Additional Information

"This institution is an equal opportunity provider and employer"

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint filing cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

Substances That Could Be in Water

To ensure that tap water is safe to drink, the U.S. EPA prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water that must provide the same protection for public health. Drinking water, including bottled water, may reasonably be expected to contain at last small amounts of some contaminants. The presence of these contaminants does not necessarily indicate that the water poses a health risk.

The source of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds reservoirs, springs and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals, in some cases, radioactive material, and substances resulting from the presence of animals or from human activity. Substances that may be present in source water include: Microbial Contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, or wildlife; Inorganic Contaminants, such as salts and metals,

which can be naturally occurring or may result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming; Pesticides and Herbicides. which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses; Organic Chemical Contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production and may also come from gas stations, urban stormwater runoff, and septic systems; Radioactive Contaminant,

which can be naturally occurring or may be the result of oil and gas production and mining activities.

For more information about contaminants and potential health effects, call the U.S. EPA's Safe Drinking Water Hotline at (800) 426-4791.

Where Does My Water Come From?

The Gregg W. Stabler and C.O. Pickle Water Treatment Plants are located on Koontz Road near Highway 64 West, Lexington, NC. Our source of water is the Yadkin River.

The Yadkin River begins in Blowing Rock, where it starts out as a small stream and follows along Highway 321 and then along State Road 268, deepening as other tributaries feed into the Yadkin. The Yadkin then feeds into the W. Kerr Scott Dam Reservoir. The W. Kerr Scott Dam is an earthen dam built in 1960 by the Army Corps of Engineers for flood control. The reservoir has 125 miles of shoreline that holds up to 112,000 acre-feet of water, or 36.5 billion gallons. (An acre-foot is one acre of water one foot deep, or 325,800 gallons.) A minimum flow must be released through the dam to keep a constant supply of water flowing down the Yadkin.

During 2015, Davidson Water, Inc. purchased water from the City of Winston-Salem and the City of Archdale to supplement peak usage or emergency needs. To obtain a Water Quality Report from the City of Winston-Salem or the City of Archdale, please contact the following:

City of Winston-Salem: (336) 727-8000

City of Archdale: (336) 434-7364

Important Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population. Immunocompromised persons such as those with cancer undergoing chemotherapy, those who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. The U.S. EPA/CDC (Centers for Disease Control and Prevention) guidelines on appropriate means to lessen the risk of infection by Cryptosproridium and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791 or http://water.epa.gov/drink/hotline.



PWS ID #02-29-025



2015 Annual Drinking Water Quality Report

Davidson Water, Inc., Operations and System Improvements

I am pleased to report to the membership that Davidson Water, Inc. has 60,419 total connections and 53,510 active meters. That is an increase of 519 from prior year. We added 382 new water taps in the past year. That is an increase of 60 over prior year and the highest number since 2008. Currently, we have 72 employees with one position open.

The Gregg Stabler Water Plant ran an average of 9.71 mgd with a maximum daily production of 14.71 mgd. We have maintained full compliance with all state mandated tests. Our new sludge dewatering equipment has been in full operation for almost a year and our results have exceeded expectations. We completed electrical upgrades including a new electrical switchgear and motor control center for our two large generators. Also, we completed the conversion of our original 500,000 gallon finished water tank into a Backwash Tank for more efficient handling of our filter wastewater. We are currently working on repairing a dam breach in Reservoir #1, our smallest reservoir.

Our distribution system saw upgrade and pipe relocation of 40,508' or 7.67 miles. Projects included Pleasant Acres, Lower Lake Road, Old Mill Farm Road, and Reedy Creek Church Road. In addition to these projects, we completed 5 NC DOT projects requiring line relocations and 4 different new or expanded subdivision projects. We completed a Master Plan and Hydraulic Model Study with Hazen and Sawyer Environmental Engineers. Long term, this study will give us a roadmap for system improvements through the year 2060. It helps us determine our capital improvement priorities for the near future. Our main project right now is a replacement of our Hyattown Pump Station where 70% of our daily water goes through. This pump station is receiving new more efficient pumps, new electrical equipment, larger generator and larger piping with the room to add on more. This project will replace 1970's equipment. We estimate the new station will carry us out to the year 2060.

Our meter department installed 3,953 radio read meters bringing the total number in our system to 39,274. This year we plan to be just as aggressive. These meters are very accurate, have a 10 year warranty and are the best value for the company to measure and bill for water.

Our office and customer service representatives strive to provide the best customer service possible. This is their Number 1 priority. There will always be ways to improve customer service and we are constantly looking for those best practices. Some examples of our recent improvements at our home office are the installment of new cameras for enhanced security and our IT department just completed a server upgrade that greatly improves our back-up and storage capacity. Also, we completed a GIS software upgrade that will allow customer work-order migration.

Davidson Water employees have demonstrated an admirable need to give back to the community in more ways than one. We had an increase of 9% in employee giving in our annual United Way campaign. Our employees gave and collected 4 pallets of bottle water for flooding victims in Columbia, SC. And our annual Food Drive at Christmas is always a huge success. We collected \$303 in cash and 633 lbs of food for Greater Outreach Ministry.

Our company is fortunate to have community stewards serve on our board of directors. One of those is retiring from the board. I want to recognize Rick Hunt for 24 years of service on the board. Thank you for your service.

In closing, I will emphasize our commitment to our mission of providing safe reliable water to our members at the lowest possible cost. We will continue to do that with the leadership of our board and management, the expert guidance of our professional staff, the dedication and expertise of our employees, and the support of our members. Thank you for your support.

Ron Sink, General Manager

Lead in Home Plumbing

At Davidson Water, Inc. we take several steps to safeguard our customers against undesirable water quality. In recent weeks, there has been widespread concern across our nation regarding lead in drinking water and the potential corrosiveness of drinking water. Davidson Water, Inc. does not have lead pipe service lines or distribution system lines, the water in our distribution system does not have any lead present. As a routine part our operations, water quality is tested for pH as well as orthophosphate, an additive which protects pipes against corrosion. By maintaining strict control over the pH, we can minimize any potential corrosiveness in the drinking water as a result of natural and process factors. The orthophosphate then offers an additional barrier of protection against corrosion. Davidson Water, Inc. follows state and EPA guidelines for monitoring lead in our water system. For additional information concerning lead in drinking water visit the American Water Works Association Lead Resource Community Webpage at http:// www.awwa.org/resources-tools/waterknowledge/lead.aspx or feel free to contact Davidson Water, Inc.

Important Health Iformation

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline or at www.epa. gov/safewater/lead.

E-billing

Davidson Water, Inc. offers e-billing in which invoices are delivered by email rather than by mail. This billing system is quicker, more convenient and environmental friendly. If you wish to participate in Davidson Water's online billing system, simply contact our office at 336-731-5505 and a Customer Service Representative will be glad to assist you.

Benefits of E-billing

- Fast and Convenient –Members that are signed up for e-billing will receive an email notification when their bill is available and provide a link for easy access to our website with no time delay. E-bills are available 24 hours a day, 7 days a week making it convenient to pay online with no additional charge.
- Additional Online Services and Communication – Email services allow you to receive reminders if account is overdue, and to receive notification if the account shows unusually high consumption.
- Environmental Friendly –By reducing the usage of paper you can contribute to protecting the environment.

Davidson Water, Inc. Names New Water Plant Superintendent

Davidson Water, Inc. announces Brandon Garner as new Water Plant Superintendent. Garner, a Davidson County native, graduated from South Davidson High School and University of North Carolina at Chapel Hill with a BS-Public Health, Department of Environmental Sciences & Engineering degree. Garner previously worked as Water Plant

Superintendent for Pender County Utilities and Neuse Regional Water & Sewer Authority. Garner holds many industry certifications and he is Chair of North Carolina American Water Works Association Plant Operations & Maintenance Committee. Garner will reside in the Davidson County area with his wife and one-year old daughter.



2015 Test Results

PWS ID #02-29-025

We routinely monitor for constituents in your drinking water according to Federal and State laws. The test results table shows the results of our monitoring for the period of January 1st to December 31st, 2015. In the table you might find terms and abbreviations you are not familiar with. To help you better understand these terms we've provided the following definitions:

Definitions

- Action Level (AL) the concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
- Action Level Goal (ALG) the level of a contaminant in drinking water below which there is no known or expected risk to health. ALGs allow for a margin of safety.
- Avg. Regulatory compliance with some MCLs is based on running annual average of monthly samples.
- Maximum Contaminant Level (MCL) the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology. Secondary MCLs are unenforceable guidelines for aesthetic quality of water.

Sampling Results

During the past year we have taken hundreds of water samples in order to determine the presence of any radioactive, biological, inorganic, volatile organic, or synthetic organic contaminants. The tables below show only those contaminants that were detected in the water. The state requires us to monitor for certain substances less often than once per year because the concentrations of these substances do not change frequently. In these cases, the most recent sample data are included, along with the year in which the sample was taken.

- Maximum Contaminant Level Goal (MCLG) the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.
- Maximum Residual Disinfectant Level (MRDL) the highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- Maximum Residual Disinfectant Level Goal (MRDLG) – the level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

We participated in the 3rd stage of the EPA's Unregulated Contaminant Monitoring Regulation (UCMR3) program by performing additional tests on our drinking water. UCMR3 benefits the environment and public health by providing the EPA with the data on the occurrence of contaminants suspected to be in drinking water, in order to determine if the EPA needs to introduce new regulatory standards to improve drinking water quality.

- **mrem** millirems per year (a measure of radiation absorbed by the body).
- NA not applicable.
- N no
- ND not detected.
- TT treatment technique
- NTU Nephelometric Turbidity Units.
- Parts per billion (ppb) micrograms per liter (µg/L) or one ounce in 7,800,000 gallons of water.
- Parts per million (ppm) milligrams per liter (mg/L) or one ounce in 7,800 gallons of water.
- SU standard unit

Questions About This Report

For more information about this report, or for any questions relating to your drinking water, please call Brandon Garner, Water Plant Superintendent or Craig Koonts, Assistant Water Plant Superintendent at 336-731-5585 or email waterplant@davidsonwater.com

Regulated Substances							
Substance (Unit of Measure)	Year Sampled	MCL [MRDL]	MCLG [MRDLG]	Amount Detected	Range Low-High	Violation Yes/No	Typical Source
Atrazine (ppb)	2015	3	3	Null	NA	No	Runoff from herbicide used on row crops
Chlorine (ppm)	2015	[4]	[4]	1.4	1.2-1.4	No	Water additive used to control microbes
Chlorine Dioxide (ppb)		[800]	[800]			No	Water additive used to control microbes
Chlorite (ppm)	2015	1	0.8	0.29	0-0.29	No	By-product of drinking water disinfection
Flouride (ppm)	2015	4	4	0.6	0.621-0.621	No	Erosion of natural deposits; Water additive that promotes strong teeth; Discharge from fertilizer and aluminum factories
Haloacetic Acids [HAAs]–Stage 2 (ppb)	2015	60	NA	32	13.5-56.2	No	By-product of drinking water disinfection
TTHMs [Total Trihalomethanes]–Stage 2 (ppb)	2015	80	NA	44	11.9-103	No	By-product of drinking water disinfection
Total organic Carbon [TOC] ¹	2015	TT	NA	1.1	0-1.1	No	Naturally present in the environment
Turbidity ² (NTU)	2015	TT = 1 NTU	NA	0.144	0.071-0.144	No	Soil runoff
Turbidity (Lowest monthly percent of samples meet- ing limit	2015	TT = 95% of samples <0.3 NTU	NA	100%	100%	No	Soil runoff
Chromium (ppm)	2015	0.1	0.1	Null	NA	No	Discharge from steel and pulp mills; erosion of natural deposits
Nitrate [as N] (ppm)	2015	10	10	Null	NA	No	Runoff from fertilizer use; leaching from septic tanks, sewage, erosion of natural deposits
Chloramines (ppm)	NA	4	4	NA	NA	No	Water additive used to control microbes

Lead and Copper Contaminants							
Substance (Unit of Measure)	Year Sampled	AL	MCLG	Amount Detected (90th Percentile)	# of sites found above AL	Violation Yes/No	Typical Source
Copper (ppm)	2013	1.3	1.3	0.055	0/50	No	Corrosion of household plumbing systems; erosion of natural deposits
Lead (ppb)	2013	15	0	0.003	0/50	No	Corrosion of household plumbing systems; erosion of natural deposits

Tap water samples were collected for lead and copper analyses from sample sites throughout the community.

Unregulated Contaminant monitoring Regulation 3 (UCMR3)							
Substance (Unit of Measure)	Year Sampled	Amount Detected	Range Low-High				
Strontium (ppb)	2015	47.9	46.8-47.9				
Chlorate (ppb)	2015	110	86-110				
Chromium (VI)	2015	0.05	0.04-0.05				
Vanadium (ppb)	2015	ND	ND				

Unregulated contaminants are those for which the EPA has not established drinking water standards. The purpose of unregualted contaminant moitoring is to assist the EPA in determing the occurrence of unregulated contaminants in drinking water and whether future regulation is warranted. Any unregulated contaminants detected are reported in this table. For additional information and data, visit http://www.epa.gov/safewater/ucmr/ucmr2/index.html or call the Safe Drinking Water Hotline at (800) 426-4791.

Microbiological Contaminants

Contaminant	Violation Y/N	Highest No. of Positive	Typical Source	
Total Coliform Bacteria (Presence or absence)	Ν	0	Naturally preent in the environment	
Fecal Coliform or E. Coli	Ν	0	Human and animal fecal waste	

Unregulated Secondary Contaminants

Substance (Unit of Measure)	Year Sampled	Secondary MCL	Amount Detected	Range Low- High	Typical Source
Amonia (free) (ppm)	2015	NA	NA	NA	Disinfection treatment
Manganese (ppm)	2015	0.05	Null	Null	Abundant naturally occurring element
pH	2015	6.5 - 8.5	7.71	7.71	Acidity of water
Sodium (ppm)	2015	NA	15.1	15.1	Leaching from natural deposits
Sulfate (ppm)	2015	250	22.8	22.8	Leaching from natural deposits



Annual Meeting

Davidson Water, Inc.'s annual meeting is held on the second Monday in March. A notice with a proxy statement is mailed 2 months prior to the meeting. The annual meeting this year was held March 14, 2016 at the Mary E. Rittling Conference Center on the campus of Davidson County Community College. President Lee Comer presided. Ben Hege, Secretary read the minutes from 2015 meeting. Craig Adcock from Turlington & Company went over the financial statements and year-end audit. Mr. Adcock stated the company was in sound financial shape. Ron Sink, General Manager, reported on operations and maintenance of the water system along with capital improvements to the system.

The following were elected to serve three-year terms on the Board of Directors of Davidson Water, Inc.:

Kent Phillips Zone 1; Chad Young Zone 2; Theresa Matthews Zone 3; Dow Craver Zone 4; James Louya At Large

Source Water Assessment

The North Carolina Department of Environment and Natural Resources, Public Water Supply Section, Source Water Assessment Program (SWAP) has assessed all water sources cross North Carolina. The assessments determined the susceptibility of each drinking water source to potential contaminants.

It is important to understand that a susceptibility rating of high does not imply poor water quality. Susceptibility is an indication of a water supply's potential to be contaminated by the identified Potential Contaminant Sources (PCS's) within the assessment area.

The assessment finds are summarized in the table below:

Source	Inherent Vulnerability	Contaminant Rating	Susceptibility Rating
Yadkin River	High	Moderate	High

The complete SWAP Assessment Report for Davidson Water, Inc., Public Water Source ID No. 0229025 may be viewed on the Web at http://swap.ncwater.org/website/swap/GetPWSNameForm.asp. Enter "Davidson Water Inc." when asked to enter the Public Water Supply system name, and then click Get Report.