

October 19, 2023

VIA ELECTRONIC FILING

REDACTED

Ms. A. Shonta Dunston  
Chief Clerk  
North Carolina Utilities Commission  
Mail Service Center  
Raleigh, North Carolina 27699-4300

**Re: Docket No. W-1328, Sub 11 – Application by Red Bird Utility Operating Company, LLC d/b/a Red Bird Water for a Certificate of Public Convenience and Necessity for Pine Mountain Lakes in Burke County, North Carolina, and for Approval of Rates**

Dear Ms. Dunston:

On behalf of Red Bird Utility Operating Company, LLC (“Red Bird Water” or the “Company”) and pursuant to the Commission’s Order Finding Application Incomplete and Request for Additional Information issued in this docket on July 31, 2023, I submit Red Bird Water’s response to the items listed in Public Staff’s Recommendation Letter dated July 25, 2023, as follows:

1. The financial information provided in the sections of the Application Form listed below is too outdated for the Public Staff to make a recommendation. The Public Staff needs information current as of no earlier than December 31, 2022, to move forward with its investigation.
  - a. Revenues and Expenses

**RESPONSE: Please see Attachment 1 for an updated Application for Transfer of Public Utility Franchise with information as of 12/31/2022 or after. Please note that the updated financial information was provided by Pine Mountain Lakes.**

2. The information required in the sections of the Application Form listed below was not provided. The Public Staff needs this information current as of no earlier than December 31, 2022, to move forward with its investigation.
  - a. Other Financial Information – Item 1

**RESPONSE: Please see page 6 of Attachment 2 which is Red Bird Water's 2022 Annual Report for information regarding Red Bird Water's capital structure.**

3. The addendum showing the projected cash flows and income statement for the utility system for the first five years of operation required by Item 3 on page 7 of the Application Form was not provided. The Public Staff needs a completed addendum for the five-year period beginning on January 1, 2023, to move forward with its investigation.

**RESPONSE: Please see Confidential Attachment 3 which represents an updated Attachment H. The Company has confirmed with Public Staff that the attachment is "consistent with the categories in the addendum and it covers the requisite time period..."**

4. The documents an applicant may submit in lieu of a completed addendum were either (1) not provided, as is the case with Items 3(1)1 and 3(3), or (2) contain financial information that is too outdated for the Public Staff to make a recommendation, as is the case with Item 3(2). If the Company intends to provide these documents in lieu of submitting a completed addendum, the Public Staff needs information current as of no earlier than December 31, 2022, to move forward with its investigation.

**RESPONSE: Please see the response to subpart 3 above for a completed addendum.**

5. Item 4 on the Application Form Exhibits list (a copy of the plan approval letter for the water system from the Department of Environment Quality (DEQ)) was not provided. Because the water system is regulated by the DEQ Department of Water Resources, Public Water Supply Section, there should be a plan approval letter for the system.

**RESPONSE: Please see Attachments 4 through 7.**

6. Item 5 on the Application Form Exhibits list (a copy of the plan approval letter for the sewer system from the Department of Environment Quality (DEQ)) was not provided. Because the Company's sewer system is regulated by DEQ, there should be a plan approval letter or NPDES permit for the construction and operation of the wastewater treatment plant.

**RESPONSE: Please see Attachments 4 through 7.**

7. The financial information provided to satisfy the requirements of Item 12 of the Application Form Exhibits list (the most recent fiscal year financial statements for Red Bird Utility Operating Company, LLC as the Applicant) is too outdated for the Public Staff to make a recommendation. The financial statements should be for the period ending on December 31, 2022. As always, please contact me if you or the Commission have any questions regarding this filing. Please notify me immediately if there is any question regarding maintaining the confidentiality of the enclosure marked CONFIDENTIAL.

**RESPONSE: Please see Attachment 2 for Red Bird Water's 2022 Annual Report.**

8. The financial information provided to satisfy the requirements of Item 13 of the Application Form Exhibits list (the most recent fiscal year financial statements for CSWR, LLC as the Applicant's parent company) is too outdated for the Public Staff to make a recommendation. The financial statements should be for the period ending on December 31, 2022.

**RESPONSE: Please see Attachment 8 for the CONFIDENTIAL 2022 Audited Financials for CSWR, LLC.**

Attachments 3 and 8 to this response are marked "CONFIDENTIAL" and filed under seal as they contain confidential and proprietary information and are exempt from public disclosure under N.C. Gen. Stat. § 132-1.2. Those exhibits will be filed separately.

As always, please contact me if you have any questions regarding this filing.

Sincerely yours,

/s/ Molly M. Jagannathan  
Molly M. Jagannathan

Encl.

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 Red Bird Utility Operating Company, LLC d/b/a Red Bird Water
2. Name of owner (if different from trade name) Red Bird Utility Holding Company, LLC
3. Business mailing address 1650 Des Peres Road, Suite 303  
City and state St. Louis, MO Zip Code 63131
4. Business street address (if different from mailing address) N/A
5. Business telephone number 314-380-8544
6. If corporation, list the following: Central States Water Resources, Inc., is the manager of Red Bird Utility Operating Co., LLC & Red Bird Utility Holding Company, LLC  
President Josiah Cox Vice President \_\_\_\_\_  
Secretary \_\_\_\_\_ Treasurer \_\_\_\_\_  
Three (3) largest stockholders and percent of voting shares held by each  
Red Bird Utility Holding Company, LLC, is the sole member of Red Bird Utility Operating Company, LLC holding 100% voting shares
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 Pine Mountain Lakes
9. County (or Counties) Burke
10. Type of Service (Water and/or Sewer) Water and Sewer

PROPOSED RATES  
(Amount Applicant Proposes to Charge)

11. Metered Residential Service:  
Water: N/A  
Sewer: N/A
12. Flat Rate Residential Service:  
Water: \$35.56  
Sewer: \$27.72 per toilet
13. Nonresidential Service (explain): Commercial  
Water: \$400.00  
Sewer: N/A
14. Tap-on fees:  
Water: \$0  
Sewer: \$0
15. Finance charge for late payment: 1% per month will be applied to the unpaid balance of all bills still past due 25 days after billing date (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: \$14.99
17. Reconnection charge if water service discontinued at customer's request: \$14.99
18. Reconnection charge if sewer service cut off by utility as specified in NCUC Rule R10-16: \$14.99
19. Other charges: N/A

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 25 days after billing dates: (NCUC Rule R12-9 specifies that bills shall not be past due less than fifteen (15) days after billing date).
4. Will regular billing be by written statement? (yes or no) Yes
5. Will the billing statement contain the following? (Indicate yes or no for each item)
  - (a) Meter reading at beginning and end of billing period ..... 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: **SEE ATTACHMENT A**
  - (a) Mailing address of company: PO Box 790379, St. Louis, MO 63179
  - (b) Address where bill can be paid in person: SEE ATTACHMENT B
  - (c) Name and phone number of alternative persons to contact for emergency service after business hours:  
SEE ATTACHMENT B
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.  
The current owners of the Pine Mountain POA system are charging the rates presented in response to Question 12 on page 1 of this application.
10. How long have these rates been in effect? These rates have been in effect since the inception of the system.

PERSONS TO CONTACT

	<u>NAME</u>	<u>ADDRESS</u>	<u>TELEPHONE</u>
11. General Manager	<u>Josiah Cox</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</u>
12. Complaints or Billing	<u>Nitor Billing Service</u>	<u>100 Chesterfield Business Pkwy 256, Chesterfield, MO 63005</u>	<u>314-540-3803</u>
13. Engineering Operations	<u>CSWR, LLC Jake Freeman</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</u>
14. Emergency Service	<u>TBD</u>	<u></u>	<u></u>
15. Accounting	<u>CSWR, LLC</u>	<u>1650 Des Peres Rd., Ste. 303, Des Peres, MO 63131</u>	<u>314-380-8544</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. Contact information for customer service, billing, and service-related issues will be printed on customer bills & also will be available online.
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:  
**SEE ATTACHMENT C**
20. List the date(s) and describe any DENR violation(s) since the last application for franchise, transfer, or rate increase: Purchaser has had no DENR violations

SERVICE AREA

Fill in one column for each subdivision or service area.

	(1)	(2)	(3)
1. Name of subdivision or service area	<u>Pine Mountain Lakes</u>	<u></u>	<u></u>
2. County (or Counties)	<u>Burke County</u>	<u></u>	<u></u>
3. Type of service (water, sewer, etc.)	<u>Water &amp; Sewer</u>	<u></u>	<u></u>
4. If water is purchased, list from whom	<u>N/A</u>	<u></u>	<u></u>
5. Source of water supply (wells, etc.)	<u>Wells</u>	<u></u>	<u></u>
6. Number of wells in service	<u>3</u>	<u></u>	<u></u>
7. Pumping capacity of each pump in service	<u>100 gals/minute</u>	<u></u>	<u></u>
8. Elevated storage tank capacity (gals.)	<u>162,000</u>	<u></u>	<u></u>
9. Pressure tank capacity (gals.)	<u>8000</u>	<u></u>	<u></u>
10. Types of water treatment (chlorine, etc.)	<u>Chlorine</u>	<u></u>	<u></u>
11. Number of fire hydrants installed	<u>30</u>	<u></u>	<u></u>
12. Is sewage disposal by septic tank or by sewer system?	<u>Sewer System</u>	<u></u>	<u></u>
13. If disposal is by sewer system, is sewage treated by utility company or by others?	<u>Pine Mountain Lakes</u>	<u></u>	<u></u>
14. Capacity of Company's sewage treatment plant (gallons per day)	<u>20,000</u>	<u></u>	<u></u>
15. Is service metered? (yes or no)	<u>No</u>	<u></u>	<u></u>
16. Number of water meters in use	<u>0</u>	<u></u>	<u></u>
17. Number of service taps in use (list number of each size)	Water <u>97</u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>
	Sewer <u>34</u>	<u></u>	<u></u>
	<u></u>	<u></u>	<u></u>
18. Number of customers at the end of test year	Water <u>Unknown</u>	<u></u>	<u></u>
	Sewer <u>Unknown</u>	<u></u>	<u></u>
19. Number of customers that can be served by mains already installed (including present customers, vacant lots, etc.)	Water <u>97</u>	<u></u>	<u></u>
	Sewer <u>34</u>	<u></u>	<u></u>
20. Number of customers that can be served by pumping capacity	Water <u>Unknown</u>	<u></u>	<u></u>
21. Number of customers that can be served by storage tank capacity	Water <u>Unknown</u>	<u></u>	<u></u>
22. Number of customers that can be served by treatment plant capacity	Sewer <u>Unknown</u>	<u></u>	<u></u>
23. Name nearest water/sewer utility system	<u>N/A</u>	<u></u>	<u></u>
24. Distance to nearest water/sewer utility system	<u>N/A</u>	<u></u>	<u></u>
25. Does any other person or utility seek to furnish the service(s) proposed herein? (yes or no)	<u>No</u>	<u></u>	<u></u>
26. a. DENR System I.D. No.	Water <u>NC0112133</u>	<u></u>	<u></u>
b. NPDES or Nondischarge Permit No.	Sewer <u>NC0036935</u>	<u></u>	<u></u>

FINANCIAL STATEMENT

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

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

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

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 6/30/2023 (Date)

<u>Revenues</u>	<u>Water</u>	<u>Sewer</u>
4. Residential service (flat rate)	\$ 36,682.72	\$ 17,437.80
5. Residential service (metered rate)	\$ 0	\$ 0
6. Nonresidential service (flat rate)	\$ 2,400	\$ 5,844.48
7. Nonresidential service (metered rate)	\$ 0	\$ 0
8. Other revenues (describe in remarks below)	\$ 0	\$ 0
9. Total Revenues (Lines 4 thru 8)	\$ 39,082.72	\$ 23,282.28
10. Total salaries (except owner)	\$ 29,089.82	\$ 38,664.50
11. Salaries paid to owner	\$ 0	\$ 0
12. Administrative and office expense (except salaries)	\$ 0	\$ 0
13. Maintenance and repair expense (except salaries)	\$ 9,718.80	\$ 1,778.43
14. Transportation expenses	\$ 468.28	\$ 1404.85
15. Electric power for pumping	\$ 14,234.78	\$ 4,839.78
16. Chemicals for treatment	\$ 1,872.26	\$ 1,626.96
17. Testing fees	\$ 1,635.00	\$ 3,680.00
18. Permit fees	\$ 350.00	\$ 860.00
19. Purchased water/sewer treatment	\$ 0	\$ 0
20. Annual depreciation	\$ 0	\$ 0
21. Taxes: State income taxes	\$ 0	\$ 0
22. Federal income taxes	\$ 0	\$ 0
23. Gross receipts (or franchise tax)	\$ 0	\$ 0
24. Property taxes	\$ 0	\$ 0
25. Payroll taxes	\$ 2,933.99	\$ 3,227.97
26. Other taxes	\$ 0	\$ 0
27. Interest on debt during year	\$ 0	\$ 0
28. Other expenses (describe in remarks below)	\$ 30,568.71	\$ 0
29. Total Expenses (Lines 10 thru 28)	\$ 90,871.64	\$ 56,082.49
30. Net Income (Line 9 minus Line 29)	\$ (\$61,337)	\$ (\$15,857)

Remarks

31. Please note that the "Other Expenses" provided by Pine Mountain seem to be improperly categorized as expenses as they
32. pertain to new motors, pumps, repaired lift stations, electrical paneling, and additional capital improvements

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33. \_\_\_\_\_

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34. \_\_\_\_\_

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35. All information is provided in good faith based on information provided by the current owner.

NUMBER OF CUSTOMERS SERVED

	<u>Water</u>		<u>Sewer</u>	
	<u>Flat Rate</u>	<u>Metered</u>	<u>Flat Rate</u>	<u>Metered</u>
36. Customers at beginning of year	97	0	34	0
37. Customers at end of year	97	0	34	0
38. Average gallons used per customer	N/A		per month	

COST OF UTILITY SYSTEM

1. Is the cost of utility system listed below based on past operation, or is it estimated for future operation?  
(actual or estimated) Past
  2. Does the cost of utility system listed below represent the cost to the Applicant herein? (yes or no)  
No
- If no, list cost (purchase price to Applicant). SEE ATTACHMENT D for Purchase Price

ORIGINAL COST OF UTILITY SYSTEM

As of Year Ended 12/31/2022 (Date)

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

<u>Utility Property in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
3. Land and rights-of-way	\$ <u>Unknown</u>	\$ <u>Unknown</u>
4. Structures and site improvement	\$ <u>Unknown</u>	\$ <u>Unknown</u>
5. Wells	\$ <u>Unknown</u>	\$ <u>Unknown</u>
6. Pumping equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
7. Treatment equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
8. Storage tanks	\$ <u>Unknown</u>	\$ <u>Unknown</u>
9. Mains (excluding service connections)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
10. Service connections	\$ <u>Unknown</u>	\$ <u>Unknown</u>
11. Meters (including spare meters)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
12. Office furniture and equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
13. Transportation equipment	\$ <u>Unknown</u>	\$ <u>Unknown</u>
14. Other utility property in service (describe in remarks below)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
15. Total utility property in service (Lines 3 thru 14)	\$ <u>Unknown</u>	\$ <u>Unknown</u>
16. Less: accumulated depreciation	\$ <u>Unknown</u>	\$ <u>Unknown</u>
17. Less: accumulated tap fees and other contributions in aid of construction	\$ <u>Unknown</u>	\$ <u>Unknown</u>
18. Less: customer advances	\$ <u>Unknown</u>	\$ <u>Unknown</u>
19. Net investment in utility property (Line 15 minus 16, 17, & 18)	\$ <u>1,065,000-1,624,000</u>	\$ <u>511,000</u>

<u>Utility Property Not in Service</u>	<u>Balance at End of Year</u>	
	<u>Water</u>	<u>Sewer</u>
20. Construction work in progress	\$ <u>0</u>	\$ <u>0</u>
21. Property held for future use	\$ <u>0</u>	\$ <u>0</u>
22. Other (describe in remarks below)	\$ <u>0</u>	\$ <u>0</u>

Remarks

23. The information provided above is the most up to date information held by Pine Mountain POA. The system's original cost
24. information is from 1974 and the current owners have told Red Bird that much of the information has been lost due to POA
25. employee turnover.
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	\$ 0 _____	\$ 0 _____
2. Amount to be recovered through tap fees	\$ 0 _____	\$ 0 _____
3. Amount to be recovered through rates	\$ <u>See attachments D &amp; E</u>	\$ <u>See attachments D &amp; E</u>
4. Other (please describe below on Line 6)	\$ 0 _____	\$ 0 _____
5. Total cost of plant	\$ <u>See attachments D &amp; E</u>	\$ <u>See attachments D &amp; E</u>

6. Description of other:  
While Red Bird is proposing to adopt the rates currently charged by Pine Mountain POA, the Company will seek to recover the Purchase Price of the system through rates during the first rate case.

The references to Attachments D & E above refer to the Purchase Agreement and Capital Estimate costs for this transaction. Both the Purchase Price and Capital Estimates are proposed to be recovered through rates set at the Company's first Rate Case in the future.

ANNUAL DEPRECIATION

7. If annual depreciation is claimed using a composite rate for the entire system, show rate of depreciation used:  
Water: The current owners of Pine Mountain POA have no records regarding depreciation rates associated with the  
Sewer: systems included in this application.

8. If annual depreciation is claimed using individual rates for each type of equipment, show rates of depreciation used: Please see the Company's answer to Question 7 above.

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 Date of Closing (Includes Purchase Price and Initial Improvements)

b. Capital structure balances:

	Amount	Percent Of Total Capital
Long-term debt/loans	\$ 0.00	0%
Preferred stock (if any)	\$ 0.00	0%
Common equity:		
<b>Member Equity</b>	\$ 0.00	100%
Retained earnings	\$ 0.00	0%
Total common equity	\$ 0.00	0%
 Total capital	 \$ 0.00	 100%

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

a. Long-term debt	\$ 0.00
b. Short-term debt	\$ 0.00
c. <b>Member Equity</b>	\$ <b>SEE ATTACHMENT D</b>
d. Retained earnings	\$ 0.00
e. Other (please describe below on Line g)	\$ 0.00
f. Total purchase price	\$ <b>SEE ATTACHMENT D</b>

g. Description of other: Please see attachment D for the Purchase Price of the system. The entirety of this Purchase Price will be initially funded with Equity from Red Bird's parent company.

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

a. Brief description: Please see Attachments E and F for improvements/additions to be made in the first year.

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b. Financing:

(1) Long-term debt	\$ 0.00
(2) Short-term debt	\$ 0.00
(3) <b>Member Equity</b>	\$ <b>SEE ATTACHMENTS E &amp; F</b>
(4) Retained earnings	\$ 0.00
(5) Other (please describe below on Line (7))	\$ 0.00
(6) Total improvements/additions	\$ <b>SEE ATTACHMENTS E &amp; F</b>

(7) Description of other: Please see Attachments E & F for the costs of initial improvements to be made in the first year. These improvements will initially be funded through equity from Red Bird's parent company but the Company intends to seek debt to achieve a 50/50 capital structure post-closing.

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

Attachment E is an engineering report prepared by McGill Associates that identifies and itemized major improvements/additions required during the next five years and their estimated costs. The full engineering report is designated "Confidential," but Attachment I is a summary that can be made available to customers and the general public. Initially, Red Bird will finance required improvements/additions with equity provided by CSWR, but will utilize debt when and if such financing can be obtained. .

At this time, Red Bird has not identified any required improvements/additions between Year 5 and Year 10.

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

Attachment E is an engineering report prepared by McGill Associates that identifies and itemized major replacements required during the next ten years and their estimated costs. The full engineering report is designated "Confidential," but Attachment I is a summary that can be made available to customers and the general public. Initially, Red Bird will finance required replacements with equity provided by CSWR, but will utilize debt when and if such financing can be obtained.

At this time, Red Bird has not identified any major replacements between Year 5 and Year 10.

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

- (1) Audited financial statements for the utility and/or parent company. **SEE ATTACHMENT G**
- (2) Budgets, capital and operating, for the company's North Carolina utility operations for the next five years. **SEE ATTACHMENT H**
- (3) The most recent fiscal year budgets, capital and operating, and the actual amounts for that year for the utility's and/or parent company's North Carolina utility operations.  
**N/A; No current North Carolina Utility Operations**

EXHIBITS

THE FOLLOWING EXHIBITS SHALL BE ATTACHED TO THE APPLICATION:

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

FILING INSTRUCTIONS

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

SIGNATURE

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

Signature Edith Stitt

Date September 22, 2021

18. (Typed or Printed Name) EDITH STITT  
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 22 day of Sept, 2021

Susan T Patton  
Notary Public

127 W. Parker Rd  
Address  
Morganton NC 28655

My Commission Expires: MARCH 25, 2023  
Date

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.) N/A
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.) SEE ATTACHMENTS I & J FOR LLC OPERATING AGREEMENTS & ARTICLES OF ORGANIZATION
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. N/A
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. SEE ATTACHMENT D
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"). None
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.) SEE ATTACHMENT K
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. SEE ATTACHMENT E
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. SEE ATTACHMENTS H & I
12. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the Applicant. SEE ATTACHMENT G
13. Enclose a copy of the most recent fiscal year financial statements, audited if available, for the parent company of the Applicant. SEE ATTACHMENT G
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 [Handwritten Signature]

Date 9.23.2021

18. (Typed or Printed Name) Josiah Cox  
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 23rd day of September, 2021.  
Meranda Keubler  
Notary Public

1650 Des Peres Rd. Ste. 303  
Address Des Peres, MO 63131

My Commission Expires: 11/13/2022  
Date



MERANDA K. KEUBLER  
My Commission Expires  
November 13, 2022  
St. Louis County  
Commission #14631487

**Attachment 1**  
**Docket No. W-1328, Sub 11**  
 ADDENDUM TO APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND FOR APPROVAL OF RATES  
 Page 11 of 13

**Projected Income Statement**

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

Attachment 1

Docket No. W-1328, Sub 11

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

Page 12 of 13

Statement of Cash Flows

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

## Attachment 1

Docket No. W-1328, Sub 11

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

Page 13 of 13

## 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.



# ANNUAL REPORT

OF

Red Bird Utility Operating Company, LLC / W- 1328  
Company Name (as certificated by NCUC) The Utility's NCUC Docket No.

1630 Des Peres Road, Suite 140  
Mailing Address

Des Peres MO 63131  
City State Zip

Area Code ( 314 ) 736-4672  
Telephone Number (including area code)

Area Code ( 314 ) 736-4743  
Fax Number (including area code)

Bthies@cswrgroup.com  
Email Address

TO THE

## NORTH CAROLINA UTILITIES COMMISSION

For The Year Ended

December 31, 2022



## FILING INSTRUCTIONS

### WHEN TO FILE:

This form, consisting of sixteen pages and reflecting 2022 operations, must be filed with the Commission no later than **May 1, 2023**. Failure to electronically file your Annual Report on or before the due date will result in Commission action, which may result in the assessment of financial penalties (North Carolina General Statute § 62-310).

### WHERE TO FILE:

Electronically filed with the Commission at <https://www.ncuc.gov> in Docket No. **M-2 Sub 2023W** with the description "**2022 Annual Report of [name of company]**."

### VERIFICATION REGARDING ACCURACY OF REPORT:

This report must be verified by the chief executive officer, a senior level financial officer, or the responsible accounting officer of the utility.

### QUESTIONS:

If you need help to electronically file your organization's Annual Report, please contact the Chief Clerk's Office at (919) 733-7328. If you have any other questions or need assistance in completing this report, call or write the Public Staff - Accounting Division, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326, Telephone Number (919) 733-4279. This report is available on the Commission's web site at: <https://www.ncuc.gov>.

GENERAL COMPANY DATA

1. **FILING STATUS:** (check one only)

Corporation       Partnership       Sole Proprietorship  
 Subchapter S Corp.       Limited Liability Company       Other (Describe: \_\_\_\_\_)

2. **NAME, TITLE, AND COMPENSATION OF OFFICERS, PARTNERS, MEMBER / MANAGERS OR SOLE PROPRIETORS:**

Name	Title	Total Compensation 1/
Josiah Cox	President	0.00
Marty Moore	CFO	0.00
Brent Thies	Vice President, Corporate Controller	0.00

1/ Include salary, wages, bonuses, partnership/owner drawings, etc.

3. **INDIVIDUAL TO WHOM CORRESPONDENCE OR QUESTIONS CONCERNING THIS REPORT CAN BE SENT:**

Brent Thies	VP, Corporate Controller	314-736-4672
Name	Title	Telephone No.

4. **YEAR COMPANY FIRST BEGAN OPERATIONS:** 2021

5. **NAMES AND OWNERSHIP INTEREST OF THREE LARGEST STOCKHOLDERS / OWNERS OF UTILITY:**

Central States Water Resources  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. **ACCOUNTING RECORDS ARE MAINTAINED AT:**

1630 Des Peres Road, Suite 140  
 \_\_\_\_\_  
 Street Address

Des Peres	MO	63131
City	State	Zip

7. **REPORTING COMPANY'S ACCOUNTING YEAR ENDING DATE (ONLY IF DIFFERENT THAN DECEMBER 31):**

Note: North Carolina Utilities Commission Rule R1-32 requires that Annual Reports be completed based on the calendar year ended December 31.

8. **GENERAL FINANCIAL DATA:**

	<u>WATER</u>	<u>SEWER</u>	<u>COMBINED</u>
Annual operating revenues	0	68,138	83,904
Utility plant in service at year end	0	1,720	1,720
End-of-period customers	0	170	170

**SERVICE AREAS**

(NOTE: If more columns are needed for additional subdivisions or service areas, use supplementary sheets.)  
For each subdivision or service area, list the following in alphabetical order.

	Ocean Terrace	Pine Knolls 1	Pine Knolls 2
Name of subdivision or service area			
Water: DENR System Identification No.			
Sewer: NPDES or Non Discharge Permit No.	WQ0018525	V-06-93-74	VI-18-13
County (or counties)	Carteret	Carteret	Carteret
Type of service (Check one or more)			
<u>Water Service</u>	W(    )	W(    )	W(    )
<u>Sewer Service</u>	S( x )	S( x )	S( x )
Number of wells in service			
Total <u>pumping capacity</u> of pumps in service (gpm)			
Total <u>storage tank capacity</u> (gallons)			
Source of <u>water supply</u> (check one or more)			
Pumped from <u>Wells</u>	W(    )	W(    )	W(    )
<u>Purchased from others</u>	P(    )	P(    )	P(    )
<u>Other</u>	O(    )	O(    )	O(    )
<u>Not applicable</u>	N( x )	N( x )	N( x )
Types of <u>water treatment</u> (check one or more)			
<u>Chlorination</u>	C(    )	C(    )	C(    )
<u>Iron treatment</u>	I(    )	I(    )	I(    )
<u>Other</u>	O(    )	O(    )	O(    )
<u>Not applicable</u>	N( x )	N( x )	N( x )
Are hydrants and storage tanks available for fire protection?			
<u>Fire protection</u>	F(    )	F(    )	F(    )
<u>No fire protection</u>	N(    )	N(    )	N(    )
Is service <u>metered</u> ?			
<u>Meters</u>	M(    )	M(    )	M(    )
<u>No meters</u>	N( x )	N( x )	N( x )
Source of <u>sewage treatment</u> (check one or more)			
<u>Treat own sewage</u>	T( x )	T( x )	T( x )
<u>Purchase treatment from others</u>	P(    )	P(    )	P(    )
<u>Not applicable</u>	N(    )	N(    )	N(    )
Number of customers at year end:			
Water			
Sewer	32	46	46
Number of customers that can be served by mains already installed (include present customers, vacant lots, etc.):			
Water			
Sewer	32	46	46
Number of availability customers at end of year (only applicable to companies charging availability rates separate from water or sewer service):			
Water			
Sewer	N/A	N/A	N/A

**SERVICE AREAS**

(NOTE: If more columns are needed for additional subdivisions or service areas, use supplementary sheets.)  
For each subdivision or service area, list the following in alphabetical order.

Name of subdivision or service area	Pine Knolls 3		
Water: DENR System Identification No.			
Sewer: NPDES or Non Discharge Permit No.	V-04-19-75		
County (or counties)	Carteret		
Type of service (Check one or more)			
<u>Water Service</u>	W(    )	W(    )	W(    )
<u>Sewer Service</u>	S( x )	S(    )	S(    )
Number of wells in service			
Total <u>pumping capacity</u> of pumps in service (gpm)			
Total <u>storage tank capacity</u> (gallons)			
Source of <u>water supply</u> (check one or more)			
Pumped from <u>Wells</u>	W(    )	W(    )	W(    )
<u>Purchased from others</u>	P(    )	P(    )	P(    )
<u>Other</u>	O(    )	O(    )	O(    )
<u>Not applicable</u>	N( x )	N(    )	N(    )
Types of <u>water treatment</u> (check one or more)			
<u>Chlorination</u>	C(    )	C(    )	C(    )
<u>Iron treatment</u>	I(    )	I(    )	I(    )
<u>Other</u>	O(    )	O(    )	O(    )
<u>Not applicable</u>	N( x )	N(    )	N(    )
Are hydrants and storage tanks available for fire protection?			
<u>Fire protection</u>	F(    )	F(    )	F(    )
<u>No fire protection</u>	N(    )	N(    )	N(    )
Is service <u>metered</u> ?			
<u>Meters</u>	M(    )	M(    )	M(    )
<u>No meters</u>	N( x )	N(    )	N(    )
Source of <u>sewage treatment</u> (check one or more)			
<u>Treat own sewage</u>	T( x )	T(    )	T(    )
<u>Purchase treatment from others</u>	P(    )	P(    )	P(    )
<u>Not applicable</u>	N(    )	N(    )	N(    )
Number of customers at year end:			
	Water		
	Sewer	46	
Number of customers that can be served by mains already installed (include present customers, vacant lots, etc.):			
	Water		
	Sewer	46	
Number of availability customers at end of year (only applicable to companies charging availability rates separate from water or sewer service):			
	Water		
	Sewer	N/A	

**WATER AND SEWER COMBINED BALANCE SHEET**  
**ASSETS AND OTHER DEBITS**

<b>Line No.</b>	<b>Title of Account</b> (a)	<b>Balance at Beginning of Year</b> (b)	<b>Balance at End of Year</b> (c)
	<b>Utility Plant</b>		
1.	Utility plant (must agree with Page 9, Line 5, Column (d))	1,720	1,720
2.	Accumulated provision for depreciation and amortization of utility plant	0	0
3.	Net utility plant (Line 1 minus Line 2)	1,720	1,720
4.	Utility plant acquisition adjustment	0	0
5.	Accumulated provision for amortization of acquisition adjustment	0	0
6.	Net utility plant acquisition adjustment (L4 minus L5)	0	0
7.	Total utility plant (L3 plus L6)	1,720	1,720
	<b>Other Property and Investments</b>		
8.	Nonutility property	0	0
9.	Accumulated provision for depreciation and amortization of nonutility property	0	0
10.	Other investments	0	0
11.	Total other property and investments (L8 - L9 + L10)	0	0
	<b>Current Assets and Other Debits</b>		
12.	Cash	13,191	15,680
13.	Special deposits	0	0
14.	Customer accounts receivable	0	6,396
15.	Materials and supplies		
16.	Other current and accrued assets	1,718,413	2,662,023
17.	Miscellaneous deferred debits	2,071	11,079
18.	Total current assets and other debits (L12 thru L17)	1,733,675	2,695,178
19.	<b>Total assets and other debits (L7 + L11 + L18)</b>	<b>1,735,395</b>	<b>2,696,898</b>

Remarks:

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**WATER AND SEWER COMBINED BALANCE SHEET  
CAPITAL, LIABILITIES, AND OTHER CREDITS**

<u>Line No.</u>	<u>Title of Account</u> (a)	<u>Balance at Beginning of Year</u> (b)	<u>Balance at End of Year</u> (c)
	<b><u>Stockholders' Equity (if Corporation)</u></b>		
1.	Common stock shares	0	0
2.	Paid-in capital	1,640,065	1,647,776
3.	Retained earnings	(9,370)	(176,400)
4.	Other	0	
5.	Total common equity (Sum of L1 thru L4)	1,630,696	1,471,376
6.	Preferred stock	0	0
7.	Total stockholders' equity (L5 + L6)	1,630,696	1,471,376
	<b>OR</b>		
	<b><u>Proprietary Capital (if Partnership/Proprietorship)</u></b>		
8.	Total proprietary capital		
	<b><u>Liabilities and Other Credits</u></b>		
9.	Long-term debt		
10.	Accounts payable	85,265	90,354
11.	Notes payable	15,000	1,016,542
12.	Customer deposits	0	0
13.	Taxes accrued	0	0
14.	Interest accrued	0	0
15.	Other current and accrued liabilities	4,433	118,627
16.	Customer advances for construction		
17.	Other deferred credits		
18.	Miscellaneous operating reserves		
19.	Contributions in aid of construction	0	0
20.	Total liabilities and other credits (Sum of L9 thru L19)	104,699	1,225,522
21.	<b>Total capital, liabilities, &amp; other credits (L7 + L8 + L20)</b>	1,735,395	2,696,898

**STATEMENT OF RETAINED EARNINGS / PROPRIETARY CAPITAL**

22.	Retained earnings or proprietary capital at beginning of year <sup>1/</sup>	(9,370)
23.	Add: Net income (loss) for the year <sup>2/</sup>	(167,030)
24.	Less: Dividends declared during the year	
25.	Other (itemize below)	
26.	<b>Retained earnings or proprietary capital at end of year (Sum of L22 thru L25) <sup>3/</sup></b>	(176,400)

Line 25 (other retained earnings activity) \_\_\_\_\_

1/ Reference to Page 6, Line 3, Column (b) or Page 6, Line 8, Column (b), whichever is applicable.

2/ Reference to Page 8, Line 33, Column (d).

3/ Must agree with Page 6, Line 3, Column (c), or Page 6, Line 8, Column (c), whichever is applicable.



**SCHEDULE OF DEBT OF UTILITY**

(Use additional pages if needed to report all loans)

Type of Loan <sup>1/</sup>	Lender	Collateral <sup>2/</sup>	Date of Loan	Maturity Date	Original Loan Amount	Current Amount Outstanding	Interest Rate (%) <sup>3/</sup>	Interest Paid This Year
N/A								
<b>Totals</b>								

1/ Indicate purpose of loan and whether the loan is a first mortgage, notes payable to banks, etc.  
 2/ Indicate whether loan is personally endorsed, and if so, by whom.  
 3/ If interest rate is variable, please describe terms of rate changes (example: prime rate + 1.0%).

**WATER AND SEWER COMBINED INCOME STATEMENT**  
For the Year Ended December 31, \_\_\_\_\_

Line No.	Item (a)	Water (b)	Sewer (c)	Combined (d)
<b><u>Operating Revenues</u></b>				
1.	Metered service revenue	0		0
2.	Flat rate service revenue		68,138	68,138
3.	Reconnection fees			0
4.	Returned check charges			0
5.	Late payment charges	0		0
6.	Other operating revenue (itemize below)			0
7.	<b>TOTAL OPERATING REVENUES (Sum of L1 thru L6)</b>	<b>0</b>	<b>68,138</b>	<b>68,138</b>
<b><u>Operating Expenses</u></b>				
8.	Total salaries and wages (employees only)			
9.	Outside labor expense (non-employees)		113,247	113,247
10.	Administrative and office expense		86,575	86,575
11.	Maintenance and repair expense		9,380	9,380
12.	Purchased water/sewer expense			0
13.	Electric power expense (exclude office)		6,231	6,231
14.	Chemicals expense			0
15.	Testing fees		3,395	3,395
16.	Transportation expense (cost of operating utility vehicle)			0
17.	Annual depreciation expense			0
18.	Property taxes paid on utility property			0
19.	Payroll taxes (FICA, FUTA, SUTA)			0
20.	Other operating expense (itemize below)		12,041	12,041
21.	<b>TOTAL OPERATING EXPENSES (Sum of L8 thru L20)</b>	<b>0</b>	<b>230,869</b>	<b>230,869</b>
<b><u>Operating Taxes</u></b>				
22.	Franchise (gross receipts) tax			0
23.	Annual NCUC regulatory fee		1,600	1,600
24.	State income taxes		2,700	2,700
25.	Federal income taxes			0
26.	<b>TOTAL OPERATING TAXES (Sum of L22 thru L25)</b>	<b>0</b>	<b>4,300</b>	<b>4,300</b>
27.	<b>NET OPERATING INCOME (LOSS) (L7 - L21 - L26)</b>	<b>0</b>	<b>(167,030)</b>	<b>(167,030)</b>
<b><u>Non-operating revenues and expenses</u></b>				
28.	Interest income			
29.	Other non-operating revenue (itemize below)			
30.	Interest expense			
31.	Other non-operating expense (itemize below)			
32.	<b>TOTAL NON-OPERATING INCOME (L28+L29-L30-L31)</b>	<b>0</b>	<b>0</b>	<b>0</b>
33.	<b>Net income (loss) (L27 + L32)</b>	<b>0</b>	<b>(167,030)</b>	<b>(167,030)</b>

Line 6 (other operating revenue) \_\_\_\_\_

Line 20 (other operating expense)      Property Insurance \_\_\_\_\_

Line 29 (other non-operating revenue) \_\_\_\_\_

Line 31 (other non-operating expense) \_\_\_\_\_

**MONTHLY BILLING DATA**

Line No.	Month (a)	Water Operations			Sewer Operations		
		Flat Rate Customers (b)	Metered Customers (c)	Gallons Sold To Metered Customers (d)	Flat Rate Customers (e)	Metered Customers (f)	Gallons Sold To Metered Customers (g)
1.	January				170		
2.	February				170		
3.	March				170		
4.	April				170		
5.	May				170		
6.	June				170		
7.	July				170		
8.	August				170		
9.	September				170		
10.	October				170		
11.	November				170		
12.	December				170		
13.	Totals for the year				170		

RATES CHARGED AT YEAR END

<u>Line No.</u>	<u>Item</u>	<u>Water</u> (a)	<u>Sewer</u> (b)
1.	Rates being charged at year end:		
	Measured (metered) service: Base charge (including _____ gallons)		
	Usage charge (per 1,000 gallons)		
	Flat rate service		Ocean Terrace - \$1,920 Pine Knolls I - \$920 Pine Knolls II - \$1,840 Pine Knolls III - \$920
	Tap-on fee or connection fee		
	Reconnect fee		14.99
	Late payment charge		25

**INVESTMENT IN WATER/SEWER UTILITY SYSTEM**

For the Year Ended December 31, 2022

Line No.	<u>Item</u> (a)	<u>Water</u> (b)	<u>Sewer</u> (c)	<u>Combined</u> (d)
1.	Original cost of system(s)		1,720	1,720
2.	Actual cost of all additions to system(s) since original construction		0	0
3.	Total cost of system(s) to date (L1 plus L2)		1,720	1,720
4.	Accumulated depreciation		0	0
5.	Net cost of system(s) (L3 minus L4)		1,720	1,720
6.	Cost of plant additions during this 12-month reporting period		0	0
	<b><u>Contributions in aid of construction (CIAC) (excluding gross-up) received during this 12-month reporting period</u></b>			
7.	Connection or tap fees		0	0
8.	Capacity fees		0	0
9.	Meter installation fees		0	0
10.	Cash contributions from a developer used by a utility to construct plant		0	0
11.	Utility plant installed or paid for by the contributor and then conveyed by the contributor to the utility		0	0
12.	Land conveyed by the contributor to the utility		0	0
13.	Total CIAC (excluding gross-up) received during this 12-month reporting period (Sum of L7 thru L12)		0	0
14.	Cumulative CIAC received (excluding gross-up)		0	0
15.	Taxes collected on CIAC during this 12-month reporting period		0	0
16.	Cumulative tax collected on CIAC		0	0
17.	Taxes paid on CIAC collected during the previous 12-month reporting period		0	0
18.	Cumulative tax paid on CIAC		0	0

**IMPORTANT:** CIAC are generally defined in the National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts as money, services, or property received by the utility company from customers, developers, or any other source at no cost to the utility company which offsets the acquisition, improvement, or construction costs of the utility's property, facilities, or equipment to be used to provide utility service. Tap-on fees and meter installation fees are forms of CIAC.

**BOND INFORMATION**

(Note: If more lines are needed for additional bonds, attach supplementary sheets.)

For **each** bond (certificate of deposit, letter of credit, etc.) posted, list the following:

Line No.	Form of Bond (CD, Letter of Credit, or Surety)	Issuer of Surety	Amount of Bond	Is the Bond Still in Effect?	Date of Next Renewal
1.	Surety	Crane Agency	300,000	Yes	11/9/2023
2.	Surety	Crane Agency	75,000	Yes	3/18/2023
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					

Signature and Title:  Date: 4/29/2023

I declare under penalty of perjury that the foregoing is true and correct.

**IMPORTANT:** Rule R7-37(g) and Rule R10-24(g) require water and sewer companies to attach a separate electronically filed statement which is electronically signed under penalty of perjury to its Annual Report stating the amount of each bond, whether the bond is still in effect, and the date of next renewal. Completion of the above meets this requirement.

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Oct 19 2023

SYSTEM AND OPERATOR STATUS (WATER)

Subdivision or System	County	Number of Wells	Certified Operator In Responsible Charge	>50* miles

\* Check if more than 50 miles from residence of Operator in Responsible Charge (ORC).

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Oct 19 2023

**REGULATORY ENFORCEMENT REPORT**

List any notice of violation during the reporting year from any regulatory agency (County Health Department, DWQ, DEH, EPA, etc.) Use additional pages, if necessary.

**WATER OPERATIONS**

System ID No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)

**SEWER OPERATIONS**

NPDES or Nondischarge Permit No.	System Name	Date of Notice	Type of Violation	Resolved? (Y/N)
VI-07-21	Ocean Terrace	7/7/2022	Permit Violation	Y
VI-18-13	Pine Knoll	7/7/2022	Permit Violation	N



REGULATORY FEE RECONCILIATION

Line No.	Item	Amount
	<b><u>Regulatory Fee Reports</u></b>	
1.	Regulatory fee report for quarter ended March 31, Line 1	17,456
2.	Regulatory fee report for quarter ended June 30, Line 1	16,981
3.	Regulatory fee report for quarter ended September 30, Line 1	24,488
4.	Regulatory fee report for quarter ended December 31, Line 1	24,979
5.	Total NC jurisdictional revenues for the year reported on regulatory fee reports (Sum of Lines 1 through 4)	83,904
6.	Total operating revenues [Page 8, Line 7, Column (d)]	68,138
7.	Difference between regulatory fee reports and Annual Report (Line 5 minus Line 6)	15,766
	<b><u>Explanation of Difference(s)</u></b> (Include a brief written description of each difference)	
8.	Redbird Utility Operating Company filed regulatory fees for Bear Den on behalf of owner	15,766
9.		
10.		
11.		
12.		
13.	Total difference(s) (Sum of Lines 8 through 12 - Should be equal to Line 7)	0

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Oct 19 2023

**VERIFICATION REGARDING ACCURACY OF REPORT**

(NOTE: THIS VERIFICATION SHALL BE COMPLETED BY EITHER THE CHIEF EXECUTIVE OFFICER, A SENIOR LEVEL FINANCIAL OFFICER, OR THE RESPONSIBLE ACCOUNTING OFFICER.)

I, Brent Thies, state and attest under penalty of perjury that the attached Annual Report to the North Carolina Utilities Commission is filed on behalf of Red Bird Utility Operating Company (**Name of Water and/or Sewer Company**) as required by the North Carolina Utilities Commission; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable North Carolina General Statutes, Commission Rules, and Commission Orders.



\_\_\_\_\_  
Signature of Person Making Verification

Vice President, Corporate Controller

\_\_\_\_\_  
Job Title

\_\_\_\_\_  
Date

9/26/23

<b><u>Operating Budget</u></b>					
	<b>1/1/2023</b>	<b>1/1/2024</b>	<b>1/1/2025</b>	<b>1/1/2026</b>	<b>1/1/2027</b>
<b><u>Operating revenue</u></b>					
Metered service revenue					
Flat rate service revenue					
EPA testing surcharge					
Re-connect fees					
Returned check charge					
Late payment charge					
Other operating revenue					
<b>Total operating revenue</b>					
<b><u>Operating expenses</u></b>					
Total salaries and wages (employees only)					
Outside labor expenses (non-employees)					
Administrative and office expense					
Maintenance and repair expense					
Purchased water					
Purchased sewage treatment					
Electric power expense (exclude office)					
Chemicals expense					
Testing fees					
Transportation expense					
Other operating expense					
<b>Total operation and maintenance expenses</b>					
Annual depreciation expense					
Property taxes paid on utility property					
Payroll taxes					
Franchise (gross receipts) tax					
Annual NCUC regulatory fee					
<b>Total operating expenses</b>					
<b><u>Income Taxes</u></b>					
State income taxes					
Federal income taxes					
Total income taxes					
Net operating income (loss)					
Interest expense					
<b>Net income (loss)</b>					

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**STATEMENT OF CASH FLOWS**

	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027
<b>PRE-TAX OPERATING INCOME (LOSS)</b>					
Total Operating Revenue					
Operation and Maintenance Expenses					
Taxes Other than Income					
<b>Pre-Tax Operating Income (Loss)</b>					
<b>INCOME TAX CALCULATION</b>					
Pre-Tax Operating Income (Loss)					
CIAC					
Tax Depreciation					
Interest Expense					
Taxable Income (Loss)					
State Income Tax					
Federal Income Tax					
Total Income Taxes to be Paid					
<b>Net Cash Provided by Operating Activities</b>					
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of Utility Plant					
Cash Bonds Posted					
CIAC					
Proceeds from Disposal of Utility Plant					
<b>Net Cash Used by Investing Activities</b>					
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from Short Term Debt					
Principal Repayment of Short Term Debt					
Proceeds from Long Term Debt					
Principal Repayment of Long Term Debt					
Interest Payment for Debt					
Proceeds from Equity					
Dividends Paid					
Funds Provided by Owner					
<b>Net Cash Provided by Financing Activities</b>					
<b>Net Increase (Decrease in Cash)</b>					
<b>Cash Balance at Beginning of Year</b>					
<b>Cash Balance at End of Year</b>					

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Oct 19 2023

RECEIVED

OCT 31 1973

SANITARY ENGINEERING SECTION

OFFICE OF WATER AND AIR RESOURCES  
October 19, 1973

Mr. Roger P. Hussey  
Executive Vice President  
South Mountain Properties, Inc.  
P. O. Box 197  
Connelly Springs, North Carolina 28612

SUBJECT: Permit No. 2998  
South Mountain Properties, Inc.  
Pine Mountain Lakes Development - Phase I  
Wastewater Treatment Facilities  
Burke County

Dear Mr. Hussey:

In accordance with your application received August 15, 1973, we are forwarding herewith Permit No. 2998, dated October 19, 1973, to South Mountain Properties, Inc., Burke County, for the construction and operation of a 69,600 GPD tertiary type extended aeration wastewater treatment facilities consisting of 360 lineal feet of 12-inch sewer outfall, on site auxiliary power, influent pumping station, dual 34,800 GPD extended aeration type treatment plants in parallel, dual tertiary filters, flow measuring-recording device, chlorine dissipation-holding pond, post aeration, and 474 lineal feet of 12-inch effluent sewers to the receiving stream to serve the Pine Mountain Lakes Development, Stage I of Phase I, and the discharge of the treated effluent into Jacobs Fork Creek in the Catawba River Basin.

This permit shall be effective from the date of its issuance until July 1, 1977, and shall be subject to the conditions and limitations as specified therein.

Also, enclosed is a copy of WPC Form #50 "Cost of Wastewater Treatment Works." This form is to be completed and returned to this office within thirty (30) days after the project is completed.

One (1) set of approved plans and specifications is being forwarded to you and one (1) set is being forwarded to Wilbur Smith & Associates, Inc.

Sincerely yours,

*E. C. Hubbard*  
E. C. Hubbard  
Assistant Director

Enclosures

CC: Wilbur Smith and Associates, Inc.  
Department of Human Resources ✓  
Burke County Board of Health  
Mr. L. P. Benton, Jr.  
Mr. W. H. Hill  
Mr. J. W. Munden  
Technical Services

JWM/dm

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Oct 19 2023

*Burke/ Pine Mt Lake*

DEPARTMENT OF HUMAN RESOURCES  
STATE BOARD OF HEALTH  
RALEIGH

A

RECEIVED

SEP 7 1973

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Oct 19 2023

September 7, 1973

TO: Mr. W. E. Long, Jr., Chief  
Engineering Section  
Water Quality Division  
Office of Water & Air Resources  
Dept. of Natural & Economic Resources

FROM: F. K. Yarborough, Head  
Engineering Planning Branch  
Sanitary Engineering Section

SUBJECT: Wastewater Treatment Plant  
Pine Mountain Lake Development  
Burke County

The engineers of this Section have reviewed the plans and specifications as prepared by Wilbur Smith and Associates, Inc. on subject. Basically the plans call for the installation of two (2) 100,000 g.p.d. tertiary type wastewater treatment plants and a dual pumps lift station. The treatment system includes influent bar screen and comminutor, mixing tank, reaeration tank, aerobic digester tank, settling tank, post-chlorination facilities, sand filters, a Parshall flume transmitter and a 500,000 gallon chlorine dissipation holding pond.

Prior to our concurrence with your issuance of a permit, three items must be clarified and they follow:

1. Our standard design for domestic wastewater is based on a 24 hour aeration period and a 4 hour settling tank detention period. The expected detention time in reaeration tank is only 5.23 hour per our calculations.
2. An auxiliary power system should be provided on the lift station and the treatment plant.
3. Dual chlorinators should be provided on post-chlorination facilities.

After receiving revisions to correct these deficiencies, we shall continue our review.

cc: Mr. E. D. Herndon ✓  
Burke County Health Dept.  
Wilbur Smith & Associates, Inc.

*F. K. Yarborough*

*Burke/ Pine Mt Lake Dev.*

NORTH CAROLINA  
STATE BOARD OF HEALTH  
RALEIGH

RECEIVED ✓

MAY 21 1973

May 14, 1973

Mr. D. L. Coburn, Chief  
Water Quality Division  
Office of Water and Air Resources  
Department of Natural and Economic Resources  
Post Office Box 27687  
Raleigh, North Carolina

Re: Wastewater Treatment Plant Site  
South Mountain Properties, Inc.  
Pine Mountain Lake Development  
Burke County, North Carolina

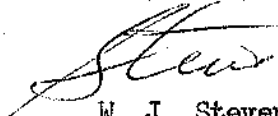
Dear Mr. Coburn:

This refers to your letter to Mr. Marshall Staton, Director, Sanitary Engineering Division, regarding the site for a wastewater treatment plant to serve the above referenced development. The proposed site is approximately 600 feet east of the bridge over White Oak Creek on S. R. 1901. The proposed 0.1 MGD extended aeration plant (with tertiary treatment) will consist of dual units, a sludge holding tank, flow measuring and recording devices, complete on-site laboratory facilities, and a chlorine dissipation pond. The treated effluent will be discharged into Jacobs Fork which is classified A-II.

We have no objection to approval of the proposed plant site provided that the treatment system is constructed as proposed and has no by-passes and that the stream classification is not contravened.

We would appreciate the opportunity to review the final plans and specifications of the facility prior to approval by your office.

Very truly yours,



W. J. Stevenson, Chief  
Water Supply Section  
Sanitary Engineering Division

cc: Mr. E. D. Herndon ✓

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Oct 19 2023

*Catawba / Pine Mt Lakes*

1973

STATE OF NORTH CAROLINA  
DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES

Box 27687

Raleigh 27611



JAMES E. HOLSHOUSE, GOVERNOR

*[Handwritten signature]*

JAMES E. HARRINGTON  
SECRETARY  
TELEPHONE  
AREA CODE 919-829-4984

May 29, 1973

Mr. H. J. Willson, P. E.  
Wilbur Smith and Associates, Inc.  
4500 Jackson Boulevard  
Post Office Box 1544  
Columbia, South Carolina 29202

Subject: Wastewater Treatment Plant Site  
South Mountain Properties, Inc.  
Pine Mountain Lake Development  
Burke County, North Carolina

Dear Mr. Willson:

Mr. Roy M. Davis, Sanitary Engineer, has inspected the site for the location of a 0.5 MGD wastewater treatment plant to serve the Pine Mountain Lake Development. The site is located 1.1 miles South 48° West from the intersection of Secondary Road 1924 and Secondary Road 1901, in the southern portion of Burke County.

The proposed receiving stream is Jacobs Fork which bears a Class "A-II" classification. The 7-day, 10-year minimum flow at the proposed point of effluent discharge is 4.1 MGD.

The site is hereby approved for the location of a properly designed dual-units tertiary type wastewater treatment plant. The treatment system will include the following basic units: Influent bar screen and comminutor, extended aeration basins, final clarifiers with return sludge facilities, effluent disinfection facilities, sand filters, chlorine dissipation basins, and a sludge holding basin. The treatment system will be equipped with a recording type flow meter. Complete on-site laboratory facilities will be provided so that all testing necessary for the operation of this type of wastewater treatment facility can be provided.

The plant shall be flood-proofed in order to provide protection from high waters, and shall be constructed in such a manner that in the event repairs

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Oct 19 2023



Mr. H. J. Willson  
Page No. 2

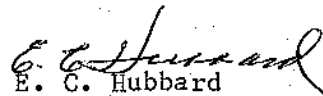
or maintenance become necessary, tertiary treatment plus effluent disinfection can be provided at all times. If the developer so chooses, the initial treatment plant built on this site may have a designed capacity of less than 0.5 MGD as long as the initial plant is constructed in accordance with the treatment system described in this letter. Before enlarging the initial plant to an ultimate capacity of 0.5 MGD, final plans for the modification must be submitted to this Office for review and approval.

Please be advised that 0.5 MGD of tertiary effluent is the maximum volume that can be discharged at this site and, in our opinion, protect Water Quality and comply with the intent of the non-degradation clause of the North Carolina Board of Water and Air Resources' Rules and Regulations. The disposition of wastewater at this development should be planned with this in mind.

In order to comply with requirements of the 1972 Federal Water Pollution Control Act Amendments, it will be necessary to make application to the Environmental Protection Agency for an N. P. D. E. S. (National Pollutant Discharge Elimination System) Permit. In this connection, you should contact Mr. John White, Enforcement Division, Environmental Protection Agency, Region IV, 1421 Peachtree Street, N. E., Atlanta, Georgia 30309. This application should be made after tentative approval of the plant site, and must be made at least 180 days prior to the date on which it is desired to commence the discharge of pollutants.

Due to the classification of the receiving stream, the State Board of Health has been consulted with regards to this project and their concurrence has been obtained. Final plans and specifications for the system are to be submitted to this Office for review and approval prior to awarding contracts and starting construction.

Sincerely yours,

  
E. C. Hubbard  
Assistant Director

cc: Burke County Health Department  
North Carolina State Board of Health ✓

Mr. Evan Shay, Vice-President  
South Mountain Properties, Inc.

Mr. L. P. Benton, Jr.

Mr. W. E. Long, Jr.

Mr. R. Van Tilburg

Mr. W. H. Mull

Mr. Roy M. Davis

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Oct 19 2023

October 31, 1973

Mr. H. J. Wilson, P. E.  
Wilbur Smith and Associates, Inc.  
4500 Jackson Boulevard  
P. O. Box 1544  
Columbia, South Carolina 29202

Re: Pine Mountain Lakes Development  
Well Site Approval (Well Site #7)  
Durke County

Dear Mr. Wilson:

On July 9, 1973, a well site investigation was conducted for the referenced project in the company of Mr. John Ellis. The site investigated is shown on the enclosed drawing and is further described as follows:

Located approximately 40 feet southwest of the centerline of Ruffleshed Road and approximately 200' southeast of the centerline of Brookfield Road.

The above described well site is approved from a sanitary standpoint with the following provisos:

1. That Pine Mountain Lakes Development own or control the property for a radius of 100' around each well. If the property is not owned, a recorded easement on the property within 100' of the well will be required.
2. That no sewer or other source of pollution shall exist or be introduced within 100' of the well. Buildings, dwellings, barns, mobile homes, etc., are considered to be sources of pollution.
3. That the ground surface around each well be sloped so that surface water will drain away from each well.

4. That fill dirt or some other material be used to raise the well site to above grade level.

Final approval of the well will be based on the chemical analysis of the water by Division of Health Services (State Board of Health) Laboratory in Raleigh.

Upon receipt of this letter and a Well Construction Permit from the Office of Water and Air Resources, you may proceed with drilling operations. Following completion of the well construction, a well yield (capacity) test, 24 hour minimum, must be conducted in accordance with requirements of the North Carolina "Well Construction Regulations and Standards." You are required to submit to this office, in triplicate, those plans, specifications and other data outlined in the enclosed "Guide for Obtaining Approval of Public Water Supply Systems," along with the log of the well yield test and the results of the chemical analysis. In addition, copies of the well completion record, the well yield test log and chemical analysis must be submitted to the Office of Water and Air Resources.

It is required that the plans and specifications be prepared by an engineer licensed to practice in North Carolina. This submission will be carefully reviewed by this office and forwarded to the Sanitary Engineering Section of the Division of Health Services (State Board of Health) for final action.

The plans and specifications for all proposed public water systems or expansions to public water systems must be approved by the Sanitary Engineering Section prior to the construction of any part of the system, or the award of a contract (if any) for the construction of any part of the system.

Continuous disinfection (chlorination) of the water for all public water supply systems introduced on or after 1 January 1972 by a method approved by the Division of Health Services is required. The proposed method of providing the continuous disinfection must be indicated in the submitted plans and specifications.

Please be advised that, in accordance with the General Statute 130-158, every person supplying water to the public for drinking and household purposes shall take every reasonable precaution to protect from contamination and assure the healthfulness of such water.

If we may be of further service, please feel free to call on us.

Very truly yours,

E. D. Herndon  
(TAY)

E. D. Herndon  
Assistant Regional Engineer

Enclosures:  
Guide for Obtaining Approval  
cc: Mr. W. J. Stevenson  
Mr. F. K. Yarborough

State of North Carolina  
Department of Environment,  
Health and Natural Resources  
Division of Environmental Health  
Public Water Supply Section



James B. Hunt, Jr., Governor  
Jonathan B. Howes, Secretary

January 19, 1995

Mr. Steve Rohaly, Manager  
Pine Mountain Lake Development  
Route 1, Box 205-1  
Connelly Springs, North Carolina 28612

Re: Well Water System  
Pine Mountain Lake, Phase I  
Burke County

Dear Mr. Rohaly:

Plans and specifications for the referenced project prepared by W. Thompson Cox, P.E., have been reviewed by engineers of this Section. The plans call for the construction of a well designated as Well "B" with a 120 gpm 25 horsepower motor Pleuger Model No. PN63-16 submersible pump, well house, chlorination apparatus, Aqua-Mag sequestering agent chemical feeding equipment, a 10,000 gallon ground level storage tank, two (2) booster pumping stations each with two (2) 100 gpm 15 horsepower motor Pleuger Model No. NE66-10 in-line pumps, a 30,000 gallon high elevation standpipe, approximately 750 feet of 8-inch and 5,000 feet of 6-inch distribution piping, valves, two (2) hydrants and other appurtenances to serve Pine Mountain Lake Development, Phase I with 49 lots designated as Lots #15-117 through #15-125 and #19-1 through #19-40 located off S.R. 1901. These plans and specifications are approved under Division of Environmental Health serial number 95-08357, dated January 12, 1995.

We are not formally approving the use of the sequestering agent and its injection apparatus. However, we are allowing it to be tried in lieu of the installation of iron and manganese removal equipment. Should the use of the sequestering agent and the injection apparatus not provide trouble-free, satisfactory water to the customers, it is the responsibility of the owner to submit to us for approval plans and specifications covering the necessary iron and manganese removal equipment. After having gained approval, the equipment must be installed and operated without undue delays.

The well is cased less than 50 feet and will be investigated to determine influence of surface water. A public water system that uses a ground water source under the influence of surface water must provide filtration and disinfection treatment beginning 18 months after the State determines that ground water source is under the influence of surface water and report monthly CT value(s) for each day the system serves water to the public, residual disinfection information and turbidity in accordance with the requirements of NCAC Title 15A Subchapter 18C Section .2000 of the "Rules Governing Public Water Systems".

Mr. Rohaly  
Page 2  
January 19, 1995

Public water system rules require that a registered professional engineer verify that construction has been completed in accordance with these approved plans and specifications. In order to complete the approval of this water system, please furnish us a copy of the engineer's verification affixed with his/her professional engineering seal immediately upon completion of construction. Customer connections shall not be made until the construction verification letter is received by this office.

One copy of the "Application for Approval..." is enclosed together with one copy of the plans and specifications bearing the Division of Environmental Health stamp of approval. One copy of each is being forwarded to our Black Mountain Health Office. The third copy is being retained in our permanent files.

If we can be of further service, please call on us at (919) 733-2460.

Sincerely,



Richard J. Durham, P.E., Chief  
Public Water Supply Section

RJD/MLD/snc

Enclosures

cc: Harold Saylor, Regional Engineer  
Burke County Health Department  
W. Thompson Cox, P.E.  
Utilities Commission - Water Division  
Groundwater Section

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Oct 19 2023

State of North Carolina  
Department of Environment, Health and Natural Resources  
Division of Environmental Health  
Public Water Supply Section



James B. Hunt, Jr., Governor  
Jonathan B. Howes, Secretary  
~~RICHARD K. ROWE, Director~~

December 2, 1994



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Oct 19 2023

Mr. Steve Rohaly, Manager  
Pine Mountain Lakes Development  
Route 1, Box 205-1  
Connelly Springs, North Carolina 28612

Re: Water Main Extension  
Pine Mountain, Section 17  
Burke County  
I.D. #01-12-133

Dear Mr. Rohaly:

Plans and specifications for the referenced project prepared by W. Thompson Cox, P.E., have been reviewed by engineers of this Section. The plans call for the installation of approximately 7,840 feet of 6-inch and 1,530 feet of 2-inch water mains, valves and other appurtenances along Pine Ridge Drive, Randy Road and John's Jog to provide service to Pine Mountain Development, Section 17 with 77 lots located off S.R. 1901. These plans and specifications are approved under Division of Environmental Health serial number 95-08004, dated November 8, 1994.

This water system consists of three (3) wells with a combined yield of 200 gallons per minute, chlorination apparatus, one (1) 79,000 gallon and two (2) 29,500 gallon ground level storage tanks, one (1) 5,600 gallon hydropneumatic storage tank, four (4) booster pumping stations, 8-inch, 6-inch, 4-inch and 2-inch distribution piping, valves hydrants and other appurtenances serving Pine Mountain Development Sections 7, 9, 11, 16 and 17, a 100 unit motel and a 100 seat restaurant. The total number of customers to be served by this water system is equivalent to 416 residential connections. This water system is adequate to serve up to 360 equivalent residential customers only. Further connections will necessitate the procurement of an additional source of water supply.


Public water system rules require that a registered professional engineer verify that construction has been completed in accordance with these approved plans and specifications. In order to complete the approval of this water main extension, please furnish us a copy of the engineer's verification affixed with his/her professional engineering seal immediately upon completion of construction. Customer connections shall not be made until the construction verification letter is received by this office.

One copy of the "Application for Approval..." is enclosed together with one copy of the plans and specifications bearing the Division of Environmental Health stamp of approval. One copy of each is being forwarded to our Black Mountain Health Office. The third copy is being retained in our permanent files.

Mr. Rohaly  
Page 2  
December 2, 1994

If we can be of further service, please call on us at (919) 733-2460.

Sincerely,

  
Richard J. Durham, P.E., Chief  
Public Water Supply Section

RJD/MLD/lnc

Enclosures

cc: ✓ Harold Saylor, Regional Engineer  
Burke County Health Department  
W. Tom Cox, P.E.  
Utilities Commission-Water Division

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# CSWR, LLC and Subsidiaries

Consolidated Financial Statements

December 31, 2022 and 2021





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**Independent Auditor's Report**

RSM US LLP

Board of Directors  
CSWR, LLC and Subsidiaries

**Report on the Audit of the Financial Statements**

[REDACTED]

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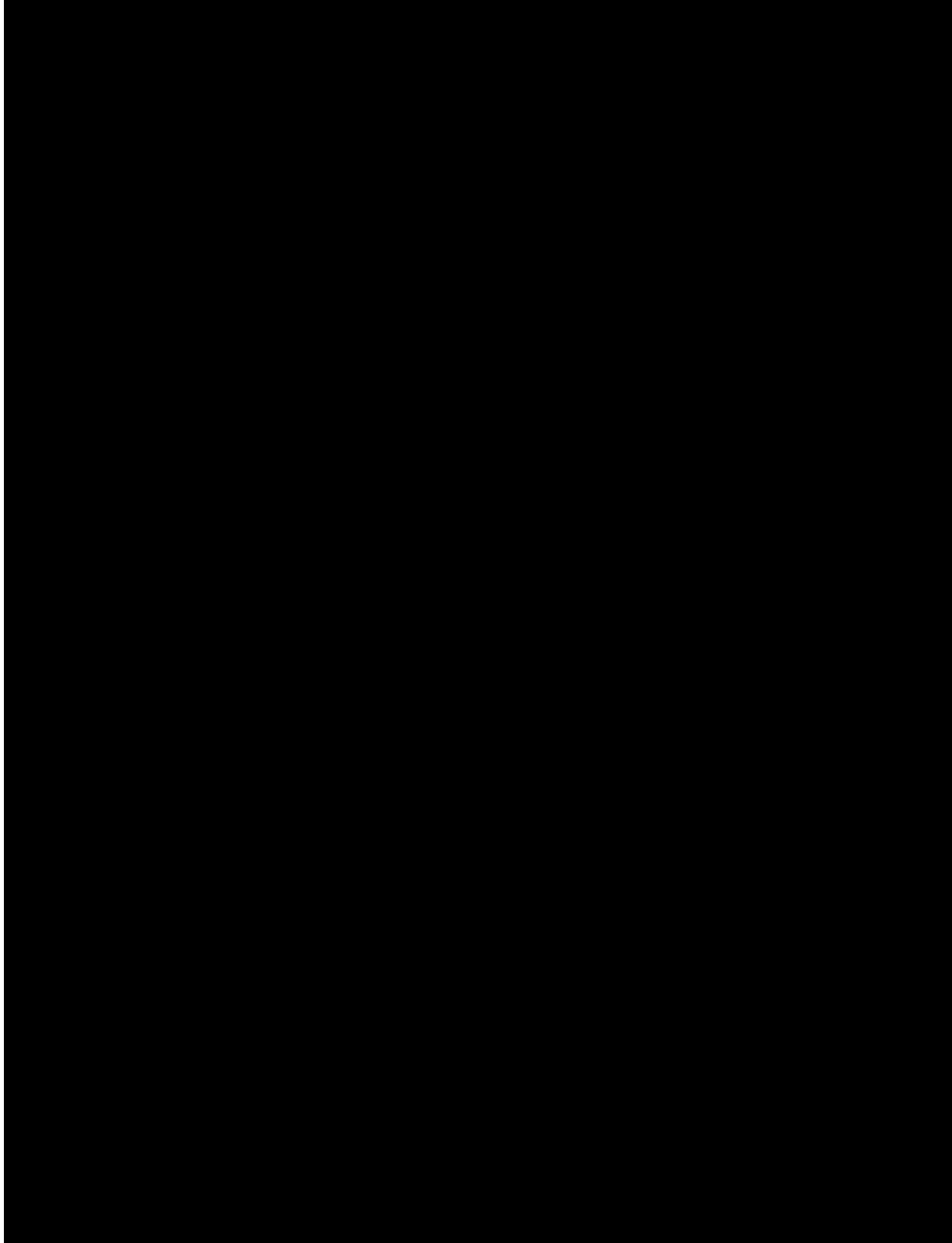
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**CSWR, LLC and Subsidiaries**  
As of December 31, 2022 and 2021

**Consolidated Balance Sheets**

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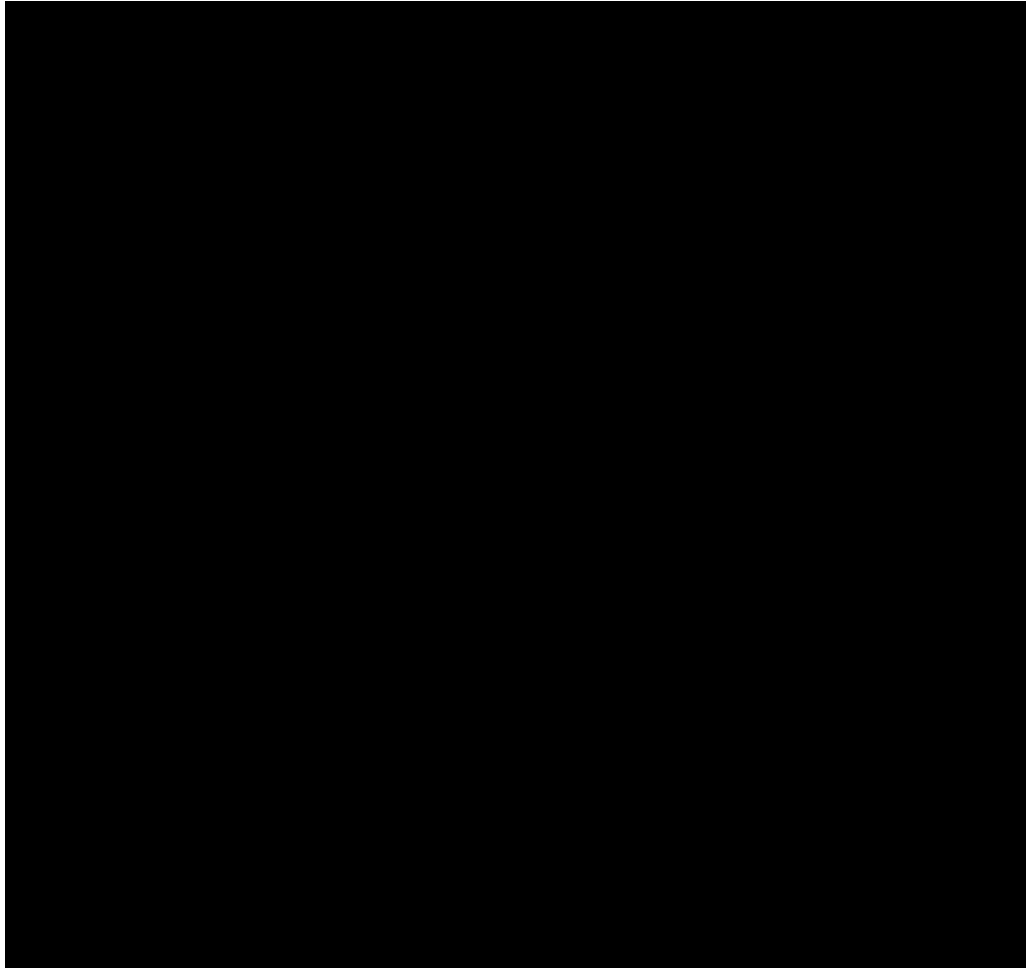


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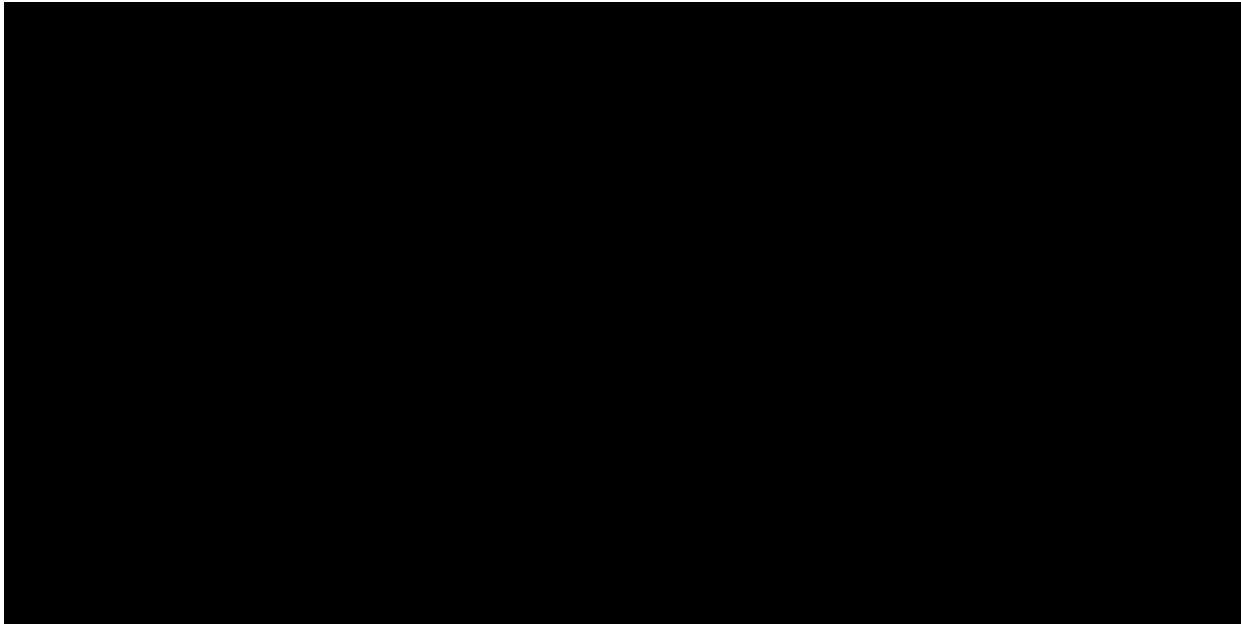
**CSWR, LLC and Subsidiaries**

For the years ended December 31, 2022 and 2021



**CSWR, LLC and Subsidiaries**

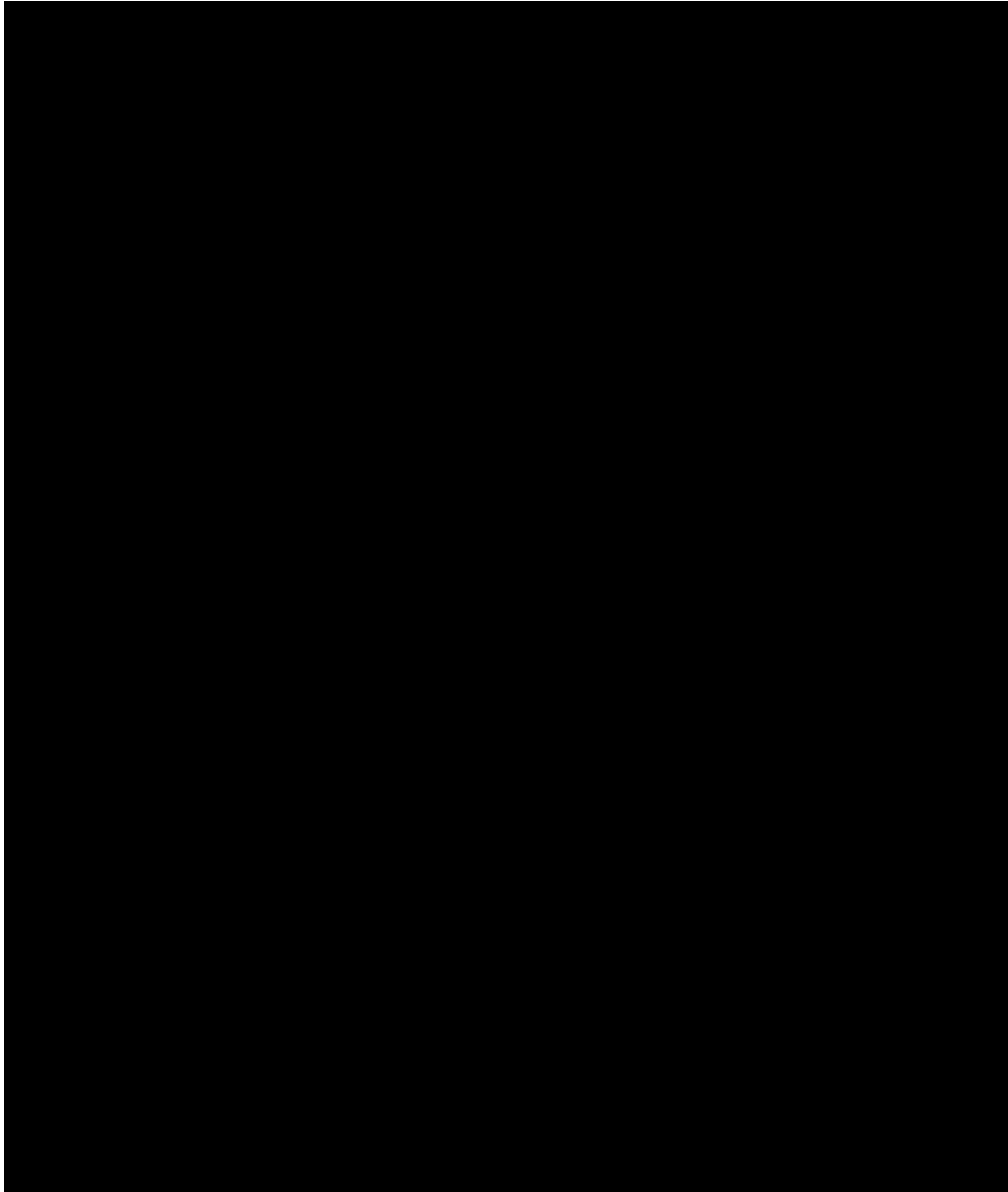
For the years ended December 31, 2022 and 2021



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**CSWR, LLC and Subsidiaries**

For the years ended December 31, 2022 and 2021



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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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[REDACTED]

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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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CSWR, LLC and Subsidiaries  
Notes to the Consolidated Financial Statements

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CSWR, LLC and Subsidiaries  
Notes to the Consolidated Financial Statements

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[REDACTED]

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CSWR, LLC and Subsidiaries  
Notes to the Consolidated Financial Statements

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CSWR, LLC and Subsidiaries  
Notes to the Consolidated Financial Statements

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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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**CSWR, LLC and Subsidiaries**  
**Notes to the Consolidated Financial Statements**

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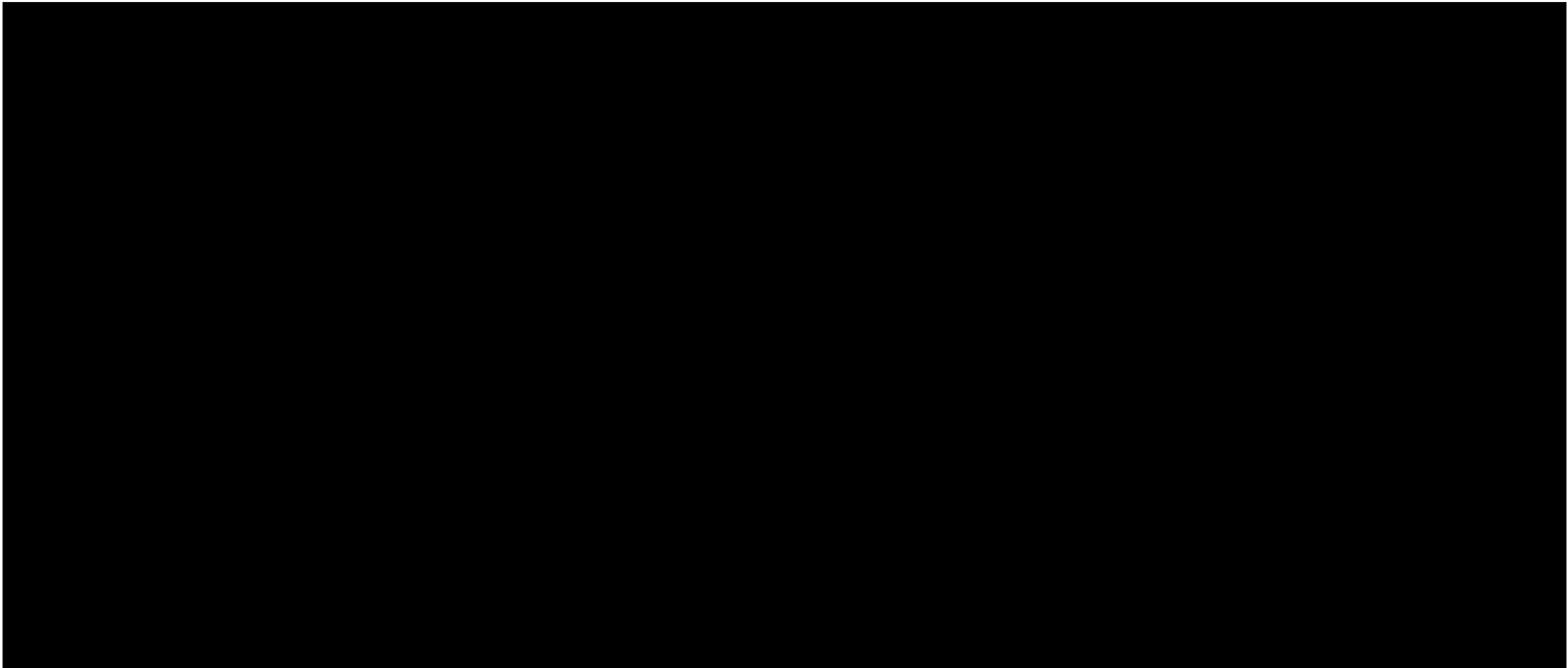
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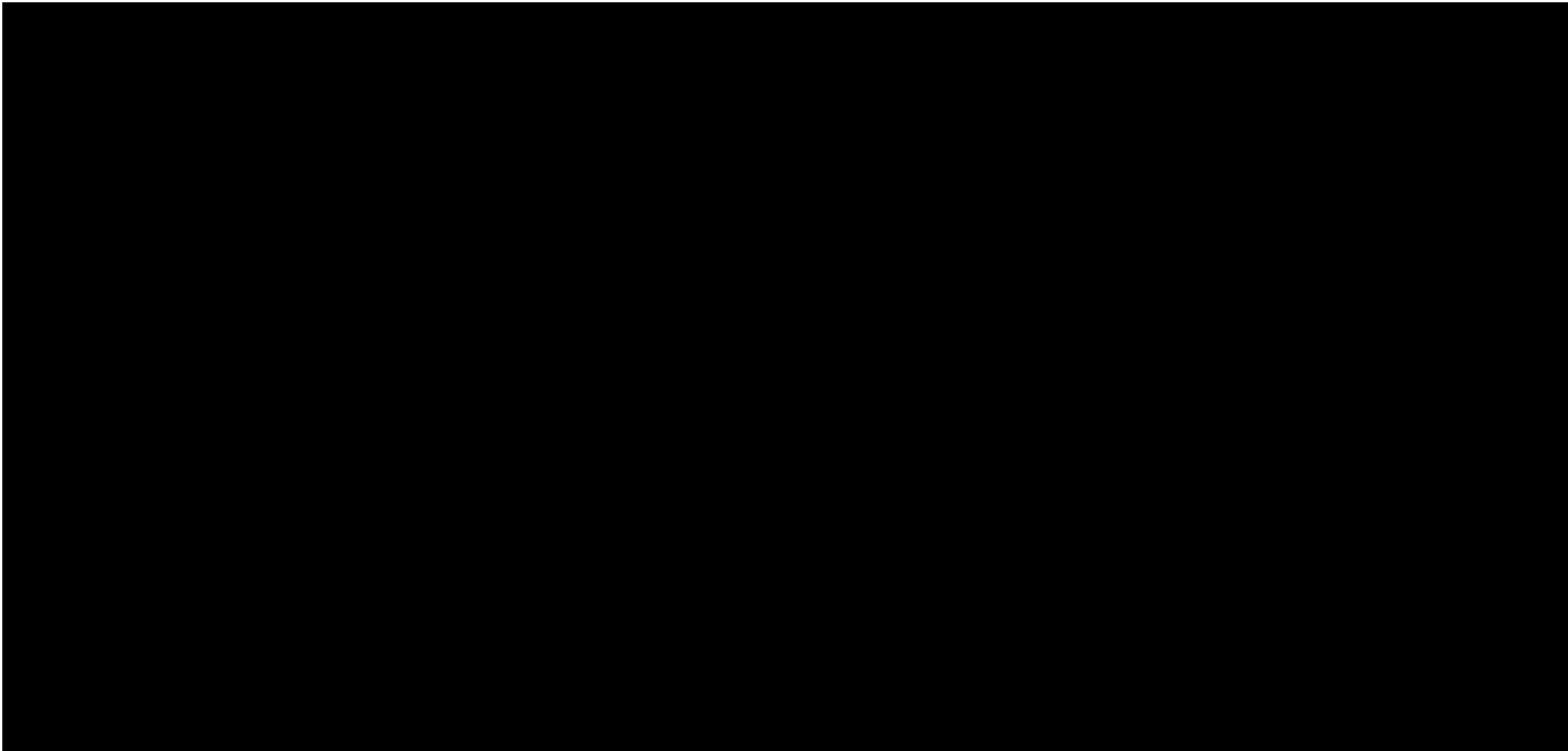
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