

**OUTER BANKS/KINNAKEET ASSOCIATES, LLC**

**8351 Fern Lane**

**Connelly Springs, N. C. 28612**

May 27, 2022

A. Shonta Dunston

Chief Clerk Deputy

North Carolina Utilities Commission

4325 Mail Service Center

Raleigh, N.C. 27699-4300

Re: Docket No. W-1125, Sub 9

Dear Chief Clerk Ms. Dunston:

Needless to say, I'm excited to inform you today of the matters involving Outer Banks Kinnakeet Associates, LLC treatment facility located at Avon, North Carolina has a resolution to meet the needs of all concerned parties. We have vigorously pursued the location of "NON-MANUFACTURED PARTS" to complete the sequence of reinstating the process train to meet the needs of the general public. Ms. Michelle Pharr has vigorously researched for 10 months the location of a/or specific Clarifier. Through her research she located a site in Thomasville, Georgia that could manufacture/customize our part. We placed the order for this part in November 2021 with a certified funds check for \$6,700.00 to expedite the process. Since November we have requested updates and this week heard from the manufacturer on Monday that the part was ready. We were told Monday, May 23, 2022 that the part would arrive Thursday of this week and it did at 4:00 p.m. May 26, 2022. It essentially took 10+ weeks to design and manufacture the part. According to Mr. David Pharr, our onsite

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manager these parts are customized, although a site inspection is absolutely required to acknowledge its functionality and that is currently being done as we speak at this moment (3:40 p.m. Friday, May 27, 2022). Also, we received yesterday a very important driving pump required to begin the treatment process completely rebuilt and functional. That also is being installed as we speak. Ms. Michelle Pharr did an absolutely incredible amount of research in locating the manufacturer of the Clarifier and gear reducer. Ms. Pharr, who is also certified to run our plant, and her husband, who is David Pharr, is the specialist that ran our facility over the last 10+ years. Ms. Dunston, I must continually reiterate this Clarifier is no longer a manufactured item made today that could be sequestered in a warehouse that is available for distribution. Not true. To my knowledge as of today, we have the only Clarifier available in the Southeastern United States. Therefore, anyone who wants this particular part will start with a two dimensional drawing and in excess of 10 weeks to design and manufacture. There is no immediate response. According to our professional managers and operators we could do nothing towards the repair of the processing of the effluent until this Clarifier was secured.

Now the Clarifier, pump, and gear reducer are on site there will be 45 to 50 man hours of labor to install this equipment and pump out the Clarifier to return to operation. Immediately following the Clarifier repairs the filter can NOW be cleaned and repaired. Otherwise as the colloquial expression states it would be “throwing good money after bad” multiple times per months costing thousands of dollars.

Since this repair, we eliminate that ongoing expense. This sequentially leads to the flow meter and turbidity meter calibration. We are now requesting a quote to have a third party calibrate both the flow meter and the turbidity meter. We have subsequently replaced the flow meter and need calibration to verify the recordings are correct. This is certainly exciting to see this element come to fruition. Lastly, while simultaneously we have Mr. Hines of C. S. Hines

Septic to clean out as now requested by Mr. David Pharr who can then personally coordinate the work. Again, this should be done sequentially.

Of equal importance Mr. Robert Tankard, Division of Water Quality Director, has provided sites for three well points in close proximity to the plant. Mr. Mark Bissell of Bissell Professional Group, has provided me with an engineer to sink the three well points within the next four weeks. It will be my responsibility to engage him at his earliest availability.

It has been Mr. David Pharr's perspective that we provide little to no feedback on prospective repairs unless we are in an absolute position to perform. I agree with Mr. Pharr that we not add to any conversation regarding any future treatment facility's repair. However, we are now as of today in a position with the equipment that arrived yesterday to not only meet the needs of our plant but to keep you informed and updated on a daily or weekly basis as we progress through each repair item. Now that we have the sufficient parts in hand, installed in their place today, this will be the first of many ongoing updates. In essence everything stated herein should be completed in four to five weeks from start to finish. Therefore, we will have a quality product once the plant balances out. As they say, "that's a good thing"!!

We want to thank Mr. Robert Tankard, Division of Water Quality Director, for allowing us to utilize the plant's excess capacity for storing older sludge. This affords us the opportunity to state, as rumored, the plant has no further additional capacity. Actually, the plant is running at 38% to 40% of its 350,000-gallon capacity. Needless to say, therein lies the issue. Due to the elongated recessionary period, we overbuilt the plant from concept with little to no additional "hook-ups" over the last 10+ years from either home or commercial customers. We are now for the first time since 2005 ready to add significant customers, or were adding significant customers when I built the plant.

Two other items of interest are the fact that we have filed with the Utilities Commission a rate adjustment proposal on May 23, 2022. We have examined a rate increase that in essence should have occurred 10 years ago. In essence we lost significant revenue that could be justified to the public and the Public Staff as additional fees. Yes, we saved our customer base fees but limited our ability to meet specific needs. That will no longer be the case moving forward.

I thank you Ms. Dunston for the opportunity to apprise you of our extenuating positive circumstances that are now being addressed today. We look forward to your response to these matters.

Sincerely,

OUTER BANKS/KINNAKEEET ASSOC., LLC

Ray E. Hollowell, Jr.  
Manager

REH/lr

CC:

Mr. Edward S. Findley, Jr.

Ms. Pat Weston

Mr. Mark Bissell

Mr. David Pharr

Ms. Michelle Pharr

Mr. Ray E. Hollowell

Kinnakeet Shores Joint Petitioners

