

Your Annual Water Report

We are pleased to present to you the 2015 Annual Drinking Water Quality Report. This report is a snapshot of last year's water quality. Included are details about from where your water comes, what it contains, and how it compares to standards set by regulatory agencies. We want you to understand the efforts we make to continually improve the water treatment process and protect our water resources. We are committed to ensuring the quality of your water and to providing you with this information, because informed customers are our best allies.

When You Turn on Your Tap, Consider the Source

Your water comes from several wells located in New Hanover County which draw water from Castle Hayne aquifer. An aquifer is a geological formation that contains water.

Water Conservation

Please be reminded that all our water systems in North Carolina are always in some stage of either voluntary or mandatory water conservation restriction. These restrictions may vary weekly due to drought conditions and are dictated by a system established by the North Carolina Utilities Commission in an order dated May 23, 2008. The customers are encouraged to keep informed of current restrictions by checking the Commission's web page at www.ncuc.commerce.state.nc.us/ and clicking on the "Drought! Non-essential water usage restrictions" in the right hand margin or if you do not have access to a computer by calling the customer service number shown on this report.



Help put a stop to the more than **1 trillion gallons of water lost annually** due to household leaks. These easy-to-fix leaks waste the average family the amount of water used to fill a backyard swimming pool each year.

Plumbing leaks can run up your family's water bill an extra 10 percent plus, but chasing down these water- and money-wasting culprits is as easy as 1—2—3. Simply check, twist, and replace your way to fewer leaks and more water savings:

- **Check** for silent leaks in the toilet with a few drops of food coloring in the tank, and check your sprinkler system for winter damage.
- **Twist** faucet valves; tighten pipe connections; and secure your hose to the spigot. For additional savings, twist a WaterSense labeled aerator onto each bathroom faucet to save water without noticing a difference in flow. They can save a household more than 500 gallons each year—equivalent to the amount water used to shower 180 times!
- **Replace** old plumbing fixtures and irrigation controllers that are wasting water with WaterSense labeled models that are independently certified to use 20 percent less water and perform well.

Message From Matt Klein, President

Dear CWS Systems, Inc. Customers,

I am pleased to share your Annual Water Report for 2015. As the local President of your community water utility, this direct communication is part of our continuing effort to emphasize to our customers that we understand "water is local." And I'm also pleased to confirm that we now provide you with customer service personnel dedicated to your area.

Our team is committed to providing safe, reliable and cost effective service to our customers. All of our employees share in our commitment to act with integrity, protect the environment, and enhance the local community.

We are proud to share this report which is based on water quality testing through December 2015. You will find that we supply water that meets or exceeds all federal and state water quality regulations.

These results don't happen by chance. Our dedicated local team of water quality experts is working in the community everyday ensuring that you, our customer, are our top priority and providing the highest quality drinking water and service - now and in the years to come.

Best regards,



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The Safe Drinking Water Act was passed in 1974 due to congressional concerns about organic chemical contaminants in drinking water and the inefficient manner by which states supervised and monitored drinking water supplies. Congress' aim was to assure that all citizens served by public water systems would be provided high quality water. As a result, the EPA set enforceable standards for health-related drinking water contaminants. The Act also established programs to protect underground sources of drinking water from contamination.

EPA Wants You To Know:

The sources 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 and, in some cases, radioactive material, and may pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- (i) Microbial contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- (ii) Inorganic contaminants, such as salts and metals, that may be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- (iii) Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- (iv) 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.
- (v) Radioactive contaminants, which may be naturally-occurring or be the result of oil and gas production and mining activities.

To ensure that tap water is safe to drink, U.S. EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. U.S. FDA regulations establish limits for contaminants in bottled water that shall provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects may be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 800-426-4791.

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 (800-426-4791).

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. CWS Systems, Inc. is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

The Environmental Protection Agency requires monitoring of over 80 drinking water contaminants. Those contaminants listed in the tables below are the only contaminants detected in your drinking water.

Este informe contiene información muy importante sobre su agua beber. Tradúzcalo ó hable con alguien que lo entienda bien.



We ask that all our customers help us protect our water sources which are the heart of our community, our way of life and our children's future.

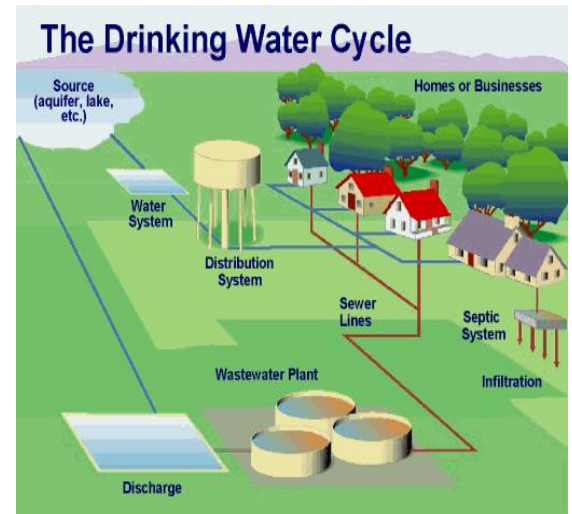
Drain Disposal Information: Sewer overflows and backups can cause health hazards, damage home interiors, and threaten the environment. A common cause is sewer pipes blocked by grease, which gets into the sewer from household drains. Grease sticks to the insides of pipes. Over time, the grease can build up and block the entire pipe. Help solve the grease problem by keeping this material out of the sewer system in the first place:

- Never pour grease down sink drains or into toilets. Scrape grease into a can or trash.
- Put strainers in sink drains to catch food scraps/solids for disposal.

Prescription Medication and Hazardous Waste - Household products such as paints, cleaners, oils, and pesticides, are considered to be household hazardous waste. Prescription and over-the-counter drugs poured down the sink or flushed down the toilet can pass through the wastewater treatment system and enter rivers and lakes (or leach into the ground and seep into groundwater in a septic system). Follow the directions for proper disposal procedures.

Don't flush hazardous waste or prescription and over-the-counter drugs down the toilet or drain. They may flow downstream to serve as sources for community drinking water supplies. Many communities offer a variety of options for conveniently and safely managing these items. For more information, visit the EPA website at:

<http://www.epa.gov/epawaste/conservematerials/hhw.htm>



Understanding This Report:

In order to help you understand this report, we want you to understand a few terms and abbreviations that are contained in it.

- Action level (AL) - action level is the concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
- Maximum contaminant level (MCL) - The maximum contaminant level is the highest level of a contaminant that is allowed in drinking water. MCL's are set as close to the MCLG's as feasible using the best available treatment technology.
- Maximum contaminant level goal (MCLG) - The "goal" is the level of a contaminant in drinking water below which there is no known or expected health risk. MCLG's allow for a margin of safety.
- Maximum Residual Disinfectant Level (MRDL): The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- Maximum Residual Disinfectant 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 contamination.
- Locational Running Annual Average (LRAA) – The average of sample analytical results for samples taken at a particular monitoring location during the previous four calendar quarters under the Stage 2 Disinfectants and Disinfection Byproducts Rule.
- mrem/year - millirems per year (a measure of radiation absorbed by the body)
- Non-Detects (ND) – laboratory analysis indicates that the constituent is not present.
- Not-Applicable (N/A) – Information not applicable/not required for that particular water system or for that particular Rule.
- Parts per million (ppm) or milligrams per liter (mg/l) - one part per million corresponds to one minute in two years or a single penny in \$10,000.
- Parts per billion (ppb) or micrograms per liter (ug/l) - one part per billion corresponds to one minute in 2,000 years or a single penny in \$10,000,000.
- Picocuries per liter (pCi/L) – picocuries per liter is a measure of the radioactivity in water.
- Running Annual Average (RAA) – Average of four consecutive quarters of sample analytical results used to determine compliance.
- Treatment Technique (TT) - A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.
- Avg - Regulatory compliance with some MCLs is based on running annual average of monthly samples.

We routinely monitor for over 150 contaminants in your drinking water according to Federal and State laws. The table below lists all the drinking water contaminants that we detected in the last round of sampling for the particular contaminant group. The presence of contaminants does not necessarily indicate that water poses a health risk. **Unless otherwise noted, the data presented in this table is from testing done January 1 through December 31, 2015.** The EPA or the State requires us to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of the data, though representative of the water quality, is more than one year old.

If You Have Questions Or Want To Get Involved?

CWS Systems, Inc. does not hold regular public meetings. If you have any questions about this report or would like a company representative to attend an upcoming homeowners association meeting, please contact Customer Service at 1-800-525-7990.

Source Water Assessment Program (SWAP) Results

The North Carolina Department of Environment and Natural Resources (DENR), Public Water Supply (PWS) Section, Source Water Assessment Program (SWAP) conducted assessments for all drinking water sources across North Carolina. The purpose of the assessments was to determine the susceptibility of each drinking water source (well or surface water intake) to Potential Contaminant Sources (PCSs). The results of the assessment are available in SWAP Assessment Reports that include maps, background information and a relative susceptibility rating of Higher, Moderate or Lower.

The relative susceptibility rating of each source for Treasure Cove was determined by combining the contaminant rating (number and location of PCS's within the assessment area) and the inherent vulnerability rating (i.e., characteristics or existing conditions of the well or watershed and its delineated assessment area.). The assessment findings are summarized in the table below:

Susceptibility of Sources to Potential Contaminant Sources (PCS's)

Source Name	Susceptibility Rating	SWAP Report Date
Well #1	Moderate	July 11, 2015
Well #2	Lower	July 11, 2015

The complete SWAP Assessment report for Treasure Cove may be viewed on the Web at: www.ncwater.org/pws/swap. Please note that because SWAP results and reports are periodically updated by the PWS Section, the results available on this web site may differ from the results that were available at the time this CCR was prepared. To obtain a printed copy of this report, please mail a written request to: Source Water Assessment Program – Report Request, 1634 Mail Service Center, Raleigh NC 27699-1634, or email request to swap@ncdenr.gov. Please indicate your system name, PWSID, and provide your name, mailing address and phone number. If you have any questions about the SWAP report please contact the Source Water Assessment staff by phone at 919-707-9098.

It is important to understand that a susceptibility rating of "higher" does not imply poor water quality, only the systems' potential to become contaminated by PCS's in the assessment area.

Nitrate/Nitrite Contaminants

Contaminant (units)	MCL Violation Y/N	Your Water	Range		MCLG	MCL	Likely Source of Contamination
			Low	High			
Nitrate (as Nitrogen) (ppm) Sampled 2015	N	3.14	2.78	3.14	10	10	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits

Lead and Copper Contaminants

Contaminant (units)	Sample Date	Your Water	# of sites found above the AL	MCLG	MCL	Likely Source of Contamination
Copper (ppm) (90 th percentile)	7/14	0.067	0	1.3	AL=1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives

Disinfectants and Disinfection Byproducts Contaminants

Contaminant (units)	MCL/MRDL Violation Y/N	Your Water (AVG)	Range Low High	MCLG	MCL	Likely Source of Contamination
Chlorine (ppm) Sampled 2015	N	0.93	0.8 - 1.1	MRDLG = 4	MRDL = 4	Water additive used to control microbes

The PWS Section requires monitoring for other misc. contaminants, some for which the EPA has set national secondary drinking water standards (SMCLs) because they may cause cosmetic effects or aesthetic effects (such as taste, odor, and/or color) in drinking water. The contaminants with SMCLs normally do not have any health effects and normally do not affect the safety of your water.

Other Miscellaneous Water Characteristics Contaminants

Contaminant (units)	Sample Date	Your Water	Range Low High	Secondary MCL
Sodium (ppm)	11/2015	18.94	14.26 - 18.94	N/A
Sulfate (ppm)	11/2015	19.90	16.80 - 19.90	250