

INFORMATION SHEET

PRESIDING: Commissioner McKissick, Jr., Presiding, Commissioners Brawley and Tucker

PLACE: Raleigh, NC

DATE: Tuesday, May 7, 2024

TIME: 10:02 a.m. to 11:01 a.m.

DOCKET NO.: W-1343 Sub 1

COMPANY: GWWTP, LLC

DESCRIPTION: In the Matter of Application by GWWTP, LLC, for a Certificate of Public Convenience and Necessity to Provide Wastewater Utility Service to Ginguite Woods Subdivision in Dare County, North Carolina and Approval of Rates

VOLUME NUMBER: 2

APPEARANCES

See attached

WITNESSES

See attached

EXHIBITS

See attached

REPORTED BY: Kaylene Clayton
TRANSCRIBED BY: Kaylene Clayton
DATE FILED: May 23, 2024

TRANSCRIPT PAGES: 46
PREFILED PAGES: 70
TOTAL PAGES: 116

1 PLACE: Dobbs Building, Raleigh, North Carolina
2 DATE: Tuesday, May 7, 2024
3 TIME: 10:02 a.m. - 11:01 a.m.
4 DOCKET: W-1343, Sub 1
5 BEFORE: Commissioner Floyd B. McKissick, Jr.
6 Commissioner William M. Brawley
7 Commissioner Tommy Tucker
8
9
10
11

12 IN THE MATTER OF:
13 Application by GWWTP, LLC
14 for a Certificate of Public Convenience and Necessity
15 to Provide Wastewater Utility Service
16 to Ginguite Woods Subdivision in
17 Dare County, North Carolina and
18 for approval of Rates

19 VOLUME 2
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A P P E A R A N C E S:
FOR GWWTP, LLC:
Edward S. Finley, Jr., Esq.
Edward S. Finley, Jr., PLLC
2024 White Oak Drive
Raleigh, North Carolina 27609

FOR THE USING AND CONSUMING PUBLIC:
Gina Holt, Esq.
James Bernier, Esq.
Public Staff - North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, North Carolina 27699-4326

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NORTH CAROLINA UTILITIES COMMISSION
APPEARANCE SLIP

DATE: 5-7-2024 DOCKET NO.: W-1139, 567, W-1343, 5.1.2 ^{W-1343, 5.1.1}

ATTORNEY NAME and TITLE: Elmer S. Finley, Jr.

Elmer S. Finley, Jr., PLLC

FIRM NAME: ↓

ADDRESS: 2024 White Oak Dr.

CITY: Raleigh STATE: NC ZIP CODE: 27608

APPEARANCE ON BEHALF OF: GWTP, LLC

APPLICANT: COMPLAINANT: INTERVENOR:

PROTESTANT: RESPONDENT: DEFENDANT:

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Email: _____

SIGNATURE: _____

(Signature Required for distribution of **CONFIDENTIAL** information)



NORTH CAROLINA UTILITIES COMMISSION
PUBLIC STAFF - APPEARANCE SLIP

DATE: May 7, 2024 DOCKET #: W-1343, Sub 1

PUBLIC STAFF ATTORNEYS: Gina Holt, James Bernier, Jr.

TO REQUEST A **CONFIDENTIAL** TRANSCRIPT, PLEASE PROVIDE YOUR EMAIL ADDRESS BELOW:

ACCOUNTING _____
CONSUMER SERVICES _____
COMMUNICATIONS _____
ENERGY _____
ECONOMICS _____
LEGAL: gina.holt@psncuc.nc.gov;
james.bernier@psncuc.nc.gov
TRANSPORTATION _____
WATER _____

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COUNSEL/MEMBER(S) REQUESTING A **CONFIDENTIAL** TRANSCRIPT WHO HAS SIGNED A CONFIDENTIALITY AGREEMENT WILL NEED TO SIGN BELOW.

/s/ Gina Holt
/s/ James Bernier

/A

GWWTP, LLC
 Docket No. W-1343 Sub 1
RETURN ON ORIGINAL COST RATE BASE
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 1

Sewer Operations

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$208,049 [2]	4.20% [1]	2.10%	\$8,738 [8]
2.	Equity	50.00%	208,048 [2]	35.20% [6]	17.60%	73,242 [9]
3.	Total	<u>100.00%</u>	<u>\$416,097 [3]</u>		<u>19.70%</u>	<u>\$81,980 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$208,049 [4]	4.20% [1]	2.10%	\$8,738 [8]
5.	Equity	50.00%	208,048 [4]	31.60% [6]	15.80%	65,753 [11]
6.	Total	<u>100.00%</u>	<u>\$416,097 [3]</u>		<u>17.90%</u>	<u>\$74,491 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$208,049 [5]	4.20% [1]	2.10%	\$8,738 [8]
8.	Equity	50.00%	208,048 [5]	9.80% [1]	4.90%	20,389 [8]
9.	Total	<u>100.00%</u>	<u>\$416,097 [3]</u>		<u>7.00%</u>	<u>\$29,127</u>

[1] Provided by Public Staff Regulatory Analyst Reger.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Sun Exhibit I, Schedule 2, Line 7, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Sun Exhibit I, Schedule 3, Line 30, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Sun Exhibit I, Schedule 3, Line 30, Column (e).

GWWTP, LLC
 Docket No. W-1343 Sub 1
ORIGINAL COST RATE BASE
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 2

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Sewer Operations

Line No.	Item	Per Application (a)	Public Staff Adjustments [1] (b)	After Public Staff Adjustments (c)
1.	Plant in service	\$550,345	(\$83,167)	\$467,178 [2]
2.	Accumulated depreciation	(96,556)	31,093	(65,463) [3]
3.	Contributions in aid of construction	0	0	0
4.	Accumulated amortization of CIAC	0	0	0
5.	Cash working capital	0	14,382	14,382 [4]
6.	Average tax accruals	0	0	0
7.	Original cost rate base (Sum of L1 thru L6)	<u>\$453,789</u>	<u>(\$37,692)</u>	<u>\$416,097</u>

[1] Column (c) minus Column (a).
 [2] Public Staff Sun Exhibit I, Schedule 2-1, Line 8, Column (a).
 [3] Public Staff Sun Exhibit I, Schedule 2-1, Line 8, Column (f).
 [4] Public Staff Sun Exhibit I, Schedule 2-2, Line 2.

GWWTP, LLC
 Docket No. W-1343 Sub 1
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
 DEPRECIATION, AND DEPRECIATION EXPENSE**
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 2-1

Line No.	<u>Item</u>	Plant in Service (a)	Year Placed In Service [1] (b)	Service Life In Years [1] (c)	Years in Service [2] (d)	GWWTP, LLC Annual Depreciation [3] (e)	GWWTP, LLC Accumulated Depreciation [4] (f)
Sewer:							
1.	Upgrade WWTP per State Regulations	\$6,008	2007	5	16.5	\$0	\$6,008
2.	Blower	1,159	2008	5	15.5	-	1,159
3.	Blower	381	2008	5	15.5	-	381
4.	Rotary Blower	34,924	2019	5	4.5	6,985	31,432
5.	Lift Station Pump	5,407	2022	5	1.5	1,081	1,622
6.	WWTP Steel Tank Replacement/Front End Upgrade	404,458	2022	25	1.5	16,178	24,267
7.	Fencing for Wastewater Treatment Plant	14,841	2023	25	1.0	594	594
8.	Total Sewer Plant (Sum L1 thru L8)	\$467,178				\$24,838	\$65,463

[1] Per Docket No. W-1139, Sub 3 and recommendation of the Public Staff witness Darden.
 [2] Based on year placed in service using half year convention through 12/31/2023.
 [3] Column (a) divided by Column (c), unless fully depreciated.
 [4] Column (d) multiplied by Column (e), unless fully depreciated.

GWTP, LLC
 Docket No. W-1343 Sub 1
CALCULATION OF REVENUE REQUIREMENT
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 2-2

Line No.	Item	Acquisition Adjustment	Future Improvement
1	Rate base additions	\$110,000 [1]	\$600,000 [6]
2	Depreciation rate	4.00% [2]	
3	Annual depreciation expense (L1 x L2)	<u>(4,400)</u>	<u>(26,667)</u>
4	Net plant in service (L1 - L3)	105,600	573,333
5	Pre tax rate of return	8.462% [3]	8.462% [3]
6	Return on plant in service (L4 x L5)	8,935	48,513
7	Annual depreciation expense	4,400 [4]	26,667 [4]
8	Revenue requirement before GRT (L6 + L7)	<u>13,335</u>	<u>75,180</u>
9	GRT gross up factor	99.85% [5]	99.85% [5]
10	Annual revenue requirement (L8 / L9)	<u>\$13,355</u>	<u>\$75,291</u>

[1] Public Staff Sun Exhibit 1, Schedule 2-3, Line 5.
 [2] Per Public Staff Witness Darden.
 [3] Public Staff Sun Exhibit 1, Schedule 4, Line 6, Column (d).
 [4] Line 3 amount.
 [5] Public Staff Sun Exhibit 1, Schedule 4, Line 8, Column (c).
 [6] Public Staff Sun Exhibit 1, Schedule 2-4, Line 3, Column (a).

GWWTP, LLC
 Docket No. W-1343 Sub 1
CALCULATION OF PURCHASE ACQUISITION ADJUSTMENT
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 2-3

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Purchase price	<u>\$110,000</u> [1]
2	Plant in service	7,548 [2]
3	Accumulated depreciation	<u>(7548)</u> [2]
4	Net plant in service (L2 - L3)	0
5	Purchase acquisition adjustment (L1 - L4)	<u><u>\$110,000</u></u>

[1] Per Asset Purchase Agreement.

[2] Per Docket No. W-1139, Sub 3

GWWTP, LLC
 Docket No. W-1343 Sub 1
**CALCULATION OF FUTURE IMPROVEMENT, ACCUMULATED
 DEPRECIATION, AND DEPRECIATION EXPENSE**
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 2-4

Line No.	Item	Plant in Service [1] (a)	Year Placed In Service [1] (b)	Service Life In Years [1] (c)	Years in Service [2] (d)	GWWTP, LLC Annual Depreciation [3] (e)	GWWTP, LLC Accumulated Depreciation [4] (f)
1.	Back-end replacement sewer plant	\$500,000	2024	25	1.0	\$20,000	\$20,000
2.	Additions and upgrades to the sewer plant	100,000	2024	15	1.0	6,667	6,667
3.	Total Future Improvement (L1+L2)	<u>\$600,000</u>				<u>\$26,667</u>	<u>\$26,667</u>

[1] Per Public Staff witness Darden

[2] Calculated based on year placed in service.

[3] Column (a) divided by Column (c), unless fully depreciated.

[4] Column (d) multiplied by Column (e), unless fully depreciated.

GWTP, LLC
Docket No. W-1343 Sub 1
**CALCULATION OF CASH WORKING CAPITAL
AND AVERAGE TAX ACCRUALS**
For the Test Year Ended August 31, 2023

Public Staff
Sun Exhibit I
Schedule 2-5

<u>Line No.</u>	<u>Item</u>	<u>Company</u> (a)
	<u>Cash Working Capital:</u>	
1.	Total O&M expenses	<u>\$115,056</u> [1]
2.	Cash working capital (L1 x 1/8)	<u><u>\$14,382</u></u>

[1] Public Staff Sun Exhibit I, Schedule 3, Line 20, Column (c).

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GWWTP, LLC
 Docket No. W-1343 Sub 1
NET OPERATING INCOME FOR A RETURN
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 3
 Page 1 of 2

Sewer Operations

Line No.	Item	Present Rates			Company Proposed Rates		Public Staff Recommended Rates	
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Per Public Staff [2] (c)	Net Company Increase [9] (d)	Operations After Rate Increase [10] (e)	Net Public Staff Increase [13] (f)	Operations After Rate Increase [14] (g)
Operating Revenues:								
1.	Service revenues	\$41,040	\$203,040	\$244,080 [3]	(\$9,736)	\$234,344 [3]	(\$68,719)	\$175,361 [15]
2.	Miscellaneous revenues	0	0	0	0	0	0	0
3.	Uncollectible accounts	0	0	0	0	0	0	0
4.	Total operating revenues (Sum L1 thru L3)	<u>41,040</u>	<u>203,040</u>	<u>244,080</u>	<u>(9,736)</u>	<u>234,344</u>	<u>(68,719)</u>	<u>175,361</u>
Operating Expenses:								
5.	Salaries	0	0	0	0	0	0	0
6.	Administrative and office expense	4,162	0	4,162	0	4,162	0	4,162
7.	Maintenance and repair	38,037	(11,573)	26,465 [3]	0	26,465	0	26,465
8.	Contractor operator	48,000	0	48,000 [3]	0	48,000	0	48,000
9.	Purchase Power/Electric	5,554	0	5,554 [3]	0	5,554	0	5,554
10.	Chemicals	2,265	0	2,265 [3]	0	2,265	0	2,265
11.	Testing	11,802	823	12,625 [3]	0	12,625	0	12,625
12.	Permit fees	1,310	0	1,310 [3]	0	1,310	0	1,310
13.	Sludge removal	28,958	(22,258)	6,700 [3]	0	6,700	0	6,700
14.	Insurance expense	347	0	347	0	347	0	347
15.	Contract management	0	0	0	0	0	0	0
16.	Lease Expense	0	0	0	0	0	0	0
17.	Other Expense: Legal fees	0	0	0	0	0	0	0
18.	Other Expense: Professional expenses	7,659	(32)	7,627 [4]	0	7,627	0	7,627
19.	Rate case expense	0	0	0	0	0	0	0
20.	Total operating expenses (Sum L5 thru L19)	<u>148,096</u>	<u>(33,040)</u>	<u>115,056</u>	<u>0</u>	<u>115,056</u>	<u>0</u>	<u>115,056</u>
Depreciation and Taxes:								
21.	Depreciation	28,165	(3,327)	24,838 [5]	0	24,838	0	24,838
22.	Property tax	0	0	0	0	0	0	0
23.	Payroll tax	0	0	0	0	0	0	0
24.	Regulatory fee - other taxes	0	360	360 [6]	(14)	346 [6]	(101)	259 [6]
25.	Gross receipts tax	0	0	0	0	0	0	0
26.	State income tax	0	2,377	2,377 [7]	(243)	2,134 [11]	(1,715)	662 [16]
27.	Federal income tax	0	19,469	19,469 [8]	(1,990)	17,479 [12]	(14,049)	5,420 [17]
28.	Total depreciation and taxes (Sum L21 thru L27)	<u>28,165</u>	<u>18,879</u>	<u>47,044</u>	<u>(2,247)</u>	<u>44,797</u>	<u>(15,865)</u>	<u>31,179</u>
29.	Total operating revenue deductions (L20 + L28)	<u>176,261</u>	<u>(14,161)</u>	<u>162,100</u>	<u>(2,247)</u>	<u>159,853</u>	<u>(15,865)</u>	<u>146,235</u>
30.	Net operating income for return (L4 - L29)	<u>(\$135,221)</u>	<u>\$217,201</u>	<u>\$81,980</u>	<u>(\$7,489)</u>	<u>\$74,491</u>	<u>(\$52,854)</u>	<u>\$29,126</u>

GWTP, LLC

Docket No. W-1343 Sub 1
FOOTNOTES TO SCHEDULE 3(b)
For The Test Year Ended December 31, 2022

Public Staff
Sun Exhibit 1
Schedule 3
Page 2 of 2

Sewer Operations

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Darden.
- [4] Per examination of the Company's financial records.
- [5] Public Staff Sun Exhibit I, Schedule 2-1, Column (e), Line 8.
- [6] Line 4 multiplied by .1475%.
- [7] Public Staff Sun Exhibit I, Schedule 3-1 ,Column (a), Line 12.
- [8] Public Staff Sun Exhibit I, Schedule 3-1 ,Column (a), Line 14.
- [9] Column (e) minus Column (c), unless otherwise footnoted.
- [10] Column (c) plus Column (d), unless otherwise footnoted.
- [11] Public Staff Sun Exhibit I, Schedule 3-1, Column (b), Line 12.
- [12] Public Staff Sun Exhibit I, Schedule 3-1, Column (b), Line 14.
- [13] Column (g) minus Column (c), unless otherwise footnoted.
- [14] Column (c) plus Column (f), unless otherwise footnoted.
- [15] Revenue requirement as calculated by the Public Staff.
- [16] Public Staff Sun Exhibit I, Schedule 3-1,Column (c), Line 12.
- [17] Public Staff Sun Exhibit I, Schedule 3-1,Column (c), Line 14.

GWTP, LLC
 Docket No. W-1343 Sub 1
CALCULATION OF INCOME TAXES
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 3-1

Line No.	Sewer Operations Item	Present	Company	Public Staff
		Rates [1] (a)	Proposed Rates [2] (b)	Recommended Rates [3] (c)
1.	Operating revenue	\$244,080	\$234,344	\$175,361
2.	Operating revenue deductions:			
3.	Operating expenses	115,056	115,056	115,056
4.	Depreciation expense	24,838	24,838	24,838
5.	Property taxes	0	0	0
6.	Other taxes	0	0	0
7.	Regulatory fee	360	346	259
8.	Gross receipts tax	0	0	0
9.	Interest expense	8,738	8,738	8,738
10.	Total deductions (Sum of L3 thru L9)	148,992	148,978	148,891
11.	State taxable income (L1 - L10)	95,088	85,366	26,470
12.	State income tax (L11 x 2.5%)	2,377	2,134	662
13.	Federal taxable income (L11 - L12)	92,711	83,232	25,808
14.	Federal income tax (L13 x 21%)	19,469	17,479	5,420
15.	Net amount (L13 - L14)	73,242	65,753	20,388
16.	Add: Interest expense (L9)	8,738	8,738	8,738
17.	Net income for return (L15 + L16)	<u>\$81,980</u>	<u>\$74,491</u>	<u>\$29,126</u>

[1] Public Staff Sun Exhibit I, Schedule 3, Column (c), unless footnoted otherwise.
 [2] Public Staff Sun Exhibit I, Schedule 3, Column (e), unless footnoted otherwise.
 [3] Public Staff Sun Exhibit I, Schedule 3, Column (g), unless footnoted otherwise.

GWWTP, LLC
 Docket No. W-1343 Sub 1
**CALCULATION OF COMPOSITE TAX RATE, RATE OF RETURN,
 AND GROSS UP FACTOR**
 For the Test Year Ended August 31, 2023

Public Staff
 Sun Exhibit I
 Schedule 4

<u>Line No.</u>	<u>Item</u>				
<u>Composite Tax Rate:</u>					
1	State income tax rate			2.500% [1]	
2	Federal income tax rate			21.000% [1]	
3	Composite tax rate (1-((1-2.5%) x (1-21%)))			<u>22.975%</u>	
<u>Pre-Tax Rate of Return:</u>					
		<u>Ratio</u> [2]	<u>Embedded Cost</u> [2]	<u>Weighted Cost</u> [3]	<u>Pre Tax Weighted Cost</u>
		(a)	(b)	(c)	(d)
4	Debt	50.00%	4.20%	2.100%	2.100% [4]
5	Equity	50.00%	9.80%	4.900%	6.362% [5]
6	Totals (L4+L5)	<u>100.00%</u>		<u>7.000%</u>	<u>8.462%</u>
<u>Gross Up:</u>					
7	Regulatory fee rate			0.1475% [1]	
8	Regulatory fee gross up factor (1 - .1475%)			<u>99.8525%</u>	

[1] Statutory rates.
 [2] Per Public Staff witness Greg.
 [3] Column (a) multiplied by Column (b).
 [4] Column (c), Line 4 amount.
 [5] Column (c), Line 5 divided by (1 minus Line 3).

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 May 29 2024

/A

Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 1

Front end of WWTP



Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 2

Back end of WWTP



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MAY 29 2024

Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 3

Back end of WWTP



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MAY 29 2024

Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 4

Back end of WWTP



Back end of WWTP



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Back end of WWTP



Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 7

Lift Station



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May 29 2024

Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 8

Blowers



Generator



Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 10

Infiltration Pond



Docket No. W-1343, Sub 1
Darden Exhibit 1
Photo 11

Site of the future Ginguite Mixed Use Development



GWWTWP, LLC
Docket No. W-1343, Sub 1
For the 12 Months Ending August 31, 2023

Public Staff
Darden Exhibit No. 2
Page 1 of 1

Revenue at Public Staff Recommended Rates

Public Staff Recommended Rates

SEWER

Billing Type	Flow Allocation ¹ (gallons per day)	SFE ²	SFE x 12 months	Monthly Flat Rate ⁵	Total Annual Revenue
				\$129.33	
Residential Customers ³	8,550	38	456		\$58,974
Mixed Use Residential ⁴	10,500	47	564		\$72,942
Mixed Use Restaurant	4,800	21	252		\$32,591
Mixed Use Retail Space	1,624	7	84		\$10,864
Total		113			\$175,371

Notes:

- Flow Allocation based on the design standards determined by 15A NCAC 02T .0014 rules.
- SFE = Single-Family Equivalent.
- Residential Customers represents the 38 existing customers of Southern Shores Landing subdivision. SFE based off of design standards of 3-bedroom home.
- Represents the 36 townhome units in the Ginguite Mixed Use Development. SFE based on 140 total bedroom units.
- Monthly flat rate is per SFE.

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY AND FOR APPROVAL OF RATES

INSTRUCTIONS

Notes or explanations placed in the margins of the application are acceptable. If additional space is needed, supplementary sheets may be attached. If any section does not apply, write "not applicable" or cross out the section.

APPLICANT

1. Trade name used for utility business GWWTP, LLC
2. Name of owner (if different from trade name) PO Box 90
3. Business mailing address 252-202-4528
City and state K Dev H s, NC Zip Code 27948
4. Business street address (if different from mailing address) _____
5. Business telephone number 252-441-9003
6. If corporation, list the following:
President _____ Vice President _____
Secretary _____ Treasurer _____
Three (3) largest stockholders and percent of voting shares held by each _____
7. If partnership, list the owners and percent of ownership held by each
Sumit Gupta 50% Ownership - 252-207-8997; and Amit Gupta 50% Ownership - 252-333-8464

PROPOSED UTILITY SERVICE AREAS

8. Name of Subdivision or Service Area Southern Shores Land ng / G ngu te M xed Use
9. County (or Counties) Dare
10. Type of Service (Water and/or Sewer) Sewer

PROPOSED RATES

(Amount Applicant Proposes to Charge)

11. Metered Residential Service:
Water: Not Applicable
Sewer: Not Applicable
12. Flat Rate Residential Service:
Water: Not Applicable
Sewer: \$172.82 per REU (1 REU = 225 gallon per day based on the new Section 18, Session Law 2-23-137 wastewater design flow rate)
13. Nonresidential Service (explain):
Water: Not Applicable
Sewer: \$172.82 per REU (1 REU = 225 gallon per day based on the new Section 18 Session Law 2-23-137 wastewater design flow rate) for Ginguie Mixed Use
14. Tap-on fees:
Water: Not Applicable
Sewer: \$3,500 per REU (1 REU = 225 gallon per day based on the new Section 18 Session Law 2-23-137 wastewater design flow rate)
15. Finance charge for late payment: 1% per month for unpaid balances
(NCUC Rule R12-9) specifies not more than one percent (1.0%) per month will be applied to the unpaid balance of all bills still past due 25 days after billing date.)
16. Reconnection charge if water service cut off by utility as specified in NCUC Rule R7-20: Not Applicable
17. Reconnection charge if water service discontinued at customer's request: Not Applicable
18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \$15.00
19. Other charges: Not Applicable

OFFICIAL COPY
May 29 2024

PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Month y
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 25 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)

(a) Meter reading at beginning and end of billing period	<u>No</u>
(b) Date of meter readings	<u>No</u>
(c) Gallons used, based on meter readings	<u>No</u>
(d) Amount due for current billing period listed as a separate amount	<u>Yes</u>
(e) Amount due from previous billing period listed as a separate amount	<u>Yes</u>
(f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount ..	<u>Yes</u>
6. Show how the following will appear on the billing statement:

(a) Mailing address of company: <u>PO Box 272 Harbinger, NC 27941</u>
(b) Address where bill can be paid in person: <u>8490 Caratoke Hwy, Powe s Po nt, NC 27966</u>
(c) Name and phone number of alternative persons to contact for emergency service after business hours: <u>Dave Robertson - 252-489-9711</u>
7. Is service already metered? (yes or no) No
8. Does the Applicant understand the provisions for establishing credit and collecting customer deposits set forth in NCUC Rules and Regulations, Chapter 12? (yes or no) Yes
(Customer deposits must be refunded to customers having not more than two (2) bills overdue during a 12-month period and who are not then delinquent on the payment of their bills, per NCUC Rule R12-5.)

PRESENT RATES

9. Are you presently charging for service? If so, describe the rates being charged.
Yes, the current approved month y charge s a f at rate of \$90.00 per customer
10. How long have these rates been in effect? Approx mate y 14 years

PERSONS TO CONTACT

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
11. General Manager	<u>Tina Gee</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	<u>252-491-8771</u>
12. Complaints or Billing	<u>Tina Gee</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	<u>252-491-8771</u>
13. Engineering Operations	<u>Dave Robertson</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	<u>252-491-8771</u>
14. Emergency Service	<u>Dave Robertson</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	<u>252-491-8771</u>
15. Accounting	<u>Tina Gee</u>	<u>8490 Caratoke HWY Powells Point, NC 27966</u>	<u>252-491-8771</u>

16. Are the names and phone numbers shown above listed in the phone book by each of the proposed service areas? (yes or no) Yes
17. Can customers make phone calls for service without being charged for a long distance phone call? (yes or no) Yes
18. Do persons designated to receive phone calls for emergency service, after regular business hours, have authority to provide the needed repairs without first contacting owner? (yes or no) Yes
19. List the qualifications of the person in charge of the utility system:
H red At ant c OBX 04/15/2022 as sewer operator- Cert f ed techn c ans perform test ng,ma ntenance as the operator n charge.
Contract Sewer Operator Contract attached as Exh b t 8.
20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: See attached Exh b t 5 - GWWTP Sett ement Agreement w th North Caro na Env ronmenta Management
Comm ss on due to past ssues re ated to prev ous Emergency Operator.

FINANCIAL STATEMENT

- 1. Will a separate set of books be maintained for the utility business?
Yes

- 2. Will a separate bank account be maintained for the utility business?
Yes

- 3. Are the revenues and expenses listed below based on past operations or are they estimated for future operations?
(actual or estimated) Past operations based on actual revenues and expenses as August 31, 2023

Note: If the Applicant already holds a public utility franchise, the proposed service area is new (i.e., there are no customers being served), and the proposed rates herein are the same as those previously approved, then the financial information below (lines 4 through 35) may be omitted.

REVENUES AND EXPENSES

For 12 Months Ended August 31, 2023 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
5. Residential service (metered rate)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
6. Nonresidential service (flat rate)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
7. Nonresidential service (metered rate)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
8. Other revenues (describe in remarks below)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
9. Total Revenues (Lines 4 thru 8)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
10. Total salaries (except owner)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
11. Salaries paid to owner	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
12. Administrative and office expense (except salaries)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
13. Maintenance and repair expense (except salaries)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
14. Transportation expenses	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
15. Electric power for pumping	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
16. Chemicals for treatment	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
17. Testing fees	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
18. Permit fees	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
19. Purchased water/sewer treatment	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
20. Annual depreciation	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
21. Taxes: State income taxes	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
22. Federal income taxes	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
23. Gross receipts (or franchise tax)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
24. Property taxes	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
25. Payroll taxes	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
26. Other taxes	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
27. Interest on debt during year	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
28. Other expenses (describe in remarks below)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
29. Total Expenses (Lines 10 thru 28)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>
30. Net Income (Line 9 minus Line 29)	\$ <u>Not Applicable</u>	\$ <u>See Exhibit A</u>

Remarks

- 31. Not Applicable

- 32. _____

- 33. _____

- 34. _____

- 35. _____

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	_____	_____	38	_____
37. Customers at end of year	_____	_____	38	_____
38. Average gallons used per customer	Not Applicable		per month	

COST OF UTILITY SYSTEM

1. Is the cost of utility system listed below based on past operation, or is it estimated for future operation?
(actual or estimated) Past operation based on the actual cost of the Sewer System
 2. Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no)
No.
- If no, list cost (purchase price to Applicant). The cost is the purchase price of \$110,000 + plant upgrades of \$440,343 on Exhibit B made by the Applicant prior to the CPCN Application.

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended August 31, 2023 (Date)

Note: List the total original cost to construct and establish the system, whether or not paid for by the present owner.

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
<u>Utility Property in Service</u>		
3. Land and rights-of-way	\$ Not Applicable	\$ See Exhibit B
4. Structures and site improvement	\$ Not Applicable	\$ See Exhibit B
5. Wells	\$ Not Applicable	\$ See Exhibit B
6. Pumping equipment	\$ Not Applicable	\$ See Exhibit B
7. Treatment equipment	\$ Not Applicable	\$ See Exhibit B
8. Storage tanks	\$ Not Applicable	\$ See Exhibit B
9. Mains (excluding service connections)	\$ Not Applicable	\$ See Exhibit B
10. Service connections	\$ Not Applicable	\$ See Exhibit B
11. Meters (including spare meters)	\$ Not Applicable	\$ See Exhibit B
12. Office furniture and equipment	\$ Not Applicable	\$ See Exhibit B
13. Transportation equipment	\$ Not Applicable	\$ See Exhibit B
14. Other utility property in service (describe in remarks below)	\$ Not Applicable	\$ See Exhibit B
15. Total utility property in service (Lines 3 thru 14)	\$ Not Applicable	\$ See Exhibit B
16. Less: accumulated depreciation	\$ Not Applicable	\$ See Exhibit B
17. Less: accumulated tap fees and other contributions in aid of construction	\$ Not Applicable	\$ See Exhibit B
18. Less: customer advances	\$ Not Applicable	\$ See Exhibit B
19. Net investment in utility property (Line 15 minus 16, 17, & 18)	\$ Not Applicable	\$ See Exhibit B

	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
<u>Utility Property Not in Service</u>		
20. Construction work in progress	\$ Not Applicable	\$ Not Applicable
21. Property held for future use	\$ Not Applicable	\$ Not Applicable
22. Other (describe in remarks below)	\$ Not Applicable	\$ Not Applicable

Remarks

23. Not Applicable
24. _____
25. _____
26. _____

OTHER FINANCIAL INFORMATION

1. Please provide the following capital structure information for the Company prior to the purchase of the new water and/or sewer system(s):

a. Capital structure as of February 1, 2015

b. Capital structure balances:

	<u>Amount</u>	<u>Percent Of Total Capital</u>
Long-term debt/loans	\$ <u>0</u>	<u>0</u>
Preferred stock (if any)	\$ <u>0</u>	<u>0</u>
Common equity:		
Common stock	\$ <u>0</u>	<u>0</u>
Retained earnings	\$ <u>0</u>	<u>0</u>
Total common equity	\$ <u>0</u>	<u>0</u>
 Total capital	 \$ <u><u>0</u></u>	 <u>100%</u>

2. The purchase price of the system will be financed as follows:

a. Long-term debt	\$ <u>0</u>
b. Short-term debt	\$ <u>0</u>
c. Common stock	\$ <u>0</u>
d. Retained earnings	\$ <u>0</u>
e. Other (please describe below on Line g)	\$ <u>110,000</u>
f. Total purchase price	\$ <u><u>110,000</u></u>

g. Description of other: Other is considered an Equity Investment from the Parent Company.

3. Please provide the following for improvements/additions to be made in the first year:

a. Brief description: Back end wastewater system upgrade - expected to be completed in 2024.

b. Financing:

(1) Long-term debt	\$ <u>0</u>
(2) Short-term debt	\$ <u>0</u>
(3) Common stock	\$ <u>0</u>
(4) Retained earnings	\$ <u>0</u>
(5) Other (please describe below on Line (7))	\$ <u>500,000</u>
(6) Total improvements/additions	\$ <u><u>500,000</u></u>

(7) Description of other: Other is considered an Equity Investment from the Parent Company.

- 1. Are there any major improvements/additions required in the next five years and the next ten years? Indicate the estimated cost of each improvement/addition, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

\$100,000.00 of additions and upgrades to be done after "back end" replacement is completed due to the age of the sewer plant. The Company plans to finance the improvements/additions using owners equity.

An investment of \$175,000 will be paid for by the Developer from 2024 through 2026 in order to connect the new residential and commercial customers in the Gungu te Mixed Use Development.

- 2. Are there any major replacements required in the next five years and the next ten years? Indicate the estimated cost of each replacement, the year it will be made, and how it will be financed (long-term debt, short-term debt, common stock, retained earnings, and other (please explain)).

The Company will be replacing the back end of the sewer plant in 2024 at an estimated cost of \$500,000. At this time the Company plans to finance the back end replacement using owner's equity.

- 3. Please fill out the attached addendum showing the projected cash flows and income statement for the first five years of operation of this system. This addendum should be for the utility system for which the subject application is being submitted, exclusively. Instructions are included on page 3 of the addendum. The following information may be provided instead of filing the addendum:

- (1) Audited financial statements for the utility and/or parent company.
- (2) Budgets, capital and operating, for the company's North Carolina utility operations for the next five years.
- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the utility's and/or parent company's North Carolina utility operations.

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

1. If the Applicant is a corporation, enclose a copy of the Articles of Incorporation on file with the North Carolina Secretary of State. (Not required if previously filed with the Commission.)
2. If the Applicants are doing business as a partnership, enclose a copy of the partnership agreement. (Not required if previously filed with the Commission.)
3. If the Applicant is conducting business under a trade name or d/b/a, enclose a copy of the certificate filed with the register of deeds in each county where the Applicant will be conducting business as required by G.S. 66-68.
4. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each water system.
5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system.
6. Enclose a copy of a Division of Environmental Health (DEH) report on a chemical analysis of untreated water from each well. (This should not be confused with the monthly samples submitted to DEH for bacteriological analysis. Contact DEH for instructions to obtain a sample for chemical analysis.)
7. Enclose a copy of purchase agreements or contracts showing provision for ownership or control of the water or sewer systems, including sites for wells or treatment plants.
8. Enclose a copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party (land developers, customers, etc.) regarding the proposed utility services, including contracts regarding tap fees, construction costs, easements, and rights-of-way, etc. (If none, write "none"). See Exhibit 8
9. Enclose a vicinity map showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions. (A county roadmap with the subdivisions outlined is suggested.)
10. Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc.
11. Enclose a copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the detail of how the estimated cost was determined, and indicating which plant items, if any, will be contributed to the utility.
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant.
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant.
14. If the information requested in Exhibits 12 and 13 is not available, enclose a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company.

FILING INSTRUCTIONS

15. Eight (8) copies of the application and exhibits shall be filed with the **North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4325**. One of these copies must have an original signature. (Applicants must also provide any copies to be returned to them.)
16. Enclose a filing fee as required by G. S. §62-300. A Class A company (annual revenues of \$1,000,000 or more) requires a \$250 filing fee. A Class B company (annual revenues between \$200,000 and \$1,000,000) requires a \$100 filing fee. A Class C company (annual revenues less than \$200,000) requires a \$25 filing fee. **MAKE CHECK PAYABLE TO THE N.C. DEPARTMENT OF COMMERCE/UTILITIES COMMISSION.**

SIGNATURE

17. Application shall be signed and verified by the Applicant.

Signature [Handwritten Signature]

Date 1/5/2024

18. (Typed or Printed Name) Prem Gupta

personally appearing before me and, being first duly sworn, says that the information contained in this application and in the exhibits attached hereto are true to the best of his/her knowledge and belief.

This the 5 day of January, 2024.

[Handwritten Signature] Brandie Cavanaugh
Notary Public

Dare County
Address

My Commission Expires: 02 December 2026
Date



ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Projected Income Statement

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Operating revenue</u>						
1.	Metered service revenue	See Exhibit C				
2.	Flat rate service revenue					
3.	EPA testing surcharge					
4.	Re-connect fees					
5.	Returned check charge					
6.	Late payment charge					
7.	Other operating revenue					
8.	Total operating revenue (Sum of Line 1 thru Line 7)					
<u>Operating expenses</u>						
9.	Total salaries and wages (employees only)					
10.	Outside labor expenses (non-employees)					
11.	Administrative and office expense					
12.	Maintenance and repair expense					
13.	Purchased water					
14.	Purchased sewage treatment					
15.	Electric power expense (exclude office)					
16.	Chemicals expense					
17.	Testing fees					
18.	Transportation expense					
19.	Other operating expense					
20.	Total operation and maintenance expenses (Sum of Line 9 thru Line 19)					
21.	Annual depreciation expense					
22.	Property taxes paid on utility property					
23.	Payroll taxes					
24.	Franchise (gross receipts) tax					
25.	Annual NCUC regulatory fee					
26.	Total operating expenses (Sum of Line 20 thru Line 25)					
<u>Income Taxes</u>						
27.	State income taxes					
28.	Federal income taxes					
29.	Total income taxes (Line 27 + Line 28)					
30.	Net operating income (loss) (Line 8 - Line 26 - Line 29)					
31.	Interest expense					
32.	Net income (loss) (Line 30 - Line 31)					

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Statement of Cash Flows

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Cash Flows From Operating Activities</u>						
1.	Pre-tax operating income (loss):					
2.	Total operating revenue	See Exhibi C				
3.	Less: Operation and maintenance expenses					
4.	Less: Taxes other than income					
5.	Pre-tax operating income (loss)					
6.	Income tax calculation:					
7.	Pre-tax operating income (loss)					
8.	Plus: Contributions in aid of construction					
9.	Less: Tax depreciation					
10.	Less: Interest expense					
11.	Taxable income (loss)					
12.	State income tax					
13.	Federal income tax					
14.	Total income taxes to be paid					
15.	Net cash provided by (used in) operating activities					
<u>Cash Flows From Investing Activities</u>						
16.	Purchases of utility plant					
17.	Plus: Cash bonds posted					
18.	Less: Contributions in aid of construction					
19.	Less: Proceeds from disposal of utility plant					
20.	Net cash used (provided) by investing activities					
<u>Cash Flows From Financing Activities</u>						
21.	Proceeds from issuing short term debt					
22.	Less: Principal repayment of short term debt					
23.	Plus: Proceeds from issuing long term debt					
24.	Less: Principal repayment of long term debt					
25.	Less: Interest payment for short and long term debt					
26.	Plus: Proceeds from issuing stock					
27.	Less: Dividends paid					
28.	Plus: Funds provided by owner					
29.	Net cash provided (used) by financing activities					
30.	Net increase (decrease) in cash					
31.	Cash balance at beginning of year					
32.	Cash balance at end of year					

ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES

Instructions

1. These schedules should reflect all revenues, costs, investment, etc. associated with or to be associated with the utility system for which the subject franchise application is being submitted, exclusively.
2. For purposes of forecasting future expenses, as a simplifying assumption, it may be assumed that increases in such costs due to increases in general price levels, (i.e., inflation) will on average be offset by concurrent rate increases. Thus, no provision(s) for such offsetting changes will need to be made in forecasting costs.
3. A written detailed narrative explanation of all assumptions underlying the information and data contained in this addendum and five (5) copies of all workpapers developed in completing the addendum are to be filed with the Commission's Chief Clerk concurrent with the filing of the franchise application.
4. Computations for Statement of Cash Flows (Page 2 of Addendum)
 - (a) Line 2 should agree with Addendum Page 1 - Projected Income Statement, Line 8.
 - (b) Line 3 should agree with Addendum Page 1 - Projected Income Statement, Line 20.
 - (c) Line 4 should agree with Addendum Page 1 - Projected Income Statement, Sum of Line 22 thru Line 25.
 - (d) Line 14 should equal Line 12 plus Line 13.
 - (e) Line 15 should equal Line 5 less Line 14.
 - (f) Line 30 should equal Line 15 less Line 20 plus Line 29.
 - (g) Line 31 should equal the cash balance at the end of the prior year, except for the beginning balance for Year 1, which should be zero.
 - (h) Line 32 should equal Line 30 plus Line 31.

Addendums to Application

Exhibit A – Income Statement

Exhibit B – Rate Base

Exhibit C - Projected Income Statement

GWWT, LLC
Docket Nos. W-1343, Sub 0; W-1139, Sub 7
Income Statement
For the Twelve Months Ended August 31, 2023

Exhibit A

Operating Revenues:

Service revenues	\$41,040
Miscellaneous revenues	0
Uncollectible accounts	0
Total operating revenues	<u>41,040</u>

Operation & Maintenance Expenses:

Salaries	0
Administrative & office expense	4,162
Maintenance & repair expense	38,037
Contract Operator - Atlantic OBX	48,000
Utilities - Electric power expense	5,554
Chemicals for treatment	2,265
Testing fees	11,802
Permit fees	1,310
Sludge removal	28,958
Other Expenses: Professional expenses	7,659
Other Expenses: Insurance expense	347
Other Expenses: Professional expenses (Legal/Accounting)	0
Other Expenses: Miscellaneous expense	0
Regulatory expenses	0
Total O&M expenses	<u>148,096</u>

Depreciation and Taxes:

Depreciation expense	28,165
Amortization of CIAC	0
Property taxes	0
Payroll taxes	0
Other taxes	0
Regulatory Fee	0
State income tax	0
Federal income tax	0
Total depreciation and taxes	<u>20,691</u>

Total operating revenue deductions	<u>168,787</u>
------------------------------------	----------------

Net operating income for a return	<u>(\$127,747)</u>
-----------------------------------	--------------------

Note:

Atlantic OBX was hired as the new operator in April 2022 and has records from then through the current date.

GWWTP, LLC
Docket Nos. W-1343, Sub 0; W-1139, Sub 7
Utility Plant in Service
For the Twelve Months Ended August 31, 2023

Exhibit B

Item	Year in Service	Plant in Service	Service Life	Years in Service	Accumulated Depreciation	Net Plant Amount	Annual Depreciation	
Upgrade WWTP per State Regulations	2007	\$6,008	1/	5	N/A	\$6,008	\$0	\$0
Blower	2008	1,159	1/	5	N/A	1,159	-	-
Blower	2008	381	1/	5	N/A	381	-	-
Acquisition Adjustment related to Purchase	2016	110,000	2/	25	7.5	33,000	77,000	4,400
Rotary Blower	2019	34,924		5	4.5	31,432	3,492	6,985
Fencing for Wastewater Treatment Plant	2022	14,841		25	1.5	890	13,951	594
Lift Station Pump	2022	5,407		5	1.5	1,622	3,785	1,081
WWTP Steel Tank Replacement/ Front End Upgrade	2023	377,625		25	0.5	7,553	370,073	15,105
Total Rate Base		\$550,345				\$82,045	\$468,300	\$28,165

1/ Per Docket No. W-1139, Sub 3. Bradley Exhibit I, Schedule 2-1.

2/ Purchase price of \$110,000 - Includes one acre of land plus the utility facilities on the land in APA dated June 17, 2016, as well as the purchase of the wastewater lagoon per APA in 2017. Both contracts are attached as exhibits to the CPCN Application.

Addendum to Application for A Certificate of Public Convenience & Necessity and for Approval of Rates

OPERATING BUDGET

	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
Operating Revenues					
Metered service revenue					
Flat rate service revenue	\$78,655	\$194,918	\$286,048	\$286,048	\$286,048
Re connect fees					
Returned check charge					
Late payment charge					
Other operating revenue					
Total operating revenue	\$78,655	\$194,918	\$286,048	\$286,048	\$286,048
Operating expenses					
Salaries	\$0	\$0	\$0	\$0	\$0
Administrative & office expense	4,287	4,416	4,548	4,685	4,825
Maintenance & repair expense	39,178	40,354	41,564	42,811	44,096
Contract Operator - Atlantic OBX	49,440	50,923	52,451	54,024	55,645
Utilities - Electric power expense	5,721	5,893	6,069	6,251	6,439
Chemicals for treatment	2,333	2,403	2,475	2,550	2,626
Testing fees	12,156	12,521	12,897	13,284	13,682
Permit fees	1,349	1,390	1,431	1,474	1,519
Sludge removal	29,827	30,722	31,643	32,593	33,571
Other Expenses: Professional expenses	7,889	8,125	8,369	8,620	8,879
Other Expenses: Insurance expense	357	368	379	391	402
Other Expenses: Professional expenses (Legal/Accounting)	0	0	0	0	0
Other Expenses: Miscellaneous expense	0	0	0	0	0
Regulatory expenses	0	11,395	11,395	11,395	11,737
Total operation and maintenance expenses	\$152,539	\$168,510	\$173,223	\$178,078	\$183,420
Annual depreciation expense	\$48,165	\$52,165	\$52,565	\$52,965	\$53,365
Property taxes paid on utility property	-	-	-	-	-
Payroll taxes	-	-	-	-	-
Franchise (gross receipts) tax	-	-	-	-	-
Annual NCUC regulatory fee	116	288	422	422	422
Total operating expenses	\$200,820	\$220,962	\$226,210	\$231,465	\$237,207
Income Taxes					
State income taxes @ 2.5%	\$0	\$0	\$1,496	\$1,365	\$1,221
Federal income taxes @ 22%	-	-	12,252	11,176	10,000
Total income taxes	-	-	13,748	12,541	11,221
Net operating income (loss)	(122,164)	(26,044)	46,090	42,042	37,620
Interest expense	-	-	-	-	-
Net income (loss)	(\$122,164)	(\$26,044)	\$46,090	\$42,042	\$37,620

Addendum to Application for A Certificate of Public Convenience & Necessity and for Approval of Rates

STATEMENT OF CASH FLOWS

	Year 1	Year 2	Year 3	Year 4	Year 5
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
PRE TAX OPERATING INCOME (LOSS)					
Total Operating Revenue	\$78,655	\$194,918	\$286,048	\$286,048	\$286,048
Operation and Maintenance Expenses	152,539	168,510	173,223	178,078	183,420
Taxes Other than Income	116	288	422	422	422
Pre Tax Operating Income (Loss)	(\$73,999)	\$26,121	\$112,403	\$107,548	\$102,206
INCOME TAX CALCULATION					
Pre Tax Operating Income (Loss)	(\$73,999)	\$26,121	\$112,403	\$107,548	\$102,206
CIAC	0	136,500	126,000	0	0
Tax Depreciation	-	-	-	-	-
Interest Expense	0	-	-	-	-
Taxable Income (Loss)	(\$73,999)	26,121	112,403	107,548	102,206
State Income Tax	(1,850)	653	2,810	2,689	2,555
Federal Income Tax	(15,151)	5,348	23,015	22,021	20,927
Total Income Taxes to be Paid	(17,001)	6,001	25,825	24,709	23,482
Net Cash Used (provided) by Operating Activities	(\$56,998)	\$20,119	\$86,579	\$82,839	\$78,724
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Purchase of Utility Plant	\$500,000	\$100,000	\$10,000	\$10,000	\$10,000
Plus: Cash Bonds Posted					
Less: CIAC	-	136,500	126,000	-	-
Less: Proceeds from Disposal of Utility Plant					
Net Cash Used by Investing Activities	\$500,000	\$236,500	\$136,000	\$10,000	\$10,000
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Proceeds from Short Term Debt					
Less: Principal Repayment of Short Term Debt					
Plus: Proceeds from Long Term Debt					
Less: Principal Repayment of Long Term Debt					
Less: Interest Payment for Debt	0	0	0	0	0
Plus: Proceeds from Equity					
Less: Dividends Paid					
Plus: Funds Provided by Owner	\$500,000	\$100,000	\$10,000	\$10,000	\$10,000
Net Cash Provided by Financing Activities	\$500,000	\$100,000	\$10,000	\$10,000	\$10,000
Net Increase (Decrease in Cash)	(\$56,998)	(\$116,381)	(\$39,421)	\$82,839	\$78,724
Cash Balance at Beginning of Year	\$0	(\$56,998)	(\$173,379)	(\$212,800)	(\$129,961)
Cash Balance at End of Year	(\$56,998)	(\$173,379)	(\$212,800)	(\$129,961)	(\$51,237)

Addendum to Application for A Certificate of Public Convenience & Necessity and for Approval of Rates

Projected Income Statement Assumptions

- *Capital upgrade investment planned for 2024, therefore we assume GWWTWP will file a rate case at the end of 2024 with a corresponding revenue increase to be effective January 1, 2025.
- *The Company is aware that any future increases in rates for the system at issue must be vetted and approved by the North Carolina Utilities Commission, which is required by law to set rates that are fair and reasonable.
- *Assumed a 3% inflation rate on expenses beginning Year 1.
- * Property Taxes are not paid by GWWTWP, LLC.
- *Annual NCUC Regulatory Fees are .1475% of total service revenues.
- *Assumed Emergency Operator rates in EO Docket prior to COCN rates taking effect.
- * The following assumptions were made regarding tax rates:
 - State Tax Rate – 2.5%
 - Federal Tax Rate - 21%
- * Cash Flow Assumptions
 - The cash flow values are derived from balance sheet and income statement information.
- * Depreciation expense for plant additions assumes an average depreciation rate of 4%.
- * The Company does not track tax depreciation on its utility assets.
- * The plant investment additions are reflected before any excess capacity adjustment
- * The Purchase of Utility Plant amounts were created using the following assumptions:
 - Capital Estimates - Year 1 = \$500,000; Replacement of Back End Replacement of WWTP.
 - Capital Estimates - Year 2 = \$100,000; Misc. repairs & replacements to other plant areas.
 - Capital Estimates - Year 3 = \$10,000; Misc. repairs & replacements.
 - Capital Estimates - Year 4 = \$10,000; Misc. repairs & replacements.
 - Capital Estimates - Year 5 = \$10,000; Misc. repairs & replacements.

EXHIBIT I

Copy of the Annual Report filed with the North Carolina Secretary of State.

State of North Carolina
Department of the Secretary of State

SOSID: 1450217
Date Filed: 6/5/2015 12:39:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C2015 153 00291

OFFICIAL COPY

Feb 10 2023
May 29 2024

Limited Liability Company
ARTICLES OF ORGANIZATION

Pursuant to §57D-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is: GWWTP, LLC
(See Item 1 of the Instructions for appropriate entity designation)
2. The name and address of each person executing these articles of organization is as follows: (State whether each person is executing these articles of organization in the capacity of a member, organizer or both. **Note: This document must be signed by all persons listed.**)
Prem Gupta, Organizer
105 Juniper Ct., Kill Devil Hills, NC 27948

3. The name of the initial registered agent is: Prem Gupta
4. The street address and county of the initial registered agent office of the limited liability company is:
Number and Street 1314 S. Croatan Hwy., Suite 301
City Kill Devil Hills State: NC Zip Code: 27948 County: Dare
5. The mailing address, if different from the street address, of the initial registered agent office is:
Number and Street P.O. Box 90
City Kill Devil Hills State: NC Zip Code: 27948 County: Dare
6. Principal office information: (Select either a or b.)
a. The limited liability company has a principal office.
The principal office telephone number: _____
The street address and county of the principal office of the limited liability company is:
Number and Street _____
City _____ State: _____ Zip Code: _____ County: _____

The mailing address, if different from the street address, of the principal office of the company is:

Number and Street _____

City _____ State: _____ Zip Code: _____ County: _____

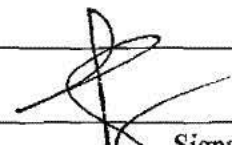
b. The limited liability company does not have a principal office.

7. Any other provisions which the limited liability company elects to include (e.g., the purpose of the entity) are attached.

8. (Optional): Please provide a business e-mail address Privacy Redaction
The Secretary of State's Office will e-mail the business automatically at the address provided above at no cost when a document is filed. The e-mail provided will not be viewable on the website. For more information on why this service is offered, please see the instructions for this document.

9. These articles will be effective upon filing, unless a future date is specified:

This is the 1st day of June, 2015.


Signature

Prem Gupta, Organizer, GWWTP, LLC
Type or Print Name and Title

The below space to be used if more than one organizer or member is listed in Item #2 above.

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

Signature

Type and Print Name and Title

NOTES:

1. Filing fee is \$125. This document must be filed with the Secretary of State.



LIMITED LIABILITY COMPANY ANNUAL REPORT

W-1343, SUB 0
W-1139, SUB 7

1/6/2022

NAME OF LIMITED LIABILITY COMPANY: GWWTP, LLC

SECRETARY OF STATE ID NUMBER: 1450217 STATE OF FORMATION: NC

REPORT FOR THE CALENDAR YEAR: 2023

Filing Office Use Only	
E - Filed Annual Report	
1450217	
CA202301201260	
1/12/2023 12:00	
<input type="checkbox"/>	Changes

SECTION A: REGISTERED AGENT'S INFORMATION

1. NAME OF REGISTERED AGENT: Gupta, Prem

2. SIGNATURE OF THE NEW REGISTERED AGENT: _____

SIGNATURE CONSTITUTES CONSENT TO THE APPOINTMENT

3. REGISTERED AGENT OFFICE STREET ADDRESS & COUNTY 4. REGISTERED AGENT OFFICE MAILING ADDRESS

1314 S. Croatan Hwy, Sutie301

1314 S. Croatan Hwy, Sutie301

Kill Devil Hills, NC 27948 Dare County

Kill Devil Hills, NC 27948

SECTION B: PRINCIPAL OFFICE INFORMATION

1. DESCRIPTION OF NATURE OF BUSINESS: Real Estate Investments

2. PRINCIPAL OFFICE PHONE NUMBER: (252) 441-9003

3. PRINCIPAL OFFICE EMAIL: Privacy Redaction

4. PRINCIPAL OFFICE STREET ADDRESS

5. PRINCIPAL OFFICE MAILING ADDRESS

1314 S. Croatan Hwy, Sutie301

PO Box 90

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

6. Select one of the following if applicable. (Optional see instructions)

The company is a veteran-owned small business

The company is a service-disabled veteran-owned small business

SECTION C: COMPANY OFFICIALS (Enter additional company officials in Section E.)

NAME: Sumit Gupta

NAME: Amit Gupta

NAME: Prem Gupta

TITLE: Member

TITLE: Member

TITLE: Manager

ADDRESS: 1314 S Croatan Hwy

ADDRESS: 1314 S Croatan Hwy

ADDRESS: 1314 S Croatan Hwy

Ste. 301

Ste. 301

Ste. 301

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

Kill Devil Hills, NC 27948

SECTION D: CERTIFICATION OF ANNUAL REPORT. Section D must be completed in its entirety by a person/business entity.

Prem Gupta

1/12/2023

SIGNATURE

DATE

Form must be signed by a Company Official listed under Section C of This form.

Prem Gupta

Manager

Print or Type Name of Company Official

Print or Type Title of Company Official

This Annual Report has been filed electronically.

MAIL TO: Secretary of State, Business Registration Division, Post Office Box 29525, Raleigh, NC 27626-0525

OFFICIAL COPY

May 29 2024

- File an Annual Report/Amend an Annual Report
- Upload a PDF Filing
- Order a Document Online
- Add Entity to My Email Notification List
- View Filings
- Print a Pre-Populated Annual Report form
- Print an Amended a Annual Report form

Limited Liability Company

Legal Name

GWWTWP, LLC

Information

SosId 1450217

Status: Current-Active ⓘ

Date Formed 6/5/2015

Citizenship: Domestic

Annual Report Due Date April 15th

Current **Annual Report Status:**

Registered Agent Gupta, Prem

Addresses

Principal Office

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Reg Office

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Reg Mailing

1314 S. Croatan Hwy, Sutie301
Kill Devil Hills, NC 27948

Mailing

PO Box 90
Kill Devil Hills, NC 27948

Company Officials

All LLCs are managed by their managers pursuant to N.C.G.S. 57D-3-20.

Member

Amit Gupta
1314 S Croatan Hwy Ste 301
Kill Devil Hills NC 27948

Manager

Prem Gupta
1314 S Croatan Hwy Ste 301
Kill Devil Hills NC 27948-8681

Member

Sumit Gupta
1314 S Croatan Hwy Ste. 301
Kill Devil Hills NC 27948

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May 29 2024

EXHIBIT 5

Copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system.

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION

COUNTY OF DARE

IN THE MATTER OF)
NORTH CAROLINA) SETTLEMENT AGREEMENT
PERMIT WQ0017224)
HELD BY GWWTP, LLC)

Pursuant to provisions of North Carolina General Statute § 143-215.3(a)(6), this Settlement Agreement is entered into by the GWWTP, LLC and the North Carolina Environmental Management Commission, an agency of the State of North Carolina created by N.C. General Statute § 143B-282, and hereinafter referred to as the Commission:


1. The GWWTP, LLC and the Commission hereby agree to the following findings:
 - (a.) The GWWTP, LLC holds North Carolina permit WQ0017224 for operation of the Ginguite Woods Wastewater Treatment Plant (WWTP).
 - (b.) Effluent limits included as terms of permit WQ0017224 have been established as those concentrations of pollutants that may be disposed of by reclaim irrigation or by infiltration
 - (c.) The GWWTP, LLC has been noncompliant with the effluent limits and reporting requirements contained in permit WQ0017224 in the manner and to the extent described in paragraph (d.) to this Agreement. Reported violations of effluent limits and monitoring requirements have persisted from January 2021 through August 2021.
 - (d.) The GWWTP, LLC has been assessed penalties totaling \$10,250.00 for effluent limit and reporting violations that occurred from January 2020 through August 2021. Of that total, nothing has yet been remitted (reduced/removed), leaving an outstanding assessed civil penalties balance of \$10,250.00, as summarized in the table below.

Case Number	Civil Penalty Amount	Enforcement Cost	Total Penalty
LM-2021-0038	\$ 1500.00	\$ 100.00	\$ 1600.00
LM-2021-0040	\$ 2800.00	\$ 100.00	\$ 2900.00
LM-2021-0041	\$ 1150.00	\$ 100.00	\$ 1250.00
LM-2021-0042	\$ 750.00	\$ 100.00	\$ 850.00
LV-2021-0298	\$ 1500.00	\$ 100.00	\$ 1600.00
LV-2021-0299	\$ 600.00	\$ 100.00	\$ 700.00
LV-2022-0016	\$ 1250.00	\$ 100.00	\$ 1350.00
TOTALS:	\$ 9,550.00	\$ 700.00	\$ 10,250.00

- (e.) Following an on-site inspection by regional staff from the Washington Regional Office on May 3, 2022, and actions taken by the facility prior to and continuing afterwards, the Division's regional office is recommending a **significant reduction in the civil penalty balance while retaining all enforcement costs.**
2. In order to facilitate resolution of the matters of outstanding civil penalties documented in paragraph 1. (d.) above, the Commission and the GWWTP, LLC agree to settle the above described penalties and violations for the total amount of **\$3,087.50.** Payment shall be made by check made payable to the North Carolina Department of Environmental Quality **within 15 days of the execution of this Agreement.** and sent to the following address:
- Attn: John Hennessy, Supervisor
Compliance & Expedited Permitting Branch
NC Division of Water Resources
1617 Mail Service Center
Raleigh, NC 27699-1617
- Full payment of the settlement amount shall constitute complete satisfaction of all outstanding civil penalties assessed prior to the execution of this Agreement and resolve all unaddressed violations occurring prior to the execution of this Agreement.
3. Nothing in this Agreement relieves the GWWTP, LLC of its duty to abide by the terms of permit WQ0017224. Noncompliance with the terms of the permit may subject the GWWTP, LLC to the assessment of additional civil penalties during the time this Agreement is in effect.
4. Requests, actions and/or reports required by the terms of paragraph 2 above shall be deemed overdue if they are not made, completed or submitted by the dates specified. The burden for providing sufficient documentation of the satisfaction of the terms of this Agreement is held entirely by the GWWTP, LLC.

5. Because this is an Agreement between the Commission and the GWWTP, LLC, neither party will file a petition for a contested case or for judicial review concerning its terms.

For the GWWTP, LLC:



Prem Gupta
Permittee

Date 6/2/2022

For the North Carolina Environmental Management Commission:

Date _____
Richard E. Rogers, Jr.
Director
North Carolina Division of Water Resources
for the Chair of the Commission



Michael F. Easley, Governor
William G. Ross Jr., Secretary
North Carolina Department of Environment and Natural Resources
Alan W. Klimek, P.E., Director
Division of Water Quality

December 27, 2004

MR. NEAL BLINKEN, PRESIDENT
GINGUITE WOODS WATER RECLAMATION ASSOCIATION, INC.
POST OFFICE BOX 1374
KITTY HAWK, NORTH CAROLINA 27949

Subject: Permit No. WQ0017224 (Modification)
Ginguite Woods Water Reclamation Association, Inc.
Ginguite Woods
Wastewater Treatment and Reclaimed Water
Utilization System
Dare County

Dear Mr. Blinken:

In accordance with your request for modification received July 27, 2004, we are forwarding herewith Permit Number. WQ0017224, dated December 27, 2004, to Ginguite Woods Water Reclamation Association, Inc. for the construction and continued operation of an additional 0.10 acres (approximately 4,582 ft²) of spray irrigation area and continued operation of the subject wastewater treatment and reclaimed water utilization system. This permit also approves the request to raise the berm of the infiltration pond 1.8 feet because the pond, as built, is smaller than the permitted size. This permit shall be effective from the date of issuance until October 31, 2005, shall void Permit No. WQ0017224 issued August 22, 2003, and shall be subject to the conditions and limitations as specified therein.

There are several special conditions contained in this permit, so please take time to review this document thoroughly. Please pay particular attention to Condition III.6. Note that failure to comply with the conditions of this permit or to establish an adequate system for collecting and maintaining the required operational data and monitoring data will result in future compliance problems. Please note that modeling used in the previous submittal used an effluent concentration of 15 mg/l for nitrate. If increasing trends are noted at the review boundary, nutrient removal will be required with effluent limitations for parameters of concern.

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 (30) days following 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.

One
North Carolina
Naturally

OFFICIAL COPY

May 29 2024

One set of approved plans and specifications is being forwarded to you. If you need additional information concerning this matter, please contact Toni Wyche at (919) 715-6188.

Sincerely,



Alan W. Klimek, P.E.

cc: Dare County Health Department
Washington Regional Office, Aquifer Protection Section
Sean C. Boyle, P.E. of Quible & Associates, P.C.
Technical Assistance and Certification Unit
North Carolina Utilities Commission
APS Central Files – Parker Lincoln (WQ0017224)
LAU Files

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
RALEIGH
WASTEWATER TREATMENT AND RECLAIMED WATER UTILIZATION PERMIT

OFFICIAL COPY

May 29 2024

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

Ginguite Woods Water Reclamation Association, Inc.
Dare County

FOR THE

construction and continued operation of an additional 0.11 acres (approximately 4,582 ft²) of spray irrigation area,
and

continued operation of a 32,500-gallon per day wastewater treatment and reclaimed water utilization/non-discharge disposal system to treat and dispose of domestic and commercial wastewater generated by Ginguite Woods and surrounding development located on the northwest corner of the intersection of United States Highway 158 (i.e., North Croatan Highway) and South Dogwood Trail in the Town of Kitty Hawk at an approximate latitude and longitude of 36°05'42" and 75°44'12", respectively. The 32,500-gallon per day design capacity for the facilities is based on the assimilative capacity of the non-discharge disposal system. The wastewater treatment and reclaimed water utilization/non-discharge disposal system shall serve the Ginguite Woods development with no discharge of wastes to the surface waters, pursuant to the application received May 12, 2003 and subsequent additional information received by the Division, and in conformity with the project plan, specifications, and other supporting data subsequently filed and approved by the Department of Environment and Natural Resources and considered a part of this permit.

The wastewater treatment system shall consist of the following minimum components: one manually-cleaned bar screen; one 9,861-gallon aerated equalization tank with one 19-cubic foot per minute blower and two 90-gallon per minute wastewater transfer pumps; one adjustable flow splitter/control box; two aeration tanks, each with a 16,420-gallon capacity to provide a minimum of 24 hours of hydraulic detention and two 150-cubic foot per minute blowers; two clarifiers, each with 2,775 gallons of usable volume to provide a minimum of four hours of hydraulic detention, a configuration to provide a surface loading rate not to exceed 162.5 gallons per day per square foot and a weir overflow rate not to exceed 812.5 gallons per day per linear foot, one scum return airlift unit, and one sludge return/wasting airlift unit; and one 3,211-gallon aerated sludge holding tank (i.e., aeration provided by aeration tank blowers), which is split into two compartments: a primary compartment with a minimum volume of 1,211 gallons into which sludge will be wasted, digestion will occur, and decanting will be facilitated and a secondary compartment with a minimum volume of 2,000 gallons in which lime stabilization in accordance with 40 CFR Part 503 will be performed prior to removal from a four-inch sludge withdrawal pipe and quick-couple connection by a contractor for land application. Following equalization, aeration, and clarification, secondary effluent shall be introduced to a gravity-fed, tertiary filter unit. This unit shall consist of the following minimum components: two 12-square foot filter beds onto which secondary effluent is applied at a loading rate not to exceed 0.94 gallons per minute per square foot to induce suspended solids removal, each having an eight-inch thick layer of sand with an effective size of between 0.8 and 1.20 millimeters and a one-foot thick layer of anthracite with an effective size of 1.08 millimeters; one 1,840-gallon clear well with two 90-gallon

per minute backwash pumps and one 12-cubic foot per minute blowers to facilitate backwashing of each of the filter beds assisted by air scouring; and one 2,065-gallon mudwell with two seven-gallon per minute pumps to return backwash water to the equalization tank. Tertiary effluent shall be disinfected using a tablet chlorination unit, capable of disinfecting up to 50,000 gallons per day of flow, and a 922-gallon chlorine contact tank. Disinfected effluent shall be dechlorinated using a tablet dechlorination unit and then shall be continuously monitored for flow and turbidity, which shall both also be continuously recorded, before utilization in the reclaimed water utilization system or disposed of in the non-discharge disposal system. Effluent meeting the reclaimed water quality criteria stipulated in 15A NCAC 2H .0219 (k)(1)(A)(iii) (i.e., as evidenced by a turbidity of 10 nephelometric turbidity units (NTU) or less) shall be diverted into the reclaimed water utilization system, while effluent not meeting the reclaimed water quality criteria, but within the assigned effluent limits for the non-discharge disposal system, shall be diverted into the non-discharge disposal system. This diversion function shall be automatically-controlled through use of the turbidimeter in conjunction with a valving configuration consisting of two motor-operated valves.

The reclaimed water utilization system shall consist of the following minimum components: a pump station to receive reclaimed and other irrigation water with two 185-gallon per minute irrigation pumps and the all-pumps off float elevation set to provide a net storage volume of approximately 790 gallons; two 347-foot long high-density polyethylene (HDPE) pipes for the storage of reclaimed and other irrigation water, each having a diameter of four feet to provide a net storage volume of approximately 32,617 gallons; a flow metering device that shall be capable of continuously metering and totaling all reclaimed and other irrigation water being irrigated; and approximately 137,595 square feet of common area (**totaling 142,177 square feet including the newly approved 0.11 acres**) around the Ginguite Woods development onto which reclaimed and other irrigation water shall be applied by an automatic sprinkler system.

The non-discharge disposal system shall consist of the following minimum components: one 23,114-square foot infiltration pond, designed such that effluent movement vertically into the soil matrix is facilitated.

In addition to the above-described components, the combined wastewater treatment and reclaimed water utilization/non-discharge disposal system shall be provided with fume scrubber; all-weather access; fencing around the wastewater treatment system and the infiltration pond; audible and visual alarms for each control panel; a telemetry system to monitor various alarm and failure conditions at the facilities permitted herein as well as those at the pump station permitted under Permit No. WQ0017415; an automatically-activated stand-by power generation system, capable of providing stand-by power to the facilities permitted herein as well as to the pump station permitted under Permit No. WQ0017415 in the event of a loss of the commercial power supply; and all associated piping, valves, electrical and instrumentation/control systems, and other appurtenances required to make a complete and functional wastewater treatment and reclaimed water utilization/non-discharge disposal system.

This permit shall be effective from the date of issuance until October 31, 2005, shall void Permit No. WQ0017224 issued October 8, 2002, and shall be subject to the following specified conditions and limitations:

I. PERFORMANCE STANDARDS

1. No flow shall be made tributary to these permitted facilities until a Certificate of Public Convenience and Necessity has been issued by the North Carolina Utilities Commission approving the Ginguite Woods Water Reclamation Association, Inc. to provide wastewater utilities to the proposed service area. A copy of the Certificate of Public Convenience and Necessity shall be provided to the Division within 30 days of its receipt. Mail one copy of this certificate to NCDENR-DWQ, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.

2. Upon completion of construction and prior to operation of these permitted facilities, a certification shall be received from a North Carolina-licensed professional engineer certifying that the facilities have been installed in accordance with this permit, the approved plans and specifications, and other supporting materials. If this project is to be completed in phases and partially certified, you 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 partial and final certifications to NCDENR-DWQ, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.
3. The Washington Regional Office, telephone number (252) 946-6481, shall be notified at least 48 hours in advance of operation of the installed facilities so that an in-place inspection can be made. Such notification to the Regional Water Quality Supervisor shall be made during normal office hours from 8:00 a.m. until 5:00 p.m. on Monday through Friday, excluding State Holidays. In addition, prior to operation of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities, written approval shall be applied for and received from the Non-Discharge Permitting Unit, telephone number (919) 733-5083. At that time, compliance with Condition I. 1. and Condition I. 2. of this permit shall be verified.
4. The wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be effectively maintained and operated at all times so that there is no discharge to the surface waters, nor any contamination of ground waters which will render them unsatisfactory for normal use. In the event that the facilities fail to perform satisfactorily, including the creation of nuisance conditions or failure of the irrigation area to adequately assimilate the wastewater, the Permittee shall take immediate corrective actions including those actions that may be required by the Division of Water Quality (Division), such as the construction of additional or replacement wastewater treatment and disposal facilities.
5. This permit shall become voidable if the soils fail to assimilate the reclaimed water/effluent adequately and may be rescinded unless all of the permitted facilities are installed, maintained, and operated in a manner that will protect the assigned water quality standards of the surface waters and groundwater. Ponding of reclaimed water/effluent on the land surface when the dosing cycle commences shall be considered evidence that the soils are failing to assimilate the reclaimed water/effluent adequately. Such failure shall be interpreted as a violation of this permit condition.
6. The issuance of this permit shall not relieve the Permittee of the responsibility for damages to surface or groundwaters resulting from the operation of this facility.
7. The residuals generated from these treatment facilities must be disposed in accordance with General Statute 143-215.1 and in a manner approved by the Division.
8. Diversion or bypassing of the untreated wastewater from the treatment facilities is prohibited.
9. The following buffers shall be maintained by the **wastewater treatment system**:
 - a. 100 feet between wastewater treatment units and any private or public water supply source,
 - b. 50 feet between wastewater treatment units and any stream, canal, marsh, or coastal water,
 - c. 50 feet between wastewater treatment units and any property line,
 - d. 20 feet between wastewater treatment units and any nitrification field (i.e., except repair areas), and
 - e. 100 feet between wastewater treatment units and any well with the exception of any groundwater monitoring well approved by the Division.

The following buffers shall be maintained by the **reclaimed water utilization system**:

- f. 50 feet between the reclaimed water storage pipes any property line;
- g. 100 feet between wetted areas and waters classified as SA, including wetlands as delineated and designated by the appropriate state or federal agency;
- h. 25 feet between wetted areas and any waters not classified as SA, including wetlands as delineated and designated by the appropriate state of federal agency;
- i. 25 feet between wetted areas and any swimming pool;
- j. 100 feet between wetted areas and any potable water supply well; and
- k. 10 feet between wetted areas and any non-potable water supply well or groundwater monitoring well.

The following buffers shall be maintained by the **infiltration pond of the non-discharge disposal system**:

- l. 100 feet between the infiltration pond and any private or public water supply source;
 - m. 100 feet between the infiltration pond and any stream classified as WS or B;
 - n. 100 feet between the infiltration pond and any water classified as SA or SB (i.e., at mean high water);
 - o. 100 feet between the infiltration pond and any other stream, marsh, or coastal water not previously identified in this condition;
 - p. 100 feet between the infiltration pond and any Class I or Class II impounded reservoir used as a source of drinking water (i.e., at normal high water);
 - q. 100 feet between the infiltration pond and any lake or impoundment;
 - r. 15 feet between the infiltration pond and any building foundation (i.e., except those foundations that might be associated with the wastewater treatment system);
 - s. 15 feet between the infiltration pond and any basement;
 - t. 50 feet between the infiltration pond and any property line (i.e., except where easements and/or variances have been obtained and approved by the Division);
 - u. 15 feet between the infiltration pond and any embankment top of slope or cut of two feet or more in vertical height;
 - v. 10 feet between the infiltration pond and any water line;
 - w. 10 feet between the infiltration pond and any upslope interceptor drain or surface water diversion;
 - x. 25 feet between the infiltration pond and any downslope interceptor drain or surface water diversion;
 - y. 25 feet between the infiltration pond and any groundwater lowering or surface drainage ditch;
 - z. 100 feet between the infiltration pond and any swimming pool;
 - aa. 20 feet between the infiltration pond and any nitrification field (i.e., except repair areas);
 - bb. 100 feet between the infiltration pond and any well with the exception of a groundwater monitoring well approved by the Division; and
 - cc. 50 feet between the infiltration pond and any public right-of-way.
10. The Division understands that an irrigation well to supplement the reclaimed water utilization system is planned for installation within the Ginguite Woods development. This irrigation well shall be located such that it is a minimum of 10 feet away from the wetted area influence of any sprinkler associated with the reclaimed water utilization system and 100 feet from the infiltration pond of the non-discharge disposal system. The irrigation well shall be provided with adequate cross-connection protection as provided for in Condition I. 17. of this permit.

11. The wastewater treatment system and the irrigation pump station associated with the reclaimed water utilization system shall be completely fenced by an eight-foot high privacy fence that permits access by authorized personnel only. The infiltration pond associated with the non-discharge disposal system shall be enclosed by a four-foot high split rail fencing. Signs that warn the public about not trespassing beyond this fence line shall be posted at all corners and every 100 feet between the corners. The signs shall be weather-proof, shall be a minimum of 8 inches by 11 inches in size, and shall state, at a minimum, the following:
 - a. No Trespassing - Authorized Personnel Only!
 - b. Ginguite Woods Water Reclamation Association, Inc.
 - c. Wastewater Effluent Infiltration Pond
 - d. North Carolina Non-Discharge Permit Number WQ0017224
 - e. For more information or in case of emergency, contact (ORC's name) at (telephone number).
12. Public access to the irrigation areas of the reclaimed water utilization shall be controlled during active use. Such controls may include the posting of signs showing the activities being conducted. A sign shall be posted in plain sight in a public area that is regularly viewed by residents and visitors (e.g., sales office, mailbox area, etc.) that states that effluent meeting reclaimed water quality standards, as stipulated in 15A NCAC 2H .0219 (k)(1)(A)(iii), is utilized for the purpose of irrigating the development's common areas.
13. All valves, storage facilities, and outlets associated with the reclaimed water utilization system shall be tagged or labeled to warn the public or employees that the water is not intended for drinking. Where appropriate, such warning shall inform the public or employees to avoid contact with the effluent.
14. All piping, valves, outlets and other appurtenances associated with the reclaimed water utilization system shall be color-coded, taped, or otherwise marked to identify the source as being effluent.
 - a. All 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.
 - b. 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 – DO NOT DRINK." Identification tape shall be installed on top of pipelines, fastened at least every 10 feet to each pipe length and run continuously the entire length of the pipe.
 - c. Existing underground distribution systems retrofitted for the purpose of distributing effluent shall be taped or otherwise identified as specified in Condition I. 11. a. or Condition I. 11. b. 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.

15. All valves and outlets associated with the reclaimed water utilization system shall be of a type, or secured in a manner, that permits operation by authorized personnel only.
16. Above-ground hose bibs (i.e., spigots or other hand-operated connections) shall not be present. Hose bibs shall be located in locked below-grade vaults that shall be clearly labeled as being of non-potable quality. As an alternative to the use of locked below-grade vaults with standard hose bibs services, hose bibs, which can only be operated by a special tool may be placed in non-lockable underground services boxes clearly labeled as non-potable water.
17. The Permittee shall maintain an active cross-connection control program that shall have the following minimum requirements:
 - a. No direct cross-connections shall be allowed between the reclaimed water utilization and potable water systems.
 - b. A reduced pressure principle backflow preventer, an approved air gap separation, or other device approved by the North Carolina Division of Environmental Health shall be installed at the potable water service connection to the use area where both reclaimed and potable water are supplied to an area. The installation of the reduced pressure principle backflow prevention device shall allow proper testing.
 - c. An air gap separation, approved and regularly inspected by the potable water supplier, shall be provided between the potable water and reclaimed water utilization systems where potable water is used to supplement a reclaimed water utilization system.
18. The disposal system shall be connected to a rain or moisture sensor that shall indicate when wastewater application is not appropriate in accordance with Condition II.4. of this permit.

II. OPERATION AND MAINTENANCE REQUIREMENTS

1. The wastewater treatment and reclaimed water utilization/non-discharge facilities shall be properly maintained and operated at all times.
2. Upon classification of the wastewater treatment and irrigation facilities 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 facilities in accordance with 15A NCAC 8G .0204 or as specified in this permit and shall comply with all other conditions specified in these rules.
3. A suitable, year-round vegetative cover shall be maintained on the spray irrigation areas of the reclaimed water utilization system. In addition, a protective vegetative cover shall be established and maintained on all embankments (i.e., outside toe of embankment to normal water level), berms, pipe runs, and surface water diversions associated with the infiltration pond of the non-discharge disposal system. Trees, shrubs, and other woody vegetation shall not be allowed to grow on the infiltration pond embankments and shall be removed in accordance with good engineering practices. The infiltration pond area shall be accessible, and vegetation shall be kept mowed. If nuisance conditions develop or if permeability rates are reduced in the infiltration pond, then vegetation shall be removed from the infiltration pond as necessary or at the direction of the Washington Regional Office.
4. Irrigation shall not be performed during inclement weather or when the ground is in a condition that will cause runoff. Should irrigation not be possible for this reason, the ORC shall either halt irrigation and store reclaimed water in the storage facilities of the reclaimed water utilization system or manually route reclaimed water to the infiltration pond of the non-discharge disposal system. Reclaimed water shall be stored or diverted to the infiltration pond until such time that the spray irrigation areas of the reclaimed water utilization system can adequately assimilate the applied reclaimed water.

5. No traffic or equipment shall be allowed in the spray irrigation areas of the reclaimed water utilization system or the infiltration pond of the non-discharge disposal system except while installation is occurring or when normal maintenance (e.g., lawn/turf maintenance, etc.) is being performed.
6. Adequate measures shall be taken to prevent reclaimed water runoff from the spray irrigation areas of the reclaimed water utilization system.
7. The wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be effectively maintained and operated as a non-discharge system to prevent the discharge of any wastewater resulting from the operation of this facility.
8. **The reclaimed water utilization system shall be used to the greatest extent possible (i.e., as long as compliance with the conditions of this permit is maintained) in lieu of simply disposing of reclaimed water into the infiltration pond.** However, the application rate on the spray irrigation areas of the reclaimed water utilization system shall not exceed a rate of 0.46 inches per day with a cumulative loading not to exceed 167 inches over any 12-month period. The instantaneous application rate shall not exceed 0.17 inches per hour (i.e., assuming approximately 2.5 hours of irrigation per day). These application rates are applicable to reclaimed water with any supplemental irrigation water from the on-site irrigation well. Note that supplemental irrigation water shall only be used when the volume of reclaimed water is unable to meet this application rate demand. The application rate into the infiltration pond of the non-discharge disposal system shall not exceed a rate of 2.14 inches per day (i.e., equivalent to 1.34 gallons per day per square foot of infiltration area) with a cumulative loading not to exceed 782 inches over any 12-month period (i.e., equivalent to 489 gallons per year per square foot of infiltration area).
9. All effluent shall be routed to the infiltration pond of the non-discharge disposal system should the limit for fecal coliform or turbidity, as established in Condition III. 3., be exceeded following treatment in the wastewater treatment system. Effluent shall be diverted to this pond until such time that the problems associated with the treatment capability of the wastewater treatment system have been corrected and limits are no longer exceeded.
10. An automatically activated standby power source 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.
19. No type of wastewater other than that from Ginguite Woods Water Reclamation Association, Inc.'s approved service are shall be applied onto the spray irrigation areas of the reclaimed water utilization system and/or the infiltration pond of the non-discharge disposal system.
20. Freeboard in the infiltration pond of the non-discharge disposal system shall not be less than two feet at any time
21. A waste-level gauge, to monitor waste levels in the infiltration pond, shall be installed within 60 days of issuance of this permit. This gauge shall have readily visible permanent markings indicating the maximum liquid level at the top of the temporary liquid storage volume, minimum liquid level at the bottom of the temporary liquid storage volume, and top of the dam elevations. Caution must be taken not to damage the integrity of the liner when installing the gauge.
22. The chlorine tablets used in the disinfection facility shall be of the kind and type specified in the plans and specifications approved by the Division.

III. MONITORING AND REPORTING REQUIREMENTS

1. Any monitoring (including groundwater, surface water, soil or plant tissue analyses) deemed necessary by the Division to insure surface and ground water protection will be established and an acceptable sampling reporting schedule shall be followed.
2. Influent wastewater to or effluent flow from the wastewater treatment system shall be continuously monitored and recorded. Daily flow values shall be reported on Form NDMR-1. Flow of reclaimed water and irrigation water (i.e., from an on-site irrigation well) shall also be continuously monitored and totalized as they are pumped from the irrigation pump station prior to application on the spray irrigation areas of the reclaimed water utilization system. In addition, the irrigation well shall be continuously monitored and totalized, so that the Permittee may determine (i.e., by calculation) the amount of reclaimed water/effluent sent to the infiltration pond of the non-discharge disposal system.

Prior to operation, the Permittee shall install appropriate flow measurement devices consistent with approved engineering and scientific practices to ensure the accuracy and reliability of flow measurement. Flow measurement devices selected shall be capable of measuring flows with a maximum deviation of less than 10 percent from true flow, accurately calibrated at a minimum of once per year, and maintained to ensure that the accuracy of the measurements is consistent with the accepted capability of that type of device. Calibration records for the flow measurement devices shall be kept on file by the Permittee for a period of at least three years. At a minimum, data to be included in this documentation shall include:

- a. Data of flow measurement device calibration,
 - b. Name of person performing calibration, and
 - c. Percent from true flow.
3. As an indicator of proper operation and maintenance, the wastewater treatment system shall produce an effluent in compliance with the following limitations **when the effluent is routed to the reclaimed water utilization system:**

<u>Parameter</u>	<u>Monthly Average^a</u>	<u>Daily (Instantaneous) Maximum^b</u>
Flow	32,500 GPD	
BOD ₅ (5-day, 20°C)	10 mg/L	15 mg/L
Ammonia-Nitrogen	4 mg/L	6 mg/L
Total Suspended Solids	5 mg/L	10 mg/L
Fecal Coliform	14 per 100 mL	25 per 100 mL
Turbidity		10 NTU ^c
pH shall not be less than 6.0 standard units nor greater than 9.0 standard units		

^a Monthly averages for all parameters except fecal coliform shall be the arithmetic mean of all samples collected during the reporting period. The monthly average for fecal coliform shall be the geometric mean of all samples collected during the reporting period.

^b The daily maximum shall be the maximum value of all samples collected during the reporting period.

c Normal operation of the facilities involve reclaimed water being conveyed to the spray irrigation areas of the reclaimed water utilization system to the greatest extent possible unless the continuous turbidity monitoring device initiates that the turbidity of 10 NTU is reached. At that time, an automatic transfer shall occur such that the effluent is disposed into the infiltration pond of the non-discharge disposal system. In addition to the automatic transfer operation described above, the telemetry system shall notify the ORC any time that the turbidity monitoring device detects a turbidity level of 6.0. Within two hours of receiving notification of this alarm condition, the ORC shall visit the wastewater treatment system to ensure that the automatic transfer occurs successfully, to determine the cause of the decrease in effluent quality, and to initiate actions to resolve the discovered problem(s).

As an indicator of proper operation and maintenance, the wastewater treatment system shall produce an effluent in compliance with the following limitations **when the effluent is routed to the non-discharge disposal system:**

<u>Parameter</u>	<u>Monthly Average^a</u>
Flow	32,500 GPD
BOD ₅ (5-day, 20°C)	15 mg/L
Ammonia-Nitrogen	4 mg/L
Total Suspended Solids	30 mg/L
Fecal Coliform	200 per 100 mL

pH shall not be less than 6.0 standard units nor greater than 9.0 standard units.

^a Monthly averages for all parameters except fecal coliform shall be the arithmetic mean of all samples collected during the reporting period. The monthly average for fecal coliform shall be the geometric mean of all samples collected during the reporting period.

Note that if the groundwater monitoring program indicates or predicts problems with compliance with any of the groundwater quality standards as stipulated in 15A NCAC 2L, this permit may be modified to include additional and/or more restrictive limitations for reclaimed water/effluent parameters.

4. The reclaimed water/effluent from the wastewater treatment system shall be monitored, by the Permittee, at the point prior to utilization/disposal for the following parameters:

<u>Parameter</u>	<u>Sampling Point</u>	<u>Sampling Frequency</u>	<u>Type of Sample</u>
Flow	Influent or Effluent	Continuous	Recording
Turbidity	Effluent	Continuous	Recording
BOD ₅ (5-day, 20°C)	Effluent	2/Month ^a	Composite ^b
Ammonia-Nitrogen	Effluent	2/Month ^a	Composite ^b
Nitrate-Nitrogen	Effluent	3/Year ^c	Composite ^b
Total Suspended Solids	Effluent	2/Month ^a	Composite ^b
Fecal Coliform	Effluent	2/Month ^a	Grab
pH	Effluent	2/Month ^a	Grab
Settleable Matter	Effluent	Daily	Grab
Chlorides	Effluent	3/Year ^c	Grab
Total Dissolved Solids	Effluent	3/Year ^c	Grab
Total Organic Carbon	Effluent	3/Year ^c	Grab

^a The twice per month sampling frequency shall be conducted only during the months of April through October, inclusive. During the remainder of the calendar year, these parameters shall be monitored on a monthly frequency.

^b Composite samples shall be flow-weighted.

^c Triannual sampling shall be conducted in April, August, and December.

5. A log of all operation and maintenance activities performed at these facilities shall be kept. This log shall include, but shall not be limited to, the following items:
 - a. Daily sampling results including settleable matter and dissolved oxygen in the aeration basin and at the clarifier weir.
 - b. Visual observations of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities (e.g., an observation of the vegetative cover area and health, maintenance of the infiltration pond freeboard, condition of infiltration pond berms, presence/absence of standing water in the stormwater ditch that runs parallel to United States Highway 158, etc.
 - c. Record of all preventative maintenance (e.g., changing of filters, adjusting belt tensions, alarm testing, diffuser inspections and cleanings, sprinkler replacement, etc.).
 - d. Date of calibration of the flow and turbidity measurement devices.
 - e. Date and results of power interruption testing on automatically-activated stand-by power generation system.
 - f. Date and volume of residuals removed.
 - g. Maintenance performed on the spray irrigation areas of the reclaimed water utilization system and the infiltration pond of the non-discharge disposal system. A contract executed with a landscape maintenance firm that details routine maintenance performed on the spray irrigation areas of the reclaimed utilization system (e.g., mowing, fertilizing, reseeding, etc.) may be submitted to the Division in lieu of keeping detailed logs of these activities. Documentation regarding major maintenance performed on the spray irrigation areas of the reclaimed utilization system (e.g., resodding, change in cover crop, etc.) must still be detailed in the logs.
6. Adequate records shall be maintained by the Permittee to track the amount of reclaimed water/effluent that has been utilized/disposed. These records shall include, but shall not necessarily be limited to, the following items:
 - a. Date and time of irrigation and/or disposal;
 - b. Volume of reclaimed water irrigated and/or effluent disposed;
 - c. Irrigation zone/area to which reclaimed water is applied;
 - d. Length of time irrigation zone/area or infiltration pond is applied to;
 - e. Continuous weekly, monthly, and year-to-date hydraulic loadings in inches per acre for each irrigation zone/area or the infiltration pond;
 - f. Weather conditions; and
 - g. Maintenance and condition of vegetative cover.

Within sixty (60) days of permit issuance, wetted area acreages and application rates for each existing zone (numbers 1 – 21) shall be submitted. Please report on Form NDAR.

7. Freeboard in the infiltration pond shall be recorded weekly.
8. Three copies of all operation and utilization/disposal records, as specified in Condition III. 6., shall be submitted on Form NDAR-1 (i.e., when the reclaimed water utilization system is utilized) and/or on Form NDAR-2 (i.e., when the non-discharge disposal system is used) on or before the last day of the month following the reclaimed water utilization/non-discharge disposal event. Three copies of all reclaimed water/effluent monitoring data, as specified in Condition III. 4, shall be submitted on Form NDMR-1 on or before the last day of the month following reclaimed water utilization/non-discharge disposal event. All monitoring and reporting forms shall be submitted to the following address:

NC Division of Water Quality
Information Processing Unit
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

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

Occurrences outside normal business hours may also 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 (5) days following first knowledge of the occurrence. This report must outline the actions taken or proposed to be taken to ensure that the problem does not recur.

IV. GROUNDWATER REQUIREMENTS

1. Prior to beginning disposal operations, three groundwater monitoring wells, designated as MW-1, MW-2, and MW-3, shall be installed to monitor the groundwater quality in the vicinity of the infiltration pond. The wells shall be constructed such that the water level in the wells are never above or below the screened (i.e., open) portion of the well at any time during the year. The general location and nomenclature for the groundwater monitoring wells shall be as marked in Attachment A. The groundwater monitoring wells shall be located and constructed in accordance with this permit and approved by the Groundwater Section of the Washington Regional Office.
2. All wells that are constructed for the purpose of groundwater monitoring shall be constructed in accordance with 15A NCAC 2C .0109 (i.e., "Standards of Construction for Wells Other than Water Supply") and any other state and local laws and regulations pertaining to well construction.
3. The Washington Regional Office, telephone number (252) 946-6481, shall be notified at least 48 hours prior to the construction of any groundwater monitoring well, so that an inspection can be made of the well location. Such notification shall be made to the Regional Groundwater Supervisor during normal office hours (i.e., from 8:00 a.m. until 5:00 p.m.) on Monday through Friday, excluding State Holidays.
4. Within 30 days of completion of all well construction activities, a certification shall be received from a North Carolina-licensed Professional Engineer or North Carolina-licensed Professional Geologist certifying that the groundwater monitoring wells are located and constructed in accordance with 15A NCAC 2C (i.e., "Well Construction Standards") and this permit. This certification shall be submitted with one copy of a GW-1 Form (i.e., "Well Completion Form") for each well. Mail this certification and the associated GW-1 Forms to NCDENR-DWQ, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.

5. For the initial sampling of each groundwater monitoring well as specified elsewhere in this permit, the Permittee shall submit a copy of the GW-1 Form with the GW-59 Form (i.e., "Compliance Monitoring Form") for that well. GW-59 Forms for groundwater monitoring wells that have not had a GW-1 Form previously submitted shall be returned to the Permittee without being processed.
6. Within 60 days of completion of the groundwater monitoring wells, the Permittee shall submit two original copies of a scaled topographic map (i.e., with a scale no greater than one inch equals 100 feet) that has been signed and sealed by a North Carolina-licensed Professional Engineer or a North Carolina-licensed Land Surveyor and contains all of the following information:
 - a. Location of all components of the non-discharge disposal system, including spray irrigation areas,
 - b. Latitude and longitude of the established horizontal monument,
 - c. Location and identity of each groundwater monitoring well,
 - d. Relative elevation of the top of the casing for each groundwater monitoring well (i.e., known as the measuring point"),
 - e. Depth of water below the measuring point at the time the measuring point is established,
 - f. Location of all property boundaries,
 - g. Obtained easement areas, and
 - h. Review and compliance boundaries.

This survey shall be conducted using approved practices as outlines in the North Carolina General Statutes Chapter 89C and the North Carolina Administrative Code Title 21, Chapter 56. The surveyor shall establish a horizontal control monument on the property of the disposal system and determine the latitude and longitude of this horizontal control monument to a horizontal positional accuracy of +/-10 feet. All other features listed above shall be surveyed relative to this horizontal control monument. The positional accuracy of these features shall have a ratio of precision not to exceed an error of closure of one foot per 10,000 feet of perimeter of the survey. Any features located by the radial method shall be located from a minimum of two points. Horizontal control monuments shall be installed in such a manner and made of such materials that the monument will not be destroyed due to activities that may take place on the property. The map shall also be surveyed using the North American Datum of 1983 (NAD 83) coordinate system and shall indicate the datum on the map. All bearings or azimuths shall be based on either the true or NAD 83 grid meridian. If a Global Positioning System (GPS) is used to determine the latitude and longitude of the horizontal control monument, a GPS receiver that has the capability to perform differential GPS shall be used and all data collected by the GPS receiver shall be differentially corrected.

The map and any supporting documentation shall be sent to NCDENR-DWQ, Information Processing Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.

7. Groundwater monitoring wells MW-1, MW-2, and MW-3 shall be sampled initially after construction and prior to any disposal activities as well as every April, August, and December thereafter for the following parameters:

- | | |
|------------------|------------------------|
| Chlorides | Total Ammonia |
| Fecal Coliform | Total Dissolved Solids |
| Nitrate-Nitrogen | Total Organic Carbon |
| pH | Total Phosphorus |
| Sulfate | Water Level |

Volatile Organic Compounds (VOCs) in December only, using one of the following methods:

- (A) Standard Method 6230D (PQL at 0.5 µg/L or less),
- (B) Standard Method 6210D (PQL at 0.5 µg/L or less),
- (C) EPA Method 8021 (Low Concentration, PQL at 0.5 µg/L or less),
- (D) EPA Method 8260 (Low Concentration, PQL at 0.5 µg/L or less), or
- (E) Another method with prior approval by the Groundwater Section Chief.

Any method used shall meet the following qualifications:

- (1) The laboratory shall be Division certified to run any method used.
- (2) The method used shall, at a minimum, include all the constituents listed in Table VIII of Standard Method 6230D.
- (3) The method used shall provide a PQL at 0.5 µg/L or less, which shall be supported by laboratory proficiency studies as required by the Division's Laboratory Certification Unit. Any constituents detected above the MDL, but below the PQL at 0.5 µg/L, shall be qualified (estimated) and reported.

If any VOCs are detected by the methods listed, then the Washington Regional Office Groundwater Supervisor, telephone number (252) 946-6481, shall be contacted immediately for further instructions regarding any additional follow-up analyses required. The results of all initial and follow-up analyses shall be submitted simultaneously.

If total organic carbon concentrations greater than 10 milligrams per liter are detected in any downgradient monitoring well, additional sampling and analysis shall be conducted to identify the individual constituents comprising this total organic carbon concentration. If the total organic carbon concentration as measured in the background groundwater monitoring well exceeds 10 milligrams per liter, the concentration shall be taken to represent the naturally-occurring total organic carbon concentration. Any exceedances of this naturally-occurring total organic carbon concentration in the downgradient wells shall be subject to the additional sampling and analysis as described above.

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

The results of the sampling and analysis shall be received on the GW-59 Form on or before the last working day of the month following the sampling month at the following address:

NCDENR-DWQ
Information Processing Unit
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

8. The COMPLIANCE BOUNDARY and the REVIEW BOUNDARY for disposal system shall be as specified by regulations in 15A NCAC 2L (i.e., "Groundwater Classifications and Standards"). The Compliance Boundary for the disposal system shall be established at the property boundary, except where easements have been obtained. An exceedance of groundwater quality standards at or beyond the Compliance Boundary shall be subject to immediate remediation action in addition to the penalty provisions applicable under North Carolina General Statute §143-215.6A(a)(1).
9. Any additional groundwater quality monitoring, as deemed necessary by the Division, shall be provided.

V. INSPECTIONS

1. Adequate inspection, maintenance, and cleaning shall be provided by the Permittee to insure proper operation of the subject facilities.

2. The Permittee or his designee shall inspect the wastewater treatment and disposal facilities to prevent malfunctions and deterioration, operator errors and discharges which may cause or lead to the release of wastes to the environment, a threat to human health, or a nuisance. The Permittee shall keep an inspection log or summary including at least the date and time of inspection, observations made, and any maintenance, repairs, or corrective actions taken by the Permittee. This log of inspections shall be maintained by the Permittee for a period of three years from the date of the inspection and shall be made available upon request to the Division or other permitting authority.
3. 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 disposal site or facility 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 groundwater, surface water, or leachate.

VI. GENERAL CONDITIONS

1. This permit shall become voidable unless the facilities are constructed in accordance with the conditions of this permit, the approved plans and specifications, and other supporting data.
2. This permit is effective only with respect to the nature and volume of wastes described in the application and other supporting data.
3. This permit is not transferable. In the event there is a desire for the facilities to change ownership, or there is a name change of the Permittee, a formal permit request must be submitted to the Division accompanied by an application fee, documentation from the parties involved, and other supporting materials as may be appropriate. The approval of this request will be considered on its merits and may or may not be approved.
4. 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 to 143-215.6C.
5. **At such time as the wastewater treatment flows reach or exceed 80% of the presently constructed spray fields of 3.26 acres for any six days in any given month, additional spray fields shall be constructed. The additional spray fields shall be completed prior to the wastewater treatment plant flows reaching 90% of the presently constructed spray field capacity.** Before any expansion of permitted spray field acreage of 3.26 acres, a formal permit modification application shall be submitted. The submittal shall follow the instructions provided on the most recent version of the surface irrigation application form.
6. The subject wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be connected to an operational publicly-owned wastewater collection system within 180 days of its availability to the service area location if the facilities are in non-compliance with the terms and conditions of this permit and/or the governing statutes or regulations. Prior to the initiation of these connection activities, the Permittee shall apply for and obtain the appropriate approvals from the Division.
7. 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 government agencies (local, state, and federal) which have jurisdiction, including but not limited to applicable river buffer rules in 15A NCAC 2B.0200, 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 2H .0500.
8. A stormwater management plan shall be submitted to and approved by the Washington Regional Office in accordance with 15A NCAC 2H .1000.

9. A set of approved plans and specifications for the subject project must be retained by the Permittee for the life of the project.
10. The annual administering and compliance fee must be paid by the Permittee within thirty 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 15 NCAC 2H .0205 (c)(4).
11. The Permittee, at least six (6) months prior to the expiration of this permit, shall request its extension. Upon receipt of the request, the Commission will review the adequacy of the facilities described therein, and if warranted, will extend the permit for such period of time and under such conditions and limitations as it may deem appropriate.

Permit issued this the 27th day of December, 2004.

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION



Alan W. Klimek, P.E., Director
Division of Water Quality
By Authority of the Environmental Management Commission

Permit Number WQ0017224

Permit No. WQ0017224
December 27, 2004

ENGINEER'S CERTIFICATION

_____ Partial _____ Final

I, _____, as a duly registered Professional Engineer in the State of North Carolina, having been authorized to observe (periodically, weekly, full time) the construction of the project,

Project Name

Location and County

for the Permittee hereby state that, to the best of my abilities, due care and diligence was used in the observation of the construction such that the construction was observed to be built within substantial compliance and intent of this permit, the approved plans and specifications, and other supporting materials.

Signature _____ Registration No. _____

Date _____

OFFICIAL COPY

May 29 2024

RECD BY CENTRAL FILES

AUG 20 03

OFFICIAL COPY

May 29 2024

W-1343, Sub 0
W-1139, Sub 7

OFFICIAL COPY

May 29 2024

EXHIBIT 7

Copy of purchase agreements or contracts showing provision for ownership.



AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

OFFICIAL COPY

May 29 2024

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between GWWT, LLC or assigns, ("Buyer"), and Paragon Utilities, Inc., ("Seller").

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "**Property**": (Address) 0 N. Croatan Highway, Southern Shores, NC 27949

Plat Reference: Lot(s) _____, Block or Section _____, as shown on Plat Book or Slide _____ at Page(s) _____, _____ County, consisting of _____ acres.

If this box is checked, "Property" shall mean that property described on **Exhibit A** attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is: 010069997; and, (ii) some or all of the Property, consisting of approximately _____ acres, is described in Deed Book 1826, Page No. 378, Dare County.)

1826 MAC p/ps. paragon

together with all buildings and improvements thereon and all fixtures and appurtenances thereto and all personal property, if any, itemized on **Exhibit A**.

\$100,000.00 (b) "**Purchase Price**" shall mean the sum of One Hundred Thousand Dollars, payable on the following terms:

\$ 2,500.00 (i) "**Earnest Money**" shall mean Two Thousand Five Hundred Dollars.

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be promptly deposited in escrow with Gray & Lloyd, LLP (name of person/entity with whom deposited), to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein.

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

Buyer Initials _____ Seller Initials MAC p/ps. paragon Freed [Signature] Freed, Inc. [Signature]

\$ _____ (ii) **Proceeds of a new loan** in the amount of _____ Dollars for a term of _____ years, with an amortization period not to exceed _____ years, at an interest rate not to exceed _____ % per annum with mortgage loan discount points not to exceed _____ % of the loan amount, or such other terms as may be set forth on **Exhibit B**. Buyer shall pay all costs associated with any such loan.

\$ _____ (iii) **Delivery of a promissory note** secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____ %) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on **Exhibit B**. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ _____ (iv) **Assumption** of that unpaid obligation of Seller secured by a deed of trust on the Property, such obligation having an outstanding principal balance of \$ _____ and evidenced by a note bearing interest at the rate of _____ percent (_____ %) per annum, and a current payment amount of \$ _____. The obligations of Buyer under this Agreement are conditioned upon Buyer being able to assume the existing loan described above. If such assumption requires the lender's approval, Buyer agrees to use its best efforts to secure such approval and to advise Seller immediately upon receipt of the lender's decision. Approval must be granted on or before _____. On or before this date, Buyer has the right to terminate this Agreement for failure to be able to assume the loan described above by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Unless provided otherwise in Section 3 hereof, Buyer shall pay all fees and costs associated with any such assumption, including any assumption fee charged by the lender. At or before Closing, Seller shall assign to Buyer all interest of Seller in any current reserves or escrows held by the lender, any property management company and/or Seller, including but not limited to any tenant improvement reserves, leasing commission reserves, security deposits and operating or capital reserves for which Seller shall be credited said amounts at Closing

\$ 97,500.00 (v) **Cash, balance of Purchase Price**, at Closing in the amount of Ninety-Seven Thousand Five Hundred Dollars.

(c) "**Closing**" shall mean the date and time of recording of the deed. Closing shall occur on or before _____ or 30 days after all conditions precedent have been met.

(d) "**Contract Date**" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "**Examination Period**" shall mean the period beginning on the first day after the Contract Date and extending through 11:59pm (based upon time at the locale of the Property) on 90 days after the Contract Date. **TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.**

(f) "**Broker(s)**" shall mean:
N/A _____ ("Listing Agency"),
N/A _____ ("Listing Agent" - License #N/A _____)

Buyer Initials _____ Seller Initials MAC PHS. Freed [Signature] Freed, Inc. [Signature] ET
paragon

Acting as: Seller's Agent; Dual Agent
and N/A ("Selling Agency"),

N/A ("Selling Agent" - License # N/A)

Acting as: Buyer's Agent; Seller's (Sub)Agent; Dual Agent

(g) "**Seller's Notice Address**" shall be as follows:

520 Old Stoney Road, Unit J, Corolla, NC 27927

except as same may be changed pursuant to Section 12.

(h) "**Buyer's Notice Address**" shall be as follows:

PO Box 90, Kill Devil Hills, NC 27948

except as same may be changed pursuant to Section 12.

(i) If this block is marked, additional terms of this Agreement are set forth on **Exhibit B** attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached **Exhibit B**, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following:

Seller normal closing costs.

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement and the following:

Buyer normal closing costs.

Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Contract Date copies of all information relating to the Property in possession of or available to Seller, including but not limited to: title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Buyer Initials _____ Seller Initials MAC PMS. Freed WAF Freed, Inc. WAF pres ET
pa/cy

all sellers right, title, and interest

MTC PMS
Person

OFFICIAL COPY

MAY 29 2024

Section 5. Evidence of Title: Seller agrees to convey ~~fee simple marketable and insurable title~~ to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (if applicable) and (c) matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on **Exhibit A**) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **New Loan:** The Buyer must be able to obtain the loan, if any, referenced in Section 1(b)(ii). Buyer must be able to obtain a firm commitment for this loan on or before N/A, effective through the date of Closing. Buyer agrees to use its best efforts to secure such commitment and to advise Seller immediately upon receipt of lender's decision. On or before the above date, Buyer has the right to terminate this Agreement for failure to obtain the loan referenced in Section 1(b)(ii) by delivering to Seller written notice of termination by the above date, *time being of the essence*. If Buyer delivers such notice, this Agreement shall be null and void and Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived the loan condition. Notwithstanding the foregoing, after the above date, Seller may request in writing from Buyer a copy of the commitment letter. If Buyer fails to provide Seller a copy of the commitment letter within five (5) days of receipt of Seller's request, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received a copy of the commitment letter, and Buyer shall receive a return of Earnest Money.

(b) **Qualification for Financing:** If Buyer is to assume any indebtedness in connection with payment of the Purchase Price, Buyer agrees to use its best efforts to qualify for the assumption. Should Buyer fail to qualify, Buyer shall notify Seller in writing immediately upon lender's decision, whereupon this Agreement shall terminate, and Buyer shall receive a return of Earnest Money.

(c) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(d) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

(e) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of inspecting, examining, performing soil boring and other testing, conducting timber cruises, and surveying the Property. Buyer shall conduct all such on-site inspections, examinations, soil boring and other testing, timber cruises and surveying of the Property in a good and workmanlike manner, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours any tenant's business is open to the public and shall give prior notice to any tenants of any entry onto any tenant's portion of the Property for the purpose of conducting inspections. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself, its agents or representatives in exercising its rights under this Section 6(e) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Buyer shall, at Buyer's expense, promptly repair any

Buyer Initials _____ Seller Initials MTC Freed 287 Freed, Inc. MTC PMS ET
Person

damage to the Property caused by Buyer's entry and on-site inspections. Except as provided in Section 6(c) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property (oral or written, recorded or not -"Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on **Exhibit B**;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 4 as if the Leases were listed therein;

(c) Seller represents and warrants that as of the Contract Date there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 4. Seller agrees not to commit a Lease Default as Landlord after the Contract Date, and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) In addition to the conditions provided in Section 6 of this Agreement, this Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon the assignment of Seller's interest in any Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease), and Seller agrees to use its best efforts to effect such assignment. Any assignment required under this Section 7 shall be required to be delivered at or before Closing by Seller in addition to those deliveries required under Section 11 of this Agreement.

(e) Seller agrees to deliver an assignment of any Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. Seller also agrees to execute and deliver (and work diligently to obtain any tenant signatures necessary for same) any estoppel certificates and subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then the Earnest Money shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money shall be forfeited, but such forfeiture shall not affect any other remedies available to Seller for such breach. NOTE: In the event of a
Buyer Initials _____ Seller Initials MAC PHS. Freed [Signature] Freed, Inc. [Signature] pres ET
person

dispute between Seller and Buyer over the return or forfeiture of Earnest Money held in escrow by a licensed real estate broker, the broker is required by state law to retain said Earnest Money in its trust or escrow account until it has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction, or alternatively, the party holding the Earnest Money may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

non-warranty deed
MAC, PHS
paragon

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a ~~general warranty deed~~ unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, a bill of sale for any personalty listed on Exhibit A, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until Closing has taken place.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith.

Section 13. Entire Agreement: This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that the notice described in Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments, except as follows (Insert "None" or the identification of any matters relating to (i) through (iv) above, if any):
None

Note: For purposes of this Agreement, a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether or not it is fully payable at time of closing. A "pending" special assessment is defined as an assessment that is under formal consideration by a governing body. Seller shall pay all owners' association assessments and all governmental assessments confirmed as of the date of Closing, if any, and Buyer shall take title subject to all pending assessments disclosed by Seller herein, if any.
Seller represents that the regular owners' association dues, if any, are \$ N/A per N/A.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Buyer Initials _____ Seller Initials MAC PHS
paragon Freed [Signature] Freed, Inc. [Signature] PHS ET
Page 6 of 8

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

EIFS/SYNTHETIC STUCCO: If the adjacent box is checked, Seller discloses that the Property has been clad previously (either in whole or in part) with an "exterior insulating and finishing system" commonly known as "EIFS" or "synthetic stucco". Seller makes no representations or warranties regarding such system and Buyer is advised to make its own independent determinations with respect to conditions related to or occasioned by the existence of such materials at the Property.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer Initials _____ Seller Initials MLC P/45 Freed [Signature] Freed, Inc. [Signature] ET
per [Signature]

BUYER:

Individual

Date: _____

Date: _____

Business Entity

GGWTP, LLC

By: _____

Name: _____

Title: _____

Date: _____

SELLER:

Individual

Date: _____

Date: _____

Business Entity

Paragon Utilities, Inc.

By:  _____

Name: Michael A. Chasing

Title: President

Date: 6/17/16

FREED


William G. Freed, individually

WILLIAM G. FREED, INC. DBA ENVIROTECH

By:  pres Enviro-Tech
William G. Freed,

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

Gray & Lloyd, LLP
(Name of Firm)

Date: _____ By: _____

Exhibit "A"
to
Agreement for Purchase and Sale of Real Property between
GWWTP, LLC, as Buyer and
Paragon Utilities, Inc., as Seller

The "Property" shall consist of the following:

Real Property:

Beginning at a set iron rod on the northerly right-of-way line of U.S. Highway 158 at the dividing line of properties n/f Southern Coastal Associates of Dare County, Inc. and Boddie-Noell Enterprises, Inc., thence from said point of beginning and along the northerly right-of-way of U.S. Highway 158, S 70°20'38" W 42.00 feet to a point; thence through lands of Boddie-Noell N 19°44'37" W 57.91 feet to a point; thence continuing through said Boddie-Noell parcel N 04°44'07" E 84.96 feet to a point; thence N 70°20'38" E 20.00 feet to a point on the above-referenced dividing line; thence along said line S 19°44'37" E 140 feet to the point and place of beginning; containing 4,977.0 square feet or 0.114 acres.

Personal Property:

All of Seller's right, title and interest in and to all tanks, pumps, treatment facilities, easements, permits and rights, in and to the sewage treatment facility that is contained upon the Real Property.

Hereinafter, the Real Property and the Personal Property being the "Property".

Buyer Initials _____ Seller Initials WPC RLS. Freed [Signature] Freed, Inc. [Signature]
paragon

Exhibit "B"
to
Agreement for Purchase and Sale of Real Property between
GWWTP, LLC, as Buyer and
Paragon Utilities, Inc., as Seller

Section 24. Conditions Precedent. This Agreement is expressly contingent upon the following conditions being satisfied prior to closing. Notwithstanding the provisions of Section 1(e) and Section 6(e), Buyer shall have the right to terminate this Agreement at any time prior to all conditions below having been satisfied.

- (a) The North Carolina Utilities Commission must make a finding that the Wastewater Treatment Plant that is partially contained upon the Property is no longer subject to their jurisdiction.
(b) Buyer shall submit to Seller a set of plans and specifications for repair and replacement of the Wastewater Treatment Plant that is contained upon the Property.
(i) Buyer must be able to obtain all necessary permits and approvals from the North Carolina Division of Water Quality and all other state agencies that may be required to repair or replace the Wastewater Treatment Plant pursuant to the plans and specifications submitted by the Buyer.
(ii) Buyer must be able to obtain all necessary permits and approvals from the Town of Southern Shores that may be required to repair or replace the Wastewater Treatment Plant pursuant to the plans and specifications submitted by the Buyer.
(iii) Seller agrees to execute, if necessary, any application or other documents which may be required for Buyer to obtain the permits set forth above.
(c) Buyer must be able to obtain all necessary permits and approvals by all governmental entities to have the sewage treatment plant owned and operated by a nonprofit corporation which is authorized to serve both Southern Shores Landing Subdivision, as well as another property presently owned by Ginguite, LLC.
(d) Buyer must be able to obtain, prior to date of Closing, any necessary easements for those portions of the wastewater treatment facility which encroach into the Southern Shores Landing P.U.D.

Section 25. Debts. In addition to all other documents as required for Seller to deliver to Buyer at Closing, pursuant to Section 11, at Closing, Seller shall deliver to Buyer the following:

Buyer Initials _____ Seller Initials MAC P/IS. paragon Freed [Signature] Freed, Inc. [Signature]

- (a) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from Paragon Utilities, Inc. or that any such debt through date of Closing is waived or released.
- (b) A certification and release executed by William G. Freed, individually, certifying that William G. Freed is presently not owed any monies from Paragon Utilities, Inc. or that any such debt through date of Closing is waived or released.
- (c) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released, including, but not limited to, a cancellation of the judgment rendered pursuant to Dare County File 15-CVD-527, which Seller covenants and agrees to have canceled of record effective as of date of Closing.
- (d) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released, including, but not limited to, a cancellation of the judgment rendered pursuant to Dare County File 15-CVD-527, which Seller covenants and agrees to have canceled of record effective as of date of Closing.
- (e) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from Ginguite Woods Water Reclamation Association, Inc., or that any such debt through date of Closing is waived or released.
- (f) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from GWWTP, LLC, or that any such debt through date of Closing is waived or released.
- (g) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from GWWTP, LLC, or that any such debt through date of Closing is waived or released.
- (h) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from GWWTP, LLC, or that any such debt through date of Closing is waived or released.

Buyer Initials _____ Seller Initials MAC p/H.S. Freed WGF Freed, Inc. WGF p/H.S.
paragon

- (i) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (j) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (k) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from the Southern Shores Landing Property Owners' Association, Inc., nor any individual lot owner within the Southern Shores Landing Subdivision, or that any such debt through date of Closing is waived or released.
- (l) A certification and release executed by William G. Freed, Inc. dba Envirotech certifying that neither William G. Freed, Inc., nor Envirotech are presently owed any monies from the North Carolina Utilities Commission dealing with the utility contained upon the Property, or that any such debt through date of Closing is waived or released.
- (m) A certification and release executed by William G. Freed, individually, certifying that William G. Freed, is presently not owed any monies from the North Carolina Utilities Commission, for the utility plant on the Property, including for the maintenance, and operation thereof, or that any such debt through date of Closing is waived or released.
- (n) A certification and release executed by Paragon Utilities, Inc. certifying that Paragon Utilities, Inc. is not presently owed any monies from the North Carolina Utilities Commission, for the utility plant on the Property, including for the maintenance, and operation thereof, or that any such debt through date of Closing is waived or released.

Section 26. Earnest Money. Notwithstanding the provisions of Section 1(b)(i) and Section 10, if Buyer fails to close within ninety (90) days of the Contract Date, then the Earnest Money Deposit shall be deemed forfeited and paid by Escrow Agent to Seller. Prior to the expiration of the ninety (90) day time frame, Buyer has the right to extend the proposed Closing Date for an additional ninety (90) days by depositing an additional \$2,500.00 with Escrow Agent. If Closing occurs within the ninety (90) day time frame, the Earnest Money Deposit shall be applied toward the Purchase Price. On or before the expiration of any ninety (90) day time frame, Buyer has the right to continue extending the Closing Date by depositing with Escrow Agent an additional \$2,500.00 prior to the

Buyer Initials _____ Seller Initials MAC plus. Freed [Signature] Freed, Inc. [Signature] Pres.
paragon

expiration of the then ninety (90) day time frame. At the expiration of each ninety (90) day time frame, the amount that was deposited with Escrow Agent for purposes of extending the ninety (90) day Closing Date time frame shall be disbursed by Escrow Agent to Seller and shall not be applied toward the Purchase Price. If Buyer fails to deposit an additional \$2,500.00 prior to the expiration of the then current ninety (90) day time frame, then this Contract shall become null and void and to no effect. All Escrow Deposits that have been disbursed to Sellers shall not be credited to the Purchase Price at Closing. *continued*

Section 27. Certification. William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, hereby join in this Agreement for the sole purpose of acknowledging that they are obligated and will in fact execute the certifications and releases that are required pursuant to Section 25. William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, hereby certify that they will derive a material and direct benefit from the closing of the sale of the Real Property from Seller to Buyer. The foregoing provisions as set forth and made by William G. Freed, individually, and William G. Freed, Inc. dba Envirotech are directly made as an inducement to Buyer to enter into this Offer to Purchase and Contract. This provision shall be binding upon William G. Freed, individually, and William G. Freed, Inc. dba Envirotech, their heirs, successors and assigns.

*MAC PHS.
Paragon*

Notwithstanding the right of extension provided in section 26 of ~~the~~ exhibit B, if this transaction has not closed by 270 calendar days from the date of acceptance by the buyer then this contract shall be null and void.

Buyer Initials _____ Seller Initials *MAC PHS.
paragon* Freed *WGF* Freed, Inc. *WGF PHS*

OFFER TO PURCHASE AND CONTRACT

[Consult "Guidelines" (Standard Form 2G) for guidance in completing this form]

OFFICIAL COPY
May 29 2024

For valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Buyer offers to purchase and Seller upon acceptance agrees to sell and convey the Property on the terms and conditions of this Offer To Purchase and Contract and any addendum or modification made in accordance with its terms (together the "Contract").

1. TERMS AND DEFINITIONS: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Seller": GINGUITE WOODS WATER , RECLAMATION ASSOC., INC

(b) "Buyer": SAGA Construction and/or , Assigns

(c) "Property": The Property shall include all that real estate described below together with all appurtenances thereto including the improvements located thereon and the fixtures and personal property listed in Paragraphs 2 and 3 below. NOTE: If the Property will include a manufactured (mobile) home(s), Buyer and Seller should consider including the Manufactured (Mobile) Home provision in the Additional Provisions Addendum (Standard Form 2A11-T) with this offer.

Street Address: N Croatan Highway (approx 1 acre)

City: Southern Shores Zip: 27949

County: Dare , North Carolina

NOTE: Governmental authority over taxes, zoning, school districts, utilities and mail delivery may differ from address shown.

Legal Description: (Complete ALL applicable)

Plat Reference: Lot/Unit WWTP , Block/Section - , Subdivision/Condominium Parcel # 010069998

, as shown on Plat Book/Slide 1463 at Page(s) 0395

The PIN/PID or other identification number of the Property is: Pin # 986606497635

Other description: -

Some or all of the Property may be described in Deed Book Plat Cab E at Page Slide 710

(d) "Purchase Price":

\$ 10,000.00 paid in U.S. Dollars upon the following terms:
\$ 2,000.00 BY DUE DILIGENCE FEE made payable and delivered to Seller by the Effective Date.
\$ na BY INITIAL EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by [] cash [X] personal check [] official bank check [] wire transfer, EITHER [] with this offer OR [X] within five (5) days of the Effective Date of this Contract.
\$ na BY (ADDITIONAL) EARNEST MONEY DEPOSIT made payable and delivered to Escrow Agent named in Paragraph 1(f) by cash or immediately available funds such as official bank check or wire transfer no later than na , TIME BEING OF THE ESSENCE with regard to said date.
\$ na BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan(s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum (Standard Form 2A6-T).
\$ na BY SELLER FINANCING in accordance with the attached Seller Financing Addendum (Standard Form 2A5-T).
\$ na BY BUILDING DEPOSIT in accordance with the attached New Construction Addendum (Standard Form 2A3-T).
\$ 8,000.00 BALANCE of the Purchase Price in cash at Settlement (some or all of which may be paid with the proceeds of a new loan).

Should Buyer fail to deliver either the Due Diligence Fee or any Initial Earnest Money Deposit by their due dates, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall



This form jointly approved by:
North Carolina Bar Association
North Carolina Association of REALTORS®, Inc.



STANDARD FORM 2-T
Revised 1/2015
© 1/2015

Buyer initials [Signature] Seller initials [Signature]

have one (1) banking day after written notice to deliver cash or immediately available funds to the payee. In the event Buyer does not timely deliver cash or immediately available funds, Seller shall have the right to terminate this Contract upon written notice to Buyer.

(e) **"Earnest Money Deposit"**: The Initial Earnest Money Deposit, the Additional Earnest Money Deposit and any other earnest monies paid in connection with this transaction, hereinafter collectively referred to as "Earnest Money Deposit", shall be deposited and held in escrow by Escrow Agent until Closing, at which time it will be credited to Buyer, or until this Contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) a condition of any resulting contract is not satisfied, then the Earnest Money Deposit shall be refunded to Buyer. In the event of breach of this Contract by Seller, the Earnest Money Deposit shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Contract by Buyer, the Earnest Money Deposit shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Paragraphs 4(d) and 4(e) for damage to the Property or Seller's right to retain the Due Diligence Fee. It is acknowledged by the parties that payment of the Earnest Money Deposit to Seller in the event of a breach of this Contract by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money Deposit to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach. If legal proceedings are brought by Buyer or Seller against the other to recover the Earnest Money Deposit, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

(f) **"Escrow Agent"** (insert name): na na
NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money Deposit held in escrow, a licensed real estate broker ("Broker") is required by state law (and Escrow Agent, if not a Broker, hereby agrees) to retain the Earnest Money Deposit in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a Broker or an attorney licensed to practice law in North Carolina ("Attorney") is holding the Earnest Money Deposit, the Broker or Attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

THE PARTIES AGREE THAT A REAL ESTATE BROKERAGE FIRM ACTING AS ESCROW AGENT MAY PLACE THE EARNEST MONEY DEPOSIT IN AN INTEREST BEARING TRUST ACCOUNT AND THAT ANY INTEREST EARNED THEREON SHALL BE DISBURSED TO THE ESCROW AGENT MONTHLY IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

(g) **"Effective Date"**: The date that: (1) the last one of Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (2) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be.

(h) **"Due Diligence"**: Buyer's opportunity during the Due Diligence Period to investigate the Property and the transaction contemplated by this Contract, including but not necessarily limited to the matters described in Paragraph 4 below, to decide whether Buyer, in Buyer's sole discretion, will proceed with or terminate the transaction.

(i) **"Due Diligence Fee"**: A negotiated amount, if any, paid by Buyer to Seller with this Contract for Buyer's right to conduct Due Diligence during the Due Diligence Period. It shall be the property of Seller upon the Effective Date and shall be a credit to Buyer at Closing. The Due Diligence Fee shall be non-refundable except in the event of a material breach of this Contract by Seller, or if this Contract is terminated under Paragraph 8(l) or Paragraph 12, or as otherwise provided in any addendum hereto. Buyer and Seller each expressly waive any right that they may have to deny the right to conduct Due Diligence or to assert any defense as to the enforceability of this Contract based on the absence or alleged insufficiency of any Due Diligence Fee, it being the intent of the parties to create a legally binding contract for the purchase and sale of the Property without regard to the existence or amount of any Due Diligence Fee.

(j) **"Due Diligence Period"**: The period beginning on the Effective Date and extending through 5:00 p.m. on 1 day from acceptance TIME BEING OF THE ESSENCE with regard to said date.

(k) **"Settlement"**: The proper execution and delivery to the closing attorney of all documents necessary to complete the transaction contemplated by this Contract, including the deed, settlement statement, deed of trust and other loan or conveyance documents, and the closing attorney's receipt of all funds necessary to complete such transaction.

(l) **"Settlement Date"**: The parties agree that Settlement will take place on See Addendum (the "Settlement Date"), unless otherwise agreed in writing, at a time and place designated by Buyer.

Buyer initials 4 Seller initials [Signature]

(m) **"Closing"**: The completion of the legal process which results in the transfer of title to the Property from Seller to Buyer, which includes the following steps: (1) the Settlement (defined above); (2) the completion of a satisfactory title update to the Property following the Settlement; (3) the closing attorney's receipt of authorization to disburse all necessary funds; and (4) recordation in the appropriate county registry of the deed(s) and deed(s) of trust, if any, which shall take place as soon as reasonably possible for the closing attorney after Settlement. Upon Closing, the proceeds of sale shall be disbursed by the closing attorney in accordance with the settlement statement and the provisions of Chapter 45A of the North Carolina General Statutes. If the title update should reveal unexpected liens, encumbrances or other title defects, or if the closing attorney is not authorized to disburse all necessary funds, then the Closing shall be suspended and the Settlement deemed delayed under Paragraph 13 (Delay in Settlement/Closing).

WARNING: The North Carolina State Bar has determined that the performance of most acts and services required for a closing constitutes the practice of law and must be performed only by an attorney licensed to practice law in North Carolina. State law prohibits unlicensed individuals or firms from rendering legal services or advice. Although non-attorney settlement agents may perform limited services in connection with a closing, they may not perform all the acts and services required to complete a closing. A closing involves significant legal issues that should be handled by an attorney. Accordingly it is the position of the North Carolina Bar Association and the North Carolina Association of REALTORS® that all buyers should hire an attorney licensed in North Carolina to perform a closing.

(n) **"Special Assessments"**: A charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property. A Special Assessment may be either proposed or confirmed.

"Proposed Special Assessment": A Special Assessment that is under formal consideration but which has not been approved prior to Settlement.

"Confirmed Special Assessment": A Special Assessment that has been approved prior to Settlement whether or not it is fully payable at time of Settlement.

2. **FIXTURES:** The following items, if any, are deemed fixtures and are included in the Purchase Price free of liens: range/stove/oven, any built-in appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all related hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers, burglar/fire/smoke/carbon monoxide/alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds, mailboxes, attached wall and/or door mirrors, fuel tank(s) whether attached or buried and including contents, if any, as of Settlement, landscape and/or foundation lighting, invisible fencing including all related equipment, lawn irrigation systems and all related equipment, water softener/conditioner and filter equipment and any other items attached or affixed to the Property, EXCEPT the following items which are leased or not owned by Seller or which Seller does not intend to convey: no exclusions

Seller shall repair any damage caused by removal of any items excepted above.

(NOTE: Seller and Buyer should confirm whether fuel tanks, antennas, satellite dishes and receivers, alarm systems, and other items listed above are leased or not owned by Seller and should be entered in the blank above. FUEL TANKS AND ANY FUEL IN THEM WHICH ARE NOT TO CONVEY SHOULD BE NOTED IN THE BLANK ABOVE.)

3. **PERSONAL PROPERTY:** The following personal property shall be transferred to Buyer at no value at Closing: any items located on property at time of offer

(NOTE: Buyer is advised to consult with Buyer's lender to assure that the Personal Property items listed above can be included in this Contract.)

4. **BUYER'S DUE DILIGENCE PROCESS:**

(a) **Loan:** During the Due Diligence Period, Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of the Loan if any.

NOTE: Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Due Diligence Period allows sufficient time for the appraisal to be completed and for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction since the Loan is not a condition of the Contract.

(b) **Property Investigation:** During the Due Diligence Period, Buyer or Buyer's agents or representatives, at Buyer's expense,

Buyer initials

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Seller initials

AB

shall be entitled to conduct all desired tests, surveys, appraisals, investigations, examinations and inspections of the Property as Buyer deems appropriate, including but NOT limited to the following:

- (i) **Inspections:** Inspections to determine the condition of any improvements on the Property, the presence of unusual drainage conditions or evidence of excessive moisture adversely affecting any improvements on the Property, the presence of asbestos or existing environmental contamination, evidence of wood-destroying insects or damage therefrom, and the presence and level of radon gas on the Property.
- (ii) **Review of Documents:** Review of the Declaration of Restrictive Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, and other governing documents of any applicable owners' association and/or subdivision. If the Property is subject to regulation by an owners' association, it is recommended that Buyer review the completed Residential Property and Owners' Association Disclosure Statement provided by Seller prior to signing this offer.
- (iii) **Insurance:** Investigation of the availability and cost of insurance for the Property.
- (iv) **Appraisals:** An appraisal of the Property.
- (v) **Survey:** A survey to determine whether the property is suitable for Buyer's intended use and the location of easements, setbacks, property boundaries and other issues which may or may not constitute title defects.
- (vi) **Zoning and Governmental Regulation:** Investigation of current or proposed zoning or other governmental regulation that may affect Buyer's intended use of the Property, adjacent land uses, planned or proposed road construction, and school attendance zones.
- (vii) **Flood Hazard:** Investigation of potential flood hazards on the Property, and/or any requirement to purchase flood insurance in order to obtain the Loan.
- (viii) **Utilities and Access:** Availability, quality, and obligations for maintenance of utilities including water, sewer, electric, gas, communication services, stormwater management, and means of access to the Property and amenities.
- (ix) **Streets/Roads:** Investigation of the status of the street/road upon which the Property fronts as well as any other street/road used to access the Property, including: (1) whether any street(s)/road(s) are public or private, (2) whether any street(s)/road(s) designated as public are accepted for maintenance by the State of NC or any municipality, or (3) if private, the consequences and responsibility for maintenance and the existence and terms of any maintenance agreements.
- (x) **Fuel Tank:** Inspections to determine the existence, type and ownership of any fuel tank located on the Property.

(NOTE: Buyer is advised to consult with the owner of any leased fuel tank regarding the terms under which Buyer may lease the tank and obtain fuel.)

(c) **Repair/Improvement Negotiations/Agreement:** Buyer acknowledges and understands that unless the parties agree otherwise, THE PROPERTY IS BEING SOLD IN ITS CURRENT CONDITION. Buyer and Seller acknowledge and understand that they may, but are not required to, engage in negotiations for repairs/improvements to the Property. Buyer is advised to make any repair/improvement requests in sufficient time to allow repair/improvement negotiations to be concluded prior to the expiration of the Due Diligence Period. Any agreement that the parties may reach with respect to repairs/improvements shall be considered an obligation of the parties and is an addition to this Contract and as such, must be in writing and signed by the parties in accordance with Paragraph 20.

(NOTE: See Paragraph 8(b) Access to Property/Walk-Through Inspection and Paragraph 8(k) Negotiated Repairs/Improvements.)

(d) **Buyer's Obligation to Repair Damage:** Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices either approved by the N.C. Home Inspector Licensure Board or applicable to any other N.C. licensed professional performing reasonable appraisals, tests, surveys, examinations and inspections of the Property. This repair obligation shall survive any termination of this Contract.

(e) **Indemnity:** Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This indemnity shall survive this Contract and any termination hereof.

(f) **Buyer's Right to Terminate:** Buyer shall have the right to terminate this Contract for any reason or no reason, by delivering to Seller written notice of termination (the "Termination Notice") during the Due Diligence Period (or any agreed-upon written extension of the Due Diligence Period), **TIME BEING OF THE ESSENCE**. If Buyer timely delivers the Termination Notice, this Contract shall be terminated and the Earnest Money Deposit shall be refunded to Buyer.

WARNING: If Buyer is not satisfied with the results or progress of Buyer's Due Diligence, Buyer should terminate this Contract, prior to the expiration of the Due Diligence Period, unless Buyer can obtain a written extension from Seller. SELLER IS NOT

Buyer initials

Seller initials

OBLIGATED TO GRANT AN EXTENSION. Although Buyer may continue to investigate the Property following the expiration of the Due Diligence Period, Buyer's failure to deliver a Termination Notice to Seller prior to the expiration of the Due Diligence Period shall constitute a waiver by Buyer of any right to terminate this Contract based on any matter relating to Buyer's Due Diligence. Provided however, following the Due Diligence Period, Buyer may still exercise a right to terminate if Seller fails to materially comply with any of Seller's obligations under Paragraph 8 of this Contract or for any other reason permitted under the terms of this Contract or North Carolina law.

(g) CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE PROPERTY IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

5. BUYER REPRESENTATIONS:

(a) Loan: Buyer does does not have to obtain a new loan in order to purchase the Property. If Buyer is obtaining a new loan, Buyer intends to obtain a loan as follows: FHA VA (attach FHA/VA Financing Addendum) Conventional Other: na loan at a Fixed Rate Adjustable Rate in the principal amount of na plus any financed VA Funding Fee or FHA MIP for a term of na year(s), at an initial interest rate not to exceed na % per annum (the "Loan").

NOTE: Buyer's obligations under this Contract are not conditioned upon obtaining or closing any loan. If Buyer represents that Buyer does not have to obtain a new loan in order to purchase the Property, Seller is advised, prior to signing this offer, to obtain documentation from Buyer which demonstrates that Buyer will be able to close on the Property without the necessity of obtaining a new loan.

(b) Other Property: Buyer does does not have to sell or lease other real property in order to qualify for a new loan or to complete purchase.

(NOTE: This Contract is not conditioned upon the sale of Buyer's property unless a contingent sale addendum such as Standard Form 2A2-T is made a part of this Contract.)

(c) Performance of Buyer's Financial Obligations: To the best of Buyer's knowledge, there are no other circumstances or conditions existing as of the date of this offer that would prohibit Buyer from performing Buyer's financial obligations in accordance with this Contract, except as may be specifically set forth herein.

(d) Residential Property and Owners' Association Property Disclosure Statement (check only one):

- Buyer has received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to the signing of this offer.
- Buyer has NOT received a signed copy of the N.C. Residential Property and Owners' Association Disclosure Statement prior to the signing of this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the date the Contract was made; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.
- Exempt from N.C. Residential Property and Owners' Association Disclosure Statement because (SEE GUIDELINES): _____

(e) Mineral and Oil and Gas Rights Mandatory Disclosure Statement (check only one):

- Buyer has received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to the signing of this offer.
- Buyer has NOT received a signed copy of the N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement prior to the signing of this offer and shall have the right to terminate or withdraw this Contract without penalty (including a refund of any Due Diligence Fee) prior to WHICHEVER OF THE FOLLOWING EVENTS OCCURS FIRST: (1) the end of the third calendar day following receipt of the Disclosure Statement; (2) the end of the third calendar day following the date the Contract was made; or (3) Settlement or occupancy by Buyer in the case of a sale or exchange.
- Exempt from N.C. Mineral and Oil and Gas Rights Mandatory Disclosure Statement because (SEE GUIDELINES): _____

Buyer's receipt of a Mineral and Oil and Gas Rights Mandatory Disclosure Statement does not modify or limit the obligations of Seller under Paragraph 8(f) of this Contract and shall not constitute the assumption or approval by Buyer of any severance of mineral and/or oil and gas rights, except as may be assumed or specifically approved by Buyer in writing.

(NOTE: The parties are advised to consult with a NC attorney prior to signing this Contract if severance of mineral and/or oil and gas rights has occurred or is intended.)

Buyer initials

J

Seller initials

MB

6. BUYER OBLIGATIONS:

(a) **Owners' Association Fees/Charges:** Buyer shall pay any fees required for confirming account payment information on owners' association dues or assessments for payment or proration and any charge made by the owners' association in connection with the disposition of the Property to Buyer, including any transfer and/or document fee imposed by the owners' association. Buyer shall not be responsible for fees incurred by Seller in completing the Residential Property and Owners' Association Disclosure Statement.

(b) **Responsibility for Proposed Special Assessments:** Buyer shall take title subject to all Proposed Special Assessments.

(c) **Responsibility for Certain Costs:** Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, appraisal, title search, title insurance, recording the deed and for preparation and recording of all instruments required to secure the balance of the Purchase Price unpaid at Settlement.

7. SELLER REPRESENTATIONS:

(a) **Ownership:** Seller represents that Seller:

- has owned the Property for at least one year.
- has owned the Property for less than one year.
- does not yet own the Property.

(b) **Primary Residence:** Seller represents that the Property is or is not Seller's primary residence.

(c) **Lead-Based Paint** (check if applicable):

The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum {Standard Form 2A9-T}).

(d) **Assessments:** To the best of Seller's knowledge there are no Proposed Special Assessments except as follows (Insert "None" or the identification of such assessments, if any): none

Seller warrants that there are no Confirmed Special Assessments except as follows (Insert "None" or the identification of such assessments, if any): none

(e) **Owners' Association(s) and Dues:** Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, or lender true and accurate copies of the following items affecting the Property, including any amendments:

- master insurance policy showing the coverage provided and the deductible amount
- Declaration and Restrictive Covenants
- Rules and Regulations
- Articles of Incorporation
- Bylaws of the owners' association
- current financial statement and budget of the owners' association
- parking restrictions and information
- architectural guidelines

The name, address and telephone number of the president of the owners' association or the association manager is: none

Owners' association website address, if any: none

The name, address and telephone number of the president of the owners' association or the association manager is: none

Owners' association website address, if any: none

Buyer initials

4

Seller initials

MB

8. SELLER OBLIGATIONS:

(a) **Evidence of Title:** Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust, leases, and easements relating to the Property. Seller authorizes: (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys.

(b) **Access to Property/Walk-Through Inspection:** Seller shall provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, including, but not limited to, allowing Buyer an opportunity to conduct a final walk-through inspection of the Property.

(c) **Removal of Seller's Property:** Seller shall remove, by the date possession is made available to Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property.

(d) **Affidavit and Indemnification Agreement:** Seller shall furnish at Settlement an affidavit(s) and indemnification agreement(s) in form satisfactory to Buyer and Buyer's title insurer, if any, executed by Seller and any person or entity who has performed or furnished labor, services, materials or rental equipment to the Property within 120 days prior to the date of Settlement and who may be entitled to claim a lien against the Property as described in N.C.G.S. §44A-8 verifying that each such person or entity has been paid in full and agreeing to indemnify Buyer, Buyer's lender(s) and Buyer's title insurer against all loss from any cause or claim arising therefrom.

(e) **Designation of Lien Agent, Payment and Satisfaction of Liens:** If required by N.C.G.S. §44A-11.1, Seller shall have designated a Lien Agent, and Seller shall deliver to Buyer as soon as reasonably possible a copy of the appointment of Lien Agent. All deeds of trust, deferred ad valorem taxes, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Settlement such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(f) **Good Title, Legal Access:** Seller shall execute and deliver a GENERAL WARRANTY DEED for the Property in recordable form no later than Settlement, which shall convey fee simple marketable and insurable title, without exception for mechanics' liens, and free of any other liens, encumbrances or defects, including those which would be revealed by a current and accurate survey of the Property, except: ad valorem taxes for the current year (prorated through the date of Settlement); utility easements and unviolated covenants, conditions or restrictions that do not materially affect the value of the Property; and such other liens, encumbrances or defects as may be assumed or specifically approved by Buyer in writing. The Property must have legal access to a public right of way.

(NOTE: Buyer's failure to terminate this Contract prior to the expiration of the Due Diligence Period as a result of any encumbrance or defect that is or would have been revealed by a title examination of the Property or a current and accurate survey shall not relieve Seller of any obligation under this subparagraph.)

(NOTE: If any sale of the Property may be a "short sale," consideration should be given to attaching a Short Sale Addendum (Standard Form 2A14-T) as an addendum to this Contract.)

(g) **Deed, Excise Taxes:** Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Contract, and for state and county excise taxes required by law. The deed is to be made to: Buyers and/or Assigns

(h) **Agreement to Pay Buyer Expenses:** Seller shall pay at Settlement \$ na toward any of Buyer's expenses associated with the purchase of the Property, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay, less any portion disapproved by Buyer's lender.

NOTE: Examples of Buyer's expenses associated with the purchase of the Property include, but are not limited to, discount points, loan origination fees, appraisal fees, attorney's fees, inspection fees, and "pre-pays" (taxes, insurance, owners' association dues, etc.).

(i) **Payment of Confirmed Special Assessments:** Seller shall pay all Confirmed Special Assessments, if any, provided that the amount thereof can be reasonably determined or estimated.

Buyer initials *AB* Seller initials *AB*

(j) **Late Listing Penalties:** All property tax late listing penalties, if any, shall be paid by Seller.

(k) **Negotiated Repairs/Improvements:** Negotiated repairs/improvements shall be made in a good and workmanlike manner and Buyer shall have the right to verify same prior to Settlement.

(l) **Seller's Failure to Comply or Breach:** If Seller fails to materially comply with any of Seller's obligations under this Paragraph 8 or Seller materially breaches this Contract, and Buyer elects to terminate this Contract as a result of such failure or breach, then the Earnest Money Deposit and the Due Diligence Fee shall be refunded to Buyer and Seller shall reimburse to Buyer the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence without affecting any other remedies. If legal proceedings are brought by Buyer against Seller to recover the Earnest Money Deposit, the Due Diligence Fee and/or the reasonable costs actually incurred by Buyer in connection with Buyer's Due Diligence, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

9. **PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated through the date of Settlement and either adjusted between the parties or paid at Settlement:

- (a) **Taxes on Real Property:** Ad valorem taxes and recurring governmental service fees levied with such taxes on real property shall be prorated on a calendar year basis;
- (b) **Taxes on Personal Property:** Ad valorem taxes on personal property for the entire year shall be paid by Seller unless the personal property is conveyed to Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis;
- (c) **Rents:** Rents, if any, for the Property;
- (d) **Dues:** Owners' association regular assessments (dues) and other like charges.

10. **HOME WARRANTY:** Select one of the following:

- No home warranty is to be provided by Seller.
- Buyer may obtain a one-year home warranty at a cost not to exceed \$ na and Seller agrees to pay for it at Settlement.
- Seller has obtained and will provide a one-year home warranty from na at a cost of \$ na and will pay for it at Settlement.

(NOTE: Home warranties typically have limitations on and conditions to coverage. Refer specific questions to the home warranty company.)

11. **CONDITION OF PROPERTY AT CLOSING:** Buyer's obligation to complete the transaction contemplated by this Contract shall be contingent upon the Property being in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.

12. **RISK OF LOSS:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this Contract by written notice delivered to Seller or Seller's agent and the Earnest Money Deposit and any Due Diligence Fee shall be refunded to Buyer. In the event Buyer does NOT elect to terminate this Contract, Buyer shall be entitled to receive, in addition to the Property, any of Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

13. **DELAY IN SETTLEMENT/CLOSING:** Absent agreement to the contrary in this Contract or any subsequent modification thereto, if a party is unable to complete Settlement by the Settlement Date but intends to complete the transaction and is acting in good faith and with reasonable diligence to proceed to Settlement ("Delaying Party"), and if the other party is ready, willing and able to complete Settlement on the Settlement Date ("Non-Delaying Party") then the Delaying Party shall give as much notice as possible to the Non-Delaying Party and closing attorney and shall be entitled to a delay in Settlement. If the parties fail to complete Settlement and Closing within fourteen (14) days of the Settlement Date (including any amended Settlement Date agreed to in writing by the parties) or to otherwise extend the Settlement Date by written agreement, then the Delaying Party shall be in breach and the Non-Delaying Party may terminate this Contract and shall be entitled to enforce any remedies available to such party under this Contract for the breach.

14. **POSSESSION:** Possession, including all means of access to the Property (keys, codes, garage door openers, etc.), shall be delivered upon Closing as defined in Paragraph 1(m) unless otherwise provided below:

- A Buyer Possession Before Closing Agreement is attached (Standard Form 2A7-T)
- A Seller Possession After Closing Agreement is attached (Standard Form 2A8-T)
- Possession is subject to rights of tenant(s) (NOTE: Consider attaching Additional Provisions Addendum (Form 2A-11-T) or Vacation Rental Addendum (Form 2A13-T))

Buyer initials

Seller initials

15. **OTHER PROVISIONS AND CONDITIONS:** CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO. **NOTE:** UNDER NORTH CAROLINA LAW, REAL ESTATE BROKERS ARE NOT PERMITTED TO DRAFT CONDITIONS OR CONTINGENCIES TO THIS CONTRACT.

- Additional Provisions Addendum (Form 2A11-T)
- Additional Signatures Addendum (Form 3-T)
- Back-Up Contract Addendum (Form 2A1-T)
- Contingent Sale Addendum (Form 2A2-T)
- FHA/VA Financing Addendum (Form 2A4-T)
- Lead-Based Paint Or Lead-Based Paint Hazard Addendum (Form 2A9-T)
- OTHER: One or more of the buyers is a licensed North Carolina Real Estate Broker. See attached Addendum A.
- Loan Assumption Addendum (Form 2A6-T)
- New Construction Addendum (Form 2A3-T)
- Seller Financing Addendum (Form 2A5-T)
- Short Sale Addendum (Form 2A14-T)
- Vacation Rental Addendum (Form 2A13-T)

16. **ASSIGNMENTS:** This Contract may not be assigned without the written consent of all parties except in connection with a tax-deferred exchange, but if assigned by agreement, then this Contract shall be binding on the assignee and assignee's heirs and successors.

17. **TAX-DEFERRED EXCHANGE:** In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Buyer and Seller shall execute such additional documents, including assignment of this Contract in connection therewith, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

18. **PARTIES:** This Contract shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

19. **SURVIVAL:** If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

20. **ENTIRE AGREEMENT:** This Contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

21. **NOTICE:** Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with the transaction contemplated by this Contract may be given to a party or a party's agent by sending or transmitting it to any mailing address, e-mail address or fax number set forth in the "Notice Information" section below. Seller and Buyer agree that the "Notice Information" and "Acknowledgment of Receipt of Monies" sections below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

22. **EXECUTION:** This Contract may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument, and the parties adopt as their seals the word "SEAL" beside their signatures below.

23. **COMPUTATION OF DAYS:** Unless otherwise provided, for purposes of this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract was required to be performed or made.

Buyer initials *JD* Seller initials *JB*

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

This offer shall become a binding contract on the Effective Date.

Date: February 12, 2015

Buyer SAGA Construction and/or (SEAL)

Date: 2/13/2014

Buyer Assigns (SEAL)

Entity Buyer:

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

Name: _____

Title: _____

Date: _____

Date: 2/19/15

Seller GINGUITE WOODS WATER (SEAL)

Date: 2/13/15

Seller RECLAMATION ASSOC., INC (SEAL)

Entity Seller:

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

Name: _____

Title: _____

Date: _____

[THIS SPACE INTENTIONALLY LEFT BLANK]

OFFICIAL COPY
May 29 2024

NOTICE INFORMATION

NOTE: INSERT THE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: 1314 S Croatan Highway, Suite 301,
Kill Devil Hills, NC 27948

Buyer Fax#: (252) 489-4565

Buyer E-mail: bhowsare@icrsaga.com

SELLING AGENT NOTICE ADDRESS:

Firm Name: InterCoastal Realty

Acting as Buyer's Agent Seller's (sub)Agent Dual Agent

Mailing Address: 1314 S Croatan Highway, Suite 301,

Kill Devil Hills, NC 27948

Individual Selling Agent: Bob Howsare

Acting as a Designated Dual Agent (check only if applicable)

License #: 182367

Selling Agent Phone#: (252) 305-2696

Selling Agent Fax#: (252) 489-4565

Selling Agent E-mail: bhowsare@icrsaga.com

SELLER NOTICE ADDRESS:

Mailing Address: PO BOX 1374, Kitty Hawk, NC 27949

Seller Fax#: (na) -

Seller E-mail: nbox@mchsi.com

LISTING AGENT NOTICE ADDRESS:

Firm Name: na

Acting as Seller's Agent Dual Agent

Mailing Address: na, na, na na

Individual Listing Agent: na

Acting as a Designated Dual Agent (check only if applicable)

License #: na

Listing Agent Phone#: _____

Listing Agent Fax#: _____

Listing Agent E-mail: na

[THIS SPACE INTENTIONALLY LEFT BLANK]

ACKNOWLEDGMENT OF RECEIPT OF MONIES

Seller: GINGUITE WOODS WATER , RECLAMATION ASSOC., INC ("Seller")

Buyer: SAGA Construction and/or , Assigns ("Buyer")

Property Address: N Croatan Highway (approx 1 acre), Southern Shores, 27949 ("Property")

SELLER ACKNOWLEDGMENT OF RECEIPT OF DUE DILIGENCE FEE

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Due Diligence Fee in the amount of \$ _____, receipt of which Seller hereby acknowledges.

Date _____

Seller: _____
(Signature)
GINGUITE WOODS WATER

Date _____

Seller: _____
(Signature)
RECLAMATION ASSOC., INC

ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF INITIAL EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an Initial Earnest Money Deposit in the amount of \$ _____. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the Initial Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date _____

Firm: _____ na

By: _____
(Signature)
na

(Print name)

ESCROW AGENT ACKNOWLEDGMENT OF RECEIPT OF (ADDITIONAL) EARNEST MONEY DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Escrow Agent of an (Additional) Earnest Money Deposit in the amount of \$ _____. Escrow Agent as identified in Paragraph 1(f) of the Offer to Purchase and Contract hereby acknowledges receipt of the (Additional) Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms of the Offer to Purchase and Contract.

Date _____

Firm: _____ na

By: _____
(Signature)
na

(Print name)

OFFICIAL COPY

May 29 2024



**STATE OF NORTH CAROLINA
MINERAL AND OIL AND GAS RIGHTS MANDATORY DISCLOSURE STATEMENT**

Instructions to Property Owners

1. The Residential Property Disclosure Act (G.S. 47E) ("Disclosure Act") requires owners of certain residential real estate such as single-family homes, individual condominiums, townhouses, and the like, and buildings with up to four dwelling units, to furnish purchasers a Mineral and Oil and Gas Rights Disclosure Statement ("Disclosure Statement"). This form is the only one approved for this purpose.
2. A disclosure statement is not required for some transactions. For a complete list of exemptions, see G.S. 47E-2(a). **A DISCLOSURE STATEMENT IS REQUIRED FOR THE TRANSFERS IDENTIFIED IN G.S. 47E-2(b)**, including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement.
3. You must respond to each of the following by placing a check in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

Mineral rights and/or oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral rights and/or oil and gas rights from the owner or by reservation of the mineral rights and/or oil and gas rights by the owner. If mineral rights and/or oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface mineral and/or oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. With regard to the severance of mineral rights and/or oil and gas rights, Seller makes the following disclosures:

N Croatan Highway (approx 1 acre)

Property Address: Southern Shores, 27949

	Yes	No	No Representation
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
1. Mineral rights were severed from the property by a previous owner.			
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
2. Seller has severed the mineral rights from the property.			
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3. Seller intends to sever the mineral rights from the property prior to transfer of title to the Buyer.			
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. Oil and gas rights were severed from the property by a previous owner.			
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5. Seller has severed the oil and gas rights from the property.			
<u>JS</u> Buyer Initials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
6. Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.			

Owner Initials and Date: JS 2/13/15 Owner Initials and Date: _____

Note to Purchasers

If the owner does not give you a Mineral and Oil and Gas Rights Disclosure Statement by the time you make your offer to purchase the property, or exercise an option to purchase the property pursuant to a lease with an option to purchase, you may under certain conditions cancel any resulting contract without penalty to you as the purchaser. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of this Disclosure Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

Property Address: N Croatan Highway (approx 1 acre), Southern Shores, 27949

Owner's Name(s): GINGUITE WOODS WATER , RECLAMATION ASSOC. , INC

Owner(s) acknowledge having examined this Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature: _____ GINGUITE WOODS WATER Date _____

Owner Signature: _____ RECLAMATION ASSOC. , INC Date _____

Purchaser(s) acknowledge receipt of a copy of this Disclosure Statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; and that the representations are made by the owner and not the owner's agent(s) or subagent(s).

Purchaser Signature: _____  SAGA Construction and/or` Date 2/13/2014

Purchaser Signature: _____ Assigns Date _____

TERMINATION OF CONTRACT BY MUTUAL AGREEMENT
WITH RELEASE OF EARNEST MONEY DEPOSIT

(This form is designed for use by a buyer and seller who agree to terminate the Offer To Purchase and Contract (Standard Form 2-T) or the Offer To Purchase and Contract-Vacant Lot/Land (Standard Form 12-T) and have agreed on how the Earnest Money Deposit is to be disbursed. Form 391-T may be used in situations where the parties have not agreed on disbursement of the Earnest Money Deposit.)

Seller: Ginguite Woods Water Reclamati, on Assoc (GWWRA/Neal Blinken)

Mailing Address: na, na, na na

Buyer: SAGA Construction and/or, Assigns

Mailing Address: 1314 S Croatan Highway, Suite 301, Kill Devil Hills, NC 27948

Seller and Buyer are referred to herein collectively as "the Parties".

1. **Contract.** The Parties entered into a contract for the purchase and sale of the following real property:
N Croatan Highway (approx 1 acre), Southern Shores, 27949 ("Contract").

The Effective Date of the Contract is _____.

2. **Intent.** The Parties mutually desire to terminate the Contract and release each other from any further obligations under the Contract, and to surrender all rights they have under the Contract, including any obligations and rights relating to the Earnest Money Deposit described in the Contract ("Deposit").

3. **Termination of Agreement.** The Parties agree that the Contract is hereby terminated, and they hereby surrender all rights they have under the Contract and release each other from any further obligations thereunder.

4. **Release from Liability.** The Parties hereby release and forever discharge each other and their respective successors in interest from any and all claims, demands, rights and causes of action of whatsoever kind and nature arising from the Contract.

5. **Deposit.** The Parties agree that the Deposit shall be disbursed by the Escrow Agent in the following manner:
Earnest money deposit of \$1,000.00 to be returned to the buyers.

6. **Effective Date.** This Termination of Contract and Release shall be effective on the date that it has been signed by all of the Parties.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. MAKES NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION.

2/13/15
Date _____
Seller Ginguite Woods Water Reclamati

February 12, 2015
Date _____
Buyer SAGA Construction and/or

Date _____
Seller on Assoc (GWWRA/Neal Blinken)

2/13/2014
Date _____
Buyer Assigns

Entity Seller: _____
(Name of LLC/Corporation/Partnership/Trust/etc.)

Entity Buyer: _____
(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____



North Carolina Association of REALTORS®, Inc.

Interoceanal Realty Inc, 1314 S. Croatan Hwy, Suite 301 Kill Devil Hills, NC 27948
Phone: (252)441-9803 Fax: _____ Sumit Gupta



STANDARD FORM 390-T
Revised 7/2014
© 7/2014

N Croatan

OFFICIAL COPY

May 29 2024

Addendum to Offer To Purchase and Contract
Dated: February 12, 2015
Between
SAGA Construction and/or Assigns, BUYERS
And

Ginguite Woods Water Reclamation Association, Inc. (GWWRA), SELLERS

1. Buyer obtaining the required approval for the sale and transfer of the property identified as Pin #986606497635 in Plat Cabinet E, Slide 70, Book Number 1463 and Page 0395 from the North Carolina Utilities Commission.
2. Closing to occur thirty (30) days after approval by the North Carolina Utilities Commission.
3. The following judgments to be satisfied by Buyers at closing:
 - a. Town of Southern Shores judgment in the amount of \$14,400 with interest accruing at 8% per annum from January 31, 2005, plus court costs. Final amount due of principal sum, interest and any penalties must be approved by buyers prior to closing.*
 - b. North Carolina Department of Environmental and Natural Resources Monetary judgment for the principal sum of \$4,653.75 plus interest. Final amount due of principal sum, interest and any penalties must be approved by buyers prior to closing.*
 - c. North Carolina Department of Revenue line for unpaid taxes for the original sum of \$9,927.71 with accrued interest and penalties. Final amount due of principal sum, interest and any penalties must be approved by buyers prior to closing.*

BUYERS:

SAGA Construction and/or Assigns

2/13/2014
Date

SELLERS:

Ginguite Woods Water Reclamation Association, Inc.

2/13/14
Date

*Buyer will use their best efforts in determining the final amounts due within sixty (60) days of execution of this offer.

EXHIBIT 8

Copy of contracts or agreements, including all attachments, exhibits, and appendices, between the utility and any other party.

AIA® Document A101® – 2017

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum

AGREEMENT made as of the Twenty-sixth day of November in the year Two Thousand Twenty-one
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

GWWTWP, LLC
P.O. BOX 90
KILL DEVIL HILLS, NORTH CAROLINA 27948

and the Contractor:
(Name, legal status, address and other information)

ENVIRO-TECH UNLIMITED CONSTRUCTION SERVICES, LLC
P.O. BOX 157
NAGS HEAD, NORTH CAROLINA 27959

for the following Project:
(Name, location and detailed description)

Ginguite Woods WWTP Steel Tank Replacement
Southern Shores, NC

This contract consists of the partial demolition and replacement of the steel packaged Ginguite Woods wastewater treatment plant. The 53'5" Long by 12'0" Wide sludge, equalization, and aeration segments of the treatment are to be replaced with an identical new steel shell structure. The plant will be outfitted with stairs, walkways, and handrails as required for access to the Flow Control Box, Mechanical Bar Screen, and Equalization Pumps. The plant has been recently retrofitted with new aeration blowers, galvanized steel air header and diffusers which will be removed and re-installed. The existing portion of plant will be demolished and removed from the site by the Contractor. All permits for replacement are to be secured by the Owner and Engineer prior to proceeding with the work.

The project has been broken down into the following major items:

- Provide and install direct replacement of existing steel package plant being removed
- Remove and Re-install existing Blowers and Air header and Diffusers
- Replace Existing Plant Internal Piping
- Replace Existing Manual Bar Screen
- Replace Existing Pumps in Equalization Tank
- Provide stairs, walkway and handrails for maintenance of Mechanical Bar Screen, Flow Control Box, and Equalization Pumps
- Monitor/Manage Pumping and Hauling of Sewage from Lift Station.
- Demolition of Flow Equalization Tank, Aeration Tank 1&2

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101®-2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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This contract excludes the following major items:

- Local, State, and Federal Permits if required
- Costs associated with Pumping and Hauling of wastewater flow during construction
- Replacement of Existing Fence securing wastewater plant

The Engineer:

(Name, legal status, address and other information)

Michael W. Robinson, PE, PLS
 P.O. BOX 2852
 KILL DEVIL HILLS, NC 27948

The Owner and Contractor agree as follows.

TABLE OF ARTICLES

- 1 THE CONTRACT DOCUMENTS
- 2 THE WORK OF THIS CONTRACT
- 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
- 4 CONTRACT SUM
- 5 PAYMENTS
- 6 DISPUTE RESOLUTION
- 7 TERMINATION OR SUSPENSION
- 8 MISCELLANEOUS PROVISIONS
- 9 ENUMERATION OF CONTRACT DOCUMENTS

EXHIBIT A INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:

(Check one of the following boxes.)

[X] The date of this Agreement.

Init.
/

- A date set forth in a notice to proceed issued by the Owner.
- Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

- Not later than () calendar days from the date of commencement of the Work.
- By the following date: August 1st, 2021

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
N/A	N/A

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Three Hundred Ninety-seven Thousand Five Hundred Dollars and Zero Cents (\$ 397,500.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price
N/A	N/A

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance
N/A	N/A	N/A

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
N/A	N/A

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Init.
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Item	Units and Limitations	Price per Unit (\$0.00)
N/A	N/A	N/A

§ 4.5 Liquidated damages, if any:
(Insert terms and conditions for liquidated damages, if any.)

None

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

The contract price for this construction project has been calculated based on the current market prices for the building materials. However, the market for the steel materials that are hereafter specified is considered to be volatile, and sudden price increases could occur. The Contractor agrees to use his best efforts to obtain the lowest possible prices from available steel material suppliers, but should there be an increase in the prices of these specified materials that are purchased after execution of contract for use in this construction project, the Owner agrees to pay that cost increase to the Contractor. Any claim by the Contractor for payment of a cost increase, as provided above, shall require written notice delivered by the Contractor to the Owner stating the increased cost, the steel material or materials in question, and the source of supply, supported by invoices or bills of sale. As of 11/26/2021, the current price of carbon steel mill prices is \$0.99/lb.

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 The following schedule of payments will be used during the course of the contract.

- Payment 1: 5% Due Within 7 Days of Signing Contract
- Payment 2: 20% Due Prior to Ordering Equipment
- Payment 3: 35% Due When Equipment Arrives to the site
- Payment 4: 15% Due at beginning of installation
- Payment 5: 25% Due at time of Plant Start-up & Acceptance

(Paragraphs deleted)

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

18 %

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

Arbitration pursuant to Section 15.4 of AIA Document A201–2017

- Litigation in a court of competent jurisdiction
- Other (*Specify*)

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner’s convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner’s convenience.)

The Owner shall pay the Contractor for the time and costs associated with the project plus a 15% mark-up. The method for determining this will be project costs at the time of termination minus money paid by Owner plus 15%.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner’s representative:
(Name, address, email address, and other information)

Bob Howsare
 1314 S Croatan Hwy Ste 301 Kill Devil Hills, North Carolina 27948
 bhowsare@icrsaga.com
 Business Development
 252-305-2696

§ 8.3 The Contractor’s representative:
(Name, address, email address, and other information)

William Freed
 P.O. Box 157 Nags Head, North Carolina, 27959
 wfreed@etucs.com
 Manager
 252-564-7995

§ 8.4 Neither the Owner’s nor the Contractor’s representative shall be changed without ten days’ prior notice to the other party.

§ 8.5 Insurance and Bonds

§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, Exhibit A, Insurance and Bonds, and elsewhere in the Contract Documents.

Init.
/

§ 8.5.2 The Contractor shall not provide bonds as set forth in AIA Document A101™–2017 Exhibit A, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 8.7 Other provisions:

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

- .1 AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor
- .2 AIA Document A101™–2017, Exhibit A, Insurance and Bonds
- .3 AIA Document A201™–2017, General Conditions of the Contract for Construction
- .4 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

.5 Drawings

Number	Title	Date
N/A		

.6 Specifications

Section	Title	Date	Pages
N/A			

.7 Addenda, if any:

Number	Date	Pages
None		

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:

(Check all boxes that apply and include appropriate information identifying the exhibit where required.)

AIA Document E204™–2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this Agreement.)


The Sustainability Plan:

Init.

Title	Date	Pages	
[] Supplementary and other Conditions of the Contract:			
Document	Title	Date	Pages

.9 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™-2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

This Agreement entered into as of the day and year first written above.



 OWNER (Signature)
 SUMIT GUPTA

 (Printed name and title)

 CONTRACTOR (Signature)

 (Printed name and title)

Init.
/

**STATE OF NORTH CAROLINA
COUNTY OF DARE**

**OPERATION
AGREEMENT**

This Operation Agreement (this "Agreement") entered into April 27, 2022 (the "Effective Date") by and between GWWTP LLC (the "Owner") and Atlantic OBX (the "Operator").

RECITALS

WHEREAS, the Owner desires to engage the Operator and the Operator desires to be engaged for the operation and maintenance of the Ginguite Woods Wastewater Collection, Treatment and Disposal System serving the residential development (the "Wastewater System") located in Southern Shores within the County of Dare.

NOW THEREFORE, in consideration of the foregoing and of the parties' mutual promises, terms and conditions set forth herein, and of other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

Section I: Price

During the Term (as defined below) Owner agrees to pay Atlantic OBX, for the Services (as defined herein), the sum of **Four Thousand Dollars per month (\$4,000.00)**, plus reimbursement for all actual costs, plus twenty percent, of goods and services purchased on behalf of the Owner necessary for proper operation and maintenance of the Wastewater System. Payment for operational services shall be made prior to and no later than the tenth day of the service month. The Operator shall submit to Owner at the end of each service month, monthly invoices setting forth, in reasonable detail, the costs of reimbursement.

Section II: Obligations of Atlantic OBX

For the above compensation, Atlantic OBX agrees to provide for the Owner an individual to be the responsible (the "Operator in Responsible Charge") for the operation of the Wastewater System. Any additional staff needed outside of the Operator in Responsible Charge to perform routine operations and maintenance services, preventative maintenance, proper record keeping and procurement of supplies necessary for proper operation of the facility will be provided within the scope of this contract.

Under this contract the Services include the following:

1. the treatment system shall be visited and inspected **daily** as per the permit to include but not limited to:
 - a. observing, inspecting and documenting the system for any indication of performance problems (influent bar screen, tanks, manholes, plumbing, valves, equipment)
 - b. confirming that meters, control panels, float switches, pumps and alarms are operational and functioning correctly
 - c. record required effluent parameters, pump readings, disposal volumes and observations of system performance
 - d. making adjustments as needed to ensure plant operation (backwash of filters, fume scrubber, etc)

- e. performing and documenting required data (DO, Settrometer test, pH test, turbidity, etc)
 - f. adding chemicals as needed (Disinfection, stabilization, etc)
2. the following shall be performed a minimum of **weekly**;
- a. test backup generator
 - b. visual observation of pump station to ensure proper operation
 - c. lab sampling NDMR-required effluent parameters per the permit (May-August)
3. the following shall be performed a minimum of **monthly**;
- a. lab sampling for NDMR-required effluent parameters per the permit (September-April)
 - b. record NDMR monthly data to be calculated and submitted to the State with copies available to the owner
4. the following shall be performed **triannually**;
- a. lab sampling for NDMR-required effluent and groundwater well parameters per the permit
5. the following shall be performed as needed;
- a. respond to all system alarm conditions in a timely manner. Operator shall display a contact phone number and be readily available 24 hours and day 7 days a week

If any malfunction, damage or loss of equipment to any part of the Wastewater System should occur or be caused by matters not addressed in this contract, Atlantic OBX will take immediate corrective action when needed to protect public health and safety, prevent further damage to the system, and/or maintain the system in permit compliance. Atlantic OBX shall be reimbursed in accordance with the attached Time & Material Rates for labor performed. Estimated costs for such action shall be limited to *One Thousand Dollars (\$1,000.00)* without prior verbal approval by Owner. Owner and Operator may, by written mutual agreement, adjust or modify the Services to be provided as well as the compensation for any such additional Services. Any such additional Services agreed between the parties shall be governed by this Agreement.

Section III: Other Fees

Failure of equipment for any other reason than improper or lack of maintenance will be replaced or repaired and billed as a reimbursement. This charge will be billed monthly as outlined in Section I. Operator will provide monthly billing services to customers of system for Owner. Customer remittance will be to a local post office box reserved for that purpose. After posting payments to accounts, checks will be deposited into an account established and maintained by the Owner.

Section IV: Indemnification

To the extent permitted by North Carolina Law, Owner shall defend, indemnify and hold Operator harmless from all liabilities, obligations, claims, damages, actions, suits, proceedings, costs and expenses including attorney's fees that arise in tort, contract or under US Code 1983 due to any act or omission of Owner or its agents, employees or independent contractors.

Nothing in this agreement shall be construed to create the relationship of employer and employee between Owner and Operator. Except as set forth herein, neither the Owner nor Operator shall have the authority to bind the other party.

Operator and Owner agree that Atlantic OBX is not responsible for damage or destruction of the facility by an act of God, which includes but is not limited to hurricane, lightning, floodwaters or wind. Likewise, Atlantic OBX shall be excused from performing its obligations under this Agreement if its performance is delayed or prevented by any event beyond Operator's reasonable control and without its fault or negligence, provided that such performance shall be excused only to the extent of, and during the reasonably unavoidable continuance of, such disability that cannot be mitigated by the reasonable action of the Operator.

Section V: Maintenance of Insurance

In addition to and without limiting Operator's obligations under Section IV above, Operator will provide Owner upon reasonable request with certificates of insurance as evidence of insurance for workers compensation and employers liability.

Section VI: Nondiscrimination

Operator agrees that in performance of this contract, Operator will not discriminate against any employee or applicant because of race, color, creed, national origin or ancestry.

Section VII: Default

All terms and conditions of this agreement are considered material and failure to perform any of the terms and conditions on the part of either party is considered a breach of this agreement. Should Operator or Owner fail to perform any of the terms or conditions the complaining party has the right to terminate the agreement only after thirty (30) days notice in writing to the breaching party. The breaching party will have thirty (30) days to remedy said violations. If Owner defaults due to non-payment Operator reserves the right to collect all legal fees associated with collecting outstanding receivables associated with this contract.

Section VIII: Overdue fees

Past due accounts bear interest at the lesser of 1.5% per month or maximum rate permitted by applicable law, and continuing after Operator obtains a judgment against Owner.


Section IX: Term

This Agreement shall be in force for the period of one (1) year (the "Term"). The Owner and/or Operator obtains the right to terminate this agreement after (30) days of written notice is given to the Operator and/or Owner. The Operator may request cancellation of agreement if scheduled construction of the new section is not completed by December 31, 2022.

Section X: Miscellaneous

This Agreement shall be governed by and construed according to the law of the State of North Carolina. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile or PDF signatures. No delay or omission by a Party to exercise any right or remedy accruing pursuant to any of the terms hereof shall impair any such right or remedy or be construed to be a waiver thereof. Any modification or amendment of any provision of this Agreement must be made in writing and signed by an authorized representative of each Party. This Agreement constitutes and sets forth the entire agreement and understanding among the Parties with respect to the subject matter hereof. If any provision of this Agreement is declared invalid or unenforceable as a matter of law, such invalidity or unenforceability shall not affect or impair the validity or enforceability of any other provision of this Agreement or the remainder of this Agreement as a whole.

This contract is approved as written this 27th day of APRIL, 2022.



Owner
GWWTP, LLC
Sumit Gupta
PO Box 90
Kill Devil Hills, NC 27948
bhowsare@icrsaga.com

Operator
Authorized Representative
Atlantic OBX
PO Box 2560
Kitty Hawk, NC 27949
tgee@atlanticsewage.com

W-1343, Sub 0
W-1139, Sub 7

EXHIBIT 9

Enclose a vicinity map showing the location of the proposed subdivisions or service areas in sufficient detail for someone not familiar with the county to locate the subdivisions.

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

James B. Hunt, Jr., Governor
Bill Holman, Secretary
Kerr T. Stevens, Director

Post-it® Fax Note	7671	Date	10/26	# of pages	▶ 30
To	Sean Boyle	From	SMT		
Co./Dept.		Co.			
Phone #		Phone #	919-733-5083		
Fax #	252-261-1260	Fax #			2353

NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES

November 3, 2000

MR. NEAL BLINKEN, PRESIDENT
GINGUITE WOODS WATER RECLAMATION ASSOCIATION, INC.
POST OFFICE BOX 1374
KITTY HAWK, NORTH CAROLINA 27949

DRAFT

Subject: Permit No. WQ0017415
Ginguite Woods Water
Reclamation Association, Inc.
Ginguite Woods
Wastewater Collection System Extension
Dare County

Dear Mr. Blinken:

In accordance with your application received on September 13, 1999 as well as the additional information received on December 17, 1999, February 22, 2000, and October 13, 2000, we are forwarding herewith Permit No. WQ0017415 dated November 3, 2000, to the Ginguite Woods Water Reclamation Association, Inc. for the construction and operation of the subject wastewater collection system extension. This permit shall be effective from the date of issuance until rescinded and shall be subject to the conditions and limitations as specified therein.

Please pay particular attention to Condition No. 3., which requires that the wastewater collection facilities be properly operated and maintained in accordance with 15A NCAC 2H .0227 or any individual system-wide collection system permit issued to the Permittee. Other special conditions to note include the following:

- ◆ **Condition No. 14.:** This condition requires that a stormwater management plan be submitted to and approved by the Washington Regional Office in accordance with 15A NCAC 2H .1000.
- ◆ **Condition No. 15.:** This condition requires that a final Certificate of Public Convenience and Necessity issued by the North Carolina Utilities Commission and approving the Ginguite Woods Water Reclamation Association, Inc. to provide wastewater utilities to the proposed service area is to be submitted to the Division of Water Quality (Division) within 30 days of its receipt. Note that the wastewater collection system extension permitted herein cannot be operated until successful resolution of all final issues with the North Carolina Utilities Commission.
- ◆ **Condition No. 16.:** Since the tributary wastewater treatment and non-discharge disposal facilities are being permitted simultaneously with this wastewater collection system extension, this condition precludes operation of the extension until the Division has received a final certification from a North Carolina-licensed Professional Engineer for the facilities permitted under Permit No. WQ0017224.
- ◆ **Condition No. 17.:** This condition requires that written approval shall be applied for and received from the Non-Discharge Permitting Unit prior to operation of the wastewater collection system extension in order to verify successful receipt of the Certificate of Public Convenience and Necessity and the availability of adequate wastewater treatment and non-discharge disposal facilities.

Permitting of this project does not constitute an acceptance of any part of the plans and specifications that do not meet 15A NCAC 2H .0200 and the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996 unless specifically mentioned herein. Division approval is based on the acceptance of the certification provided by a North Carolina-licensed Professional Engineer on Page 7 of the subject permit application form. It shall be the Permittee's responsibility to ensure the plans and specifications meet the appropriate design criteria and rules. Failure to comply may result in penalties in accordance with North Carolina General Statute §143-215.6A through §143-215.6C, construction of additional or replacement wastewater collection facilities, and/or referral of the North Carolina-licensed Professional Engineer to the licensing board.

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 30 days following 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.

One set of approved plans and specifications is being forwarded to you. If you need additional information concerning this matter, please contact Ms. Shannon Mohr Thornburg at (919) 733-5083, extension 353.

Sincerely,

Kerr T. Stevens

DRAFT

cc: Dare County Health Department
Washington Regional Office, Water Quality Section (WWTF Permit No. WQ0017224)
Coastal Engineering & Surveying, Inc.

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
RALEIGH
WASTEWATER COLLECTION SYSTEM EXTENSION 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

Ginguite Woods Water Reclamation Association, Inc.
Dare County

FOR THE

construction and operation of approximately 2,170 linear feet of eight-inch gravity sewer; a 155-gallon per minute pump station with duplex pumps, on-site audible and visual high-water alarms, telemetry (i.e., same system as that used for the wastewater treatment and non-discharge disposal facilities permitted under Permit No. WQ0017224), and an automatically-activated stand-by power generator set (i.e., same system as that used for the wastewater treatment and non-discharge disposal facilities permitted under Permit No. WQ0017224); as well as approximately 25 linear feet of four-inch force main to serve 36 three-bedroom single-family residential units (i.e., townhomes), 24,500 square feet of retail/office space, a 250-seat restaurant, and a commercial lot as part of the Ginguite Woods development located at the northwest corner of the intersection of United States Highway 158 (i.e., North Croatan Highway) and South Dogwood Trail in the Town of Kitty Hawk at an approximate latitude and longitude of 36°05'42" and 75°44'12", respectively; and the discharge of 27,900 gallons per day of collected domestic and commercial wastewater into the Southern Coastal Associates of Dare County, Inc.'s sewerage system, pursuant to the application received on September 13, 1999 as well as the additional information received on December 17, 1999, February 22, 2000, and October 13, 2000, and in conformity with 15A NCAC 2H .0200; the Division of Water Quality's (Division) Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the project plans; the specifications; 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 the date of issuance until rescinded and shall be subject to the following specified conditions and limitations:

1. This permit shall become voidable unless the wastewater collection facilities are constructed in accordance with the conditions of this permit, 15A NCAC 2H .0200; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996; the approved plans and specifications; and other supporting data unless specifically mentioned herein.
2. This permit shall be effective only with respect to the nature and volume of wastes described in the application and other supporting data.

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3. 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 as required by 15A NCAC 2H .0227. If an individual permit is not required, the following performance criteria shall be met as provided for in 15A NCAC 2H .0227:
 - 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 the groundwater standards in 15A NCAC 2L .0200 or the surface water standards in 15A NCAC 2B .0200.
 - b. A map of the sewer system shall be developed prior to January 1, 2004 and shall be actively maintained.
 - c. An operation and maintenance plan shall be developed and implemented.
 - d. Pump stations that are not connected to a telemetry system shall be inspected at least three times per week until July 1, 2000; thereafter, pump stations shall be inspected at least daily, as defined in 15A NCAC 2B .0503(5), until July 1, 2001; and thereafter, pump stations shall be inspected every day. Pump stations that are connected to a telemetry system shall be inspected at least once per week.
 - e. High-priority sewer lines shall be inspected at least once per every six-month period of time.
 - f. A general observation of the entire sewer system shall be conducted at least once per year.
 - g. Inspection and maintenance records shall be maintained for a period of at least three years.
 - h. Overflows and bypasses shall be reported to the appropriate Division regional office in accordance with 15A NCAC 2B .0506(a), and public notice shall be provided as required by North Carolina General Statute §143-215.1C.
4. The sewage and wastewater collected by this system shall be treated in the Ginguite Woods Water Reclamation Association, Inc.'s Wastewater Treatment Facility (Non-Discharge Permit No. WQ0017224) prior to disposal.
5. This permit shall not be transferable. In the event there is a desire for the wastewater collection facilities to change ownership, or there is a name change of the Permittee, a formal permit request shall be submitted to the Division accompanied by documentation from the parties involved and other supporting materials as may be appropriate. The approval of this request shall be considered on its merits and may or may not be approved.
6. Construction of the wastewater collection system extension shall be scheduled so as not to interrupt service by the existing utilities nor result in an overflow or bypass discharge of wastewater to the surface waters of the State.
7. Upon completion of construction and prior to operation of these permitted facilities, a certification and a copy of the construction record drawings shall be received from a North Carolina-licensed Professional Engineer certifying that the facilities have been installed in accordance with this permit; 15A NCAC 2H .0200; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; and other supporting materials. If this project is to be completed in phases and partially certified, you shall retain the responsibility to track further construction approved under the same permit and provide a final certificate of completion once the entire project has been completed. A copy of the construction record drawings, indicating the facilities constructed in the phase being certified, shall be submitted with each partial certification. Mail one copy of the Engineer's Certification and one copy of the "Construction Record Drawings" to the Non-Discharge Permitting Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.
8. A copy of the approved plans, approved specifications, and construction record drawings shall be maintained on file by the Permittee for the life of the wastewater collection facilities.

9. Failure to abide by the conditions and limitations contained in this permit or to construct the facilities in accordance with the conditions of this permit; 15A NCAC 2H .0200; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996; the approved plans and specifications; and other supporting data 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.
10. The issuance of this permit does not preclude 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) which have jurisdiction, including, but not limited to, applicable river buffer rules in 15A NCAC 2B .0200, erosion and sedimentation control requirements in 15A NCAC Ch. 4 and under the Division's General Permit NCG0100000, and any requirements pertaining to wetlands under 15A NCAC 2B .0200 and 15A NCAC 2H .0500.
11. The Permittee shall provide for the pump station and force main the following items:
- An air relief valve located at all high points along the force main,
 - Three feet of cover (minimum) over the force main or the use of ferrous material where three feet cannot be maintained,
 - The force main shall adhere with the following minimum separations:
 - Storm sewers (vertical): 12 inches
 - Water mains (vertical-water over sewer): 18 inches or (horizontal): 10 feet
 - In benched trenches (vertical): 18 inches
 - Any private or public water supply source, including any WS-I waters or Class I or Class II impounded reservoirs used as a source of drinking water: 100 feet
 - Waters classified WS (other than WS-I), B, SA, ORW, HQW, or SB [from normal high water (or tide elevation)]: 50 feet
 - Any other stream, lake or impoundment: 10 feet
 - Any building foundation: 5 feet
 - Any basement: 10 feet
 - Top slope of embankment or cuts of 2 feet or more vertical height: 10 feet
 - Drainage systems
 - Interceptor drains: 5 feet
 - Ground water lowering and surface drainage ditches: 10 feet
 - Any swimming pool: 10 feet
 - Ferrous sewer pipe with joints equivalent to water main standards, shall be used where these minimum separations cannot be maintained. The minimum separation shall, however, not be less than 25 feet from a private well or 50 feet from a public water supply well.
12. In the event that the wastewater collection facilities fail to perform satisfactorily, including the creation of nuisance conditions, the Permittee shall take immediate corrective action, including those as may be required by this Division, such as the construction of additional or replacement facilities.
13. **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 either of the following:
- Any process unit failure, due to known or unknown reasons, that renders the facility incapable of adequate wastewater transport, such as mechanical or electrical failures of pumps, line blockage or breakage, etc.; or
 - Any failure of a pumping station or sewer line resulting in a by-pass directly to receiving waters without treatment of all or any portion of the influent to such station or facility.

Persons reporting such occurrences by telephone shall also file a written report in letterform within five days following first knowledge of the occurrence. This report must outline the actions taken or proposed to be taken to ensure that the problem does not recur.

14. A stormwater management plan shall be submitted to and approved by the Washington Regional Office in accordance with 15A NCAC 2H .1000.
15. No flow shall be made tributary to this wastewater collection system extension until a Certificate of Public Convenience and Necessity has been issued by the North Carolina Utilities Commission approving the Southern Coastal Associates of Dare County, Inc. to provide wastewater utilities to the proposed service area. A copy of the Certificate of Public Convenience and Necessity shall be provided to the Division within 30 days of its receipt. Mail one copy of this certificate to the Non-Discharge Permitting Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.
16. No flow shall be made tributary to this wastewater collection system extension until the wastewater treatment and non-discharge disposal facilities permitted under Permit No. WQ0017224 by the Ginguite Woods Water Reclamation Association, Inc. have been constructed and a final certification, signed and sealed by a North Carolina-licensed Professional Engineer has been received by the Division.
17. Prior to operation of the wastewater collection facilities permitted herein, written approval shall be applied for and received from the Non-Discharge Permitting Unit. At that time, receipt of the Certificate of Public Convenience and Necessity and availability of adequate wastewater treatment and disposal facilities shall be verified.

Permit issued this the third day of November, 2000

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION

Kerr T. Stevens, Director
Division of Water Quality
By Authority of the Environmental Management Commission

DRAFT

Permit Number WQ0017415

Permit No. WQ0017415
November 3, 2000

DRAFT

ENGINEER'S CERTIFICATION

_____ Partial _____ Final

I, _____, as a duly registered Professional Engineer in the State of North Carolina, having been authorized by the Permittee to observe (periodically, weekly, full time) the construction of the project,

_____ *Project Name*

_____ *Location and County*

hereby state that, to the best of my abilities, due care and diligence was used in the observation of the construction such that the construction was observed to be built within substantial compliance and intent of the Division of Water Quality's Gravity Sewer Minimum Design Criteria adopted February 12, 1996, 15A NCAC 2H .0200, this permit, the approved plans and specifications, and other supporting materials.

Signature _____ Registration No. _____

Date _____

The above Engineer's Certification must be completed and submitted to the address below with one copy of the "Construction Record Drawings" of the wastewater collection system extension. This project shall not be considered complete and allowed to operate until this Engineer's Certification all requires supporting documentation have been submitted. Any wastewater flow made tributary to the wastewater collection system extension prior to completion and receipt of this Engineer's Certification shall be considered a violation of the permit and shall subject the Permittee to appropriate enforcement actions.

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT & NATURAL RESOURCES
DIVISION OF WATER QUALITY
WATER QUALITY SECTION
NON-DISCHARGE PERMITTING UNIT
1617 MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27699-1617**

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May 29 2024

434

DUCK 4.7 KM 435

436 42'30"

437

Jean Gullie Creek

Creek

Currituck Shores

KITTY HAWK, NC
1987
7.5 QUAD MAP

ATLANTIC OCEAN

Kitty Hawk Pier

Kitty Hawk Pier

WRIGHT MEM BR
US 158

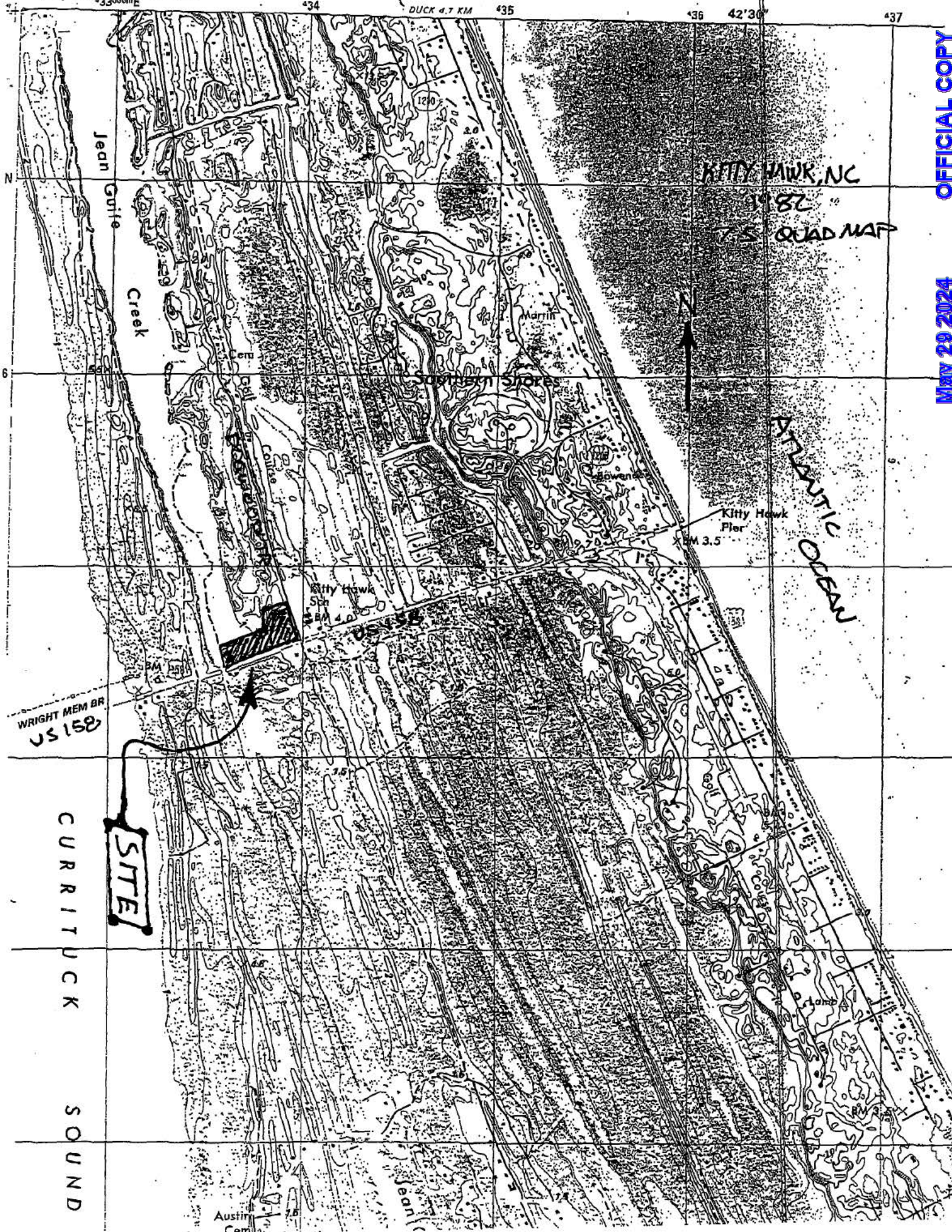
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CURRITUCK SOUND

Austin Cem

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MAY 29 2024



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

James B. Hunt, Jr., Governor
Bill Holman, Secretary
Kerr T. Stevens, Director



OFFICIAL COPY

May 29 2024

November 3, 2000

MR. NEAL BLINKEN, PRESIDENT
GINGUITE WOODS WATER RECLAMATION ASSOCIATION, INC.
POST OFFICE BOX 1374
KITTY HAWK, NORTH CAROLINA 27949

Subject: Permit No. WQ0017224
Ginguite Woods Water Reclamation Association, Inc.
Ginguite Woods
Wastewater Treatment and Reclaimed Water
Utilization/Non-Discharge Disposal Facilities
Dare County

Dear Mr. Blinken:

In accordance with your application received on July 14, 1999 as well as the additional information received on January 4, 2000; January 12, 2000; April 13, 2000; July 12, 2000; August 4, 2000; October 4, 2000; and October 24, 2000; we are forwarding herewith Permit No. WQ00017224, dated November 3, 2000, to the Ginguite Woods Water Reclamation Association, Inc. for the construction and operation of the subject wastewater treatment and reclaimed water utilization/non-discharge disposal system. This permit shall be effective from the date of issuance until October 31, 2005 and shall be subject to the conditions and limitations as specified therein.

There are several special conditions contained in this permit, so please take time to review this document thoroughly. Note that failure to comply with the conditions of this permit or to establish an adequate system for collecting and maintaining the required operational data and monitoring data will result in future compliance problems.

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 30 days following 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.

One set of the approved plans and specifications is being forwarded to you. If you need additional information concerning this matter, please contact Ms. Shannon Mohr Thornburg at (919) 733-5083, extension 353.

Sincerely,

Kerr T. Stevens

DRAFT

cc: Quible & Associates, P.C.
Dare County Health Department
Washington Regional Office, Water Quality Section
Washington Regional Office, Groundwater Section
Central Office, Groundwater Section
Technical Assistance and Certification Unit
Non-Discharge Compliance/Enforcement Unit

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
RALEIGH

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OFFICIAL COPY

May 29 2024

**WASTEWATER TREATMENT AND
RECLAIMED WATER UTILIZATION/NON-DISCHARGE DISPOSAL 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

Ginguite Woods Water Reclamation Association, Inc.

Dare County

FOR THE

construction and operation of a 29,300-gallon per day wastewater treatment and reclaimed water utilization/non-discharge disposal system to treat and dispose of domestic and commercial wastewater generated by Ginguite Woods and surrounding development located on the northwest corner of the intersection of United States Highway 158 (i.e., North Croatan Highway) and South Dogwood Trail in the Town of Kitty Hawk at an approximate latitude and longitude of 36°05'42" and 75°44'12", respectively. The wastewater treatment and reclaimed water utilization/non-discharge disposal system shall be constructed and operated with no discharge of wastes to surface waters, pursuant to the application received on July 14, 1999 as well as the additional information received on January 4, 2000; January 12, 2000; April 13, 2000; July 12, 2000; August 4, 2000; October 4, 2000; and October 24, 2000 and in conformity with the project plans, specifications, and other supporting data subsequently filed and approved by the Department of Environment and Natural Resources and considered a part of this permit.

The wastewater treatment system shall consist of the following minimum components: one manually-cleaned bar screen; one 9,861-gallon aerated equalization tank with one 19-cubic foot per minute blower and two 90-gallon per minute wastewater transfer pumps; one adjustable flow splitter/control box; two aeration tanks, each with a 16,420-gallon capacity to provide a minimum of 36-hours of hydraulic detention and two 150-cubic foot per minute blowers; two clarifiers, each with 2,775 gallons of usable volume to provide a minimum of four hours of hydraulic detention, a configuration to provide a surface loading rate not to exceed 162.5 gallons per day per square foot and a weir overflow rate not to exceed 812.5 gallons per day per linear foot, one scum return airlift unit, and one sludge return/wasting airlift unit; and one 3,211-gallon aerated sludge holding tank (i.e., aeration provided by aeration tank blowers), which is split into two compartments: a primary compartment with a minimum volume of 1,211 gallons into which sludge will be wasted, digestion will occur, and decanting will be facilitated and a secondary compartment with a minimum volume of 2,000 gallons in which lime stabilization in accordance with 40 CFR Part 503 will be performed prior to removal from a four-inch sludge withdrawal pipe and quick-couple connection by a contractor for land application. Following equalization, aeration, and clarification, secondary effluent shall be introduced to a gravity-fed, tertiary filter unit. This unit shall consist of the following minimum components: two 12-square foot filter beds onto which secondary effluent is applied at a loading rate not to exceed 0.94 gallons per minute per square foot to induce suspended solids removal, each having an eight-inch thick layer of sand with an effective size of between 0.8 and 1.20 millimeters and a one-foot thick layer of anthracite with an effective size of 1.08 millimeters; one 1,840-gallon clear well with two 90-gallon per minute backwash pumps and

one 12-cubic foot per minute blowers to facilitate backwashing of each of the filter beds assisted by air scouring; and one 2,065-gallon mudwell with two seven-gallon per minute pumps to return backwash water to the equalization tank. Tertiary effluent shall be disinfected using a tablet chlorination unit, capable of disinfecting up to 50,000 gallons per day of flow, and a 922-gallon chlorine contact tank. Disinfected effluent shall be dechlorinated using a tablet dechlorination unit and then shall be continuously monitored for flow and turbidity, which shall both also be continuously recorded, before utilization in the reclaimed water utilization system or disposed of in the non-discharge disposal system. Effluent meeting the reclaimed water quality criteria stipulated in 15A NCAC 2H .0219 (k)(1)(A)(iii) (i.e., as evidenced by a turbidity of 10 nephelometric turbidity units (NTU) or less) shall be diverted into the reclaimed water utilization system, while effluent not meeting the reclaimed water quality criteria shall be diverted into the non-discharge disposal system. This diversion function shall be automatically-controlled through use of the turbidimeter in conjunction with a valving configuration consisting of two motor-operated valves.

The reclaimed water utilization system shall consist of the following minimum components: a pump station to receive reclaimed and other irrigation water with two 185-gallon per minute irrigation pumps and the all-pumps off float elevation set to provide a net storage volume of approximately 790 gallons; two 347-foot long high-density polyethylene (HDPE) pipes for the storage of reclaimed and other irrigation water, each having a diameter of four feet to provide a net storage volume of approximately 32,617 gallons; a flow metering device that shall be capable of continuously metering and recording all reclaimed and other irrigation water being irrigated; and approximately 102,802 square feet of common area around the Ginguite Woods development onto which reclaimed and other irrigation water shall be applied by an automatic sprinkler system.

The non-discharge disposal system shall consist of the following minimum components: one 21,929-square foot infiltration pond, designed such that a effluent movement vertically into the soil matrix is facilitated.

In addition to the above-described components, the combined wastewater treatment and reclaimed water utilization/non-discharge disposal system shall be provided with fume scrubber; all-weather access; fencing around the wastewater treatment system and the infiltration pond; audible and visual alarms for each control panel; a telemetry system to monitor various alarm and failure conditions at the facilities permitted herein as well as those at the pump station permitted under Permit No. WQ0017415; an automatically-activated stand-by power generation system, capable of providing stand-by power to the facilities permitted herein as well as to the pump station permitted under Permit No. WQ0017415 in the event of a loss of the commercial power supply; and all associated piping, valves, electrical and instrumentation/control systems, and other appurtenances required to make a complete and functional wastewater treatment and reclaimed water utilization/non-discharge disposal system.

This permit shall be effective from the date of issuance until October 31, 2005 and shall be subject to the following specified conditions and limitations:

I. PERFORMANCE STANDARDS

1. No flow shall be made tributary to these permitted facilities until a Certificate of Public Convenience and Necessity has been issued by the North Carolina Utilities Commission approving the Ginguite Woods Water Reclamation Association, Inc. to provide wastewater utilities to the proposed service area. A copy of the Certificate of Public Convenience and Necessity shall be provided to the Division within 30 days of its receipt. Mail one copy of this certificate to NCDENR-DWQ, Non-Discharge Permitting Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.

2. Upon completion of construction and prior to operation of these permitted facilities, a certification shall be received from a North Carolina-licensed professional engineer certifying that the facilities have been installed in accordance with this permit, the approved plans and specifications, and other supporting materials. If this project is to be completed in phases and partially certified, you 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 partial and final certifications to NCDENR-DWQ, Non-Discharge Permitting Unit, 1617 Mail Service Center, Raleigh, NC 27699-1617.
3. The Washington Regional Office, telephone number (252) 946-6481, shall be notified at least 48 hours in advance of operation of the installed facilities so that an in-place inspection can be made. Such notification to the Regional Water Quality Supervisor shall be made during normal office hours from 8:00 a.m. until 5:00 p.m. on Monday through Friday, excluding State Holidays. In addition, prior to operation of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities, written approval shall be applied for and received from the Non-Discharge Permitting Unit, telephone number (919) 733-5083. At that time, compliance with Condition I. 1., Condition I. 2., and Condition I. 7. of this permit shall be verified.
4. The wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be effectively maintained and operated at all times so that there is no discharge to the surface waters nor any contamination of groundwater that will render them unsatisfactory for normal use. In the event that the facilities fail to perform satisfactorily, including the creation of nuisance conditions or failure of the irrigation areas/infiltration pond to assimilate the reclaimed water/effluent adequately, the Permittee shall contact the Washington Regional Office and shall take immediate corrective actions including those actions that may be required by the Division of Water Quality (Division), such as the construction of additional or replacement wastewater treatment and reclaimed water utilization/non-discharge disposal facilities.
5. This permit shall become voidable if the soils fail to assimilate the reclaimed water/effluent adequately and may be rescinded unless all of the permitted facilities are installed, maintained, and operated in a manner that will protect the assigned water quality standards of the surface waters and groundwater. Ponding of reclaimed water/effluent on the land surface when the dosing cycle commences shall be considered evidence that the soils are failing to assimilate the reclaimed water/effluent adequately. Such failure shall be interpreted as a violation of this permit condition. *DECLASSIFIED VS CONTINUAL*
6. The issuance of this permit shall not relieve the Permittee of the responsibility for damages to surface waters or groundwater resulting from the operation of these facilities.
7. Diversion or bypassing of untreated or treated wastewater from the wastewater treatment and/or the reclaimed water utilization/non-discharge disposal facilities shall be strictly prohibited.
8. The residuals generated from these treatment facilities shall be disposed in accordance with North Carolina General Statute §143-215.1 and in a manner approved by the Division. No flow shall be made tributary to these facilities until the Permittee has been successfully permitted as a source to Permit No. WQ0000974 issued to Atlantic Nutrients, Inc. or other residuals land application program permitted by the Division.
9. The following buffers shall be maintained by the wastewater treatment system:
 - a. 100 feet between wastewater treatment units and any private or public water supply source;
 - b. 50 feet between wastewater treatment units and any stream, canal, marsh, or coastal water;
 - c. 50 feet between wastewater treatment units and any property line;
 - d. 20 feet between wastewater treatment units and any nitrification field (i.e., except repair areas); and
 - e. 100 feet between wastewater treatment units and any well with the exception of any groundwater monitoring well approved by the Division.

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WEST TO 7/1/24

The following buffers shall be maintained by the reclaimed water utilization system:

- f. 50 feet between the reclaimed water storage pipes any property line;
- g. 100 feet between wetted areas and waters classified as SA, including wetlands as delineated and designated by the appropriate state or federal agency;
- h. 25 feet between wetted areas and any waters not classified as SA, including wetlands as delineated and designated by the appropriate state of federal agency;
- i. 25 feet between wetted areas and any swimming pool;
- j. 100 feet between wetted areas and any potable water supply well; and
- k. 10 feet between wetted areas and any non-potable water supply well or groundwater monitoring well.

The following buffers shall be maintained by the infiltration pond of the non-discharge disposal system:

- l. 100 feet between the infiltration pond and any private or public water supply source;
- m. 100 feet between the infiltration pond and any stream classified as WS or B;
- n. 100 feet between the infiltration pond and any water classified as SA or SB (i.e., at mean high water);
- o. 100 feet between the infiltration pond and any other stream, marsh, or coastal water not previously identified in this condition;
- p. 100 feet between the infiltration pond and any Class I or Class II impounded reservoir used as a source of drinking water (i.e., at normal high water);
- q. 100 feet between the infiltration pond and any lake or impoundment;
- r. 15 feet between the infiltration pond and any building foundation (i.e., except those foundations that might be associated with the wastewater treatment system);
- s. 15 feet between the infiltration pond and any basement;
- t. 50 feet between the infiltration pond and any property line (i.e., except where easements and/or variances have been obtained and approved by the Division);
- u. 15 feet between the infiltration pond and any embankment top of slope or cut of two feet or more in vertical height;
- v. 10 feet between the infiltration pond and any water line;
- w. 10 feet between the infiltration pond and any upslope interceptor drain or surface water diversion;
- x. 25 feet between the infiltration pond and any downslope interceptor drain or surface water diversion;
- y. 25 feet between the infiltration pond and any groundwater lowering or surface drainage ditch;
- z. 100 feet between the infiltration pond and any swimming pool;
- aa. 20 feet between the infiltration pond and any nitrification field (i.e., except repair areas);
- bb. 100 feet between the infiltration pond and any well with the exception of a groundwater monitoring well approved by the Division; and
- cc. 50 feet between the infiltration pond and any public right-of-way.

10. The Division understands that an irrigation well to supplement the reclaimed water utilization system is planned for installation within the Ginguite Woods development. This irrigation well shall be located such that it is a minimum of 10 feet away from the wetted area influence of any sprinkler associated with the reclaimed water utilization system and 100 feet from the infiltration pond of the non-discharge disposal system. The irrigation well shall be provided with adequate cross-connection protection as provided for in Condition I. 17. of this permit.

11. The wastewater treatment system and the irrigation pump station associated with the reclaimed water utilization system shall be completely fenced by an eight-foot high privacy fence that permits access by authorized personnel only. The infiltration pond associated with the non-discharge disposal system shall be enclosed by a four-foot high split rail fencing. Signs that warn the public about not trespassing beyond this fence line shall be posted at all corners and every 100 feet between the corners. The signs shall be weather-proof, shall be a minimum of 8 inches by 11 inches in size, and shall state, at a minimum, the following:
 - a. No Trespassing - Authorized Personnel Only!
 - b. Ginguite Woods Water Reclamation Association, Inc.
 - c. Wastewater Effluent Infiltration Pond
 - d. North Carolina Non-Discharge Permit Number WQ0017224
 - e. For more information or in case of emergency, contact (ORC's name) at (telephone number).
12. Public access to the irrigation areas of the reclaimed water utilization shall be controlled during active use. Such controls may include the posting of signs showing the activities being conducted. A sign shall be posted in plain sight in a public area that is regularly viewed by residents and visitors (e.g., sales office, mailbox area, etc.) that states that effluent meeting reclaimed water quality standards, as stipulated in 15A NCAC 2H .0219 (k)(1)(A)(iii), is utilized for the purpose of irrigating the development's common areas.
13. All valves, storage facilities, and outlets associated with the reclaimed water utilization system shall be tagged or labeled to warn the public or employees that the water is not intended for drinking. Where appropriate, such warning shall inform the public or employees to avoid contact with the effluent.
14. All piping, valves, outlets and other appurtenances associated with the reclaimed water utilization system shall be color-coded, taped, or otherwise marked to identify the source as being effluent.
 - a. All 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.
 - b. 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 - DO NOT DRINK." Identification tape shall be installed on top of pipelines, fastened at least every 10 feet to each pipe length and run continuously the entire length of the pipe.
 - c. Existing underground distribution systems retrofitted for the purpose of distributing effluent shall be taped or other identified as specified in Condition I. 11. a. or Condition I. 11. b. 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.
15. All valves and outlets associated with the reclaimed water utilization system shall be of a type, or secured in a manner, that permits operation by authorized personnel only.
16. Above-ground hose bibs (i.e., spigots or other hand-operated connections) shall not be present. Hose bibs shall be located in locked below-grade vaults that shall be clearly labeled as being of non-potable quality. As an alternative to the use of locked below-grade vaults with standard hose bibs services, hose bibs, which can only be operated by a special tool may be placed in non-lockable underground services boxes clearly labeled as non-potable water.

- 17. The Permittee shall maintain an active cross-connection control program that shall have the following minimum requirements:
 - a. No direct cross-connections shall be allowed between the reclaimed water utilization and potable water systems.
 - b. A reduced pressure principle backflow preventer, an approved air gap separation, or other device approved by the North Carolina Division of Environmental Health shall be installed at the potable water service connection to the use area where both reclaimed and potable water are supplied to an area. The installation of the reduced pressure principle backflow prevention device shall allow proper testing. **RPZ C DONE CO. W.M.**
 - c. An air gap separation, approved and regularly inspected by the potable water supplier, shall be provided between the potable water and reclaimed water utilization systems where potable water is used to supplement a reclaimed water utilization system.

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II. OPERATION AND MAINTENANCE REQUIREMENTS

- 1. The wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be properly maintained and operated at all times.
- 2. Upon classification of the facility by the Water Pollution Control System Operators Certification Commission (WPCSOCC), the Permittee shall employ a certified operator to be in responsible charge (ORC) of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities. The operator shall hold a certificate of the type and grade at least equivalent to or greater than the classification assigned to the facilities by the WPCSOCC. The Permittee shall also employ a certified back-up operator of the appropriate type and grade to comply with the conditions of 15A NCAC 8G .0202. The ORC of the facilities shall visit each Class I facility at least weekly and each Class II, III, and IV facility at least daily, excluding weekends and State Holidays; shall properly manage and document daily operation and maintenance of the facilities; and shall comply with all other conditions of 15A NCAC 8G .0202. During the period from April through October, inclusive, the ORC's five visits each week shall be performed on Monday, Wednesday, Friday, Saturday, and Sunday and shall include State Holidays. Once the facilities are classified, the Permittee shall submit a letter to the WPCSOCC to designate the ORC within 30 days after the facilities are 50 percent complete.
- 3. The wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be effectively maintained and operated as a non-discharge system to prevent the discharge of any wastewater, treated or untreated, resulting from the operation of these facilities.
- 4. No type of effluent other than that from the Ginguite Woods Water Reclamation Association, Inc.'s approved service area shall be applied onto the spray irrigation areas of the reclaimed water utilization system and/or the infiltration pond of the non-discharge disposal system.
- 5. As an indicator of proper operation and maintenance, the wastewater treatment system shall produce an effluent in compliance with the following limitations:

<u>Parameter</u>	<u>Monthly Average^a</u>	<u>Daily (Instantaneous) Maximum^b</u>
Flow	29,300 GPD	
BOD ₅ (5-day, 20°C)	10 mg/L	15 mg/L
Ammonia-Nitrogen	4 mg/L	6 mg/L
Total Suspended Solids	5 mg/L	10 mg/L
Fecal Coliform	14 per 100 mL	25 per 100 mL
Turbidity		10 NTU ^c

pH shall not be less than 6.0 standard units nor greater than 9.0 standard units.

- a Monthly averages for all parameters except fecal coliform shall be the arithmetic mean of all samples collected during the reporting period. The monthly average for fecal coliform shall be the geometric mean of all samples collected during the reporting period.
- b The daily maximum shall be the maximum value of all samples collected during the reporting period.
- c Normal operation of the facilities involve reclaimed water being conveyed to the spray irrigation areas of the reclaimed water utilization system to the greatest extent possible unless the continuous turbidity monitoring device initiates that the turbidity of 10 NTU is reached. At that time, an automatic transfer shall occur such that the effluent is disposed into the infiltration pond of the non-discharge disposal system. In addition to the automatic transfer operation described above, the telemetry system shall notify the ORC any time that the turbidity monitoring device detects a turbidity level of 6.0. Within two hours of receiving notification of this alarm condition, the ORC shall visit the wastewater treatment system to ensure that the automatic transfer occurs successfully, to determine the cause of the decrease in effluent quality, and to initiate actions to resolve the discovered problem(s).

Note that if the groundwater monitoring program indicates or predicts problems with compliance with any of the groundwater quality standards as stipulated in 15A NCAC 2L, this permit may be modified to include additional and/or more restrictive limitations for reclaimed water/effluent parameters.

- 6. The reclaimed water utilization system shall be used to the greatest extent possible (i.e., as long as compliance with the conditions of this permit is maintained) in lieu of simply disposing of reclaimed water into the infiltration pond. However, the application rate on the spray irrigation areas of the reclaimed water utilization system shall not exceed a rate of 0.46 inches per day with a cumulative loading not to exceed 167 inches over any 12-month period. The instantaneous application rate shall not exceed 0.17 inches per hour (i.e., assuming approximately 2.5 hours of irrigation per day). These application rates are applicable to reclaimed water with any supplemental irrigation water from the on-site irrigation well. Note that supplemental irrigation water shall only be used when the volume of reclaimed water is unable to meet this application rate demand. The application rate into the infiltration pond of the non-discharge disposal system shall not exceed a rate of 2.14 inches per day with a cumulative loading not to exceed 782 inches over any 12-month period.
- 7. A suitable, year-round vegetative cover shall be maintained on the spray irrigation areas of the reclaimed water utilization system. In addition, a protective vegetative cover shall be established and maintained on all embankments (i.e., outside toe of embankment to normal water level), berms, pipe runs, and surface water diversions associated with the infiltration pond of the non-discharge disposal system. Trees, shrubs, and other woody vegetation shall not be allowed to grow on the infiltration pond embankments and shall be removed in accordance with good engineering practices. The infiltration pond area shall be accessible, and vegetation shall be kept mowed. If necessary, vegetative growth that may develop on the bottom of the infiltration pond shall be manually removed. *WHO NEEDS NECESSITY*
- 8. No traffic or equipment shall be allowed in the spray irrigation areas of the reclaimed water utilization system or the infiltration pond of the non-discharge disposal system except while installation is occurring or when normal maintenance is being performed.
- 9. Irrigation shall not be performed during inclement weather or when the ground is in a condition that will cause runoff. Should irrigation not be possible for this reason, the ORC shall either halt irrigation and store reclaimed water in the storage facilities of the reclaimed water utilization system or manually route reclaimed water to the infiltration pond of the non-discharge disposal system. Reclaimed water shall be stored or diverted to the infiltration pond until such time that the spray irrigation areas of the reclaimed water utilization system can adequately assimilate the applied reclaimed water.
- 10. Adequate measures shall be taken to prevent reclaimed water runoff from the spray irrigation areas of the reclaimed water utilization system.

11. Freeboard in the infiltration pond of the non-discharge disposal system shall not be less than two feet at any time.
12. All effluent shall be routed to the infiltration pond of the non-discharge disposal system should the limit for fecal coliform or turbidity, as established in Condition II. 5., be exceeded following treatment in the wastewater treatment system. Effluent shall be diverted to this pond until such time that the problems associated with the treatment capability of the wastewater treatment system have been corrected and limits are no longer exceeded.

III. MONITORING AND REPORTING REQUIREMENTS

1. Any monitoring (i.e., including groundwater, surface water, soil, or plant tissue analyses) deemed necessary by the Division to ensure surface water and groundwater protection shall be established and an acceptable sampling reporting schedule shall be followed.
2. Influent wastewater to or effluent flow from the wastewater treatment system shall be continuously monitored and recorded. Daily flow values shall be reported on Form NDMR-1. Flow of reclaimed water and irrigation water (i.e., from an on-site irrigation well) shall also be continuously monitored and recorded as they are pumped from the irrigation pump station prior to application on the spray irrigation areas of the reclaimed water utilization system. In addition, the irrigation well shall be continuously monitored and recorded, so that the Permittee may determine (i.e., by calculation) the amount of reclaimed water/effluent sent to the infiltration pond of the non-discharge disposal system.

Prior to operation, the Permittee shall install appropriate flow measurement devices consistent with approved engineering and scientific practices to ensure the accuracy and reliability of flow measurement. Flow measurement devices selected shall be capable of measuring flows with a maximum deviation of less than 10 percent from true flow, accurately calibrated at a minimum of once per year, and maintained to ensure that the accuracy of the measurements is consistent with the accepted capability of that type of device. Calibration records for the flow measurement devices shall be kept on file by the Permittee for a period of at least three years. At a minimum, data to be included in this documentation shall include:

- a. Data of flow measurement device calibration,
 - b. Name of person performing calibration, and
 - c. Percent from true flow.
3. The reclaimed water/effluent from the wastewater treatment system shall be monitored by the Permittee at the point prior to utilization/disposal for the following parameters:

<u>Parameter</u>	<u>Sampling Point</u>	<u>Sampling Frequency</u>	<u>Type of Sample</u>
Flow	Influent or Effluent	Continuous	Recording
Turbidity	Effluent	Continuous	Recording
Settleable Matter	Effluent	Daily	Grab — DUL
BOD ₅ (5-day, 20°C)	Effluent	2/Month ^a	Composite ^b
pH	Effluent	2/Month ^a	Grab
Ammonia-Nitrogen	Effluent	2/Month ^a	Composite ^b
Total Suspended Solids	Effluent	2/Month ^a	Composite ^b
Fecal Coliform	Effluent	2/Month ^a	Grab
Chlorides	Effluent	3/Year ^c	Grab
Nitrate-Nitrogen	Effluent	3/Year ^c	Grab
Total Dissolved Solids	Effluent	3/Year ^c	Grab
Total Organic Carbon	Effluent	3/Year ^c	Grab

- a. The twice per month sampling frequency shall be conducted only during the months of April through October, inclusive. During the remainder of the calendar year, these parameters shall be monitored on a monthly frequency.
 - b. Composite samples shall be flow-weighted.
 - c. Triannual sampling shall be conducted in April, August, and December.
4. A log of all operation and maintenance activities performed at these facilities shall be kept. This log shall include, but shall not be limited to, the following items:
- a. Daily sampling results including settleable matter and dissolved oxygen in the aeration basin and at the clarifier weir.
 - b. Visual observations of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities (e.g., an observation of the vegetative cover area and health, maintenance of the infiltration pond freeboard, condition of infiltration pond berms, presence/absence of standing water in the stormwater ditch that runs parallel to United States Highway 158, etc.
 - c. Record of all preventative maintenance (e.g., changing of filters, adjusting belt tensions, alarm testing, diffuser inspections and cleanings, sprinkler replacement, etc.).
 - d. Date of calibration of the flow and turbidity measurement devices.
 - e. Date and results of power interruption testing on automatically-activated stand-by power generation system.
 - f. Date and volume of residuals removed.
 - g. Maintenance performed on the spray irrigation areas of the reclaimed water utilization system and the infiltration pond of the non-discharge disposal system (e.g., mowing, reseeding, fertilizing, etc.). *None exists* **BCL**
5. Adequate records shall be maintained by the Permittee to track the amount of reclaimed water/effluent that has been utilized/disposed. These records shall include, but shall not necessarily be limited to, the following items:
- a. Date and time of irrigation and/or disposal;
 - b. Volume of reclaimed water irrigated and/or effluent disposed;
 - c. Irrigation zone/area to which reclaimed water is applied;
 - d. Length of time irrigation zone/area or infiltration pond is applied to;
 - e. Continuous weekly, monthly, and year-to-date hydraulic loadings in inches per acre for each irrigation zone/area or the infiltration pond;
 - f. Weather conditions; and
 - g. Maintenance and condition of vegetative cover.
6. Three copies of all operation and utilization/disposal records, as specified in Condition III. 6., shall be submitted on Form NDAR-1 on or before the last day of the month following the reclaimed water utilization/non-discharge disposal event. Three copies of all reclaimed water/effluent monitoring data, as specified in Condition III. 4., shall be submitted on Form NDMR-1 on or before the last day of the month following reclaimed water utilization/non-discharge disposal event. All monitoring and reporting forms shall be submitted to the following address:

NCDENR-DWQ
 Water Quality Section
 Non-Discharge Compliance/Enforcement Unit
 1617 Mail Service Center
 Raleigh, North Carolina 27699-1617

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

Persons reporting such occurrences by telephone shall also file a written report in letter form within five days following first knowledge of the occurrence. This report shall outline the actions taken or proposed to ensure that the problem does not recur.

IV. GROUNDWATER REQUIREMENTS

- 1. Prior to beginning disposal operations, three groundwater monitoring wells, designated as MW-1, MW-2, and MW-3, shall be installed to monitor the groundwater quality in the vicinity of the infiltration pond. The wells shall be constructed such that the water level in the wells are never above or below the screened (i.e., open) portion of the well at any time during the year. The general location and nomenclature for the groundwater monitoring wells shall be as marked in Attachment A. The groundwater monitoring wells shall be located and constructed in accordance with this permit and approved by the Groundwater Section of the Washington Regional Office.
- 2. All wells that are constructed for the purpose of groundwater monitoring shall be constructed in accordance with 15A NCAC 2C .0109 (i.e., "Standards of Construction for Wells Other than Water Supply") and any other state and local laws and regulations pertaining to well construction.
- 3. The Washington Regional Office, telephone number (252) 946-6481, shall be notified at least 48 hours prior to the construction of any groundwater monitoring well, so that an inspection can be made of the well location. Such notification shall be made to the Regional Groundwater Supervisor during normal office hours (i.e., from 8:00 a.m. until 5:00 p.m.) on Monday through Friday, excluding State Holidays.
- 4. Within 30 days of completion of all well construction activities, a certification shall be received from a North Carolina-licensed Professional Engineer or North Carolina-licensed Professional Geologist certifying that the groundwater monitoring wells are located and constructed in accordance with 15A NCAC 2C (i.e., "Well Construction Standards") and this permit. This certification shall be submitted with one copy of a GW-1 Form (i.e., "Well Completion Form") for each well. Mail this certification and the associated GW-1 Forms to NCDENR-DWQ, Groundwater Section, Permits and Compliance Unit, 1636 Mail Service Center, Raleigh, NC 27699-1636.
- 5. For the initial sampling of each groundwater monitoring well as specified elsewhere in this permit, the Permittee shall submit a copy of the GW-1 Form with the GW-59 Form (i.e., "Compliance Monitoring Form") for that well. GW-59 Forms for groundwater monitoring wells that have not had a GW-1 Form previously submitted shall be returned to the Permittee without being processed.

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- 6. Within 60 days of completion of the groundwater monitoring wells, the Permittee shall submit two original copies of a scaled topographic map (i.e., with a scale no greater than one inch equals 100 feet) that has been signed and sealed by a North Carolina-licensed Professional Engineer or a North Carolina-licensed Land Surveyor and contains all of the following information:
 - a. Location of all components of the non-discharge disposal system, including spray irrigation areas,
 - b. Latitude and longitude of the established horizontal monument,
 - c. Location and identity of each groundwater monitoring well,
 - d. Relative elevation of the top of the casing for each groundwater monitoring well (i.e., known as the measuring point"),
 - e. Depth of water below the measuring point at the time the measuring point is established,
 - f. Location of all property boundaries,
 - g. Obtained easement areas, and
 - h. Review and compliance boundaries.

This survey shall be conducted using approved practices as outlines in the North Carolina General Statutes Chapter 89C and the North Carolina Administrative Code Title 21, Chapter 36. The surveyor shall establish a horizontal control monument on the property of the disposal system and determine the latitude and longitude of this horizontal control monument to a horizontal positional accuracy of +/-10 feet. All other features listed above shall be surveyed relative to this horizontal control monument. The positional accuracy of these features shall have a ratio of precision not to exceed an error of closure of one foot per 10,000 feet of perimeter of the survey. Any features located by the radial method shall be located from a minimum of two points. Horizontal control monuments shall be installed in such a manner and made of such materials that the monument will not be destroyed due to activities that may take place on the property. The map shall also be surveyed using the North American Datum of 1983 (NAD 83) coordinate system and shall indicate the datum on the map. All bearings or azimuths shall be based on either the true or NAD 83 grid meridian. If a Global Positioning System (GPS) is used to determine the latitude and longitude of the horizontal control monument, a GPS receiver that has the capability to perform differential GPS shall be used and all data collected by the GPS receiver shall be differentially corrected.

The map and any supporting documentation shall be sent to NCDENR-DWQ, Groundwater Section, Permits and Compliance Unit, 1636 Mail Service Center, Raleigh, NC 27699-1636.

- 7. Groundwater monitoring wells MW-1, MW-2, and MW-3 shall be sampled initially after construction and prior to any disposal activities as well as every April, August, and December thereafter for the following parameters:

Chlorides	Total Ammonia
Fecal Coliform	Total Dissolved Solids
Nitrate-Nitrogen	Total Organic Carbon
pH	Total Phosphorus
Sulfate	Water Level

Volatile Organic Compounds (VOCs) in December only, using one of the following methods:

- (A) Standard Method 6230D (PQL at 0.5 µg/L or less),
- (B) Standard Method 6210D (PQL at 0.5 µg/L or less),
- (C) EPA Method 8021 (Low Concentration, PQL at 0.5 µg/L or less),
- (D) EPA Method 8260 (Low Concentration, PQL at 0.5 µg/L or less), or
- (E) Another method with prior approval by the Groundwater Section Chief.

Any method used shall meet the following qualifications:

- (1) The laboratory shall be Division certified to run any method used.
- (2) The method used shall, at a minimum, include all the constituents listed in Table VIII of Standard Method 6230D.
- (3) The method used shall provide a PQL at 0.5 µg/L or less, which shall be supported by laboratory proficiency studies as required by the Division's Laboratory Certification Unit. Any constituents detected above the MDL, but below the PQL at 0.5 µg/L, shall be qualified (estimated) and reported.

If any VOCs are detected by the methods listed, then the Washington Regional Office Groundwater Supervisor, telephone number (252) 946-6481, shall be contacted immediately for further instructions regarding any additional follow-up analyses required. The results of all initial and follow-up analyses shall be submitted simultaneously.

If total organic carbon concentrations greater than 10 milligrams per liter are detected in any downgradient monitoring well, additional sampling and analysis shall be conducted to identify the individual constituents comprising this total organic carbon concentration. If the total organic carbon concentration as measured in the background groundwater monitoring well exceeds 10 milligrams per liter, the concentration shall be taken to represent the naturally-occurring total organic carbon concentration. Any exceedances of this naturally-occurring total organic carbon concentration in the downgradient wells shall be subject to the additional sampling and analysis as described above.

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

The results of the sampling and analysis shall be received on the GW-59 Form on or before the last working day of the month following the sampling month at the following address:

NCDENR-DWQ
 Groundwater Section
 Permits and Compliance Unit
 1636 Mail Service Center
 Raleigh, North Carolina 27699-1636

- 8. The COMPLIANCE BOUNDARY and the REVIEW BOUNDARY for disposal system shall be as specified by regulations in 15A NCAC 2L (i.e., "Groundwater Classifications and Standards"). The Compliance Boundary for the disposal system shall be established at the property boundary, except where easements have been obtained. An exceedance of groundwater quality standards at or beyond the Compliance Boundary shall be subject to immediate remediation action in addition to the penalty provisions applicable under North Carolina General Statute §143-215.6A(a)(1).
- 9. Any additional groundwater quality monitoring, as deemed necessary by the Division, shall be provided.

V. INSPECTIONS

- 1. Adequate inspection, maintenance, and cleaning shall be provided by the Permittee to ensure proper operation of the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities.

2. The Permittee or his designee shall inspect the wastewater treatment and reclaimed water utilization/non-discharge disposal facilities to prevent malfunctions and deterioration, operator errors, and discharges that may cause or lead to the release of wastes to the environment, a threat to human health, or a nuisance. The Permittee shall keep an inspection log or summary including at least the date and time of inspection; observations made; and any maintenance, repairs, or corrective actions taken by the Permittee. This log of inspections shall be maintained by the Permittee for a period of three years from the date of the inspection and shall be made available upon request to the Division or other permitting authority.
3. 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 wastewater treatment and reclaimed water utilization/non-discharge disposal facilities 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 groundwater, surface water, or leachate.

VI. GENERAL CONDITIONS

1. This permit shall become voidable unless the facilities are constructed in accordance with the conditions of this permit, the approved plans and specifications, and other supporting data.
2. This permit shall be effective only with respect to the nature and volume of wastes described in the application and other supporting data.
3. This permit shall not be transferable. In the event there is a desire for the facilities to change ownership, or there is a name change of the Permittee, a formal permit request shall be submitted to the Division accompanied by documentation from the parties involved and other supporting materials as may be appropriate. The approval of this request shall be considered on its merits and may or may not be approved.
4. 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.
5. The subject wastewater treatment and reclaimed water utilization/non-discharge disposal facilities shall be connected to an operational publicly-owned wastewater collection system within 180 days of its availability to the service area location if the facilities are in non-compliance with the terms and conditions of this permit and/or the governing statutes or regulations. Prior to the initiation of these connection activities, the Permittee shall apply for and obtain the appropriate approvals from the Division.
6. The issuance of this permit does not preclude the Permittee from complying with any and all statutes, rules, regulations, or ordinances which may be imposed by other government agencies (i.e., local, state, and federal) which have jurisdiction, including, but not limited to, applicable river buffer rules in 15A NCAC 2B .0200, erosion and sedimentation control requirements in 15A NCAC Chapter 4 and under the Division's General Permit NCG0100000, and any requirements pertaining to wetlands under 15A NCAC 2B .0200 and 15A NCAC 2H .0500.
7. A stormwater management plan shall be submitted to and approved by the Washington Regional Office in accordance with 15A NCAC 2H .1000.
8. A set of approved plans and specifications for the subject project shall be retained by the Permittee for the life of the project.

9. The annual administering and compliance fee shall be paid by the Permittee within 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 15 NCAC 2H .0205 (c)(4).
10. The Permittee, at least six months prior to the expiration of this permit, shall request its extension. Upon receipt of this request, the Division shall review the adequacy of the facilities described therein, and if warranted, shall extend the permit for such period of time and under such conditions and limitations as it may deem appropriate.

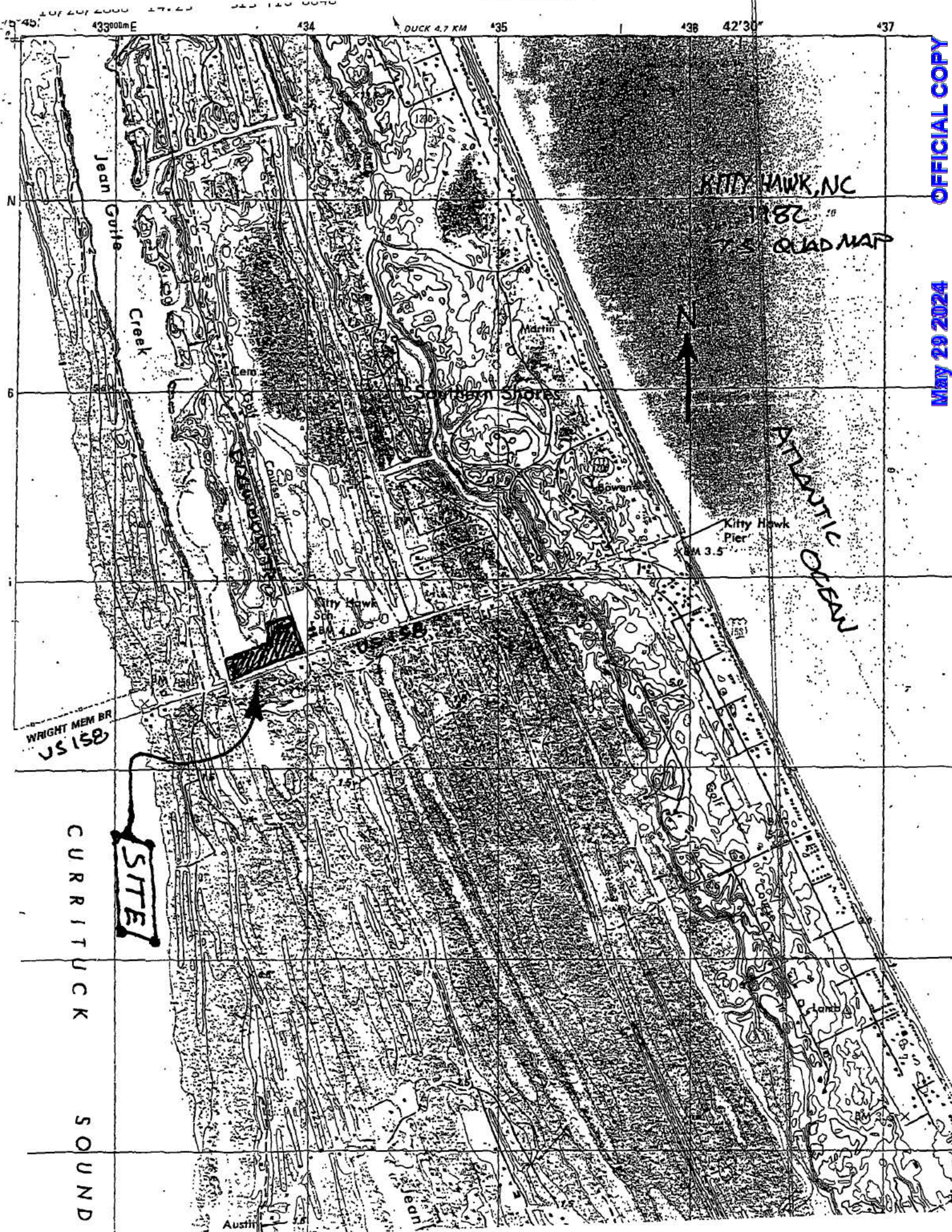
Permit issued this the third of November, 2000

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION

Kerr T. Stevens, Director
Division of Water Quality
By Authority of the Environmental Management Commission

DRAFT

Permit Number WQ0017224

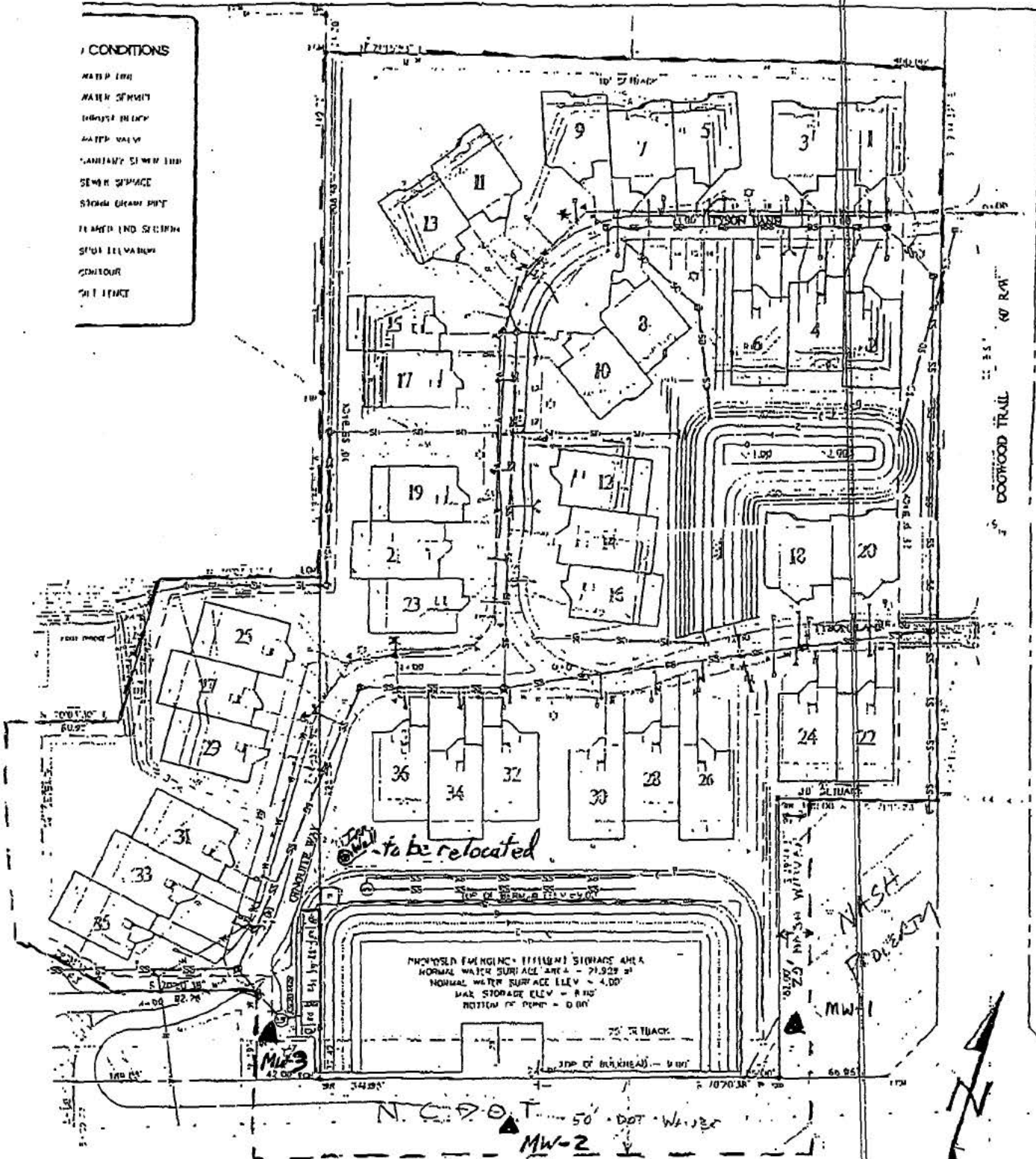


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May 29 2024

ATTACHMENT A

- CONDITIONS
- WATER LINE
 - WATER SEWER
 - DRYING BLOCK
 - WATER VALVE
 - SAFETY SINK LINE
 - SEWER SPACE
 - STOCK CLEAN PIPE
 - FLARED END SECTION
 - SPOT ELEVATION
 - CONTOUR
 - SOIL TRACE



U.S. L&E 60' N&S, 180' E&W

1" = 91.43'

Ginguite Woods
 Reuse System
 W00017224
 Dare County

▲ - Proposed monitor wells

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May 29 2024

WATER POLLUTION CONTROL SYSTEM OPERATORS CERTIFICATION COMMISSION

CLASSIFICATION

RATING SHEET FOR WATER POLLUTION CONTROL SYSTEMS

FACILITY INFORMATION:

NAME OF FACILITY: GINGUITE WOODS

MAILING ADDRESS: ATTN: NEAL BLINKEN, POB 1374, KIMM HOOK, NC 27949

COUNTY: DAKE

CONTACT PERSON: NEAL BLINKEN TELEPHONE: (252) 266-4529

PERMIT NO: 0017224 Check One: NC WQ HEALTH DP

ORC: _____ TELEPHONE: (____) _____

RATING INFORMATION: (Before completing this section, please refer to pages 2-4)

PERMITTED FLOW: 29,300 ^(GPD) ~~200~~ BNR? YES NO

CHECK CLASSIFICATION: WASTEWATER: 1 2 3 4

COLLECTION: 1 2 3 4

SPRAY IRRIGATION SUBSURFACE LAND APPLICATION

PHYSICAL/CHEMICAL GRADE I GRADE II

RATED BY: AL HODGE REGION: WARO DATE: 8-01-00

REGIONAL OFFICE TELEPHONE NUMBER: (252) 946-6481 EXT: 223

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May 29 2024

Classification of Biological Water Pollution Control Treatment Systems:

Grade I Biological WPCS

- Septic tank/sand filter systems
- Biological lagoon systems
- Constructed wetlands and associated appurtenances

Grade II Biological WPCS

- Systems that utilize an activated sludge or fixed growth process with a permitted flow less than or equal to 0.5 million gallons per day (mgd)

Grade III Biological WPCS

- Systems that utilize an activated sludge or fixed growth process with a permitted flow of greater than 0.5 through 2.5 million gallons per day (mgd)
- Grade II systems that are required to achieve biological nutrient reduction *

Grade IV Biological WPCS

- Systems that utilizing an activated sludge or fixed growth process with a permitted flow of greater than 2.5 million gallons per day (mgd)
- Grade III systems that are required to achieve biological nutrient reduction *

* Biological Nutrient Reduction -

The reduction of total nitrogen or total phosphorous by an activated sludge or fixed growth process as required by the facilities permit.

Classification of Collection Water Pollution Control Systems:

(whichever provides lowest grade)

Same grade as biological water pollution control system. Grade of system:

Based on population served:

1,500 or Less = Grade I

1,501 to 15,000 = Grade II

15,001 to 50,000 = Grade III

50,001 or more = Grade IV

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Classification of Spray Irrigation Water Pollution Control Systems:

Systems which utilize spray irrigation for the reuse or disposal of wastewater. These systems include: septic tanks, sand filter, oil/water separators, lagoons, storage basins, screening, sedimentation. Systems other than those listed above shall be subject to additional classification.

Classification of Land Application of Residuals Systems:

Systems permitted and dedicated for land application of residuals that are produced by a water pollution control system or contaminated soils.

Classification of Physical/Chemical Water Pollution Control Treatment Systems:

Grade I Physical/Chemical: Any water pollution control system that utilizes a primarily physical process to treat wastewater. This classification includes groundwater remediation systems. **

Grade II Physical/Chemical: Any water pollution control system that utilizes a primarily chemical process to treat wastewater. This classification includes reverse osmosis, electro dialysis, and ultrafiltration systems. **

** Any water pollution control system that utilizes a physical/chemical process to enhance an activated sludge or fixed growth process, shall not be subject to additional classification.

Classification of Subsurface Water Pollution Control Systems:

Systems which utilize the soil for subsurface treatment and disposal of wastewater and/or are required to have a certified operator under 15A NCAC 18A.1961. ***

*** Any subsurface system that has as part of its treatment process a water pollution control systems that may be classified under Rules .0302 through .0307 of this section shall be subject to additional classification.

Definitions

Activated Sludge - shall mean a biological wastewater treatment process in which predominantly biodegradable pollutants in wastewater are absorbed, or adsorbed by living aerobic organisms and bacteria.

Chemical Process - shall mean a wastewater pollution control system process consisting exclusively of the addition of chemicals to treat wastewater.

Collection System - shall mean a continuous connections of pipelines, conduits, pumping stations, and other related constructions used to conduct wastewater to the water pollution control system.

Electrodialysis System - shall mean a system utilizing a selective separation of dissolved solids process that is based on electrical charge and diffusion through a semipermeable membrane.

Physical Process - shall mean any water pollution control system process consisting of electro dialysis, adsorption, absorption, air stripping, gravimetric sedimentation, flotation, and filtration as a means of treatment.

Reverse Osmosis System - shall mean a system which utilizes solutions and semipermeable membranes to separate and treat wastewater.

Ultrafiltration System - shall mean a system which utilizes a membrane filter to remove pollutants from wastewater.

Water Pollution Control System - shall mean any system for the collection, treatment, or disposal of wastewater and is classified under the provision of G.S. 90A-37.

Note: Please refer to G.S. 90A-37 for additional information and definitions.

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May 29 2024

EXHIBIT 10

Enclose maps of the subdivisions in sufficient detail to show the layout of streets, lots, the water or sewer mains, hydrants, wells, pumping equipment, treatment facilities, storage facilities, etc.



CERTIFICATION
NORTH CAROLINA PROFESSIONAL SEAL 17561
QUIBLE AND ASSOCIATES, INC.
PLANNING - ENVIRONMENTAL SCIENCE

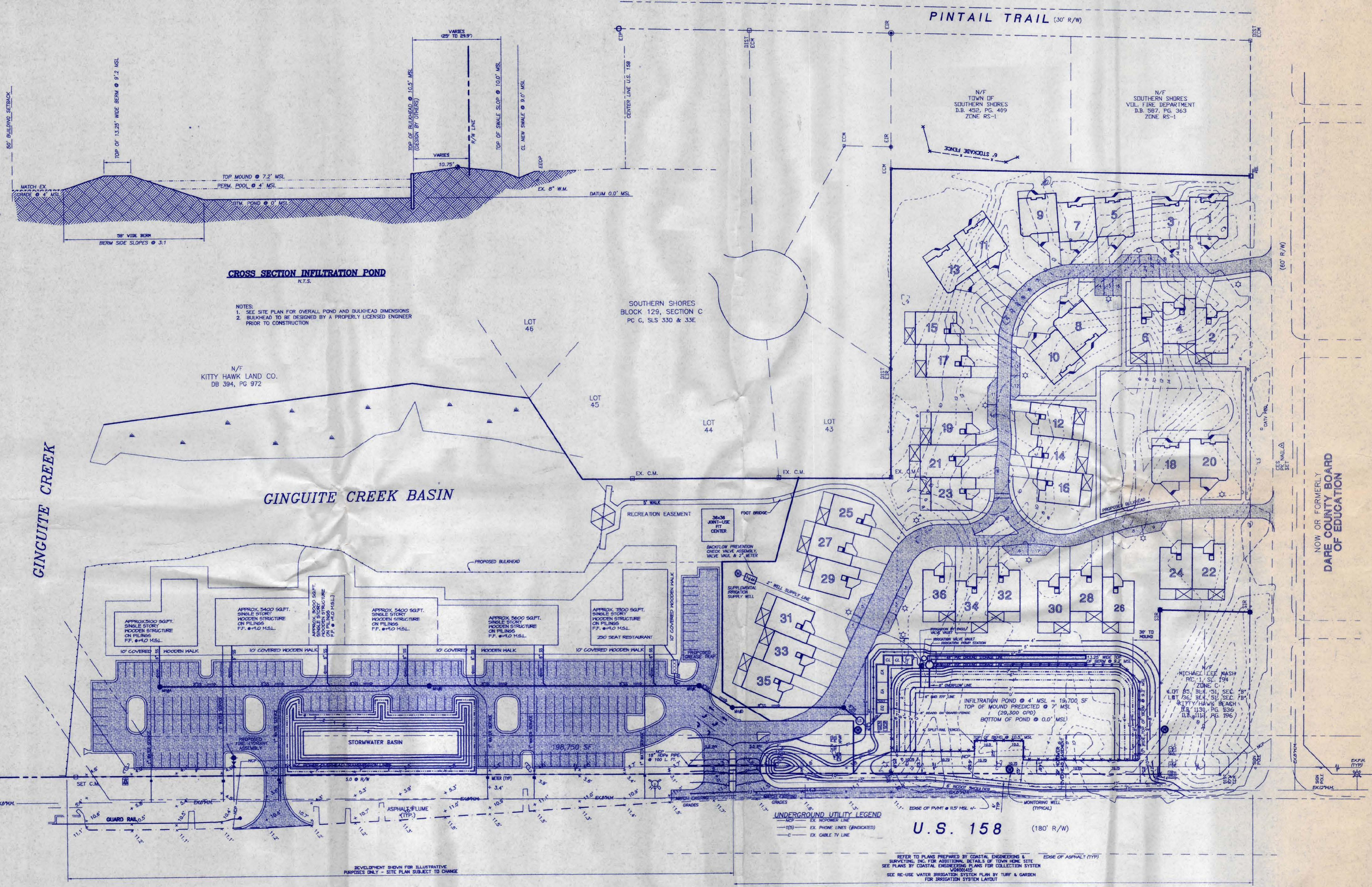
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NO.	DATE	REVISIONS
1	4/12/20	RESPONSE AS PER A. HOODS 5/29/20 COMMENTS
2	10/27/20	RESPONSE AS PER FEEDBACK, DRC 10/27/20 COMMENTS
3	10/26/20	MONITOR WELLS REDUCED AS PER PERMIT

OVERALL SITE PLAN
GINGUITE CREEK DEVELOPMENT
 SOUTHERN SHORES
 DARE COUNTY
 NORTH CAROLINA
Quible and Associates, P.C.
 ENGINEERING - PLANNING - ENVIRONMENTAL SCIENCE
 P.O. BOX 917, KITTITOWN, NC 27844

COMMISSION NO.
P95049
 DESIGNED BY
SCB
 DRAWN BY
DSN, SCB
 CHECKED BY
SCB
 ISSUE DATE
12/31/99

SHEET NO.
SP1
OF 1 SHEETS



CROSS SECTION INFILTRATION POND
N.T.S.

- NOTES:
 1. SEE SITE PLAN FOR OVERALL POND AND BULKHEAD DIMENSIONS
 2. BULKHEAD TO BE DESIGNED BY A PROPERLY LICENSED ENGINEER PRIOR TO CONSTRUCTION

N/F
KITTY HAWK LAND CO.
DB 394, PG 972

SOUTHERN SHORES
BLOCK 129, SECTION C
PG C, SLS 330 & 33E

NOW OR FORMERLY
DARE COUNTY BOARD
OF EDUCATION

D:\PROJECTS\95049\95049BAS1.dwg Mon Oct 30 09:47:49 2000 Quible & Associates, P.C.

W-1343, Sub 0
W-1139, Sub 7

EXHIBIT 11

Copy of the workpapers supporting the estimate of the plant costs, including a breakdown by type of plant item, showing the detail of how the estimated cost was determined.

GWWT, LLC
Docket Nos. W-1139, Sub 7, W- 1343, Sub 0
ORIGINAL COST RATE BASE
For The Test Year Ended August 31, 2023
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
DEPRECIATION, AND DEPRECIATION EXPENSE**

Line No.	Item	Plant Amount (a)	Year Placed In Service [2] (b)	Life [2] (c)	Years in Service [4] (d)	Annual Depreciation [5] (e)	Accumulated Depreciation [6] (f)
1	Upgrade WWTP per State Regulations	\$6,008 [1]	2007	5		0	\$6,008
2	Blower	1,159 [1]	2008	5		0	1,159
3	Blower	381 [1]	2008	5		0	381
4	Rotary Blower	34,924 [2]	2019	5	4.5	6,985	31,431
5	Lift Station Pump #1	5,407 [2]	2022	5	2	1,081	2,163
6	Site Prep for Construction	14,841 [2]	2022	25	2	594	1,187
7	WWTP Steel Tank Replacement / Front End Upgrade	<u>377,625</u> [2]	2023	25	2	<u>15,105</u>	<u>30,210</u>
8	Total	440,343				23,765	72,539
9	Plus: Acquisition Adjustment related to Purchase	<u>110,000</u> [3]	2016	25	7.5	<u>4,400</u>	<u>33,000</u>
10	Total Amount	<u>550,343</u>				<u>28,165</u>	<u>105,539</u>

[1] Per Docket No. W-1139, Sub 3.

[2] Per Company.

[3] GWWT purchased one acre of land plus the utility facilities on the land in an agreement dated June 17, 2016, as well as a purchase of the wastewater lagoon in 2017. The Contracts do not assign a designed value for the land or the utility facilities. This purchase results in an acquisition premium.

[4] Based on year placed in service using half year convention.

[5] Column (a) divided by Column (c), unless fully depreciated.

[6] Column (d) x Column (c), unless fully depreciated.

W-1343, Sub 0
W-1139, Sub 7

PUBLIC

EXHIBIT 14

Copy a copy of the most recent fiscal year financial statements or statement of net worth for the principals of the utility and/or parent company.

FILED UNDER SEAL

OFFICIAL COPY

May 29 2024

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1343, SUB 1

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Application by GWWTP, LLC for Certificate)	
of Public Convenience and Necessity to)	
Provide Sewer Utility Service to Southern)	SETTLEMENT AGREEMENT
Shores Landing/Ginguite Mixed Use)	AND STIPULATION
Subdivision in Dare County, North Carolina,)	
and Approval of Rates)	

GWWTP, LLC (GWWTP or the Company), and the Public Staff - North Carolina Utilities Commission (Public Staff) (collectively the Stipulating Parties), through counsel and pursuant to N.C. Gen. Stat. § 62-69 and Rule R1-24(c) of the Rules and Regulations of the North Carolina Utilities Commission (Commission), respectfully submit the following Settlement Agreement and Stipulation (Stipulation) for consideration by the Commission in this proceeding. The Stipulating Parties hereby stipulate and agree as follows:

I. BACKGROUND

A. On January 11, 2024, GWWTP filed with the Commission an Application for a Certificate of Public Convenience and Necessity and Approval of Rates (CPCN Application) to provide sewer utility service to Southern Shores Landing/Ginguite Mixed Use Subdivision in Dare County, North Carolina. The Southern Shores Landing Subdivision (Subdivision) currently has approximately

38 wastewater customers. The Ginguite Mixed Use area has not been developed yet and currently does not include any customers.

B. On January 26, 2024, the Public Staff filed a letter with the Commission indicating that this docket now includes all the information required for a complete Application.

C. On February 2, 2024, the Commission issued an Order Establishing New Docket for CPCN Application, Finding CPCN Application Complete, and Requiring the Public Staff to Provide Specific Application Data.

D. On February 9, 2024, the Public Staff filed its letter providing specific application data as requested by the Commission.

E. On February 14, 2024, the Commission issued an Order Scheduling Hearings, Establishing Discovery Guidelines, and Requiring Customer Notice (Scheduling Order).

F. On March 3, 2024, GWWTP filed the Direct Testimony of Robert Howsare on behalf of GWWTP.

G. Subsequent to the filing of the Company's Application in this docket, the Public Staff engaged in substantial discovery regarding the matters addressed in the Company's Application, its testimony, its exhibits, and its updates, including but not limited to examining the relevant books and records of GWWTP, and sending out data requests and reviewing the responses thereto. The Public Staff also conducted a field inspection of GWWTP's system.

H. On April 5, 2024, the Public Staff filed the Direct Testimony and Exhibit of Lindsay Q. Darden, Utilities Engineer in the Water, Sewer, and Telephone Division; the Direct Testimony and Exhibit of Kuei Fen Sun, Public Utilities Regulatory Analyst, Accounting Division; and Gregory J. Reger, Public Utilities Regulatory Analyst, Economic Research Division.

I. On April 2, 2024, the Company filed its Verified Report on Customer Complaints. On April 16, 2024, the Public Staff filed its Verified Response of the Public Staff to Verified Reports on Customer Complaints.

J. On April 19, 2024, GWWTP filed a Motion to Extend Time to File Rebuttal Testimony.

K. The Stipulating Parties participated in settlement discussions following the Public Staff's investigation of the Company's Application and the filing of the Company's and the Public Staff's direct testimony.

L. After settlement negotiations, in which certain concessions from their respective litigation positions were made by both Stipulating Parties, the Stipulating Parties were ultimately able to arrive at a joint settlement proposal, the terms of which are reflected in the following sections of this Stipulation and supported by the joint settlement testimony of Public Staff witnesses Sun, Reger, and Darden.

II. STIPULATION AND AGREEMENT OF THE STIPULATING PARTIES

The Stipulating Parties have reached an agreement regarding resolution of all issues in this case, and they hereby agree and stipulate as follows:

A. Rate Case Expense

1. The maximum rate case expense per the settlement is \$69,355, which includes audited actual rate case expense of \$66,855 for expenses incurred up to the settlement date of April 25, 2024, and additional expenses up to and not to exceed \$2,500 of actual audited expenses through the completion of the case, and will be included in the calculation of the final revenue requirement in the accounting schedules to be filed upon the completion of the audit. The Stipulating Parties agree that the rate case expense in the current proceeding will be amortized over a three-year period.
2. The Public Staff agrees to a three-year amortization period subject to a regulatory liability where the Company will record any overcollection of rate case expense, beginning the first month after the three-year amortization period ends and continuing until a new Commission order is issued determining updated rates, on a monthly basis, with the overcollection to be returned to ratepayers with interest based on the weighted average cost of capital, in a manner determined in the Company's next rate case. Should the Company file for a rate case before the expiration of the amortization period, any unrecovered rate case expense balance will be added in the

new rate case expense and amortized over the number of years approved by the Commission in that rate case.

3. GWWTP reserves the right to challenge the Public Staff rate case expense refund mechanism in the next rate case for future rate case expenses associated with a future rate case based on what GWWTP believes to be accepted regulatory principles, accounting rules, and previous Commission policy. Should the Company file for a rate case before the expiration of the three-year amortization period, any unrecovered rate case expense balance will be added in the new rate case expense and amortized over the number of years approved by the Commission in the next rate case.

B. Expenses

1. The Company has accepted the following adjustments by the Public Staff:
 - Reclassification of sludge hauling to plant in service during the construction front-end upgrade;
 - Reclassification of maintenance and repair (M&R) expense to testing fees;
 - Normalized/ annualized Albetuck Land Development LLC cost of \$14,000 over five years.

C. Rate Base

1. GWWTP agrees not to recover the acquisition premium.

2. The original cost rate base used and useful in providing service to the Company's customers for use in this case is \$463,668, consisting of plant in service of \$517,067, including a Standby Generator at a cost of \$46,430 and a Natural Gas Connection at a cost of \$3,458, reduced by accumulated depreciation of \$70,244, plus cash working capital of \$16,845.

D. RATE OF RETURN

1. The agreed upon revenue increase is based upon an authorized return on equity of 9.8%, a hypothetical capital structure composed of 50% debt and 50% equity, and an embedded cost of debt of 4.2%. The foregoing factors produce an overall rate of return of 7.0%.

E. REVENUE REQUIREMENT AND RATES

1. The revenue requirement effects of this Stipulation provide sufficient support for the annual revenue required on the issues agreed to in this Stipulation.
2. The Public Staff, after consultation and agreement with the Company, will file accounting schedules detailing the final revenue requirement prior to filing the joint proposed order, schedule of rates, and notice to customers.
3. Based on the fact that GWWTP will not be recovering its allowed revenue requirement based on the billing of only 38 existing customers, the Company reserves the right to change its rate methodology in the next general rate case if the mixed-use development does not come online.

III. AGREEMENT TO SUPPORT SETTLEMENT; NON-WAIVER

A. The Stipulating Parties will act in good faith to support the reasonableness of this Stipulation in any hearing before the Commission and any proposed order or brief in this docket. The Stipulating Parties further agree that this Stipulation is in the public interest because it reflects a give-and-take settlement of contested issues.

B. The provisions of this Stipulation do not reflect any position asserted by any of the Stipulating Parties but reflect instead the compromise and settlement between the Stipulating Parties as to all issues covered hereby. No Stipulating Party waives any right to assert any position in any future proceeding or docket before this or any other Commission and in any court except insofar as the Commission is addressing litigation arising out of the implementation of the terms herein or the approval of this Stipulation. This Stipulation shall not be cited as precedent by any of the Stipulating Parties regarding any issue in any other proceeding or docket before this Commission or in any court.

C. This Stipulation is a product of negotiation between the Stipulating Parties, and no provision of this Stipulation shall be strictly construed in favor of or against any Party.

IV. INTRODUCTION OF TESTIMONY AND WAIVER OF CROSS-EXAMINATION

The pre-filed testimony and exhibits of the Stipulating Parties may be received in evidence without objection, and each Party waives all right to cross-

examine any witness with respect to such pre-filed testimony and exhibits. If, however, questions are asked by any Commissioner or Hearing Examiner, or if questions are asked or positions are taken by any person who is not a Stipulating Party, then any Stipulating Party may respond to such questions by presenting testimony or exhibits and examining any witness with respect to such testimony and exhibits.

V. STIPULATION BINDING ONLY IF ACCEPTED IN ITS ENTIRETY

This Stipulation is the product of negotiation and compromise of a complex set of issues, and no portion of this Stipulation is or will be binding on either of the Stipulating Parties unless the entire Settlement Agreement and Stipulation is accepted by the Commission. If the Commission rejects any part of this Stipulation or approves this Stipulation subject to any change or condition, or if the Commission's approval of this Stipulation is rejected or conditioned by a reviewing court, the Stipulating Parties agree to meet and discuss the applicable Commission or court order within five business days of its issuance and to attempt in good faith to determine if they are willing to modify the Stipulation consistent with the order. No Stipulating Party shall withdraw from the Stipulation prior to complying with the foregoing sentence. If any Stipulating Party withdraws from the Stipulation, each Stipulating Party retains the right to seek additional procedures before the Commission, including cross-examination of witnesses, with respect to issues addressed by the Stipulation and shall not be bound or prejudiced by the terms and conditions of the Stipulation.

VI. COUNTERPARTS

This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Execution by facsimile signature shall be deemed to be, and shall have the same effect as, execution by original signature.

The foregoing is agreed and stipulated to this the 6th day of May, 2024.

GWWTP, LLC

/s/Edward S. Finley, Jr.
Edward S. Finley, Jr.
Attorney for GWWTP, LLC

Public Staff - North Carolina Utilities Commission

/s/Lucy E. Edmondson
Lucy E. Edmondson
Chief Counsel

GWWTP, LLC
 Docket No. W-1343 Sub 1
RETURN ON ORIGINAL COST RATE BASE
 For the Test Year Ended August 31, 2023

Public Staff
 Settlement Exhibit I
 Schedule 1

Sewer Operations

Line No.	Item	Capitalization Ratio [1] (a)	Original Cost Rate Base [2] (b)	Embedded Cost [3] (c)	Overall Cost Rate [7] (d)	Net Operating Income [8] (e)
<u>Present rates:</u>						
1.	Debt	50.00%	\$231,834 [2]	4.20% [1]	2.10%	\$9,737 [8]
2.	Equity	50.00%	231,834 [2]	23.12% [6]	11.56%	53,611 [9]
3.	Total	<u>100.00%</u>	<u>\$463,668 [3]</u>		<u>13.66%</u>	<u>\$63,348 [10]</u>
<u>Company proposed rates:</u>						
4.	Debt	50.00%	\$231,834 [4]	4.20% [1]	2.10%	\$9,737 [8]
5.	Equity	50.00%	231,834 [4]	19.89% [6]	9.95%	46,123 [11]
6.	Total	<u>100.00%</u>	<u>\$463,668 [3]</u>		<u>12.05%</u>	<u>\$55,860 [12]</u>
<u>Public Staff recommended rates:</u>						
7.	Debt	50.00%	\$231,834 [5]	4.20% [1]	2.10%	\$9,737 [8]
8.	Equity	50.00%	231,834 [5]	9.80% [1]	4.90%	22,720 [8]
9.	Total	<u>100.00%</u>	<u>\$463,668 [3]</u>		<u>7.00%</u>	<u>\$32,457</u>

[1] Provided by Public Staff Regulatory Analyst Reger.
 [2] Column (a) x Line 3, Column (b).
 [3] Public Staff Settlement Exhibit I, Schedule 2, Line 7, Column (c).
 [4] Column (a) x Line 6, Column (b).
 [5] Column (a) x Line 9, Column (b).
 [6] Column (e) divided by Column (b).
 [7] Column (a) x Column (c).
 [8] Column (b) x Column (c).
 [9] Line 3 - Line 1, Column (e).
 [10] Public Staff Settlement Exhibit I, Schedule 3, Line 30, Column (c).
 [11] Line 6 - Line 4, Column (e).
 [12] Public Staff Settlement Exhibit I, Schedule 3, Line 30, Column (e).

GWTP, LLC
Docket No. W-1343 Sub 1
ORIGINAL COST RATE BASE
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 2

Sewer Operations

<u>Line No.</u>	<u>Item</u>	<u>Per Application</u> (a)	<u>Public Staff Adjustments</u> [1] (b)	<u>After Public Staff Adjustments</u> (c)
1.	Plant in service	\$550,345	(\$33,278)	\$517,067 [2]
2.	Accumulated depreciation	(96,556)	26,312	(70,244) [3]
3.	Contributions in aid of construction	0	0	0
4.	Accumulated amortization of CIAC	0	0	0
5.	Cash working capital	0	16,845	16,845 [4]
6.	Average tax accruals	<u>0</u>	<u>0</u>	<u>0</u>
7.	Original cost rate base (Sum of L1 thru L6)	<u>\$453,789</u>	<u>\$9,879</u>	<u>\$463,668</u>

[1] Column (c) minus Column (a).
[2] Public Staff Settlement Exhibit I, Schedule 2-1, Line 8, Column (a).
[3] Public Staff Settlement Exhibit I, Schedule 2-1, Line 8, Column (f).
[4] Public Staff Settlement Exhibit I, Schedule 2-2, Line 2.

GWWTP, LLC
Docket No. W-1343 Sub 1
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
DEPRECIATION, AND DEPRECIATION EXPENSE**
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 2-1

Line No.	<u>Item</u>	Plant in Service (a)	Year Placed In Service [1] (b)	Service Life In Years [1] (c)	Years in Service [3] (d)	GWWTP, LLC Annual Depreciation [4] (e)	GWWTP, LLC Accumulated Depreciation [5] (f)
Sewer:							
1.	Upgrade WWTP per State Regulations	\$6,008	2007	5	16.5	\$0	\$6,008
2.	Blower	1,159	2008	5	15.5	-	1,159
3.	Blower	381	2008	5	15.5	-	381
4.	Rotary Blower	34,924	2019	5	4.5	6,985	31,432
5.	Lift Station Pump	5,407	2022	5	1.5	1,081	1,622
6.	WWTP Steel Tank Replacement/Front End Upgrade	404,458	2022	25	1.5	16,178	24,267
7.	Fencing for Wastewater Treatment Plant	14,841	2023	25	1.0	594	594
8.	New Standby generator	46,431 [2]	2024	10	1.0	4,643	4,643
9.	Natural gas connection	3,458 [2]	2024	25	1.0	138	138
10.	Total Sewer Plant (Sum L1 thru L8)	\$517,067				\$29,620	\$70,244

[1] Per Docket No. W-1139, Sub 3 and recommendation of the Public Staff witness Darden.
 [2] Per the Company settlement proposed and recommendation of the Public Staff witness Darden.
 [3] Based on year placed in service using half year convention through 12/31/2023.
 [4] Column (a) divided by Column (c), unless fully depreciated.
 [5] Column (d) multiplied by Column (e), unless fully depreciated.

GWWT, LLC
 Docket No. W-1343 Sub 1
CALCULATION OF REVENUE REQUIREMENT
 For the Test Year Ended August 31, 2023

Public Staff
 Settlement Exhibit I
 Schedule 2-2

OFFICIAL COPY

May 29 2024

Line		Acquisition		Future
<u>No.</u>	<u>Item</u>	<u>Adjustment</u>		<u>Improvement</u>
1	Rate base additions	\$110,000	[1]	\$600,000 [6]
2	Depreciation rate	4.00%	[2]	
3	Annual depreciation expense (L1 x L2)	<u>(4,400)</u>		<u>(26,667)</u>
4	Net plant in service (L1 - L3)	105,600		573,333
5	Pre tax rate of return	8.462%	[3]	8.462% [3]
6	Return on plant in service (L4 x L5)	8,935		48,513
7	Annual depreciation expense	4,400	[4]	26,667 [4]
8	Revenue requirement before GRT (L6 + L7)	13,335		75,180
9	GRT gross up factor	99.85%	[5]	99.85% [5]
10	Annual revenue requirement (L8 / L9)	<u>\$13,355</u>		<u>\$75,291</u>

[1] Public Staff Settlement Exhibit 1, Schedule 2-3, Line 5.
 [2] Per Public Staff Witness Darden.
 [3] Public Staff Settlement Exhibit 1, Schedule 4, Line 6, Column (d).
 [4] Line 3 amount.
 [5] Public Staff Settlement Exhibit 1, Schedule 4, Line 8, Column (c).
 [6] Public Staff Settlement Exhibit 1, Schedule 2-4, Line 3, Column (a).

GWTP, LLC
 Docket No. W-1343 Sub 1
CALCULATION OF PURCHASE ACQUISITION ADJUSTMENT
 For the Test Year Ended August 31, 2023

Public Staff
 Settlement Exhibit I
 Schedule 2-3

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Purchase price	<u>\$110,000</u> [1]
2	Plant in service	7,548 [2]
3	Accumulated depreciation	<u>(7548)</u> [2]
4	Net plant in service (L2 - L3)	0
5	Purchase acquisition adjustment (L1 - L4)	<u><u>\$110,000</u></u>

[1] Per Asset Purchase Agreement.
 [2] Per Docket No. W-1139, Sub 3

GWWTWP, LLC
Docket No. W-1343 Sub 1
**CALCULATION OF FUTURE IMPROVEMENT, ACCUMULATED
DEPRECIATION, AND DEPRECIATION EXPENSE**
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 2-4

Line No.	Item	Plant in Service [1] (a)	Year Placed In Service [1] (b)	Service Life In Years [1] (c)	Years in Service [2] (d)	GWWTWP, LLC Annual Depreciation [3] (e)	GWWTWP, LLC Accumulated Depreciation [4] (f)
1.	Back-end replacement sewer plant	\$500,000	2024	25	1.0	\$20,000	\$20,000
2.	Additions and upgrades to the sewer plant	100,000	2024	15	1.0	6,667	6,667
3.	Total Future Improvement (L1+L2)	<u>\$600,000</u>				<u>\$26,667</u>	<u>\$26,667</u>

[1] Per Public Staff witness Darden

[2] Calculated based on year placed in service.

[3] Column (a) divided by Column (c), unless fully depreciated.

[4] Column (d) multiplied by Column (e), unless fully depreciated.

GWTP, LLC
 Docket No. W-1343 Sub 1
**CALCULATION OF CASH WORKING CAPITAL
 AND AVERAGE TAX ACCRUALS**
 For the Test Year Ended August 31, 2023

Public Staff
 Settlement Exhibit I
 Schedule 2-5

<u>Line No.</u>	<u>Item</u>	<u>Company</u> (a)
	<u>Cash Working Capital:</u>	
1.	Total O&M expenses	<u>\$134,761</u> [1]
2.	Cash working capital (L1 x 1/8)	<u><u>\$16,845</u></u>

[1] Public Staff Settlement Exhibit I, Schedule 3, Line 20, Column (c).

GWWTP, LLC
Docket No. W-1343 Sub 1
NET OPERATING INCOME FOR A RETURN
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 3
Page 1 of 2

Sewer Operations

Line No.	Item	Present Rates			Company Proposed Rates		Public Staff Recommended Rates	
		Amount Per Application (a)	Public Staff Adjustments [1] (b)	Per Public Staff [2] (c)	Net Company Increase [10] (d)	Operations After Rate Increase [11] (e)	Net Public Staff Increase [14] (f)	Operations After Rate Increase [15] (g)
Operating Revenues:								
1.	Service revenues	\$41,040	\$203,040	\$244,080 [3]	(\$9,736)	\$234,344 [3]	(\$40,165)	\$203,915 [16]
2.	Miscellaneous revenues	0	0	0	0	0	0	0
3.	Uncollectible accounts	0	0	0	0	0	0	0
4.	Total operating revenues (Sum L1 thru L3)	<u>41,040</u>	<u>203,040</u>	<u>244,080</u>	<u>(9,736)</u>	<u>234,344</u>	<u>(40,165)</u>	<u>203,915</u>
Operating Expenses:								
5.	Salaries	0	0	0	0	0	0	0
6.	Administrative and office expense	4,162	0	4,162	0	4,162	0	4,162
7.	Maintenance and repair	38,037	(11,573)	26,465 [3]	0	26,465	0	26,465
8.	Contractor operator	48,000	0	48,000 [3]	0	48,000	0	48,000
9.	Purchase Power/Electric	5,554	0	5,554 [3]	0	5,554	0	5,554
10.	Chemicals	2,265	0	2,265 [3]	0	2,265	0	2,265
11.	Testing	11,802	823	12,625 [3]	0	12,625	0	12,625
12.	Permit fees	1,310	0	1,310 [3]	0	1,310	0	1,310
13.	Sludge removal	28,958	(22,258)	6,700 [3]	0	6,700	0	6,700
14.	Insurance expense	347	0	347	0	347	0	347
15.	Contract management	0	0	0	0	0	0	0
16.	Lease Expense	0	0	0	0	0	0	0
17.	Other Expense: Legal fees	0	0	0	0	0	0	0
18.	Other Expense: Professional expenses	7,659	(3,445)	4,215 [4]	0	4,215	0	4,215
19.	Rate case expense	0	23,118	23,118 [5]	0	23,118	0	23,118
20.	Total operating expenses (Sum L5 thru L19)	<u>148,096</u>	<u>(13,335)</u>	<u>134,761</u>	<u>0</u>	<u>134,761</u>	<u>0</u>	<u>134,761</u>
Depreciation and Taxes:								
21.	Depreciation	28,165	1,455	29,620 [6]	0	29,620	0	29,620
22.	Property tax	0	0	0	0	0	0	0
23.	Payroll tax	0	0	0	0	0	0	0
24.	Regulatory fee - other taxes	0	360	360 [7]	(14)	346 [6]	(59)	301 [6]
25.	Gross receipts tax	0	0	0	0	0	0	0
26.	State income tax	0	1,740	1,740 [8]	(243)	1,497 [12]	(1,003)	737 [17]
27.	Federal income tax	0	14,251	14,251 [9]	(1,991)	12,260 [13]	(8,212)	6,039 [18]
28.	Total depreciation and taxes (Sum L21 thru L27)	<u>28,165</u>	<u>17,806</u>	<u>45,971</u>	<u>(2,248)</u>	<u>43,723</u>	<u>(9,274)</u>	<u>36,697</u>
29.	Total operating revenue deductions (L20 + L28)	<u>176,261</u>	<u>4,471</u>	<u>180,732</u>	<u>(2,248)</u>	<u>178,484</u>	<u>(9,274)</u>	<u>171,458</u>
30.	Net operating income for return (L4 - L29)	<u>(\$135,221)</u>	<u>\$198,569</u>	<u>\$63,348</u>	<u>(\$7,488)</u>	<u>\$55,860</u>	<u>(\$30,891)</u>	<u>\$32,457</u>

GWTP, LLC

Docket No. W-1343 Sub 1

FOOTNOTES TO SCHEDULE 3(b)

For The Test Year Ended December 31, 2022

Public Staff
Settlement Exhibit I
Schedule 3
Page 2 of 2

Sewer Operations

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Darden.
- [4] Per examination of the Company's financial records.
- [5] Public Staff Settlement Exhibit I, Schedule 3-2, Column (a), Line 6.
- [6] Public Staff Settlement Exhibit I, Schedule 2-1, Column (e), Line 8.
- [7] Line 4 multiplied by .1475%.
- [8] Public Staff Settlement Exhibit I, Schedule 3-1, Column (a), Line 12.
- [9] Public Staff Settlement Exhibit I, Schedule 3-1, Column (a), Line 14.
- [10] Column (e) minus Column (c), unless otherwise footnoted.
- [11] Column (c) plus Column (d), unless otherwise footnoted.
- [12] Public Staff Settlement Exhibit I, Schedule 3-1, Column (b), Line 12.
- [13] Public Staff Settlement Exhibit I, Schedule 3-1, Column (b), Line 14.
- [14] Column (g) minus Column (c), unless otherwise footnoted.
- [15] Column (c) plus Column (f), unless otherwise footnoted.
- [16] Revenue requirement as calculated by the Public Staff.
- [17] Public Staff Settlement Exhibit I, Schedule 3-1, Column (c), Line 12.
- [18] Public Staff Settlement Exhibit I, Schedule 3-1, Column (c), Line 14.

GWTP, LLC
Docket No. W-1343 Sub 1
CALCULATION OF INCOME TAXES
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 3-1

Line No.	Sewer Operations Item	Present	Company	Public Staff
		Rates [1] (a)	Proposed Rates [2] (b)	Recommended Rates [3] (c)
1.	Operating revenue	\$244,080	\$234,344	\$203,915
2.	Operating revenue deductions:			
3.	Operating expenses	134,761	134,761	134,761
4.	Depreciation expense	29,620	29,620	29,620
5.	Property taxes	0	0	0
6.	Other taxes	0	0	0
7.	Regulatory fee	360	346	301
8.	Gross receipts tax	0	0	0
9.	Interest expense	9,737	9,737	9,737
10.	Total deductions (Sum of L3 thru L9)	174,478	174,464	174,419
11.	State taxable income (L1 - L10)	69,602	59,880	29,496
12.	State income tax (L11 x 2.5%)	1,740	1,497	737
13.	Federal taxable income (L11 - L12)	67,862	58,383	28,759
14.	Federal income tax (L13 x 21%)	14,251	12,260	6,039
15.	Net amount (L13 - L14)	53,611	46,123	22,720
16.	Add: Interest expense (L9)	9,737	9,737	9,737
17.	Net income for return (L15 + L16)	\$63,348	\$55,860	\$32,457

[1] Public Staff Settlement Exhibit I, Schedule 3, Column (c), unless footnoted otherwise.
[2] Public Staff Settlement Exhibit I, Schedule 3, Column (e), unless footnoted otherwise.
[3] Public Staff Settlement Exhibit I, Schedule 3, Column (g), unless footnoted otherwise.

GWWTP, LLC
 Docket No. W-1343 Sub 1
RETURN ON ORIGINAL COST RATE BASE
 For the Test Year Ended August 31, 2023

Public Staff
 Settlement Exhibit I
 Schedule 3-2

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> (a)
1.	Cost to mail notices	\$67 [1]
2.	NCUC filing fees	200 [2]
2.	Legal fees	57,725 [3]
3.	Accounting fees	<u>11,363 [4]</u>
4.	Total rate case expense (Sum of L1 thru L4)	69,355
5.	Amortization period in years	<u>3</u>
6.	Rate case expense per Public Staff (L5 / L6)	<u><u>\$23,118</u></u>

[1] Based on 38 customers times 2 (mailings) times \$0.68 for stamps plus \$0.20 for envelopes and copying.
 [2] Filing fee per application.
 [3] Based on proposed settlement provided by the Company and recommended of Public Staff Witness Darden.
 [4] Based on proposed settlement provided by the Company and recommended of Public Staff Witness Sun

GWWTP, LLC
Docket No. W-1343 Sub 1
**CALCULATION OF COMPOSITE TAX RATE, RATE OF RETURN,
AND GROSS UP FACTOR**
For the Test Year Ended August 31, 2023

Public Staff
Settlement Exhibit I
Schedule 4

<u>Line No.</u>	<u>Item</u>				
Composite Tax Rate:					
1	State income tax rate			2.500% [1]	
2	Federal income tax rate			21.000% [1]	
3	Composite tax rate (1-((1-2.5%) x (1-21%)))			<u>22.975%</u>	
Pre-Tax Rate of Return:					
		<u>Ratio</u> [2]	<u>Embedded Cost</u> [2]	<u>Weighted Cost</u> [3]	<u>Pre Tax Weighted Cost</u>
		(a)	(b)	(c)	(d)
4	Debt	50.00%	4.20%	2.100%	2.100% [4]
5	Equity	50.00%	9.80%	4.900%	6.362% [5]
6	Totals (L4+L5)	<u>100.00%</u>		<u>7.000%</u>	<u>8.462%</u>
Gross Up:					
7	Regulatory fee rate			0.1475% [1]	
8	Regulatory fee gross up factor (1 - .1475%)			<u>99.8525%</u>	

[1] Statutory rates.
[2] Per Public Staff witness Greg.
[3] Column (a) multiplied by Column (b).
[4] Column (c), Line 4 amount.
[5] Column (c), Line 5 divided by (1 minus Line 3).