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October 27, 2021

Ms. A. Shonta Dunston
Chief Clerk
North Carolina Utilities Commission
430 N. Salisbury Street
Raleigh, NC 27603

Via Electronic Submittal

**Re: In the Matter of Old North State Water Company, LLC's
Application for General Rate Increase
Docket No. W-1300, Sub 60
Report on Customer Comments from Public Hearing Held on October 7, 2021**

Dear Ms. Dunston:

Attached please find Old North State Water Company's Report on Customer Comments from the public hearing held on October 7, 2021, in this case.

A Word version of same will be provided separately to the Commission.

Thank you and your staff for your assistance.

Sincerely,
s/ David T. Drooz
David T. Drooz
Attorney for
Old North State Water Company, LLC

DTD/pbb

Enclosure

cc: All parties of record

A Pennsylvania Limited Liability Partnership

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Oct 27 2021

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Old North State Water Company, LLC, 3212 6 th Avenue South, Suite 200, Birmingham, Alabama 35222, for Authority to adjust and Increase Rates for Water Utility Service in All Its Service Areas in North Carolina	REPORT ON CUSTOMER COMMENTS FROM PUBLIC HEARING HELD ON OCTOBER 7, 2021
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NOW COMES Old North State Water Company, LLC (ONSWC or Company) and files this report in response to the public hearing held by means of the North Carolina Utilities Commission's (Commission) on-line Webex platform, on October 7, 2021. This report is required by ordering paragraph 3 of the Commission's September 21, 2021, Order Establishing Discovery Guidelines, Scheduling Hearings, and Requiring Customer Notice.

The purpose of this report is to summarize customer testimony about service and service quality concerns expressed at the customer hearings, and to provide the Company's specific responses to those concerns. Out of more than 1,800 customers on the ONSWC water systems as of August 31, 2021, twelve customers testified at the public hearing. Their concerns are addressed below by subdivision/water system.

Fish Hawk Ranch

Melissa Beretonica¹ testified that her water had yellow, brownish discoloration. She indicated that neighbors had the same issues.

ONSWC response:

The discoloration is due to high levels of naturally occurring iron and manganese in the ground water. The original engineering design called for the installation of three 36 x 72-inch iron and manganese filters. ONSWC was not involved in the installation, as the developer retained a third-party firm to oversee construction and operations. ONSWC took over direct operations in October 2020 and realized only two 36 x 72-inch filters were installed. ONSWC started working with the engineer and developer to correct the installation. The third filter was installed in September of 2021 and will greatly help with water quality. The media in service is removing iron and manganese efficiently. However, the manufacturer suggested there would be even better removal of iron and manganese at a pH of 7.5-8.0. To achieve that pH level, ONSWC needed to add soda ash to its permit. That permit change was approved by the Public Water Supply section of the North Carolina Department of Environmental Quality in the summer of 2021. Soda ash slurry is fed from a 30 gallon mix down tank using a Stenner peristaltic feed pump. The injection point is located on top of the reactor (CT) tank. The chlorine injection point is located there too. Raw water from both wells flows through the reactor tank contacting chlorine and increasing the pH prior to filtration. We have seen a

¹ This customer and others also protested the requested increase in rates. This report is confined to response on water and service quality complaints.

huge impact in water quality since we started adding soda ash and the third filter.

The developer has discussed the possibility of installing a new well at Fish Hawk but there is nothing definitive. ONSWC would like to monitor the effects of the recent addition of a third filter and a change in pH to see if they adequately address the discoloration caused by iron and manganese before investing in additional remediation measures.

Mendenhall

Chuck Mosher testified that there had been occasional drops in water pressure. Mayuri Coleman also reported occasional loss of water pressure, and that her attempts to call the Company resulted in being put on hold for a long time.

ONSWC response:

ONSWC is not aware of consistent water pressure issues at Mendenhall, and to the knowledge of current management had not previously been notified by residents of water pressure issues in this subdivision. If there are future reports of water pressure loss, ONSWC will investigate and respond directly to the individual that called to report the issue. The Company operators now check water pressure daily. As of September 2021, if a customer calls during regular business hours and the line is busy with another customer, the caller is prompted to leave a message. ONSWC strives to return all messages within 10 minutes. Calls after business hours are routed to a phone tree. If it is an emergency situation such as an outage or water quality issue, customers are able to select their area and be routed directly to the emergency operator on call. Any calls that reach a voicemail are returned or addressed by the operator. Calls that are non-emergency in nature, i.e. needing

to pay a bill or start service are routed to our answering service. Calls of that nature are returned the next business day.

Shiloh

Brian Vervynckt testified about sediment buildup that causes stains, low water pressure, and ONSWC employees or contractors driving too fast in the neighborhood and not wearing clothes that identify themselves as ONSWC employees.

ONSWC response:

Based on testing results, the water quality has improved since ONSWC changed from the original contract operation to new personnel in October 2020. The previous contract operator was not flushing the system, and the result was sediment buildup and stains. ONSWC current operations have a regular flushing schedule. The flushing schedule has improved water quality due to the water not sitting stagnant in the water lines for long periods of time. There is an occasional low water pressure issue during the flushing period, but it is minimal and for a short period of time. The flushing is scheduled for late morning or early afternoon to avoid peak water usage times.

The water operator has been notified of speeding in the neighborhood. He did not recall speeding but committed to not speeding in the future. Speeding is not acceptable and ONSWC will not tolerate dangerous driving. If the problem continues the water operator's employment will be terminated. The Company has ordered the contract operators to have ONSWC identification on their person and vehicle to provide reassurance and identification to the residents. (Contract

operators are used for the 13 systems in the Greensboro area, including Shiloh, while other operators are now direct employees of ONSWC.)

Olde Mill Trace

Anthony Noto testified about bad odor of the water and brown water with black slime.

ONSWC response:

ONSWC is not aware of water quality issues due to odor of the water or brown water with black slime. Residents have not previously notified ONSWC of any such issue. ONSWC has instructed the water operator of this subdivision to investigate any potential issue. Testing currently shows compliance with regulatory standards.

Leone Landing

Thomas Flynn testified to water discoloration that is causing stains, and to water pressure issues. He also noted that one time when a pump failed and pressure dropped to zero, ONSWC responded quickly.

ONSWC response:

This is another system where ONSWC was not aware of water discoloration that is causing stains or water pressure issues. Residents have not previously notified ONSWC of any such issues. ONSWC has instructed the water operator of this subdivision to investigate any potential issue, and the Company is not aware of any issue occurring now.

Blawell

Cynthia Black testified about the rate increase but did not have a quality

or service complaint. She indicated that if there was a pressure problem, ONSWC fixed it.

Blaney Farms

Martin Francis-Kallukalam testified to dirty water and mild problems with pressure. He stated the water quality had gotten better in recent months due to the sequestration program. Jolieann Kilpatrick testified that sequestration began after she complained of dirty water and conducted her own testing. She stated the brown water problem disappeared after sequestration, but that manganese levels remain above the EPA secondary water quality standard, causing mouth sores. She also testified that there was excessive chlorination, causing burns on children when bathing. She also noted difficulty in reach the Company by telephone. She said some neighbors had to wait about an hour to talk with ONSWC about service issues. She complimented ONSWC employee Dale Boyette for being very responsive.

ONSWC response:

ONSWC worked extensively with state regulators at Public Water Supply in 2020 to determine a solution for brown water in Blaney Farms. It was determined that sequestering would be the best and most cost-effective approach to correct the brown water. Sequestering was engineered and approved by Public Water Supply in the first quarter of 2021. The sequestering equipment was installed in April 2021. Since then, ONSWC has seen a 50% reduction in calls from first quarter 2021 to second quarter 2021, and there was only one customer complaint in the third quarter of 2021.

ONSWC has submitted quarterly reports to Public Water Supply for this system. There was a chlorine problem reported by customers on March 23. A chemical feed pump had malfunctioned, and a new one was installed and operating properly within 4 hours. As of last month, long wait times on the customer service line should no longer be an issue, as calls are no longer forwarded to the answering service during business operating hours. Non-emergency calls are still forwarded to the answering service after hours and emergency calls may be reported directly to the emergency operator on call.

Rocklyn

Mary Matton testified to problems with calcium deposits from the water, and a rotten egg smell.

ONSWC response:

The water for Rocklyn is purchased from the city of Winston-Salem and distributed to customers through ONSWC lines. The Company was not previously aware of high calcium in the water or a rotten egg smell. ONSWC has notified the operator of the need to investigate this complaint. The operator did a site visit after the public hearing and did not observe any issues. ONSWC has asked Winston-Salem to check if the city has identified a problem calcium or odor in its water. Odors from the sewer system are outside the Company's control as that system is not owned or operated by ONSWC.

Ethans Meadow

Jeffrey Craig testified about stains caused by the water.

ONSWC response:

This the first time ONSWC has heard of staining from the water. An ONSWC operator investigated after the public hearing and did not see any basis for staining at that time.

Senter Road

Nicholas Aronnecho testified about problems with sediment, discolored water, and odor. He opined that Envirolink mismanaged the system, and that operational oversight by Dale Boyette and John McDonald at ONSWC have brought improvements. He recommends a new filtration system, while acknowledging it would be expensive.

ONSWC response:

Senter Road is interconnected with Blaney Farms. ONSWC worked with Public Water Supply in 2020 to determine a solution for brown water. It was determined that sequestering would be the best and most cost-effective approach to correct the water quality. Sequestering was engineered and approved by Public Water Supply in the first quarter of 2021. The sequestering equipment was installed in April 2021. ONSWC has seen a significant decrease in poor water quality calls from residents of Blaney Farms, which indicates a comparable improvement for Senter Road because it is the same water supply. Previously, chlorination of combined iron and manganese resulted in brown water, whereas sequestering means the iron and manganese are chlorinated separately, which

should correct the brown water issue. Testing shows the iron and manganese to be well below regulatory limits. If testing levels rise, the Company will consider installing filters.

Additional comments from ONSWC

The previous contract operations firm, Envirolink, was terminated due to numerous service issues, performance issues, and customer complaints. Beginning in October 2020, ONSWC hired direct employees as operators, and as a result has seen a significant decrease in water quality complaints.

ONSWC has also learned of additional customer concerns filed with the Commission or Public Staff since the public hearing. A response is set out below.

1. Concerns of Diana Needham in the Bingham Woods subdivision: When ONSWC took over operations from the prior contract operator, the piping from the remote well was not in good condition. The remote well and distribution pipes run through a heavily wooded area and swamp. Company operators repaired multiple pipe leaks around the remote well, which was a source of low water pressure. The longest pressure loss for Bingham Woods since ONSWC was the operator occurred on New Year's Day of 2021. ONSWC responded to a call that day and found two small leaks that were repaired and pressure was restored. Another low-pressure call was received on January 3, 2021. That was caused by a line break in the distribution system deep in the swamp. A contractor was hired on the Holiday Weekend to make the repair as quickly as possible. The neighborhood did not have water pressure for 24 hours, but the repair was

completed. The cost of the repair was \$9,000. On July 16, 2021, there was another low water pressure issue. Another line break had occurred in the swamp and the repair was completed the same day and water pressure was returned to normal. However, ONSWC determined that the distribution line was compromised and needed to be moved because accessing any repairs in the swamp was very difficult due to the very wet conditions. A contractor was hired to install over 1000 feet of a new 2" schedule 80 water line that did not run through the swamp. The cost of this repair was \$13,000 and the Company has not had any low water pressure issues since July 2021.

ONSWC also received a report of a VOC monitoring violation on June 3, 2021, from the Public Water Supply branch. The violation occurred during the compliance period of January 2020 when Envirolink was the operator. Envirolink had not recorded the samples with Public Water Supply. The violation report required ONSWC to notify the subdivision of the violation, and notice was sent in July of 2021. Please note this was a monitoring violation, not a water quality violation.

2. Concerns of Cindi Treschl in the Bingham Woods subdivision: ONSWC replaced its third-party operator (Envirolink) due to performance issues. The Company has made several repairs to the water system to correct low water pressure as noted above. ONSWC has not received any low water pressure calls since July of 2021 when the compromised water lines that were running through the swamp were replaced.

3. Concerns of David Schnell in the Mornington subdivision: ONSWC received a monitoring violation and was required to send a notice to Mornington customers. The violation occurred in October of 2019 when Envirolink was the operator; ONSWC received the violation from Public Water Supply in June of 2021 and notified customers that same month. Please note this was a monitoring violation, not a water quality violation.

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of Application by Old North State Water Company, LLC, 3212 6 th Avenue South, Suite 200, Birmingham, Alabama 35222, for Authority to adjust and Increase Rates for Water Utility Service in All Its Service Areas in North Carolina	VERIFICATION
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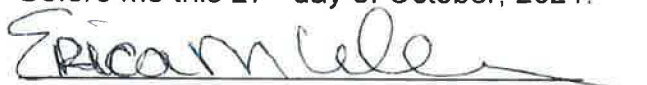
I, John McDonald, Manager of Old North State Water Company, LLC,
being duly sworn, do hereby declare that I am duly verified to act on behalf of
the Applicant, that I am familiar with the facts, have reviewed the foregoing
Report on Customer Comments from the Public Hearing Held on October 7,
2021, and attest that the matters and statements contained therein are true to
the best of my personal knowledge.

This the 27th day of October, 2021.



John McDonald

SWORN TO AND SUBSCRIBED
Before me this 27th day of October, 2021.



Notary Public



Printed Name

My Commission Expires: 5/6/24



CERTIFICATE OF SERVICE

I hereby certify that on this the 27th day of October 2021, a copy of the foregoing Report On Customer Comments From Public Hearing Held On October 7, 2021, filed in Docket No. W-1300, Sub 60, has been duly served upon all parties of record by U. S. Mail or by electronic mail.

This the 27th day of October, 2021.

FOX ROTHSCHILD LLP



David T. Drooz
Counsel for
Old North State Water Company, LLC

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Oct 27 2021