



2001
WATER
QUALITY
REPORT



Davidson Water,
Inc.

Our Mark of Excellence

We are once again proud to present to you our annual water quality report. Over the years, we have dedicated ourselves to producing drinking water that meets or exceeds all state and federal drinking water standards. We continually strive to adopt new and better methods of delivering the best quality drinking water to you. As regulations and drinking water standards change, it is our commitment to you to incorporate these changes system-wide in a timely and cost-effective manner.



As new challenges to drinking water safety emerge, we will be vigilant in maintaining our objective of providing quality drinking water at an affordable price. If you have any health concerns relating to the information in this report, we encourage you to contact your health care provider.

For more information about this report, or for any questions relating to your drinking water, please call Ron Farnsworth, Plant Superintendent, or Tim Gwaltney at (336) 787-5800 or e-mail waterplant@davidsonwater.com.

What's Inside?

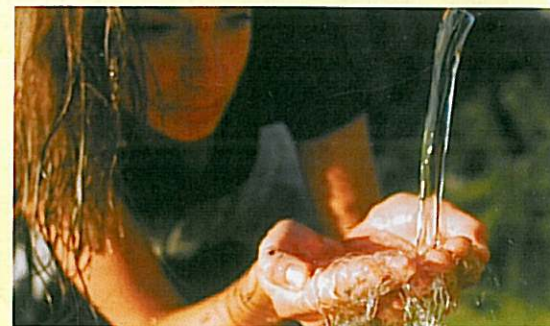
This report outlines the processes involved in delivering to you the highest quality drinking water available. In it, we will answer these important questions:

- Where does my water come from?
- What is in my drinking water?

We will also provide information on other available resources that will answer questions about water quality and health effects.

Where Does My Water Come From?

Davidson Water, Inc.'s water plant is located on Koontz Road near Hwy 64 West. 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 Hwy 321, and then along state road 268, deepening as other tributaries feed into the Yadkin. The Yadkin then feeds into 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. It has 125 miles of shoreline and 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. We are fortunate that we have a good quality, abundant water source and that we have not had to impose water restrictions on our customers due to a lack of supply from the Yadkin River.



Our Commitment to You

Davidson Water, Inc. is continually striving to meet the needs of our membership. We started off in 1969 with 2,800 connections and this year we installed our 50,000th water tap. In 2001, we were also busy with normal operations, repairing 550 service leaks, 495 main line leaks, moving 325 meters, repairing 98 hydrants and making 1,210 water taps. The new 1/2 million gallon water tank on Hwy 8 in Southmont has been completed and is in service. Our transmission line project for fiscal year 2001-2002 is now over 90% complete and engineering for additional transmission water line improvements for fiscal year 2002-2003 are underway. Upgrades of the Holly Grove and Kennedy pump stations may start this year. We are continuing to replace defective service lines with copper using the settlement money we received. An additional 12 acres has been purchased at our water plant on Koontz Road. Based on historical records, additional capacity will be needed at our plant by 2010, which means permitting and plans need to be started soon.

Our Annual Drinking Water Quality Report and our Annual Wastewater Report showed no violations.

Davidson Water, Inc. has again this year awarded four \$500 scholarships. The scholarships are awarded to

deserving high school seniors who plan to enter a four-year degree program. The applicant or the applicant's spouse, parent or guardian must be a member of Davidson Water, Inc. (all customers of Davidson Water, Inc. are members). For more information on our scholarship program see your high school guidance counselor or visit our website at www.davidsonwater.com.

We successfully completed a self-assessment and peer review sponsored by the American Water Works Association and the Water Environment Federation called QualServe. Only 95 water systems throughout the US and Canada have accomplished this. We hope to use this to make Davidson Water, Inc. the best it can be.

We are proud of our employees at Davidson Water, Inc., their work ethics, their respect for you our customers, their effort to continually improve and their deep feelings for community. We received two plaques that were well deserved by our employees, the QualServe plaque and the United Way plaque. The QualServe plaque acknowledges our employees' desire for continual improvement in the water industry and the United Way plaque acknowledges their commitment to our community.

What's in My Water?

We are pleased to report that during the past year the water delivered to your home or business complied with, or did better than, all state and federal drinking water requirements. For your information, we have compiled a list in the table below showing what substances were detected in our drinking water during 2001. Although all of the substances listed below are under the Maximum Contaminant Level (MCL) set by the U.S. EPA, we feel it is important that you know exactly what was detected and how much of the substance was present in the water. The state requires us to monitor for certain substances less 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.



Table Definitions

AL (Action Level): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

MCL (Maximum Contaminant Level): 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.

MCLG (Maximum Contaminant Level Goal): 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.

NTU (Nephelometric Turbidity Units): Measurement of the clarity, or turbidity, of water.

pCi/L (picocuries per liter): Measurement of the natural rate of disintegration.

ppb (parts per billion): One part substance per billion parts water (or micrograms per liter).

ppm (parts per million): One part substance per million parts water (or milligrams per liter).

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

REGULATED SUBSTANCES

SUBSTANCE (UNITS)	YEAR SAMPLED	MCL	MCLG	AMOUNT DETECTED	RANGE (LOW-HIGH)	VIOLATION	TYPICAL SOURCE
Alpha emitters (pCi/L)	1999	15	0	1	NA	No	Erosion of natural deposits
Barium (ppm)	2001	2	2	0.016	NA	No	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits
Beta/photon emitters (pCi/L) ¹	1999	50	0	1.02	NA	No	Decay of natural and man-made deposits
Fluoride (ppm)	2001	4	4	1.02	NA	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories
Nitrate (ppm)	2001	10	10	0.67	NA	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits
TTHMs [Total Trihalomethanes] (ppb)	2001	100	0	62.225	37.4-89.1	No	By-product of drinking water chlorination
Turbidity (NTU) ²	2001	TT	NA	0.06	0.04-0.10	No	Soil runoff

Tap water samples were collected for lead and copper analyses from 30 homes in the service area

SUBSTANCE (UNITS)	YEAR SAMPLED	AL	MCLG	AMOUNT DETECTED (90th%tile)	HOMES ABOVE AL	VIOLATION	TYPICAL SOURCE
Copper (ppm)	2001	1.3	1.3	0.249	0	No	Corrosion of household plumbing systems; Erosion of natural deposits; Leaching from wood preservatives
Lead (ppb)	2001	15	0	5	0	No	Corrosion of household plumbing systems; Erosion of natural deposits

UNREGULATED SUBSTANCES

SUBSTANCE (UNITS)	YEAR SAMPLED	AMOUNT DETECTED	RANGE LOW-HIGH	TYPICAL SOURCE
Haloacetic Acids [HAAs] (ppb)	2001	74.025	55.6-95.3	By-product of drinking water disinfection

Water Conservation Tips

Water conservation measures are an important first step in protecting our water supply. Such measures not only save the supply

¹The MCL for Beta/photon emitters is written as 4 mrem/year. The U.S. EPA considers 50 pCi/L as the level of concern for beta emitters.

*Turbidity is a measure of the cloudiness of the water. We monitor it because it is a good indicator of the effectiveness of our filtration system. During the reporting year, 100% of all samples taken to measure turbidity met water quality standards.

Substances Expected to be in Drinking Water

To ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (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, which must 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 these contaminants does not necessarily indicate that the water poses a health risk.

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 can acquire 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 byproducts of industrial processes and petroleum production, and may also come from gas stations, urban stormwater runoff, and septic systems;

Radioactive Contaminants, 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.



Lead in Drinking Water

Lead is a naturally occurring element in our environment. Consequently, our water supply is expected to contain small, undetectable amounts of lead. However, most of the lead in household water usually comes from the plumbing in your own home, not from the local water supply. The U.S. EPA estimates that more than 40 million U.S. residents use water that can contain lead in excess of the U.S. EPA's Action Level of 15 parts per billion. Lead in drinking water is a concern because young children, infants and fetuses appear to be particularly vulnerable to lead poisoning. A dose that would have little effect on an adult can have a big effect on a small body. On average, it is estimated that lead in drinking water contributes between 10 and 20 percent of total lead exposure in young children. All kinds of water, however, may have high levels of lead. We maintain our drinking water supply at an optimum pH and mineral content level to help prevent corrosion in your home's pipes. To reduce lead levels in your drinking water you should flush your cold-water pipes by running the water until it becomes as cold as it will get (anywhere from five seconds to two minutes or longer) and use only water from the cold-water tap for drinking, cooking, and especially for making baby formula. Hot water is likely to contain higher levels of lead.

For more information, please contact National Lead Information Center (800) LEAD-FYI and the Safe Drinking Water Hotline (800) 426-4791.

of our source water, but can also save you money by reducing your water bill. Here are a few suggestions:

Conservation measures you can use inside your home include:

- Fix leaking faucets, pipes, and toilets;
- Replace old fixtures; install water-saving devices in faucets, toilets and appliances;
- Wash only full loads of laundry;
- Do not use the toilet for trash disposal;
- Take shorter showers;
- Do not let the water run while shaving or brushing teeth;
- Soak dishes before washing;
- Run the dishwasher only when full.

You can conserve outdoors as well:

- Water the lawn and garden in the early morning or evening;
- Use mulch around plants and shrubs;
- Repair leaks in faucets and hoses;
- Use water-saving nozzles;
- Use water from a bucket to wash your car, and save the hose for rinsing.

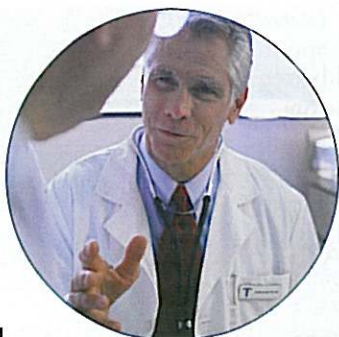


Information on the Internet

The U.S. EPA Office of Water (www.epa.gov/watrhome) and the Centers for Disease Control and Prevention (www.cdc.gov) web sites provide a substantial amount of information on many issues relating to water resources, water conservation and public health. A copy of this report and other information about our water system is available on our website (www.davidsonwater.com).

Special Health Information

Some people may be more vulnerable to contaminants in drinking water than the general population.



Immunocompromised 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 may be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC (Centers for Disease Control and Prevention) 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.

Community Participation

If you want to learn more, please attend any of our regularly scheduled meetings by appointment. They are held the fourth Monday of each month at 7:30 p.m. at our Operations Facility, 7040 Old US Hwy 52, Welcome. We also hold an annual meeting on the second Monday in March at either Lexington or Thomasville Court House. A notice is mailed immediately prior to the annual meeting.

Got Questions?

**Call the U.S. EPA's Safe
Drinking Water Hotline
at 1-800-426-4791**