

# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

BY EMAIL

August 22, 2018

Mr. Fred Sororian  
Thomas & Hutton  
50 Park of Commerce Way  
Savannah, GA 31405

Re: "Operations and Maintenance" Letter  
36 & 46 Driftwood Cottage Ln

Mr. Sororian,

In Response to your request, DIUC is providing this letter in regards to the plans for construction of new water and sewer facilities, to serve 36 & 46 Driftwood Cottage Ln.

DIUC has reviewed the previously submitted plans. If the facilities are constructed as designed, DIUC will operate and maintain the facilities according to current operating requirements. According to the plans, the new facilities will be within the Utilities service area and its capacity to serve. Upon completion DIUC will inspect the new facilities.

This letter is not an approval of any completed construction and cannot supersede any previously signed agreements or state regulatory requirements. All construction must adhere to permitted requirements, which must be disclosed to DIUC.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

# Daufuskie Island Utility Company, Inc.

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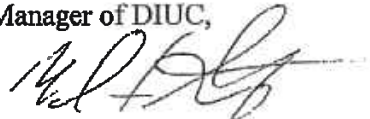
Re: "Willingness and Ability" to Serve Letter  
36 & 46 Driftwood Cottage Ln

Mr. Sororian,

In Response to your request, DIUC has reviewed previously submitted plans for new water and sewer facilities, to serve the customers at 36 & 46 Driftwood Cottage Ln. According to the plans provided, the new facilities will be within DIUC's current service area and capacity.

DIUC is willing and able to provide services according to the proposed plans. If the project design changes, this letter is void and a new "Willingness and Ability" to serve letter must be issued. This letter does not qualify as an approval of newly constructed facilities and can not supersede any state regulatory requirements and/or previously signed agreements.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

## Request for Periodic Payment

3-Final

PINCO

OWNER: Halwig &amp; Noller

PROJECT: Melrose - Driftwood Cottage Lane Water  
and Sewer Relocation

DATE: 09/28/18

Period Thru: August 28, 2018

## ANALYSIS OF PAYMENT ESTIMATE

SCHEDULE OF PREVIOUS PAY REQUESTs		
NO.	DATE	AMOUNT
01	12/22/2017	42,532.20
02	8/10/2018	29,111.98
TOTAL		71,644.18

ITEM	AMOUNT
A. ORIGINAL CONTRACT SUM	\$ 65,349.00
B. Net Change by Change Orders	\$ 11,138.72
C. CONTRACT SUM TO DATE	\$ 76,487.72

(1) Original Contract Work Completed	65,350.00
(2) Change Order Work (Included in this Pay Request)	10,655.00
(3) Total Work Completed to Date (less Summary CO) 99.4%	76,005.00
(4) Materials Stored	0.00
(5) Total Work Completed and Materials Stored	76,005.00
(6) Less Retainage	0.00
(7) Cumulative Payment Due	76,005.00
(8) Less Previous Pay Requests	71,644.18
(9) Balance Due This FINAL Pay Request	4,360.82

I certify that to the best of my knowledge and belief all items and amounts herein are correct; that all work has been performed and/or material supplied in conformance with the contract, and that the balance due is appropriate for payment.

CONTRACTOR: PINCO

BY: 

DATE: 10/4/2018

APPROVED BY:

BY: \_\_\_\_\_

## B. SCHEDULE OF CONTRACT CHANGE ORDERS

CHANGE ORDER		DESCRIPTION	MODIFICATIONS TO ORIGINAL CONTRACT PRICE		FROM ORIGINAL CONTRACT
NO.	DATE		TOTAL CHANGE COST OF WORK		PRICE
1		ReMobilize and ....	10,655		\$10,655.00
2		Summary CO Paid directly to PINCO not paid thru the trust account nor included in these apy requests	483.72		\$483.72
TOTALS					\$11,138.72

## Supplemental Schedule

PINCO

Period Thru: August 28, 2018

Melrose, 35 &amp; 46 Driftwood Cottage Lane

Pay Request No. 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.56	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2 Grinder Stations Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Connect 2 grinder station to lateral	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water-Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing WtrMain	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,806.68	0	\$ 65,350.00	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re_connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ 10,655.00	100.00%
						\$ -		\$ -	0	\$ 76,005.00	
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ 76,488.72	

# THOMAS & HUTTON

50 PARK OF COMMERCE WAY | SAVANNAH, GA 31405  
912.234.5300 | WWW.THOMASANDHUTTON.COM

August 30, 2018

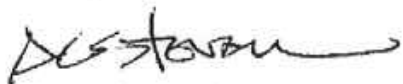
Stephanie White  
DHEC, Bureau of Water  
2600 Bull Street  
Columbia, SC 29201

Re: Daufuskie Island – Melrose – Driftwood Lane  
Water and Sewer Relocations  
Permit Number:  
Wastewater System: 41282-WW  
Water System: 32996-WS

To Whom It May Concern:

We have reviewed the Daufuskie Island – Melrose – Driftwood Lane Water and Sewer Relocations construction. It is complete and in general accordance with the approved plans and specifications based upon periodic site visits and final review to the best of my knowledge, information, and belief.

Sincerely,



Allen Christopher Stovall, PE

NOTICE OF FINAL ACCEPTANCE

**CONTRACTOR** Pinholster Construction, LLC dba PINCO

**PROJECT:** Daufuskie Island - Melrose - Dirftwood Lane Water and Sewer Relocation

**OWNER:** Stephen A. Noller and Beverly P. Noller, and Dr. John M. Halwig and Nancy D. Halwig

**PROJECT NO.:**

**ENGINEER:** Thomas and Hutton

**DATE:** September 28, 2018

Gentlemen:

Based upon our final inspection of the work, we have found the work performed to be complete and in conformance with the contract documents. Therefore, the OWNER and END USER hereby accepts the work performed and responsibility for regular maintenance of same. This acceptance does not in any way relieve you, as the contractor, of any special maintenance requirements or guarantees as stipulated in the contract documents. You are also hereby informed that the 12-month warranty period as stipulated in the contract shall expire at 11:59 p.m., 08/23/19 except for those items previously completed and accepted as enumerated any earlier dated substantial completion notices.



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Project Engineer

## ARTICLE 1

### CREATION AND GRANT OF EASEMENTS

## ARTICLE 2

### MISCELLANEOUS PROVISIONS

Complainants 00137



played past the Utility Easement Area and shall be completed prior to the start of play the following day. Normal routine maintenance shall be scheduled to occur during non-peak golf season, which is June 1 through September 1. Normal routine maintenance shall be initiated only after written notification to the Grantor or its designee five (5) business days prior to the proposed repair, shall occur only during week days, beginning after the last golfers have played past the Utility Easement Area and shall be completed prior to the start of play the following day. Emergency repair service activities may be initiated immediately upon written notice to the Grantor or its designee.

Written notice to the Grantor shall be provided via overnight delivery and email to:

Address for Overnight Delivery: REDFISH HOLDINGS, LLC  
c/o LVH Partners, LLC  
1535 Elston Avenue, Chicago IL 60642-2421,  
ATTN: Arie Zoller  
Email: zoller@lvhpartners.com

In the event the Grantor wishes Grantee to provide written notice to a designee of Grantor or to Grantor and one additional party, grantor may so designate by providing written notice of the same via overnight delivery and email to:

Address for Overnight Delivery: DAUFUSKIE ISLAND UTILITY CO., INC.  
725 North Highway A1A  
Suite B103  
Jupiter, FL 33477  
Email: admin@Dlutility.com

Any excavation activities necessary for maintenance of the utility lines must be pre-approved in writing by Grantor, include a drawing showing the area to be excavated and the irrigation lines or other golf course improvements in the vicinity of such excavations, and scheduled consistent with the guidelines above to the maximum extent practicable to prevent disruption of golfers using the golf course. Grantee may not trim, cut or remove trees, underbrush and other obstructions that are within, over, under or through the Utility Easement Area without express written authorization, from Grantor. Any damage to the property of Grantor caused by Grantee in maintaining or repairing said utility lines shall be immediately repaired by Grantee at its sole cost and expense; provided further, however, that except as may specifically be agreed to between Grantor and Grantee from time to time by separate written instrument, Grantor agrees for itself, its successors and assigns, not to build or allow any building or road to be placed within the Utility Easement Area.

2.02 All maintenance and repair of the Utility Lines shall be at the sole cost and expense of Grantee and Owners. All such work shall be conducted in a good and workmanlike manner and the Burdened Property shall be returned to the same condition it was prior to access by Grantee. Grantor shall reasonably designate and Grantee shall comply with the designation of an ingress/egress path for access to the Utility Easement Area.

2.03 Grantee and Owners, and their respective successors and assigns, shall indemnify, defend, and hold Grantor, its successors and assigns, harmless from and against all claims, costs, expenses, judgments or actions (including reasonable attorney's fees) arising from or related to the



easements granted herein, the Utility Easement Area, or the Utility Lines, by Grantee and/or Owners, their respective agents, contractors, tenants, employees, licensees and/or invitees, except to the extent caused by the gross negligence or intentional misconduct of Grantor.

2.04 Nothing herein shall be construed as a grant to the general public. The easements granted herein are not intended to benefit parcels of land other than the Benefitted Property without the consent in writing, in recordable form, of Grantor, Grantee, and Owners or their successors and assigns.

2.05 The easements and other rights and benefits granted in this Agreement are non-exclusive, and Grantor reserves and retains the right to use the Utility Easement Area and to convey similar rights and easements to such other persons or entities as it may deem proper provided such subsequent conveyances do not interfere with the easements and other rights and benefits granted in this Agreement.

2.06 If any provision of this Agreement is determined to be invalid, such determination shall not affect the validity or effect of the remaining provisions of this Agreement, all of which shall continue in effect as if such invalid provision had not been included in this Agreement.

2.07 This Agreement shall bind and inure to the benefit of Grantor, Grantee, and Owners and their respective successors and assigns.

2.08 It is intended that the benefits and burdens of the easements granted herein shall run with title to the Benefitted Property and the Burdened Property. This Agreement may be amended, modified or terminated only by recorded written instrument duly executed and acknowledged by Grantor, Grantee, and Owner, or their respective successors and/or assigns as owners of the subject parcels. No waiver of any of the terms or conditions of this instrument shall be binding or effective unless expressed in writing and signed by the party giving such waiver. Time is of the essence in this Agreement.

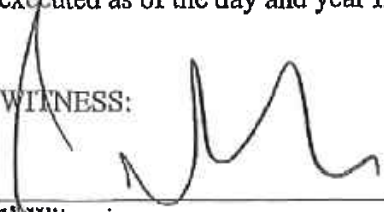
2.09 This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

2.10 This Agreement shall be recorded in the land records of the county in which the Benefitted Property and the Burdened Property are located.


2.11 In the event of litigation relating to the enforcement of rights under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all litigation costs and expenses, including reasonable attorneys' fees and court costs.

2.12 Grantor may relocate this easement and utility lines therein at its sole cost and expense.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the day and year first above written.

WITNESS:  
  
\_\_\_\_\_  
1<sup>st</sup> Witness

GRANTOR  
REDFISH HOLDINGS, LLC

By:   
(SEAL)  
Printed Name: Arise Zuer  
Title: Manager

  
\_\_\_\_\_  
2<sup>nd</sup> Witness

Illinois  
STATE OF ~~SOUTH CAROLINA~~ )  
COUNTY OF ~~BEAUFORT~~ Cook )

Acknowledgement

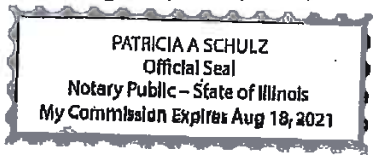
The foregoing instrument was acknowledged before me by REDFISH HOLDINGS, LLC by Arise Zuer, its Manager, this 8 day of June, 2018.

  
\_\_\_\_\_  
Notary Public for ~~South Carolina~~ Illinois (SEAL)

My Commission Expires: \_\_\_\_\_

Printed Name of Notary Public:  
Patricia A Schulz

[Affix Notary Seal]



WITNESS:

[Signature]  
1<sup>st</sup> Witness

[Signature]  
2<sup>nd</sup> Witness

GRANTEE  
DAUFUSKIE ISLAND UTILITY  
COMPANY, INC.

By: [Signature]  
(SEAL)  
Printed Name: MIKE GUSTELLA  
Title: MANAGER

New Mexico  
STATE OF ~~SOUTH CAROLINA~~ )  
Bernalillo )  
COUNTY OF ~~BEAUFORT~~ )

Acknowledgement

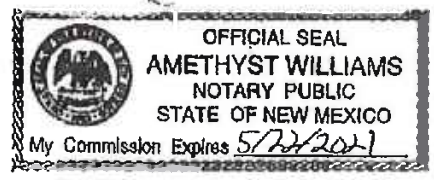
The foregoing instrument was acknowledged before me by **DAUFUSKIE ISLAND UTILITY COMPANY, INC.** by Mike Gustella, its Manager, this 26 day of October, 2018.

[Signature] (SEAL)  
Notary Public for ~~South Carolina~~  
New Mexico

My Commission Expires: 5/22/2021

Printed Name of Notary Public:  
Amethyst Williams

[Affix Notary Seal]



WITNESS:

Korose Thomas  
1<sup>st</sup> Witness

J. J. Moli  
2<sup>nd</sup> Witness  
Korose Thomas  
1<sup>st</sup> Witness

J. J. Moli  
2<sup>nd</sup> Witness

GRANTEES  
STEPHEN A. NOLLER  
BEVERLY P. NOLLER

Stephen A. Noller  
Stephen A. Noller  
Printed Name: Stephen A Noller

Beverly P. Noller  
Beverly P. Noller  
Printed Name: Beverly P Noller

Georgia  
STATE OF ~~SOUTH CAROLINA~~ )  
Jones )  
COUNTY OF ~~BEAUFORT~~ )

Acknowledgement

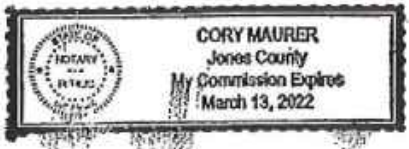
The foregoing instrument was acknowledged before me by **STEPHEN A. NOLLER and BEVERLY P. NOLLER** this 23 day of April, 2018.

Cory Maurer (SEAL)  
Notary Public for ~~South Carolina~~ Georgia

My Commission Expires: 3-13-22

Printed Name of Notary Public:  
Cory Maurer

[Affix Notary Seal]



WITNESS:

Courtney Stehm  
1<sup>st</sup> Witness

Jan Bull  
2<sup>nd</sup> Witness

Courtney Stehm  
1<sup>st</sup> Witness

J.A.H.  
2<sup>nd</sup> Witness

GRANTEES

JOHN M. HALWIG  
NANCY D. HALWIG

John M. Halwig  
Printed Name: John M. Halwig

Nancy D. Halwig  
Printed Name: Nancy D. Halwig

Georgia  
STATE OF ~~SOUTH CAROLINA~~ )  
Fulton  
COUNTY OF ~~BEAUFORT~~ )

Acknowledgement

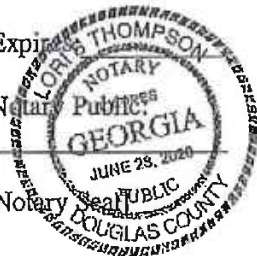
The foregoing instrument was acknowledged before me by JOHN M. HALWIG and NANCY D. HALWIG this 27<sup>th</sup> day of April, 2018.

Lori S. Thompson (SEAL)  
Notary Public ~~for South Carolina~~

My Commission Expires

Printed Name of Notary

[Affix Notary Seal]



**EXHIBIT A****Grantor Property Description  
Burdened Property**

The real property which is the subject of this Easement Agreement is a portion of that certain property conveyed by FIG DAFAUSKIE 1, LLC to REDFISH HOLDINGS, LLC on February 13, 2018 in Book 3643, Pages 3261 - 3272 in the Register of Deeds for Beaufort County, South Carolina. Said property having a TMS Number of R800-025-000-001A-0000-00, as may be shown in reference to such Tax Map in the official records of Beaufort County, and on that certain plat entitled "Plat Of A Portion Of Melrose Plantation Known As The Melrose Club Property" prepared by Gifford, Neilson & Williams, Matthew M. Crawford, SC RLS Number 9756, dated April 26, 1988, last revised August 29, 1988 and recorded in the Office of the Register of Deeds of Beaufort County, South Carolina in Plat Book 35 at Page 245. The portion of said property subject to this Easement Agreement is more clearly shown on Exhibit B of this instrument.

**EXHIBIT B****Utility Easement Area**

The Utility Easement Area is that certain area shown and described on a Plat by Thomas & Hutton, entitled Water and Sewer Plan, Sheet C2.1, for Dr. Halwig and Ms. Noller and dated May 6, 2017. The dimensions of the Easement Area proceeds from Martinangel Road between the 16<sup>th</sup> green of the Melrose Club Golf Course and the 17<sup>th</sup> tee of the Melrose Club Golf Course to a point on Driftwood Cottage Lane and being approximately 25 feet wide as shown on the above-referenced Plat, which plat is attached hereto and made a part hereof.



## EXHIBIT C

### **Benefited Property Description**

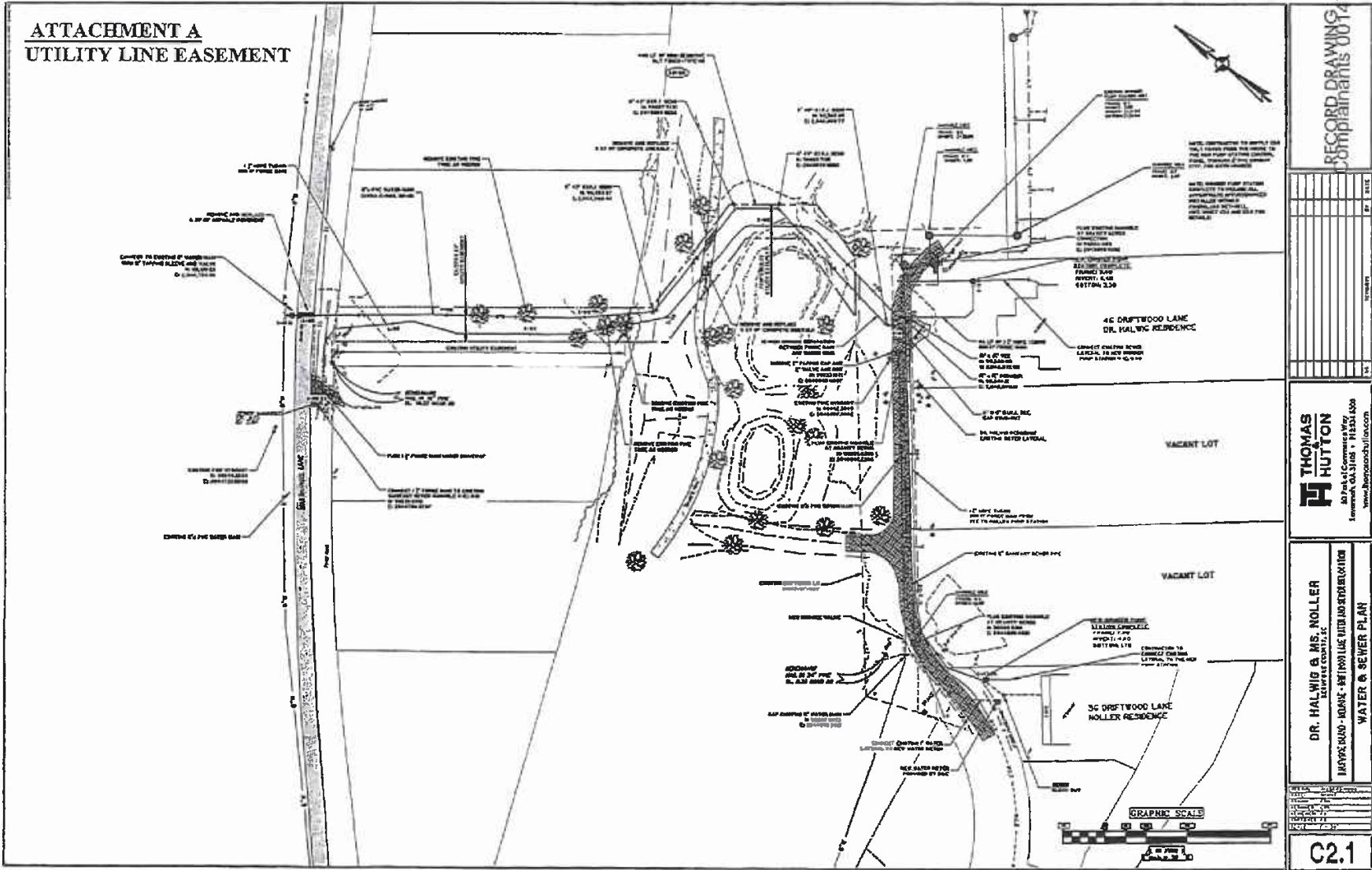
Halwig Exhibit C - TMS No.: R800-025-000-0097-0000 - ALL that certain piece, parcel or lot of land situate, lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of the Melrose Plantation, said parcel being more particularly shown and designated as LOT NUMBER THREE (3) on a plat thereof dated September 18, 2001, recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 103 at Page 194, as revised.

Halwig Exhibit C - TMS No.: R800-025-000-0039-0000 - ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER ONE (1) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised, which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C - TMS No.: R800-025-000-0096-0000 - ALL that certain piece, parcel or tract of land lying and being on Daufuskie Island, Beaufort County, South Carolina, and being a part of Melrose Plantation, which parcel is more particularly shown and designated as LOT NUMBER TWO (2) on a plat prepared by William S. Saunders, SCRLS # 16122, dated September 18, 2001, as revised which was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on January 10, 2005, in Plat Book 103 at Page 194.

Halwig Exhibit C - TMS No.: R800-025-000-0021-0000 - ALL that certain piece, parcel or lot of land of land situate, lying and being on Daufuskie Island, County of Beaufort, South Carolina, which is more particularly described as 1.82 Acres, more or less, and containing 79,199 square feet, on the plat entitled "A Boundary Recombination Survey of Lots 26, 27 & 28 Into 1 Lot, Shown as Outparcels Accessed by a 20' Basement on Driftwood Cottage Lane, Melrose Plantation, Daufuskie Island, Beaufort County, South Carolina," dated September 18, 2001, prepared by William S. Saunders, PLS #16122, and which is recorded in Plat Book 129 at Page 107. Said property was formerly shown as Lots 26, 27, and 28 on the subdivision plat prepared by Civil Engineering of Columbia, dated July 20, 1978, which is recorded in Record Book 293 at Page 16.

Noller Exhibit C - TMS No.: R800-025-000-0090-0000 - ALL that certain piece, parcel or lot of land situate, lying and being in Melrose on DAUFUSKIE ISLAND, Beaufort County, South Carolina, shown and described as Lot 11, on a plat thereof prepared by Matthew M. Crawford, S.C. R.L.S. #9756, said plat dated the 6<sup>th</sup> day of November, 1986, revised the 6<sup>th</sup> day of January, 1987, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Plat Book 34 at Page 116. For a more detailed description as to location, courses, metes, bounds, distances, etc., reference may be had to said recorded plat.



Jack Smith

---

From: Thomas P. Gressette, Jr. <Gressette@WGFLAW.com>  
 Sent: Monday, October 29, 2018 4:17 PM  
 To: Jack Smith  
 Cc: Trenholm Walker  
 Subject: Addendum and Exhibits  
 Attachments: Addendum and Release 10-29-2018.pdf; EXHIBIT A-G (Addendum to Customer Service Agreement).pdf

Jack:

Attached is an Addendum to the Customer Service Agreement which I drafted to include all relevant documents as exhibits. That way the parties will each have a complete set. Some copies are not great, but I will remedy that -- I just wanted to be sure you had a copy of the exhibits.

I also have the signed original easement page in hand, so we are set on that item as well.

Let me know if you have any questions or if you want to discuss.

Thanks!

Tom



THOMAS P. GRESSETTE, JR.  
 843.727.2249 direct  
 Gressette@WGFLAW.com

PO Box 22167, Charleston, SC 29413  
 66 Hasell Street, Charleston, SC 29401

The information contained in this message, including attachments, is confidential and may contain information protected by the attorney-client privilege or work product doctrine. If you are not the addressee, any disclosure, copying, distribution, or use of the contents of this message are prohibited. If you have received this communication in error, please destroy it and notify me immediately by calling 843-727-2200.

### ADDENDUM TO CUSTOMER SERVICE AGREEMENT

WHEREAS, Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller (together the "Customers") and Daufuskie Island Utility Company, Inc. ("DIUC") entered into a Customer Service Agreement ("CSA") (copy attached hereto as **Exhibit A**);

WHEREAS, pursuant to the CSA, the Customers caused to be installed certain water mains and facilities ("Project Mains" as referenced in the CSA);

WHEREAS, the Project Mains includes the Curb Stops and Meters installed by DIUC but does not include any items located on the premises owned by the Customers (the Premises");

WHEREAS, the Customers represent to the best of their knowledge that the Project Mains comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities;

WHEREAS, the Customers have provided DIUC with an acknowledged bill of sale transferring the Project Mains to DIUC (copy attached hereto as **Exhibit B**);

WHEREAS, the Customers and DIUC wish to enter into this Addendum to the CSA in order to clarify the obligations between them pursuant to the CSA and to resolve all issues between them so as to avoid the costs of and delays associated with having disputed issues resolved by litigation, mediation, arbitration, or other complaint procedures or processes;

WHEREAS, the Drawings of Record/As-Built Drawings (copy attached hereto as **Exhibit C**), depict the newly installed Project Mains to be owned, operated, and maintained by DIUC and also depict certain items located on the Customers' property which will remain the property of and responsibility of the Customers;

WHEREAS, pursuant to NARUC prescribed Uniform System of Accounts, when DIUC incorporates the Project Mains into its system it will book the cost of the Project Mains as

Contributions In Aid Of Construction;

WHEREAS, pursuant to the recent Tax Cuts and Jobs Act, DIUC will incur a tax liability at a rate of \$33.24 for every \$100.00 of the amount booked as Contributions In Aid Of Construction;

WHEREAS, pursuant to Paragraph 3 of the CSA, the Customers have provided invoices (copies attached hereto as **Exhibit D**) for costs associated with the Project Mains as follows:

PINCO	\$ 69,337.72 <sup>1</sup>
Thomas and Hutton	\$ 39,346.35
Joe Davis	\$ 2,650.00
Sea Island Land Survey	\$ 1,300.00
SC DHEC	\$ 250.00
Transportation Costs	<u>\$ 70.00</u>
TOTAL	\$ 112,954.07

WHEREAS, DIUC has provided the Owners with a statement from its legal counsel (copy attached hereto as **Exhibit E**)<sup>2</sup> indicating that DIUC has incurred legal costs of \$3,900.00 related to the matters contained in the CSA;

WHEREAS, DIUC has provided the Owners with a statement (copy attached hereto as **Exhibit F**) indicating that DIUC incurred ferry transportation costs of \$70.00 for the Customers' engineer Fred Sororian; and

WHEREAS, as a result of incorporating the Project Mains into its utility plant in service, DIUC will incur a tax obligation of \$37,545.93, which is equal to 33.24% of \$112,954.07.

THEREFORE, in order to resolve all questions as to the obligations of the Owners and DIUC pursuant to the CSA, the Owners and DIUC agree:

<sup>1</sup> Supplemental Schedule from Pinco totaling \$76,487.72 less \$7,150.00 for Items 6 and 7 which will remain the property and responsibility of the Customers.

<sup>2</sup> The Customers and DIUC agree that production of the invoice does not constitute a waiver of any work product protections or the attorney-client privilege.

1. The Customers shall pay to DIUC \$3,900.00 for legal costs and \$37,545.93 for taxes incurred. Said payment shall be made by cashiers check payable to Daufuskie Island Utility Company, Inc. and delivered to: Thomas P. Gressette, Jr., Esq., Walker Gressette Freeman & Linton, LLC, 66 Hasell Street, Charleston, SC 29401.

2. The Customers will withdraw and release any and all claims and complaints they have asserted or may assert against DIUC in regard to the installation of the Project Mains, including but not limited to, those issues raised by letter from Newman Jackson Smith, Esq. to Chad Campbell dated September 11, 2018 (copy attached hereto as **Exhibit G**).

IT IS SO AGREED THIS \_\_\_\_ DAY OF OCTOBER, 2018.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Stephen A. Noller**  
Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Beverly P. Noller**  
Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**John M. Halwig**  
Date: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**Nancy D. Halwig**  
Date: \_\_\_\_\_

**Daufuskie Island Utility Co., Inc.**

\_\_\_\_\_  
Witness

Signed: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT A**



# Daufuskie Island Utility Company, Inc.

725 N. Hwy A1A, Suite B103, Jupiter, FL 33477  
888-635-7878

BY EMAIL

January 30, 2018

Ms. Bev Noller  
36 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

Dr. Michael Halwig  
46 Driftwood Cottage Ln  
Daufuskie Island, SC 29915

RE: Customer Service Agreement for Customers located at  
36 & 46 Driftwood Cottage Lane

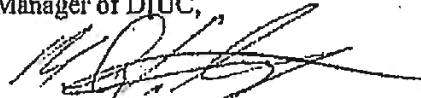
This Customer Agreement is necessary because of severe and continuous storm and tidal ocean erosion that destroyed the section of road located between 22 and 33 Driftwood Cottage Ln, containing Daufuskie Island Utility Company's ("DIUC") water and sewer facilities. Because these facilities could not be replaced as originally designed, DIUC is unable to provide service to customers located at 36 & 46 Driftwood Cottage Ln ("Customers"). As an alternative, DIUC provided Customers with a "Letter of Intent" to serve the customers by connecting to existing mains along Martinangel Ln. and install new mains and facilities ("Project Mains") through the Melrose Golf course to the Customers premises.

DIUC will serve Customers under the following terms of this agreement:

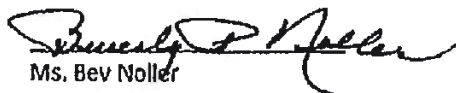
1. In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected Customers to have the Project Mains installed in accordance with the plans they solicited from Thomas & Hutton, at their cost.
2. The installation of the Project Mains must comply with all applicable laws, ordinances, rules, regulations and lawful orders of governmental authorities, and approved by DIUC.
3. Customers will provide DIUC with the following documents: written approval by the owners of the Melrose golf course for the Project Mains installation; easements of sufficient width for the perpetual access to repair, replace and maintain the Project Mains, invoices pertaining to all costs incurred including but not limited to, engineering, permitting and construction.
4. Upon completion of the Project Mains installation, Customers must submit detailed "as built" drawings prepared by a licensed surveyor.
5. Upon Completion of the Project Main, Customers will provide DIUC with an acknowledged bill of sale transferring them to DIUC, and they shall be and remain the property of DIUC and its heirs and successors, and will be treated as contributed for rate setting purposes.
6. The Customers shall not for any reason be entitled to any refunds with respect to the Project Mains or any future extension or use of those facilities.

Under the circumstances of the need for this agreement, there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations



Ms. Bev Noller

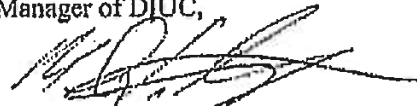
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Dr. Michael Halwig

Cc: Willie Morgan  
Chad Campbell

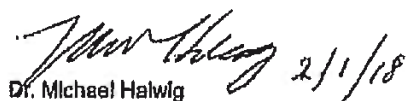
Under the circumstances of the need for this agreement there will be no charge for administrative fees. Upon execution of this agreement and compliance with its provisions, service will be connected to Customers premises.

GUASTELLA ASSOCIATES, LLC  
Manager of DIUC,



Mike J. Guastella  
Vice President- Operations

G---:p--~  
Ms. Bev ~~NOller~~

  
Dr. Michael Halwig 2/1/18

Cc: Willie Morgan  
Chad Campbell

**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT B**

# **BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT**

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 9 day of Oct., 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

Stephen A Noller

*Stephen A noller*

Stephen A. Noller

*Beverly P Noller*

Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

\_\_\_\_\_  
John M. Halwig

\_\_\_\_\_  
Nancy D. Halwig

**BILL OF SALE OF WATER AND WASTEWATER EQUIPMENT**

John M. Halwig and Nancy D. Halwig and Stephen A. Noller and Beverly P. Noller ("Grantors"), for and in consideration of the sum of FIVE AND NO/100 (\$5.00) DOLLARS to it in hand paid at and before the sealing of these presents, by the DAUFUSKIE ISLAND UTILITY CORPORATION, INC. ("DIUC" or "Grantee"), (the receipt whereof is hereby acknowledged) have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said DIUC their right, title, and interest in and to the following described water and wastewater equipment, to wit:

The equipment, including but not limited to all piping, conduit and other materials, used for water and wastewater transportation and treatment serving the residences owned by Grantors at 36 and 46 Driftwood Cottage Lane, Daufuskie Island, South Carolina, as is more particularly shown and depicted on the plans and specifications prepared by Thomas & Hutton Engineering, bearing the date of May 17, 2017, installed by PINCO, Inc. in July, August and September 2018. Attached is the detailed list of all tangible components and of payments for such components and services related to installation.

By acceptance of this water and wastewater equipment Grantee assumes all responsibility for the maintenance and repair of said equipment in the normal course of providing its water and wastewater services to the Grantors' properties.

Whereby we put our hands and seals this 10<sup>th</sup> day of February 2018.

36 Driftwood Cottage Lane, Daufuskie Island, SC

\_\_\_\_\_  
Stephen A. Noller

\_\_\_\_\_  
Beverly P. Noller

46 Driftwood Cottage Lane, Daufuskie Island, SC

John M. Halwig  
John M. Halwig

Nancy D. Halwig  
Nancy D. Halwig

## Supplemental Schedule

PINCO

Pence Writ, August 28, 2018

Melrose, 36 &amp; 46 Driftwood Cottage Lane

Pay Request No 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month Quantity	This Month \$ Amount	Previous Quantity	Previous \$ Amount	To Date Quantity	To Date \$ Amount	Percent Complete
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,766.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,238.44	360	\$ 5,450.40	100.00%
6	2 Grinder Station Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Connect 2 grinder station to laterals	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing Wtr Main	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,306.68	0	\$ 65,350.00	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ 10,655.00	100.00%
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ 76,488.72	



**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT C**

[illegible]

# DAUFUSKIE ISLAND - MELROSE - DRIFTWOOD LANE WATER AND SEWER RELOCATION RECORD DRAWING

BEAUFORT COUNTY, SC

PREPARED FOR:  
DR. HALWIG & MS. NOLLER  
46 & 36 DRIFTWOOD LANE

AUGUST 2018

J-26606.0000

PREPARED BY:

**THOMAS & HUTTON**  
Engineering | Surveying | Planning | GIS | Consulting



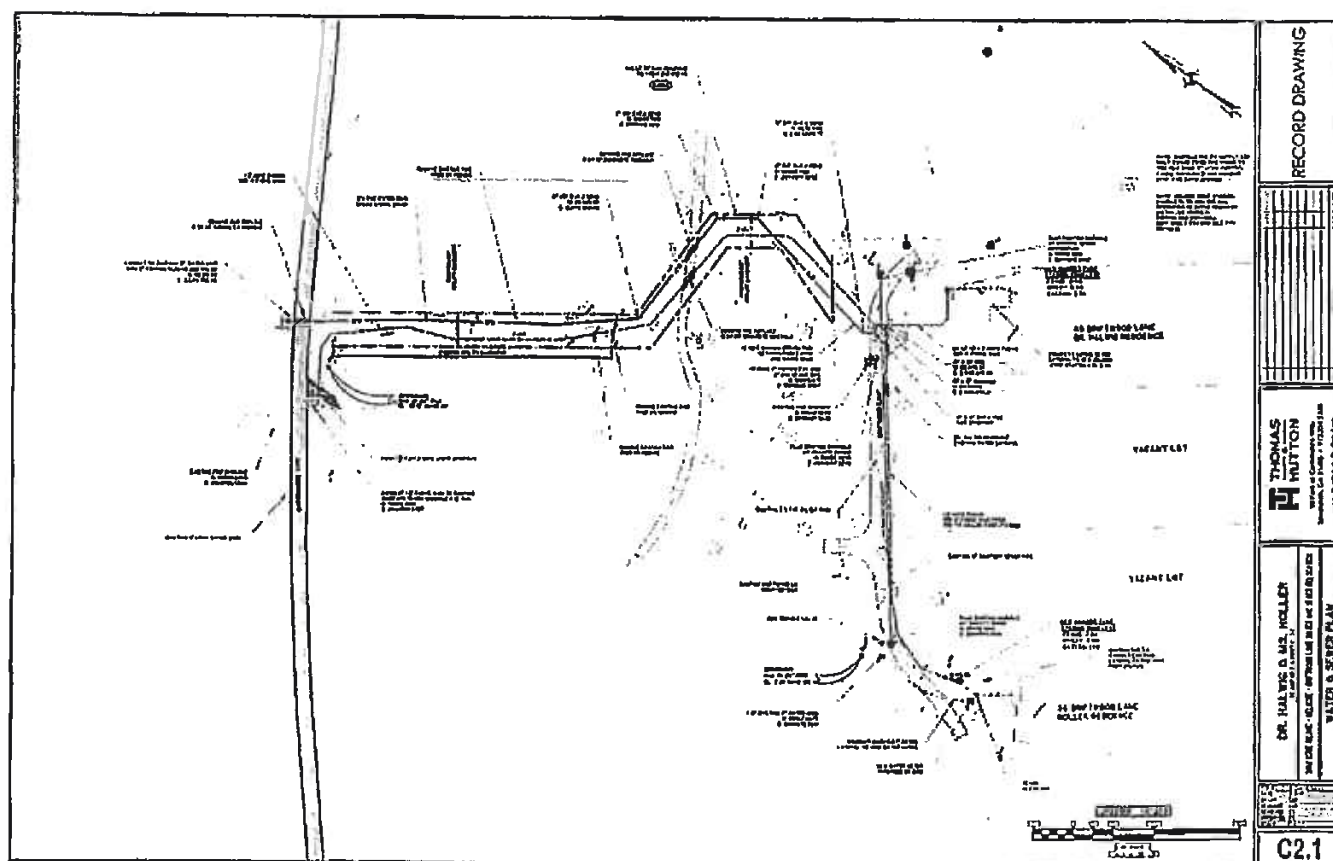
DATE	DESCRIPTION	BY
08/01/18	Final Design	JTH
07/27/18	Final Design	JTH
07/26/18	Final Design	JTH
07/25/18	Final Design	JTH
07/24/18	Final Design	JTH
07/23/18	Final Design	JTH
07/22/18	Final Design	JTH
07/21/18	Final Design	JTH
07/20/18	Final Design	JTH
07/19/18	Final Design	JTH
07/18/18	Final Design	JTH
07/17/18	Final Design	JTH
07/16/18	Final Design	JTH
07/15/18	Final Design	JTH
07/14/18	Final Design	JTH
07/13/18	Final Design	JTH
07/12/18	Final Design	JTH
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07/10/18	Final Design	JTH
07/09/18	Final Design	JTH
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07/07/18	Final Design	JTH
07/06/18	Final Design	JTH
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07/03/18	Final Design	JTH
07/02/18	Final Design	JTH
07/01/18	Final Design	JTH

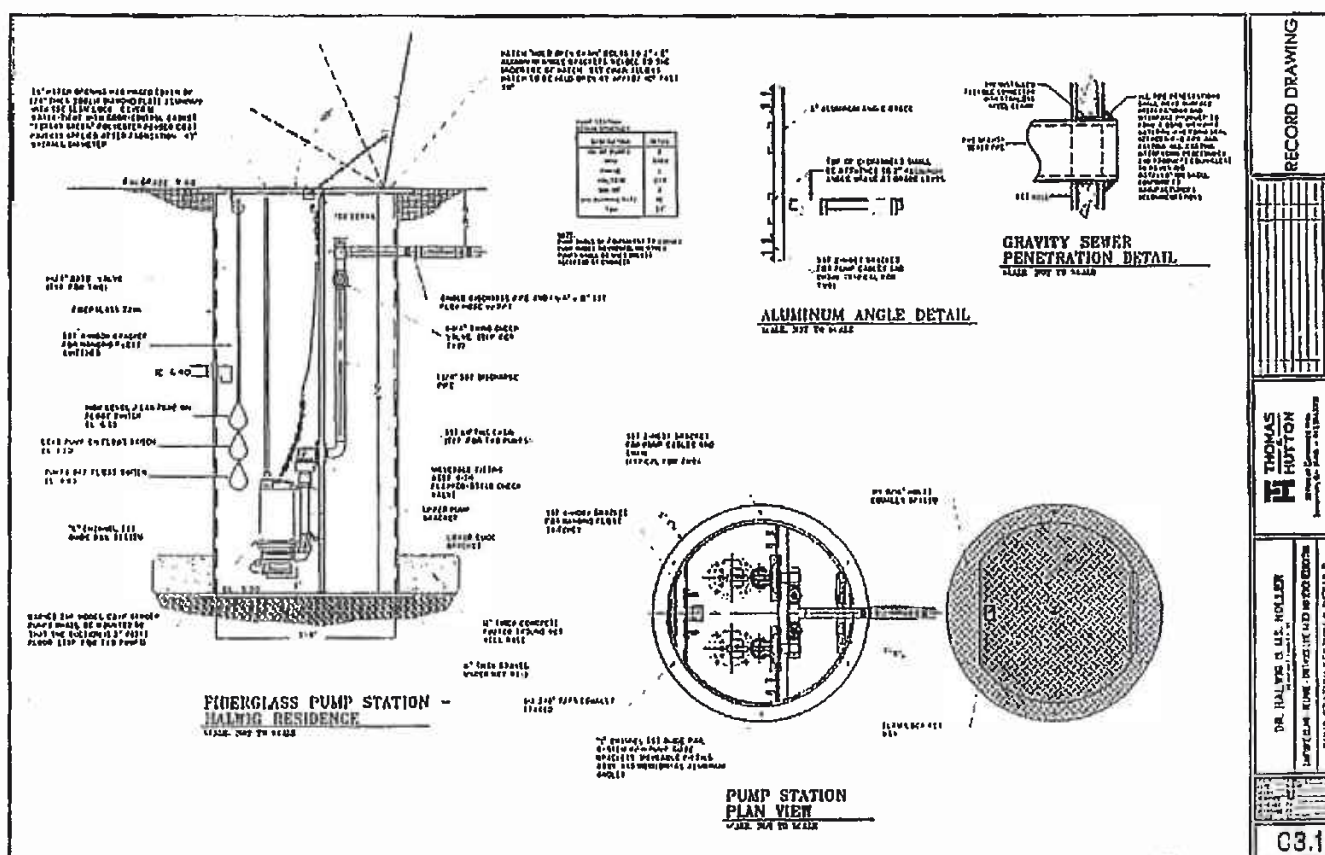
DRAWING OF RECORD



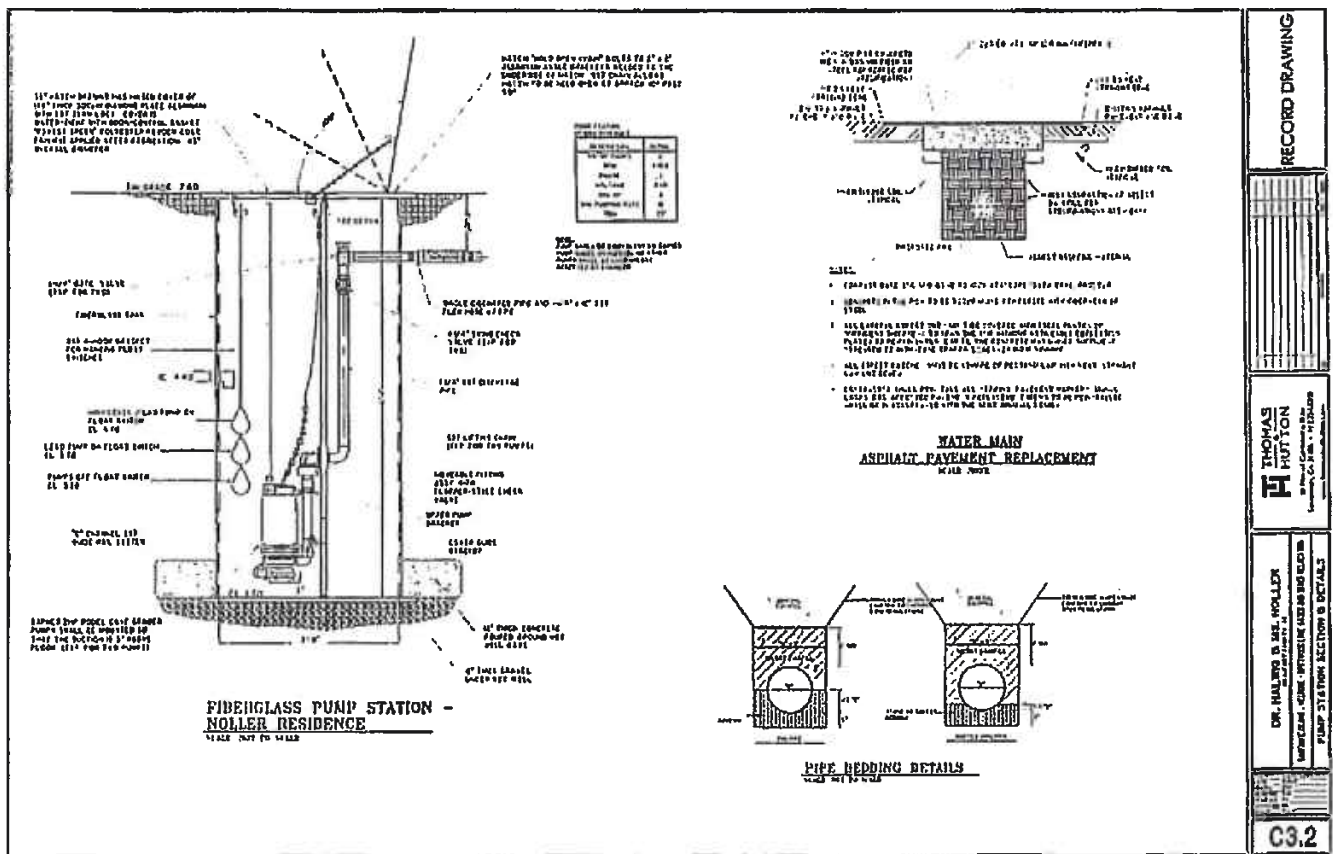
**THOMAS & HUTTON**  
All forms of Construction Work  
Surveying, GIS, Planning  
P.O. Box 1000, Beaufort, SC 29901  
P: 252.244.1111 F: 252.244.1112













[illegible]

<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>SALT PENCE INSTALLATION</b></p> <p><b>PLANTING</b> 8-10' W 1' W</p> <p><b>WATER TO THE HORIZONTAL</b></p> <p><b>South Carolina Department of Health and Environmental Control</b></p> <p style="text-align: center;"><b>SALT PENCE</b> NOT TO SCALE</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p><b>GENERAL NOTES</b></p> <ol style="list-style-type: none"> <li>1. The salt fence shall be installed in accordance with the following specifications:</li> <li>2. The salt fence shall be made of salt and water.</li> <li>3. The salt fence shall be installed in a line with the other salt fences.</li> <li>4. The salt fence shall be installed in a line with the other salt fences.</li> <li>5. The salt fence shall be installed in a line with the other salt fences.</li> <li>6. The salt fence shall be installed in a line with the other salt fences.</li> <li>7. The salt fence shall be installed in a line with the other salt fences.</li> <li>8. The salt fence shall be installed in a line with the other salt fences.</li> <li>9. The salt fence shall be installed in a line with the other salt fences.</li> <li>10. The salt fence shall be installed in a line with the other salt fences.</li> </ol> <p style="text-align: center;"><b>SALT PENCE</b> NOT TO SCALE</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>PLAYSTATION THE HORIZONTAL</b></p> <p><b>PLANTING</b> 8-10' W 1' W</p> <p><b>WATER TO THE HORIZONTAL</b></p> <p><b>South Carolina Department of Health and Environmental Control</b></p> <p style="text-align: center;"><b>SALT PENCE</b> NOT TO SCALE</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p><b>GENERAL NOTES</b></p> <ol style="list-style-type: none"> <li>1. The salt fence shall be installed in accordance with the following specifications:</li> <li>2. 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The salt fence shall be installed in a line with the other salt fences.</li> </ol> <p style="text-align: center;"><b>SALT PENCE</b> NOT TO SCALE</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>WS1</b></p> <p style="text-align: center;"><b>WATER PUMP AND SALT PENCE</b></p> <p style="text-align: center;"><b>WATER PUMP AND SALT PENCE</b></p> </div> <div style="border: 1px solid black; padding: 5px;"> <p><b>GENERAL NOTES</b></p> <ol style="list-style-type: none"> <li>1. The salt fence shall be installed in accordance with the following specifications:</li> <li>2. The salt fence shall be made of salt and water.</li> <li>3. The salt fence shall be installed in a line with the other salt fences.</li> <li>4. The salt fence shall be installed in a line with the other salt fences.</li> <li>5. The salt fence shall be installed in a line with the other salt fences.</li> <li>6. The salt fence shall be installed in a line with the other salt fences.</li> <li>7. The salt fence shall be installed in a line with the other salt fences.</li> <li>8. The salt fence shall be installed in a line with the other salt fences.</li> <li>9. The salt fence shall be installed in a line with the other salt fences.</li> <li>10. The salt fence shall be installed in a line with the other salt fences.</li> </ol> <p style="text-align: center;"><b>SALT PENCE</b> NOT TO SCALE</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>RECORD DRAWING</b></p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>THOMAS HUTTON</b></p> <p style="text-align: center;"><b>REGISTERED PROFESSIONAL ENGINEER</b></p> <p style="text-align: center;"><b>STATE OF SOUTH CAROLINA</b></p> <p style="text-align: center;"><b>EXPIRATION DATE: 12/31/2020</b></p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center;"><b>DR. HILL AND ASSOCIATES</b></p> <p style="text-align: center;"><b>REGISTERED PROFESSIONAL ENGINEER</b></p> <p style="text-align: center;"><b>STATE OF SOUTH CAROLINA</b></p> <p style="text-align: center;"><b>EXPIRATION DATE: 12/31/2020</b></p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>C3.4</b></p> </div>
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**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT D**

## Supplemental Schedule

PINCO

Period Thru August 28, 2018

Melrose, 36 &amp; 46 Driftwood Cottage Lane

Pay Request No 03-F

Line Item	DESCRIPTION	Contract Quantity	Unit Price	Total Price	This Month		Previous		To Date		Percent Complete
					Quantity	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount	
1	Mobilization / DeMobilization	Lump Sum	\$ 11,700.00	\$ 11,700.00	0	\$ -	1	\$ 11,700.00	1	\$ 11,700.00	100.00%
2	Erosion Control	Lump Sum	\$ 1,200.00	\$ 1,200.00	0	\$ -	1	\$ 1,200.00	1	\$ 1,200.00	100.00%
3	8" PVC water Main	507	\$ 29.58	\$ 14,997.06	0	\$ -	533	\$ 15,765.14	507	\$ 14,997.06	100.00%
4	1.5" HDPE Force Main	550	\$ 12.55	\$ 6,902.50	0	\$ -	542	\$ 6,802.10	550	\$ 6,902.50	100.00%
5	1.25" HDPE Force Main	360	\$ 15.14	\$ 5,450.40	0	\$ -	346	\$ 5,236.44	360	\$ 5,450.40	100.00%
6	7 Grinder Stations Installation	Lump Sum	\$ 4,600.00	\$ 4,600.00	0	\$ -	1	\$ 4,600.00	1	\$ 4,600.00	100.00%
7	Connect 3" water station to lateral	Lump Sum	\$ 2,550.00	\$ 2,550.00	0	\$ -	1	\$ 2,550.00	1	\$ 2,550.00	100.00%
8	Cap Existing Sewers	1	\$ 900.00	\$ 900.00	0	\$ -	1	\$ 900.00	1	\$ 900.00	100.00%
9	Cap Existing 8" Water Main	1	\$ 1,150.00	\$ 1,150.00	0	\$ -	1	\$ 1,150.00	1	\$ 1,150.00	100.00%
10	Connect 1.5" FM to Ext. MH	1	\$ 2,300.00	\$ 2,300.00	0	\$ -	1	\$ 2,300.00	1	\$ 2,300.00	100.00%
11	Connect new 8" to existing Wtr Main	1	\$ 6,600.00	\$ 6,600.00	0	\$ -	1	\$ 6,600.00	1	\$ 6,600.00	100.00%
12	Electrical Connection	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	1	\$ 7,000.00	1	\$ 7,000.00	100.00%
	Sub Total	-	\$ -	\$ 65,349.00		\$ -		\$ 65,806.68	0	\$ 65,350.00	
	Change Order 01	-	\$ -	\$ -		\$ -		\$ -	0	\$ -	
1	Re-connect sewer line	LS	\$ 875.00	\$ 875.00	0	\$ -	1	\$ 875.00	1	\$ 875.00	100.00%
2	Connect waterline	LS	\$ 1,275.00	\$ 1,275.00	0	\$ -	1	\$ 1,275.00	1	\$ 1,275.00	100.00%
3	Re-mobilize and De-Mobilize	LS	\$ 4,310.00	\$ 4,310.00	0.25	\$ 1,077.50	0.75	\$ 3,232.50	1	\$ 4,310.00	100.00%
4	Added Legal Fees	3	\$ 300.00	\$ 900.00	0	\$ -	3.2	\$ 960.00	3	\$ 900.00	100.00%
5	Re-Excavate pipe ends	LS	\$ 1,670.00	\$ 1,670.00	0	\$ -	1	\$ 1,670.00	1	\$ 1,670.00	100.00%
6	Continue Search & Full Flush	LS	\$ 1,625.00	\$ 1,625.00	0	\$ -	1	\$ 1,625.00	1	\$ 1,625.00	100.00%
	Sub-Total			\$ 10,655.00		\$ 1,077.50		\$ 9,637.50	0	\$ 10,655.00	100.00%
						\$ -		\$ -	0	\$ 76,005.00	
	Summary Change Order 02	LS	\$ 483.72	\$ 483.72		\$ 483.72		\$ -	0	\$ 483.72	100%
	TOTAL			\$ 76,487.72		\$ 1,077.50		\$ 75,444.18	0	\$ 76,488.72	

# THOMAS & HUTTON

50 PARK OF COMMERCE WAY | POST OFFICE BOX 2727  
SAVANNAH, GA 31402-2727 | 912.234.5300  
WWW.THOMASANDHUTTON.COM

October 11, 2018

Dr. Halwig /Ms. Beverly Noller  
305 Tenth Street NE  
Atlanta, GA 30309

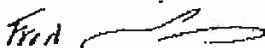
Re: Daufuskie Island- Melrose  
Driftwood Lane  
House # 36- Owned by Ms. Beverly Noller  
House # 46- Owned by Dr. Halwig

Professional Services from July 29, through August 25, 2018

Phase:	Description of Work	Contract Budget Amount	Previously Billed/to date	Current Invoice	Balance to complete
0010	General Consulting	\$2,000.00	\$2000.00	\$0.00	\$0.00
0470	Topographic Survey	\$4,000.00	\$4000.00	\$0.00	\$0.00
0510	Engineering Design	\$10,000.00	\$10,000.00	\$0.00	\$0.00
0610	Permits	\$7,000.00	\$7000.00	\$0.00	\$0.00
0720	Construction Services	\$15,000.00	\$9,037.50	\$5,962.50	\$0.00
0010	Reimbursable Expe.	\$3,000.00	\$1,256.35	\$63.02	\$1,680.63
<b>Current Invoice Sub Total</b>		<b>\$41,000.00</b>	<b>\$33,320.83</b>	<b>\$6,025.52</b>	<b>\$1,680.63</b>

Sincerely,

THOMAS & HUTTON



Fred Sororian, P.E.  
Project Manager

FS/chf

10/10/2018

### Road and cart path repair

From: Joe Davis <jloedavis5958@gmail.com>

To: Mike Halwig <Jmhalwigmd@aol.com>

**Subject:** Road and cart path repair

Date: Thu, Aug 30, 2018 9:50 am

## Invoice

From Joe Davis

To Mike Halwig.

Forum and pour the road and cart path that had to be cut out for water and sewer for the Halwig and Noller houses. Mat. 4 yards of concrete 1400.00, Labor 1250.00, Total 2650.00 Completed on 8/24/18.

Mike please transfer funds to my account. Thanks

Sent from my iPhone

**SILS** Sea Island Land Survey, LLC  
 10 Oak Park Drive, Unit C1  
 Hilton Head Island, SC 29926

INVOICE #	DUE DATE
1707002	10/7/2018
Accounts not paid by due date are subject to a 1.5% monthly late charge.	

BILL TO
John Halwig 305 10th Street NE Atlanta, GA 30309

INVOICE DATE		TERMS	P.O. No.		
10/5/2018		Due upon completion			
ITEM	DESCRIPTION	QTY	RATE	AMOUNT	
ASB	Portion of Melrose Club Property, Melrose Golf Course, Area between Driftwood Cottage & Martinangel, Daufuskie Island, Beaufort County, South Carolina Asbuilt Survey	1	1,050.00	1,050.00	
TR	of newly completed water/ sewer lines. Transport charges to/from Daufuskie Island Ordered by and Prepared for Dr. Halwig	1	250.00	250.00	
Thank you for your business. We look forward to serving you again.		Invoice Total		\$1,300.00	
		Payments/Credits		\$0.00	
		Balance Due		\$1,300.00	

Tel: 843-681-3248 Fx: 843-689-3871

Email: sils@sprynet.com

Complainants 00173



Payee: SCDHEC OCRM  
 Vendor ID: 37581 Vendor Assigned Customer #:  
 Check #: 880677  
 Check Date: Aug 20/18

<u>Inv #</u>	<u>Inv Date</u>	<u>G/L Acct</u>	<u>Client</u>	<u>Matter</u>	<u>Narrative</u>	<u>Amount</u>	<u>Inv Total</u>
082018	Aug 20/18		054041	09000		\$125.00	\$250.00
					VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018 - 08/20/18 - Water & Sewer Permit Application fee		
			055561	09000		\$125.00	
					VENDOR: SCDHEC OCRM INVOICE#: 082018 DATE: 8/20/2018 - 08/20/18 - Water & Sewer Permit Application fee		
Invoice Totals:						\$250.00	\$250.00

hand-delivered 8-21-18 - KKarlsn

**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT E**



G. Trenholm Walker  
Thomas P. Gressette, Jr.  
Ian W. Freeman  
John P. Linton, Jr.  
Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.  
Direct: 843.727.2249  
Email: Gressette@WGFLAW.com

### Statement of Attorney Fees

During the period from July 2, 2018 through October 20, 2018, I performed legal work for Daufuskie Island Utility Company, Inc. (DIUC) regarding the installation, permitting, and sale to DIUC of certain water mains and facilities ("Project Mains") installed by Michael Halwig, Nancy Halwig, Beverly Noller and Stephen Noller.

The Project Mains are located within the DIUC service area on Daufuskie Island, South Carolina.

During the aforementioned period, DIUC has incurred attorney fees totaling \$3,900.00 for my services.

/s/ Thomas P. Gressette, Jr.  
Thomas P. Gressette, Jr.  
Member  
Walker Gressette Freeman & Linton, LLC

October 20, 2018  
Charleston, South Carolina

**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT F**

**Surorian, Mr.**

Thu	8/9/2018	In	10:27AM		HHI FERRY READER IN I
Thu	8/9/2018	In	10:27AM		HHI FERRY READER IN I
Thu	8/9/2018	Out	12:37PM		DI FERRY FIXED READER
Thu	8/9/2018	Out	12:37PM		DI FERRY FIXED READER

**Surorian, Fred**

Thu	8/2/2018	In	10:26AM		HHI FERRY READER IN I
Thu	8/2/2018	Out	12:36PM		DI FERRY FIXED READER



# HAIG POINT

— DAUFUSKIE ISLAND —

Daufuskie Island Utility  
P.O. Box 360

Northborough, MA 01532



Haig Point  
10 Haig Point Circle  
Hilton Head Island, SC 29928  
(800) 686-3441

## STATEMENT

ACCOUNT NO	STATEMENT DATE
2800	08/31/2018

### BALANCE DUE\*

\$2,315.60

### AMOUNT PAID

Please detach and return top portion with payment

DATE	REFERENCE	DESCRIPTION	AMOUNT	SVC CHG	TAX	TOTAL
		Balance Forward				\$2,691.54
8/1/18	160689	Marine	70.00	0.00	0.00	\$70.00
8/1/18	161453	Marine	35.00	0.00	0.00	\$35.00
8/2/18	161333	Marine	175.00	0.00	0.00	\$175.00
8/3/18	160832	Marine	105.00	0.00	0.00	\$105.00
8/4/18	160973	Marine	70.00	0.00	0.00	\$70.00
8/6/18	161097	Lodging Member Services	15.00	0.00	0.00	\$15.00
8/6/18	161199	Marine	105.00	0.00	0.00	\$105.00
8/7/18	161409	Marine	35.00	0.00	0.00	\$35.00
8/8/18	161514	Marine	70.00	0.00	0.00	\$70.00
8/9/18	161913	Marine	175.00	0.00	0.00	\$175.00
8/10/18	161940	Marine	105.00	0.00	0.00	\$105.00
8/11/18	162078	Marine	35.00	0.00	0.00	\$35.00
8/11/18	164092	Marine	20.00	0.00	0.00	\$20.00
8/12/18	162187	Marine	35.00	0.00	0.00	\$35.00
8/13/18	162272	Marine	70.00	0.00	0.00	\$70.00
8/13/18	162423	Marine	35.00	0.00	0.00	\$35.00
8/15/18	162577	Marine	35.00	0.00	0.00	\$35.00
8/15/18	1931	Payment				-\$2,691.54
8/16/18	162849	Marine	70.00	0.00	0.00	\$70.00
8/17/18	162933	Marine	105.00	0.00	0.00	\$105.00
8/17/18	164210	Marine	20.00	0.00	0.00	\$20.00
8/17/18	164226	Marine	40.00	0.00	0.00	\$40.00
8/18/18	163084	Marine	35.00	0.00	0.00	\$35.00
8/18/18	163187	Marine	105.00	0.00	0.00	\$105.00
8/20/18	163254	Marine	70.00	0.00	0.00	\$70.00
8/20/18	163513	Marine	70.00	0.00	0.00	\$70.00

MINIMUM	TO DATE	BALANCE	ENDING
\$0.00	\$0.00	\$0.00	

2800

Daufuskie  
Island  
Utility

CURRENT	OVER 30	OVER 60	OVER 90
\$2,315.60	\$0.00	\$0.00	\$0.00

### BALANCE DUE

\$2,315.60

Balance due 30 days from date of statement. Please make checks payable to HPCCA.

If you have any questions, please contact Larry Chestnut @ 843-341-8147.

0

Complainants 00179

**ADDENDUM TO CUSTOMER SERVICE AGREEMENT**

**EXHIBIT G**





E. Bart Daniel  
T 843.634.4123  
bart.daniel@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP  
ATTORNEYS AND COUNSELORS AT LAW

161 Meeting Street | Sixth Floor  
Charleston, SC 29401-2239  
T 843.853.6200 F 843.722.8700  
nelsonmullins.com

September 11, 2018

**Via Electronic and US Mail**

Mr. Chad Campbell  
Supervisor, Consumer Services  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, South Carolina 29201

RE: ORS File No. 2016-W-1682  
Daufuskie Island Utility Company, Inc. (DIUC)  
Michael and Nancy Halwig  
NMRS File No.: 54041/09000  
Stephan and Beverly Noller  
NMRS File No.: 055561/09000

Dear Chad:

Thank you very much for your prior communications with me concerning the situation on Daufuskie Island for the Halwigs and Nollers. The Daufuskie Island Utility Company, Inc. has required certain actions or payments by the Halwigs and Nollers, as we have discussed. This letter specifically requests information on the interpretation of the current rate structure for and authority of DIUC concerning the costs associated with the replacement of some of its water and sewer mains. Irrespective of whether there is any contract at issue, does the current rate structure, and the rate structure currently on appeal by DIUC, (1) preclude or (2) allow for the cost of replacement of any its mains to be required to be paid by some but not all of its customers? Asked another way, is the payment of the cost of replacement of any of its water and sewer infrastructure required to be paid by customers in the area affected by the replacement, or is it allowable or understood in its rate structure that the replacements of its infrastructure for water and sewer would be general cost attributable to all rate payers? Please indicate if there is a different answer depending upon whether the replacement is needed due to damage or destruction versus breakdown.

Prior to making a decision concerning filing a complaint regarding the situation we have discussed, we seek to understand whether the statement used by DIUC as basis for requiring the Halwigs and Nollers to pay for the cost of replacement has a solid foundation within the ORS regulations, PSC decisions, or its approved rate structure. The statement

Mr. Chad Campbell  
September 11, 2018  
Page 2

that has been continually made as a basis for requiring the Halwigs and Nollers to pay for the replacement mains under Driftwood Cottage Lane is that, "In order to protect other customers from sharing in the cost responsibility, it would be the responsibility of the affected customers to have the project mains installed in accordance with the plans." The decision on whether to take any action concerning this situation could be affected by the validity of the foundation of this statement by DIUC as a basis for requiring the full payment of all costs of the equipment, installation, permitting, engineering and other fees associated with the replacement mains to be paid by these customers.

Another question is whether or not the legal fees which DIUC is incurring in its filing of a rate case with the PSC, and with its multiple appeals of decisions by the PSC, are or can be charged to its customers as part of its typical administrative costs. The answer to this question is relative because DIUC has also demanded that the Halwigs and Nollers pay for DIUC's legal fees in regard to review of the documents for an easement in favor of DIUC from a third party property owner and other related documents, as well as in regard to all discussions with its attorney regarding the demand for payment itself.

Finally, the regulations for water and sewer utilities include the following:

Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate and maintain in safe, efficient and proper conditions all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery into systems or facilities owned by the customer.  
See R.103-540 and 740.

Are these two regulatory requirements enforceable by the ORS, PSC or the courts? Has the PSC relieved DIUC, or any other utility, from the requirement stated in these regulations? If these regulations have been interpreted by the ORS or PSC, I would appreciate that information.

I appreciate the time and attention you have provided me on behalf of the Halwigs and Nollers, and look forward to your reply. Please do not hesitate to call me if you would prefer to discuss this prior to your response.

With best regards, I am

Very truly yours,



Newman Jackson Smith

NJS:et  
cc: David Butler, Esquire



Newman Jackson Smith  
T 843.534.4309 F 843.534.4350  
jack.smith@nelsonmullins.com

NELSON MULLINS RILEY & SCARBOROUGH LLP  
ATTORNEYS AND COUNSELORS AT LAW

151 Meeting Street | Sixth Floor  
Charleston, SC 29401-2239  
T 843.553.5200 F 843.722.8700  
nelsonmullins.com

October 31, 2018

[Gressette@WGFLAW.com](mailto:Gressette@WGFLAW.com)

Thomas P. Gressette, Jr., Esquire  
Walker Gressette Freeman Linton LLC  
66 Hasell Street  
Charleston, SC 29401

RE: 46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)  
NMRS File Nos.: 54041/09000 and 055561/09000

Dear Tom:

I appreciate your sending me the Addendum to Customer Service Agreement and the exhibits thereto. However, the Halwigs and Nollers decline to agree to the Addendum, and must demand that Daufuskie Island Utility Company comply with the January 30, 2018 Customer Service Agreement. The Halwigs and Nollers have performed each and every responsibility that they have under that Agreement. They have provided all of the required documentation and the completed installation of the mains at their cost. DIUC has so far not turned on the water and sewer service even though the completion of all of the requirements of the Agreement has been documented to the DIUC. Instead of confirming a date this week when service would be restored, the Addendum proposes to re-trade the Agreement and impose terms never imagined or discussed when the Agreement was signed.

As early as December 2015 DIUC has claimed that it would not replace the mains to serve Driftwood Cottage Lane properties. The only alternative given to the Halwigs and Nollers in order to have the service, which DIUC also stated that it would continue to provide, was for the Halwigs and Nollers to incur the cost of installation of an alternative to the mains destroyed under a portion of Driftwood Cottage Lane. Without any alternative, and with the failure of DIUC to assist in any way, including any efforts to provide even temporary means by which DIUC could provide water or sewer service, the Halwigs and Nollers were forced into the Agreement created by DIUC to perform what has now been accomplished for the restoration of service. The cost of the new DIUC mains has been paid by the Halwigs and Nollers, and the DIUC mains have been installed in accordance with the DIUC approved plans. The installation is in compliance with all applicable laws, ordinances, rules, regulations and lawful orders and has been approved

Thomas P. Gressette, Jr., Esquire

October 31, 2018

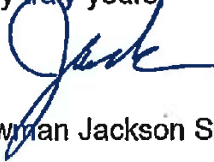
Page 2

by DIUC. All written documentation concerning such approvals, easements and invoices has been provided. An as-built drawing has been provided to DIUC along with an acknowledged Bill of Sale transferring what has been installed to DIUC. Without any further requirements in the Agreement for the Halwigs and Nollers to perform, the Halwigs and Nollers must demand that service be restored immediately in order for them to finally, after more than two (2) years, achieve the ability to use their property.

"Upon execution of this agreement and compliance with its provisions, service will be connected to customers premises." This promise from the Agreement has now been breached by DIUC. Instead of restoring service, DIUC has proffered an Addendum to the Agreement that would add terms and conditions never mentioned much less agreed to when the Agreement was signed and complied with in good faith by the Halwigs and Nollers. The Halwigs and Nollers have lived up to their responsibilities under the Agreement, and it is time for DIUC to do the same and restore service immediately.

The Halwigs and Nollers specifically request that service be restored no later than this Friday November 2, 2018.

Very truly yours,



Newman Jackson Smith

NJS/mam

1401 Main Street, Suite 900



Phone: (803) 737-0800

[abateaman@regstaff.sc.gov](mailto:abateaman@regstaff.sc.gov)

*Andrew M. Bateman*  
*Deputy Chief Counsel for ORS*

December 21, 2018

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Stephen and Beverly Noller and Michael and Nancy Halwig, Complainants/Petitioners  
v. Daufuskie Island Utility Company, Incorporated, Defendant/Respondent  
**Docket No. 2018-364-WS**

Dear Ms. Boyd:

While the South Carolina Office of Regulatory Staff ("ORS") understands that there are complex issues that must be resolved in this case, it also believes that it is in the best interest of ratepayers for adequate utility service to be provided in a safe and reasonable manner. ORS has communicated extensively with counsel for both Daufuskie Island Utility Company ("DIUC") and the Complainants and believes that DIUC has the capability to safely restore service to the Complainants immediately. As a result, ORS would respectfully request, absent a showing from DIUC indicating why it cannot safely restore service, expedited review from the Public Service Commission of South Carolina and a requirement that DIUC immediately restore service to the Complainants with the understanding that restoration of service does not waive any position that any party may take in this matter.

Sincerely,

Andrew M. Bateman

cc: Joseph Melchers, Esquire (via E-mail)  
All Parties of Record (via E-mail)

Complainants 00185





G. Trenholm Walker  
Thomas P. Gressette, Jr.  
Ian W. Freeman  
John P. Linton, Jr.  
Charles P. Summerall, IV

THOMAS P. GRESSETTE, JR.  
Direct: 843.727.2249  
Email: Gressette@WGFLAW.com

December 26, 2018

Via Email Only

Newman Jackson Smith, Esquire  
Nelson Mullins

Andrew Bateman, Esquire  
Jeffrey M. Nelson, Esquire  
Office of Regulatory Staff

RE: Daufuskie Island Utility Company, Inc.  
Docket No. 2018-364-WS  
46 & 36 Driftwood Cottage Lane (Halwig and Noller Residences)

Dear Counselors:

In response to the correspondence from ORS dated December 21, 2018, and pursuant to requests by the Customers (Halwig and Noller), service has been activated at the 46 & 36 Driftwood Cottage Lane.

However, it is my understanding that certain equipment on one or both of the Customers' properties (customer side of the meters) has been damaged by tides and/or erosion and that repairs are necessary and/or underway. The damaged items were installed only a few months ago, which highlights the reasons providing service to these homes is ill advised and risky. DIUC will cooperate as it is able, but I would note that it is the Customers' responsibility to comply with all permitting and inspection requirements for repairs conducted on their properties.

I have not visited the sites this week, so I am not certain of the issues. I do hope for the Customers' that these matters can be easily remedied.

Sincerely yours,

/s/

Thomas P. Gressette, Jr.