STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1034, SUB 8 DOCKET NO. W-1034, SUB 10

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1034, SUB 8)
In the Matter of Application by Water Resources, Inc., for Authority to Increase Rates for Water Utility Service in Rocky River Plantation Subdivision in Cabarrus County and River Walk Subdivision in Mecklenburg County, North Carolina)))))))))
DOCKET NO. W-1034, SUB 10	ORDER REQUIRING TURTHER REPORT
In the Matter of Lenny Devitto, 8529 Indian Summer Trail, Harrisburg, North Carolina 28075, Complainant)
v.)
Water Resources, Inc.,)
Defendant.)

BY THE CHAIR: On July 29, 2022, the Commission issued an Order Requiring Compliance With 2018 Rate Case Order and DEQ Notices of Violation and Consent Judgment, and Requiring Filing of Further Reports in the above-captioned dockets. Among other things, the Commission directed Water Resources, Inc. (WRI), in Ordering Paragraph Nos. 2 and 3 to file certain specific information regarding a planned interconnection with the Town of Harrisburg (Harrisburg) water system, to comply with the deadline imposed by the North Carolina Department of Environmental Quality (DEQ) for completing and placing into service the interconnection with Harrisburg, and to file a report in these dockets within 10 days of the date this work is complete.

¹ On July 15, 2021, a Consent Judgment was issued regarding WRI's failure to provide the Rocky River Plantation subdivision with at least two operational wells or, in lieu of a second well, another approved water supply source pursuant to 15A N.C.A.C. 18C .0402(g)(5). The Consent Judgment requires WRI, among other things, to interconnect the Rocky River Plantation water system to Harrisburg's water system, or execute an alternate means of ensuring the Rocky River Plantation system is in compliance with state drinking water laws and regulations. Pursuant to the Revised Compliance Plan, WRI was to have completed construction and submitted Engineer's and Applicant's Certification to the DEQ Public Water Supply Section no later than September 9, 2022, and to place the interconnection into active service by no later than October 10, 2022.

On August 8, 2022, WRI filed an Updated Report in compliance with the Commission's July 29, 2022 order. With regard to the Harrisburg interconnection, WRI reported that Harrisburg had approved plans for the construction of the interconnection, that the current estimate of the cost to interconnect the water system with Harrisburg was approximately \$200,000, and that WRI had reached agreement in principle with the customer/landowner on the key terms of the acquisition of the easement required for the interconnection. WRI further reported that it was "working to prepare and finalize legal documents and working with the customer/landowner to schedule a date, likely within the next three weeks, to exchange payment and receive the signed deed of easement, which will be recorded in Cabarrus County upon receipt."

On September 19, 2022, WRI filed a Supplemental Compliance Status Update Report regarding the Harrisburg interconnection. In its supplemental report WRI indicated that despite more than two years of negotiation it has failed to reach agreement on the necessary easement. WRI further reported that it sent the customer/landowner a demand letter and that it will pursue condemnation if not resolved before the end of September. WRI now estimates that the cost of the interconnection will exceed \$250,000 — "exclusive of the costs associated with acquiring the easement, engineering work, legal representation, and internal staff time devoted to the project, among other miscellaneous expenses" — and anticipates a 10-month lead time to procure needed parts. Lastly, WRI reported that DEQ will not consent to further extensions of time or revisions to the timelines for compliance under the Consent Judgment and Revised Compliance Plan, and on September 12, 2022, DEQ filed a Motion for Entry of Order to Show Cause for Civil Contempt in Cabarrus County Superior Court.

After careful consideration the Chair finds good cause to issue this Order acknowledging receipt of WRI's Supplemental Compliance Status Update Report. The Chair further finds good cause to require WRI, in addition to the reporting requirements in the Commission's July 29, 2022 order, to file a further supplemental status report at the earlier of the execution of a deed of easement by WRI and the customer/landowner or the filing by WRI of a condemnation complaint.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 23rd day of September, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A. Shonta Dunston, Chief Clerk

A. Shorta (Durstan