

# STANLY COUNTY, NORTH CAROLINA WATER MAIN EXTENSION POLICY

December 2005

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Prepared/Revised by:	Donna Davis, Utilities
Director	
Approved by Stanly County Board of Commissioners:	December 5, 2005
Effective Date:	December 6, 2003

**This document supplants any and all similar documents dated prior to the effective date.**

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## A. PURPOSE

The purpose of this policy is to establish the method to be used for the orderly and financially sound extension of the public water system. This policy is applicable to all Stanly County Utilities (SCU) owned and or operated service areas including the Greater Badin Water and Sewer District, the Piney Point Water District, the Stanly Water and Sewer Authority and any other future service areas. Additional provisions may apply to the Greater Badin Water and Sewer District, the Piney Point Water District, incorporated townships and cities and extraterritorial jurisdictions.

## B. FACILITIES PROVIDED BY STANLY COUNTY UTILITIES

SCU will provide certain basic components of the water system. These components include treatment facilities, water pumping stations, water storage tanks, and major water transmission mains. These facilities will be constructed and/or improved according to a Capital Improvements Program (CIP), which is reviewed and approved annually.

Water service will not be extended to property located beyond Stanly County without the express approval of the Stanly County Board of Commissioners. SCU is under no obligation to provide water service to property outside Stanly County, except as expressly approved. SCU may refuse to extend services to property located outside Stanly County or may choose to provide water service to such property under such terms and conditions as may be approved by the Stanly County Board of Commissioners.

## C. GENERAL PROVISIONS

Upon completion and final acceptance by SCU of all facilities constructed under this policy, such facilities will become the property of the Stanly County and Stanly County will be responsible for their operation and maintenance.

SCU funds are not to be used for construction of any facility that does not offer the reasonable expectation of being feasible unless such facility is required to fulfill regulatory statutes or to maintain service to existing customers. Feasible means that the construction of the facility is expected to cause generation of revenue, service level improvement, or environmental benefits that are in a favorable proportion to the total cost of the project.

All construction of water facilities must be done by utility contractors licensed in North Carolina and approved by SCU.

All contracts for extension of mains are subject to approval by the Stanly County Board of Commissioners or by the Stanly County Manager where allowed by law. All extensions are regulated by state and/or federal agencies and are subject to their review, approval, and permit issuance.

The size, depth, and location of the mains extended will be determined or approved by SCU based on prevailing standards and normal service requirements. In the event facilities designed in this manner will not satisfy the applicant's needs the applicant may withdraw the application. If the application is withdrawn, the applicant forfeits cost incurred by SCU to that time.

SCU's intent is to construct mains sized to provide long term service as described in the CIP. If an extension is requested which conflicts with or is in the same location as a project identified in the CIP or Needs Assessment, SCU shall decide whether to extend the facility as described in the CIP or Needs Assessment or a smaller or temporary main. The decision shall be made with the following considerations:

- Funding availability from other sources
- Impact of expenditure on appropriated funds for this program
- Physical space and/or constraints of installation
- Quality of service
- Time required to provide requested service
- Other considerations unique to the circumstances

Any facilities, which are installed, that are smaller than identified in the CIP or the Needs Assessment or that are smaller than required for long term service shall be funded solely by the applicant with no opportunity or consideration for reimbursement.

The applicant must complete an application for service and pay all applicable charges at the time an extension of the system is requested except when the extension is being made exclusively under the provisions of a reimbursable program and is being donated to SCU. An applicant for extension may not cancel an application for service or extension request once the applicable fees have been paid. Neither connection fees, capacity charges, nor the applicant's share of 50/50 extensions are refundable.

**D. EXTENSION OF SERVICE IN INCORPORATED CITIES AND TOWNS SERVED BY STANLY COUNTY UTILITIES AND REQUIRED BY ANNEXATION**

All cities or towns must meet certain service requirements for newly annexed areas as prescribed by state law. The extension of service by SCU in municipal or annexed areas will be governed by written interlocal agreements between the subscribing towns and Stanly County. If no language exists in the interlocal agreement specific to the extension of service by SCU, nothing contained in this document shall be interpreted to require SCU to extend water service to annexed areas in incorporated townships and cities or extraterritorial jurisdictions.

## **E. MANDATORY WATER CONNECTIONS**

### **New Service Areas**

When a water line is constructed in a previously unserved area all residences and commercial or industrial facilities shall connect to the County's water system within 6 months of completion of the new water line, if:

1. The property on which the unit is erected abuts a county water main, and;
2. Construction of the residence is within 500 feet of the water main, and
3. County water service is determined to be available and feasible according to the guidelines set forth in State rules 15A:18C:0900.

**Any owner who does not connect to the County's water system within 6 months of the completion of the new water line will be assessed a monthly availability fee.**

Note: The Board of County Commissioners may make variances when topographic or man made barriers make connecting economically impractical.

### **Existing Service Areas**

#### New Construction

All new residences and commercial or industrial facilities shall connect to the County's water system if:

4. The property on which the unit is erected abuts a county water main, and;
5. Construction of the residence is within 500 feet of the water main, and
6. County water service is determined to be available and feasible according to the guidelines set forth in State rules 15A:18C:0900.

Note: The Board of County Commissioners may make variances when topographic or man made barriers make connecting economically impractical.

#### Plumbing and Well Renovations or Upgrades

Any existing dwelling, building or facility that requires substantial renovation or upgrades to the plumbing or well serving that dwelling, building or facility shall connect to the County's water system if:

1. The property on which the dwelling unit is erected abuts a county water main, and;
2. The residence is within 500 feet of the water main, and
3. County water service is determined to be available and feasible according to the guidelines set forth in State rules 15A:18C:0900.

Note: The Board of County Commissioners may make variances when topographic or man made barriers make connecting economically impractical.

### **New subdivisions**

New development projects will be required to connect to the County water system if water service is determined to be available and feasible as defined herein:

- A. For a residential subdivision the maximum distance to the utility easement or public right-of-way adjacent to the nearest water main shall be equal to 100 linear feet per dwelling unit lot.
- B. For a non-residential unit (commercial or industrial) the maximum distance to the utility easement or public right-of-way adjacent to the nearest water main shall be equal to 2000 linear feet per unit.

The connection to the County water system shall be provided in lieu of installation of individual or community (private) water systems.

If a development meets the criteria defined herein, the developer will be required to install the necessary water system improvements to and within the development to provide water service to each unit residential or non-residential. All installations shall be in accordance with County requirements for installation of potable water lines.

If water service is determined to be unavailable for a given development the developer may request the provision of County service. If the County chooses to make water available to the development, the developer will then the required to comply with the policy stated herein.

If some or all of the water mains to serve a development can be increased in size to provide substantial benefits to other current or future users of the County water system, the County reserves the right to require the upsizing of the water main(s). The cost of water mains greater then predetermined line sizing may be negotiated with the County.

Phased projects shall require the submission of a master conceptual plan of the applicant's contiguous land holdings. The County is concerned with ensuring continuity between phases and satisfactory completion of each individual phase should the project not be completed as planned.

The developer shall be required to pay the total of all applicable water connection charges for all lots residential or mixed use, upon the approval of a final plat for that development, **whether the construction is initiated in multiple phases or a single phase.**

### Definitions

“Distance” – the distance requirement shall be measured from the closest property line of subdivision to the edge of the utility easement or public right-of-way hosting the closest County water main. This distance shall be measured along utility easements or public rights-of-way.

“Available” – Water service shall be deemed to be available if the system is located within the required distance and is able to provide the necessary flow and pressure required for the development. For the purpose of this classification, it shall be defined in state rules 15A:18C:0904.

“Service Unavailable” – If the County system is not able to provide water service meeting the definition of “available” according to pressure and flow requirements, the developer shall be exempt from these requirements.

## **F. EXTENSION OF SERVICE FUNDED BY STANLY COUNTY UTILITIES**

### **SCU Initiated Street Main Extension Program**

This program provides for SCU funded extension of water mains along streets to serve existing residential dwellings or vacant lots that are zoned for residential construction. These projects are initiated at the discretion of the SCU Director and/or under the direction of the County Manager or Board of Commissioners. The scope of this program is subject to availability of funds and other criteria as deemed necessary.

This program is applicable to water mains along existing, publicly maintained streets within the SCU service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or city/town streets that are eligible for Powell Bill Funds. In areas where there are existing utilities in streets that do not satisfy this definition and extension are requested, SCU shall decide how to proceed with each request based on the merits of each case.

### **Citizen Initiated Street Main Extension Program**

This program provides for SCU funded extension of water mains along streets to serve existing residential dwellings or vacant lots that are zoned for residential construction. Residents and landowners in Stanly County may initiate this process by submitting a completed application to the SCU business office. Application of this program is subject to availability of funds and other qualifications described below. Applications are accepted and projects initiated on a first come, first serve basis.

This program is applicable to water mains along existing, publicly maintained streets within the SCU service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or city/town streets that are eligible for Powell Bill Funds. In areas where there are existing utilities in streets that do not satisfy this definition and extension are requested, SCU shall decide how to proceed with each request based on the merits of each case.

This program is only available to renters or owners of residential dwellings or vacant residential lots. It is not available to child-care facilities, retail establishments, medical buildings, churches, non-profit organizations, other governmental units, commercial buildings, industrial facilities, or any new construction or new development that is not residential in nature.

Extensions under this program must average at least six customers per 1000 feet of main.

To ensure fair and equitable use of available funds, SCU may, at its discretion, limit projects to a maximum of 1000 feet.

Funding for this program shall come from any available SCU revenue source. Revenues from the water/sewer rate structure and user charges can be used to finance bond programs or to fund this program directly. Stanly County Board of Commissioners shall establish the funding level of this program annually with approval of the CIP and/or operating budget.

In the event that the funds appropriated for any fiscal year are not adequate to satisfy the requests received by SCU, the Board of Commissioners may, at its discretion, appropriate additional funds to this program. If adequate funds are not available when an application is made for an extension, the customer will be offered any other available, funded, programs for which the requested extension will qualify. If no other programs are available, or if the customer declines to use another program, the customer will be required to reapply when/if additional funds are appropriated.

Funds from this program can be used for planning, design, inspection, construction, and any other necessary expense directly related to the administration and implementation of this program.

If an extension requested under this program is of such a short length that mobilization costs are excessive and/or the termination of the requested extension is not at an advantageous location, SCU may at its discretion, continue the extension beyond the distance requested by the applicant or deny the petition for extension. If the extension is expanded by SCU funding will be from this program.

Procedures for initiating and utilizing this program are described in appendix II of this document.

## **G. EXTENSION OF SERVICE FUNDED BY RESIDENTIAL AND SMALL BUSINESSES CUSTOMERS**

### **50/50 Extension Program**

This program provides for shared funding of water street main extensions. Under this program, SCU will fund 50% of the cost of eligible expenses when one or more customers provide the other 50%. Application of this program is subject to availability of funds and other qualifications described below.

The basis for determining the project cost will be the average cost per foot actually incurred during the previous fiscal year for projects extended along streets.

This program is applicable to water mains along existing, publicly maintained streets within the SCU service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or municipal streets that are eligible for Powell Bill Funds. In areas where there are existing utilities in streets that do not satisfy this definition and extensions are requested, SCU shall decide how to proceed with each request based on the merits of each case.

This program is available for extension of mains requested by applicants which do not qualify under the provisions of the street main extension program or when funds are not available in that program. The applicant is responsible for determining whether other property owners who could utilize the extension will participate in funding the applicant share. SCU will not consider the application complete until funds sufficient to cover 50% of the estimated cost are received.

Funding for this program shall come from any available SCU revenue source. Revenues from the water/sewer rate structure and user charges can be used to finance bond programs or to fund this program directly. Stanly Board of Commissioners shall establish the funding level of this program annually with approval of the CIP and/or operating budget.

Each applicant is required to pay connection and capacity fees in addition to the applicant's share of the cost of the extension.

Procedures for initiating and utilizing this program are described in appendix II of this document.

#### **Applicant Funded Non-Reimbursable Extension Program**

This program allows the applicant to fund 100% of the cost of water or sewer extensions that are to be constructed by SCU forces or by contracts administered by SCU. This program is applicable to extensions that do not qualify for any other extension programs under this policy, if an applicant chooses this program in lieu of another, or in the event funds are not available from SCU for other programs.

Each applicant is required to pay connection and capacity charges in addition to the applicant's cost of the extension.

Procedures for initiating and utilizing this program are described in appendix II of this document.

### **H. EXTENSION OF SERVICE FUNDED BY DEVELOPERS AND INDUSTRIAL CUSTOMERS**

#### **Extension of Service for New Development**

SCU will not participate in the cost of street main extensions that are required strictly for subdivision of land. All such projects will be financed wholly by the developer of the land. SCU will agree by contract to own and maintain water distribution and wastewater collection systems if these systems are designed and constructed in accordance with prevailing SCU standards and specifications and if the existing SCU system has adequate capacity to sustain the new development. Such contract agreements must be obtained prior to construction of the system.

Capacity charges are required for each service installed.

Under no circumstances shall construction begin prior to approval of the contract, issuance of all required permits, and proper notification of SCU. Notification requirements are detailed in the contract.

### **50/50 Extension Program**

This program provides for shared funding of water street main extensions. Under this program, SCU will fund 50% of the cost of eligible expenses when one or more customers provide the other 50%. Application of this program is subject to availability of funds and other qualifications described below.

The basis for determining the project cost will be the average cost per foot actually incurred during the previous fiscal year for projects extended along streets.

This program is applicable to water mains along existing, publicly maintained streets within the SCU service area. Publicly maintained shall mean NC DOT SR numbered roads, NC or US numbered highways, or municipal streets that are eligible for Powell Bill Funds. In areas where there are existing utilities in streets that do not satisfy this definition and extensions are requested, SCU shall decide how to proceed with each request based on the merits of each case.

This program is available for extension of mains requested by applicants which do not qualify under the provisions of the street main extension program or when funds are not available in that program. The applicant is responsible for determining whether other property owners who could utilize the extension will participate in funding the applicant share. SCU will not consider the application complete until funds sufficient to cover 50% of the estimated cost are received.

Funding for this program shall come from any available SCU revenue source. Revenues from the water/sewer rate structure and user charges can be used to finance bond programs or to fund this program directly. Stanly Board of Commissioners shall establish the funding level of this program annually with approval of the CIP and/or operating budget.

Each applicant is required to pay connection and capacity fees in addition to the applicant's share of the cost of the extension.

Procedures for initiating and utilizing this program are described in appendix II of this document.

### **Reimbursable Programs**

Capital facilities that are normally provided by SCU (described in section B), but are not in place, may be financed by a customer in order to expedite the construction of such facilities. Upon completion and final acceptance of the facility, the customer will be reimbursed for eligible costs of the project according to the procedures and schedules described below.

If a customer wishes to expedite a project, which is included, in the Stanly County Board of Commissioners approved CIP, a 5-year Reimbursement Program is available. If a customer wishes to expedite construction of facilities which are not included in the CIP but which would normally be provided by SCU, a 15-year Reimbursement Program is available. To utilize either of these programs, the customer is required to enter into a contract with Stanly County. This contract provides that SCU will design the requested facility, acquire any necessary rights of way and permits and construct the facility either with County staff or through public bids in accordance with North Carolina General Statutes. The customer is required to pay a deposit at the time he or she executes the contract. The deposit amount should be sufficient to pay the cost of design and right of way acquisition and shall be established by SCU. When the construction cost is determined, either from bidding or SCU work order, the customer is required to make available to SCU the balance of funds to construct the project. The customer may make a cash payment to SCU or utilize an approved letter of credit (See appendix I).

Under the 5-year Reimbursement Program, the contracting customer is reimbursed all of the eligible funds he has deposited for the project. The amount reimbursed will not include any interest, carry charges, financing costs, or other funds other than the actual face value amounts deposited by the customer. The customer will receive 20% of the eligible deposited amount in each of five annual payments. The first annual payment will be made one year from the date SCU accepts the total project as complete and available for activation.

Under the 15-year Reimbursement Program the contracting customer is not guaranteed total reimbursement of eligible deposited funds. The reimbursement payments are made quarterly beginning one year from the date SCU activates the total project. The SCU activation date begins the 15-year reimbursement period. The amount of each annual reimbursement payment will be 20% of water user fees that result directly from the project and are collected that year.

User fees are the periodic charges to customers for actual service received. User fees do not include connection charges or other one-time charges that are made in order to establish service. Reimbursable user fees on water mains will be based only on customers who have service connections directly to the main extended under the 15-year reimbursement program and customers on donated mains that connect to that main. If donated mains connect a reimbursable water main to an existing main, SCU will determine the area on which to base user fee reimbursement based on an engineering judgment of the water flow direction under normal circumstances. If the reimbursable main is extended through any method other than donation, user fees from the new extension will not be reimbursed to the original customer. Annual payments to the customer will continue for 15 years or until the actual eligible face value amount deposited by the customer has been paid, whichever occurs first.

Each applicant is required to pay connection and capacity fees in addition to the applicant's share of the cost of the extension.

Procedures for initiating and utilizing this program are described in appendix II of this document.

## **Applicant Funded Non-Reimbursable Extension Program**

This program allows the applicant to fund 100% of the cost of water or sewer extensions that are to be constructed by SCU forces or by contracts administered by SCU. This program is applicable to extensions that do not qualify for any other extension programs under this policy, if an applicant chooses this program in lieu of another, or in the event funds are not available from SCU for other programs.

Each applicant is required to pay connection and capacity charges in addition to the applicant's cost of the extension.

Procedures for initiating and utilizing this program are described in appendix II of this document.

## **I. EXTENSION OF SERVICE UNDER SPECIAL CIRCUMSTANCES**

### **Extension of Facilities by other Public Agencies**

Any extensions requested by other County departments or by other governmental units within the SCU service area may be (but are not required to be) processed within the same guidelines as though an individual customer had applied. Previously approved agreements with subscriber towns may include other financing options that these government's may utilize.

This policy may or may not apply to water extensions implemented as a part of economic development projects.

## **I. J. OTHER CONSIDERATIONS**

### **Acquisition of Other Systems**

SCU will, as the opportunity arises, consider the acquisition of other water systems that can be incorporated into the SCU system.

### **No Guarantee of Level of Service**

SCU does not warrant or guarantee that the capacity, volume, pressure, or quantity of service provided will be adequate to meet the needs of any customer other than single family domestic service. The customer is responsible for judging the adequacy of service for their intents and purposes prior to applying for service from SCU.

The current level of service provided in any part of the water system, which may be above that required to provide normal, domestic service is not guaranteed for any time in the future.

SCU accepts customers on a first come, first served basis. Completion of studies or costs estimates for provision of service does not constitute any obligation or intent of

SCU to reserve capacity. The applicant's request for or receipt of such studies does not guarantee the applicant's ability to secure water service.

### **Financial Assistance**

Property owners whose household incomes are less than eighty percent of median income based on income and family size as published in Housing and Urban Development publications may obtain water service connections under a special program, the requirements of which are as follows:

- A. The household income must be determined to be eighty percent or less of the median income for this Stanly County, based on income and family size as published in the most recent Housing and Urban Development publications.
- B. The property to be served must be owner occupied residential property.
- C. A water main must be directly available for service connections. No extension of the water system will be made under this program. However, the property owner may qualify for an extension under another program.
- D. The property to be served must have a water supply system, which is determined to be malfunctioning by Stanly County or other government agency having jurisdiction over installation and repair of such systems, or the property must have no functioning water system of any type.
- E. The size of water service connections is limited to ¾" connections.
- F. Private service lines from the County installed meter to the house will not be part of this program.
- G. The property owner must make application for the water service connection. In order to receive the connection, a lien will be required on the property for which service is being provided. The normal fees associated with the connection will be charged to a special account administered by this program. All payments collected, as payments on the lien will be applied to this special account. The required lien will be in the form of a deferred payment loan.
- H. At the option of the customer, the Finance Department will establish an accounts receivable, wherein the applicant will be billed monthly for a partial payment of the charges associated with this service. The term of the receivable will be a maximum of ten years, and will be calculated at a 0% interest rate.

### **Effective Date of Policy**

This revised policy shall be placed into effect on December 6, 2005 and replace any policy previously in force. None of the provisions of this policy are retroactive. New

charges shall be levied on all services for which application is made on or after the effective date.

### **Process for Appeal**

This policy has been adopted by the Stanly County Board of Commissioners for implementation by SCU and the County Manager. It is the Board's intent that SCU apply provisions of this policy equitably to all customers and potential customers. In the event that a customer feels that this policy has been implemented unfairly, the customer may pursue the appeal process outlined on the chart in appendix III. The burden is on the customer to demonstrate inequitable application of this policy.

## **K. SERVICE CONNECTIONS**

### **General Provisions**

All customers desiring water service are required to make formal application for each service and to pay all applicable fees and/or charges at the time application is made.

Water services cannot be installed without payment of a meter deposit and an application to SCU designating the party who is financially responsible for water used from that service.

A ¾" or 1" water service connection consists of the connection to a public water main of a service line, a meter box, and stubbed connection point for the applicant's private plumber to connect to. Larger water service connections consist of the connection to a public water main of a service line, a meter box or vault, piping to the property line, and a valve at the property line.

All water and sewer service connections shall be constructed in accordance with the code of the County of Stanly and with all applicable building and plumbing codes.

Commercial, industrial, fire line, or irrigation services will be subject to requirements of the County and SCU including industrial waste and/or backflow provisions.

### **Fees/Charges**

Customers applying for a new water service or extension are subject to one or more of the charges shown below.

- A. Connection Charge (Tap Fee) – This charge is based on the average actual cost incurred by SCU to construct similar size service connections during the previous fiscal year.
- B. Capacity Charge (Privilege or Impact Fee) – This charge is to recover from new customers a portion of the incremental cost of providing capacity in the treatment facilities, transmission mains, and pump stations, which have been constructed to allow for new development and expansion of the system. This

charge is calculated based on the actual book value for these facilities as shown in the County’s General Ledger and the system treatment capacity reflected in that value. Dividing the book value by the system treatment capacity yields a system cost per gallon per day. This cost per gallon is multiplied by the average daily consumption of residential customers with ¾” water services. This charge is then multiplied by the relative capacity of other meter sizes to determine the capacity charge for other size meters.

- C. Meter deposit – This is a security deposit that varies according to both water meter size and the nature of the customer (i.e. residential, restaurant, warehouse, etc.).
- D. Inspection Fee – This fee covers the cost of having a certified inspector verify the proper installation of your service connection, including the check valve, the cut-off valve, and in some cases the backflow preventer.
- E. Discounts Available – If a customer applies for a water service in conjunction with a water extension and the service can be installed on the extension as it is constructed then the connection fee may be discounted 10%. No discounts or reductions apply to capacity charges. SCU will establish a time period prior to the beginning of construction during which eligible customers may receive the 10% connection fee discount.

**The following chart defines when each of the different charges is applicable:**

<b>TYPE SERVICE</b>	<b>CONNECTION CHARGE</b>	<b>CAPACITY CHARGE</b>	<b>TAP INSPECTION FEE</b>	<b>DEPOSIT</b>
New service not installed as part of donated system	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application
New service installed by developer as part of donated system	No	Yes Paid at time of application	No	Yes Paid at time of application
Replacement of service of same size	Yes Paid at time of application	No	No	No
Replacement service of larger size	Yes Paid at time of application	Partial – difference between sizes Paid with application	Yes Paid at time of application	Yes Paid at time of application

Replacement service of smaller size	Yes Paid at time of application	No No refund of previous charges	No	No
Fire line	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application
Irrigation service	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application
Partial tap completion (Paving tap)	Partial based on estimated cost to complete the tap	Yes Paid at time of application	Yes Paid at time of application	Yes Paid at time of application
Fire hydrant meter	No	No	Yes Paid at time of application	Yes Paid at time of application

## **Appendix I**

### **LETTER OF CREDIT FOR REIMBURSABLE PROGRAM FINANCING**

Customers who are utilizing reimbursable programs to expedite projects may use this financing method in lieu of cash payment to SCU. This method can only be used for projects estimated to cost \$50,000 or more. The customer may elect to render to the County a non-recourse, commercial letter of credit from a bank insured by the Federal Deposit Insurance Corporation and having full-service banking facilities in North Carolina in lieu of advancing other funds sufficient to pay for the entire project. Said letter of credit shall unequivocally guarantee payment by said bank to the County at such times and in such amounts as the County shall determine is reasonably necessary or convenient to have the necessary funds on hand for retainage and payments to any contractor awarded the contract to construct the extension requested by the customer. If the customer selects such an alternative, the following conditions shall apply:

- A. This financing alternative must be selected, including the designation of the bank to be used; at the time a customer requests a contract with the County for an extension.
- B. A form provided by the County must be used as the letter of credit, with a schedule of payment incorporated therein which and approved by the Director of SCU. If the customer proposes to use any variation of the form, the customer will be required to pay the County's reasonable attorney fees in retaining experienced private counsel to review and advise the County and SCU on the terms of the proposed letter of credit, and any related documents, and to recommend such changes, alterations or additions thereto as may be in the best interests of the County and SCU. The customer shall be required to advance the estimate of such fees, as determined by the County, at the time this financing alternative is selected. Any excess funds advanced by the customer for attorney fees shall be refunded. If the estimate of attorney fees is insufficient, the customer shall advance the additional amount required prior to approval by the County of the extension contract. The form and contents of a customer-proposed letter of credit and any related documents shall be approved by the County Board of Commissioners and shall contain such provisions as the County Board of Commissioners shall determine to be necessary to protect the interest of the County and SCU. Said proposed letter of credit shall also incorporate a schedule of payment approved by the Director of SCU. If the customer does not accept any changes required by the County Board of Commissioners and if the attached form is not acceptable to the customer, the financing alternative set forth in this sub-section shall no longer apply.
- C. The County manager is authorized to approve changes to the form letter of credit and to the estimated cost of projects qualifying for this alternative financing plan.
- D. The County Finance Director may refuse to accept a letter of credit from any bank that has refused or failed for any reason to honor a draft on any letter of credit issued to the County or if the Finance Director determines in his/her sole and absolute discretion that it is not in the County's best interests to accept a letter of credit from such bank for any reason. By seeking to use this alternative financing plan, a customer and any bank issuing or proposing to issue a letter of credit hereunder agree and acknowledge that acceptance of a letter of credit is within the County's sole and absolute discretion. No customer is entitled in any manner to use this alternative financing plan as a matter of right, and neither the County nor any employee, officer or agent thereof shall be liable for

any damage, loss, injury or claim of any kind whatsoever arising out of the County's failure or refusal to accept an issued or proposed letter of credit, regardless of the circumstances under which such failure or refusal occurs.

## Appendix II

### INITIATION AND UTILIZATION OF EXTENSION PROGRAMS

A customer seeking to obtain water service must follow the procedure outlined below.

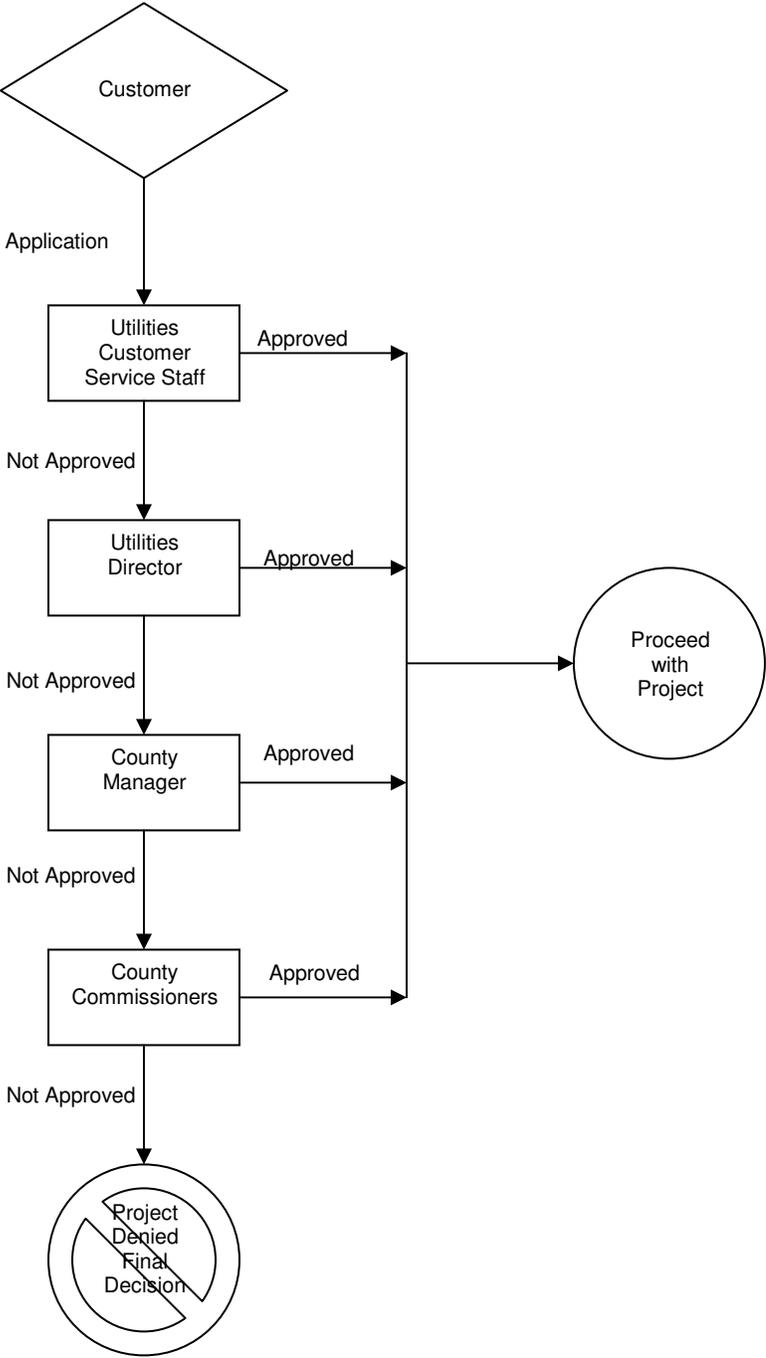
- A. Request study of availability of water from SCU's Business Office. The request should identify the property to be served and any special capacity requirements or other specialized needs to be addressed. A deposit of \$50.00 is required to initiate a residential or small business customer application for review. A deposit of \$200.00 is required for a developer or industrial customer application review. The deposit will be applied to the cost of the total project if accepted. If the project is rejected by SCU the full amount of the deposit will be refunded. If the initiating customer withdraws the application, one-half of the deposit will be refunded.

If an excessive number of applications are received or to facilitate processing, SCU may limit the number of applications accepted for review and/or the schedule for submission of applications.

- B. SCU will provide a written study containing the following information:
1. Is water/sewer immediately available to the property?
  2. The length of any required extension(s) to serve the property.
  3. The total estimated cost of the required extension(s).
  4. Identification of programs the customer could utilize to acquire the extension(s) and the total cost to the customer.
  5. Service connection and capacity costs.
  6. Approximate time the extension could be completed.
  7. Instructions to the customer concerning how to proceed.
- C. Customer formally initiates application for service by paying applicable extension costs and/or connection and capacity charges.
- D. SCU shall complete design and construction including acquisition of permits, encroachments, and/or rights of way. The expected time for completion of extensions of minor (less than 1000' of 8" or smaller) mains along existing streets is less than 180 days from the receipt of the customer's complete payment. It is recognized, however, that there may be instances when, due to workload or inability to obtain permits, encroachments, or rights of way, more time may be required. In no case is a projected schedule binding upon SCU or Stanly County.

Appendix III

STANLY COUNTY UTILITIES  
EXTENSION POLICY APPEAL PROCESS



## Appendix IV

### SECTION .0900 - DISTRIBUTION SYSTEMS

Rules .0901 - .0907 of Title 15A Subchapter 18C of the North Carolina Administrative Code (T15A.18C .0901 - .0907); has been transferred and recodified from Rules .2101 - .2107 Title 10 Subchapter 10D of the North Carolina Administrative Code (T10.10D .2101 - .2107), effective April 4, 1990.

#### **.0901 SIZE OF THE WATER MAINS**

Water distribution mains shall be sized to provide a minimum pressure at all points within the distribution system of not less than 20 pounds per square inch (gauge) during periods of peak demand (fire flow), but in any case water mains shall not be less than two-inch standard nominal diameter. Fire hydrants shall not be installed on water mains of less than six inches diameter or on water mains or water systems not designed to carry fire protection flows. Systems not designed for fire flows shall have the capacity to maintain a pressure of at least 30 pounds per square inch (gauge) throughout the system during periods of peak flow.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977; Amended Eff. March 31, 1980.*

#### **.0902 NUMBER OF RESIDENCES ON A WATER MAIN**

(a) No more than 20, or the equivalent of 20 residences shall be connected to a two-inch diameter water line, unless the main is looped or otherwise supplied from two connections with mains of adequate capacities.

(b) A looped two-inch main shall serve no more than 40 residences, or the equivalent water demand of 40 residences. A two-inch diameter main shall not exceed 1000 feet in length.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977; Amended Eff. January 1, 1978.*

#### **.0903 DEAD-END WATER MAINS**

Where installation of dead-end water mains cannot be avoided, a hydrant or a valve of adequate size for flushing shall be installed at the terminal end of the line. The flush valves shall have an above-ground discharge and shall be protected from contamination.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977.*

#### **.0904 PIPE LAYING**

Trenching, pipe laying, and backfilling shall be accomplished in a manner to prevent damage and mis-alignment of the pipe. Water mains shall be buried to a depth below the frostline or to a depth sufficient to provide a minimum of 30 inches cover, whichever is greater.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977.*

### **.0905 TESTING NEW WATER MAINS**

New water mains shall be tested for leakage and any necessary repairs and re-testing shall be accomplished as specified in AWWA standards.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977.*

### **.0906 RELATION OF WATER MAINS TO SEWERS**

(a) Lateral Separation of Sewers and Water Mains. Water mains shall be laid at least 10 feet laterally from existing or proposed sewers, unless local conditions or barriers prevent a 10-foot lateral separation--in which case:

- (1) The water main is laid in a separate trench, with the elevation of the bottom of the water main at least 18 inches above the top of the sewer; or
- (2) The water main is laid in the same trench as the sewer with the water main located at one side on a bench of undisturbed earth, and with the elevation of the bottom of the water main at least 18 inches above the top of the sewer.

(b) Crossing a Water Main Over a Sewer. Whenever it is necessary for a water main to cross over a sewer, the water main shall be laid at such an elevation that the bottom of the water main is at least 18 inches above the top of the sewer, unless local conditions or barriers prevent an 18 inch vertical separation--in which case both the water main and sewer shall be constructed of ferrous materials and with joints that are equivalent to water main standards for a distance of 10 feet on each side of the point of crossing.

(c) Crossing a Water Main Under a Sewer. Whenever it is necessary for a water main to cross under a sewer, both the water main and the sewer shall be constructed of ferrous materials and with joints equivalent to water main standards for a distance of 10 feet on each side of the point of crossing. A section of water main pipe shall be centered at the point of crossing.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523; Eff. January 1, 1977; Readopted Eff. December 5, 1977.*

### **.0907 VALVES**

(a) Valves should be installed on all branches from feeder mains and between mains and hydrants according to the following schedule:

- (1) three valves at x (crosses),
- (2) two valves at T's (tees), and
- (3) one valve on single hydrant branch.

(b) All valves installed in water distribution systems should meet the appropriate AWWA Standards C 500-71 (adopted in 1971) C 504-74 (adopted in 1974) and C 507-73 (adopted in 1973) of the American Water Works Association, Inc., or approved equal standards. Copies of AWWA standards are available from the American Water Works Association, 6666 W. Quincy Avenue, Denver, Colorado 80235, at a cost of one hundred forty dollars (\$140.00) per complete set for non-members or seventy dollars (\$70.00) for members. Copies are available for public inspection at the principal address of the Public Water Supply Section, Division of Environmental Health. Further, all valves must be installed in such a manner as to be readily accessible, preferably, the use of an appropriate valve box and cover.

*History Note: Authority G.S. 130A-315; 130A-317; P.L. 93-523 Eff. January 1, 1977; Readopted Eff. December 5, 1977; Amended Eff. March 31, 1980.*

## **Appendix V**

### **DEFINITIONS**

**Activation** – Placing into service, a new water main or other facility. Activation may precede final acceptance.

**Backflow** – The flow of any substance from a customer's property back into the water distribution system. Backflow can result from improper connection of pressurized equipment to the plumbing system or from accidental pressure drops in the public water system that can be caused by pipe breaks or other equipment failure. Backflow of contaminated water into the public system can create a hazardous situation to other customers.

**Capital Improvements Program** – A budget plan for provision of infrastructure and other capital needs for the community. This plan is compiled periodically and adopted by the Stanly County Board of Commissioners.

**CIP** – Acronym for Capital Improvements Program

**Developer** – An individual, firm, or corporation which is improving property or is causing property to be improved by the provision of streets, buildings, or other infrastructure or by the assembly or subdivision of property.

**Domestic service** – Provision of potable water for the purposes of consumption and hygiene for an individual or family and the collection of wastewater generated from these uses.

**Eligible costs** – In the context of the reimbursable program for extensions, this is the total actual cost of the portions of the project that qualify for reimbursement.

**Encroachment** – Agreement with the NC DOT or railroad to place water or sewer facilities within their right of way.

**Extension** – A new or proposed water or sewer main.

**Final acceptance** – Documented agreement between SCU and the contractor or developer of a project that the work is satisfactorily completed and that there are no outstanding claims or deficiencies. Completion of the project may also involve submittal of maps, affidavits, tax statements, or other documents that are required by contractual agreement.

**Fire line** – A water service requested and installed for the purpose of providing enhanced fire protection to an individual property.

**Fire protection** – Provision of adequately sized water mains, water volumes, and fire hydrants at suitable intervals to allow use by fire departments in fighting fires. The level of protection varies with land use and development type.

**Irrigation service** – A water service requested and installed for the purpose of irrigating lawns or property. Water provided through such a service does not return to the wastewater collection system.

**Licensed utility contractor** – An individual, firm, or corporation who is licensed by the North Carolina Licensing Board for General Contractors to perform public utility and/or unclassified construction projects which have a contract value not exceeding their license limitation.

**Needs assessment** – A planning document formally prepared periodically which identifies infrastructure and capital needs of the community that are projected for the upcoming 10-year period.

**New construction or development** – The establishment or substantial improvement of streets, buildings, useable property, or infrastructure where such facilities did not exist or were not suitable for newly intended purposes.

**Permits** – Documentation of permission by federal, state, and/or local agencies that have regulatory jurisdiction over the construction and operation of water and/or wastewater utilities to expand or modify the public water and/or sewer system.

**Public water system** – The water pipes, storage facilities, pumping stations, treatment facilities and appurtenances that are owned by the Stanly County and/or operated and maintained by SCU.

**Residential dwelling** – A room or combination of rooms designed for year-round habitation, containing a bathroom and kitchen facilities, and designed for or used as a permanent residence by at least on family.

**Right of way** – A non-possessory interest in the land of another for the purpose of constructing, reconstructing, operating and maintaining water facilities.

**SCU** – Acronym for Stanly County Utilities

**Street main** – A water or sewer pipe installed along a street, road, or highway primarily for the purpose of providing water or sewer service to the property along that street.

**Subdivision** – All divisions if a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose, whether immediate or future, of sale, or building development.

**Total cost of project** – The total cost of completing a project including planning, design, surveying, drafting, inspection, administration, acquisition of rights of ways, legal services, environmental studies, permits, construction and all other costs necessarily incurred between project initiation and final acceptance.

**Transmission main** – A water pipe constructed primarily for the movement of water from one area to another. Transmission mains are usually, but not always, 12” or greater in diameter. Transmission mains usually supply water to smaller street mains.

**Treatment facility** – A plant designed and constructed for the purpose of removing pollutants and other impurities from source water or wastewater.

**Tributary** – A stream or pipe that flows by gravity or is pumped into another stream pipe.

**User fees** – Charges that are collected for normal provision of water and/or sewer service. User fees do not include one-time charges such as connection and capacity charges, late fees, turn on/off fees or other similar charges.