

**SANFORD LAW OFFICE, PLLC**  
Jo Anne Sanford, Attorney at Law

May 11, 2023

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
4325 Mail Service Center  
Raleigh, North Carolina 27699-4325

Via Electronic Delivery

Re: Carolina Water Service, Inc. of North Carolina  
Docket No. M-100, Sub 164  
Verified Report Regarding Federal Funding Available Under the  
Infrastructure Investment and Jobs Act

Dear Ms. Dunston:

On November 15, 2021, the President Biden signed into law the Infrastructure Investment and Jobs Act, H.R. 3684, 117th Cong. (2021) (IIJA). The IIJA contains provisions that relate to utility infrastructure improvement, including electric generation and transmission, access to clean water, and improved cybersecurity.

On November 10, 2022, the Commission entered an Order (IIJA Order) in this docket whereby certain named water and sewer, electric, and natural gas public utilities are required to file semi-annual reports regarding certain matters and issues delineated in the IIJA Order.

Specifically, the Commission required the named public utilities, including Carolina Water Service, Inc. of North Carolina (CWSNC or Company), to report on the following issues:

- a. Any additional programs under the IIJA of which that the Commission and parties should be aware;

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- b. Any State IIJA Procedures not previously reported;
- c. Developments in IIJA funding opportunities and procedures for obtaining funding;
- d. Efforts by the reporting party to obtain funding under the IIJA, including existing federal programs that received additional funding under the IIJA, such reports to quantify the net benefits provided or expected to be provided to customers;
- e. Any specific actions the Commission might take in the public interest to increase the opportunities for North Carolina utility customers to receive benefits under the IIJA.

In addition, the reporting public utilities are requested to notify the Commission of any funding opportunities under the IIJA that are only available to state utility regulatory commissions.

CWSNC hereby responds as follows to the specific issues raised by the Commission in the IIJA Order:

a. **Additional Programs Under the IIJA of Which the Commission and Parties Should Be Aware**

CWSNC's Response: CWSNC is not aware of any additional programs under the IIJA of which the Commission and Parties should be aware.

b. **Any State IIJA Procedures Not Previously Reported**

CWSNC's Response: CWSNC is not aware of any state IIJA procedures not previously reported.

c. **Developments in IIJA Funding Opportunities and Procedures for Obtaining Funding**

CWSNC's Response: CWSNC is not aware of any additional developments in IIJA funding opportunities and procedures for obtaining funding.

d. **Efforts by CWSNC to Obtain Funding Under the IIJA, Including Existing Federal Programs that Received Additional Funding Under the IIJA, including a Quantification of the Net Benefits Provided or Expected to be Provided to Customers**

CWSNC's Response: On May 1, 2023, CWSNC filed two applications for funding with the North Carolina Department of Environmental Quality (NCDEQ) for Drinking Water State Revolving Fund (DWSRF) funding.

Set forth below are synopses of the two DWSRF applications filed by the Company with NCDEQ.

**High Meadows Main and Valve Replacement Project Application**

The High Meadows water system was installed in the mid-1960's, has 274 connections, and is made up of outdated plastic pipes with many breaks, leakages, and pressure issues in the system. The system, a collection of AC pipe, PVC pipe, Galvanized pipe, and other assorted plastic pipes, needs to be replaced. System pressure varies significantly in the system and is tied directly to elevation. During peak periods, pressure within the system ranges from 34 psi to 122 psi. The NCDEQ requires that pressure within any system in North Carolina should not drop below a minimum of 30 psi. The High Meadows system satisfies this rule, but the proposed High Meadows Main and Valve Replacement project is formulated to assist in stabilizing water pressure within the High Meadows system.

Within the High Meadows area, over 1,000 feet of 2-inch water main with PVC pipe and valves needs to be replaced. Seven hundred fifty L.F. of the 2-inch lines will be replaced with 6-inch lines that will provide better service, allowing High Meadows to meet NCDEQ requirements related to system pressure.

CWSNC has determined the best solution for the High Meadows water system through hydraulic modeling of the system. This solution includes the following updates:

Replacing and relocating the 1,100 L.F. of 2-inch waterline on Tree Top Lane east and west of the intersection with Meadow View Road. This replacement will include terminating the lines with blow-off valves and the installation of a pressure reducing valve (PRV) to help operating pressures and reduce the chance of future line breaks in the area. The waterline will be relocated out of the current roadway to lower the cost of future repairs.

Replacing the additional 750 L.F. of waterline along Meadow View Road, continuing south to the Lakeview Drive Intersection. The 750 L.F. is currently 2-inch waterline and would be replaced with 6-inch waterline with fire hydrants.

The collective replacements of waterlines within the High Meadows Water system totals 1,850 L.F. of 2-inch waterline, 750 L.F. of which would be replaced with 6-inch waterline. This would increase the scope and ability of the High Meadows project to create a better economy of scale and stabilize the pressure issues within the system.

The combined cost of the project is \$410,000. CWSNC does not currently have any quantification or calculations of net benefits to customers for this funding and those benefits will not be able to be calculated until CWSNC receives funding.

**Rutledge Landing North Well #3 Rehabilitation Project Application**

CWSNC owns and operates a water system at Rutledge Landing in Knightdale, North Carolina. As of March 2023, the water system serves approximately 283 customers. The water system is currently served by two groundwater wells; Well #4 and Well #5. Another well exists, Well #3, but Well #3 is out of service due to water quality issues related to the radiologicals, Uranium and Combined Radium. Uranium and Combined Radium do not meet their existing Maximum Contaminant Levels (MCLs).

In December 2021, Well #3 had 420 pCi/L of Uranium (MCL = 20.1 pCi/L) and 68.5 pCi/L of Combined Radium (MCL = 5 pCi/L) and in February 2020 an Adjusted GA (GA) (MCL = 15 pCi/L) of 23 pCi/L was recorded. Additionally, Well #3 is not meeting target levels for other contaminants which do not have NCDEQ MCL requirements, Iron and PH. In December 2021, Well #3 had 5.81 (12/15/2021) and 3.44 (12/22/2021) mg/l of Iron when the targeted level is 0.3 mg/l and in February 2021, Well #3 had 6.3 su of PH when the targeted level is 6.5-8.5 su.

Upon completing a review of the entire Rutledge Landing water system, CWSNC has developed a project, the Rutledge Landing Well #3 Treatment project, to initiate the complete overhaul of the water system to bring the site into compliance with current MCL requirements. The project consists of replacing the entire water system with a new greensand filter system, a uranium/radium removal system, an iron removal system, a backwash system, the inclusion of remote monitoring, and specific piping network modifications.

By adding new water treatment systems, CWSNC intends to maintain the existing water source of supply and treat the water at Well #3 to meet existing MCLs. Upon completion of the Rutledge Landing Well #3 Treatment project, CWSNC will put Well #3 in service which serves as a public health benefit by providing a clean and reliable source of water.

The Rutledge Landing Well #3 Treatment project will cost \$495,980. CWSNC does not currently have any quantification or calculations of net benefits to customers for this funding and those benefits will not be able to be calculated until CWSNC receives funding.

e. **Any Specific Actions the Commission Might Take in the Public Interest to Increase the Opportunities for North Carolina Utility Customers to Receive Benefits Under the IIJA**

CWSNC's Response: CWSNC does not have any recommendations for specific actions that the Commission might take at this time.

f. **Funding Opportunities Under the IIJA That Are Only Available to State Utility Regulatory Commissions**

CWSNC's Response: CWSNC is not aware of any new funding opportunities under the IIJA that are only available to state utility regulatory commissions.

This concludes CWSNC's response to the issues posed by the Commission.

I hereby certify that a copy of this Verified Report has been served on the parties of record to this docket.

As always, we thank you and your staff for your assistance; please feel free to contact me if there are questions or if additional information is required.

**Electronically Submitted**

**/s/Jo Anne Sanford**

North Carolina State Bar No. 6831  
Attorney for Carolina Water Service, Inc. of  
North Carolina

- c: Lucy E. Edmondson, Chief Counsel, Public Staff
- Gina C. Holt, Staff Attorney, Public Staff
- Megan Jost, Staff Attorney, Public Staff

**VERIFICATION**


**Matthew Schellinger II**, being duly sworn, deposes and says: that he is the Regional Director of Financial Planning and Analysis for Carolina Water Service, Inc. of North Carolina; that he is familiar with the facts set out in the **Verified Report of Carolina Water Service, Inc. of North Carolina Regarding Federal Funding Available Under the Infrastructure Investment and Jobs Act** filed in Docket No. M-100, Sub 164; that he has read the foregoing Verified Report and knows the contents thereof; and that the same is true of his knowledge except as to those matters stated therein on information and belief, and as to those he believes them to be true.

Matthew Schellinger II  
Matthew Schellinger II

Sworn to and subscribed before me this  
the 9 day of May, 2023.

Christopher Anderson  
Notary Public

My Commission Expires: 06/08/2031

 **Christopher Anderson**  
Notary Public for South Carolina  
Commission Expires: 06/08/2031