

Town of Troy
Policy for Managing Utility Allocations & Extensions

PURPOSE: A Policy to Establish the Provision of Water Distribution and Sewer Collection Services to Serve the Corporate Limits of the Town of Troy and Incorporate by Extension Additional Areas Outside the Corporate Limits Which May be Advantageous for Annexation into the Town of Troy, North Carolina.

WHEREAS, the Town of Troy, incorporated 1852, for the purpose of establishing essential municipal services for both current and future citizens;

WHEREAS, the Town of Troy Town Council declares the extension of potable water and sewer collection services into areas of need and areas of future growth to be a major priority; *and*

WHEREAS, the Town of Troy Town Council desires to establish a sound policy for the management of both water and sewer capacity to promote orderly growth in accordance with the Troy *Town Plan 2040 – Comprehensive Land Use & Master Plan*.

SCOPE/COVERAGE:

Section 1 - Policy for Evaluating and Reserving Utility Allocations

I. General Principles

- A. The Town of Troy has allocated substantial capital for investment in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacity are among the most important elements of this infrastructure.
- B. Increasing the Town’s property tax base revenues by the expansion and improvement of higher valued residential, commercial and industrial land uses and fostering a higher quality of life for its residents are the paramount factors by which utility allocation decisions are based.
- C. Consistent with the intent of this policy and other public statements and policies made by the Town Council, the following hierarchy shall apply to the evaluation of utility allocation requests:
 - 1. Location: The priority for utility extension will be given to applicants whose subject extension is to service an area that is within the corporate limits or otherwise incorporated into the Town of Troy.
 - 2. Industrial projects and other major employers.
 - 3. Commercial development projects with a mixed-use element.

Town of Troy
Policy for Managing Utility Allocations & Extensions

4. Additional phases attached to residential projects with a proven record of quality product and economic success.
5. Residential projects that include tangible, high quality community amenities.
6. Residential projects that include diverse products and opportunities.
7. Residential projects, not otherwise described above.

II. Reservation Process

- A. The owner of any project requiring utility service within the Town of Troy shall submit a written application for an allocation. The application shall be in letter form, addressed to the Town, and shall include detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule in relation to consumption of utility capacity, and other supporting information demonstrating how the project serves the needs and interest of the Town of Troy.
- B. The Planning Board shall review and make recommendation to the Town Council for consideration and approval all allocations, which require or may require a daily flow allocation of five thousand gallons (5,000 gpd) or more; any application that requests allocation for any project outside the incorporated jurisdiction of the Town; and, any allocation made for a land use category from capacity otherwise set aside for a different land use type.
 1. Residential Subdivision Development, Mixed-use Planned Developments, Commercial and/or Industrial Developments, and Special Use Permits. The Town Council shall with deliberation incorporate the evaluation of utility allocation requests into the decision-making process associated with each of the aforementioned review processes established within the Town's development standards and specifications. The criteria contained herein for evaluation of utility allocation requests shall be included as elements within the review process for the accompanying land use application with regard to conformity with Town of Troy' policies and ordinances, planning practices, and consistency with the adopted *Town Plan 2040 - Comprehensive Land Use and Master Plan* or later version.
- C. The Town Public Works Engineer shall review for approval all incorporated area applications for utility capacity, which require a daily flow allocation of less than five thousand gallons (5,000 gpd) for allocations.

Town of Troy
Policy for Managing Utility Allocations & Extensions

1. The Town Public Works Engineer shall consider the goals articulated by this and related Town policies when reviewing applications for utility allocations. If an application is denied, the Town Public Works Engineer shall state in writing the reasons for denial of the request.
 2. Appeals process. Any applicant whose application for utility service is denied by the Town Public Works Engineer and who believes that such denial is inconsistent with the goals and priorities stated by this and related Town policies may appeal the denial for review by the Town Council for final decision at the next regularly scheduled Town Council meeting.
- D. Utility allocations granted under this policy shall require the requestor to post the tap fees within forty-five (45) days of the date the allocation is granted. Failure to pay the tap fees within this period may result in revocation of the allocation.
1. All utility allocations approved by the Town shall be effective for a period of twenty-four (24) months. Projects possessing an allocation must start construction within the time shown on the project schedule prepared and submitted by the developer or customer.
 2. Upon request by the applicant and at the discretion of the Town Manager, an allocation may be extended for a twelve (12) month period.
 4. At the final expiration date for an unused allocation the Town shall rescind the allocation and retain sixty percent (60%) of the applicable fees paid to the Town.
 5. Authority of the distributing of utility allocations in association with the Town's utility services is held exclusively by the Town of Troy. Utility allocations shall not be redistributed to a third party.
 6. Relinquishment of allocated utilities shall be in accordance with Subsection II.E of this policy.
- E. An allocation holder may relinquish capacity back to the Town subject to the following policies for reimbursement of fees paid:
1. If a project is unsuccessful in obtaining any required Town or County permit or approval or any State permit or approval, and the allocation

Town of Troy
Policy for Managing Utility Allocations & Extensions

holder relinquishes capacity back to the Town within ninety (90) days of the date the allocation is granted, the full amount paid on utility tap fees shall be reimbursed without penalty or other withholding by the Town.

2. If a project is successful in obtaining all required Town, County and State approvals and agrees to relinquish the total capacity allocation granted back to the Town within ninety (90) days following receipt of final permit approval from the Town, then the total amount of the utility capacity fees paid to the Town shall be returned without penalty or other withholding by the Town.
3. If a project is unsuccessful in obtaining any required Town or County permit or approval or any State permit or approval and holds an allocation for ninety (90) or more days, but relinquishes back to the Town the full amount of allocation within fewer than six (6) months beyond the scheduled date for start of construction, then twenty percent (20%) of the total utility tap fees shall be retained by the Town and the remaining amount shall be returned to the applicant.
4. If a project is successful in obtaining all required Town, County and State approvals and holds an allocation for ninety (90) or more days following receipt of final permit approval from the Town, but relinquishes back to the Town the full amount of allocation within fewer than six (6) months beyond the scheduled date for start of construction, then twenty percent (20%) of the total utility tap fees shall be retained by the Town and the remaining amount shall be returned to the applicant.
5. If a project is or is not successful in obtaining all required Town, County and State approvals and the allocation holder agrees to relinquish the total capacity allocation granted back to the Town after six (6) months beyond the scheduled date for start of construction, but within twelve (12) months beyond the scheduled date for start of construction, then thirty percent (30%) of the total utility tap fees shall be retained by the Town and the remaining amount shall be returned to the applicant.
6. If a project is or is not successful in obtaining all required Town, County and State approvals and the allocation holder agrees to relinquish the total capacity allocation granted back to the Town after twelve (12) months beyond the scheduled date for start of construction, but within eighteen (18) months beyond the scheduled

Town of Troy
Policy for Managing Utility Allocations & Extensions

date for start of construction, then forty percent (40%) of the total utility tap fees shall be retained by the Town and the remaining amount shall be returned to the applicant.

7. If a project is or is not successful in obtaining all required Town, County and State approvals and the allocation holder agrees to relinquish the total capacity allocation granted back to the Town after eighteen (18) months beyond the scheduled date for start of construction, but within twenty-four (24) months beyond the scheduled date for start of construction, then fifty percent (50%) of the total utility tap fees shall be retained by the Town and the remaining amount shall be returned to the applicant.
 8. If a project is or is not successful in obtaining all required Town, County and State approvals and has not demonstrated significant construction advancement in the proposed project within twenty-four (24) months beyond the scheduled date for start of construction, then the Town shall rescind the allocation and retain sixty percent (60%) of the applicable fees paid to the Town and the remaining amount shall be returned to the applicant.
- F. Granting of a utility allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right per G.S 160D-108.
- G. If the Town of Troy approves an allocation for utility capacity for a project and a permit for such project is ultimately denied by the North Carolina Department of Environmental Quality, its successors or other responsible regulatory agency, then the Town of Troy shall bear no liability for any costs incurred by the applicant, nor bear further responsibility in the matter. In such cases, applicable utility access fees, if previously collected, shall be returned as provided in Subsection II.E.

Town of Troy
Policy for Managing Utility Allocations & Extensions

III. Capacity Accounting

- A. Due to weather related factors, the regulatory environment, and the dynamic nature of both water resources and wastewater flow and treatment, accounting of available utility capacity is, by its very nature, inexact. The Town of Troy shall seek to track the amount of capacity that may be available for allocation; however, such reports do not constitute a policy statement, commitment or guarantee on the amount of capacity available for allocation.
 - 1. The Town Public Works Engineer shall prepare and incorporate as part of the program established hereunder a schedule of utility capacity available and a list of allocations granted.
 - 2. The Town Public Works Engineer shall make at least annual reports to the Town Council regarding the status of utility capacities available and allocations granted.

Section 2 - Utility Extension Policy

I. General Principles

- A. The Town of Troy has allocated substantial capital for investment in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacity are among the most important elements of this infrastructure.
- B. Increasing the Town's property tax base revenues by the expansion and improvement of higher valued residential, commercial and industrial land uses and fostering a higher quality of life for its residents are the paramount factors by which utility allocation decisions are based.
- C. Consistent with the intent of this policy and other public statements and policies made by the Town Council, the following hierarchy shall apply to the evaluation of utility extension requests:
 - 1. Location: The priority for utility extension will be given to applicants whose subject extension is to service an area that is within the corporate limits or otherwise incorporated into the Town of Troy.
 - 2. Industrial projects and other major employers.
 - 3. Commercial development projects with a mixed-use element.
 - 4. Additional phases attached to residential projects with a proven record of quality product and economic success.

Town of Troy
Policy for Managing Utility Allocations & Extensions

5. Residential projects that include tangible, high quality community amenities.
 6. Residential projects that include diverse products and opportunities.
 7. Residential projects, not otherwise described above.
- D. The planning and extension of water and sewer systems of the Town of Troy shall be accomplished in accordance with the following general principles:
1. Extensions shall be made to promote the orderly growth of the community. The minimum distance for any extension of a water main or sanitary sewer main shall be determined by Town Council. In general, the minimum distance for extensions shall be one platted block or, in the case of water mains, from main line valve to main line valve; and in the case of sanitary sewer extensions, from manhole to manhole.
 2. The size of water mains and sanitary sewer mains to be installed, and the other required system facilities shall be determined by the Town Council in accordance with the recognized standards and accepted engineering practices and design, and in accordance with applicable system plans adopted by the Town Council.
 3. The Town shall be responsible for the maintenance, operation, control and ownership of all water and sewer facilities.
 4. Developers of subdivisions shall be responsible for the full cost of installing utilities within their own subdivisions, and for the full cost of any mains or outfalls required to connect said subdivisions to the water or sewer systems of the Town existing at the time. This provision shall apply to all subdivisions whether within or outside of the corporate limits.

II. Application for Extension and Approval of Extension Application

- A. Any property owner or owners desiring water or sanitary sewer service shall apply in writing to the Town Council requesting the extension of water or sanitary sewer service or both. No request for the extension of services shall be considered unless submitted in writing in accordance with this Chapter and applicable provisions of the Town of Troy Development Ordinance.

Town of Troy
Policy for Managing Utility Allocations & Extensions

- B. The applicant shall be required to submit as part of the application, and prior to approval, such information, plans, specifications, or other data as may be required to adequately determine if the requirements of this Chapter and applicable provisions of the Town of Troy Development Ordinance are to be met.
- C. Prior to final approval by the Town, the applicant shall furnish to the Town all necessary information, reports, plans and specifications as well as appropriate fees payable to the Town and documentation of all required permits from other units of government and their agencies.
- D. When application is made for a water or sewer extension or both to serve an area or development that is planned as part of a larger development project or subdivision, all of which is not to be developed at the time application is made, the owner or owners shall submit plans in sufficient detail in order to determine the size and type facilities which will be necessary to serve the entire development or subdivision when completed.
- E. No extension to the water or sanitary sewer system of the Town shall be made, and no application approved, except in accordance with the requirements of this Section and the consistent with the adopted *Town Plan 2040 - Land Use and Comprehensive Master Plan* or later version.

III. Financing Extensions within the Corporate Limits

- A. *Extensions to Existing Lots, Parcels or Developed Property.*
 - 1. When application is received requesting the extension of water or sanitary sewer service or both to serve property, within the corporate limits, which is developed or where streets have been previously dedicated and accepted by the Town, and where the area is not part of a new subdivision, the Town Public Works Engineer or other person designated by the Town Council shall estimate the cost of the project and present the application for the extension, the estimated cost and other required information to the Town Council for consideration. If the application is approved by the Town Council, and subject to the availability of funds, the Town will install or have installed by contract under its supervision, the extensions which have been approved, and the extensions shall be financed in accordance with this Section.

Town of Troy
Policy for Managing Utility Allocations & Extensions

2. Upon receipt of a petition to extend a water and/or sewer main, the Town Council has the following five options for response:
 - a. Install the extension at the Town's expense.
 - b. Approve and allow the petitioner to install the extension at petitioner's expense.
 - c. Install the extension at the petitioner's expense.
 - d. Install and jointly finance the extension in cooperation with the petitioner.
 - e. Deny the request.
3. The criteria under which an option will be chosen are generally defined herein; however, the Town Council may act according to any aforementioned option, which it feels is in the best interest of the Town.
4. When the Town determines that it is advisable to install larger size lines or facilities than are necessary to serve the benefited property, the difference in the cost of the larger size facilities over the cost of the facilities required to serve the benefited property the extensions shall be paid by the Town and excluded from the total cost to be shared by the property owner(s) and the Town as provided herein.

- B. *Extension by the Town Council's Initiative.* Nothing in this Chapter shall prevent the Town Council from extending water or sanitary sewer mains or both within the corporate limits on their own initiative without receipt of an application from property owners and to assess the cost of such extensions in accordance with Subsection III.A above, when, in the opinion of the Town Council, the general public interest requires such extensions of service.

IV. Financing Extensions to Subdivisions and Properties Outside of the Corporate Limits

The financing of extensions of water or sanitary sewer service or both to properties located outside of the corporate limits or to subdivisions for which the extension of service has not been approved as of the date of adoption of this Ordinance shall be performed in accordance with the provisions of this Article and other applicable Town Ordinances including but not limited to the Town of Troy Development Ordinance.

- A. All applications for water and sewer extensions to serve properties located outside of the corporate limits or to serve subdivisions, for which an application for extension has not been approved as of the date of this Ordinance, shall be made in the same manner and under the same requirements as provided for in Subsection III.A and Subsection III.B.

Town of Troy
Policy for Managing Utility Allocations & Extensions

- B. If an application is approved by the Town Council, the owner or owners shall be required to pay 100% of the total cost of all extensions. However, the Town may participate to the extent agreed upon by the Town Council in the cost of larger size mains that are in excess of the size mains required to serve the project. No reimbursement by the Town shall be made upon annexation and all water and sewer lines connected to the Town system and located outside of the corporate limits shall become the property of the Town at the time those facilities are connected.

- C. All applicants requesting utility services shall, at the request of the Town, file a petition for annexation to the Town. Failure to file a petition for voluntary annexation or satellite annexation on notice from the Town may result in immediate termination of water service upon finding by the Town Council of a breach of the agreement for the provision of water service.

V. Specifications; Ownership

Any water mains or sanitary sewer mains, lift stations, pumping stations, tanks, controls, telemetry, easements and/or other appurtenances extended under the provisions of this Chapter shall be installed and constructed in accordance with the approved plans, specifications and other requirements of the Town. All facilities installed under the provisions of this Chapter, whether within or outside the corporate limits, shall become the sole property of the Town and under its jurisdiction and control for any and all purposes whatsoever at the time those facilities are connected to the Town system. The property owner or owners shall grant to the Town such utility easement as the Town may require. In addition, a deed to the Town for water or sewer facilities installed which are located outside the corporate limits, the cost of which is borne by the applicant or property owners, shall be executed prior to the time any extensions provided for in this Chapter are connected to the Town system.

ADOPTED on this the ___th day of _____ 2020.

s/ _____
Sherry Allgood, Mayor

s/ _____
Cathy M. Maness, Town Clerk