

SANFORD LAW OFFICE, PLLC

Jo Anne Sanford, Attorney at Law

October 2, 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. W-354, Sub 428
Application for a Certificate of Public Convenience & Necessity and
for Approval of Rates

Dear Ms. Dunston:

On July 14, 2023, Carolina Water Service, Inc. of North Carolina (CWSNC or Company) filed an Agreement for Wastewater Service, dated May 3, 2023, between the Company and PowerHouse Division of Kimeplex Inc. (Kimeplex or Developer). That Agreement provides for wastewater utility service to be provided by CWSNC to the Developer's property, located in Newport, North Carolina. (See Docket No. W-354, Sub 423)

CWSNC now files an Application for a Certificate of Public Convenience & Necessity and for Approval of Rates to provide wastewater service to Kimeplex. The Application in chief is attached hereto; a companion filing contains an additional confidential component of the Application.

I hereby certify that a copy of this filing has been served on the Public Staff.

Thank you and your staff for your assistance; please feel free to contact me if there are any questions or suggestions.

Sincerely,

Electronically Submitted

/s/Jo Anne Sanford

State Bar No. 6831

Attorney for Carolina Water Service,
Inc. of North Carolina

c: Lucy Edmondson, Chief Counsel, Public Staff
Gina Holt, Manager, Legal Division, Natural Gas, Water, Sewer,
Telephone, & Transportation Sections, Public Staff
Charles Junis, Water and Sewer Division Director, Public Staff

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

Carolina Water Service, Inc. of North Carolina
2. Name of owner (if different from trade name)

N/A
3. Business mailing address

P.O Box 240908
- City and state Charlotte, NC

Zip Code 28209
4. Business street address (if different from mailing address)

5821 Fairview Road, Suite 401
- City and state Charlotte, NC

Zip Code 28209
5. Business telephone number

(800) 525-7990
6. If corporation, list the following:
- President

Donald Denton

Vice President

Tony Konsul
- Secretary

Gary Moser

Treasurer

Jim Andrejko
- Three (3) largest stockholders and percent of voting shares held by each

Same as for CWSNC
7. If partnership, list the owners and percent of ownership held by each

N/A

PROPOSED UTILITY SERVICE AREAS

8. Name of Subdivision or Service Area

Kimeplex Park
9. County (or Counties)

Carteret County
10. Type of Service (Water and/or Sewer)

Sewer

PROPOSED RATES

(Amount Applicant Proposes to Charge)

11. Metered Residential Service:
- Water:

N/A
- Sewer:

Same as for CWSNC Uniform Rate Customers
12. Flat Rate Residential Service:
- Water:

N/A
- Sewer:

Same as for CWSNC Uniform Rate Customers
13. Nonresidential Service(explain):
- Water:

N/A
- Sewer:

Same as for CWSNC Uniform Rate Customers
14. Tap-on fees:
- Water:

N/A
- Sewer:

Same as for CWSNC Uniform Rate Customers
15. Finance charge for latepayment:

Same as for CWSNC Uniform Rate Customers
- (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:

N/A
17. Reconnection charge if water service discontinued at customer's request:

N/A
18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16:

Same as for CWSNC
19. Other charges:

Same as for CWSNC approved in Docket W-354 Sub 400

PROPOSED BILLING

1. Frequency of billing shall be (monthly, quarterly, etc.) Monthly
2. Billing shall be for service (in advance or arrears) Arrears
3. Bills past due 21 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 No
 - (b) Date of meter readings No
 - (c) Gallons used, based on meter readings No
 - (d) Amount due for current billing period listed as a separate amount Yes
 - (e) Amount due from previous billing period listed as a separate amount Yes
 - (f) Amount due for each special charge (i.e., deposits, tap fees, etc.) listed as a separate amount. Yes
6. Show how the following will appear on the billing statement:
 - (a) Mailing address of company: P.O. Box 70723, Philadelphia PA, 19176-0723
 - (b) Address where bill can be paid in person: No address where bills may be paid in person.
 - (c) Name and phone number of alternative persons to contact for emergency service after business hours: Same as for CWSNC
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.
No, once the facilities are completed and occupied, customers will be billed at CWSNC Uniform Rates as approved in Docket No. W-354 Sub 400
10. How long have these rates been in effect? N/A

PERSONS TO CONTACT

- | | <u>NAME</u> | <u>ADDRESS</u> | <u>TELEPHONE</u> |
|----------------------------|----------------------------|--------------------------------------|-----------------------|
| 11. General Manager | <u>Tony Konsul</u> | <u>5821 Fairview Road, Suite 401</u> | <u>(800) 525-7990</u> |
| 12. Complaints or Billing | <u>Customer Service</u> | <u>5821 Fairview Road, Suite 401</u> | <u>(800) 525-7990</u> |
| 13. Engineering Operations | <u>Travis Dupree</u> | <u>5821 Fairview Road, Suite 401</u> | <u>(800) 525-7990</u> |
| 14. Emergency Service | <u>Area Manager</u> | <u>5821 Fairview Road, Suite 401</u> | <u>(800) 525-7990</u> |
| 15. Accounting | <u>Matthew Schellinger</u> | <u>5821 Fairview Road, Suite 401</u> | <u>(800) 525-7990</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) No
 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: Stacy Goff, B Treatment, A Distribution
 20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: None

SERVICE AREA

Fill in one column for each subdivision or service area.

(1)

1.	Name of subdivision or service area		Kimeplex Park
2.	County (or Counties)		Carteret
3.	Type of service (water, sewer, etc.)		Sewer
4.	If water is purchased, list from whom		N/A
5.	Source of water supply (wells, etc.)		N/A
6.	Number of wells in service		N/A
7.	Pumping capacity of each pump in service		N/A
8.	Elevated storage tank capacity (gals.)		N/A
9.	Pressure tank capacity (gals.)		N/A
10.	Types of water treatment (chlorine, etc.)		N/A
11.	Number of fire hydrants installed		N/A
12.	Is sewage disposal by septic tank or by sewer system?		Sewer System
13.	If disposal is by sewer system, is sewage treated by utility company or by others?		Company – Brandywine Bay WWTP
14.	Capacity of Company's sewage treatment plant (gallons per day)		150,000 (.15MGD)
15.	Is service metered? (yes or no)		Sewer – No
16.	Number of water meters in use		N/A
17.	Number of service taps in use (list number of each size)	Water	N/A
		Sewer	20
18.	Number of customers at the end of test year	Water	N/A
		Sewer	20
19.	Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water	N/A
		Sewer	417
20.	Number of customers that can be served by pumping capacity	Water	N/A
21.	Number of customers that can be served by storage tank capacity	Water	N/A
22.	Number of customers that can be served by treatment plant capacity	Sewer	417
23.	Name nearest water/sewer utility system		Brandywine Bay WWTP
24.	Distance to nearest water/sewer utility system		1.8 Miles
25.	Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)		No
26.	a. DENR System I.D. No.	Water	N/A
	b. NPDES or Nondischarge Permit No.	Sewer	WQ0044085 – Collection System; WQ0007569 - WWTP

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) **Omitted** – This extension is to the Brandywine Bay system with applicable CWSNC Uniform rates approved in docket W-354, Sub 400 on April 26, 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

(Date)

Revenues	Water	Sewer
4. Residential service (flatrate)	\$	\$
5. Residential service (metered rate)	\$	\$
6. Nonresidential service (flatrate)	\$	\$
7. Nonresidential service (metered rate)	\$	\$
8. Other revenues (describe in remarks below)	\$	\$
9. Total Revenues (Lines 4 thru8)	\$	\$
10. Total salaries (exceptowner)	\$	\$
5xx511. Salaries paid to owner	\$	\$
12. Administrative and office expense (except salaries)	\$	\$
13. Maintenance and repair expense (except salaries)	\$	\$
14. Transportation expenses	\$	\$
15. Electric power for pumping	\$	\$
16. Chemicals for treatment	\$	\$
17. Testing fees	\$	\$
18. Permit fees	\$	\$
19. Purchased water/sewertreatment	\$	\$
20. Annual depreciation	\$	\$
21. Taxes: State income taxes	\$	\$
22. Federal income taxes	\$	\$
23. Gross receipts (or franchisetax)	\$	\$
24. Property taxes	\$	\$
25. Payroll taxes	\$	\$
26. Other taxes	\$	\$
27. Interest on debt during year	\$	\$
28. Other expenses (describe in remarks below)	\$	\$
29. Total Expenses (Lines 10 thru28)	\$	\$
30. Net Income (Line 9 minus Line 29)	\$	\$

Remarks

31.

32.

33.

34.

35.

NUMBER OF CUSTOMERS SERVED

	Water		Sewer	
	Flat Rate	Metered	Flat Rate	Metered
36. Customers at beginning of year			0	
37. Customers at end of year			20	
38. Average gallons used per customer	N/A			

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) Estimate provided by developer
2.

Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no)
Yes
- If no, list cost (purchase price to Applicant). \$0 – Fully contributed

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 7/31/2023 (Date)

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

	Utility Property in Service	
	Water	Sewer
3.	Land and rights-of-way	\$
4.	Structures and site improvement	\$
5.	Wells	\$
6.	Pumping equipment	\$ 75,000
7.	Treatment equipment	\$
8.	Storage tanks	\$
9.	Mains (excluding service connections)	\$ 75,000
10.	Service connections	\$
11.	Meters (including spare meters)	\$
12.	Office furniture and equipment	\$
13.	Transportation equipment	\$
14.	Other utility property in service (describe in remarks below)	\$ 128,920
15.	Total utility property in service (Lines 3 thru 14)	\$ 278,920
16.	Less: accumulated depreciation	\$
17.	Less: accumulated tap fees and other contributions in aid of construction	\$ 278,920
18.	Less: customer advances	\$
19.	Net investment in utility property (Line 15 minus 16, 17, & 18)	\$ 0

	Utility Property Not in Service	
	Water	Sewer
20.	Construction work in progress	\$
21.	Property held for future use	\$
22.	Other (describe in remarks below)	\$

- Remarks
23.

Estimates provided by developer
24.

Other consists of \$118,920 for Impact and Review fees and an estimated \$10,000 for CWSNC cap time
25.
26.

RECOVERY OF PLANT COST

The utility proposes to recover the cost of the plant listed on Page 5, Line 15 as follows:

	<u>Water</u>	<u>Sewer</u>
1. Amount to be contributed by developer	\$ _____	\$ 278,920
2. Amount to be recovered through tap fees	\$ _____	\$ _____
3. Amount to be recovered through rates	\$ _____	\$ _____
4. Other (please describe below on Line 6)	\$ _____	\$ _____
5. Total cost of plant	\$ 0	\$ 0

6. Description of other:

[illegible]

ANNUAL DEPRECIATION

7. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:

Water: N/A

Sewer: N/A

8. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: **Attached – Application Attachment 1 – Depreciation Rates**

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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 7/31/2023

b. Capital structure balances:

	Amount	Percent Of Total Capital
Long-term debt/loans	\$ <u>383,000,000</u>	<u>47.66%</u>
Preferred stock (if any)	\$	
Common equity:		
Common stock	\$ <u>257,265,144</u>	<u>32.02%</u>
Retained earnings	\$ <u>163,265,034</u>	<u>20.32%</u>
Total common equity	\$ <u>420,341,390</u>	<u>52.34%</u>
Total capital	<u>\$ 803,530,178</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>0</u>
f. Total purchase price	\$ <u><u>0</u></u>

g. Description of other: _____

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

a. Brief description: None.

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>0</u>
(6) Total improvements/additions	\$ <u><u>0</u></u>

(7) Description of other: _____

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.) **On File**
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.) **N/A**
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. **N/A**
4. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each water system. **N/A**
5. Enclose a copy of a letter from the Department of Environment and Natural Resources granting approval of the plans for each sewer system. **Attached – Exhibit 5**
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.) **N/A**
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. **Attached – Exhibit 7**
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"). **Same as Exhibit 7 Above**
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.) **Attached – Exhibit 9**
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. **Attached – Exhibit 10**
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. **Attached – Exhibit 11**
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant. **Attached – Exhibit 12**
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant. **Attached – CONFIDENTIAL – Exhibit 13**
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. **N/A**

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

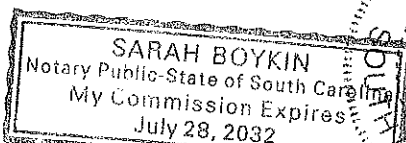
17. Application shall be signed and verified by the Applicant.

Signature Zachary Payne
Date 9/29/2023

18. (Typed or Printed Name) - Zachary Payne; Manager Financial Planning and Analysis
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 29 day of September, 2023.
Sarah Boykin
Notary Public

10120 Two Notch Rd. Columbia, SC 29223
Address
07/28/2032
Date



Application Attachment 1
CWSNC Uniform
Depreciation Rates

Account	Description	CWS - NC Uniform - Water Depreciation Rate	CWS - NC Uniform - Sewer Depreciation Rate
141101	Land and Rights General	0.00%	0.00%
141102	Land and Rights Pump	0.00%	0.00%
141103	Land and Rights Water	0.00%	0.00%
141104	Land and Rights Trans	0.00%	0.00%
141107	Land and Rights Treatment	0.00%	0.00%
141108	Land and Rights Reclaim	0.00%	0.00%
141201	Organization	2.50%	2.50%
141202	Franchises	2.50%	2.50%
141203	Struct and Improv General Plant	2.00%	2.00%
141204	Struct and Improv Service Supplies	2.00%	2.00%
141205	Struct and Improv Water Treat Plt	2.00%	2.00%
141206	Struct and Improv Trans Dist Plt	2.00%	2.00%
141207	Struct and Improv Collect Plant	2.00%	2.00%
141208	Struct and Improv Pump Plant	2.00%	2.00%
141209	Struct and Improv Treatment Plant	2.50%	2.50%
141210	Struct and Improv Reclaim WTP	2.50%	2.50%
141211	Struct and Improv Reclaim Wtr Dist	2.50%	2.50%
141220	Struct and Improv Office	10.00%	10.00%
141221	Collecting Reservoirs	2.00%	2.00%
141223	Wells and Springs	2.00%	2.00%
141224	Infiltration Gallery	2.50%	2.50%
141225	Supply Mains	1.00%	1.00%
141226	Power Generation Equipment	10.00%	10.00%
141227	Electric Pump Equip Src Pump	14.29%	14.29%
141228	Electric Pump Equip WTP	3.33%	3.33%
141229	Electric Pump Equip Trans Dist	14.29%	14.29%
141230	Water Treatment Equipment	2.50%	2.50%
141231	Dist Resv and Standpipes	2.00%	2.00%
141232	Trans and Distr Mains	1.00%	1.00%
141233	Service Lines	2.00%	2.00%
141234	Meters	3.33%	3.33%
141235	Meter Installations	3.33%	3.33%
141236	Hydrants	2.50%	2.50%
141237	Backflow Prevention Devices	10.00%	10.00%
141238	Power Gen Equip Coll Plt	10.00%	10.00%
141239	Power Gen Equip Pump Plt	10.00%	10.00%
141240	Power Gen Equip Treat Plt	10.00%	10.00%
141241	Sewer Force Main	1.33%	1.33%
141242	Sewer Gravity Main	1.00%	1.00%
141243	Manholes	1.00%	1.00%
141244	Special Collection Structures	2.00%	2.00%
141245	Service to Customers	1.33%	1.33%
141246	Flow Measure Devices	4.00%	4.00%
141247	Flow Measure Install	4.00%	4.00%
141248	Receiving Wells	2.00%	2.00%
141249	Pumping Equip Pump Plt	14.29%	14.29%

Account	Description	CWS - NC Uniform - Water Depreciation Rate	CWS - NC Uniform - Sewer Depreciation Rate
141250	Pumping Equip Reclaim WTP	14.29%	14.29%
141251	Pumping Equip Rcl Wtr Dist	14.29%	14.29%
141252	Treat/Disp Equip Lagoon	2.50%	2.50%
141253	Treat/Disp Equip Trt Plt	2.50%	2.50%
141254	Treat/Disp Equip Rclm Wtr	2.50%	2.50%
141255	Plant Sewers Treatment Plt	2.50%	2.50%
141256	Plant Sewers Reclaim Wtr	2.50%	2.50%
141257	Outfall Lines	1.00%	1.00%
141263	Reuse Dist Reservoirs	2.00%	2.00%
141264	Reuse Transmission and Dist	2.00%	2.00%
141268	Other and Misc Equip Source Supply	2.50%	2.50%
141269	Other and Misc Equip WTP	2.50%	2.50%
141271	Other Tangible Plant	2.50%	2.50%
141272	Other Plant Collection	2.00%	2.00%
141273	Other Plant Pump	2.50%	2.50%
141274	Other Plant Treatment	2.50%	2.50%
141275	Other Plant Reclaim Water Trt	2.50%	2.50%
141276	Other Plant Reclaim Water Dist	2.50%	2.50%
141278	Plant Alloc	6.67%	6.67%
141293	Plant Held for Future Use	0.00%	0.00%
141299	Utility Plant Clearing	0.00%	0.00%
141303	Office Furniture	10.00%	10.00%
141305	Stores Equipment	3.33%	3.33%
141306	Lab Equipment	10.00%	10.00%
141308	Tool Shop Equipment	5.00%	5.00%
141309	Power Operated Equipment	10.00%	10.00%
141310	Communications Equipment	10.00%	10.00%
141311	Misc Equipment	3.33%	3.33%
141401	Vehicles	20.00%	20.00%
141501	Computer Hardware	33.33%	33.33%
141502	Desktop/Laptop Computers	33.33%	33.33%
141503	Mainframe Computers	20.00%	20.00%
141504	Mini Comp Wtr	33.33%	33.33%
141601	Computer Software	33.33%	33.33%
141602	Comp Systems	33.33%	33.33%
141603	Micro Systems	33.33%	33.33%
141699	Computer Clearing	0.00%	0.00%

Application Attachment 2
Kimeplex Park
Financial Addendum

Kimeplex Park
ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Page 1 of 4

Projected Income Statement - Sewer Operations

Line No.	Item	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Operating revenue</u>						
1	Metered service revenue	\$0	\$0	\$0	\$0	\$0
2	Flat rate service revenue	\$8,096	\$8,306	\$8,959	\$9,174	\$9,395
3	EPA testing surcharge	-	-	-	-	-
4	Re-connect fees	0	0	0	0	0
5	Return check charge	0	0	0	0	0
6	Late payment charges	0	0	0	0	0
7	Other operating revenue	40	40	40	40	40
8	Total operating revenue (Sum of Line 1 thru Line 7)	8,136	8,346	8,999	9,214	9,435
<u>Operating expenses</u>						
9	Total salaries and wages (employees only)	0	0	0	0	0
10	Outside labor expense (non-employees)	0	0	0	0	0
11	Administrative and office expense	244	252	258	264	271
12	Maintenance and repair expense	350	362	371	380	389
13	Purchased water	-	-	-	-	-
14	Purchased sewage treatment	-	-	-	-	-
15	Electric power expense (exclude office)	270	279	286	292	299
16	Chemicals expense	24	24	25	26	26
17	Testing fees	67	69	71	73	75
18	Transportation expense	0	0	0	0	0
19	Other operating expenses	697	721	738	756	774
20	Total operation and maintenance expenses (Sum of Lines 9 thru 19)	1,652	1,708	1,749	1,791	1,834
21	Annual depreciation expense	-	-	-	-	-
22	Property taxes paid on utility property	0	0	0	0	0
23	Payroll taxes	0	0	0	0	0
24	Franchise (gross receipts) tax	0	0	0	0	0
25	Annual NCUC regulatory fee	11	12	13	13	13
26	Total operating expenses (Sum of Line 20 thru Line 25)	1,663	1,720	1,762	1,804	1,847
<u>Income taxes</u>						
27	State income taxes	162	166	181	185	190
28	Federal income taxes	1,325	1,357	1,482	1,517	1,554
29	Total income taxes (Line 27 + Line 28)	1,487	1,523	1,663	1,702	1,744
30	Net operating income (loss) (Line 8 - Line 26 - Line 29)	\$4,986	\$5,103	\$5,574	\$5,708	\$5,844
31	Interest expense	-	-	-	-	-
32	Net income (loss) (Line 30 - Line 31)	\$4,986	\$5,103	\$5,574	\$5,708	\$5,844

Kimeplex Park
ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR APPROVAL OF RATES

Page 2 of 4

Statement of Cash Flows - Sewer Operations

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	\$8,136	\$8,346	\$8,999	\$9,214	\$9,435
3	Less: Operation and maintenance expenses	1,652	1,708	1,749	1,791	1,834
4	Less: Taxes other than income	11	12	13	13	13
5	Pre-tax operating income (loss)	6,473	6,626	7,237	7,410	7,588
6	Income tax calculation:					
7	Pre-tax operating income (loss)	6,473	6,626	7,237	7,410	7,588
8	Plus: Contributions in aid of construction	-	-	-	-	-
9	Less: Tax depreciation	-	-	-	-	-
10	Less: Interest expense	-	-	-	-	-
11	Taxable income (loss)	6,473	6,626	7,237	7,410	7,588
12	State income tax	162	166	181	185	190
13	Federal income tax	1,325	1,357	1,482	1,517	1,554
14	Total income taxes to be paid	1,487	1,522	1,663	1,702	1,743
15	Net cash provided by (used in) operating activities	\$4,986	\$5,104	\$5,574	\$5,708	\$5,845
	<u>Cash Flows From Investing Activities</u>					
16	Purchases of utility plant	\$278,920	-	-	-	-
17	Plus: Cash bonds posted	-	-	-	-	-
18	Less: Contributions in aid of construction	278,920	-	-	-	-
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	\$4,986	\$5,104	\$5,574	\$5,708	\$5,845
31	Cash balance at beginning of year	-	\$4,986	\$10,090	\$15,664	\$21,372
32	Cash balance at end of year	\$4,986	\$10,090	\$15,664	\$21,372	\$27,216

OFFICIAL COPY

Oct 03 2023

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.

Kimeplex Park
ADDENDUM TO APPLICATION FOR TRANSFER OF PUBLIC UTILITY FRANCHISE AND FOR
APPROVAL OF RATES

Assumptions:

Revenue:

Year's 1-3 use Uniform Sewer Flat Rates as approved in Docket W-354 Sub 400, Year's 4 and 5 have been inflated using the same assumption applied to those years' expenses, or 2.4%.

Expense:

The Year 1 expenses are based on the actual expenses for the Brandywine Bay Sewer system, a three year average for the three years ended 12/31/2022, as reported in the Company's General Ledger. The portion of system expenses attributable to Kimeplex Park were allocated based on ERC's.

Operating expenses not determined by formula (such as depreciation or NCUC Reg Fee), are inflated by 3.4% for Year 2, and 2.4% for Year's 3-5, as approved in the Sub 400 Docket for inflation factors.

Exhibit 1
Articles of Incorporation
Of File with Commission

Exhibit 2
Partnership Agreement
N/A

Exhibit 3
Business Certificates
N/A

Exhibit 4
DENR Water Approvals
N/A

Exhibit 5
DENR Sewer Approvals
Attached

ROY COOPER
*Governor*ELIZABETH BISER
*Secretary*RICHARD E. ROGERS, JR.
Director

February 7, 2023

Chimer Clark, Property Owner
Chimer Clark - Individual
788 NC Hwy 24
Newport, NC 28570

Subject: Permit No. WQ0044085
Chimer Clark
Kimeplex Industrial Park Private Pump Station
Wastewater Collection System Extension
Carteret County

Dear Mr. Clark:

In accordance with your application received December 1, 2023, and additional information received January 31, 2023, we are forwarding herewith Permit No. WQ0044085 dated February 7, 2023 to Chimer Clark (Permittee) for the construction and operation upon certification 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. This cover letter shall be considered a part of this permit and is therefore incorporated therein by reference.

Please pay particular attention to the following conditions contained within this permit:

Special Conditions:

- Condition I.1: This permit shall become voidable unless the agreement between the Chimer Clark and the Carolina Water Service's for the collection and final treatment of wastewater is in full force and effect. [15A NCAC 02T.0304(h)]
- Condition I.2: This system cannot be certified and no wastewater flow shall be made tributary to the subject sanitary sewer system until the downstream sewer expansion (WQ0044108) is constructed, operational, and the engineer's certification has been received by the Division. [15A NCAC 02T .0116]
- Condition I.3: Each pump station shall be clearly and conspicuously posted using a weatherproof sign with the address, a pump station identifying name/number, 24-Hour Emergency telephone number, and name of the owner/operator of the sewer system/pump station and instructions to call the number in the event of alarm activation or other emergency. Simplex pump stations or vacuum sewer pits serving a single-family residence may have a placard or sticker without the address placed on the control panel in lieu of a sign. [15A NCAC 02T .0305(h)(2)]



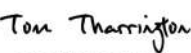
- Condition II.1: This permit shall not be automatically transferable; a request must be made and approved.
- Condition II.4: Requires that the wastewater collection facilities be properly operated and maintained in accordance with 15A NCAC 2T .0403 or any individual system-wide collection system permit issued to the Permittee.
- Condition II.7: Upon completion of construction and prior to operation of these permitted facilities, the completed Engineering Certification form with checklist attached to this permit shall be submitted with the required supporting documents to the address provided on the form. **Permit modifications are required for any changes resulting in non-compliance with this permit, regulations, or the Minimum Design Criteria.** [15A NCAC 02T.0116]
- Condition II.13: If the Permittee/Applicant holds a system-side collection system operation, maintenance and management permit (WQCS-prefix) from the Division, then the following applies: For all newly constructed, modified and rehabilitated pump stations, all equipment and components shall be sealed within a corrosion-resistant coating or encasement to the extent practicable and equivalent to the minimum design criteria unless the permittee can demonstrate it is not practicable or another form of corrosion resistance is employed. [15A NCAC 02T .0108 (b)]

It shall be responsibility of the Permittee to ensure that the as-constructed project meets 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 North Carolina General Statutes, and filed with the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, NC 27699-6714. Unless such demands are made, this permit shall be final and binding.

If you need additional information concerning this matter, please contact Tyler Benson at (910) 796-7215 or via e-mail at Tyler.Benson@ncdenr.gov.

Sincerely,

DocuSigned by:

7F141E73B6F3456...

Tom Tharrington, Assistant Regional Supervisor
Water Quality Regional Operations Section
Wilmington Regional Office
Division of Water Resources, NCDEQ

Cc: Charles Cullipher, The Cullipher Group
Carolina Water Service

(Laserfiche info via email)
(Laserfiche info via email or mail)

Upload to Laserfiche



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

CHIMER CLARK


CARTERET COUNTY

for the construction and operation upon certification of a 30-gallon per minute pump station with duplex grinder pumps, on-site audible and visual high water alarms, telemetry, and a portable generator receptacle with manual transfer switch as well as approximately 411 linear feet of 2-inch force main to serve a 65-employee general business (1,625 gallons per day) and a 5-bay warehouse (500 gallons per day) as part of the Kimeplex Park Industrial Pump Station project, and the discharge of 2, 125 gallons per day of collected domestic wastewater into the Carolina Water Service's existing sewerage system, pursuant to the application received December 1, 2022, and additional information received January 31, 2023 and in conformity with 15A NCAC 2T; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable; and other supporting data subsequently filed and approved by the Department of Environmental Quality and considered a part of this permit.

This permit shall be effective from the date of issuance until rescinded and shall be subject to the specified conditions and limitations contained therein.

Permit Number: WQ0044085

Issued Today: February 7, 2023

DocuSigned by:

7F141E73B6F3456...

Tom Tharrington, Assistant Regional Supervisor
Wilmington Regional Office
Water Quality Regional Operations Section
Division of Water Resources, NCDEQ
By Authority of the Director and The Environmental Management Commission

SUPPLEMENT TO PERMIT COVER SHEET

CHIMER CLARK is hereby authorized to:

Construct, and then operate upon certification the aforementioned wastewater collection extension. The sewage and wastewater collected by this system shall be treated in the Brandywine Bay Wastewater Treatment Facility in accordance with Permit Number WQ0007569.

Permitting of this project does not constitute an acceptance of any part of the project that does not meet 15A NCAC 2T; the Division of Water Resources' (Division) Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; and the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable, unless specifically mentioned herein. Division approval is based on acceptance of the certification provided by a North Carolina-licensed Professional Engineer in the application. It shall be the Permittee's responsibility to ensure that the as-constructed project meets the appropriate design criteria and rules.

Construction and operation is contingent upon compliance with the Standard Conditions and any Special Conditions identified below.

I. SPECIAL CONDITIONS

1. This permit shall become voidable unless the agreement between the Chimer Clark and the Carolina Water Service's for the collection and final treatment of wastewater is in full force and effect. [15A NCAC 02T.0304(h)]
2. This system cannot be certified and no wastewater flow shall be made tributary to the subject sanitary sewer system until the downstream sewer expansion (WQ0044108) is constructed, operational, and the engineer's certification has been received by the Division. [15A NCAC 02T .0116]
3. Each pump station shall be clearly and conspicuously posted using a weatherproof sign with the address, a pump station identifying name/number, 24-Hour Emergency telephone number, and name of the owner/operator of the sewer system/pump station and instructions to call the number in the event of alarm activation or other emergency. Simplex pump stations or vacuum sewer pits serving a single-family residence may have a placard or sticker without the address placed on the control panel in lieu of a sign. [15A NCAC 02T .0305(h)(2)]

II. STANDARD CONDITIONS

1. **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. [15A NCAC 02T.0104; G.S 143-215.1(d3)]
2. This permit shall become voidable unless the wastewater collection facilities are constructed in accordance with the conditions of this permit; 15A NCAC 2T; the Division's Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for

the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable; and other supporting materials unless specifically mentioned herein. [15A NCAC 02T.0110]

3. This permit shall be effective only with respect to the nature and volume of wastes described in the application and other supporting data. [15A NCAC 02T .0110]
4. The wastewater collection facilities shall be properly maintained and operated at all times. The Permittee shall maintain compliance with an individual system-wide collection system permit for the operation and maintenance of these facilities as required by 15A NCAC 2T .0403. If an individual permit is not required, the following performance criteria shall be met: [15A NCAC 02T .0108(b)]
 - a. The sewer system shall be effectively maintained and operated at all times to prevent discharge to land or surface waters, and to prevent any contravention of groundwater standards or surface water standards.
 - b. A map of the sewer system shall be developed and shall be actively maintained.
 - c. An operation and maintenance plan including pump station inspection frequency, preventative maintenance schedule, spare parts inventory and overflow response has been developed and implemented.
 - d. Pump stations that are not connected to a telemetry system shall be inspected every day (i.e. 365 days per year). 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-months and inspections are documented.
 - f. A general observation of the entire sewer system shall be conducted at least once per year.
 - g. Overflows and bypasses shall be reported to the 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.
 - h. A Grease Control Program is in place as follows:
 1. For public owned collection systems, the Grease Control Program shall include at least biannual distribution of educational materials for both commercial and residential users and the legal means to require grease interceptors at existing establishments. The plan shall also include legal means for inspections of the grease interceptors, enforcement for violators and the legal means to control grease entering the system from other public and private satellite sewer systems.
 2. For privately owned collection systems, the Grease Control Program shall include at least bi-annual distribution of grease education materials to users of the collection system by the permittee or its representative.
 3. Grease education materials shall be distributed more often than required in Parts (1) and (2) of this Subparagraph if necessary to prevent grease-related sanitary sewer overflows.
 - i. Right-of-ways and easements shall be maintained in the full easement width for personnel and equipment accessibility.
 - j. Documentation shall be kept for Subparagraphs (a) through (i) of this Rule for a minimum of three years with exception of the map, which shall be maintained for the life of the system.

5. **Noncompliance Notification:**

The Permittee shall report by telephone to a water resources staff member at the Wilmington Regional Office, telephone number (910) 796-7215, 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:

- a. 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
- b. Any SSO and/or spill over 1,000 gallons; or
- c. Any SSO and/or spill, regardless of volume, that reaches surface water

Voice mail messages or faxed information is permissible, but this shall not be considered as the initial verbal report. Overflows and spills occurring outside normal business hours may also be reported to the Division of Emergency Management at telephone number (800) 858-0368 or (919) 733-3300. Persons reporting any of the above occurrences shall file a spill report by completing and submitting Part I of Form CS-SSO (or the most current Division approved form) 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. Part II of Form CS-SSO (or the most current Division approved form) can also be completed to show that the SSO was beyond control. [G.S. 143-215.1C(a1)]

6. Construction of the gravity sewers, pump stations, and force mains 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. [15A NCAC 02T.0108(b)]
7. Upon completion of construction and prior to operation of these permitted facilities, the completed Engineering Certification form with checklist attached to this permit shall be submitted with the required supporting documents to the address provided on the form. A complete certification is one where the form is fully executed and the supporting documents are provided as applicable. Any wastewater flow made tributary to the wastewater collection system extension prior to completion of this Engineer's Certification shall be considered a violation of the permit and shall subject the Permittee to appropriate enforcement actions.

If the permit is issued to a private entity with an Operational Agreement, then a copy of the Articles of Incorporation, Declarations/Covenants/Restrictions, and Bylaws that have been appropriately filed with the applicable County's Register of Deeds office shall be submitted with the certification.

A complete certification is one where the form is fully executed and the supporting documents are provided as applicable. Supporting documentation shall include the following:

- a. One copy of the project construction record drawings (plan & profile views of sewer lines & force mains) of the wastewater collection system extension. Final record drawings should be clear on the plans or in accepted electronic format and are defined as the design drawings that are marked up or annotated with after construction information and show required buffers, separation distances, material changes, etc.
- b. One copy of the supporting applicable design calculations including pipe and pump sizing, velocity, pump cycle times, and level control settings, pump station buoyancy, wet well storage, surge protection, detention time in the wet well, and force main, ability to flush low points in force mains with a pump cycle, and downstream sewer capacity analysis. If a portable power source or pump is dedicated to multiple stations, an evaluation of all the pump stations' storage capacities and the rotation schedule of the portable power source or pump, include travel timeframes, shall be provided.

- c. Changes to the project that do not result in non-compliance with this permit, regulations, or the Minimum Design Criteria should be clearly identified on the record drawings, on the certification in the space provided, or in written summary form.

Prior to Certification (Final or Partial): Permit modifications are required for any changes resulting in non-compliance with this permit (including pipe length changes of 10% or greater by type & size, increased flow, pump station design capacity design increases of 5% or greater, and increases in the number/type of connections), regulations, or the Minimum Design Criteria. Requested modifications or variances to the Minimum Design Criteria will be reviewed on a case-by-case basis and each on its own merit. Please note that variances to the Minimum Design Criteria should be requested and approved during the permitting process prior to construction. After-construction requests are discouraged by the Division and may not be approved, thus requiring replacement or repair prior to certification & activation. [15A NCAC 02T .0116]

8. Gravity sewers installed greater than ten percent below the minimum required slope per the Division's Gravity Sewer Minimum Design Criteria shall not be acceptable and shall not be certified until corrected. If there is an unforeseen obstacle in the field where all viable solutions have been examined, a slope variance can be requested from the Division with firm supporting documentation. This shall be done through a permit modification with fee. Such variance requests will be evaluated on a case-by-case basis. Resolution of such request shall be evident prior to completing and submitting the construction certification. [15A NCAC 02T.0105(n)]
9. A copy of the construction record drawings shall be maintained on file by the Permittee for the life of the wastewater collection facilities. [15A NCAC 02T .0116]
10. Failure to abide by the conditions and limitations contained in this permit; 15A NCAC 2T; the Division's Gravity Sewer Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Station and Force Mains adopted June 1, 2000 as applicable; and other supporting materials may subject the Permittee to an enforcement action by the Division, in accordance with North Carolina General Statutes §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. [15A NCAC 02T .0104; 15A NCAC 02T .0108(b-c)]
11. 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. [15A NCAC 02T .0110; 15A NCAC 02T .0108(b)]
12. The issuance of this permit shall not exempt the Permittee from complying with any and all statutes, rules, regulations, or ordinances that may be imposed by the Division any other Federal, State, or Local government agencies which have jurisdiction or obtaining other permits which may be required by the Division or any other Federal, State, of Local government agencies. [G.S. 143-215.1(b)]
13. If the Permittee/Applicant holds a system-side collection system operation, maintenance and management permit (WQCS-prefix) from the Division, then the following applies: For all newly constructed, modified and rehabilitated pump stations, all equipment and components shall be sealed within a corrosion-resistant coating or encasement to the extent practicable and equivalent to the minimum design criteria unless the permittee can demonstrate it is not practicable or another form of corrosion resistance is employed. [15A NCAC 02T .0108 (b)]

FAST TRACK SEWER ENGINEERING CERTIFICATION

PERMITTEE: Chimer Clark
PERMIT #: WQ0044085
PROJECT: Kimeplex Industrial Park Private Pump Station
ISSUE DATE: February 7, 2023
COUNTY: Onslow

This project shall not be considered complete nor allowed to operate in accordance with Condition 7 of this permit until the Division has received this Certification and all required supporting documentation. Consequently, it should be submitted in a manner that documents the Division's receipt. Send the required documentation to the Wilmington Regional Supervisor, Water Quality Section at the address at the bottom.

The Permittee is responsible for tracking all partial certifications up until a final certification is received. Certifications shall include Phase/Section covered, line size & lengths installed, and listing of lots/connections to be served and pump station design, if applicable. A Final Certification shall be a complete set of record drawings and design calculations regardless of whether partials have been submitted.

PERMITTEE'S CERTIFICATION

I, the undersigned agent for the Permittee, hereby state that this project has been constructed pursuant to the applicable standards & requirements, the Professional Engineer below has provided applicable design/construction information to the Permittee, and the Permittee is prepared to operate & maintain the wastewater collection system permitted herein or portions thereof.

Printed Name, Title_____
Signature_____
Date**ENGINEER'S CERTIFICATION**

I, _____, as a duly registered Professional Engineer in the State of North Carolina, having been authorized to (☐ periodically, ☐ weekly, ☐ full time) observe the construction of the project name and location as referenced above for the above Permittee hereby state that, to the best of my abilities, due care and diligence was used in the observation of the following construction:

a 30-gallon per minute pump station with duplex grinder pumps, on-site audible and visual high water alarms, telemetry, and a portable generator receptacle with manual transfer switch as well as approximately 411 linear feet of 2-inch force main to serve a 65-employee general business (1,625 gallons per day) and a 5-bay warehouse (500 gallons per day) as part of the Kimeplex Park Industrial Pump Station project, and the discharge of 2, 125 gallons per day;

such that the construction was observed to be built in compliance of this permit; 15A NCAC 2T; the Division of Water Resources' (Division) Gravity Sewer Minimum Design Criteria adopted February 12, 1996 as applicable; the Division's Minimum Design Criteria for the Fast-Track Permitting of Pump Stations and Force Mains adopted June 1, 2000 as applicable; and other supporting materials.

North Carolina Professional Engineer's Seal w/signature & date

☐ Final ☐ Partial (include description)

Certification Comments/Qualifiers (attach if necessary):



SEWER ENGINEERING CERTIFICATION CHECKLIST

To be completed by the certifying engineer prior to operation of the permitted sewers, per 15A NCAC 02T.0116.

Certifying Engineer: _____

Certification Review Date: _____

Project Name: _____

WQ00 _____ **Project County:** _____

- 1) Has permittee information changed since the permit was issued (or last modified): change of mailing address, change of ownership, transfer from developer to HOA/POA, etc. ☐ Yes ☐ No
 - If yes, please provide either a change of ownership form or new contact information. Note that transfer of permits from the developer to the HOA/POA must occur with the first certification.
 - 2) Have the as-built drawings have been signed, sealed, and dated by an N.C. PE? ☐ Yes ☐ No
 - 3) Final Engineering certification? ☐ Yes ☐ No
 - **If Partial Engineering certification, provide detailed narrative including what is being certified in the current phase, what was previously certified (if applicable), and what is left to be certified.**
 - 4) Adequate information related to sewer lines: ☐ Yes ☐ No ☐ N/A
 - Three feet minimum cover has been provided for all sewers unless ferrous pipe was installed.
 - Minimum diameters for gravity sewers are 8-inches for public lines and 6-inches for private lines.
 - Manholes have been installed: At the end of each line, at all changes in grade, size, or alignment, at all intersections, and at distances not greater than 425 feet; minimum diameter shall be 4 feet (48-inches).
 - 5) Adequate information related to pump stations: ☐ Yes ☐ No ☐ N/A
 - Ensure power reliability option was selected per 15A NCAC 02T.0305(h).
 - 6) Was project construction completed in accordance with all of the following: ☐ Yes ☐ No ☐ N/A
 - 15A NCAC 02T, Minimum Design Criteria (MDC) for the permitting of Gravity Sewers (latest version), and MDC for the Permitting of Pump Stations and Force Mains (latest version)?
- If not, a variance approval is required in accordance with 15A NCAC 02T.0105(b), **prior to certification and operation.**
- Contact the Central Office to discuss the variance to determine a course of action.
 - Applicant must submit two copies of the variance request form, plans, specifications, calculations, and any other pertinent information to the Central Office (one hard copy, one digital copy).
 - The central office will review the variance request, and if approvable, specific language regarding the variance will be incorporated into the permit, either via a special condition or a supplementary letter. A copy of the reissued permit with variance language or the variance letter must be maintained with the original documents.
- 7) Does the project contains high priority lines (15A NCAC 02T.0402(2))? ☐ Yes ☐ No
 - If yes, ensure that the permit already contains the necessary condition related to high priority lines 15A NCAC 02T.0403 (a)(5). If the permit does not include this language, the Fast Track reviewer will reissue the permit with the appropriate language.
 - 8) Are Permit modifications are required for any changes resulting in non-compliance with this permit (including pipe length difference of 10% or greater, change in flow, pump station design capacity design change of 5% or greater, and change in the number/type of connections)? ☐ Yes ☐ No
 - If yes, a permit modification request must be submitted to the appropriate Regional Office, and **a modified permit with revised certification must be issued prior to certification and operation.**

OFFICIAL COPY

Oct 03 2023

Exhibit 6
Well Checmical Analysis
N/A

Exhibits 7 & 8
Developer Agreement
Attached

AGREEMENT FOR WASTEWATER
KIMEPLEX PARK
NEWPORT, NC

This Agreement is entered into this 3rd day of May, 2023 by and between PowerHouse Division of Kimeplex Inc., a North Carolina Corporation, existing under the laws of the State of North Carolina and authorized to do business in North Carolina (hereinafter referred to as "Developer"), and Carolina Water Service, Inc. of North Carolina, a corporation authorized to do business in North Carolina (hereinafter referred to as "Utility" and collectively with Developer, the "Parties").

WITNESSETH

WHEREAS, Developer represents that it is the owner of a certain real estate parcel containing approximately a total of 9.98 acres (Tax Parcels No 634612758896000), located in Newport, North Carolina, hereinafter referred to as the "Property" (see "Exhibit 1"); and,

WHEREAS, Developer desires to develop the Property into a proposed 20-unit multi-use development including an industrial office and storage facility. The facility will consist of 20 units that shall be used for general business purposes with a maximum of 5 employees per shift at 25 GPD/Employee/Shift. Per the North Carolina Administrative Code (NCAC) 2T rules, the resultant daily maximum flow is 2,500gpd with an equivalent of 7 Single Family Equivalent(SFE)units.

WHEREAS, Developer desires Utility to provide sewer service within the Property and Utility desires to provide sewer service to the Property according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Representations and Warranties of Developer

Developer represents and warrants that:

1. Developer is the owner of or is duly authorized to act on behalf of the owner(s) of the Property; and,
2. Developer shall be responsible for obtaining and will obtain all necessary governmental approvals, permits and authorizations in connection with the construction and installation of the Facilities contemplated by this Agreement; and,
3. Developer shall cooperate with Utility in any and all applications or petitions to governmental or public authorities that Utility deems necessary, in its sole discretion, in relation to Utility's provision of sewer utility service and its acceptance of dedication of all necessary facilities constructed and installed by Developer; and,
4. Developer shall convey to Utility, or otherwise vest in Utility (at no cost to Utility), such right, title and interest in and to such real estate as may be reasonably necessary to permit Utility to carry out the terms and conditions of this Agreement; and,
5. Developer shall convey to Utility or provide by recorded subdivision plats (at no cost to Utility) such easements or rights of way as Utility may reasonably require for the Utility's performance of its obligations under this Agreement. Any such plats, conveyances or licenses will be in a form reasonably satisfactory to Utility's legal counsel and applicable regulatory bodies.

ARTICLE II

Obligations and Construction of Facilities by Developer

1. Facilities

Developer shall construct and install any necessary wastewater collection system, lift station(s), and force main facilities to serve the Property at no cost to Utility, including but not limited to mains, valves, services, backflows, and any and all other facilities that Utility deems necessary to provide adequate wastewater service. ("the Facilities") All materials used by Developer for said Facilities shall be new, first-class, and suitable for the uses intended therefor. Developer shall obtain industry standard warranties from all contractors working on construction or installation of the Facilities and assign or otherwise transfer such warranties in writing to Utility. In addition, Developer warrants that all construction, materials, and workmanship of the Facilities shall be free of defects for one year after the Facilities (or such portion of the Facilities) are placed into service and dedicated and accepted in writing by Utility, and that the Facilities (or any portion thereof) shall operate as intended, without trouble, for a period of one year after the Facilities are placed into service and dedicated and accepted in writing by Utility.

2. All Facilities constructed and installed by Developer pursuant to this Article II shall be constructed and installed without cost or expense to Utility. Developer shall be responsible for all local, state, and federal taxes and permitting fees arising as a result of (i) dedication of the Facilities to Utility, (ii) acceptance of the Facilities by Utility, and (iii) the new use of the Facilities by Utility to provide water services under this Agreement.

3. All plans, specifications and construction of the Facilities shall be in accordance with applicable standards, requirements, rules and regulations of all governmental bodies and regulatory agencies that may have jurisdiction thereover and must receive the written

- approval of Utility before construction is begun, which approval shall not be unreasonably withheld or delayed.
4. Developer shall defend, indemnify and hold Utility harmless from and against all suits or claims that may be based upon any injury to any person or property that may occur in the course of the performance of the construction or commissioning of the Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees, agents or assigns of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees. Further, for a period of five (5) years after Utility's acceptance of the Facilities, Developer shall defend, indemnify and hold Utility harmless from and against all suits or claims, including reasonable attorneys' fees incurred by Utility to defend such suits or claims, based upon or relating to the design, construction, commissioning or dedication of the Facilities by Developer.
 5. Developer shall maintain general liability insurance for at least \$5 million that covers liability arising from the construction, dedication and any failure of the Facilities and shall obtain an endorsement naming Utility as an additional insured on that policy. This policy shall include a waiver of rights of subrogation against the Utility, its officers, directors, and employees. Developer shall maintain worker's compensation insurance in amounts compliant with state law.
 6. Developer shall obtain, with cooperation from Utility, all requisite permits and zoning and other approvals and all else required to construct the Facilities, without cost or expense to Utility.
 7. Upon written acceptance of the Facilities by Utility and interconnection with Utility's existing water and sewer system, all of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed, Utility shall own and

operate the Facilities, and Developer shall have no further obligations or responsibilities for the Facilities, except as set forth in this Agreement. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in Utility's opinion to ensure its ownership of, ready access to, and operation and maintenance of the Facilities. Developer shall furnish Utility with lien waivers in a form reasonably satisfactory to Utility's legal counsel from Developer and from all suppliers, subcontractors and all others who furnish labor, equipment, materials, rentals, or who perform any services in connection with the Facilities constructed herein.

Developer agrees to provide to Utility documentary evidence, in a form satisfactory to Utility, sufficient to establish the original cost of the Facilities. Utility shall have, at all times following Utility's written acceptance of the Facilities, all right, title and interest in and to the Facilities. Developer agrees to defend, indemnify and hold Utility harmless for any claims arising from any vendor, contractor, subcontractor, supplier or other individual or entity that claims any ownership interest in or encumbrance on the Facilities or any of the easements dedicated or conveyed to Utility under this Agreement.

8. Developer shall not have the right to connect individual lot service connections within Property to the Facilities until such time as the Facilities have been formally accepted by the Utility, written approvals have been received from all governmental bodies and regulatory agencies which may have jurisdiction there over, and all applicable connection fees including any applicable taxes have been paid.
9. All connections must be inspected by Utility prior to backfilling and covering of any pipes. Written notice to Utility requesting an inspection of a connection shall be made at least forty-eight (48) hours in advance of the inspection, excluding weekends and official Utility holidays. If Developer fails to comply with the foregoing inspection provisions, Utility may refuse service to a connection until such time as the appropriate inspections have been completed.

10. Prior to the transfer to Utility of the Facilities, Developer shall grant permanent, assignable easements satisfactory to Utility, without cost or expense to Utility, authorizing Utility to own, operate, access, and maintain the Facilities and providing reasonably adequate rights of access and working space for such purposes.
11. Prior to the transfer to Utility of the Facilities, Developer shall provide to Utility as-built drawings, and all other information (by both hard copy and electronic copy), reasonably required to operate, maintain, and repair the Facilities. Final sewer connection shall not be made to Utility's property manhole until the close-out package has been submitted by Developer and accepted as complete by Utility.
12. Upon Developer's satisfaction of its obligations under this Agreement, Utility agrees to reserve adequate utility capacity for Seven (7) SFE equivalent water connections located within the Property.

ARTICLE III

Other

1. Developer shall prohibit by restricted land covenant, any owner of real estate within the Property to construct or maintain any private septic system within the Property.
2. Neither Developer nor any entity or individual affiliated with Developer may execute any agreement with any lot purchaser in the Property or any other parties or make any representations to any such purchasers or other parties that such purchaser or other parties have acquired any interest in the Facilities to be installed under this Agreement. Developer shall indemnify, defend and hold Utility harmless from any and all such claims raised by any party based on any statements, representations or actions by Developer.

ARTICLE IV

Utility Services, Connection Fees, Rates and Charges

1. Developer shall pay and deliver to Utility the sum of money which is the non-recurring service connection and capacity fees ("Tap Fees& Impact Fees") provided for under Utility's rate schedule, as approved by the North Carolina Utilities Commission (as may be amended from time to time), including any taxes imposed on Utility for such charges, multiplied by the SFE rating set forth therein. For the development project that is the subject of this Agreement, that sum shall be a nonrefundable fee of One Hundred Eighteen Thousand Nine Hundred Twenty Dollars and Zero cents (\$118,920.00), The payment of said fees being made in the following manner: Thirty Thousand Dollars and Zero Cents (\$30,000.00) being due at submission of signed Developer Agreement, which allows developer to proceed with infrastructure from Development location (788 Hwy 24) to Brandywine Bay LS #3. Thirty Thousand Dollars and Zero Cents (\$30,000) due at issuance of service for Development. Thirty Thousand Dollars and Zero Cents (\$30,000) due 6 months after issuance of service, Balance of Twenty Eight Thousand Nine Hundred Twenty and Zero Cents (\$28,920) due 12 months after issuance of service or 80% development occupancy, whichever comes first., In addition, Developer agrees that it will not represent to any third party that utility service is available from Utility for use within the proposed development, except (1) upon Developer's payment of the Tap Fees as provided hereinabove, (2) Developer's performance of all obligations under this Agreement; and (3) establishment of service and an account between said third party and Utility, including payment of all fees and charges authorized under Utility's approved rate schedule excepting tap fees.
2. Prior to the commencement of utility service to any parcel within the Property, the parcel's owner must pay Utility all applicable water and sewer fees. Such fees, usage and all other incidental rates and charges, shall be paid to Utility in accordance with Utility's

rates, rules and regulations and conditions of service on file with the North Carolina Utilities Commission and then in effect. Capacity shall not be reserved for any lot, outparcel, commercial space or building for which the tap fee has not been paid.

3. Upon installation and acceptance of the Facilities and payment of all applicable connection fees, Utility agrees to supply all customers within the Property with adequate and customary water service and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all applicable regulatory authorities.
4. Capacity shall not be reserved for any lot, out parcel, commercial space or building for which the tap fee has not been paid.

ARTICLE V

Commission Filing

1. Within thirty (30) days following the execution of this Agreement, Utility will file an application with the Commission for approval of this Agreement, in conformance with Commission rules and regulations. Developer agrees to cooperate with Utility in any proceeding resulting from such application and to reimburse Utility its reasonable attorneys' fees, costs and litigation expenses incurred for such filing in the event such application is litigated by any opposed by third parties. The provision of water and sewer service to the customers within the Property is subject to the Commission's authority and approval.

ARTICLE VI

General

1. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of

nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence, such party is unable to prevent or overcome, except as otherwise provided for herein. If any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.

2. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
3. The representations, warranties and agreements contained herein shall survive, and continue in effect. Developer agrees to defend, indemnify, and hold harmless Utility, its successors and assigns, against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
4. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing and signed by both Developer and Utility.
5. Notices, correspondence, and invoicing required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility:

Carolina Water Service, Inc. of North Carolina
PO Box 240908
Charlotte, NC 28224-0908
Attn: Donald H. Denton III, President

With copy to:

Carolina Water Service, Inc. of North Carolina.
c/o Utilities, Inc.
500 W. Monroe Street, Suite 3600
Chicago, Illinois 60661-3779
Attn: Gary Moser, Senior Legal Counsel

If to Developer:

POWERHOUSE DIVISION OF KIMEPLEX, INC.,
788 Highway 24
Newport, NC 28570
Attn: Mr. Chimer Davis Clark, Jr.
And by email: powerhouse@kimeplex.com

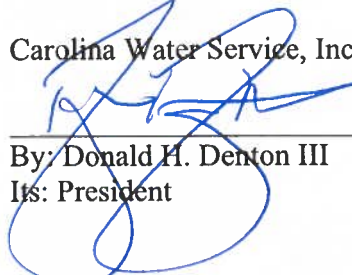
Delivery when made by registered or certified mail shall be deemed complete upon mailing. Delivery by overnight courier shall be deemed complete when delivered.

6. This Agreement may not be assigned by Developer without the written approval of Utility, which approval shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
7. This Agreement shall be governed by the laws of the State of North Carolina.
8. If this Agreement is not executed prior to September 30, 2024, then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.
9. This project must be physically connected within Two (2) years of the date of this Agreement, after such date, Utility shall have no further obligation to serve the Property.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the parties hereto have set their seals the day and year above first written.

Carolina Water Service, Inc. North Carolina


By: Donald H. Denton III
Its: President

Attest/Witness:

1)


(Print name and title) Gary Mack Peacock Director of Operations

PowerHouse Division of Kimeplex Inc.


By: Mr. Chimer Davis Clark, Jr
Its: Member

Attest/Witness:

1)


(Print name and title) Debra J Hansen

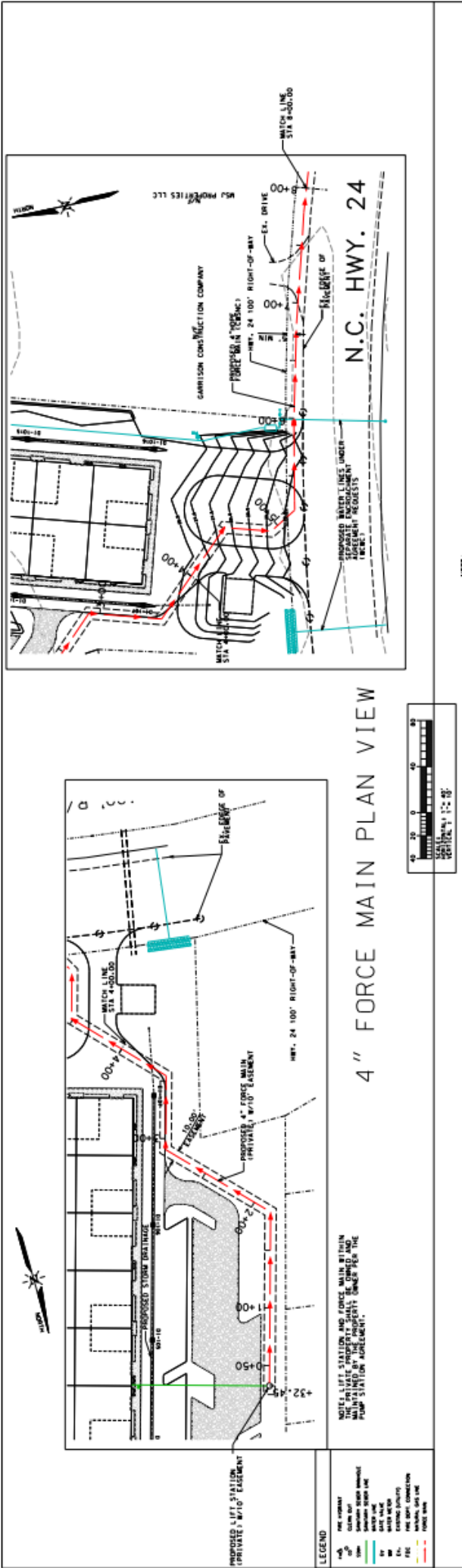


Exhibit 9
Vicinity Map
Attached

W. 354 Sub 428
Kimeplex Park CPCN
Exhibit 9

OFFICIAL COPY

Oct 03 2023

Google

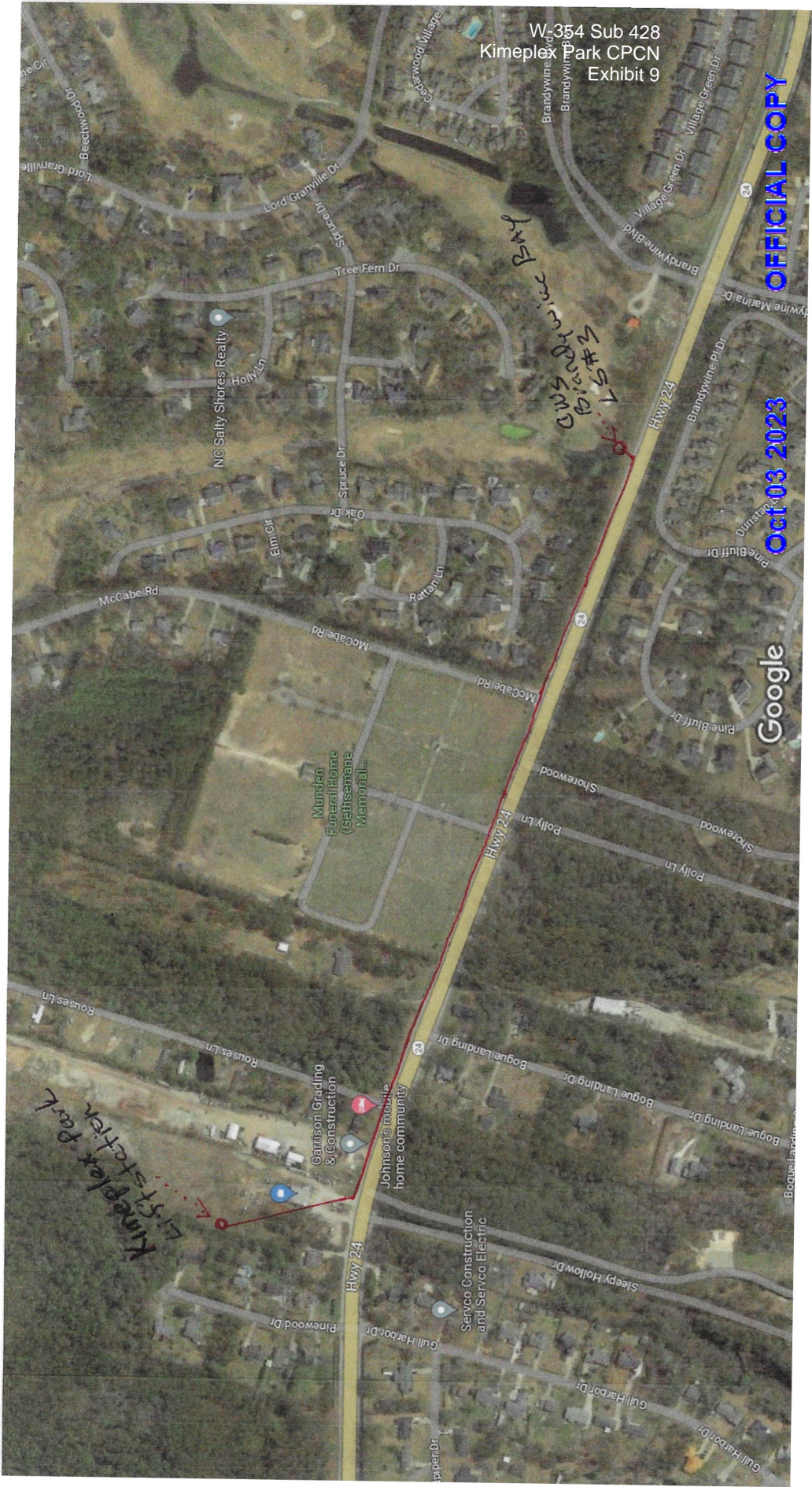
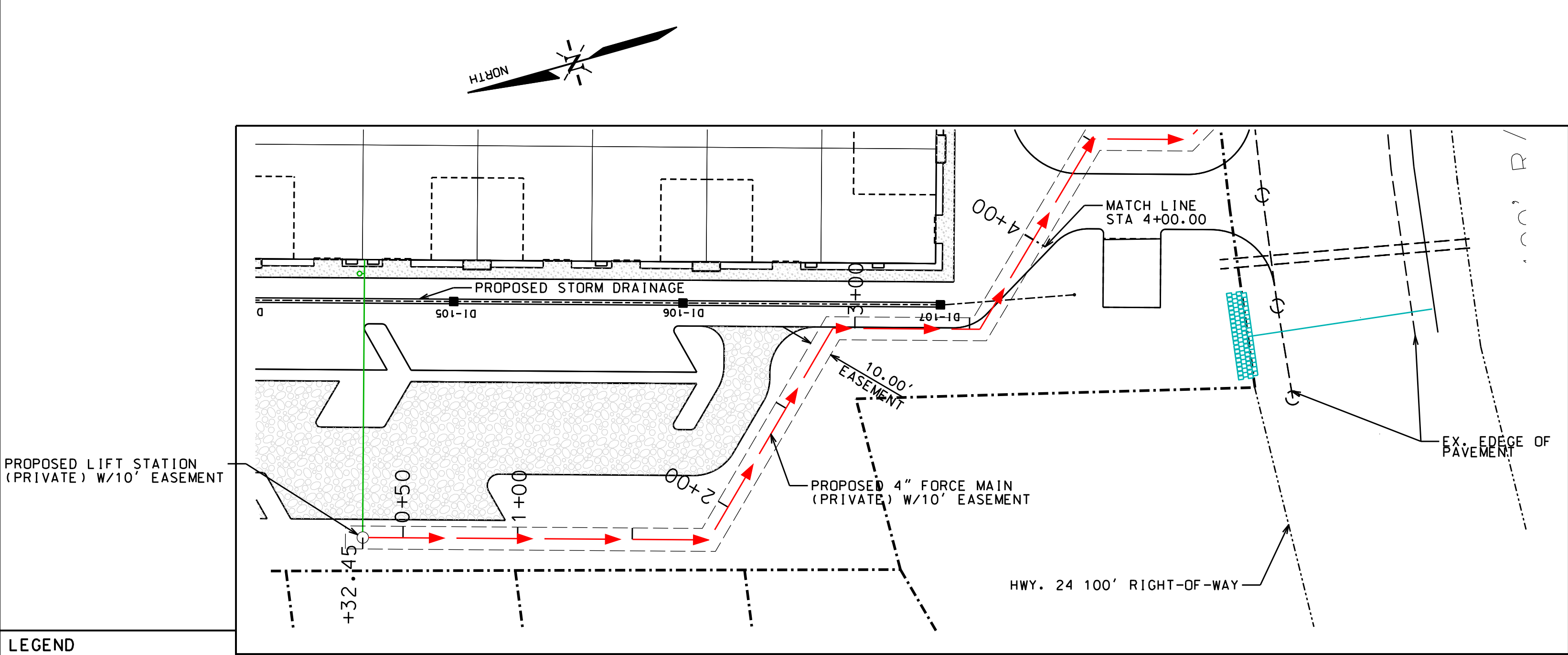


Exhibit 10
System Maps
Attached

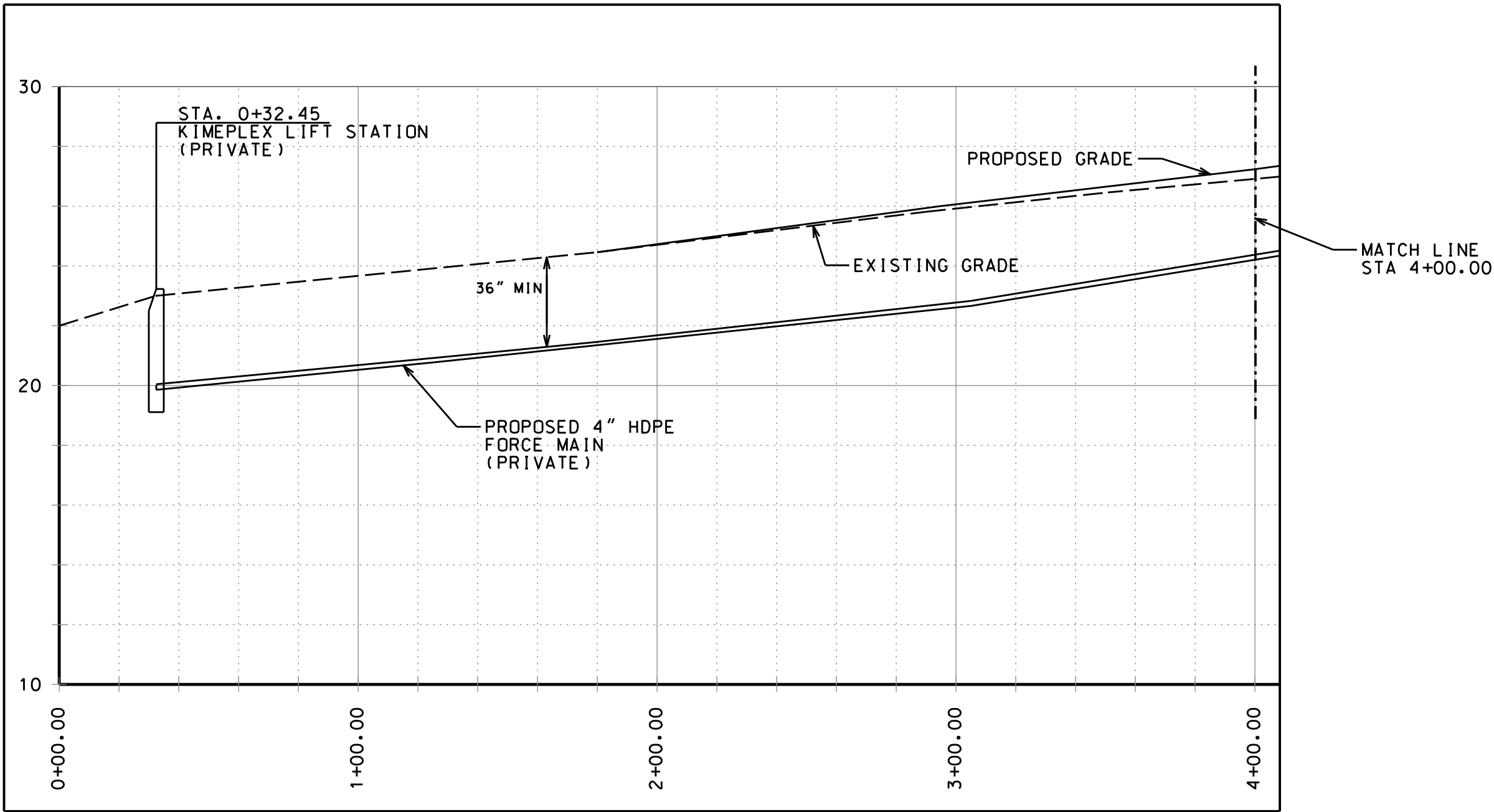
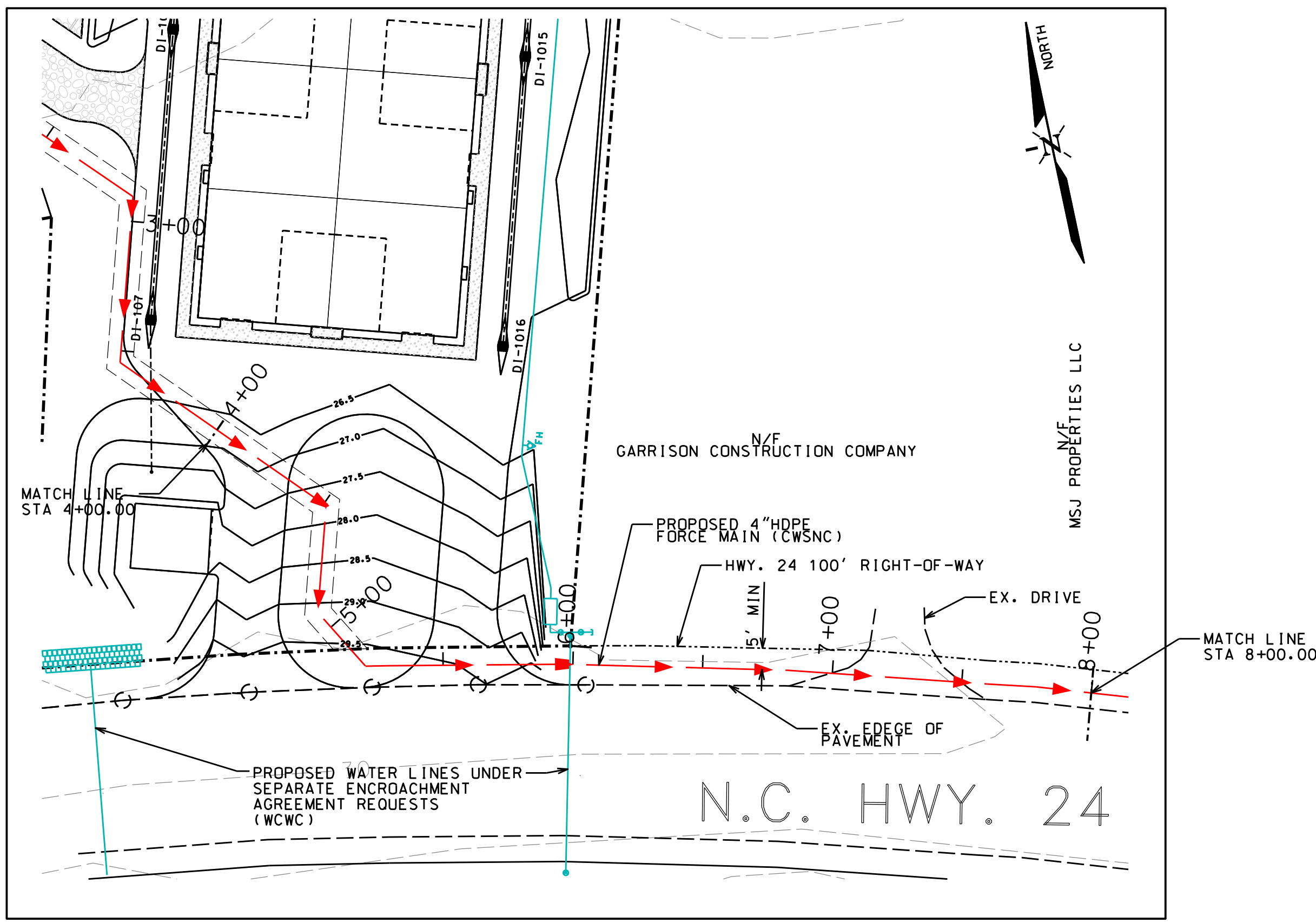
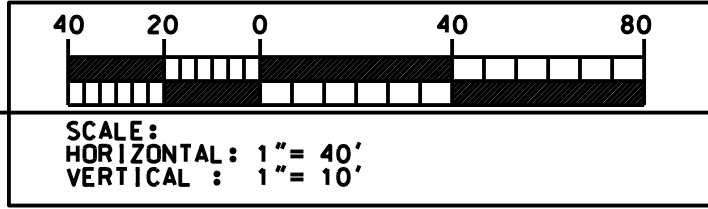


LEGEND

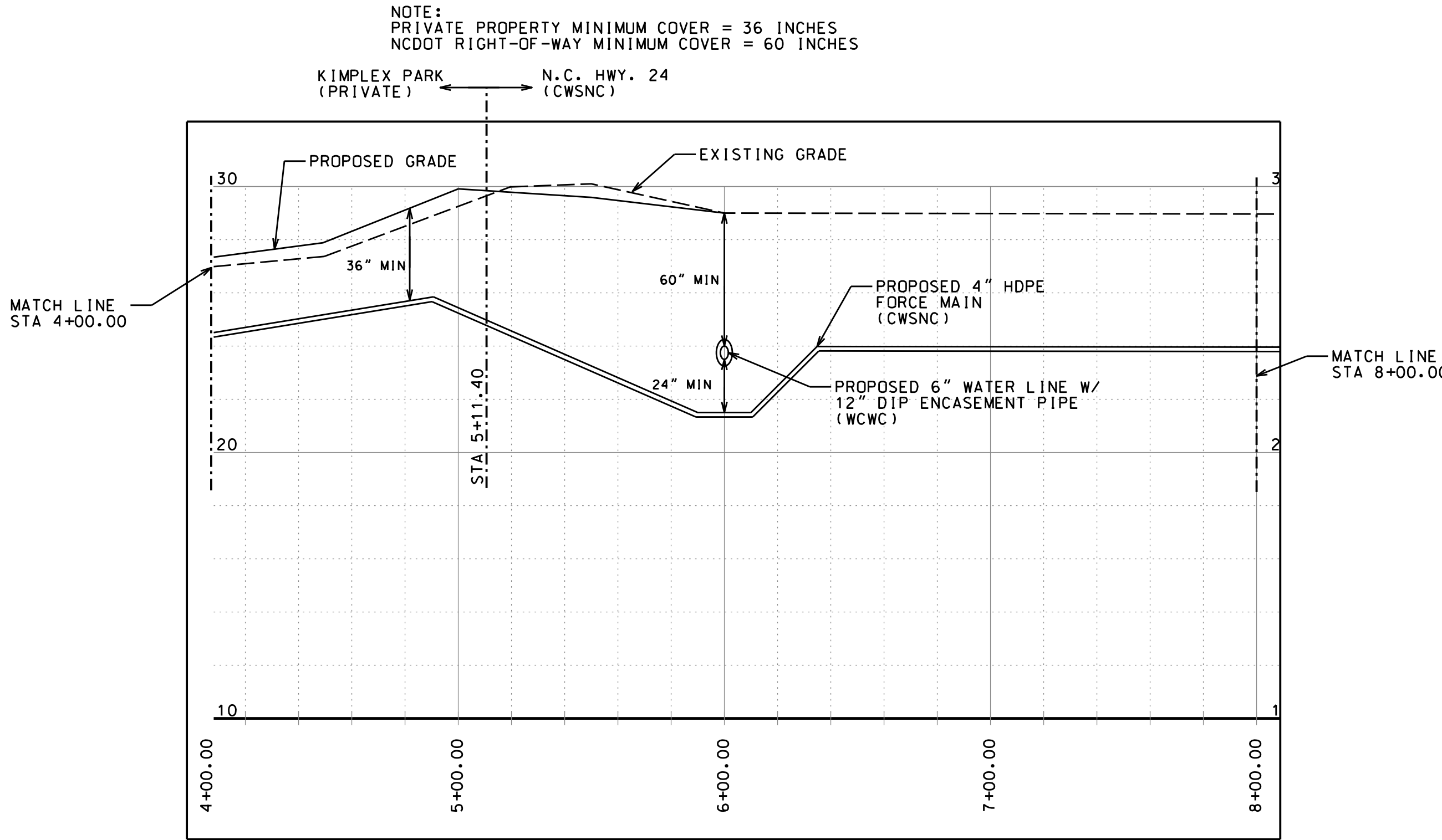
- PHD FIRE HYDRANT
- CO CLEAN OUT
- SSMH SANITARY SEWER MANHOLE
- WATER LINE
- GV GATE VALVE
- WM WATER METER
- EX. EXISTING (UTILITY)
- FDC FIRE DEPT. CONNECTION
- NATURAL GAS LINE
- FORCE MAIN

NOTE: LIFT STATION AND FORCE MAIN WITHIN THE PRIVATE PROPERTY SHALL BE OWNED AND MAINTAINED BY THE PROPERTY OWNER PER THE PUMP STATION AGREEMENT.

4" FORCE MAIN PLAN VIEW



KIMPLEX PARK



N.C. HWY. 24

4" FORCE MAIN PROFILE VIEW

REVISIONS:

No.	BY	DATE	DESCRIPTION
3	CDI	11/23/21	PER NCDEG
4	HPD	2/1/22	PER NCDOT
5	CDI	3/23/22	PER TOWN
6	CDI	4/1/22	PER TOWN
7	CMC	5/3/22	PER TOWN
8	CMC	5/23/23	PER NCDOT

FORCE MAIN PLAN AND PROFILE VIEW 1

KIMEPLEX PARK

MOREHEAD TWP., CARTERET COUNTY, NORTH CAROLINA

CLIENT: CHIMER CLARK

ADDRESS: 788 HIGHWAY 24
NEWPORT, NC 28570

PHONE: 252-222-0036

DESIGNED: CDI

DRAWN: CDI

CHECKED: CMC

APPROVED: CMC

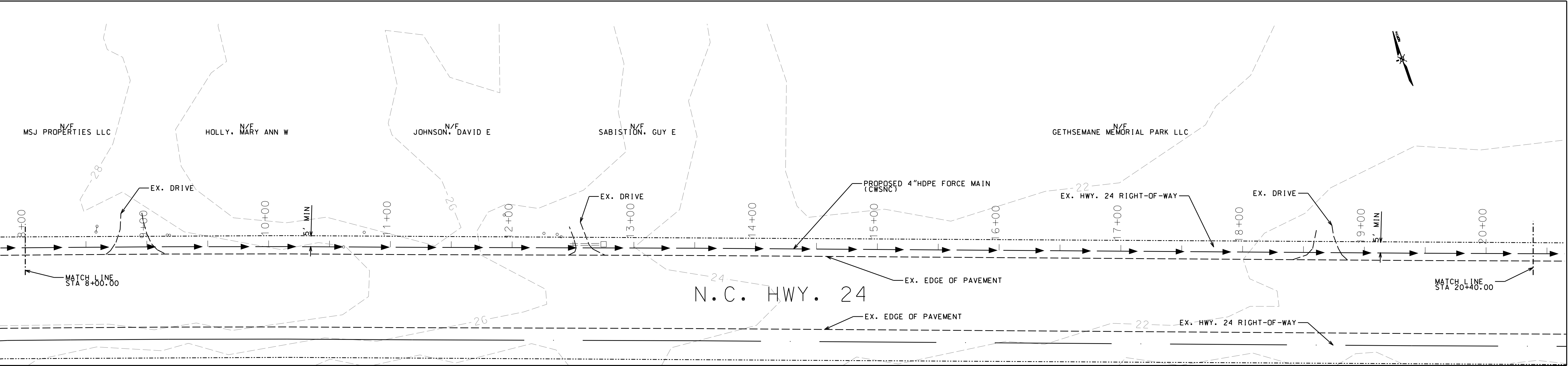
DATE: 5/26/21

SCALE: VARIES

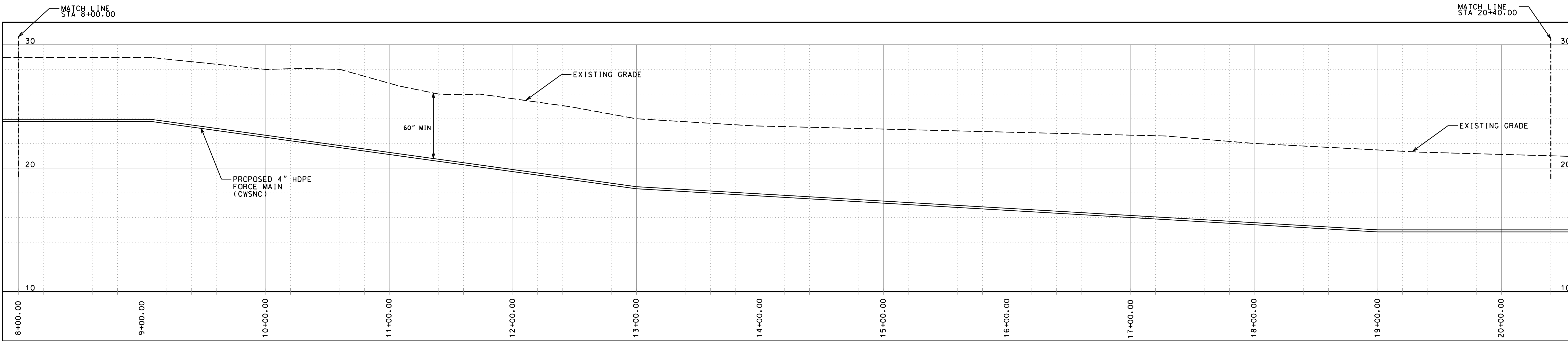
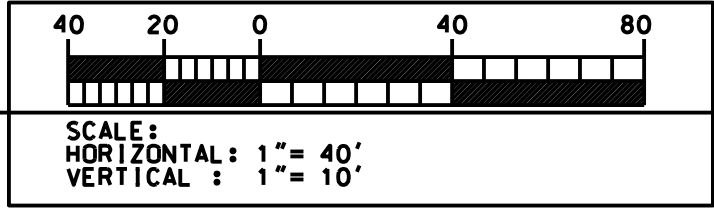
THE CULLIPHER GROUP, P.A.
ENGINEERING & SURVEYING SERVICES
151A HIGHWAY 24
MOREHEAD CITY, N.C. 28557
(252) 773-0090 LICENSE NO. C-4482

CHARLES M. CULLIPHER P.E.





4 " FORCE MAIN PLAN VIEW



N.C. HWY. 24

4 " FORCE MAIN PROFILE VIEW

REVISIONS:

No.	BY	DATE	DESCRIPTION
3	CDI	11/23/21	PER NCDEG
4	HPD	2/1/22	PER NCDOT
5	CDI	3/23/22	PER TOWN
6	CDI	4/1/22	PER TOWN
7	CMC	5/3/22	PER TOWN
8	CMC	5/23/23	PER NCDOT

FORCE MAIN PLAN AND PROFILE VIEW 2

KIMEPLEX PARK

MOREHEAD TWSP., CARTERET COUNTY, NORTH CAROLINA

CLIENT: CHIMER CLARK
ADDRESS: 788 HIGHWAY 24
NEWPORT, NC 28570
PHONE: 252-222-0036

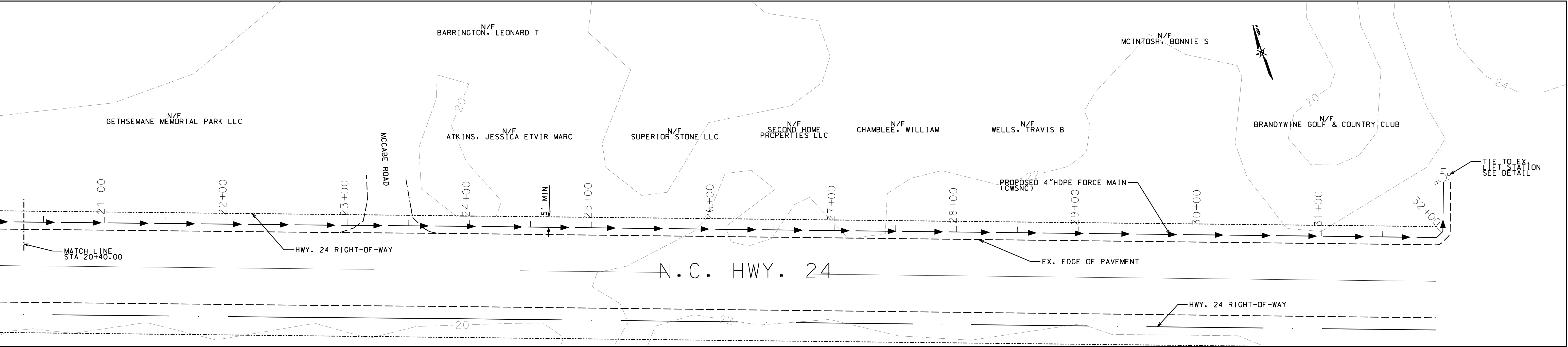
DESIGNED: CDI
DRAWN: CDI
CHECKED: CMC
APPROVED: CMC

THE CULLIPHER GROUP, P.A.
ENGINEERING & SURVEYING SERVICES
151A HIGHWAY 24
MOREHEAD CITY, N.C. 28557
(252) 773-0090
LICENSE NO. C-4482

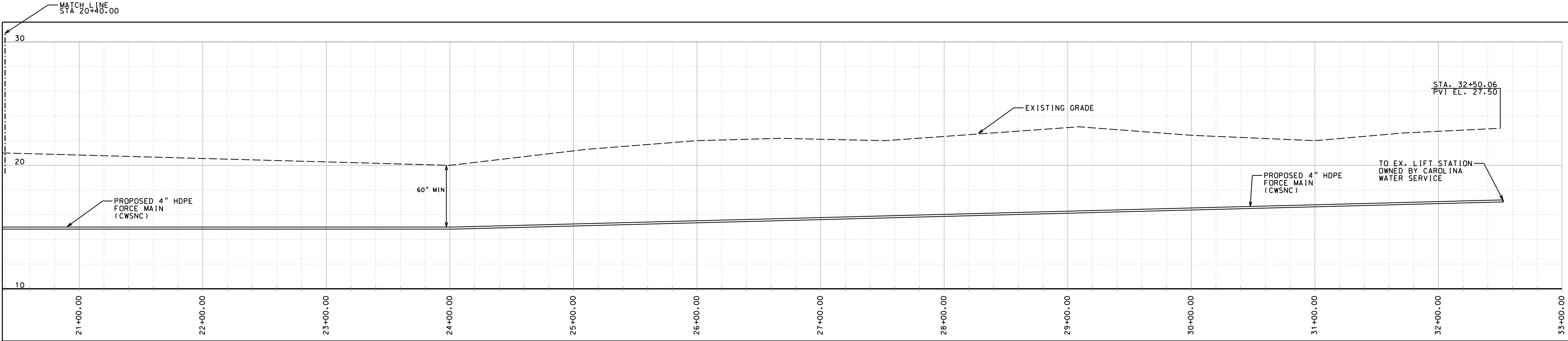
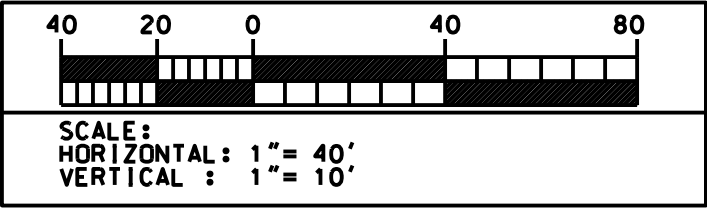
DATE: 5/26/21
SCALE: VARIES

CHARLES M. CULLIPHER P.E.



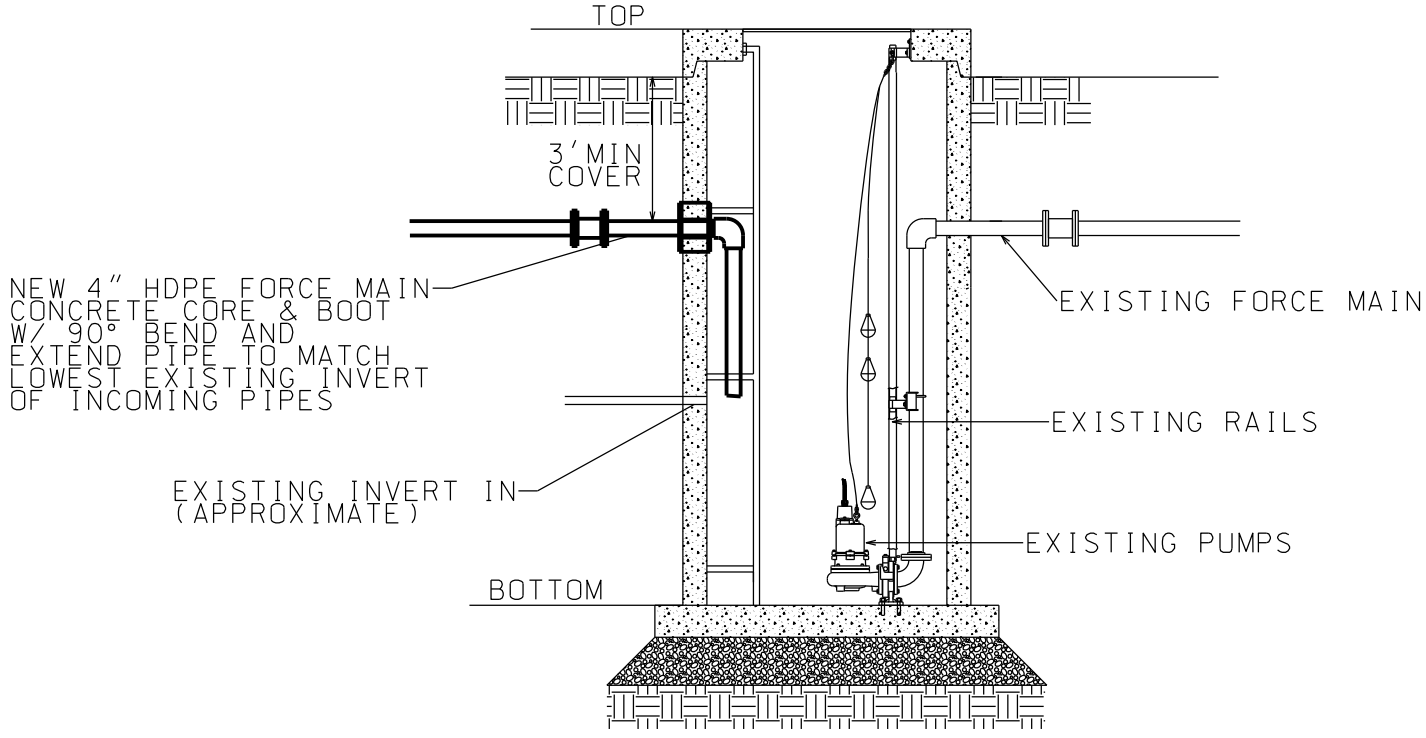


4" FORCE MAIN PLAN VIEW



N.C. HWY. 24

4" FORCE MAIN PROFILE VIEW



EXISTING LIFT STATION TIE-IN DETAIL

REVISIONS:

No.	BY	DATE	DESCRIPTION
3	CDI	11/23/21	PER NCDEG
4	HPD	2/1/22	PER NCDOT
5	CDI	3/23/22	PER TOWN
6	CDI	4/1/22	PER TOWN
7	CMC	5/3/22	PER TOWN
8	CMC	5/23/23	PER NCDOT

FORCE MAIN PLAN AND PROFILE VIEW 3

KIMEPLEX PARK

MOREHEAD TOWNSHIP, CARTERET COUNTY, NORTH CAROLINA

CLIENT: CHIMER CLARK

ADDRESS: 788 HIGHWAY 24
NEWPORT, NC 28570

PHONE: 252-222-0036

DESIGNED: CDI
DRAWN: CDI
CHECKED: CMC
APPROVED: CMC

DATE: 5/26/21
SCALE: VARIES

THE CULLIPHER GROUP, P.A.
ENGINEERING & SURVEYING SERVICES
151A HIGHWAY 24
MOREHEAD CITY, N.C. 28557
(252) 773-0090 LICENSE NO. C-4482

CHARLES M. CULLIPHER P.E.



Exhibit 11
System Costs
Attached

Exhibit 8 (Contiguous Extension)

Estimated Cost for Kimeplex Park

<u>Plant Item</u>	<u>Water</u>	<u>Wastewater</u>
9. Land and rights of way	<u>N/A</u>	<u>N/A</u>
10. Structures and site improvements	<u>N/A</u>	<u>N/A</u>
11. Wells	<u>N/A</u>	<u>N/A</u>
12. Pumping equipment	<u>N/A</u>	<u>\$75,000.00</u>
13. Treatment equipment	<u>N/A</u>	<u>N/A</u>
14. Storage	<u>N/A</u>	<u>N/A</u>
15. Mains (excluding service connections)	<u>N/A</u>	<u>\$75,000.00</u>
16. Service connections	<u>N/A</u>	<u>N/A</u>
17. Meter (including spares)	<u>N/A</u>	<u>N/A</u>
18. Office furniture and equipment	<u>N/A</u>	<u>N/A</u>
19. Transportation equipment	<u>N/A</u>	<u>N/A</u>
20. Other*	<u>N/A</u>	<u>\$128,920.00</u>
21. TOTAL	<u>\$0.00</u>	<u>\$278,920.00</u>

* Impact & Review Fees; Internal employee cap time estimate

Exhibit 8
Detail of Estimated Costs

Wastewater

System Installation	Cost
4" Sewer Force Main Extension	\$75,000.00
Liftstation and Pumps	\$25,000.00
Liftstation Installation	\$40,000.00
Valves, electrical materials and controls	\$10,000.00
Total	\$150,000.00

Impact & Review Fees

	QTY	Type/Size	Unit Gost (Per gpd)	Total Cost	
Sewer Impact Fees	7	2" FM SFE's	\$46.00	\$115,920.00	*
Plan Submittal, As-built Review	1	Commercial	\$2,000.00	\$2,000.00	
Site Inspection	1	Commercial	\$1,000.00	\$1,000.00	
CWSNC Cap-time estimate				\$10,000.00	
Total				\$128,920.00	
Total CIAC				\$278,920.00	

* 7 multiplied by 360gpd equals 2,520gpd multiplied by \$46.00

Exhibit 12
Applicant Financial Statements (Unaudited)
Attached

Carolina Water Service, Inc. of North Carolina
W-354, Sub 428

Year Ended: December 31, 2022
Balance Sheet

<u>ASSETS</u>	\$	<u>LIABILITIES AND OTHER CREDITS</u>	\$
<u>Plant In Service</u>		<u>Capital Stock and Retained Earnings</u>	
Water	139,746,398	Common Stock and Paid In Capital	11,099,677
Sewer	138,044,123	Retained Earnings	46,123,971
Total	277,790,520	Total	57,223,648
<u>Accumulated Depreciation</u>		<u>Current and Accrued Liabilities</u>	
Water	(40,278,623)	Accounts Payable-Trade	66,365,291
Sewer	(34,236,388)	Taxes Accrued	254,123
Total	(74,515,011)	Customer Deposits	274,899
		Customer Deposits - Interest	39,756
		A/P - Assoc. Companies	5,536,196
Net Utility Plant	203,275,509	Deferred Revenue	22,085
<u>Plant Acquisition Adjustment</u>		Total	72,492,349
Water	(1,788,545)	<u>Advances In Aid of Construction</u>	
Sewer	1,265,833	Water	21,094
Total	(522,713)	Sewer	11,846
<u>Construction Work In Process</u>		Total	32,940
Water	5,562,789	<u>Contributions In Aid of Construction</u>	
Sewer	9,778,682	Water	17,564,703
Total	15,341,471	Sewer	19,845,208
<u>Current Assets</u>		Total	37,409,911
Cash	40,179	<u>Accumulated Deferred Income Tax</u>	
Accounts Receivable - Net	(52,574,164)	Unamortized ITC	9,696
Other Current Assets	1,002,991	Deferred Tax - Federal	5,582,104
Total	(51,530,993)	Deferred Tax - State	97,289
Deferred Charges	6,284,663	Total	5,689,089
Total Assets	172,847,938	Total Liabilities And Other Credits	172,847,938

Carolina Water Service, Inc. of North Carolina
W-354, Sub 428

Year Ended: December 31, 2022
Income Statement

CWSNC Combined Operations	Total FY 2022 Transactions
<u>Operating Revenues</u>	
Service Revenues - Water	23,194,691
Service Revenues - Sewer	20,321,575
Miscellaneous Revenues	269,345
Uncollectible Accounts	(405,047)
Total Operating Revenues	43,380,565
<u>Maintenance Expenses</u>	
Salaries and Wages	7,286,215
Purchased Power	2,046,448
Purchased Water	2,670,158
Maintenance and Repair	3,132,592
Maintenance Testing	455,703
Meter Reading	334,951
Chemicals	1,233,463
Transportation	656,482
Operating Exp. Charged to Plant	(1,191,500)
Outside Services - Other	6,073,226
Total	22,697,737
<u>General Expenses</u>	
Office Supplies & Other Office Exp.	519,786
Regulatory Commission Exp.	395,849
Pension & Other Benefits	1,594,729
Rent	297,257
Insurance	1,248,773
Office Utilities	281,040
Miscellaneous	190,992
Total	4,528,425
Depreciation	7,491,524
Amortization of PAA	(96,799)
Taxes Other Than Income	995,710
Income Taxes - Federal	(405,300)
Income Taxes - State	-
Amortization of ITC	(519)
Amortization of CIAC	(1,525,539)
Total	6,459,077
Total Operating Expenses	33,685,239
<u>Net Operating Income</u>	9,695,326
Other Income	133,521
Interest During Construction	(341,689)
Interest on Debt	4,296,116
Net Income	5,607,378

Notes:

Exhibit 13
Parent Financial Statements (Audited)
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