD testing on July 22 and July 27 were within limits.

Sample Location	Parameter	Date	Type of Violation
001	Chloride (as Cl) (00940) <i>Was tested but not reported</i>	7/31/2021	Parameter Missing
001	Solids, Total Dissolved- 180 Deg.C <i>Was tested but not reported</i>	7/31/2021	Parameter Missing
002	(70300) Oxygen, Dissolved (DO) (00300) <i>Was tested not reported</i>	7/31/2021	Parameter Missing
003	Oxygen, Dissolved (DO) (00300) <i>Was tested but not reported</i>	7/31/2021	Parameter Missing

The missing parameters are sampled 3 times per year. The items were tested but not reported on the NDMR. An amended NDMR is attached and will be filed. The Chloride and Total dissolved solids were tested on the 22nd of July. A copy of the Lab report is also attached. The Dissolved Oxygen is an onsite grab sample, also done on the 22nd of July.

Mr. Bissell suggested that I should request removal of the NOVs based upon the updated information provided by Mrs. Pharr as some of the information was inadvertently left out of the report.

Mr. Tankard
Page 5

I want to apologize to you, Sarah and your staff for the complete inconsistencies in the operations of Outer Banks/Kinnakeet Associates, LLC. It has been a very difficult eight years, my health matters, and now we can accentuate the positives of a great real estate market. FINALLY !! Robert, we are finally where we were in 2005 and 2006 with this emergence. We are now beginning to see consistent revenues from other assets that can be utilized for Outer Banks/Kinnakeet Associates, LLC. Again, please accept my apologies as we begin to move forward in the latest surge that Pat Weston mentioned to you this week. We have waited and waited but now it has finally occurred.

Also, I want to thank David and Michelle Pharr, and children, for the absolutely incredible work they have done with this facility. Also, my sincerest thanks to Mark Bissell, Bissell Professional Group who designed this 3.5 million dollar facility for me and the incredible work he has done to assist me through these very difficult times. It will be nice to create the consistencies in which we can generally operate business in a positive manner.

Lastly, if there is any additional information needed, please let me know.

Best regards,

Ray E. Hollowell, Jr.
Outer Banks/Kinnakeet Associates, LLC

OFFICIAL COPY

Aug 15 2022

Exhibit N

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 7020 1810 0001 5980 9409
Return Receipt Requested

November 17, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Ln
Connelly Spring, NC 28612

SUBJECT: Notice of Violation and Assessment of Civil Penalty
for Violations of NC General Statute (G.S.) 143-215.1(a)(6)
and Non-discharge Permit No. WQ0002284
Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP
Case No. PC-2021-0057
Dare County

Dear Mr. Hollowell:

This letter transmits a Notice of Violation and assessment of civil penalty in the amount of \$14,994.67 (\$14,500.00 civil penalty + \$494.67 enforcement costs) against Outer Banks/Kinnakeet Associates LLC.

This assessment is based upon the following facts: an inspection of the Kinnakeet Shores WWTP was conducted on August 17, 2021. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. This inspection has shown the subject facility to be in violation of the conditions and limitations found in Non-discharge Permit No. WQ0002284. The violations found during the inspection are summarized in Attachment A to this letter.

Based upon the above facts, I conclude as a matter of law that Outer Banks/Kinnakeet Associates LLC violated the terms, conditions or requirements of Non-discharge Permit No. WQ0002284 and G.S. 143-215.1(a)(6) in the manner and extent shown in Attachment A. In accordance with the maximums established by G.S. 143-215.6A(a)(2), a civil penalty may be assessed against any person who violates the terms, conditions or requirements of a permit required by G.S. 143-215.1(a).



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27889
252.946.6481

OFFICIAL COPY

Aug 15 2022

Based upon the above findings of fact and conclusions of law, and in accordance with authority provided by the Secretary of the Department of Environmental Quality and the Director of the Division of Water Resources, I, David May, Regional Supervisor, Washington Regional Office hereby make the following civil penalty assessment against Outer Banks/Kinnakeet Associates LLC:

\$14,500.00 For 6 of the 8 violations of the conditions and limitations specified in Permit No. WQ0002284 .

\$14,500.00 **TOTAL CIVIL PENALTY**

\$494.67 Enforcement Costs

\$14,994.67 **TOTAL AMOUNT DUE**

Pursuant to G.S. 143-215.6A(c), in determining the amount of the penalty I have taken into account the Findings of Fact and Conclusions of Law and the factors set forth at G.S. 143B-282.1(b), which are:

- (1) The degree and extent of harm to the natural resources of the State, to the public health, or to private property resulting from the violation;
- (2) The duration and gravity of the violation;
- (3) The effect on ground or surface water quantity or quality or on air quality;
- (4) The cost of rectifying the damage;
- (5) The amount of money saved by noncompliance;
- (6) Whether the violation was committed willfully or intentionally;
- (7) The prior record of the violator in complying or failing to comply with programs over which the Environmental Management Commission has regulatory authority; and
- (8) The cost to the State of the enforcement procedures.

Within **thirty (30) days** of receipt of this notice, you must do **one** of the following:

- (1) Submit payment of the penalty, **OR**
- (2) Submit a written request for remission, **OR**
- (3) Submit a written request for an administrative hearing

Option 1: Submit payment of the penalty:

Payment should be made directly to the order of the Department of Environmental Quality (*do not include waiver form*). Payment of the penalty will not foreclose further enforcement action for any continuing or new violation(s). Please submit payment to the attention of:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 2: Submit a written request for remission or mitigation including a detailed justification for such request:

Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Because a remission request forecloses the option of an administrative hearing, such a request must be accompanied by a waiver of your right to an administrative hearing and a stipulation and agreement that no factual or legal issues are in dispute. Please prepare a detailed statement that establishes why you believe the civil penalty should be remitted, and submit it to the Division of Water Resources at the address listed below. In determining whether a remission request will be approved, the following factors shall be considered:

- (1) whether one or more of the civil penalty assessment factors in NCGS 143B-282.1(b) was wrongfully applied to the detriment of the petitioner;
- (2) whether the violator promptly abated continuing environmental damage resulting from the violation;
- (3) whether the violation was inadvertent or a result of an accident;
- (4) whether the violator had been assessed civil penalties for any previous violations; or
- (5) whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

Please note that all evidence presented in support of your request for remission must be submitted in writing. The Director of the Division of Water Resources will review your evidence and inform you of his decision in the matter of your remission request. The response will provide details regarding the case status, directions for payment, and provision for further appeal of the penalty to the Environmental Management Commission's Committee on Civil Penalty Remissions (Committee). Please be advised that the Committee cannot consider information that was not part of the original remission request considered by the Director. Therefore, it is very important that you prepare a complete and thorough statement in support of your request for remission.

In order to request remission, you must complete and submit the enclosed "Request for Remission of Civil Penalties, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form within thirty (30) days of receipt of this notice. The Division of Water Resources also requests that you complete and submit the enclosed "Justification for Remission Request."

Both forms should be submitted to the following address:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 3: File a petition for an administrative hearing with the Office of Administrative Hearings:

If you wish to contest any statement in the attached assessment document you must file a petition for an administrative hearing. You may obtain the petition form from the Office of Administrative Hearings. You must file the petition with the Office of Administrative Hearings within thirty (30) days of receipt of this notice. A petition is considered filed when it is received in the Office of Administrative Hearings during normal office hours. The Office of Administrative Hearings accepts filings Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., except for official state holidays. The petition may be filed by facsimile (fax) or electronic mail by an attached file (with restrictions) - provided the signed original, one (1) copy and a filing fee (if a filing fee is required by NCGS §150B-23.2) is received in the Office of Administrative Hearings within seven (7) business days following the faxed or electronic transmission. You should contact the Office of Administrative Hearings with all questions regarding the filing fee and/or the details of the filing process.

The mailing address and telephone and fax numbers for the Office of Administrative Hearings are as follows:

6714 Mail Service Center
Raleigh, NC 27699 6714
Tel: (919) 431-3000
Fax: (919) 431-3100

One (1) copy of the petition must also be served on DEQ as follows:

Mr. William F. Lane, General Counsel
Department of Environmental Quality
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

Please indicate the case number (as found on page one of this letter) on the petition.

Failure to exercise one of the options above within thirty (30) days of receipt of this letter, as evidenced by an internal date/time received stamp (not a postmark), will result in this matter being referred to the Attorney General's Office for collection of the penalty through a civil action. Please be advised that additional penalties may be assessed for violations that occur after the review period of this assessment.

If you have any questions, please contact Sarah Toppen with the Division of Water Resources staff of the Washington Regional Office at (252) 946-6481 or via email at Sarah.Toppen@ncdenr.gov.

Sincerely,

David May

David May, Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
Mr. Bruce Miller, electronic copy
Mr. Mark Bissell, electronic copy

OFFICIAL COPY

Aug 15 2022

JUSTIFICATION FOR REMISSION REQUEST

Case Number: PC-2021-0057

County: Dare

Assessed Party: Outer Banks/Kinnakeet Associates LLC

Permit No.: WQ0002284

Amount Assessed: \$14,994.67

Please use this form when requesting remission of this civil penalty. You must also complete the "Request For Remission, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form to request remission of this civil penalty. You should attach any documents that you believe support your request and are necessary for the Director to consider in evaluating your request for remission. Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Pursuant to N.C.G.S. § 143B-282.1(c), remission of a civil penalty may be granted only when one or more of the following five factors apply. Please check each factor that you believe applies to your case and provide a detailed explanation, including copies of supporting documents, as to why the factor applies (attach additional pages as needed).

- ☐ (a) one or more of the civil penalty assessment factors in N.C.G.S. 143B-282.1(b) were wrongfully applied to the detriment of the petitioner (*the assessment factors are listed in the civil penalty assessment document*);
- ☐ (b) the violator promptly abated continuing environmental damage resulting from the violation (*i.e., explain the steps that you took to correct the violation and prevent future occurrences*);
- ☐ (c) the violation was inadvertent or a result of an accident (*i.e., explain why the violation was unavoidable or something you could not prevent or prepare for*);
- ☐ (d) the violator had not been assessed civil penalties for any previous violations;
- ☐ (e) payment of the civil penalty will prevent payment for the remaining necessary remedial actions (*i.e., explain how payment of the civil penalty will prevent you from performing the activities necessary to achieve compliance*).

EXPLANATION:

STATE OF NORTH CAROLINA

DEPARTMENT OF ENVIRONMENTAL QUALITY

COUNTY OF DARE

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST

Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

) **WAIVER OF RIGHT TO AN**
) **ADMINISTRATIVE HEARING AND**
) **STIPULATION OF FACTS**

) **CASE NO. PC-2021-0057**

Having been assessed civil penalties totaling \$14,994.67 for violation(s) as set forth in the assessment document of the Division of Water Resources dated November 17, 2021, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the _____ day of _____, 20____

SIGNATURE

ADDRESS

TELEPHONE

OFFICIAL COPY

Aug 15 2022

ATTACHMENT A

Outer Banks/Kinnakeet Associates LLC

CASE NUMBER: PC-2021-0057

PERMIT NO: WQ0002284

REGION: Washington

FACILITY: Kinnakeet Shores WWTP

COUNTY: Dare

VIOLATION DATE	AREA	VIOLATION TYPE	VIOLATION DESCRIPTION	PENALTY AMOUNT
8/17/2021	Miscellaneous Questions	Permit conditions violation	Permittee failed to install monitoring wells.	\$2,000.00
8/17/2021	Miscellaneous Questions	Permit conditions violation	Permittee failed to repair damaged roof.	\$0.00
8/17/2021	Miscellaneous Questions	Permit conditions violation	Permittee failed to submit required site map	\$500.00
8/17/2021	End Use-Reuse	Violation detected during inspection	Irrigation equipment is not operational. WaRO believes all water is going to the irrigation/high rate pond. Required monitoring wells have not yet been installed.	\$3,000.00
8/17/2021	Treatment Clarifiers	Violation detected during inspection	No flow was going over the weirs at the time of inspection. Both clarifiers are broken. One is drained and parts have been robbed to work on second clarifier. Second clarifier is broken and sweep arms are not functional. Floating sludge is visible in the clarifier.	\$3,000.00
8/17/2021	Treatment Flow Measurement-Effluent	Violation detected during inspection	ORC stated flowmeter is in need of repair.	\$0.00
8/17/2021	Standby Power	Violation detected during inspection	ORC stated that generator is not operable.	\$3,000.00
8/17/2021	Treatment Filters	Violation detected during inspection	Travelling bridge filter is not operational. ORC states it will only operate in hand mode, however, when on site the bridge would only travel a limited distance.	\$3,000.00

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Aug 15 2022

Exhibit O

Compliance Inspection Report

Permit: WQ0002284 **Effective:** 08/17/18 **Expiration:** 02/28/23 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores WWTP
County: Dare 41105 Big Kinnakeet Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell **Title:** Manager **Phone:**

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr **Certification:** 21101 **Phone:** 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 11/16/2021 **Entry Time** 08:00AM **Exit Time:** 06:15PM
Primary Inspector: Robert B Tankard **Phone:** 252-946-6481 Ext.233
Secondary Inspector(s):

Robert E Bullock

Reason for Inspection: Follow-up **Inspection Type:** Compliance Sampling

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent | <input checked="" type="checkbox"/> Treatment Flow Measurement-Influent | <input checked="" type="checkbox"/> Miscellaneous Questions |
| <input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records | <input checked="" type="checkbox"/> Treatment | <input checked="" type="checkbox"/> Treatment Filters |
| <input checked="" type="checkbox"/> Treatment Sludge Storage/Treatment | <input checked="" type="checkbox"/> Treatment Clarifiers | <input checked="" type="checkbox"/> Treatment Disinfection |
| <input checked="" type="checkbox"/> Treatment Flow Measurement | <input checked="" type="checkbox"/> End Use-Reuse | <input checked="" type="checkbox"/> Standby Power |

(See attachment summary)

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 11/16/2021

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Inspection Summary:

The facility was inspected on November 16, 2021, to verify any repairs that had been made to the facility since the last NOV. It appeared the only improvements made were replacing the flow meter sensor and adding chlorine to the chlorine storage tank. The following violations still exist at the facility:

- *Both clarifiers are out of service.
- *Tertiary filter is out of service.
- *Anoxic mixing pumps need to be repaired.
- *Chlorine is not being provided on a regular basis.
- *Irrigation equipment needs repair. System is non-operational.
- *Back-up generator needs to be replaced.
- *Failure to submit site map.
- *Failure to install monitoring wells.
- *Failure to repair damaged roof

SAMPLES WERE PULLED AT THE EFFLUENT. FUTURE VIOLATIONS MAY BE NOTED ACCORDING TO RESULTS.

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 11/16/2021

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Type

	Yes	No	NA	NE
Infiltration System	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Activated Sludge Spray, LR	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Reuse (Quality)	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Clarifiers, Treatment Filters, Generator, and Spray Irrigation System failed to work. Solids have filled the clarifier and tertiary filter.

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Water Use Records

	Yes	No	NA	NE
Is water use metered?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the daily average values properly calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Effluent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Facility was dark and inspection occurred with flash lights. Flow meter was observed but did not focus on it.

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 11/16/2021

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Standby Power

	Yes	No	NA	NE
Is automatically activated standby power available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is generator tested weekly by interrupting primary power source?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is generator operable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does generator have adequate fuel?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>Operator did not make an attempt to start the generator. Stated it would not start.</u>				

Treatment Clarifiers

	Yes	No	NA	NE
Are the weirs level?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the weirs free of solids and algae?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scum removal system operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scum removal system accessible?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the sludge blanket at an acceptable level?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the effluent from the clarifier free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>Clarifier sweeps and return pumps did not work. Solids had built up in clarifier.</u>				

Treatment Filters

	Yes	No	NA	NE
Is the filter media present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the filter media the correct size and type?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the air scour operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scouring acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the clear well free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the mud well free of excessive solids and filter media?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does backwashing frequency appear adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comment: <u>Tertiary filter does not work. Solids have built up in filter.</u>				

Treatment Sludge Storage/Treatment

	Yes	No	NA	NE
Is the aeration operational?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the aeration pattern even?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If required, are Sanitary "Ts" present in tankage?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Comment:				

Treatment Disinfection

	Yes	No	NA	NE
Is the system working?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 11/16/2021

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Is the chlorinator accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If yes, then what is the EPA twelve digit ID Number? (1000-____-____)

If yes, then when was the RMP last updated?

Comment: Disinfection system was off at time of inspection.

End Use-Reuse

	Yes	No	NA	NE
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is an automatically activated standby power source available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are buffers adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the site free of ponding/runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 11/16/2021

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Is municipal water available in the area?

☒☐☐☐

Are GW monitoring wells required?

☒☐☐☐

Are GW monitoring wells located properly w/ respect to RB and CB?

☐☒☐☐

Are GW monitoring wells properly constructed, including screened interval?

☐☒☐☐

Comment: Irrigation system does not work. All water goes to the storage pond and infiltrates. Monitoring wells have not been installed.

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Aug 15 2022

Exhibit P

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 70201810000159809096
Return Receipt Requested

November 29, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Ln
Connelly Springs, NC 28612

SUBJECT: NOTICE OF VIOLATION & INTENT TO ASSESS CIVIL PENALTY

Tracking Number: NOV-2021-PC-0581
Permit No. WQ0002284
Kinnakeet Shores WWTP
Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of the Kinnakeet Shores WWTP on November 16, 2021. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The Compliance Sampling inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
Miscellaneous Questions	Permittee failed to repair damaged roof.
Treatment Clarifiers	Clarifier sweeps and return pumps did not work. Solids had built up in clarifier.
Treatment	Clarifiers, Treatment Filters, Generator, and Spray Irrigation System failed to work. Solids have filled the clarifier and tertiary filter.
End Use-Reuse	Irrigation system does not work. All water goes to the storage pond and infiltrates. Monitoring wells have not been installed.
Standby Power	Operator did not make an attempt to start the generator. Stated it would not start.



North Carolina Department of Environmental Quality | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27689
252.946.6481

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Aug 15 2022

Inspection Area	Description of Violation
Miscellaneous Questions	Permittee failed to install monitoring wells.
Miscellaneous Questions	Permittee failed to submit site map.
Treatment Filters	Tertiary filter does not work. Solids have built up in filter.

In addition, the issues below must also be addressed:

A Notice of Violation/Intent to Issue Civil Penalty is being issued for the noted violation of North Carolina General Statute (G.S.) 143-215.1 and the facility's Non-discharge Permit. Pursuant to G.S. 143-215.6A, a civil penalty of not more than twenty-five thousand dollars (\$25,000.00) may be assessed against any person who violates or fails to act in accordance with the terms, conditions, or requirements of any permit issued pursuant to G.S. 143-215.1.

If you wish to provide additional information regarding the noted violation, request technical assistance, or discuss overall compliance please respond in writing within ten (10) business days after receipt of this Notice. A review of your response will be considered along with any additional information provided. You will then be notified of any civil penalties that may be assessed regarding the violations. **If no response is received in this Office within the 10-day period, a civil penalty assessment may be prepared.**

Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent.

If you should have any questions, please do not hesitate to contact Robert Tankard with the Water Quality Regional Operations Section in the Washington Regional Office at 252-948-3921.

Sincerely,

Robert Tankard

Robert Tankard, Assistant Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
NC Utilities Commission, Mike Franklin, Mike.Franklin@psncuc.nc.gov



Exhibit Q

December 12, 2021

Robert Tankard
Division of Water Quality
Washington Regional Office
Washington, North Carolina

Reference: Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Permit No. WQCS00295
NOV-2021-LV-0885, NOV-LV-0886, and Nov-PC-0581 Response

Dear Mr. Tankard;

I am writing in response to the Notice of Violations, issued November 29, 2021, for the Kinnakeet Shores Waste Water Treatment System, Permit No. WQ0002284.

We have reviewed the violations and are providing the following response.

Exceeded Daily and Monthly Parameters

First Solution to Parameter Violations

The monitoring parameters are being affected by the external clarifier sweeps being out of service at this time. The sweeps are operated by a speed reducer and is proprietary equipment that was discontinued. We have worked over the past year to build and rebuild the external clarifier's speed reducers, even using the internal clarifier's speed reducer. We have been desperately looking to find a replacement. The company that made the original gear reducer has been bought and sold three times. We have FINALLY located the source and are working to get one gear reducer on order at the purchase cost of \$6,000.00 each plus delivery and installation. We are working with the manufacturer, as of today, for an expedited delivery and will have an answer for you by your next inspection. We plan to order the second gear reducer for the internal clarifier once we ascertain the replacement part works properly. This will have both clarifier's repaired, hopefully in the immediate future.

In addition to the gear reducers, we are having both clarifiers return pumps rebuilt. The estimated cost of these repairs is \$8,000.00 of which we will pay in advance.

Second Solution to Parameter Violations

Immediately following the repair of the external clarifier, we priced, the past Friday, the removing of the solids from the filter and re-bedding the filter with approved filter sand. The filter sand material will be delivered on site and waiting for the clarifier repair prior to the delivery of the gear reducer. The current estimated cost for the re-bedding of the filter is \$15,000 to \$20,000.00.

The combined expenditures for getting the clarifiers and the filter online is estimated to be \$44,000.00. We are expediting the repairs of the external clarifier and the filter to be completed as soon as possible with an expedited delivery of the gear reducer, or at the latest, by mid-March based off the original quote. Well before flows increase with vocational rental demands. These repairs will provide the treatment components necessary to bring the parameters in compliance with permit. During the off season months, we expect to continue to exceed limits until these repairs are made. I will update your office with the equipment delivery status and expenditures for the repairs.

Inspection Violations noted at the November 16, 2021, inspection.

Roof Repair	As I have responded before, I do not feel this is a permit issue and needs to be taken out of the permit parameters. Please advise how this can be addressed.
Treatment Clarifiers	Addressed in above response.
Treatment	Clarifier and Filter repairs addressed above. Solids in Clarifier are being returned to the head of the plant, but the sweeps are not preventing solids from Overflowing into filter. The detailed plan for repair addressed above.
End of Use	Monitoring wells are being sourced and estimated. Monitoring wells will be expedited after the clarifier and filter repairs are complete. Spray irrigation has not worked in over 12 to 15 years as documented on the NDAR-1 reports. We are evaluating the spray irrigation solution.
Stand by Power	The operator did not demonstrate the generator as it has been noted in the last four inspections that the generator does not produce power. The generator was installed at the cost of \$17,000.00. Due to the corrosive environment the generator is not working. As of today, we have found a company that can provide a solution and are working to provide them with the generator specifications. I can provide you with updates as work progresses.

Solids in Clarifier and
Treatment Filter

Solids in Clarifier are being retuned to the head of the plant. The Treatment filter will have all solids pumped and removed by pump truck, filter will be pressure washed and then the new filter media installed.

In the Notices of Violation, the three items that do not have a correction plan in place is the roof, the spray irrigation, and the site map. In my previous responses I have noted an exception to the roof as a permit parameter. I have noted with documentation from my engineer that the site map should not be required. I am asking for a new schedule on the spray irrigation as the system has not been in operation for over a decade and not a violation until this year. The treatment components and monitoring wells are first priority and resolutions for these items is being implemented.

Just please note that in the past two years, we spent \$15,000.00 on the rebuilding of the Dory lift station pumps and \$9,439.71 on blower motors for the plant, totaling \$24,439.71. Repairs and maintenance have been ongoing. We will be spending an estimated \$50,000.00 on the facility prior to the start of the 2022 peak rental season totaling 74,439.71 that combined with the 17,000.00 spent on the generator, monies spent on repairs and equipment will total \$91,439.71.

Thank you.



Mr. Ray Hollowell

Outer Banks/Kinnakeet Associates, LLC

Exhibit R

December 22, 2021

Mr. David May, Regional Supervisor
Water Quality Regional Operations Section
Division of Water Quality, NCDEQ
Washington Regional Office
Washington, North Carolina

Subject: Remission and Mitigation Request of Assessment of Civil Penalties
For Violations of NCGS 143-215.1 (a)(6)
Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores WWTP
Permit No. WQ0002284
Case No. PC-2021-0057
Dare County

Mr. May;

I am writing to request remission or mitigation of civil penalties assessment for Outer Banks/Kinnakeet Associates LLC that was hand delivered to the Outer Banks/Kinnakeet Associates, LLC registered contact, Bruce Miller, on December 1, 2021.

The Outer Banks/Kinnakeet Associates, LLC annual operating income is insufficient to pay annual operating expenses. This deficit of expenses over the past decade have required repairs to be subsidized from outside funding. The Outer Banks/Kinnakeet Associates, LLC does not have funds to make repairs identified in the assessment or pay assessment of civil penalties. Outside funding has been obtained for repairs. Assessment of penalties will take away from the outside funds attained to fix/repair treatment components necessary to correct treatment violations of the Kinnakeet Shores WWTP.

On December 12, 2021, we responded to an Nov from a November 9, 2021, inspection. This NOV response provided a detailed timeline of repairs and costs that we are executing for the Kinnakeet WWTP. We are submitting this response as supporting documentation of costs of repairs and lead time of repair parts and material. Assessing Outer Banks/Kinnakeet Associates, LLC now while this repair plan is executed, will only retard the repairs and potentially cause further harm as indicated in the Letter of Assessment.

Please find attached Notice of Violation Response December 12, 2021

Please find attached the purchase order from EVOQUA for the clarifier gear reducer

Please find attached estimate for new media for the filter.

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Aug 15 2022

The OuterBanks/Kinnakeet Associates, LLC does not generate enough funds from utility revenues to pay ongoing normal operating expenses and have not applied for a rate increase in 20 plus years and are still operating off the original assigned rate. We working to apply for a rate increase with the North Carolina Utility Commission. If approved, a rate increase will provide an operating income sufficient to maintain the KKWWT. We will seek an interim rate change while we are working through the rate increase process.

I respectfully request a remission of the \$14,994.67 in civil penalties as the penalties will prevent us from making repairs needed.

If there is any additional information needed, please let me know.

Best regards,

Ray Hollowell
Outer Banks/Kinnakeet Associates, LLC

JUSTIFICATION FOR REMISSION REQUEST

Case Number: LV-2021-0333 County: Dare
Assessed Party: Outer Banks/Kinnakeet Associates LLC
Permit No.: WQ0002284 Amount Assessed: \$1,950.00

Please use this form when requesting remission of this civil penalty. You must also complete the "Request For Remission, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form to request remission of this civil penalty. You should attach any documents that you believe support your request and are necessary for the Director to consider in evaluating your request for remission. Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Pursuant to N.C.G.S. § 143B-282.1(c), remission of a civil penalty may be granted only when one or more of the following five factors apply. Please check each factor that you believe applies to your case and provide a detailed explanation, including copies of supporting documents, as to why the factor applies (attach additional pages as needed).

- ___ (a) one or more of the civil penalty assessment factors in N.C.G.S. 143B-282.1(b) were wrongfully applied to the detriment of the petitioner (*the assessment factors are listed in the civil penalty assessment document*);
- ___ (b) the violator promptly abated continuing environmental damage resulting from the violation (*i.e., explain the steps that you took to correct the violation and prevent future occurrences*);
- ___ (c) the violation was inadvertent or a result of an accident (*i.e., explain why the violation was unavoidable or something you could not prevent or prepare for*);
- ___ (d) the violator had not been assessed civil penalties for any previous violations;
- X (e) payment of the civil penalty will prevent payment for the remaining necessary remedial actions (*i.e., explain how payment of the civil penalty will prevent you from performing the activities necessary to achieve compliance*).

EXPLANATION:

STATE OF NORTH CAROLINA

DEPARTMENT OF ENVIRONMENTAL QUALITY

COUNTY OF DARE

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST

Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

) **WAIVER OF RIGHT TO AN**
) **ADMINISTRATIVE HEARING AND**
) **STIPULATION OF FACTS**

) **CASE NO. LV-2021-0333**

Having been assessed civil penalties totaling \$1,950.00 for violation(s) as set forth in the assessment document of the Division of Water Resources dated November 30, 2021, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the _____ day of _____, 20____

SIGNATURE

ADDRESS

TELEPHONE

**eVOQUA**

Quote Number: 2021-497669

Proposal For: ALBEMARLE ENVIRONMENTAL
MICHELLE PHARR
533 W. OCEAN ACRES DRIVE
KILL DEVIL HILLS, North Carolina 27948
Phone: 252-305-2744
michelle@obxh2o.com

Fergus Robinson
Evoqua Water Technologies
1828 Metcalf Avenue
Thomasville, GA 31792
Phone: 229-227-8705
fergus.robinson@evoqua.com

Item Pricing Summary

Item	Part No Description	Qty	Net Price	Ext. Price
1	W2T88834 REDUCER GEAR WINSMITH MOD#E35MDVD508X0SR	2	\$6,150.00	\$12,300.00
2	W2T88835 GEAR REDUCER SPROCKET SMALL 1.75DIA BORE	2	\$0.00	\$0.00

Currency: USD

Total Net Price: \$12,300.00**Lead-Time: 8-10 weeks**

Material Escalation

Due to extreme volatility in steel costs, prices quoted in this proposal will be adjusted to reflect changes in the Metal and Metal Products Index (MMPI) published by the U.S. Department of Labor, Bureau of Labor Statistics. The most recent published MMPI is 221.4 for September 2020. If the MMPI exceeds 230.0 at the time the Equipment is released for manufacture, then the price will be increased by the same percentage as the MMPI factor.

Our Manufacturer Rep in your area is:

Representative: Steven Young
Company: Premier Water
List Address: 4726-C Park Road
Charlotte, NC, 28209
Phone: (704) 231-9964
Email: steven@premier-water.com

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Aug 15 2022



Payment Terms and Delivery

PO Terms

Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods and/or services provided under the Contract, including any export license requirements. Purchaser agrees that such goods and/or services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Shipping Information

- Shipping and Handling Fee included in price. FCA (Factory)

Terms

- This quote is valid until 12-31-2021
- Payment terms are N30 - Net 30 days with proper credit, and are subject to the attached Evoqua Water Technologies Terms and Conditions

Sales Tax & GST:

- The pricing provided in this proposal does not include applicable Sales Tax or GST.
- If your company is exempt from Sales Tax or GST, or eligible for a reduced rate of tax, a tax exemption certificate must be provided no later than with your purchase order.
- If a timely, valid exemption certificate or other documentation is not provided, any applicable Sales Tax or GST will be invoiced and payable.
- New customers may be required to supply a signed credit application to be approved for credit terms.
- We require hard documentation of your ordering for Evoqua to process your order. For your convenience, we can start processing your order by signing and returning:
Fax to: 229-228-0312
or Email to: fergus.robinson@evoqua.com
- You may also mail to:
Evoqua Water Technologies
1828 Metcalf Avenue
Thomasville, GA 31792

Notes

ON MADE TO ORDER & SPECIALTY PARTS; THERE IS NO RETURN



eVOQUA

Quote Number: 2021-497669

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Aug 15 2022

Evoqua Water Technologies Banking Details

ACH - CTX

Evoqua's preferred payment method is via ACH - CTX:

JP Morgan Chase Bank
Attn: Evoqua Water Technologies, LLC
Account #: 603148011
Swift Code: CHASUS33
ACH Routing / ABA: **044000037**
Wire Routing / ABA: **021000021**
Remittance details should go to: **electronicfunds@evoqua.com**

Paper checks via Postal Service

Paper checks via Postal Service:

Send to our Lockbox, address is:
Evoqua Water Technologies LLC
28563 Network Place
Chicago, IL 60673-1285

Paper checks via Overnight / Courier

Paper checks via Overnight / Courier:

JP Morgan Chase Bank
Attn: Evoqua Water Technologies Lockbox 28563
131 S Dearborn, 6th Floor
Chicago, IL 60603
Remittance details should go to: **electronicfunds@evoqua.com**

**** If ever instructed to change banking information, contact us immediately at 1-800-466-7873 ****



Standard Terms of Sale

1. **Applicable Terms.** These terms govern the purchase and sale of equipment, products, related services, leased products, and media goods if any (collectively herein "Work"), referred to in Seller's proposal ("Seller's Documentation"). Whether these terms are included in an offer or an acceptance by Seller, such offer or acceptance is expressly conditioned on Buyer's assent to these terms. Seller rejects all additional or different terms in any of Buyer's forms or documents.
2. **Payment.** Buyer shall pay Seller the full purchase price as set forth in Seller's Documentation. Unless Seller's Documentation specifically provides otherwise, freight, storage, insurance and all taxes, levies, duties, tariffs, permits or license fees or other governmental charges relating to the Work or any incremental increases thereto shall be paid by Buyer. If Seller is required to pay any such charges, Buyer shall immediately reimburse Seller. If Buyer claims a tax or other exemption or direct payment permit, it shall provide Seller with a valid exemption certificate or permit and indemnify, defend and hold Seller harmless from any taxes, costs and penalties arising out of same. All payments are due within 30 days of invoice date. Buyer shall be charged the lower of 1 ½% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval by Seller. Back charges without Seller's prior written approval shall not be accepted.
3. **Delivery.** Delivery of the Work shall be in material compliance with the schedule in Seller's Documentation. Unless Seller's Documentation provides otherwise, delivery terms are ExWorks Seller's factory (Incoterms 2010). Title to all Work shall pass upon receipt of payment for the Work under the respective invoice. Unless otherwise agreed to in writing by Seller, shipping dates are approximate only and Seller shall not be liable for any loss or expense (consequential or otherwise) incurred by Buyer or Buyer's customer if Seller fails to meet the specified delivery schedule.
4. **Ownership of Materials and Licenses.** All devices, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data, software and other documents or information prepared or disclosed by Seller, and all related intellectual property rights, shall remain Seller's property. Seller grants Buyer a non-exclusive, non-transferable license to use any such material solely for Buyer's use of the Work. Buyer shall not disclose any such material to third parties without Seller's prior written consent. Buyer grants Seller a non-exclusive, non-transferable license to use Buyer's name and logo for marketing purposes, including but not limited to, press releases, marketing and promotional materials, and web site content.
5. **Changes.** Neither party shall implement any changes in the scope of Work described in Seller's Documentation without a mutually agreed upon change order. Any change to the scope of the Work, delivery schedule for the Work, any Force Majeure Event, any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the price and time of performance.
6. **Force Majeure Event.** Neither Buyer nor Seller shall have any liability for any breach or delay (except for breach of payment obligations) caused by a Force Majeure Event. If a Force Majeure Event exceeds six (6) months in duration, the Seller shall have the right to terminate the Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed prior to the date of termination. "Force Majeure Event" shall mean events or circumstances that are beyond the affected party's control and could not reasonably have been easily avoided or overcome by the affected party and are not substantially attributable to the other party. Force Majeure Event may include, but is not limited to, the following circumstances or events: war, act of foreign enemies, terrorism, riot, strike, or lockout by persons other than by Seller or its sub-suppliers, natural catastrophes or (with respect to on-site work), unusual weather conditions.
7. **Warranty.** Subject to the following sentence, Seller warrants to Buyer that the (i) Work shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and (ii) the Services shall be performed in a timely and workmanlike manner. Determination of suitability of treated water for any use by Buyer shall be the sole and exclusive responsibility of Buyer. The foregoing warranty shall not apply to any Work that is specified or otherwise demanded by Buyer and is not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Buyer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Buyer under warranty, tort or any other legal theory. The Seller warrants the Work, or any components thereof, through the earlier of (i) eighteen (18) months from delivery of the Work or (ii) twelve (12) months from initial operation of the Work or ninety (90) days from the performance of services (the "Warranty Period"). If Buyer gives Seller prompt written notice of breach of this warranty within the Warranty Period, Seller shall, at its sole option and as Buyer's sole and exclusive remedy, repair or replace the subject parts, re-perform the Service or refund the purchase price. Unless otherwise agreed to in writing by Seller, (i) Buyer shall be responsible for any labor required to gain access to the Work so that Seller can assess the available remedies and (ii) Buyer shall be responsible for all costs of installation of repaired or replaced Work. If Seller determines that any claimed breach is not, in fact, covered by this warranty, Buyer shall pay Seller its then customary charges for any repair or replacement made by Seller. Seller's warranty is conditioned on Buyer's (a) operating and maintaining the Work in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (i) damage caused by chemical action or abrasive material, misuse or improper installation (unless installed by Seller) and (ii) media goods (such as, but not limited to, resin, membranes, or granular activated carbon media) once media goods are installed. THE WARRANTIES SET FORTH IN THIS SECTION 7 ARE THE SELLER'S SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITATION OF LIABILITY PROVISION BELOW. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.
8. **Indemnity.** Seller shall indemnify, defend and hold Buyer harmless from any claim, cause of action or liability incurred by Buyer as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Buyer (a) promptly, within the Warranty Period, notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
9. **Assignment.** Neither party may assign this Agreement, in whole or in part, nor any rights or obligations hereunder without the prior written consent of the other party; provided, however, the Seller may assign its rights and obligations under these terms to its affiliates or in connection with the sale or transfer of the Seller's business and Seller may grant a security interest in the Agreement and/or assign proceeds of the agreement without Buyer's consent.

eVOQUA

Quote Number: 2021-497669

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Aug 15 2022

10. **Termination.** Either party may terminate this agreement, upon issuance of a written notice of breach and a thirty (30) day cure period, for a material breach (including but not limited to, filing of bankruptcy, or failure to fulfill the material obligations of this agreement). If Buyer suspends an order without a change order for ninety (90) or more days, Seller may thereafter terminate this Agreement without liability, upon fifteen (15) days written notice to Buyer, and shall be entitled to payment for work performed, whether delivered or undelivered, prior to the date of termination.
11. **Dispute Resolution.** Seller and Buyer shall negotiate in good faith to resolve any dispute relating hereto. If, despite good faith efforts, the parties are unable to resolve a dispute or claim arising out of or relating to this Agreement or its breach, termination, enforcement, interpretation or validity, the parties will first seek to agree on a forum for mediation to be held in a mutually agreeable site. If the parties are unable to resolve the dispute through mediation, then any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Pittsburgh, Pennsylvania before three arbitrators who are lawyers experienced in the discipline that is the subject of the dispute and shall be jointly selected by Seller and Buyer. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. The Arbitrators shall issue a reasoned decision of a majority of the arbitrators, which shall be the decision of the panel. Judgment may be entered upon the arbitrators' decision in any court of competent jurisdiction. The substantially prevailing party as determined by the arbitrators shall be reimbursed by the other party for all costs, expenses and charges, including without limitation reasonable attorneys' fees, incurred by the prevailing party in connection with the arbitration. For any order shipped outside of the United States, any dispute shall be referred to and finally determined by the International Center for Dispute Resolution in accordance with the provisions of its International Arbitration Rules, enforceable under the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards) and the governing language shall be English.
12. **Export Compliance.** Buyer acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Work provided under this Agreement, including any export license requirements. Buyer agrees that such Work shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.
13. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE WORK, INCLUDING WITHOUT LIMITATION ANY LIABILITY FOR ALL WARRANTY CLAIMS OR FOR ANY BREACH OR FAILURE TO PERFORM ANY OBLIGATION UNDER THE CONTRACT, SHALL NOT EXCEED THE PURCHASE PRICE PAID FOR THE WORK. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.
14. **Rental Equipment / Services.** Any leased or rented equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Buyer, and no right or property interest is transferred to the Buyer, except the right to use any such Leased Equipment as provided herein. Buyer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the Leased Equipment. Buyer shall be responsible to maintain the Leased Equipment in good and efficient working order. At the end of the initial term specified in the order, the terms shall automatically renew for the identical period unless canceled in writing by Buyer or Seller not sooner than three (3) months nor later than one (1) month from termination of the initial order or any renewal terms. Upon any renewal, Seller shall have the right to issue notice of increased pricing which shall be effective for any renewed terms unless Buyer objects in writing within fifteen (15) days of issuance of said notice. If Buyer timely cancels service in writing prior to the end of the initial or any renewal term this shall not relieve Buyer of its obligations under the order for the monthly rental service charge which shall continue to be due and owing. Upon the expiration or termination of this Agreement, Buyer shall promptly make any Leased Equipment available to Seller for removal. Buyer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.
15. **Miscellaneous.** These terms, together with any Contract Documents issued or signed by the Seller, comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Buyer's documents, unless separately signed by Seller. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Buyer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. To the extent the Agreement is considered a subcontract under Buyer's prime contract with an agency of the United States government, in case of Federal Acquisition Regulations (FARs) flow down terms, Seller will be in compliance with Section 44.403 of the FAR relating to commercial items and those additional clauses as specifically listed in 52.244-6, Subcontracts for Commercial Items (OCT 2014). If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. The Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provisions. Both Buyer and Seller reject the applicability of the United Nations Convention on Contracts for the international sales of goods to the relationship between the parties and to all transactions arising from said relationship.

Accepted by: _____

Print: _____

Date: _____

Exhibit S

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 70211970000113250650
Return Receipt Requested

January 12, 2022

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Ln
Connelly Spg, NC 28612

SUBJECT: Notice of Violation and Assessment of Civil Penalty
for Violations of NC General Statute (G.S.) 143-215.1(a)(6)
and Non-discharge Permit No. WQ0002284
Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP
Case No. PC-2022-0001
Dare County

Dear Mr. Hollowell:

This letter transmits a Notice of Violation and assessment of civil penalty in the amount of \$15,994.67 (\$15,500.00 civil penalty + \$494.67 enforcement costs) against Outer Banks/Kinnakeet Associates LLC.

This assessment is based upon the following facts: an inspection of the Kinnakeet Shores WWTP was conducted on November 16, 2021. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. This inspection has shown the subject facility to be in violation of the conditions and limitations found in Non-discharge Permit No. WQ0002284. The violations found during the inspection are summarized in Attachment A to this letter.

Based upon the above facts, I conclude as a matter of law that Outer Banks/Kinnakeet Associates LLC violated the terms, conditions or requirements of Non-discharge Permit No. WQ0002284 and G.S. 143-215.1(a)(6) in the manner and extent shown in Attachment A. In accordance with the maximums established by G.S. 143-215.6A(a)(2), a civil penalty may be assessed against any person who violates the terms, conditions or requirements of a permit required by G.S. 143-215.1(a).



North Carolina Department of Environment and Natural Resources | Division of Water Resources
Washington Regional Office | 943 Washington Square Mall | Washington, North Carolina 27689
252-346-6100

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Aug 15 2022

Based upon the above findings of fact and conclusions of law, and in accordance with authority provided by the Secretary of the Department of Environmental Quality and the Director of the Division of Water Resources, I, David May, Regional Supervisor, Washington Regional Office hereby make the following civil penalty assessment against Outer Banks/Kinnakeet Associates LLC:

\$15,500.00 For 6 of the 8 violations of the conditions and limitations specified in Permit No. WQ0002284 .

\$15,500.00 **TOTAL CIVIL PENALTY**

\$494.67 Enforcement Costs

\$15,994.67 **TOTAL AMOUNT DUE**

Pursuant to G.S. 143-215.6A(c), in determining the amount of the penalty I have taken into account the Findings of Fact and Conclusions of Law and the factors set forth at G.S. 143B-282.1(b), which are:

- (1) The degree and extent of harm to the natural resources of the State, to the public health, or to private property resulting from the violation;
- (2) The duration and gravity of the violation;
- (3) The effect on ground or surface water quantity or quality or on air quality;
- (4) The cost of rectifying the damage;
- (5) The amount of money saved by noncompliance;
- (6) Whether the violation was committed willfully or intentionally;
- (7) The prior record of the violator in complying or failing to comply with programs over which the Environmental Management Commission has regulatory authority; and
- (8) The cost to the State of the enforcement procedures.

Within **thirty (30) days** of receipt of this notice, you must do **one** of the following:

- (1) Submit payment of the penalty, **OR**
- (2) Submit a written request for remission, **OR**
- (3) Submit a written request for an administrative hearing

Option 1: Submit payment of the penalty:

Payment should be made directly to the order of the Department of Environmental Quality (*do not include waiver form*). Payment of the penalty will not foreclose further enforcement action for any continuing or new violation(s). Please submit payment to the attention of:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 2: Submit a written request for remission or mitigation including a detailed justification for such request:

Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Because a remission request forecloses the option of an administrative hearing, such a request must be accompanied by a waiver of your right to an administrative hearing and a stipulation and agreement that no factual or legal issues are in dispute. Please prepare a detailed statement that establishes why you believe the civil penalty should be remitted, and submit it to the Division of Water Resources at the address listed below. In determining whether a remission request will be approved, the following factors shall be considered:

- (1) whether one or more of the civil penalty assessment factors in NCGS 143B-282.1(b) was wrongfully applied to the detriment of the petitioner;
- (2) whether the violator promptly abated continuing environmental damage resulting from the violation;
- (3) whether the violation was inadvertent or a result of an accident;
- (4) whether the violator had been assessed civil penalties for any previous violations; or
- (5) whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

Please note that all evidence presented in support of your request for remission must be submitted in writing. The Director of the Division of Water Resources will review your evidence and inform you of his decision in the matter of your remission request. The response will provide details regarding the case status, directions for payment, and provision for further appeal of the penalty to the Environmental Management Commission's Committee on Civil Penalty Remissions (Committee). Please be advised that the Committee cannot consider information that was not part of the original remission request considered by the Director. Therefore, it is very important that you prepare a complete and thorough statement in support of your request for remission.

In order to request remission, you must complete and submit the enclosed "Request for Remission of Civil Penalties, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form within thirty (30) days of receipt of this notice. The Division of Water Resources also requests that you complete and submit the enclosed "Justification for Remission Request."

Both forms should be submitted to the following address:

Wastewater Branch
Division of Water Resources
1617 Mall Service Center
Raleigh, North Carolina 27699-1617

Option 3: File a petition for an administrative hearing with the Office of Administrative Hearings:

If you wish to contest any statement in the attached assessment document you must file a petition for an administrative hearing. You may obtain the petition form from the Office of Administrative Hearings. You must file the petition with the Office of Administrative Hearings within thirty (30) days of receipt of this notice. A petition is considered filed when it is received in the Office of Administrative Hearings during normal office hours. The Office of Administrative Hearings accepts filings Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., except for official state holidays. The petition may be filed by facsimile (fax) or electronic mail by an attached file (with restrictions) - provided the signed original, one (1) copy and a filing fee (if a filing fee is required by NCGS §150B-23.2) is received in the Office of Administrative Hearings within seven (7) business days following the faxed or electronic transmission. You should contact the Office of Administrative Hearings with all questions regarding the filing fee and/or the details of the filing process.

The mailing address and telephone and fax numbers for the Office of Administrative Hearings are as follows:

6714 Mail Service Center
Raleigh, NC 27699 6714
Tel: (919) 431-3000
Fax: (919) 431-3100

One (1) copy of the petition must also be served on DEQ as follows:

Mr. William F. Lane, General Counsel
Department of Environmental Quality
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

Please Indicate the case number (as found on page one of this letter) on the petition.

Failure to exercise one of the options above within thirty (30) days of receipt of this letter, as evidenced by an internal date/time received stamp (not a postmark), will result in this matter being referred to the Attorney General's Office for collection of the penalty through a civil action. Please be advised that additional penalties may be assessed for violations that occur after the review period of this assessment.

If you have any questions, please contact Robert Tankard with the Division of Water Resources staff of the Washington Regional Office at (252) 946-1233 or via email at robert.tankard@ncdenr.gov.

Sincerely,

David May

David May, Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: WQS Washington Regional Office - Enforcement File
NON-DISCHARGE Compliance/Enforcement Unit - Enforcement File

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Aug 15 2022

JUSTIFICATION FOR REMISSION REQUEST**Case Number:** PC-2022-0001**County:** Dare**Assessed Party:** Outer Banks/Kinnakeet Associates LLC**Permit No.:** WQ0002284**Amount Assessed:** \$15,994.67

Please use this form when requesting remission of this civil penalty. You must also complete the "Request For Remission, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form to request remission of this civil penalty. You should attach any documents that you believe support your request and are necessary for the Director to consider in evaluating your request for remission. Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Pursuant to N.C.G.S. § 143B-282.1(c), remission of a civil penalty may be granted only when one or more of the following five factors apply. Please check each factor that you believe applies to your case and provide a detailed explanation, including copies of supporting documents, as to why the factor applies (attach additional pages as needed).

- ☐ (a) one or more of the civil penalty assessment factors in N.C.G.S. 143B-282.1(b) were wrongfully applied to the detriment of the petitioner *(the assessment factors are listed in the civil penalty assessment document)*;
- ☐ (b) the violator promptly abated continuing environmental damage resulting from the violation *(i.e., explain the steps that you took to correct the violation and prevent future occurrences)*;
- ☐ (c) the violation was inadvertent or a result of an accident *(i.e., explain why the violation was unavoidable or something you could not prevent or prepare for)*;
- ☐ (d) the violator had not been assessed civil penalties for any previous violations;
- ☐ (e) payment of the civil penalty will prevent payment for the remaining necessary remedial actions *(i.e., explain how payment of the civil penalty will prevent you from performing the activities necessary to achieve compliance)*.

EXPLANATION:

STATE OF NORTH CAROLINA

DEPARTMENT OF ENVIRONMENTAL QUALITY

COUNTY OF DARE

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST**Outer Banks/Kinnakeet Associates LLC**
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

**WAIVER OF RIGHT TO AN
ADMINISTRATIVE HEARING AND
STIPULATION OF FACTS****CASE NO. PC-2022-0001**

Having been assessed civil penalties totaling \$15,994.67 for violation(s) as set forth in the assessment document of the Division of Water Resources dated January 12, 2022, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the _____ day of _____, 20____

SIGNATUREADDRESS

_____TELEPHONE

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Aug 15 2022

ATTACHMENT A

Outer Banks/Kinnakeet Associates LLC

CASE NUMBER: PC-2022-0001

PERMIT NO: WQ0002284

REGION: Washington

FACILITY: Kinnakeet Shores WWTP

COUNTY: Dare

VIOLATION DATE	AREA	VIOLATION TYPE	VIOLATION DESCRIPTION	PENALTY AMOUNT
11/15/2021	Miscellaneous Questions	Violation detected during inspection	Permittee failed to repair damaged roof.	\$0.00
11/16/2021	Treatment Clarifiers	Violation detected during inspection	Clarifier sweeps and return pumps did not work. Solids had built up in clarifier.	\$3,000.00
11/16/2021	Treatment	Violation detected during inspection	Clarifiers, Treatment Filters, Generator, and Spray Irrigation System failed to work. Solids have filled the clarifier and tertiary filter.	\$0.00
11/16/2021	End Use-Reuse	Violation detected during inspection	Irrigation system does not work. All water goes to the storage pond and infiltrates. Monitoring wells have not been installed.	\$3,000.00
11/16/2021	Standby Power	Violation detected during inspection	Operator did not make an attempt to start the generator. Stated it would not start.	\$3,000.00
11/16/2021	Miscellaneous Questions	Violation detected during inspection	Permittee failed to install monitoring wells.	\$3,000.00
11/16/2021	Miscellaneous Questions	Violation detected during inspection	Permittee failed to submit site map.	\$500.00
11/16/2021	Treatment Filters	Violation detected during inspection	Tertiary filter does not work. Solids have built up in filter.	\$3,000.00

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Aug 15 2022

Exhibit T

Compliance Inspection Report

Permit: WQ0002284 **Effective:** 08/17/18 **Expiration:** 02/28/23 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores WWTP
41105 Big Kinnakeet Dr
County: Dare
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell **Title:** Manager **Phone:**

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr **Certification:** 21101 **Phone:** 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 01/11/2022 **Entry Time** 09:00AM **Exit Time:** 11:00AM
Primary Inspector: Robert B Tankard **Phone:** 252-946-6481 Ext.233

Secondary Inspector(s):

Robert E Bullock

Reason for Inspection: Follow-up **Inspection Type:** Compliance Sampling

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent	<input checked="" type="checkbox"/> Treatment Flow Measurement-Influent	<input checked="" type="checkbox"/> Miscellaneous Questions
<input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records	<input checked="" type="checkbox"/> Treatment	<input checked="" type="checkbox"/> Treatment Barscreen
<input checked="" type="checkbox"/> Treatment Filters	<input checked="" type="checkbox"/> Treatment Activated Sludge	<input checked="" type="checkbox"/> Treatment Clarifiers
<input checked="" type="checkbox"/> Treatment Disinfection	<input checked="" type="checkbox"/> Treatment Flow Measurement	<input checked="" type="checkbox"/> Treatment Return pumps
<input checked="" type="checkbox"/> Standby Power		

(See attachment summary)

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 01/11/2022

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Inspection Summary:

The facility was inspected on January 11, 2022, to verify any repairs that had been made to the facility since the last NOV. No improvements were made. The following violations still exist at the facility:

- *Both clarifiers are out of service.
- *Tertiary filter is out of service.
- *Anoxic mixing pumps need to be repaired.
- *Return pumps need to be repaired.
- *Chlorine was not present and no disinfection was occurring.
- *Irrigation equipment needs repair. System is non-operational.
- *Back-up generator needs to be replaced or repaired.
- *Failure to submit site map.
- *Failure to install monitoring wells.
- *Solids need to be removed from the wwtp.

SAMPLES WERE PULLED AT THE EFFLUENT, THE IRRIGATION STORAGE POND AND THE POND NEXT TO THE IRRIGATION POND. FUTURE VIOLATIONS MAY BE NOTED ACCORDING TO RESULTS.

SAMPLE RESULTS FROM 11/16/2021 SAMPLE INSPECTION FOR THE EFFLUENT:

BOD: 48 MG/L
MF COLIFORM: 2500 CFU/100 ML
NH3: 1.8 MG/L
TURBIDITY: 15 NTU
TSS: 21 MG/L

SELF REPORTING MONITORING SHOWED THE TURBIDITY AS 2.7 NTU FOR 11/16/2021. THE TURBIDITY METER HAS BEEN SUSPECT FROM PREVIOUS INSPECTIONS. DWR WILL REQUIRE METER CALIBRATION DOCUMENTATION FROM A THIRD PARTY.

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Aug 15 2022

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 01/11/2022

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

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Aug 15 2022

Type

	Yes	No	NA	NE
Infiltration System	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Reuse (Quality)	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: CLARIFIERS, RETURN PUMPS, TRAVELLING BRIDGE FILTER, DISINFECTION, GENERATOR AND SPRAY IRRIGATION SYSTEM IS NOT FUNCTIONAL.

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Water Use Records

	Yes	No	NA	NE
Is water use metered?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the daily average values properly calculated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Treatment Flow Measurement-Effluent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comment: OPERATOR STATED FLOW METER IS NOT WORKING AND USING AVERAGE FLOWS FROM 2021.

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 01/11/2022

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Standby Power

Yes No NA NE

Is automatically activated standby power available?

☐ ☒ ☐ ☐

Is generator tested weekly by interrupting primary power source?

☐ ☒ ☐ ☐

Is generator operable?

☐ ☒ ☐ ☐

Does generator have adequate fuel?

☐ ☒ ☐ ☐

Comment: GENERATOR DOES NOT FUNCTION.

Treatment Barscreen

Yes No NA NE

Is it free of excessive debris?

☒ ☐ ☐ ☐

Is disposal of screenings in compliance?

☐ ☐ ☐ ☒

Are the bars spaced properly?

☒ ☐ ☐ ☐

Is the unit in good condition?

☒ ☐ ☐ ☐

Comment:

Treatment Activated Sludge

Yes No NA NE

Is the aeration mechanism operable?

☒ ☐ ☐ ☐

Is the aeration basin thoroughly mixed?

☒ ☐ ☐ ☐

Is the aeration equipment easily accessed?

☐ ☐ ☐ ☒

Is Dissolved Oxygen adequate?

☐ ☐ ☐ ☒

Are Settleometer results acceptable?

☐ ☐ ☐ ☒

Is activated sludge an acceptable color?

☒ ☐ ☐ ☐

Comment:

Treatment Clarifiers

Yes No NA NE

Are the weirs level?

☐ ☒ ☐ ☐

Are the weirs free of solids and algae?

☐ ☒ ☐ ☐

Is the scum removal system operational?

☐ ☒ ☐ ☐

Is the scum removal system accessible?

☐ ☒ ☐ ☐

Is the sludge blanket at an acceptable level?

☐ ☒ ☐ ☐

Is the effluent from the clarifier free of excessive solids?

☐ ☒ ☐ ☐

Comment: CLARIFIER DOES NOT FUNCTION. SOLIDS ARE THICK WITHIN THE CLARIFIER. THERE WERE TWO BYPASSES SET UP WITHIN THE CLARIFIER WHICH WENT DIRECTLY TO THE DISCHARGE PIPE TO THE STORAGE/INFILTRATION POIND.

Treatment Return pumps

Yes No NA NE

Are they in place?

☒ ☐ ☐ ☐

Are they operational?

☐ ☒ ☐ ☐

Comment: OPERATOR STATED THEY DO NOT FUNCTION. THEREFORE, SOLIDS ARE BUILDING UP I THE CLARIFIER.

Treatment Filters

Yes No NA NE

Permit: WQ0002284

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 01/11/2022

Inspection Type : Compliance Sampling

Reason for Visit: Follow-up

Is the filter media present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the filter media the correct size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the air scour operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scouring acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the clear well free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the mud well free of excessive solids and filter media?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does backwashing frequency appear adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: TRAVELLING BRIDGE FILTER IS NOT FUNCTIONAL.

Treatment Disinfection

	Yes	No	NA	NE
Is the system working?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the system properly maintained?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				
If yes, then when was the RMP last updated?				

Comment: DISINFECTION SYSTEM DID NOT HAVE ANY CHLORINE ON SITE.

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Aug 15 2022

Exhibit U

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 7020 1810 0001 5981 2386
Return Receipt Requested

January 24, 2022

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Ln
Connelly Spg, NC 28612

SUBJECT: NOTICE OF VIOLATION & INTENT TO ASSESS CIVIL PENALTY

Tracking Number: NOV-2022-PC-0028
Permit No. WQ0002284
Kinnakeet Shores WWTP
Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of the Kinnakeet Shores WWTP on January 11, 2022. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Non-discharge Permit No. WQ0002284. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The Compliance Sampling inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
Treatment Clarifiers	CLARIFIER DOES NOT FUNCTION. SOLIDS ARE THICK WITHIN THE CLARIFIER. THERE WERE TWO BYPASSES SET UP WITHIN THE CLARIFIER WHICH WENT DIRECTLY TO THE DISCHARGE PIPE TO THE STORAGE/INFILTRATION POIND.
Treatment	CLARIFIERS, RETURN PUMPS, TRAVELLING BRIDGE FILTER, DISINFECTION, GENERATOR AND SPRAY IRRIGATION SYSTEM IS NOT FUNCTIONAL.
Treatment Disinfection	DISINFECTION SYSTEM DID NOT HAVE ANY CHLORINE ON SITE.
Standby Power	GENERATOR DOES NOT FUNCTION.



Inspection Area	Description of Violation
Treatment Flow Measurement-Effluent	OPERATOR STATED FLOW METER IS NOT WORKING AND USING AVERAGE FLOWS FROM 2021.
Treatment Return pumps	OPERATOR STATED THEY DO NOT FUNCTION. THEREFORE, SOLIDS ARE BUILDING UP IN THE CLARIFIER.
Treatment Filters	TRAVELLING BRIDGE FILTER IS NOT FUNCTIONAL.
Miscellaneous Questions	TURBIDITY METER NEEDS TO BE REPAIRED AND CALIBRATED BY A THIRD PARTY.

A Notice of Violation/Intent to Issue Civil Penalty is being issued for the noted violation of North Carolina General Statute (G.S.) 143-215.1 and the facility's Non-discharge Permit. Pursuant to G.S. 143-215.6A, a civil penalty of not more than twenty-five thousand dollars (\$25,000.00) may be assessed against any person who violates or fails to act in accordance with the terms, conditions, or requirements of any permit issued pursuant to G.S. 143-215.1.

If you wish to provide additional information regarding the noted violation, request technical assistance, or discuss overall compliance please respond in writing within ten (10) business days after receipt of this Notice. A review of your response will be considered along with any additional information provided. You will then be notified of any civil penalties that may be assessed regarding the violations. **If no response is received in this Office within the 10-day period, a civil penalty assessment may be prepared.**

Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent.

If you should have any questions, please do not hesitate to contact Robert Tankard with the Water Quality Regional Operations Section in the Washington Regional Office at 252-946-6481.

Sincerely,

David May

David May, Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
Mr. Bruce Miller, Accountant; 40222 Methodist Church Road, Avon, NC27915
via certified mail and email (Certified Mail # 7020 1810 0001 5981 2379)
Mr. C. Sean Yacobi, Esq., Law Office of C. Sean Yacobi, PLLC, P.O. Box 1851, Nags Head, NC 27959
via certified mail and email (Certified Mail # 7020 1810 0001 5981 2362)
Mr. Ray E. Hollowell; P.O. Box 1158, Avon, NC 27915,
via certified mail (Certified Mail # 7020 1810 0001 5981 2355)



Exhibit V

Compliance Inspection Report

Permit: WQCS00295 **Effective:** 07/01/14 **Expiration:** 06/30/22 **Owner :** Outer Banks/Kinnakeet Associates LLC
SOC: **Effective:** **Expiration:** **Facility:** Kinnakeet Shores Collection System
Kinnakeet Blvd

County: Dare

Region: Washington

Avon NC 27915

Contact Person: Ray E Hollowell

Title: Manager

Phone:

Directions to Facility:

System Classifications: CS1,

Primary ORC: David Pharr

Certification: 989248

Phone: 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

WQ0002284

Outer Banks/Kinnakeet Associates LLC - Kinnakeet Shores WWTP

Inspection Date: 03/02/2022

Entry Time 10:30AM

Exit Time: 11:30AM

Primary Inspector: Sarah A Toppen

Phone: 252-946-6481

Secondary Inspector(s):

Robert B Tankard

Robert E Bullock

Phone :252-946-6481 Ext.23

Reason for Inspection: Routine

Inspection Type: Collection System Inspect Non Sampling

Permit Inspection Type: Collection system management and operation

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

☒ Miscellaneous Questions

(See attachment summary)

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Aug 15 2022

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 03/02/2022

Inspection Type : Collection System Inspect Non Sampling Reason for Visit: Routine

Inspection Summary:

On Wednesday, March 2, 2022, Sarah Toppen, Robert Tankard, and Robbie Bullock with the Division of Water Resources were on-site to conduct a collection inspection. Michelle Pharr was available to help answer some questions. See below for a list of items that are deficient:

- The current permit expires June 30, 2022. Renewal application is due six months before the permit expires (6/30/2022). Application was due January 1, 2022
- James Coleman is still listed as the backup operator. There should be an active backup operator listed.
- The annual permit fee is due July 1 for every year permit is activated. The last year the fee was paid was 2015. The annual fee is \$810.00 per year (2016-2021). Total due: \$4,860.00.
- The permittee has no spare pumps on site that are required per the permit.
- There is still a bypass at 41010 Latitude Lane due to a blockage in the line. The blockage needs to be removed or a new line should be directional bored to tap into the force main.
- The Section 16 lift station has two pumps and only one works. All pumps should be working.
- There are approximately 45 duplex lift stations with only one pump in the step system or pump tank. All duplex stations should have two pumps that are operable and all alarms should work.
- Permit requires a complete map of the collection system that includes flow direction, manhole identification, pipe type, pipe size, pipe material, pipe location, approximate pipe age, pump station ID, location and capacity, and force main release valve location and type.
- Permit requires a spill response plan. The plan should be updated. Items that need to be on the plan include: 24-hour contact numbers, response time, equipment list and spare parts inventory, access to cleaning equipment, access to construction crews, contractors, and/or engineers, source of emergency funds, site sanitation and cleanup materials, and post-overflow/spill assessment.
- Permit requires a Capital Improvement Plan. The plan needs to be updated and items that need to be added are a description of the project area, a description of existing facilities, include known deficiencies, and the forecasted future needs.
- There are no generators for the pump stations. Refer to 15A NCAC 02T .0305(h)(1)
- There are no Engineer certifications for the Construction permits that have been issued to Kinnakeet Shores. The permittee is required to provide all engineer certifications.

The facility is in noncompliance.

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Aug 15 2022

Permit: WQCS00295

Owner - Facility: Outer Banks/Kinnakeet Associates LLC

Inspection Date: 03/02/2022

Inspection Type : Collection System Inspect Non Sampling **Reason for Visit:** Routine

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Aug 15 2022

Exhibit W

ROY COOPER
Governor

ELIZABETH S. BISER
Secretary

RICHARD E. ROGERS, JR.
Director



Certified Mail # 7019 2970 0001 3140 2507
Return Receipt Requested

March 21, 2022

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Lane
Connelly Spring, NC 28612

SUBJECT: NOTICE OF VIOLATION & INTENT TO ASSESS CIVIL PENALTY

Tracking Number: NOV-2022-PC-0139

Permit No. WQCS00295

Kinnakeet Shores Collection System

Dare County

Dear Mr. Hollowell:

The North Carolina Division of Water Resources conducted an inspection of the Kinnakeet Shores Collection System on March 2, 2022. This inspection was conducted to verify that the facility is operating in compliance with the conditions and limitations specified in Collection System Permit No. WQCS00295. A summary of the findings and comments noted during the inspection are provided in the enclosed copy of the inspection report.

The Collection System Non-sampling inspection was conducted by Division of Water Resources staff from the Washington Regional Office. The following violation(s) were noted during the inspection:

Inspection Area	Description of Violation
Miscellaneous Questions	Permit requires a complete map of the collection system that includes flow direction, manhole identification, pipe type, pipe size, pipe material, pipe location, approximate pipe age, pump station ID, location and capacity, and force main release valve location and type.
Miscellaneous Questions	Permit requires a Capital Improvement Plan. The plan needs to be updated and items that need to be added are a description of the project area, a description of existing facilities, include known deficiencies, and the forecasted future needs.



Inspection Area	Description of Violation
Miscellaneous Questions	Permit requires a spill response plan. The plan should be updated. Items that need to be on the plan include: 24-hour contact numbers, response time, equipment list and spare parts inventory, access to cleaning equipment, access to construction crews, contractors, and/or engineers, source of emergency funds, site sanitation and cleanup materials, and post-overflow/spill assessment.
Miscellaneous Questions	The annual permit fee is due July 1 for every year permit is active. The last year the fee was paid was 2015. The annual fee is \$810.00 per year (2016-2021). Total due: \$4,860.00.
Miscellaneous Questions	The permittee has no spare pumps on site that are required per the permit
Miscellaneous Questions	The Section 16 lift station has two pumps and only one works
Miscellaneous Questions	There are approximately 45 duplex lift stations with only one pump in the step system or pump tank. All duplex stations should have two pumps that are operable, and all alarms should work.
Miscellaneous Questions	There are no Engineer certifications for the Construction permits that have been issued to Kinnakeet Shores. The permittee is required to provide all engineer certifications.
Miscellaneous Questions	There are no generators for the pump stations. Refer to 15A NCAC 02T .0305(h)(1)
Miscellaneous Questions	There is still a bypass at 41010 Latitude Lane due to a blockage in the line.

A Notice of Violation/Intent to Issue Civil Penalty is being issued for the noted violation of North Carolina General Statute (G.S.) 143-215.1 and the facility's Collection System Permit. Pursuant to G.S. 143-215.6A, a civil penalty of not more than twenty-five thousand dollars (\$25,000.00) may be assessed against any person who violates or fails to act in accordance with the terms, conditions, or requirements of any permit issued pursuant to G.S. 143-215.1.

If you wish to provide additional information regarding the noted violation, request technical assistance, or discuss overall compliance please respond in writing within ten (10) days after receipt of this Notice. A review of your response will be considered along with any additional information provided. You will then be notified of any civil penalties that may be assessed regarding the violations. **If no response is received in this Office within the 10-day period, a civil penalty assessment may be prepared.**

Remedial actions should have already been taken to correct this problem and prevent further occurrences in the future. The Division of Water Resources may pursue enforcement action for this and any additional violations of State law. If the violations are of a continuing nature, not related to operation and/or maintenance problems, and you anticipate remedial construction activities, then you may wish to consider applying for a Special Order by Consent.



If you should have any questions, please do not hesitate to contact Sarah Toppen with the Water Quality Regional Operations Section in the Washington Regional Office at 252-946-6481.

Sincerely,

Robert Tankard

Robert Tankard, Assistant Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
Mr. Bruce Miller, Accountant; 40222 Methodist Church Road, Avon, NC, 27915
Via certified mail and email (certified mail # 70212720000158755176)
Mr. C. Sean Yacobi, Esq., Law Office of C. Sean Yacobi, PLLC; PO Box 1851, Nags Head NC 27959
Via certified mail and email (certified mail #70212720000158755152)
Mr. Ray E. Hollowell; PO Box 1158, Avon NC 27915
Via certified mail and email (certified mail #70212720000158755169)

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Aug 15 2022



Exhibit X

April 14, 2022

Robert Tankard
Division of Water Quality
Washington Regional Office
Washington, North Carolina

Reference: Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Permit No. WQCS00295
NOV-2022-PC-0139

Dear Mr. Tankard;

I am writing in response to the Notice of Violations, issued March 21, 2022, for the Kinnakeet Shores Waste Water Treatment System, Permit No. WQCS00295.

We have reviewed the notice of violation outlining miscellaneous questions and are providing the following response. Most of the information requested is from the Kinnakeet Shores Collection System Permit Program Plan and Record Keeping Manual.

Collection System Map:

Please find attached the collection system map and material specification along with construction dates for each phase.

Capital Improvement Plan

Please find attached the current Kinnakeet Capital Improvement Plan.

Spill Response Plan

Please find attached the current Kinnakeet Spill Response Plan

Annual Permit Fee

Bruce Miller, Kinnakeet Shores Accountant, verified the permit fees had not been paid and further explained that he had not received an invoice all these years. He is in the process of working on making the payments to bring current the permit fees.

Spare Pumps The permittee does not own spare pumps on site. However, the operator maintains spare pumps for the collection step systems, two to three pumps, and charges the permittee when used.

**Section 16
Lift Station Pump** Section 16 has one pump that needs to be pulled and propellor turned as it appears to be locked.

Duplex System The duplex systems that have one working pump are monitored five days a week with a visual inspection. There is currently not enough funds to install 45 pumps of a material cost of 950.00 to 1300.00 each at a total cost of 42,000.00 to 58,000.00. When a pump fails it is replaced immediately.

**Engineer
Certified Construction
Permits** The engineer, Mark Bissell, is in the process of researching and compiling this information and will provide it as soon as it is available.

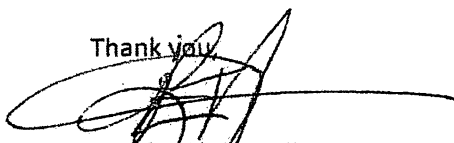
**Pump Station
Generators** Dory and Lakeside lift stations have generator receptacles, as permitted, to be supplied by a mobile generator if needed.

Section 16 has a generator.

**Lattitude Lane
Blockage** We have not been able to clear blockage at this time.

If there are any additional questions, please give me a call at 252-202-2358.

Thank you,



Mr. Ray Hollowell
Outer Banks/Kinnakeet Associates, LLC

April 14, 2022

Robert Tankard
Division of Water Quality
Washington Regional Office
Washington, North Carolina

Reference: Outer Banks/Kinnakeet Associates, LLC
Kinnakeet Shores Collection System
Permit No. WQCS00295
NOV-2022-PC-0139

Dear Mr. Tankard;

I am writing in response to the Notice of Violations, issued March 21, 2022, for the Kinnakeet Shores Waste Water Treatment System, Permit No. WQCS00295.

We have reviewed the notice of violation outlining miscellaneous questions and are providing the following response. Most of the information requested is from the Kinnakeet Shores Collection System Permit Program Plan and Record Keeping Manual.

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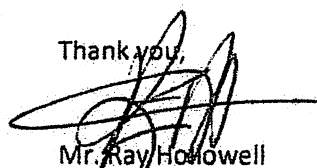
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If there are any additional questions, please give me a call at 252-202-2358.

Thank you,



Mr. Ray Hollowell
Outer Banks/Kinnakeet Associates, LLC

In the event the ORC and or the Back-Up ORC identifies a problem is occurring, the same action would be executed unless the problem pump could be pulled, repaired, and re-installed before any threat of spillage.

In the Event Dory or Lakeside Lift Station is or about to overflow, a pump truck would be called and the pump stations would be on pump and haul until the problem is resolved by ORC.

Emergency Contact Numbers

Michelle Pharr

252-305-2744

David Pharr

252-725-3871

HINES CONTRACTOR

757-482-7001

252-232-3941 (24 Hour Response)

**Kinnakeet Shores
Collections System
Capital Improvement Plan**

Permit # WQCS00295

Goal Statement

The main goal is to ensure the collections system continues to operate as designed and meet all the needs of Outer Banks/Kinnakeet Associates, LLC. This document will identify areas in the Kinnakeet Wastewater Collections System that may require improvements in the future, and allocate money for future planning. This will include long term and short term planning. The forecasted improvements are to include a three to five year plan. These forecasted improvements will be identified and prioritized depending on most immediate need to lesser importance. These will be assigned estimated start dates and estimated costs. Outer Banks/Kinnakeet Associates, LLC the purveyor of the collections system, permit: # **WQCS00295**, will make every attempt to ensure these projected improvements meet the needs of the community.

Existing System

The Kinnakeet Shores Collections System is owned and operated by Outer Banks/Kinnakeet Associates, LLC; consists of approximately 2.4 miles of gravity sewer, 1.8 miles of force mains, 1.4 miles of pressure sewer, 2 duplex lift stations and associated piping and valves.

The collections system has two main types of pump systems; the first being the 2 wet well submersible systems. The second is 44 STEP residential systems.

Known Deficiencies

The most immediate needs in the system include installing 7 STEP pump replacements and repairing/replacing 5 STEP pumps.

Inspection of gravity sewer lines and select and clean 10% of gravity sewer line annually.

Description of Projects (1-5 years)

Identified gravity sewer lines cleaned and repaired annually January - February 2019-2024.

Replacement of older control panel housing and salt treated stands. 2022 – 2025

Summary

Outer Banks/Kinnakeet Associates, LLC will make every attempt to abide by this document. However, this document is not all inclusive and future planning may change or be altered as funding issues and emergency budgeting issues arise. Major future capital improvements will be determined on a utility rate increase.

Outer Banks/Kinnakeet Associates, LLC Projected Collections System Budget

System	Description	Start Date	Compl Date	Estimated Cost
STEP Pumps	Repairing Step Pumps	1/1/2020	12/31/2020	\$3,000
STEP Pumps	Replacing STEP PUMPS	1/1/2021	12/31/2021	\$3,000
Gravity	Infiltration Sewer Main Repairs	1/1/2022	12/31/2022	\$7,000
Gravity	Clean 10% of Lines	1/1/2022	12/31/2022	\$7,000
STEP Pumps	Replacement Pumps	1/1/2023	12/31/2023	\$3,000
As Identified	Sewer Line Replacement	1/1/2024	12/31/2024	\$10,000
As Identified	Sewer Line Replacement	1/1/2024	12/31/2024	\$10,000
STEP Pumps	Replacement Pumps	1/1/2024	12/31/2024	\$5,000
Dory	Lift Station Repairs	6/1/2022	12/31/2022	\$2,000
Lake Side	Lift Station Repairs	6/1/2023	12/31/2023	\$13,000
Section 16	Lift Station Repairs	6/1/2025	12/31/2025	\$6,000



OUTER BANKS KINNAKEET ASSOCIATES, LLC.

RESPONSE ACTION PLAN

Response Plan of actions to be taken at the point an alarm or visual identification of waste water or sewer problem is occurring.

24 Hour "In Case of Emergency Call or Incase Alarm is Sounding Call"

High Water Alarm float switches have been lowered in residential pump stations and at DORY and LAKESIDE to provide a response time that would prevent sewer spills.

In the event an emergency call is received, the response time is up to one hour by the back-up operator, Michelle Pharr. ORC, David Pharr response time would vary.

PUMP FAILURE EVENT:

Operation vehicle/Trailer located at treatment plant contains:

4 50ft fire hose

1 pump with float switch and pipe connection

Extension Cords

Temporary electrical connectors to supply power from control panel to pump

Shovels

Manhole hook

2 Flashlights

Aluminum Manhole Covers

Electric Test Meter

Screw Driver: Philips and Flat Head

Tank effluent would be pumped into closest tank to avoid driveways and crossing road if possible. This process will allow time to repair or replace failed pump.





Collections Pipe Size & Material

Manhole: 14.1 to 14.2 -- 8" P.V.C. 323'
Manhole 14.1 to 15.0 -- 8" PVC. 303'
Manhole 15.0 to 15.1, 196', 15.1 to 15.2, 145', 15.2 to 15.3, 299' -- 8" D.I.
Manhole 15.4 to 15.5, 249' 15.5 to 15.0, 122' -- 8" D.I.
Manhole 15.0 to Lakeside Lift Station 10" P.V.C.-- 40'
Manhole 15.0 to Manhole 15.6-- 8' P.V.C. 256'
Manhole 15.6 to 6.0, 240'; 6.0 to 6.1, 352'; 6.1 to 6.2, 172', 6.2 to 6.3, 198', 6.3 to 6.4, 203' -- 8" P.V.C.
Manhole 6.1 to 6.3, 34'; 6.8 to 6.9 290' -- 8" P.V.C.
Manhole 6.2 to 6.6 -- 8" P.V.C. 177'
Manhole 6.3 to 6.7 -- 8" P.V.C. 143'
Manhole 6.4 to 6.5 -- 8' D.I. 242'
Manhole 7.1 to 7.2, 139'; 7.2 to 7.5, 248'; 7.5 to 7.6, 411', 7.6 to 7.7, 355' -- 8" P.V.C.
Manhole 7.1 to 7.3, 199', 7.3 to 7.4, 337' -- 8" P.V.C.
Manhole 7.1 to 8.0 -- 8" P.V.C. 209'
Manhole 8.0 to Dory Lift Station -- 10" P.V.C. 23'
Manhole 8.0 to 8.1, 305', 8.1 to 8.2, 150', 8.2 to 9.0, 235' -- 8" P.V.C.
Manhole 8.1 to 8.5 -- 8' P.V.C. 400'
Manhole 8.2 to 8.4 -- 8" P.V.C. 256'
Manhole 8.0 to 11.0 -- 8' P.V.C. 166'
Manhole 9.0 to 9.1, 299', 9.1 to 9.2, 283', 9.2 to 9.3, 284', -- 8" P.V.C.
Manhole 9.0 to 10.1, 219', 10.1 to 10.2, 108' -- 8" P.V.C.
Manhole 11.0 to 11.1, 11.1 to 11.2, 274', 11.2 to 11.5, 163' -- 8" P.V.C.
Manhole 11.1 to 11.3 -- 8" P.V.C. 318'
Manhole 11.2 to 11.4 -- 8" P.V.C. 255'

Sections 6,7 and 8 constructed in 1988 through 1989.

Sections 12 and 15 constructed 1992 through 1993.

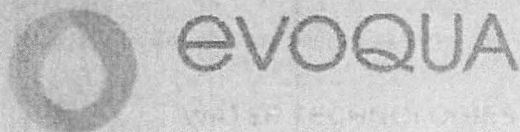
Sections 9,10 and 11 constructed 2000 through 2001.

Section 17 constructed 2001 through 2002.

Sections 18 and 22 constructed 2003 through 2004.

Sections 19 and 21 constructed 2005.

Section 16 under construction



Payment Terms and Delivery

PO Terms

Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the goods and/or services provided under the Contract, including any export license requirements. Purchaser agrees that such goods and/or services shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. PURCHASER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

Shipping Information

- Shipping and Handling Fee included in price. FCA (Factory)

Terms

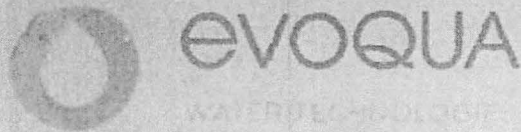
- This quote is valid until 12-31-2021
- Payment terms are N30 - Net 30 days with proper credit, and are subject to the attached Evoqua Water Technologies Terms and Conditions

Sales Tax & GST:

- The pricing provided in this proposal does not include applicable Sales Tax or GST.
- If your company is exempt from Sales Tax or GST, or eligible for a reduced rate of tax, a tax exemption certificate must be provided no later than with your purchase order.
- If a timely, valid exemption certificate or other documentation is not provided, any applicable Sales Tax or GST will be invoiced and payable.
- New customers may be required to supply a signed credit application to be approved for credit terms.
- We require hard documentation of your ordering for Evoqua to process your order. For your convenience, we can start processing your order by signing and returning:
 - Fax to: 229-228-0312
 - or Email to: fergus.robinson@evoqua.com
- You may also mail to:
 - Evoqua Water Technologies
 - 1828 Metcalf Avenue
 - Thomasville, GA 31792

Notes

ON MADE TO ORDER & SPECIALTY PARTS; THERE IS NO RETURN



Quote Number: 2021-497669

Proposal For: ALBEMARLE ENVIRONMENTAL
MICHELLE PHARR
533 W. OCEAN ACRES DRIVE
KILL DEVIL HILLS, North Carolina 27948
Phone: 252-305-2744
michelle@obxh2o.com

Fergus Robinson
Evoqua Water Technologies
1828 Metcalf Avenue
Thomasville, GA 31792
Phone: 229-227-8705
fergus.robinson@evoqua.com

Item Pricing Summary

Item	Part No Description	Qty	Net Price	Ext. Price
1	W2T88834 REDUCER GEAR WINSMITH MOD#E35MDVD508X0SR	2	\$6,150.00	\$12,300.00
2	W2T88835 GEAR REDUCER SPROCKET SMALL 1.75DIA BORE	2	\$0.00	\$0.00

Currency: USD

Total Net Price: \$12,300.00

Lead-Time: 8-10 weeks

Material Escalation

Due to extreme volatility in steel costs, prices quoted in this proposal will be adjusted to reflect changes in the Metal and Metal Products Index (MMPI) published by the U.S. Department of Labor, Bureau of Labor Statistics. The most recent published MMPI is 221.4 for September 2020. If the MMPI exceeds 230.0 at the time the Equipment is released for manufacture, then the price will be increased by the same percentage as the MMPI factor.

Our Manufacturer Rep in your area is:

Representative: Steven Young
Company: Premier Water
List Address: 4726-C Park Road
Charlotte, NC, 28209
Phone: (704) 231-9964
Email: steven@premier-water.com

Fergus,
I hope your New Year
was happy as you
Christmas. Thanks for
your help on the above. Will
Buy #2 when we understand
#1 works. Enjoy the
New Year!
12-01-2021



Terms and Conditions (Remitter and Payee):

- * Please keep this copy for your record of the transaction
- * The laws of a specific state will consider these funds to be "abandoned" if the Cashier's Check is not cashed by a certain time
 - Please cash/deposit this Cashier's Check as soon as possible to prevent this from occurring
 - In most cases, the funds will be considered "abandoned" before the "Void After" Date
- * Placing a Stop Payment on a Cashier's Check
 - Stop Payment can only be placed if the Cashier's Check is lost, stolen, or destroyed
 - We may not re-issue or refund the funds after the stop payment has been placed until 90 days after the original check was issued
- * Please visit a Chase branch to report a lost, stolen, or destroyed Cashier's Check or for any other information about this item

FOR YOUR PROTECTION SAVE THIS COPY
CASHIER'S CHECK

Customer Copy

9655201172

01/05/2022

Void after 7 years

Remitter: RAY HOLLOWELL JR

\$** 6,150.00 **

Pay To The Order Of: EVOQUA

Memo:

Note: For information only. Comment has no effect on bank's payment.

Drawer: JPMORGAN CHASE BANK, N.A.

NON NEGOTIABLE

282111107 NEW 01/21 8810004306

CASHIER'S CHECK



Date 01/05/2022

9655201172 25-3 440

Void after 7 years

Remitter: RAY HOLLOWELL JR

Pay To The Order Of: EVOQUA

Pay: SIX THOUSAND ONE HUNDRED FIFTY DOLLARS AND 00 CENTS

\$** 6,150.00 **

Do not write outside this box

Memo:

Note: For information only. Comment has no effect on bank's payment.

Drawer: JPMORGAN CHASE BANK, N.A.

Rebecca Griffin

Rebecca Griffin, Chief Administrative Officer
JPMorgan Chase Bank, N.A.
Columbus, OH



⑈ 9655201172 ⑈ ⑆044000087⑆ 758661326⑈

OFFICIAL COPY

Aug 15 2022

Exhibit Y

ROY COOPER
Governor
ELIZABETH S. BISER
Secretary
S. DANIEL SMITH
Director



Certified Mail # 70192970000121401821
Return Receipt Requested

November 30, 2021

Ray E Hollowell, Jr
Outer Banks/Kinnakeet Associates LLC
8351 Fern Ln
Connelly Spg, NC 28612

SUBJECT: Notice of Violation and Assessment of Civil Penalty
for Violations of Non-discharge Permit No. WQ0002284
Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP
Case No. LV-2021-0333
Dare County

Dear Mr. Hollowell:

This letter transmits a Notice of Violation and assessment of civil penalty in the amount of \$1,950.00 (\$1,850.00 civil penalty + \$100.00 enforcement costs) against Outer Banks/Kinnakeet Associates LLC.

This assessment is based upon the following facts: a review has been conducted of the Non-Discharge Monitoring Report (NDMR) submitted by Outer Banks/Kinnakeet Associates LLC for the month of July 2021. This review has shown the subject facility to be in violation of the limitations and/or monitoring requirements found in Non-discharge Permit No. WQ0002284. The violations, which occurred in July 2021, are summarized in Attachment A to this letter.

Based upon the above facts, I conclude as a matter of law that Outer Banks/Kinnakeet Associates LLC violated the terms, conditions or requirements of Non-discharge Permit No. WQ0002284 in the manner and extent shown in Attachment A. In accordance with the maximums established by G.S. 143-215.6A(a)(2), a civil penalty may be assessed against any person who violates the terms, conditions or requirements of a permit required by G.S. 143-215.1(a).



North Carolina Department of Environmental Quality • Division of Water Services
Watershed Regional Office • 443 Washington Square Mall • Washington, North Carolina 27684
704.442.6881

OFFICIAL COPY

Aug 15 2022

Based upon the above findings of fact and conclusions of law, and in accordance with authority provided by the Secretary of the Department of Environmental Quality and the Director of the Division of Water Resources, I, David May, Regional Supervisor, Washington Regional Office hereby make the following civil penalty assessment against Outer Banks/Kinnakeet Associates LLC:

<u>\$500.00</u>	<u>2</u> of 2 violations of the Permit Daily Maximum for <u>BOD, 5-Day (20 Deg. C)</u> per the limits established in Permit No. WQ0002284
<u>\$500.00</u>	<u>2</u> of 2 violations of the Permit Daily Maximum for <u>Nitrogen, Ammonia Total (as N)</u> per the limits established in Permit No. WQ0002284
<u>\$750.00</u>	<u>1</u> of 1 violations of the Permit Monthly Average for <u>Nitrogen, Ammonia Total (as N)</u> per the limits established in Permit No. WQ0002284
<u>\$25.00</u>	For <u>1</u> of the <u>1</u> failures to submit monitoring reports or portions of monitoring reports in violation of Permit No. WQ0002284.
<u>\$50.00</u>	For <u>2</u> of the <u>2</u> failures to submit monitoring reports or portions of monitoring reports in violation of Permit No. WQ0002284.
<u>\$25.00</u>	For <u>1</u> of the <u>1</u> failures to submit monitoring reports or portions of monitoring reports in violation of Permit No. WQ0002284.
<u>\$1,850.00</u>	TOTAL CIVIL PENALTY
<u>\$100.00</u>	Enforcement Costs
<u>\$1,950.00</u>	TOTAL AMOUNT DUE

Pursuant to G.S. 143-215.6A(c), in determining the amount of the penalty I have taken into account the Findings of Fact and Conclusions of Law and the factors set forth at G.S. 143B-282.1(b), which are:

- (1) The degree and extent of harm to the natural resources of the State, to the public health, or to private property resulting from the violation;
- (2) The duration and gravity of the violation;
- (3) The effect on ground or surface water quantity or quality or on air quality;
- (4) The cost of rectifying the damage;
- (5) The amount of money saved by noncompliance;
- (6) Whether the violation was committed willfully or intentionally;
- (7) The prior record of the violator in complying or failing to comply with programs over which the Environmental Management Commission has regulatory authority; and
- (8) The cost to the State of the enforcement procedures.

Within **thirty (30) days** of receipt of this notice, you must do **one** of the following:

- (1) Submit payment of the penalty, **OR**
- (2) Submit a written request for remission, **OR**
- (3) Submit a written request for an administrative hearing

Option 1: Submit payment of the penalty:

Payment should be made directly to the order of the Department of Environmental Quality (*do not include waiver form*). Payment of the penalty will not foreclose further enforcement action for any continuing or new violation(s). Please submit payment to the attention of:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 2: Submit a written request for remission or mitigation including a detailed justification for such request:

Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Because a remission request forecloses the option of an administrative hearing, such a request must be accompanied by a waiver of your right to an administrative hearing and a stipulation and agreement that no factual or legal issues are in dispute. Please prepare a detailed statement that establishes why you believe the civil penalty should be remitted, and submit it to the Division of Water Resources at the address listed below. In determining whether a remission request will be approved, the following factors shall be considered:

- (1) whether one or more of the civil penalty assessment factors in NCGS 143B-282.1(b) was wrongfully applied to the detriment of the petitioner;
- (2) whether the violator promptly abated continuing environmental damage resulting from the violation;
- (3) whether the violation was inadvertent or a result of an accident;
- (4) whether the violator had been assessed civil penalties for any previous violations; or
- (5) whether payment of the civil penalty will prevent payment for the remaining necessary remedial actions.

Please note that all evidence presented in support of your request for remission must be submitted in writing. The Director of the Division of Water Resources will review your evidence and inform you of his decision in the matter of your remission request. The response will provide details regarding the case status, directions for payment, and provision for further appeal of the penalty to the Environmental Management Commission's Committee on Civil Penalty Remissions (Committee). Please be advised that the Committee cannot consider information that was not part of the original remission request considered by the Director. Therefore, it is very important that you prepare a complete and thorough statement in support of your request for remission.

In order to request remission, you must complete and submit the enclosed "Request for Remission of Civil Penalties, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form within thirty (30) days of receipt of this notice. The Division of Water Resources also requests that you complete and submit the enclosed "Justification for Remission Request."

Both forms should be submitted to the following address:

Wastewater Branch
Division of Water Resources
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

Option 3: File a petition for an administrative hearing with the Office of Administrative Hearings:

If you wish to contest any statement in the attached assessment document you must file a petition for an administrative hearing. You may obtain the petition form from the Office of Administrative Hearings. You must file the petition with the Office of Administrative Hearings within thirty (30) days of receipt of this notice. A petition is considered filed when it is received in the Office of Administrative Hearings during normal office hours. The Office of Administrative Hearings accepts filings Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m., except for official state holidays. The petition may be filed by facsimile (fax) or electronic mail by an attached file (with restrictions) - provided the signed original, one (1) copy and a filing fee (if a filing fee is required by NCGS §150B-23.2) is received in the Office of Administrative Hearings within seven (7) business days following the faxed or electronic transmission. You should contact the Office of Administrative Hearings with all questions regarding the filing fee and/or the details of the filing process.

The mailing address and telephone and fax numbers for the Office of Administrative Hearings are as follows:

6714 Mail Service Center
Raleigh, NC 27699 6714
Tel: (919) 431-3000
Fax: (919) 431-3100

One (1) copy of the petition must also be served on DEQ as follows:

Mr. William F. Lane, General Counsel
Department of Environmental Quality
1601 Mail Service Center
Raleigh, North Carolina 27699-1601

Please indicate the case number (as found on page one of this letter) on the petition.

Failure to exercise one of the options above within thirty (30) days of receipt of this letter, as evidenced by an internal date/time received stamp (not a postmark), will result in this matter being referred to the Attorney General's Office for collection of the penalty through a civil action. Please be advised that additional penalties may be assessed for violations that occur after the review period of this assessment.

If you have any questions, please contact Sarah Toppen with the Division of Water Resources staff of the Washington Regional Office at (252) 946-6481 or via email at Sarah.Toppen@ncdenr.gov.

Sincerely,

David May

David May, Regional Supervisor
Water Quality Regional Operations Section
Washington Regional Office
Division of Water Resources, NCDEQ

ATTACHMENTS

Cc: Laserfiche
NC Utilities Commission, Mike Franklin, mike.franklin@psncuc.nc.gov

JUSTIFICATION FOR REMISSION REQUEST

Case Number: LV-2021-0333

County: Dare

Assessed Party: Outer Banks/Kinnakeet Associates LLC

Permit No.: WQ0002284

Amount Assessed: \$1,950.00

Please use this form when requesting remission of this civil penalty. You must also complete the "Request For Remission, Waiver of Right to an Administrative Hearing, and Stipulation of Facts" form to request remission of this civil penalty. You should attach any documents that you believe support your request and are necessary for the Director to consider in evaluating your request for remission. Please be aware that a request for remission is limited to consideration of the five factors listed below as they may relate to the reasonableness of the amount of the civil penalty assessed. Requesting remission is not the proper procedure for contesting whether the violation(s) occurred or the accuracy of any of the factual statements contained in the civil penalty assessment document. Pursuant to N.C.G.S. § 143B-282.1(c), remission of a civil penalty may be granted only when one or more of the following five factors apply. Please check each factor that you believe applies to your case and provide a detailed explanation, including copies of supporting documents, as to why the factor applies (attach additional pages as needed).

- ☐ (a) one or more of the civil penalty assessment factors in N.C.G.S. 143B-282.1(b) were wrongfully applied to the detriment of the petitioner (*the assessment factors are listed in the civil penalty assessment document*);
- ☐ (b) the violator promptly abated continuing environmental damage resulting from the violation (*i.e., explain the steps that you took to correct the violation and prevent future occurrences*);
- ☐ (c) the violation was inadvertent or a result of an accident (*i.e., explain why the violation was unavoidable or something you could not prevent or prepare for*);
- ☐ (d) the violator had not been assessed civil penalties for any previous violations;
- ☐ (e) payment of the civil penalty will prevent payment for the remaining necessary remedial actions (*i.e., explain how payment of the civil penalty will prevent you from performing the activities necessary to achieve compliance*).

EXPLANATION:

STATE OF NORTH CAROLINA
COUNTY OF DARE

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF ASSESSMENT
OF CIVIL PENALTIES AGAINST,

Outer Banks/Kinnakeet Associates LLC
Kinnakeet Shores WWTP

PERMIT NO. WQ0002284

)
)
)
)
)
)

**WAIVER OF RIGHT TO AN
ADMINISTRATIVE HEARING AND
STIPULATION OF FACTS**

CASE NO. LV-2021-0333

Having been assessed civil penalties totaling \$1,950.00 for violation(s) as set forth in the assessment document of the Division of Water Resources dated November 30, 2021, the undersigned, desiring to seek remission of the civil penalty, does hereby waive the right to an administrative hearing in the above-stated matter and does stipulate that the facts are as alleged in the assessment document. The undersigned further understands that all evidence presented in support of remission of this civil penalty must be submitted to the Director of the Division of Water Resources within thirty (30) days of receipt of the notice of assessment. No new evidence in support of a remission request will be allowed after (30) days from the receipt of the notice of assessment.

This the _____ day of _____, 20____

SIGNATURE

ADDRESS

TELEPHONE

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Aug 15 2022

ATTACHMENT A

Outer Banks/Kinnakeet Associates LLC

CASE NUMBER: LV-2021-0333

PERMIT: WQ0002284

REGION: Washington

FACILITY: Kinnakeet Shores WWTP

COUNTY: Dare

LIMIT VIOLATION(S)

SAMPLE LOCATION:

Violation Date	Report Month/Yr	Parameter	Frequency	Unit of Measure	Limit Value	Calculated Value	% Over Limit	Violation Type	Penalty Amount
7/7/2021	7-2021	BOD, 5-Day (20 Deg. C)	Weekly	mg/l	15	18	20.0	Daily Maximum Exceeded	\$250.00
7/13/2021	7-2021	BOD, 5-Day (20 Deg. C)	Weekly	mg/l	15	16	6.7	Daily Maximum Exceeded	\$250.00
7/1/2021	7-2021	Nitrogen, Ammonia Total (as N)	Weekly	mg/l	6	7.7	28.3	Daily Maximum Exceeded	\$250.00
7/7/2021	7-2021	Nitrogen, Ammonia Total (as N)	Weekly	mg/l	6	8.5	41.7	Daily Maximum Exceeded	\$250.00
7/31/2021	7-2021	Nitrogen, Ammonia Total (as N)	Weekly	mg/l	4	5.48	37.0	Monthly Average Exceeded	\$750.00

REPORTING VIOLATION(S)

SAMPLE LOCATION:

Violation Date	Report Month/Yr	Parameter	Frequency	Unit of Measure	Limit Value	Calculated Value	% Over Limit	Violation Type	Penalty Amount
7/31/2021	7-2021	Chloride (as Cl)	3 X year	mg/l				Parameter Missing	\$25.00
7/31/2021	7-2021	Solids, Total Dissolved- 180 Deg.C	3 X year	mg/l				Parameter Missing	\$25.00
7/31/2021	7-2021	Oxygen, Dissolved (DO)	3 X year	mg/l				Parameter Missing	\$25.00
7/31/2021	7-2021	Oxygen, Dissolved (DO)	3 X year	mg/l				Parameter Missing	\$25.00

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Aug 15 2022

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HOA JUNIS CROSS
EXHIBIT 1
I/A

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

FILED

MAY 06 2013

Clerk's Office
N.C. Utilities Commission

DOCKET NO. W-1125, SUB 4

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Stefan Plewinski and Layne Russell,)
140 Solterra Way, Durham, NC 27705,)
Complainants)
v.)
Outer Banks/Kinnakeet Associates,)
LLC, Attn: Ray E. Hollowell, Jr., c/o)
Bruce Miller, Post Office Box 66,)
Harbinger, NC 27941,)
Respondent)

**PUBLIC STAFF'S
INVESTIGATION
REPORT**

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission
(Public Staff), by and through its executive Director, Robert P. Gruber, and
respectfully files a report with the Commission regarding findings of the Public
Staff's investigation pursuant to Commission Order dated November 2, 2012.

Summary of this Proceeding

On July 7, 2011, the Commission issued an Order Requiring Refund
(Refund Order) in the above-captioned proceeding. In the Order, the
Commission directed Outer Banks/Kinnakeet Associates, LLC (OBK), to issue a
refund in the amount of \$11,900 with interest running from May 13, 2009, at a
rate of 8% per annum to Stefan Plewinski and Layne Russell (collectively,
Complainants) for expenses incurred to install a septic tank and pump tank,
which allowed the Complainants to connect with OBK's wastewater collection

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Aug 15 2022

(25)
Ad
Brown-Blond
Culpepper
Beatty
Wilton
Foster
Hosner
Hite
Brown

system. The refund was to be paid no later than sixty (60) days from the date of the Refund Order.

On July 19, 2012, Complainants filed a request seeking Commission assistance to collect the funds owed by OBK to Complainants. The Complainants requested that the Commission consider any and all options available to the Commission to require OBK to comply with the Refund Order, including, but not limited to, using the OBK's surety bond in order to satisfy the subject indebtedness.

On August 21, 2012, the Commission issued an Order Serving Petition for Enforcement Action directing OBK to file a response to Complainants' motion by August 31, 2012.

On September 4, 2012, OBK filed a Motion to Enlarge Time in Which to Reply to Complainants' Petition. This motion was granted by Commission Order issued September 5, 2012.

Also on September 4, 2012, OBK filed its response to Complainants' Petition for Enforcement Action. In its response, OBK stated that due to "the bursting of the housing bubble and the economic crises of the past few years [...]...OBK has seen the value of its assets decrease significantly and to the point that OBK is generating virtually no income..." OBK also stated that "[OBK] made a good faith attempt to settle that debt to the Complainants through offers to convey to the Complainants either wetlands adjacent to the development ... or residential investment property located in the mountains of this State and within

an existing development.” According to OBK, Complainants rejected these settlement offers.

On November 2, 2012, the Commission issued an Order Denying Petition and Initiating Investigation. The Commission instructed the Public Staff to perform a full investigation of the OBK’s financial records.

ENGINEERING REVIEW

Issuance of Franchise and Contiguous Extensions

On March 13, 2000, in Docket No. W-1125, Sub 0, the Commission issued an Order granting a franchise to the OBK to provide wastewater utility service to Phases 6, 7, 8, 12, 15, Hatteras Plaza, Sun Coast Realty Office, U.S. Post Office – Avon and Kinnakeet Clubhouse. Plan approval had been obtained under Division of Water Quality of the North Carolina Department of Environment and Natural Resources (DWQ) Permit No. WQ 15514, dated December 21, 1987, for a 50,000 gallon per day (gpd) extended aeration type wastewater treatment facility (WWTF), consisting of various components, gravity sewer mains, and force mains to serve Kinnakeet Shores Southside Phase I, Subdivision.

On July 11, 2001, in Docket No. W-1125, Sub 1, OBK filed a notification of its intent to begin operations in an area contiguous to its service area. OBK was seeking authority to expand wastewater utility service into Kinnakeet Shores Subdivision, Phases 9-11, which would provide service to 52 residential customers. Plan approval was obtained under Permit No. WQ0017527, dated January 25, 2000. The wastewater collected by this system would be treated in

the OBK's WWTF prior to being land applied by spray irrigation. On August 22, 2002, the Commission issued an Order recognizing the contiguous extension.

On February 5, 2003, in Docket No. W-1125, Sub 2, OBK filed a notification of its intent to begin operations in a contiguous area. OBK was seeking authority to expand wastewater utility service into Kinnakeet Shores Subdivision, Phases 16 through 22, which would provide service for a combined capacity of 232,372 gpd or 236 connections. The treatment facility expansion and replacement was permitted under Permit No. WQ0002284, dated January 31, 2003. The expansion would be constructed in multiple phases, with the ultimate goal of constructing a 350,000 gpd reuse quality system. The Public Staff and OBK stipulated that construction of at least the first phase (120,000 gpd) would be completed within 24 months of the date of the stipulation. Subsequent phases would be constructed as demand for capacity was required. On November 17, 2003, the Commission issued an order approving the Joint Stipulation and recognizing the contiguous extension.

The WWTF was modified in 2007, and a new permit was issued January 23, 2008. The 350,000 gpd wastewater treatment and reclaimed water utilization system consisting of a 140,000 gallon aerated flow equalization basin, (2) 23,085 gallon anoxic zones, (2) 175,000 gallon aeration basins, (2) 31,050 gallon clarifiers, a 61,650 gallon aerated sludge holding basin, two lift stations, a 3,057,000 gallon lined 5-day upset pond, a 5,100,000 gallon storage/infiltration pond, an ultraviolet disinfection system, approximately 700,000 square feet of reuse water irrigation area and associated pumps, piping, and other equipment.

The current number of permitted customers and related capacity are shown in Engineering Exhibit 1.

On October 11, 2011, in Docket No. W-1125, Sub 5, OBK filed a notification of contiguous extension to add the Hatteras Realty Complex, which would contain a real estate office, pool, bath house and other facilities. The Hatteras Realty Complex would tap into an existing wastewater main. Therefore, there was not a main extension. The Commission recognized the contiguous extension by Order dated November 22, 2011.

Division of Water Quality Records

Based on the Public Staff's review of the DWQ records, OBK was cited for one violation in 2007. The DWQ site inspection on December 27, 2007, revealed that a spill reached the water retention ditch. Upon further investigation it was determined that the majority of the spill was contained on site and that the little amount of wastewater that made it to the ditch had a very minimal impact. OBK was also cited with violations in 2007 and 2008 and reached a settlement agreement with DWQ in both cases. Two notices of violations were issued in 2011 and one in 2012. A notice of violation was issued dated December 7, 2011, regarding Condition I (4) Fats Oils and Grease Program. A notice of violation dated May 17, 2012, regarding a sewer blockage with periodic sanitary sewer overflows at 41194 Costern Light Court. All DWQ notices of violation have been resolved except the notice of violation dated June 27, 2011, for failure to comply with the permit condition III.10 Standby Generator Inoperable. OBK informed the Public Staff that the inoperable generator issue has not been resolved as of

April 23, 2013, Public Staff inspection due to the high cost of repair and budget constraints. The plant operator estimates that it will cost between \$7,500 and \$10,000 to repair the generator or approximately \$30,000 to replace it.

Public Staff System Inspection

On April 23, 2013, Public Staff Utilities Engineer Gina Casselberry and Staff Attorney William Grantmyre inspected OBK's service area, and the wastewater utility system. The service area is located approximately 3 miles south of Avon and approximately 5 miles north of Buxton on the Outer Banks. The local area is a substantial distance from the main land and appears to continue to be in a severe recession. This is consistent with what Mr. Hollowell told the Public Staff. In addition, NC Highway 12, the only road to this area has been closed for substantial time periods resulting from storms washing out this highway. Very few houses have been sold in Kinnakeet Shores in the last five years, and there were no houses being constructed on April 23, 2013. The subdivision has two and three story houses with three to seven bedrooms. Currently there are approximately 149 residential customers and 20 commercial customers.

The 350,000 gpd wastewater treatment plant (WWTP) is enclosed in a metal building, which materially protects the WWTP from corrosion from the salt air. The WWTP is in good condition. Currently, only one of the dual 175,000 gallon aeration basins and dual 31,050 gallon clarifiers are being used at this time. While the other aeration basin and other clarifier are off line, they can be cleaned, painted, or repaired, if necessary. In addition, the second aeration basin

can be used as emergency storage. Both the 3,057,000 gallon lined 5-day upset pond and the 5,100,000 gallon storage/infiltration pond were in good condition with plenty of free board in event of heavy rains. The only deficiency observed was the standby generator which is in need of repair. However, due to the fact that the plant is enclosed and that one of the 175,000 gallon aeration basins is on stand by, the WWTP has plenty of additional storage capacity in the event of an emergency until a generator could be rented or the existing generator is repaired.

It is the Public Staff's opinion, with the exception of the standby generator, that the wastewater utility system is properly maintained, running efficiently in an attempt to save operational costs, and is providing adequate service.

Commission Approved Rates

The OBK rates have been in effect since the franchise was granted to OBK in 2000 as shown below:

Flat Rate Residential Service: (Monthly)

Homes with Three or less Bedrooms	\$40.00
Homes with Four or more Bedrooms	\$53.00

Nonresidential Service: (Monthly) \$40.00 per Residential Equivalent Unit (REU)

Food Service	1 REU per 20 seats
Non Food Service	1 REU per 1,600 square feet

ACCOUNTING ISSUES

The Public Staff began by requesting copies of tax returns, general ledgers with supporting detailed journals, bank statements, and arranged for a visit to the wastewater utility system.

The Public Staff has been in talks with the OBK to obtain documents to support various items during this investigation. Most of the records have been kept in a warehouse on the North Carolina Outer Banks. Due to personnel moves, and at least one hurricane, the records have been moved a couple of times over the years and are not easily located. The accountant representing OBK has experienced major health issues over the course of this investigation and his mobility has been severely limited, not only his ability to travel, but his ability to work. He has been unable to travel with OBK to the North Carolina coast to retrieve documents.

Annual Reports

The Public Staff reviewed the Annual Reports filed on behalf of OBK for 2008 through 2011. The 2012 Annual Report has not been filed as of the date of this filing. The attached Accounting Exhibit 1 shows the income, expenses, and net income taken from the annual reports for the years 2008 through 2011. Those amounts were compared to the federal tax returns and the amounts were tied back to the general ledgers.

The information provided on Accounting Exhibit 1 was taken directly from the financial statements provided with the Annual Reports. As a point of reference, attached is Accounting Exhibit 2, which shows the income statement for year ending December 31, 2011.

Tax Returns

OBK has not completed its 2012 tax returns. The federal tax returns show losses for 2008 through 2011 as follows:

2008	(\$631,920)
2009	(\$414,388)
2010	(\$450,369)
2011	(\$513,064)

The bulk of the losses shown on the tax returns appear to be related to utility operations.

Plant in Service

The Public Staff has been unable to establish rate base. The system was acquired in a transfer proceeding with a zero plant in service. The Public Staff has requested on many occasions copies of sample invoices to support the plant information provided. The invoices requested are stored on the North Carolina Outer Banks. The Public Staff will continue to work with OBK to obtain the necessary information to establish rate base.

Revenues

OBK acquired the system by Order dated March 13, 2000, assuming the rates in effect at the time of transfer. OBK has not had a subsequent general rate increase. At the time of transfer, there were approximately 46 residential customers. Currently there are 149 residential customers and 20 commercial customers.

Expenses

The Public Staff reviewed the detail transaction journal for the utility operations. There did not appear to be any abnormalities. OBK did provide copies of sample contracts and invoices for expenses incurred.

OBK switched contract operators for the wastewater utility system between 2008 and 2009, reducing the annual cost by \$1,004. Albemarle Environmental is currently serving as the contract operator.

In 2008 and 2009, based on advice from the accountant at the time, mowing for the entire development was charged to utility operations. OBK has DWQ permitted wastewater effluent spray irrigation facilities throughout the subdivision on easements in many common areas. In 2010 and 2011, the mowing expense was drastically reduced. The mowing has been turned over to the Home Owners Association and will not be listed as an OBK expense on future reports.

First South Bank, has been making insurance payments and adding the cost of the policies to the loan. First South Bank deed of trust on the wastewater treatment plant site is discussed in the Legal Review section of this report.

Summary of Financial Status

Having reviewed the financial records of OBK, the Public Staff believes that OBK is not in a position to pay the \$11,900 plus interest. OBK has incurred substantial operating losses for the years 2008 through 2011, and the Public Staff expects OBK to continue to experience substantial operating losses until

such time as OBK files a general rate case and obtains Commission approval of a rate increase.

LEGAL REVIEW

Limited Liability Company Status

The status of OBK's Articles of Organization filed with the Secretary of State of North Carolina on April 9, 1997, is current and active. The OBK Secretary of State Annual Report status is current (see Legal Exhibit 1).

Ownership of Wastewater Utility System

OBK owns the wastewater utility system. OBK is also the current developer of the Kinnakeet Shores Subdivision.

The wastewater treatment plant site was conveyed to OBK by general warranty deed dated March 26, 1999, by grantor Kinnakeet Shores General Partnership, recorded in Book 1321, Page 193, Dare County Register of Deeds, on March 15, 2000. This deed also conveyed all grantor's

"easement rights and licenses for utility lines, laterals and lift stations within Kinnakeet Shores Subdivision; together with the waste water lines, laterals and lift stations with the boundaries of the property herein conveyed."

(Copy of deed attached as Legal Exhibit 2.)

The WWTP and wastewater effluent drip irrigation system are shown on the attached map entitled Kinnakeet Shores WWTP Site – Drip Irrigation Design (Legal Exhibit 3). This map shows the large metal building which encloses the WWTP, the 5 day lined upset pond with 3,057,000 gallons capacity, the larger effluent storage and infiltration pond with 5,100,000 gallons capacity, and the

wastewater effluent drip irrigation area outside the perimeter of most of both ponds.

Attached is Legal Exhibit 4, being a map entitled Kinnakeet Shores – As Built Irrigation Areas, Spray Irrigation by Bissell Professional Group, showing the wastewater effluent spray irrigation areas on common areas and along roadways throughout the Kinnakeet Shores Subdivision.

OBK also was the grantee in a number of other wastewater utility system easements recorded in the Dare County Register of Deeds.

OBK executed a Deed of Trust dated August 30, 2006, with First South Bank, as the Beneficiary/Lender, whose address is 239 West Main Street, Washington, NC 27889, which was recorded in Book 1699, page 49, Dare County Register of Deeds.

This deed of trust stated the maximum lien was \$3,025,500 and covers two tracts of land as follows: (1) the 12.99 acre tract in Kinnakeet Township, Dare County, upon which is located the Kinnakeet Shores WWTP, 5 day upset pond, and effluent storage and irrigation ponds, and (2) a commercial waterfront tract in Nags Head Township, Dare County, in or near the Town of Manteo. The deed of trust on page 10 states the maturity of the promissory note is August 30, 2011. Page 5 of this deed of trust states this instrument shall constitute a Security Agreement to the extent any of the property constitutes fixtures. Copy of deed of trust is attached as Legal Exhibit 5.

There is a UCC Financing Statement filed in Book 1699, Page 52, Dare County Register of Deeds, on August 30, 2006 (Legal Exhibit 6), and a UCC

Financing Statement Amendment – Continuation of initial financing statement filed in Book 1699, page 52, which was filed on July 12, 2011 (Legal Exhibit 7).

The UCC Financing Statement states it covers the following collateral:

Security interest in all of the Borrower's personal property now owned or hereafter acquired, including, without limitation, all inventory, general intangibles, accounts and accounts receivable, either presently existing or arising in the future, and all fixtures, furnishings, and equipment, together with all additions and accessions now owned by the Borrower, or hereafter acquired, and all proceeds of the foregoing. This security interest is to be evidenced by a Security Agreement and UCC Financing Statements filed with the state and county of appropriate jurisdiction.

Officials of First South Bank informed the Public Staff the summer of 2011, that the bank only has a security interest in the land upon which the WWTP is located, but not the wastewater collection system.

Neither the First South Bank \$3,025,500 loan nor the pledging of assets was approved by the Commission as required by G.S. 62-160. Therefore, whether the deed of trust and purported security agreement are enforceable liens is a legal issue, which may need to be decided in the Superior Court of the General Court of Justice and possibly the North Carolina Court of Appeals.

Ray Hollowell, Jr., member/manager of OBK, informed the Public Staff that he believed the current indebtedness on the promissory note to be approximately \$500,000. The promissory note was recently sold and the deed of trust assigned by First South Bank. The Public Staff has been unable to obtain a copy of this assignment.

Judgment Liens

There are two judgments of record with monetary liens against OBK filed in the Office of the Clerk of Court of Dare County as follows:

<u>Judgment Creditor</u>	<u>Judgment Amount</u>	<u>Date Filed</u>
BPG, Inc. d/b/a Bissell Professional Group	\$87,968	March 14, 2012
Stefan G. Plewinski and Layne Russell	\$11,900	April 17, 2012 (Date sent to Dare County)

Attached as Legal Exhibit 8 are copies of these two judgments.

Property Tax Valuation

The 12.6 acre WWTP site is Dare County Property Tax Parcel Number 031018000, Pin: 054905183600. This property tax value for 2012 is: Land \$499,000, Building \$352,300 and Miscellaneous \$1,600, with total tax value of \$852,900 (Legal Exhibit 9). The property is exempt from property tax as Pollution Abatement and Recycling property and no property taxes are owed.

Bond

OBK is required to have filed with the Commission bonds totaling \$110,000. OBK did provide the bonds totaling \$110,000 consisting of a \$35,000 certificate of deposit and \$75,000 commercial surety bond with Auto-Owners Insurance Company filed on October 14, 1999. However, the \$75,000 commercial surety bond with Auto-Owner Insurance Company was cancelled with notification filed with the Commission on December 12, 2012, in Docket No. W-1125, Sub 6, with stated cancellation effective March 25, 2012.

Ray Hollowell, Jr., the member/manager of OBK, has advised the Public Staff that OBK is working on obtaining a replacement bond through the refinancing process described below.

Refinancing

Ray Hollowell, Jr., advised the Public Staff he is working on a major refinancing with an out-of-state lender. The loan commitment recently was extended with a closing date on or before May 30, 2013. Mr. Hollowell has advised the Public Staff the major refinancing will provide significant funds, and he anticipates OBK should be able to pay the money owed to Complainants and obtain a replacement \$75,000 bond.

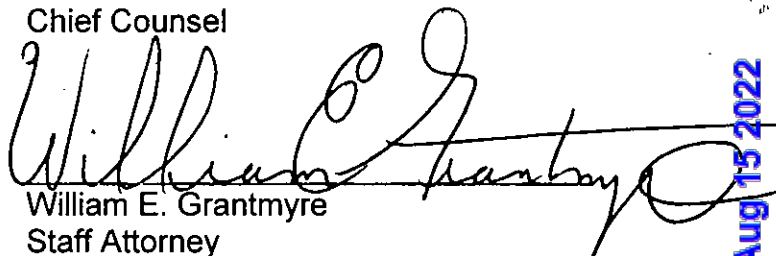
Summary

OBK's wastewater utility system is in good condition, and OBK is providing adequate wastewater utility service. OBK does not currently have adequate funds to pay the Complainants or procure a replacement \$75,000 bond. Should the planned refinancing close in May 2013, Ray Hollowell, Jr., anticipates funds would be available to pay Complainants and obtain a replacement bond. The fact Commission approval was not obtained as required by G.S. 62-160 to pledge wastewater utility assets, creates a legal issue as to whether the lender has an enforceable security interest in the wastewater utility assets. OBK to eliminate the continuing substantial operating losses, would need to file a general rate case and obtain Commission approval of a rate increase.

Respectfully submitted this the 6th day of May, 2013.

PUBLIC STAFF
Robert P. Gruber
Executive Director

Antoinette R. Wike
Chief Counsel


William E. Grantmyre
Staff Attorney

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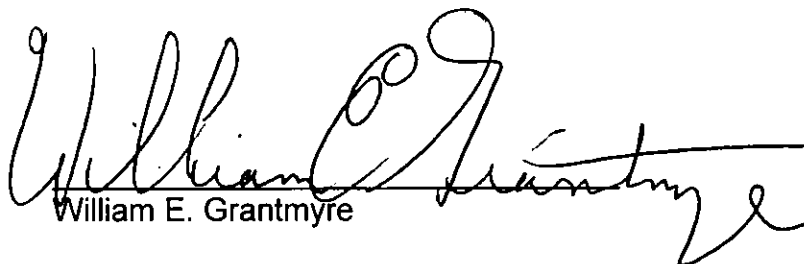
Aug 15 2022

430 North Salisbury Street
4326 Mail Service Center
Raleigh, North Carolina 27699-4326
Telephone: (919) 733-6110
Email: william.grantmyre@psncuc.nc.gov

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Public Staff's Investigation Report has been served by U.S. Mail upon Stefan Plewinski and Layne Russell, and by email upon Outer Banks/Kinnakeet Associates, LLC, Ray Hollowell, Jr., and attorneys Phillip Hayes and Christopher C. Wilms, Jr.

This the 6th day of May, 2013.


William E. Grantmyre

OUTER BANKS/KINNAKEET ASSOCIATES, LLC
W-1125, Sub 4

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Aug 15 2022

	2008	2009	2010	2011
1. Flat Rate Revenues	158,802	138,863	128,189	132,609
2. Bad Debt	(1,039)	(970)	(892)	(5,220)
3. Other Income				
4. Total Revenues	157,763	137,893	127,297	127,389
5. Operating Expenses	80,804	79,800	79,800	79,800
6. Payroll Expenses			28,281	42,297
7. Meals	47			
8. Travel	1,054	708	381	-
9. Outside Labor	23,157	18,300	25,058	27,875
10. Accounting Fees				23,604
11. Administrative and Office Expense	5,806	4,710		-
12. Printing & Reproduction	848	153	389	302
13. Postage and Delivery 6250	41			
14. Postage and Delivery 6945	432	295	366	375
15. Professional Development	777	465	475	-
16. Maintenance and Repair Expense	49,830	38,180	23,900	24,522
17. Landscape Maintenance	18,700	18,700	5,540	5,540
18. Pumping and Sludge	375			
19. Electric Power Expense	33,579	35,201	42,000	33,108
20. Utilities - Telephone	2,412	2,457	2,341	2,355
21. Rent	1,523			
22. Testing Fees	7,285	3,896	3,420	3,555
23. Licenses & Permits	2,570	2,405	2,405	2,800
24. Permits	200			-
25. Annual Depreciation Expense	244,220	214,129	213,164	182,187
26. Insurance	35,601	7,423	11,890	42,191
27. Code 6287	1,161	1,121		1,181
28. Code 6998-1	2,966	2,945		
29. Bond	1,354	1,354	1,354	
30. Interest Exp Inter-Bayview-M&T	4,698	1,399		
31. Interest Exp Code 6921	234,021	141,692	125,877	89,652
32. Interest Exp Code 6928	14,010	13,105	1,079	27,216
33. Interest Exp Code 6929	1,271	372		
34. Amortized Rate Case Costs				24,940
35. Amortization Loan Fees		172		832
36. Amortization Loan Fees	8,722	5,813		
37. Finance Charge	421	335		186
38. Bank Service Charges	102	188		57
39. Bank Service Charges/Late Fees 6993	6,107	5,752	6,119	23,445
40. NOV Penalties	11,323			
41. Operating Expense	795,417	601,070	573,839	638,020
42. Gross Receipts Tax	10,834	8,573	7,782	8,108
43. Regulatory Fee	177	171	156	159
44. State Income Tax				8,108
45. Federal Income Tax				
46. Total Taxes	11,011	8,744	7,938	16,375
47. Net Operating Income	(648,665)	(471,921)	(454,480)	(527,006)

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11/28/12
Accrual Basis

Outer Banks/Kinnakeet Associates, LLC
Profit Loss
January through December 2011

Combined Books
Operator and Owner

DOCKET NO. W-1125, SUB 4
ACCOUNTING EXHIBIT 2
PAGE 1 OF 2

	<u>Jan - Dec 11</u>
Ordinary Income/Expense	
Income	
4020 · WWTO - Service Income	132,609.39
4030 · WWTP - Tap Fees Income	5,833.33
Total Income	<u>138,442.72</u>
Gross Profit	138,442.72
Expense	
6104 · Amortize Rate Case Costs	24,940.24
6105 · Amortization of Loan Fees	831.72
6120 · Bank Service Charges	57.06
6200 · Interest Expense	
6210 · Finance Charge	185.81
Total 6200 · Interest Expense	<u>185.81</u>
6287 · Property Taxes	1,181.28
6900 · WWTP Expenses	
6903 · Bad Debt	5,219.58
6921 · Int Expense - FSB 6800476837	89,651.80
6928 · Interest Expense FSB 1921-1/REH	27,216.45
6930 · Lab Testing	3,555.29
6931 · Landscaping	5,540.00
6940 · Operating Fees	79,800.00
6941 · Payroll Expenses	42,296.90
6945 · Postage/Delivery	374.54
6950 · Utilities	33,108.26
6980 · Repairs and Maintenance	24,521.95
6984 · Licenses	2,800.00
6990 · Professional Fees	51,478.93
6991 · Insurance	42,191.25
6992 · Depreciation	182,187.00
6993 · Bank Charges/Late Fees	23,444.78
6994 · Office Supplies	302.26
6995 · Telephone	2,355.39
6996 · Regulatory Fee	159.44
6998 · Gross Receipt Tax	8,107.98
Total 6900 · WWTP Expenses	<u>624,311.80</u>
Total Expense	<u>651,507.91</u>

5:06 PM
11/28/12
Accrual Basis

Outer Banks/Kinnakeet Associates, LLC
Profit Loss
January through December 2011

Combined Books
Operator and Owner

DOCKET NO. W-1125, SUB 4
ACCOUNTING EXHIBIT 2
PAGE 2 OF 2

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Aug 15 2022

Net Ordinary Income	(513,065.19)
Other Income/Expense	
Other Income	
7013-01 - Div WWTP BB&T Escrow	6.23
7013 - Int WWTP BB&T Escrow	158.70
7030 - 1099 Int CoopB 135-29	21,860.55
Total Other Income	22,025.48
Other Expense	
6998-2 - Penalty on GRT Tax (Non-Deduct)	975.00
8030 - Coop B 135-29 Int Exp	21,860.55
Total Other Expense	22,835.55
Net Other Income	(810.07)
Net Income	<u><u>(513,875.26)</u></u>

Outer Banks/Kinnakeet Associates
WWTF Tributary Flow
Updated 4/5/2013

A. Residential

Phase	# Lots	Proposed # of bedrooms	Design Flow Rate (gpd)	Existing Active Customers	Existing Flow (gpd)	Remaining Lots to be Developed	Total Phase Flow (gpd)
6	34	4.27	120	25	12,810	9	17,422
7	46	4.29	120	31	15,959	15	23,681
8	26	4.88	120	17	9,955	9	15,228
9	15	6.4	120	5	3,840	10	11,520
10	8	7	120	2	1,680	6	6,720
11	28	6	120	10	7,200	18	20,160
12	23	4.15	120	13	6,474	10	11,454
15	25	5.3	120	11	6,998	14	15,900
Otter Point	27	4	120	0	0	27	12,960
Subtotal	232			114	64,914	118	135,042

Phase	# Lots	Proposed # of bedrooms	Design Flow Rate (gpd)	Existing Active Customers	Existing Flow (gpd)	Remaining Lots to be Developed	Total Phase Flow (gpd)
16	51	6	120	0	0	51	36,720
17	35	6.11	120	11	8,071	24	25,680
18	29	8.17	120	8	5,926	21	21,480
19	11	7.45	120	0	0	11	9,840
21	12	7.75	120	6	4,650	7	11,160
22	40	6.73	120	11	8,877	29	32,280
Subtotal	178	6.84		35	27,523	143	137,160

Total Residential 410 149 92,437 Residential Total 272,202 gpd

* Includes Hammock Parcel

Outer Banks/Kinnakeet Associates
WWTF Tributary Flow
Updated 4/5/2013

B. Non-Residential

Description	Area	Daily Design	Allocation (gpd)
HIP - Phase I			
Food Lion	1 35,560	s.f. 120 gpd/	1000 sf 4,267
Café 12	2 60	seats 40 gpd/	1 seat 2,400
Caterer	3 24	seats 40 gpd/	1 seat 960
Surfside, Casuals	4/5 3350	s.f. 120 gpd/	1000 sf 402
Ocean Threads	6 1450	s.f. 120 gpd/	1000 sf 174
Subtotal			8,203
HIP - Phase II			
East Carolina Bank	7/8 3,503	s.f. 120 gpd/	1000 sf 420
Try My Nuts	9 2,800	s.f. 120 gpd/	1000 sf 312
Dollar Tree	10A 8,184	s.f. 120 gpd/	1000 sf 982
Island Cycles	10B 1,848	s.f. 120 gpd/	1001 sf 222
This Little Cottage	10C 2,468	s.f. 120 gpd/	1002 sf 298
LaFogata Restaurant	11 64	seats 40 gpd/	1 seat 3,360
Beach Pharmacy	12 3,800	s.f. 120 gpd/	1000 sf 432
Chinatown Restaurant	13 40	seats 40 gpd/	1 seat 1,600
Topper's Pizza	15 40	seats 40 gpd/	1 seat 1,600
Jewels by the Sea	16 1,600	s.f. 120 gpd/	1000 sf 192
Sweet & Simple Pleasures	17 1,800	s.f. 120 gpd/	1000 sf 192
RC Theater*	18 875	seats 5 gpd/	1 seat 3,375
Subtotal			12,983
HIP - Phase III			
Ace Hardware	IIIA 16,500	s.f. 120 gpd/	1000 sf 1,980
Dirty Dick's	IIIB 99	seats 40 gpd/	1 seat 3,960
Subtotal			5,940
Hatteras Island Plaza Total			
			27,126
Other Non-Residential			
Sun Realty	17,826	s.f. 120 gpd/	1,000 s.f. 2,139
Avon Post Office	6	employees 25 gph	employee 150
Couch / Hatteras Realty	35	REU 360 gpd/	REU 12,600
Greater Kinnakeet HOA	200	people 10 gpd/	person 2,000
Non-Residential Total:			16,889

Development Total 316,217 gpd
Permitted Capacity 350,000 gpd



Elaine F. Marshall
Secretary

North Carolina

**DEPARTMENT OF THE
SECRETARY OF STATE**

PO Box 29622 Raleigh, NC 27626-0622 (919)807-2000

[Account Login](#) [Register](#)

Date: 4/29/2013

Click here to:

[View Document Filings](#) | [File an Annual Report](#) |[Print a Pre-populated Annual Report Fillable PDF Form](#) | [Amended A Previous Annual Report](#) |

Corporation Names

Name	Name Type
NC OUTER BANKS/KINNAKEET ASSOCIATES, LLC	LEGAL

Limited Liability Company Information

SOSID:	0423839
Status:	Current-Active
Effective Date:	4/9/1997
Citizenship:	DOMESTIC
State of Inc.:	NC
Duration:	JAN 2050
Annual Report Status:	CURRENT

Registered Agent

Agent Name:	HOLLOWELL, RAY E
Office Address:	41105 BIG KINNAKEET DRIVE AVON NC 27915
Mailing Address:	PO BOX 568 CREEDMOOR NC 27522

Principal Office

Office Address:	41105 BIG KINNAKEET DRIVE AVON NC 27915
Mailing Address:	PO BOX 568 CREEDMOOR NC 27522

Officers

Title:	MEMBER/MANAGER
Name:	RAY E HOLLOWELL JR.
Business Address:	6051 CURRITUCK ROAD KITTY HAWK NC 27949

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Aug 15 2022

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APR 09 1997EFFECTIVE
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

97 099 5132

ARTICLES OF ORGANIZATION
OF
OUTER BANKS/KINNAKEET ASSOCIATES, LLC

Pursuant to §57C-2-20 of the General Statutes of North Carolina, the undersigned do hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is OUTER BANKS/KINNAKEET ASSOCIATES, LLC.
2. The latest date on which the limited liability company is to dissolve is January 1, 2050.
3. The name and address of each organizer executing these articles of organization are as follows:

Bernice D. Farmer, III
227 West Trade Street
Suite 2200
Charlotte, NC 28202

Laura L. Yaeger
227 West Trade Street
Suite 2200
Charlotte, NC 28202

4. The address and county of the initial registered office of the limited liability company are:

107 Dudleigh Street
Manteo, Dare County, North Carolina 27954

5. The name of the initial registered agent is Ray E. Hollowell.
6. This is a manager-managed limited liability company. Except as provided by N.C.G.S. §57C-3-20(a), the members of this limited liability company shall not be managers by virtue of their status as members.
7. These Articles will be effective upon filing.

This the 7th day of April, 1997.


Bernice D. Farmer, III, Organizer


Laura L. Yaeger, Organizer



Elaine F. Marshall
Secretary

North Carolina

DEPARTMENT OF THE
SECRETARY OF STATE

PO Box 29622 Raleigh, NC 27626-0622 (919)807-2000

-Account Login Register

Corporate Filings For: OUTER BANKS/KINNAKEET ASSOCIATES, LLC

Image	Date	Document Id	Event	Document
	4/9/1997	970995132	Creation Filing	LLCD - Articles of Organization Limited Liability
	5/28/1999	991480128	Amendment	CROA - Change of Address of Registered Office/Agent
	5/28/1999	991480128	Annual Report	ANRT - Annual Report
	4/18/2000	201090164	Annual Report	ANRT - Annual Report
	6/25/2003	2003 176 00014	Annual Report	ANRC - Annual Report LLC
	6/25/2003	2003 176 00016	Annual Report	ANRC - Annual Report LLC
	12/31/2004	2004 366 00002	Annual Report	ANRC - Annual Report LLC
	12/31/2004	2004 366 00004	Annual Report	ANRC - Annual Report LLC
	1/10/2006	2006 427 08908	Notice Annual Report	ADMN - ADM Notice
	4/11/2006	2006 101 01160	Annual Report	ANRC - Annual Report LLC
	4/11/2006	2006 101 01166	Annual Report	ANRC - Annual Report LLC
	4/14/2008	2008 105 03030	Annual Report	ANRC - Annual Report LLC
	3/11/2010	C201007016655	Notice Annual Report	ADMN - ADM Notice
	5/6/2010	CA201012604637	Annual Report	ANRC - Annual Report LLC
	10/2/2012	C201227600571	Notice Annual Report	ADMN - ADM Notice
	12/11/2012	C201234600473	Destruction Filing	ADIS - ADM Dissolution
	4/5/2013	C201309501177	Reinstatement	AREL - ADM Reinstatement LLC
	4/5/2013	CA201309501163	Annual Report	ANRC - Annual Report LLC
	4/5/2013	CA201309501164	Annual Report	ANRC - Annual Report LLC
	4/5/2013	CA201309501165	Annual Report	ANRC - Annual Report LLC
	4/5/2013	CA201309501166	Annual Report	ANRC - Annual Report LLC
	4/5/2013	CA201309501168	Annual Report	ANRC - Annual Report LLC
	4/5/2013	CA201309501169	Annual Report	ANRC - Annual Report LLC

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LIMITED LIABILITY COMPANY ANNUAL REPORT

SOSID: 0423839
Date Filed: 4/5/2013 2:31:00 PM
Elaine F. Marshall
North Carolina Secretary of State

CA201309501169

NAME OF LIMITED LIABILITY COMPANY: OUTER BANKS/KINNAKEET ASSOCIATES, LLC

SECRETARY OF STATE ID NUMBER: 0423839

STATE OF FORMATION: NC

DOCKET NO. W-1125, SUB 4

LEGAL EXHIBIT 1

REPORT FOR THE YEAR: _____

PAGE 4 OF 4

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: RAY E HOLLOWELL

2. SIGNATURE OF THE NEW REGISTERED AGENT: _____

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED OFFICE STREET ADDRESS & COUNTY

4. REGISTERED OFFICE MAILING ADDRESS

41105 Big Kinnakeet Drive

P. O. Box 568

Avon, NC 27915 Dare County

Creedmoor, NC 27522

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: Waste Water Treatment

2. PRINCIPAL OFFICE PHONE NUMBER: (252) 202-2358

3. PRINCIPAL OFFICE EMAIL: rayehollowell@yahoo.com

4. PRINCIPAL OFFICE STREET ADDRESS & COUNTY

5. PRINCIPAL OFFICE MAILING ADDRESS

41105 Big Kinnakeet Drive

P. O. Box 568

Avon, NC 27915 Dare County

Creedmoor, NC 27522

SECTION C: MANAGERS/MEMBERS/ORGANIZERS (Enter additional Managers/Members/Organizers in Section E.)

NAME: Ray E Hollowell Jr.

NAME: _____

NAME: _____

TITLE: Manager

TITLE: _____

TITLE: _____

ADDRESS: _____

ADDRESS: _____

ADDRESS: _____

6051 Currituck Road

Kitty Hawk, NC 27949

SECTION D: CERTIFICATION OF ANNUAL REPORT. Section D must be completed in its entirety by a person/business entity.

SIGNATURE
Form must be signed by a Manager/Member listed under Section C of this form.

Apr 2, 2013

DATE

Ray E Hollowell Jr.

Manager/Member

Print or Type Name of Manager/Member

TITLE

SUBMIT THIS ANNUAL REPORT WITH THE REQUIRED FILING FEE OF \$200
MAIL TO: Secretary of State, Corporations Division, Post Office Box 28525, Raleigh, NC 27626-0525



OFFICIAL COPY
Aug 15 2022

Prepared by:
John G. Gaw, Jr.
Return to:
Linda McCown
Attorney at Law
P. O. Box 729
Manteo, NC 27954



Page 1 of 3
03/16/2008

DOCKET NO. W-1125, SUB 4

LEGAL EXHIBIT 2

PAGE 1 OF 3

NORTH CAROLINA

DARE COUNTY

THIS DEED, made this 26th day of March, 1999, by and between KINNAKEET SHORES GENERAL PARTNERSHIP, a North Carolina Partnership, Grantor, (hereinafter "Kinnakeet") to OUTER BANKS/KINNAKEET ASSOCIATES, L.L.C., A NORTH CAROLINA LIMITED LIABILITY COMPANY, Grantee, (hereinafter "OBKA"), whose address is P.O. Box 1411, Manteo, NC 27954;

W I T N E S S E T H:

NOW, THEREFORE, Kinnakeet Shores General Partnership, a North Carolina Partnership, for the sum of One Dollar (\$1.00) and other good and valuable consideration, by this instrument, does hereby grant, bargain, and convey unto the Grantee, its successors and or assigns, in fee simple all of that certain lot or parcel of land together with any and all improvements thereon situated in Kinnakeet Township, Dare County, North Carolina, and more particularly described as follows:

ALL THAT certain parcel or tract of land together with improvements thereon located in Kinnakeet Shores Subdivision, Kinnakeet Township, Dare County, North Carolina beginning at a set iron rod located in the east boundary of the property herein described, said iron rod being located south 89 deg. 38 min. 57 sec. west 571.49 feet from an existing concrete monument located in and on the western right-of-way margin of NC Hwy 12, said concrete monument also being in and marking the northeast corner of the 30 foot access easement known as Big Kinnakeet Drive; thence running from the beginning point south 8 deg. 16 min. 20 sec. west 131.06 feet to a set iron rod; thence running south 59 deg. 19 min. 56 sec. west 160.07 feet to a set iron rod; thence running south 83 deg. 47 min. 44 sec. west 573.69 feet to set iron rod and a corner; thence turning and running north 18 deg. 20 min. 22 sec. east 3.40 feet to a point; thence continuing in a general northwesterly direction along a curve having a radius of 155.09 feet, a length of 105.15 feet, a cord of 103.14 feet, and a bearing of north 00 deg. 42 min. 43 sec. west to a set iron rod; thence turning and running south 86 deg. 28 min. 07 sec. east 8.23 feet to a set iron rod; thence turning and running north 00 deg. 23 min. 27 sec. east 254.90 feet to a set iron rod; thence turning and running north 87 deg. 43 min. 22 sec. west 60.32 feet to an existing iron rod; thence turning and running north 13 deg. 52 min. 38 sec. east 468.61 feet to an existing concrete monument and a corner; thence turning and running north 89 deg. 38 min. 57 sec. east 709.58 feet to an existing concrete monument and a

corner; thence turning and running south 11 deg. 07 min. 34 sec. west 560 feet to an existing concrete monument; thence turning and running north 89 deg. 38 min. 57 sec. east 63.51 feet to a set iron rod and the point of beginning.

Grantor, to the extent allowed by law, assigns, transfers and conveys to Grantee all of the Grantor's interest in and right to all licenses and permits to operate the waste water treatment facility located on the above described property together with all contracts and obligations to furnish waste water treatment services to existing users of the system and to the lot owners of Kinnakeet Shores Subdivision and all accounts receivable pertaining thereto; and there is further granted, transferred and conveyed to Grantee all of Grantor's easement rights and licenses for utility lines, laterals and lift stations within Kinnakeet Shores Subdivision; together with the waste water lines, laterals and lift stations with the boundaries of the property herein conveyed.

For a further description of the property herein described, reference is made to that certain survey titled "Kinnakeet Shores, Waste Water Treatment Plant, Kinnakeet Township, Dare County, North Carolina" prepared by Bissell Professional Group, Engineers, Planners, Surveyors, and Environmental Specialist, dated October 15, 1998, to which reference is made for a more particular description of the property herein described.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all improvements, privileges, and appurtenances thereto belonging to said Grantee, its successors and or assigns, in fee simple absolute forever.

Kinnakeet Shores General Partnership covenants to and with Grantee that it is seized of the said property in fee simple, and has the right to convey the same in fee simple; that the same is free of liens and encumbrances, and that the Grantor does hereby warrant and will forever defend the title to the same against the lawful claims of all persons whomsoever, except for those certain restrictive covenants of record in the Dare County Registry; easements and rights of way of record; and ad valorem taxes to the County of Dare for the year 1998 and subsequent years.

IN WITNESS WHEREOF, the said Kinnakeet Shores General Partnership has executed this deed by and through its general partners, as the act of and by the authority of said partnership, and the undersigned, including said partnership, have adopted as their seal the word "SEAL" appearing at the end of their signature lines the day and year first above written.



6005385
Page: 3 of 3
03/16/2009 12:01PM

By: Michael R. Davenport (SEAL)

General Partner

By: George E. Credle (SEAL)

General Partner

By: [Signature] (SEAL)

General Partner

NORTH CAROLINA

DARE COUNTY

I, the undersigned, a Notary Public of the County and State aforesaid, do hereby certify that Michael R. Davenport, George E. Credle and Mark S. Russell General Partners of KINNAKEET SHORES GENERAL PARTNERSHIP, a North Carolina Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of KINNAKEET SHORES GENERAL PARTNERSHIP by authority duly given.

Witness my hand and notarial seal this 27th day of May, 1999.

[Signature]
Notary Public

My Commission Expires:

August 1st, 2001

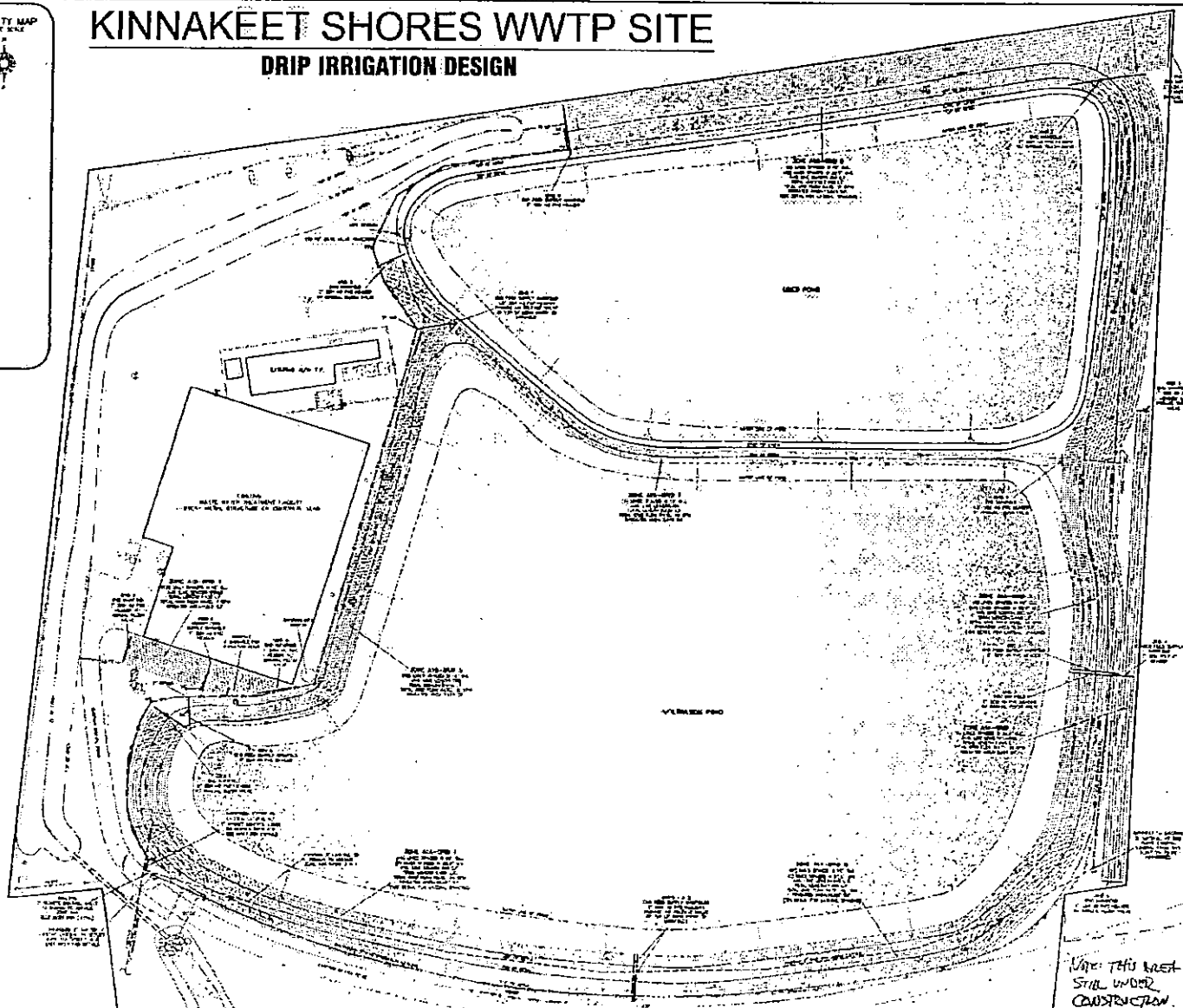
The foregoing certificate(s) of Tiffany D.R. Davis
Notary Public of Cumtuck Co., NC

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Barbara M. Gray
Register of Deeds, Dare County

By: Andrew L. Ticeott
Assistant/Deputy Register of Deeds

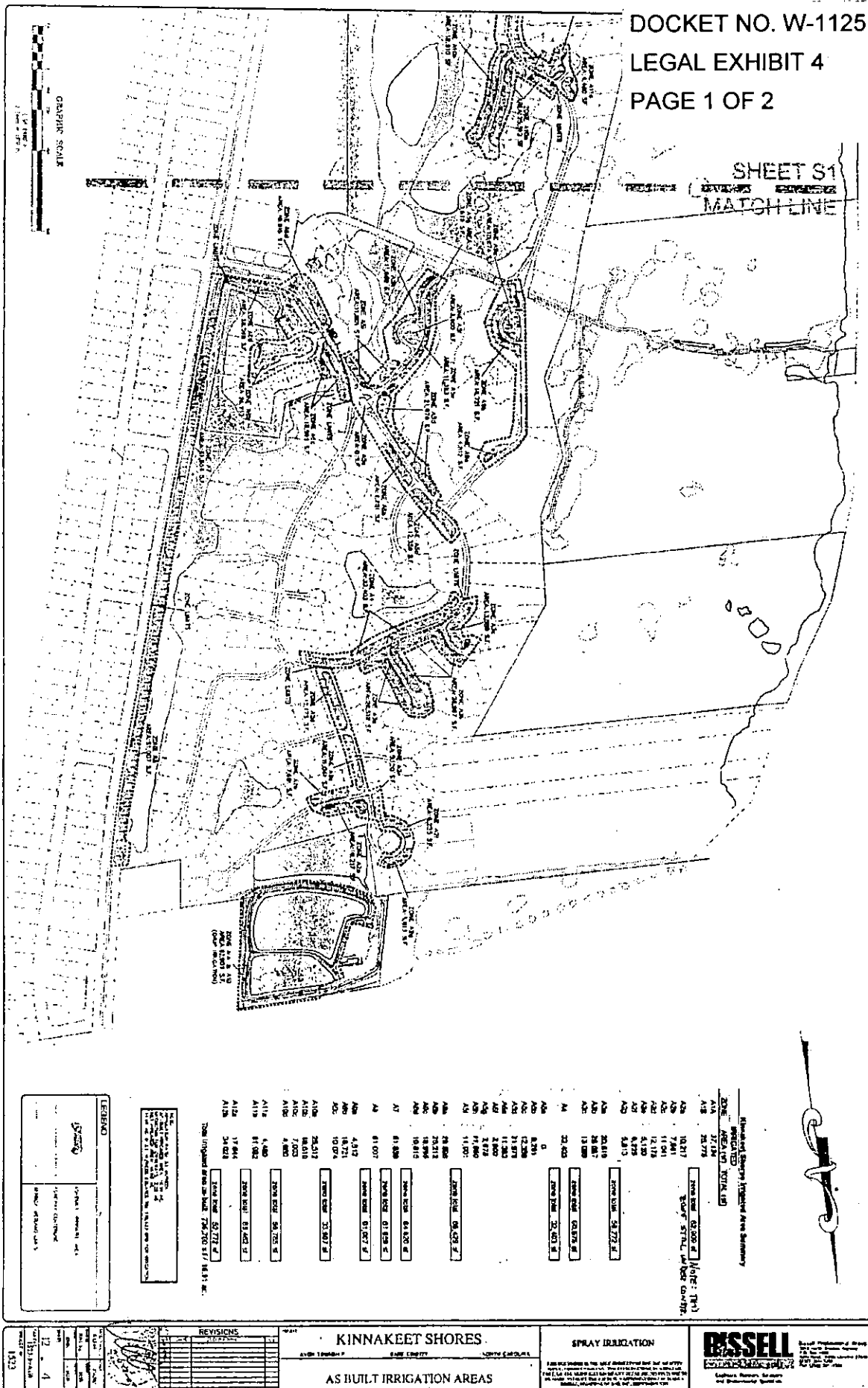
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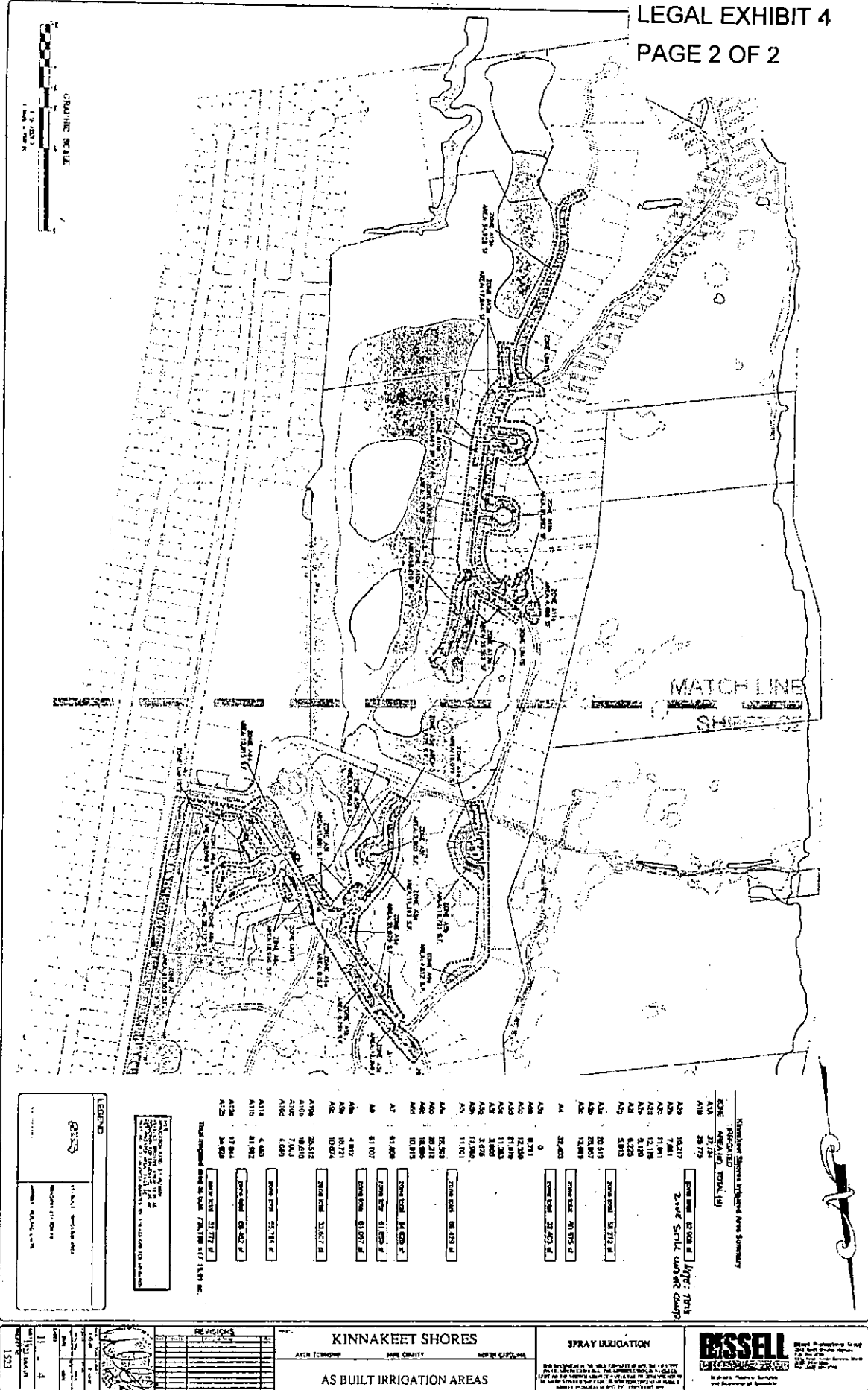


NOTE: THIS AREA
STILL UNDER
CONSTRUCTION.

[illegible]

SHEET S1
MATCH LINE





LEGEND

	BUILT IRRIGATION AREA
	OTHER AREA

THIS PLAN IS A REPRODUCTION OF THE ORIGINAL PLAN AND IS NOT TO BE USED FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN CONSENT OF THE ENGINEER.

Summary of Areas

Area	Area (Acres)	Area (Sq. Ft.)	Area (Sq. Yds.)
A1	1.00	136,800	15,000
A2	1.00	136,800	15,000
A3	1.00	136,800	15,000
A4	1.00	136,800	15,000
A5	1.00	136,800	15,000
A6	1.00	136,800	15,000
A7	1.00	136,800	15,000
A8	1.00	136,800	15,000
A9	1.00	136,800	15,000
A10	1.00	136,800	15,000
A11	1.00	136,800	15,000
A12	1.00	136,800	15,000
A13	1.00	136,800	15,000
A14	1.00	136,800	15,000
A15	1.00	136,800	15,000
A16	1.00	136,800	15,000
A17	1.00	136,800	15,000
A18	1.00	136,800	15,000
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A91	1.00	136,800	15,000
A92	1.00	136,800	15,000
A93	1.00	136,800	15,000
A94	1.00	136,800	15,000
A95	1.00	136,800	15,000
A96	1.00	136,800	15,000
A97	1.00	136,800	15,000
A98	1.00	136,800	15,000
A99	1.00	136,800	15,000
A100	1.00	136,800	15,000

RESSELL

Surveying and Mapping

1234 Main Street

Anytown, NC 27007

Phone: (336) 123-4567

Fax: (336) 123-4568

Email: info@ressell-surveying.com

Website: www.ressell-surveying.com

Filed Book: 1699 Page: 49 Doc Id: 6204404
 08/30/2006 04:53PM Receipt #: 172092
 Doc Code: D/T
 BARBARA M GRAY, REGISTER OF DEEDS DARE CO, NC



6204404
 Page: 1 of 14
 08/30/2006 04:53P

DEED OF TRUST

RECORDATION REQUESTED BY:

WHEN RECORDED MAIL TO:

First South Bank
 239 West Main Street
 PO Box 2047
 Washington, NC 27889

This Deed of Trust prepared by:

x Wm. H. Cannon

MAXIMUM LIEN. The maximum principal amount secured by this Deed of Trust shall not exceed at any one time \$3,025,500.00.

THIS DEED OF TRUST is dated August 30, 2006, among OUTER BANKS / KINNAKEET ASSOCIATES, LLC, whose address is 6051 Currituck Rd, Kitty Hawk, NC 27949-3807; a Limited Liability Company ("Grantor"); First South Bank, whose address is 239 West Main Street, PO Box 2047, Washington, NC 27889 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Thomas A. Vann, Trustee for First South Bank, whose address is PO Box 2047, Washington, NC 27889 (referred to below as "Trustee").

CONVEYANCE AND GRANT. NOW, THEREFORE, as security for the indebtedness, advancements and other sums expended by the Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys' fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee, and Trustee's heirs or successors and assigns, for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Dare County, State of North Carolina:

See Exhibit A, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

Loan No: 6800476837


 6204404
 Page: 2 of 14
 08/30/2006 04:53P

Page 2

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or

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equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by North Carolina law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$5,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. The Real Property is or will be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such

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Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust; and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain

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Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Lends section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. The lien of this Deed of Trust and the security interest granted hereby will automatically attach, without further act, to all after-acquired property attached to and or used in the operation of the Property or any part thereof. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any

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Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and

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sole discretion may elect. Trustee shall be authorized to hold a sale pursuant to North Carolina General Statute Chapter 45. If Trustee so elects, Trustee may sell the Property covered by this Deed of Trust at one or more separate sales in any manner permitted by applicable North Carolina law, and any exercise of the powers granted in this Deed of Trust shall not extinguish or exhaust such powers, until the entire Property is sold or the Indebtedness is paid in full. If such Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Lender may at its option exercise the remedies granted under any of the security agreements either concurrently or independently and in such order as Lender may determine.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit,

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Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Trustee's Fees. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale for a completed foreclosure. In the event foreclosure is commenced, but not completed, Grantor shall pay all expenses incurred by Trustee and partial commission computed on five percent (5%) of the outstanding indebtedness, according to the following schedule: one-fourth of the commission before Trustee issues a notice of hearing on the right to foreclosure; one-half of the commission after issuance of notice of hearing; three-fourths of the commission after a hearing; and the full commission after the initial sale.

Express Power to Substitute a Trustee. Lender shall have the irrevocable right to remove at any time and from time to time without limit the Trustee named in this Deed of Trust without notice or cause and to appoint a successor by an instrument in writing, duly acknowledged, in such a form as to entitle such written instrument to be recorded in the State of North Carolina; and, in the event of the death or resignation of the Trustee named in this Deed of Trust, Lender shall have the right to appoint a successor by such written instrument, and any Trustee so appointed shall be vested with the title to the Property, and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though the successor trustee were named in this Deed of Trust as Trustee.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration. Grantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Deed of Trust or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Deed of Trust shall preclude

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not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of North Carolina.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means First South Bank, and its successors and assigns.

Borrower. The word "Borrower" means OUTER BANKS / KINNAKEET ASSOCIATES, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the default section of this Deed of Trust.

Grantor. The word "Grantor" means OUTER BANKS / KINNAKEET ASSOCIATES, LLC.

**DEED OF TRUST
(Continued)**

Loan No: 6800476837

Page 10

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means First South Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated August 30, 2006, in the original principal amount of \$3,025,500.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is August 30, 2011.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Thomas A. Vann, Trustee for First South Bank, whose address is PO Box 2047, Washington, NC 27889 and any substitute or successor trustees.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

OUTER BANKS / KINNAKEET ASSOCIATES, LLC

By: 

Ray Hollowell, Manager of OUTER BANKS / KINNAKEET ASSOCIATES, LLC

Loan No: 6800476837

DEED OF TRUST
(Continued)

Page 11

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NCCOUNTY OF Dare)
) SS
)

I, T. Herrington, a Notary Public for said County and State, certify that Ray E. Hollowell, Manager of OUTER BANKS / KINNAKEET ASSOCIATES, LLC personally came before me this day and acknowledged the due execution of the foregoing instrument in writing by himself or herself for OUTER BANKS / KINNAKEET ASSOCIATES, LLC, a limited liability company, for the uses and purposes therein set forth.

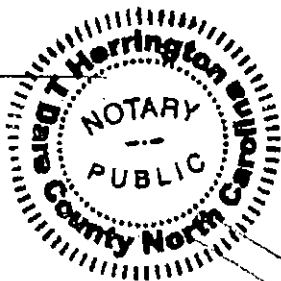
Witness my hand and Notarial Seal this the 30th day of August, 2006.

J. Herrington
Notary Public

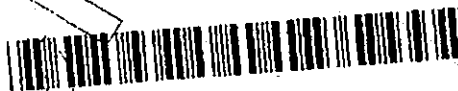
My Commission Expires:

11.30.08

(Affix Notarial Seal Here)



LASER 400 Coding, Ver. 5.12.0003, Cap. Notary Public Seal, 10/17/2000, All Rights Reserved, NC RELASSPRO/STC/PLGO/JC TR-1801 PG-22



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Page: 11 of 14
08/30/2006 04:53P

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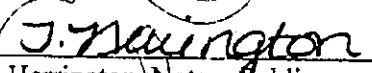
Aug 15 2022

LLC, NOTARY ACKNOWLEDGMENT-INDIVIDUAL MANAGER

STATE OF NORTH CAROLINA
COUNTY OF DARE

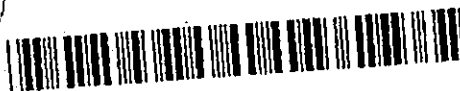
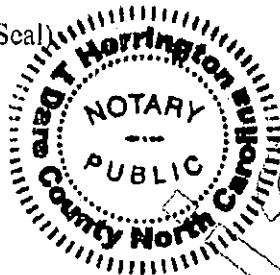
I, T. Herrington, a Notary Public of Dare County, said State, certify that Ray E. Hollowell, Jr. either being personally known to me, who is the Manager of Outer Banks/Kinnakeet Associates, LLC a limited liability company, personally appeared before me this day and acknowledged that (s)he is Manager of Outer Banks/Kinnakeet Associates, LLC and that as Manager, being duly authorized to do so, voluntarily executed the foregoing instrument on behalf of said company for the purposes stated therein.

WITNESS my hand and notarial seal this 30th day of August 2006.


T. Herrington, Notary Public

My Commission Expires: 11-08-30

(Notarial Seal)



6204404
Page 12 of 14
08/30/2006 04:53p

Unofficial

EXHIBIT A

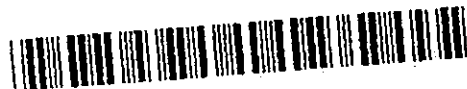
Legal Description, Kinnakeet Shores Waste Water Treatment Facility
(All references below are to the records of the Dare County Registry)

Parcel #1:

Lying and being in Kinnakeet Township, Dare County, North Carolina and being more particularly described as follows:

Beginning at an iron in the margin of the right of way of Dory Lane in Kinnakeet Shores Subdivision as shown on a plat of Phase 10 of Kinnakeet Shores Subdivision recorded in Plat Cabinet E. Slide 258, and being the northwesterly corner of Lot 16, Phase 9 of Kinnakeet Shores Subdivision as shown on a plat of Phase 9 recorded in Plat Cabinet E. Slide 257; thence from said point of beginning with the easterly margin or the right-of-way of Dory Lane in a northerly direction in two courses as follows: (1) with the arc of a circular curve to the right having a radius of 262.40 feet an arc distance of 3.40 feet, which arc is subtended by a chord of N. 10-04-07 E. 3.40 feet to an iron, and (2) with the arc of a circular curve to the left having a radius of 155.09 feet an arc distance of 105.15 feet, which arc is subtended by a chord of N. 08-58-59 W. 103.14 feet to an iron, a corner of Lot 8, Phase 10, Kinnakeet Shores Subdivision; thence with three lines of said Lot 8 as follows (1) N. 85-15-38 E. 8.23 feet to an iron, (2) N. 07-52-48 W. 254.90 feet to an iron, and (3) S. 84-00-23 W. 60.32 feet to an iron, a corner of John D. Gray (now or formerly); thence with the line of Gray N. 05-36-23 E. 468.61 feet to an iron, a corner of John R. Hooper (now or formerly); thence with Hooper's line and others N. 81-22-42 E. 709.58 feet to an iron in the line of Anthony Whitehurst (now or formerly) as described in deed in Book 740, page 504, and a corner of Frances Anderson (now or formerly) as described in deed in book 1599, page 127; thence with the line of Anderson and others S. 02-51-19 W. 560.00 feet to an iron in the line of R. Stewart Couch (now or formerly) as described in deed in Book 1491, page 36; thence with two of Couch's lines as follows: (1) S. 81-17-27 W. 39.44 feet to an iron, and (2) S. 06-01-37 W. 217.77 feet to an iron in the northwesterly margin of the right-of-way of Keel Court as shown on the plat of Phase 9, Kinnakeet Shores Subdivision; thence with said right-of-way in two courses as follows: (1) S. 51-03-42 W. 222.99 feet to an iron, and (2) with the arc of a circular curve to the right having a radius of 485.00 feet an arc distance of 80.05 feet, which arc is subtended by a chord of S. 55-47-24 W. 79.96 feet to an iron, the southeasterly corner of Lot 14, Phase 9 of Kinnakeet Shores Subdivision; thence with the line of said Lot 14, N. 29-28-54 W. 123.62 feet to an iron; thence with the rear lines of Lots 14, 15 and 16 of said Phase 9 S. 75-31-30 W. 263.31 feet to the point of place of Beginning, containing 12.99 acres as shown on a plat of survey by Bissell Professional Group dated Nov. 15, 1005 bearing Project No. 1523.

Being a part of that property conveyed to Outer Banks/Kinnakeet Associates, LLC by deed recorded in Book 1321, Page 193.



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Page: 13 of 14
08/30/2006 04:53P

Parcel #2:



6204404
Page: 14 of 14
09/30/2008 04:53P

Commercial Waterfront
#024780000

Being all of that certain parcel of land and all improvements now or hereafter located thereon, lying and being in Nags Head Township, North Carolina and more particularly described as follows:

Being the Commercial Space as described in Paragraph B of "Exhibit A to Declaration Creating Unit Ownership and Establishing Restrictions, Covenants and Conditions for the WaterFront Condominiums" recorded in Book 414 Page 737, in the Office of the Dare County Registry and further as shown on the plans of said condominium filed in Unit Ownership File No. 2, Page 332 through 340, also recorded in the Office of the Dare County Registry. Subject to those Covenants, Restrictions & Easements as set out in "Exhibit A" referred to herein above, less and excepting that three dimensional space conveyed to Town of Manteo by Renaissance Development Company, Inc. in deed recorded in Book 471, Page 462 office of the Register of Deeds for Dare County, North Carolina.

Unofficial

Filed Book: 1899 Page: 52

Doc Id: 6204407

08/30/2006 04:59PM

Receipt #: 172093

Doc Code: UCC

BARBARA M. GRAY, REGISTER OF DEEDS DARE CO, NC

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

252-940-4981 Patricia McCarter

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

First South Bank
Attn: Loan Administration
PO Box 2047
Washington, NC 27889



6204407

Page: 1 of 3
08/30/2006 04:59P

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OUTER BANKS / KINNAKEET ASSOCIATES, LLC

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

6051 Currituck Rd

CITY

Kitty Hawk

STATE

NC

POSTAL CODE

27949-3807

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR1e. TYPE OF ORGANIZATION
LLC1f. JURISDICTION OF ORGANIZATION
NC

1g. ORGANIZATIONAL ID #, if any

☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

NC

POSTAL CODE

27889

COUNTRY

USA

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

First South Bank

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

PO Box 2047

CITY

Washington

STATE

NC

POSTAL CODE

27889

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

Security interest in all of the Borrower's personal property now owned or hereafter acquired, including, without limitation, all inventory, general intangibles, accounts and accounts receivable, either presently existing or arising in the future, and all fixtures, furnishings, and equipment, together with all additions and accessions now owned by the Borrower, or hereafter acquired, and all proceeds of the foregoing. This security interest is to be evidenced by a Security Agreement and UCC Financing Statements filed with the state and county of appropriate jurisdiction.

5. ALTERNATIVE DESIGNATION (if applicable):

☐ LESSOR/LESSOR☐ CONSIGNEE/CONSIGNOR☐ BAILEE/BAILOB☐ SELLER/BUYER☐ AG. LIEN☐ NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE)

All Debtors

Debtor 1

Debtor 2

8. OPTIONAL FILER REFERENCE DATA

9

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Aug 15 2022



6204407

Page: 3 of 3
08/30/2022 04:59P

EXHIBIT A

Legal Description, Kinnakeet Shores Waste Water Treatment Facility
(All references below are to the records of the Dare County Registry)

Parcel #1:

Lying and being in Kinnakeet Township, Dare County, North Carolina and being more particularly described as follows:

Beginning at an iron in the margin of the right of way of Dory Lane in Kinnakeet Shores Subdivision as shown on a plat of Phase 10 of Kinnakeet Shores Subdivision recorded in Plat Cabinet E. Slide 258, and being the northwesterly corner of Lot 16, Phase 9 of Kinnakeet Shores Subdivision as shown on a plat of Phase 9 recorded in Plat Cabinet E. Slide 257; thence from said point of beginning with the easterly margin or the right-of-way of Dory Lane in a northerly direction in two courses as follows: (1) with the arc of a circular curve to the right having a radius of 262.40 feet an arc distance of 3.40 feet, which arc is subtended by a chord of N. 10-04-07 E. 3.40 feet to an iron, and (2) with the arc of a circular curve to the left having a radius of 155.09 feet an arc distance of 105.15 feet, which arc is subtended by a chord of N. 08-58-59 W. 103.14 feet to an iron, a corner of Lot 8, Phase 10, Kinnakeet Shores Subdivision; thence with three lines of said Lot 8 as follows (1) N. 85-15-38 E. 8.23 feet to an iron, (2) N. 07-52-48 W. 254.90 feet to an iron, and (3) S. 84-00-23 W. 60.32 feet to an iron, a corner of John D. Gray (now or formerly); thence with the line of Gray N. 05-36-23 E. 468.61 feet to an iron, a corner of John R. Hooper (now or formerly); thence with Hooper's line and others N. 81-22-42 E. 709.58 feet to an iron in the line of Anthony Whitehurst (now or formerly) as described in deed in Book 740, page 504, and a corner of Frances Anderson (now or formerly) as described in deed in book 1599, page 127; thence with the line of Anderson and others S. 02-51-19 W. 560.00 feet to an iron in the line of R. Stewart Couch (now or formerly) as described in deed in Book 1491, page 36; thence with two of Couch's lines as follows: (1) S. 81-17-27 W. 39.44 feet to an iron, and (2) S. 06-01-37 W. 217.77 feet to an iron in the northwesterly margin of the right-of-way of Keel Court as shown on the plat of Phase 9, Kinnakeet Shores Subdivision; thence with said right-of-way in two courses as follows: (1) S. 51-03-42 W. 222.99 feet to an iron, and (2) with the arc of a circular curve to the right having a radius of 485.00 feet an arc distance of 80.05 feet, which arc is subtended by a chord of S. 55-47-24 W. 79.96 feet to an iron, the southeasterly corner of Lot 14, Phase 9 of Kinnakeet Shores Subdivision; thence with the line of said Lot 14, N. 29-28-54 W. 123.62 feet to an iron; thence with the rear lines of Lots 14, 15 and 16 of said Phase 9 S. 75-31-30 W. 263.31 feet to the point of place of Beginning, containing 12.99 acres as shown on a plat of survey by Bissell Professional Group dated Nov. 15, 1005 bearing Project No. 1523.

Being a part of that property conveyed to Outer Banks/Kinnakeet Associates, LLC by deed recorded in Book 1321, Page 193.

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Aug 15 2022

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Vanzolia McMurran, Register of Deeds Dare CO, NC

Doc Id: 6296334
Receipt #: 11-8521

6296334 B: 1871 P: 83 Page 1 of 1 7/12/11 1:30 PM

DOCKET NO. W-1125, SUB 4

LEGAL EXHIBIT 7

PAGE 1 OF 2

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

Jonathan Wingard 252-975-4816

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

First South Bank
Attn: Loan Administration/Loan Servicing
PO Box 2047
Washington, NC 27889

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

Dare County BK: 1699 PG: 52

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor ☒ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

Outer Banks / Kinnakeet Associates, LLC

OR 6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

7d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any

☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

First South Bank

OR 9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

10. DETIONAL/FILER REFERENCE DATA

6800476837

9

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Aug 15 2022



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Page: 2 of 3
08/30/2006 04:59P

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Aug 15 2022

DOCKET NO. W-1125, SUB 4
LEGAL EXHIBIT 7
PAGE 2 OF 2

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME	OUTER BANKS / KINNAKEET ASSOCIATES, LLC		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☒ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

Tax Parcel #031018000 Waste water plant Kinnakeet Shores Development West Side of NC 12, Ayon, NC

18. Additional collateral description:

See Attached
Exhibit A

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction - effective 30 years
☐ Filed in connection with a Public-Finance Transaction - effective for 30 years

9

FILED

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

DARE COUNTY

2012 MAR 14

AM 10:59 SUPERIOR COURT DIVISION

FILE NO.: 12-CVS-17

BPG, INC. d/b/a BISSELL
PROFESSIONAL GROUP,

DARE COUNTY, C.S.C.

BY BON

Plaintiff,

JUDGMENT

vs.

OUTER BANKS/KINNAKEET
ASSOCIATES, LLC,

Defendants.

Upon the foregoing confession of judgment, it is therefore ORDERED, ADJUDGED and DECREED that the Plaintiff have and recover of the Defendant the sum of \$89,847.83 (principal in the amount of \$87,967.97 and interest in the amount of \$1,879.86), plus costs.

This the 14th day of March, 2012.

Merlee J. Zerst
Clerk of Superior Court

OFFICIAL COPY

Aug 15 2022

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO.: 12-CVS-17

DARE COUNTY

2012 MAR 14 AM 10:46

BPG, INC. d/b/a BISSELL PROFESSIONAL GROUP.)
(BY _____)
(Plaintiff,)
(vs.)
(OUTER BANKS/KINNAKEET ASSOCIATES, LLC.)
(Defendants.)
(

CONFESSION OF JUDGMENT

NOW COMES the Defendant named above and shows to the court the following:

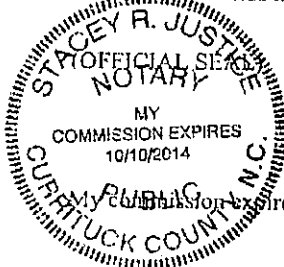
1. The Plaintiff is a North Carolina Corporation with its principal place of business in Dare County, North Carolina.
2. The Defendant is a Limited Liability Company with its principal place of business in Dare County, North Carolina.
3. The undersigned, a manager and authorized agent of the Defendant LLC, acknowledges that the Defendant is liable to the Plaintiff in the principal sum of \$87,967.97, plus pre-judgment interest at the rate of 12 percent per annum from December 27, 2011, said debt being owed the Plaintiff for the provision of engineering services under contract, as provided in the Complaint.
4. The sum of \$87,967.97 is justly due to the Plaintiff from the Defendant, plus pre-judgment interest at the rate of 12 percent per annum from the date of breach (December 27, 2011).
5. The undersigned hereby authorizes the entry of judgment in favor of the Plaintiff in the sum of \$87,967.97, plus pre-judgment interest at the rate of 12 percent per annum from December 27, 2011.

This is the 2nd day of February, 2012.
March

OUTER BANKS/KINNAKEET ASSOCIATES, LLC

By: Ray E. Hollowell, Jr., Managing Member

I, Stacey R. Justice, a Notary Public for said County and State, do hereby certify that Ray E. Hollowell, Jr. personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal, this the 2nd day of February, 2012.
March



Stacey R. Justice
Notary Public

My Commission Expires: 10/10/2014

DOCKET NO. W-1125, SUB 4
LEGAL EXHIBIT 8
PAGE 3 OF 5

FILED
JUL 19 2012
Clerk's Office
N.C. Utilities Commission

STATE OF NORTH CAROLINA
DURHAM COUNTY

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
FILE NO. 11 CVS 5541

STEFAN G. PLEWINSKI and LAYNE,
RUSSELL,

Plaintiffs,

v.

OUTER BANKS/KINNAKEET
ASSOCIATES, LLC,

Defendant.

CONFESSION OF JUDGMENT

NOW COMES the Defendant named above and shows the Court the following:

1. The Plaintiffs are citizens and residents of Durham County, North Carolina;
2. The Defendant is a Limited Liability Company with its principal place of business in Dare County, North Carolina;
3. The undersigned, a manager and authorized agent of the Defendant I.L.C. acknowledges that the Defendant is liable to the Plaintiffs in the principal sum of \$11,900.00, plus pre-judgment interest at the rate of 8 percent per annum from May 13, 2009, said debt being owed the Plaintiffs for the costs of installing a septic tank and wastewater pump;
4. The sum of \$11,900.00 is justly due to the Plaintiffs from the Defendant, plus pre-judgment interest at the rate of 8 percent per annum from the date of breach (May 13, 2009);
5. The undersigned hereby authorizes the entry of judgment in favor of the Plaintiff in the sum of \$11,900.00, plus pre-judgment interest at the rate of 8 percent per annum from May 13, 2009.

This the 12th day of March, 2012.

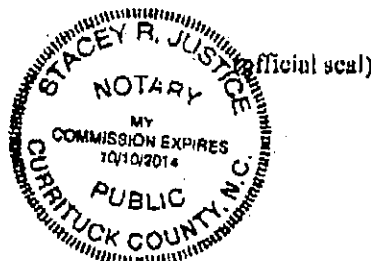
OUTER BANKS/KINNAKEET
ASSOCIATES, LLC

by: [Signature]
Ray E. Hollowell, Manager

I, Stacey R. Justice, a Notary Public for said County and State, do hereby certify that Ray E. Hollowell personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official seal, this the 12th day of March, 2012.

Stacey R. Justice
Notary Public

My Commission Expires: 10/10/2014



STATE OF NORTH CAROLINA

FILED

IN THE GENERAL COURT OF JUSTICE

DURHAM COUNTY

12 MAR 26 AM 9:08

SUPERIOR COURT DIVISION

File no: ~~1205~~ 2522

STEFAN G. PLEWINSKI and

LAYNE RUSSELL,

By DM

Plaintiffs

v.

OUTER BANKS/KINNAKEET

ASSOCIATES, LLC.,

Defendant.

JUDGMENT

JUDGMENT

Upon a confession of judgment, IT IS THEREFORE ORDERED that Plaintiffs have and recover of the Defendant the amount of \$11,900, with interest thereon at 8% per annum from May 13, 2009 until Judgment, and interest at 8% per annum from the date of Judgment until paid in full.

This the 26 day of March, 2012.

Lisa Selvin
Signature

Post CSC
Print Title

STATE OF NORTH CAROLINA

DURHAM

County

DURHAM COUNTY
FILED

APR 17 2012

AT 8:50 O'CLOCK A.M.
BY CLERK OF SUPERIOR COURT

12 CVS 2522 J001

In The General Court Of Justice

☐ District ☒ Superior Court Division

Name Of Plaintiff

STEFAN PLEWINSKI and LAYNE RUSSELL

VERSUS

Name Of Defendant

Outer Banks/Kinnakeet Associates, LLC

Name And Address Of Judgment Debtor 1

Outer Banks/Kinnakeet

Associates, LLC

PO Box 66

Harbinger

NC

27941

Name And Address Of Judgment Debtor 2

G.S. 1-234

CERTIFICATION OF TRANSCRIPT OF JUDGMENT

To The Clerk Of Superior Court Of The County Named Below:

Judgment was rendered in this action against the judgment debtor(s) indicated.

I certify that the following is a correct transcript from the Judgment Docket in my office and the required miscellaneous fee has been collected.

Amount Of Judgment	Date From Which Interest Due	Rate Of Interest	Court Costs
\$ 11,900.00	05-13-2009	8.00	\$ 0.00
Date Of Judgment	Transcript No.	Judgment Docket Book & Page	
	12 T 27		

Date	Signature
Name Of County Where This Transcript Is To Be Docketed	<input type="checkbox"/> Deputy CSC <input type="checkbox"/> Assistant CSC <input type="checkbox"/> Clerk Of Superior Court
DARE	

CERTIFICATION OF FILING AND DOCKETING TRANSCRIPT OF JUDGMENT

To The Clerk Of Superior Court Of The County In Which Transcribed Judgment Was Rendered:

I certify that the foregoing Transcript Of Judgment was filed and docketed in my office against the judgment debtor(s) indicated above as follows:

Date Of Docketing	Time	<input type="checkbox"/> AM <input type="checkbox"/> PM	Date
Name Of County Where This Transcript Was Docketed	Signature		
File No.	Judgment Docket Book And Page	<input type="checkbox"/> Deputy CSC <input type="checkbox"/> Assistant CSC <input type="checkbox"/> Clerk Of Superior Court	

DOCKET NO. W-1125, SUB 4

LEGAL EXHIBIT 9

PAGE 1 OF 2

Search by PIN Number Results•
•
•
•PARCEL DATA SHEETBUILDING PHOTOSTAX BILLTAX CERTIFICATION

Parcel: 031018000
PIN: 054905183600
St#: 41105 BIG KINNAKEET DR
District: [01] AVON
Subdiv: [0000] SUBDIVISION - NONE
Lot-Block-Sect: LOT:WASTEWATER TP
BLK: SEC:
Multiple Lots: 12.6AC Units: 0
Plat-Cab-Slide: PL: C SL: 140A
Status: EXEMPT

Owner: OUTER BANKS/KINNAKEET
 ASSOCIATES LLC

Owner:
Address: PO BOX 66

HARBINGER NC 27941

Ownership: PRIMARY**Nature of Ownership:** -**Deed Bk/Pg:** 1491/0036 - 4/25/2003**PUSE:** [9890] Pollution Abatement and Recycling

Land Value: 499,000
Building Value: 352,300
Misc Value: 1,600
Gross Real Estate Value: 852,900

** Values are for the 2012 tax bill period*

***** END OF RECORD *****

(data file last updated on 4/29/2013)

Values shown above are the 2012 billing values, which are based on the 2005 Revaluation (market value of January 1, 2005). The land and building data is based on data on file for 2012.

Ownership and parcel information is based on current data on file, and was last updated on 4/29/2013.

2013 Values based on the 2013 County-wide Property Revaluation will not be available on the county website until all appeals have been processed. See below for searching 2013 preliminary values via pdf files.

Values are preliminary until the appeals process is complete. Values will be available on the county website no later than the 2013 billing date, which is usually early July.

Notebooks listing 2013 preliminary values by owner's name or property address are available at the following locations:

- Dare County Appraisal Department, 962 Marshall Collins Dr, Manteo
- Dare County Library, 400 Mustian St., Kill Devil Hills
- Dare County Satellite Office, 50347 NC Hwy 12, Frisco

Click on the link for a pdf file of 2013 preliminary values by Owner's Name or by District and Address. Search instructions are included in the file.

The data in these notebooks, and the pdf files will not be updated for any changes made during the appeals process.

Dare County Government

Parcel Number: 031018000

County of Dare, North Carolina

*Owner and Parcel information is based on current data on file and was last updated on 4/29/2013

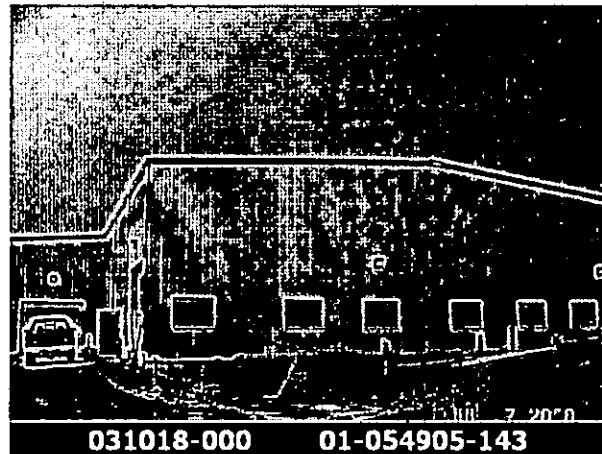
Owner Information:

OUTER BANKS/KINNAKEET ASSOCIATES LLC
PO BOX 66
HARBINGER NC 27941

Parcel Information:

Parcel: 031018000 PIN: 054905183600
District: 01 - AVON
Subdivision: SUBDIVISION - NONE
LotBlkSect: LOT:WASTEWATER TP BLK: SEC:
Multiple Lots: 12.6AC
PlatCabSlide: PL: C SL: 140A Units: 0
Deed Date: 4/25/2003 BkPg: 1491/0036

*All information below is based on 2012 data on file



Property Use: Pollution Abatement and Recycling

41105 BIG KINNAKEET DR

BUILDING USE and FEATURES

Building Billing Value: \$352,300

BUSE: Shp/Strg

Exterior Walls Modular Metal - N/A

Interior Walls N/A - N/A

Floors Concrete Finish - N/A

Roof Cover Modular Metal

Roof Structure Gable or Hip

Heat-Fuel N/A

Heat-Type N/A

Air Conditioning N/A

Actual Year Built: 2005

Baths: 1

Bedrooms: 0

FINISHED SQ FT: *please see notes below
drawing1 = 18000

MISCELLANEOUS USE

Misc Billing Value: \$1,600

Muse1: Storage/Wkshop

Muse2:

Muse3:

Muse4:

Muse5:

LAND USE

Land Billing Value: \$499,000

LUSE: Comm Village Acreage

Luse2: Marshland

Luse3:

Luse4:

Luse5:

Luse6:

LAND AREA: *please see notes below 12.2 Acres

Total 2012 Tax Billing Value: \$852,900

Values are for the 2012 tax bill period. *Finished Square Footage of the building(s) and Land Area information is based on data in the Tax Appraisal program as of March 2011.

OFFICIAL COPY

Aug 15 2022

Kinnakeet Shores Wastewater Treatment Plant and Collection System in Dare County

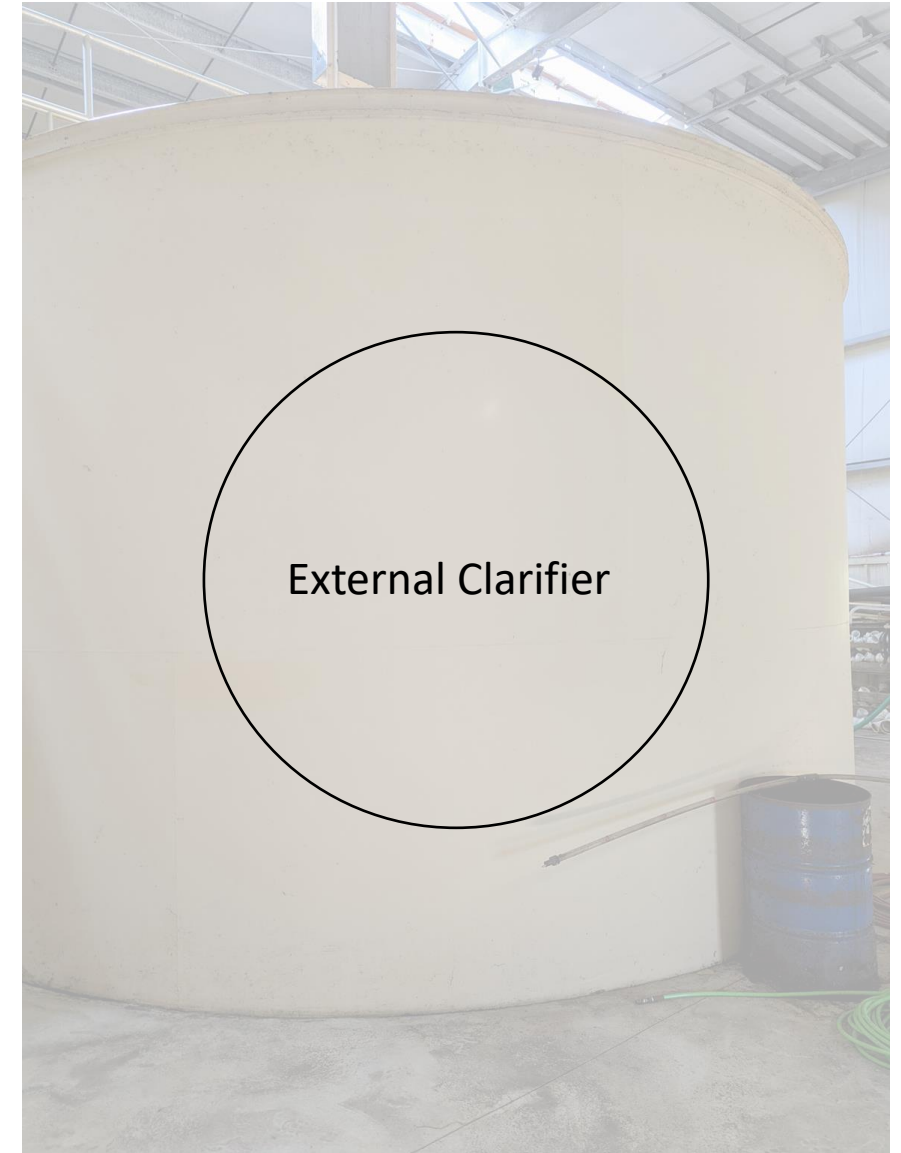
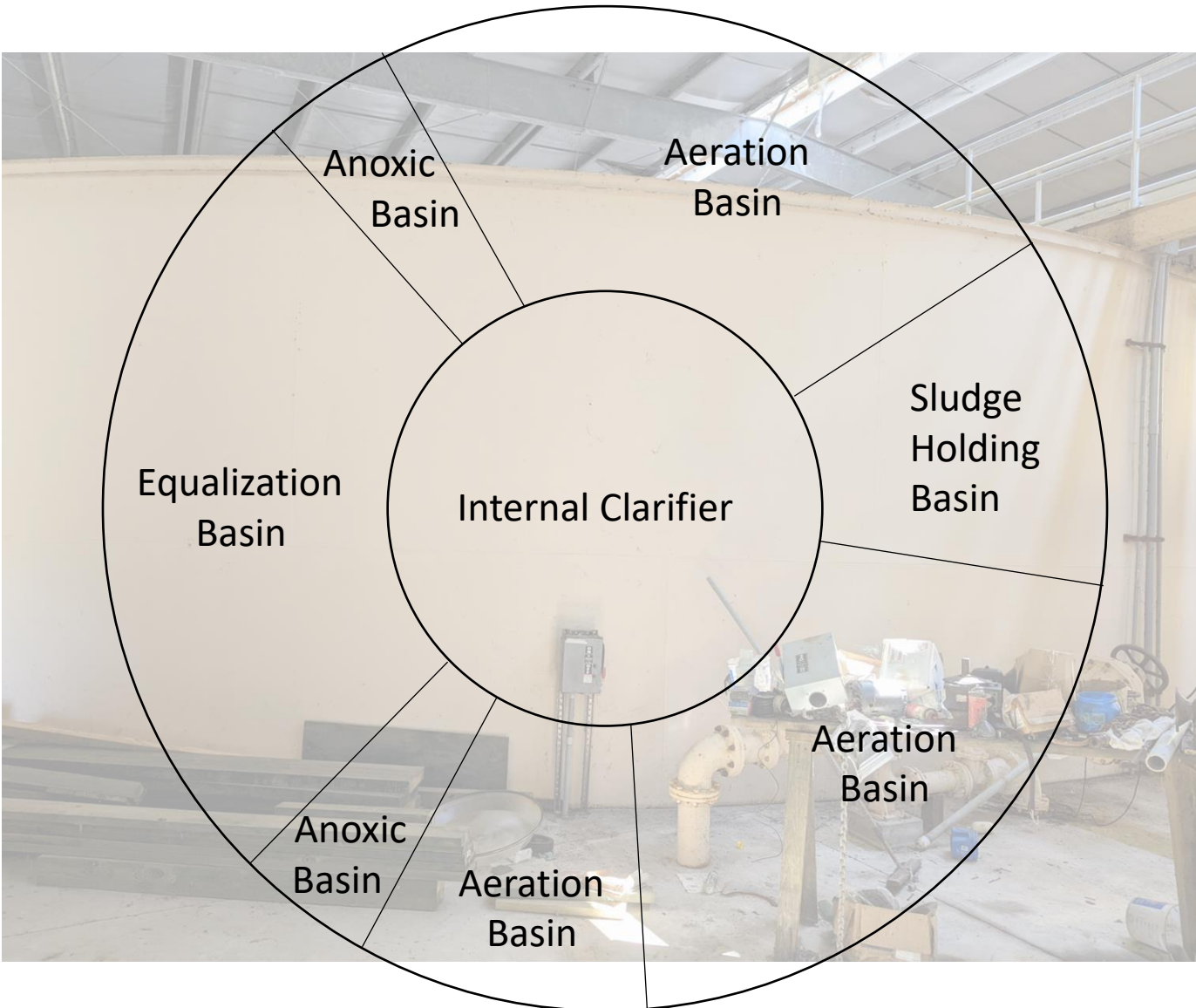
- Inspection on July 19, 2022
- DEQ Washington Regional Office – Robert Tankard, Robert Bullock, and Sarah Toppen
- Public Staff – Charles Junis
- Albermarle Environmental, Inc. – David Pharr and Michelle Pharr

Kinnakeet Shores Wastewater Treatment Plant

- Permit No. WQ0002284
- 350,00 Gallon Per Day (GPD) Reclaimed Water Generation and Non-Conjunctive Reclaimed Water Utilization System



Plant Diagram (not to scale)





<- Influent
Piping and
Return Piping

Manual Bar
Screen ->





Flow Equalization Basin

- 140,000 gallons
- Aerated
- Two 243 gpm submersible transfer pumps





Flow Splitter Box

- Two 243 gpm submersible transfer pumps would pump into the splitter box to divert flow between the two treatment trains





Anoxic Tanks

- Two 23,985 gallons
- Two submersible transfer pumps
- Two anoxic mixing pumps



Coarse Bubble Aeration Basin

- 125,000 gallons
- Original 50,000 gallons
- Two submersible recycle pumps





<- Coarse Bubble Aeration Basin

- 125,000 gallons
- Two submersible recycle pumps
- Used as sludge tank for approx. the past 10 years

Internal Clarifier ->

- 31,050 gallons
- Sweep arms at top and bottom of tank





External Clarifier

- 31,050 gallons
- Sweep arms at top and bottom of tank





Gear Box Assembly

- Drives the sweep arms at top and bottom of the clarifier tanks



Tertiary Filter

- 348 square feet
- Traveling bridge filter



OFFICIAL COPY

Aug 15 2022



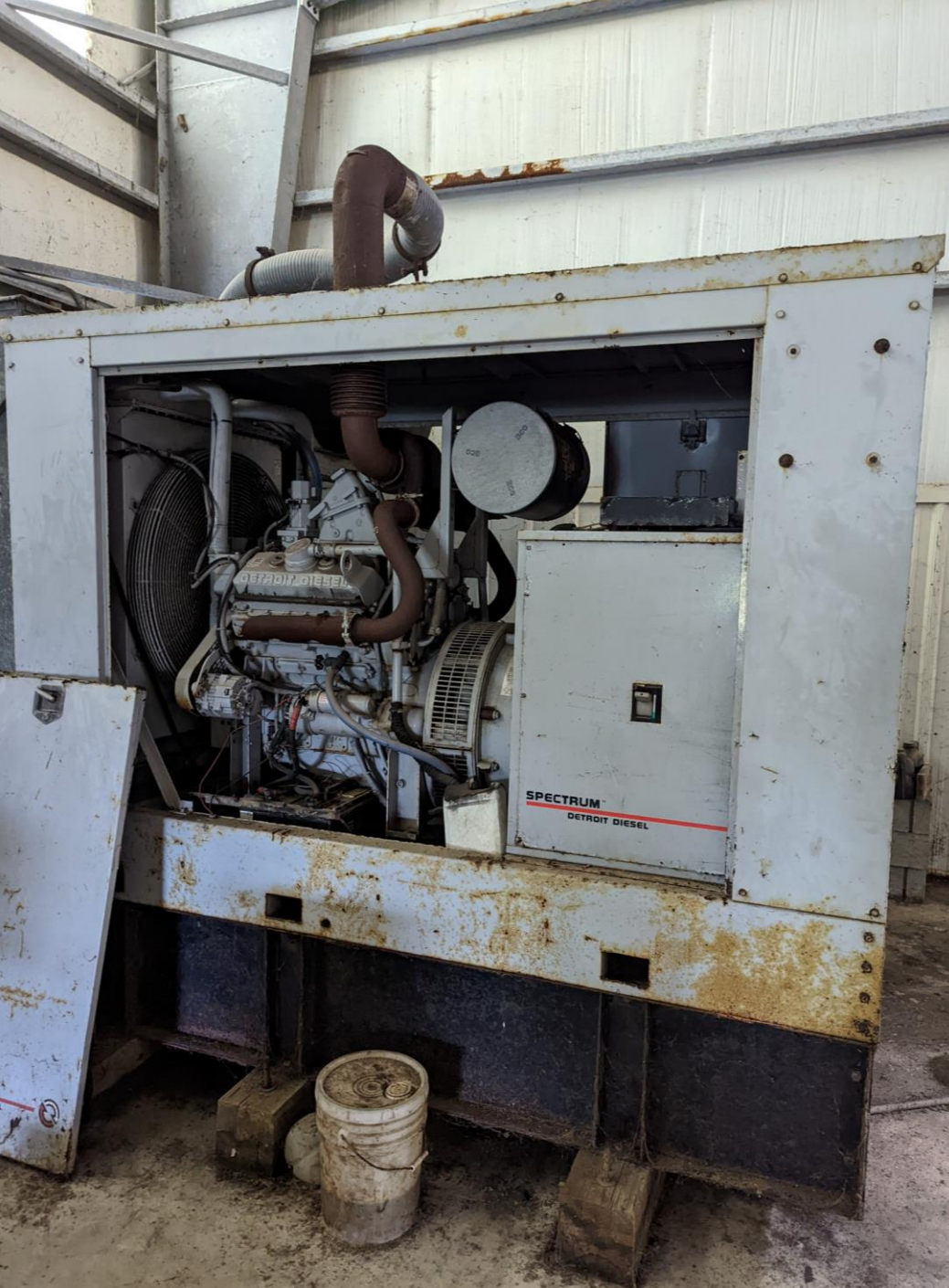


<- Filter Bypass
Piping

Chlorination
and
De-chlorination
System ->

- Ultraviolet disinfection is abandoned
- Chlorination tabs





<- On-site Backup Generator

- 125,000 gallons
- Two submersible recycle pumps
- Used as sludge tank for approx. the past 10 years

Blowers->

- 31,050 gallons
- Sweep arms at top and bottom of tank





Building

- Structural and roof damage



5-Day Upset Pond (see below)

- Lined
- 3.075 million gallons

Storage/ Infiltration Pond (see to right)

- Unlined
- 5.1 million gallons

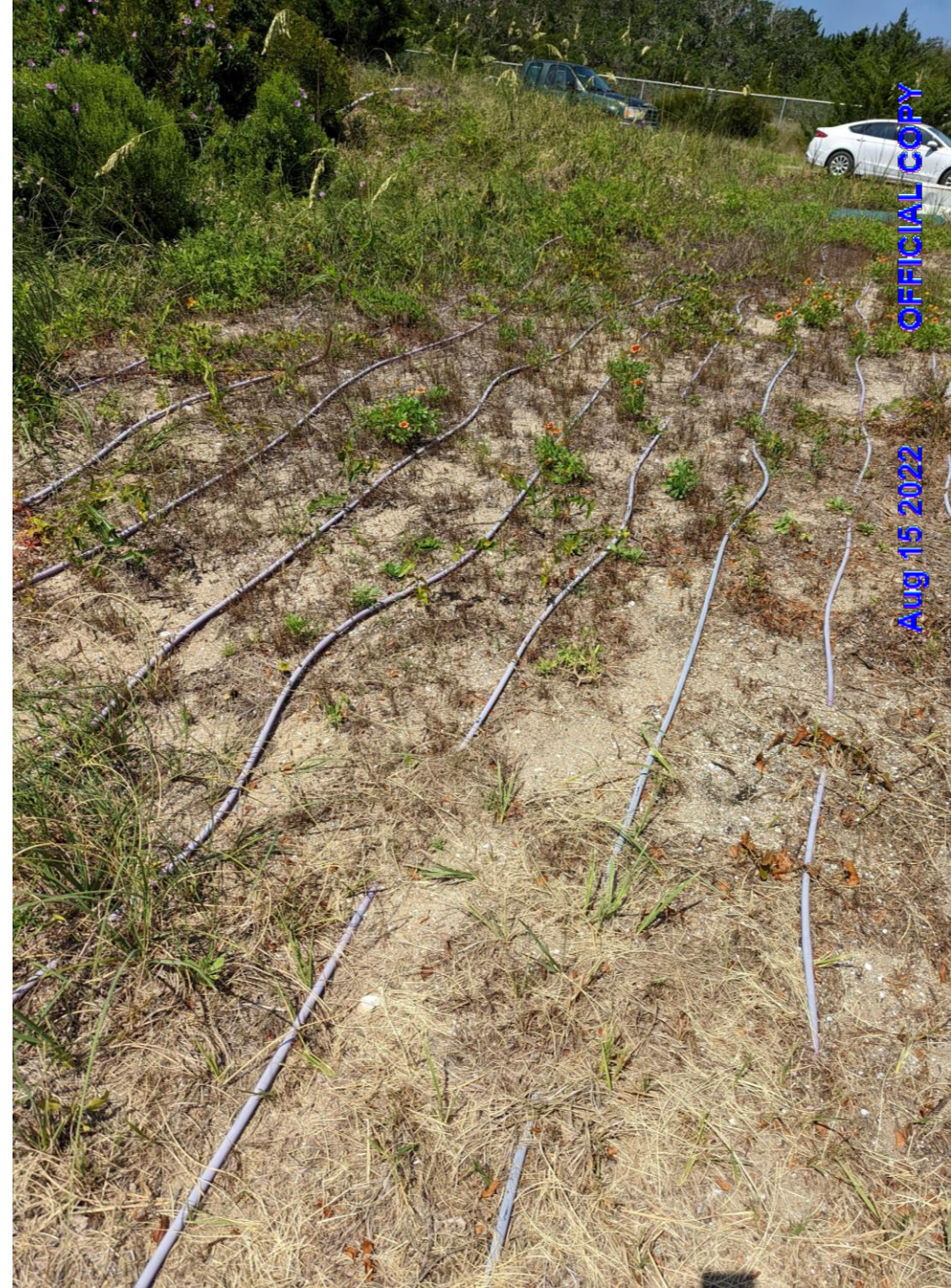




<- Irrigation
Pump

Irrigation
Piping->

- Permit requires 16.88 acres of irrigation area





<- Lakeside
Lift Station

- Grease

Portable
sump
pumps->



Direct Ext 2
I/A

Compliance Inspection Report

Permit: WQ0002284 Effective: 08/17/18 Expiration: 02/28/23 Owner : Outer Banks/Kinnakeet Associates LLC
SOC: Effective: Expiration: Facility: Kinnakeet Shores WWTP
County: Dare 41105 Big Kinnakeet Dr
Region: Washington Avon NC 27915

Contact Person: Ray E Hollowell Title: Manager Phone:

Directions to Facility:

On the outer banks, take NC Hwy 12 south of Rodanthe to Avon and take a right onto Big Kinnakeet Drive and follow to the gated end of drive

System Classifications: SI, WW2,

Primary ORC: David Pharr Certification: 21101 Phone: 252-473-3461

Secondary ORC(s):

On-Site Representative(s):

Related Permits:

Inspection Date: 07/19/2022 Entry Time 10:00AM Exit Time: 12:30PM
Primary Inspector: Robert B Tankard Phone: 252-946-6481 Ext.233

Secondary Inspector(s):

Robert E Bullock
Sarah A Toppen

Reason for Inspection: Follow-up Inspection Type: Compliance Evaluation

Permit Inspection Type: Reclaimed Water

Facility Status: ☐ Compliant ☒ Not Compliant

Question Areas:

<input checked="" type="checkbox"/> Treatment Flow Measurement-Effluent	<input checked="" type="checkbox"/> Treatment Flow Measurement-Influent	<input checked="" type="checkbox"/> Miscellaneous Questions
<input checked="" type="checkbox"/> Treatment Flow Measurement-Water Use Records	<input checked="" type="checkbox"/> Treatment	<input checked="" type="checkbox"/> Treatment Barscreen
<input checked="" type="checkbox"/> Treatment Filters	<input checked="" type="checkbox"/> Treatment Activated Sludge	<input checked="" type="checkbox"/> Treatment Influent Pump Station
<input checked="" type="checkbox"/> Treatment Clarifiers	<input checked="" type="checkbox"/> Treatment Disinfection	<input checked="" type="checkbox"/> Treatment Flow Measurement
<input checked="" type="checkbox"/> Treatment Return pumps	<input checked="" type="checkbox"/> End Use-Reuse	<input checked="" type="checkbox"/> Standby Power
<input checked="" type="checkbox"/> Wells		

(See attachment summary)

Inspection Summary:

The facility was inspected on July 19, 2022, to verify any repairs that had been made to the facility since the last NOV. Robert Tankard, Sarah Toppen and Robbie Bullock was present from DWR WaRO. Mr. Charles Junis was present from the Utilities staff. Mr. David Pharr and Ms. Michelle Pharr was present as the operators. The only improvement that was seen was the installation of the gear transducer for one of the clarifiers. However, the clarifier was still not operational because of a broken sprocket.

- *Three 3000 CFM blowers were out of service.
- *Both clarifiers are out of service.
- *Tertiary filter is out of service.
- *Anoxic mixing pumps need to be repaired.
- *Return pumps need to be repaired or replaced.
- *Chlorine was present but was not being metered into the tertiary filter. Tertiary filter being bypassed.
- *Irrigation equipment needs repair. System is non-operational. Only one irrigation pump on site.
- *Back-up generator needs to be replaced or repaired.
- *Failure to submit site map.
- *Failure to install monitoring wells.
- *Solids need to be removed from the wwtp.
- *Bypasses are being used to pump wastewater from the clarifier and tertiary filter to the UV channel.

TURBIDITY METER READ 3.9 NTU ON 7/19/2022. THE TURBIDITY METER HAS BEEN SUSPECT FROM PREVIOUS INSPECTIONS. DWR WILL REQUIRE METER CALIBRATION DOCUMENTATION FROM A THIRD PARTY.

Wastewater is being pumped into the WWTP facility and there is no treatment from the plant. Effluent will not meet permit limits. The irrigation/infiltration pond is loaded with algae and possibly solids. Not sure how long infiltration pond will work based on effluent going into pond.

This office considers this wwtp as non-compliant.

Type

	Yes	No	NA	NE
Infiltration System	<input type="checkbox"/>			
Lagoon Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, LR	<input type="checkbox"/>			
Single Family Spray, LR	<input type="checkbox"/>			
Activated Sludge Spray, HR	<input type="checkbox"/>			
Activated Sludge Drip, LR	<input type="checkbox"/>			
Recycle/Reuse	<input type="checkbox"/>			
Single Family Drip	<input type="checkbox"/>			
Reuse (Quality)	<input checked="" type="checkbox"/>			

Treatment

	Yes	No	NA	NE
Are Treatment facilities consistent with those outlined in the current permit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do all treatment units appear to be operational? (if no, note below.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: No treatment units are functioning as designed. Blowers, clarifiers, tertiary filter, disinfection was not being operated as designed.

Treatment Influent Pump Station

	Yes	No	NA	NE
Is the pump station free of bypass lines or structures?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the general housekeeping acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all pumps present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all pumps operable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are floats/controls operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are audio and visual alarms available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are audio and visual alarms operational?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
# Are SCADA/Telemetry alarms required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are SCADA/Telemetry available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are SCADA/Telemetry operational?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comment:

Treatment Flow Measurement-Influent

	Yes	No	NA	NE
Is flowmeter calibrated annually?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is flowmeter operating properly?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter monitor continuously?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter record flow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does flowmeter appear to monitor accurately?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comment:

Permit: WQ0002284
Inspection Date: 07/19/2022

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

Treatment Flow Measurement-Water Use Records

Is water use metered?

Yes No NA NE

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Are the daily average values properly calculated?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Comment:

Treatment Flow Measurement-Effluent

Is flowmeter calibrated annually?

Yes No NA NE

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Is flowmeter operating properly?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Does flowmeter monitor continuously?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Does flowmeter record flow?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Does flowmeter appear to monitor accurately?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Comment: Flowmeter has been questionable. Not sure if it is recording flow accurately.

Standby Power

Is automatically activated standby power available?

Yes No NA NE

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Is generator tested weekly by interrupting primary power source?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Is generator operable?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Does generator have adequate fuel?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Comment: Generator has not worked for several years.

Treatment Barscreen

Is it free of excessive debris?

Yes No NA NE

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Is disposal of screenings in compliance?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Are the bars spaced properly?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Is the unit in good condition?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Comment: The bar screen is in poor condition. Corrosion is taken its toll on the unit.

Treatment Activated Sludge

Is the aeration mechanism operable?

Yes No NA NE

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Is the aeration basin thoroughly mixed?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Is the aeration equipment easily accessed?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Is Dissolved Oxygen adequate?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Are Settleometer results acceptable?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Is activated sludge an acceptable color?

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Comment: Blowers were not operating at the time of the inspection. Only one blower was working, which was designed to supply air to the equalization basin.

Treatment Clarifiers

Are the weirs level?

Yes No NA NE

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Are the weirs free of solids and algae?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Permit: WQ0002284
Inspection Date: 07/19/2022

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

Is the scum removal system operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scum removal system accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the sludge blanket at an acceptable level?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the effluent from the clarifier free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Clarifier not functioning as designed. One clarifier has parts taken to repair the other clarifier and that clarifier is not functioning because of parts.

Treatment Return pumps

	Yes	No	NA	NE
Are they in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are they operational?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: One return pump is in place.

Treatment Filters

	Yes	No	NA	NE
Is the filter media present?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the filter media the correct size and type?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the air scour operational?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the scouring acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the clear well free of excessive solids?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the mud well free of excessive solids and filter media?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does backwashing frequency appear adequate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Filter is not operational.

Treatment Disinfection

	Yes	No	NA	NE
Is the system working?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do the fecal coliform results indicate proper disinfection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there adequate detention time (>=30 minutes)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the system properly maintained?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If gas, does the cylinder storage appear safe?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the fan in the chlorine feed room and storage area operable?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the chlorinator accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If tablets, are tablets present?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the tablets the proper size and type?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is contact chamber free of sludge, solids, and growth?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If UV, are extra UV bulbs available?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If UV, is the UV intensity adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Is it a dual feed system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the Stationary Source have more than 2500 lbs of Chlorine (CAS No. 7782-50-5)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then is there a Risk Management Plan on site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, then what is the EPA twelve digit ID Number? (1000-____-____)				

Permit: WQ0002284
Inspection Date: 07/19/2022

Owner - Facility: Outer Banks/Kinnakeet Associates LLC
Inspection Type : Compliance Evaluation

Reason for Visit: Follow-up

If yes, then when was the RMP last updated?

Comment: The liquid disinfection system was present but was not on. The operator was bypassing the filter, therefore was not using the disinfection system. Operator stated that he was using chlorine tablets, but did not see any in the effluent trough.

End Use-Reuse

Yes No NA NE

Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the acreage specified in the permit correspond to the measured acreage at the site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are all essential units provided in duplicate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is an automatically activated standby power source available?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the equalization capacity adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is aerated flow equalization present?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the turbidity meter been calibrated in the last 12 months?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the turbidity meter have recording capabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all flow diverted at the appropriate times?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater diverted from reuse storage unit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is all upset wastewater treated, retreated, or disposed of acceptably?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is upset wastewater treated prior to discharge to irrigation storage?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is public access restricted from irrigation area during active site use?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If golf course, is a sign posted in plain sight on the club house?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is the cover crop acceptable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are buffers adequate?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the site free of ponding/runoff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the acreage in the permit being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application equipment acceptable?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the application area free of limiting slopes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How close is the closest water supply well?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are any supply wells within 250' of the CB?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is municipal water available in the area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells located properly w/ respect to RB and CB?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are GW monitoring wells properly constructed, including screened interval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comment: Irrigation system is not functional. Only one irrigation pump. Wells have not been installed around the irrigation/infiltration pond.