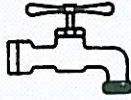


# DAVIDSON WATER, INC.

Welcome, N.C.

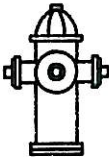


December 1990

*The Nation's Largest Rural Water System*

*Davidson Water, Inc. will publish periodically a newsletter to keep our members informed about our industry. We will include information concerning new legislation, the Safe Drinking Water Act, water conservation tips, winter freeze problems, high peak demands during summer months, new construction needs, the importance of water storage tanks, annual meeting notices and other items that affect our customers. Newsletters will be published three times a year; spring, fall, and winter. This issue features the history of Davidson Water, Inc. I hope you will find it informative.*

*Gregg Stabler, Manager  
Davidson Water, Inc.*



Since 1969



In the spring of 1965, a group of concerned citizens comprised of C. Boyce Sink, Harold Lanier, Howard Craver, Luther Berrier, and Robert Ripple met at the home of C. Boyce Sink to discuss incorporation of Welcome. Instead of incorporation the group determined that a safe dependable water system was needed not only for Welcome, but also for northern Davidson County. They decided to hold a public meeting at Welcome Elementary School. Speakers from the Institute of Government and the mayor of Lexington spoke to the group and reaffirmed the need and benefits of a water system. A small group of those present continued to meet in an effort to find a way to construct a water system.

In 1966, the group learned that Farmers Home Administration would loan a private nonprofit corporation sufficient funds to construct a water system, if the corporation could show the need for such a system. Clyde Pickle, Farmers Home Administration's local representative, was instrumental in helping to obtain the needed funds. Farmers Home Administration would require an engineer to show the feasibility of the project. Could enough wells be dug to supply the needed water? What size lines would be large enough, and what type of treatment would the water need? These questions needed to be answered. The group retained Campbell Wallace Consulting Engineers of Knoxville, Tennessee to prepare

plans for the needed water system. Campbell Wallace prepared a plan showing that water could be taken from the Yadkin River and pumped into a man-made lake to allow mud to settle out. Then the water would be pumped into settling basins and flocculators, where chemicals could be added to help filter the water and prevent bacterial growth. Fluoride could be added to help prevent tooth decay. After the water traveled through the settling basins, it would go through dual media filters. These filters consist of layers of coal, sand and rocks. The water would then go to a clear well where it would be pumped out through a network of waterlines, with additional pump stations and elevated tanks used for storage and pressurizing. The water plant would also have a certified lab to insure safe water. The proposed facility would need over 3,000 customers to justify its existence.

In 1966, the people of northern Davidson County, acting individually through civic clubs, volunteer fire departments and church related organizations, worked to have proposed water users sign contracts to show Farmers Home Administration that the water system was needed, and that the people of this area would make the system a real success.

On March 1, 1967, North Davidson Water, Inc., a nonprofit corporation, was chartered to construct and operate the proposed water system. A board of directors was elected and consisted of many members of the original group that met in 1965. The first board consisted of C. Boyce Sink, Robert L. Ripple, Dr. W.B. Butler, Howard Craver, L.H. Berrier, Jr., James A. Craver, Gene Essick, Ralph A. Kimel, Jasper Younts, Joseph M. Meredith and Carl W. Price, Sr. C. Boyce Sink was elected president. James A. Craver was elected vice president. Robert L. Ripple was elected secretary, and Ralph A. Kimel was elected treasurer. The Farmers Home Administration loaned the newly formed corporation \$3,680,000. Construction began on the water system in 1967. Robert Hedrick was hired as the corporation's attorney, and Turlington and Company was hired as the corporation's accountant. Both were very important in the initial establishment of the corporation. Carl W. Price, Sr. and Jasper Younts resigned as directors. On August 4, 1969, Dr. E.H. Reich and Owen T. Horton, Sr. were elected as directors. Jasper Younts was employed as general manager for the water system which was operated by the corporation. The first annual meeting of the members of North Davidson Water, Inc. was held at North Davidson Senior High School on March 24, 1970, several months after the contractors had completed the system. The following directors were elected at the annual meeting: C. Boyce Sink, Robert L. Ripple, Wilbert E. Ball, Ellis Ray Myers, James Benfield, Ralph A. Kimel, Rex Roberson, James A. Craver, Dr. E.H. Reich, Dr. W.B. Butler and Foy Young. In 1969 the water system began to serve almost 3,000 customers. Other areas in the county already were wanting water service. Farmers Home Administration had a limit of four million dollars that it would loan to one entity. Therefore, North Davidson Water was limited in its ability to expand, but it could sell water and provide management and maintenance to other nonprofit systems.

On November 20, 1968, the people of West Davidson formed a corporation and elected a board of directors which consisted of Cliff Fitzgerald, Hugh H. Sheppard, Sidney Lyle, C.W. Long, Jewell Peck, and R.V. Potter, Sr. The West Davidson Water System obtained a loan from Farmers Home Administration in the amount of \$3,000,000. and contracted with North Davidson Water, Inc. to buy water and services. The waterlines installed by West Davidson Water, Inc. could serve approximately 2,840 customers.

Soon to follow West Davidson was Wallburg Water, Inc. on January 16, 1969. The Farmers Home Administration loaned Wallburg Water, Inc. \$1,200,000. to serve 1,020 customers. Wallburg's board of directors consisted of Jack Hoots, Poe Jilcott, and C.V. Teague.

Hasty Water, Inc. was chartered on February 17, 1969 to install lines to serve 1,250 customers. The Hasty area elected Robert Blair, Jr., Rev. Linwood Hubbard, Lonnie Fitzgerald, Woodrow Simerson, Harold Petty, Guy Braswell and Y.A. Wright to serve on their board. Farmers Home Administration loaned Hasty Water, Inc. \$1,250,000.

On May 10, 1969, East Central Water, Inc. was organized and installed waterlines to serve 3,050 users. As always, the Farmers Home Administration saw the needs of the people of Davidson County and the willingness of the people to make the water system a success. FHA loaned the corporation \$2,860,000. The first board of directors for East Central Water, Inc. included Rex Gallimore, N. Douglas Taylor, Ralph W. Burkhart, Chleo L. Fritts, Franklin M. Swing, Therrell J. Grimes, Carlie F. Beck, Howard B. Green and D. Leon Rickard.

North Davidson Water, Inc. supplied water, maintenance and management to each system. In 1973 the law was changed which limited the amount of funding Farmers Home Administration could loan to one entity. This allowed the five systems to consolidate in October 1973 and form Davidson Water, Inc. The new corporation's board was comprised of three members from each of the five previous systems. The new members were C. Boyce Sink, Jack Hoots, Thad Hartley, Linwood L. Hubbard, Ralph W. Burkhart, Franklin M. Swing, Therrell J. Grimes, Harold M. Petty, Lonnie M. Fitzgerald, C.P. Jilcott, Fred H. Craver, Robert L. Ripple, Owen T. Horton, H. Banks Sharpe, and R.V. Potter, Sr. These board members, along with past board members and many others, have given many hours of their time, free of charge, to make a dream become a reality.

Today there are three intake stations on the Yadkin River. One is a screw pump which extends downward into the river and pulls water up into a trough which leads to the lakes. The three intake stations have a total pumping capacity of 23 million gallons a day. The intake stations pump water into two connecting lakes which hold approximately 15 million gallons of water. If spills occur, intake pumps may be turned off and the lakes used until there is no longer a threat of contamination. Three raw water pump stations pump water out of the lakes to the flocculators and settling basins. They can pump 24 million gallons per day. Settling basins have tube settlers that take additional turbidity out of the water. Settling basins are designed to handle as much as 20 million gallons of water a day. Each of twelve dual media filters is capable of filtering 1 million gallons of water a day. More filters can be added to increase capacity.

Davidson Water is constantly planning and building for the future needs of its members. Workers have begun laying larger distribution lines which will reach into all parts of the system. Three more water tanks are planned for the future. A generator for emergency use will be installed at the water plant. A new telemetering system, operating off of radio signals, has been installed to identify the status of tank levels and pump stations. Problems are more quickly identified and pinpointed within the county area. Currently, workers are in the process of installing a mapping system of waterlines to indicate valve locations, hydrant locations and pressure, meter locations and other valuable information. Phone calls after office hours are automatically transferred to the water plant, which is staffed 24 hours a day. Current emergency connections link Davidson Water with Winston-Salem, Thomasville, Lexington, and the Handy sanitary districts.

In 1988 and 1989 Farmers Home Association offered a discount on all previous loans, if the borrower could refinance the loans. Davidson Water, Inc. paid off over \$23,000,000. in Farmers Home Administration loans, which will eventually save the company \$9,000,000. in principal and additional dollars in interest. The new loan can be paid off in 15 years as opposed to 30 years. The initial benefits of refinancing during the first 15 years are slight, but the long-term benefits for members will be significant.

Davidson Water, Inc. was instrumental in starting the North Carolina Rural Water Association and was one of the eight charter members of the National Rural Water Association. Past manager, J.A. Younts, served on both boards and was president of both organizations.

A small group of men, just over 20 years ago, took the first steps in forming a water system that has become the largest rural, Farmers Home Administration sponsored, privately owned and financed water system in the world.