



SEWER EXTENSION POLICY

Options to Proceed:

1. Motion to approve the Sewer Extension Policy as presented
2. Motion to approve the Sewer Extension Policy as amended
3. Motion to table for further review and changes as discussed

Staff has reviewed the policy with Mayor Thomas and Mayor Pro Tem Litton (WS CIP Subcommittee)

SUMMARY

Our current ordinance around water and sewer ([Chapter 50](#)) outlines [extensions for service to in-town property](#), [developed property within town](#), [extensions to new developments](#), and [extensions outside of town](#). These first two sections are aimed at providing extensions to a single parcel. None of these sections address providing service to entire neighborhoods that are already built out.

There are numerous properties and developments within the town limits that have aging septic systems. Most of these were built during the moratorium on new connections to our sewer system in the early 1990's. These homes 'paid' for the septic systems through the purchase price of their home, but did not pay for any infrastructure or connections to the Town system. If we applied the current policy of extending service to developed properties within town, it means that the town will, in essence, provide those residents with free or much cheaper extension of service. This means those in newer or future developments bear the cost of extension twice, once in the increased price of their houses and once as taxpayers. Staff have developed the updated ordinance with this in mind and have attempted to balance financial "fairness" while still making the extension of sewer service an attractive and economically reasonable endeavor.

Staff reviewed a number of policies from other towns and consulted with the School of Government. From this research, we have significantly changed Sec. 50.302 in five major ways. Those changes are outlined below and the intent of these changes is meant to apply an assessment to the properties requesting service and allow for a lump sum payment or financing over a number of years. This assessment would be tied to the property and not the owners.

The first change is a new requirement that the process of sewer extensions begin with the submission of a petition from interested property owners. The petition shall include a description of the proposed improvements and must be signed by at least 75% of owners owning at least 75% of the lineal feet of frontage of lands abutting the street(s) to be served by the extension. Owners of undivided interests shall be considered one person and 75% of the undivided owners must be named on the petition to count as a single vote in favor of extension. For instance, a property with 4 owners needs 3 named on the petition for the property to count as a yes vote in favor of extension.



The second major change comes in Sec. 50.302(c)(1)(b) and states that the project area described on the petition shall be determined by matching the project proposal with the Town's Capital Improvement Plan. Properties within 200 feet of the project area are required to be named on the petition and count towards the 75% threshold requirement. Properties more than 200 feet off the road should be able to install a new septic tank and do not necessarily need to be included in the project to address the concern of aging septic tanks. There is an exception in our code for lots of this size. The Town Clerk or another person designated by the Council shall investigate if the petition is sufficient and certify the same with the Council.

The third change shall come into effect after this certification. The Town shall contract with an engineer to review the project, identify the need for the installation of oversized lines or other basic sewer facilities (like pump stations), and estimate the final total cost. The Town Manager or their designee shall then present the findings to Council along with a recommendation on the feasibility of the request. Next, Sec. 50.301 establishes the Petition Review Committee to convene after the project is deemed feasible by Council and before the project is given final approval. They shall conduct a preliminary review of the project and iron out the final details. This committee will consist of two Councilmembers, Town Manager, Town Engineer, Public Works Director, and at least two residents names on the petition as neighborhood representatives.

Finally, Sec. 50.302(f) was written to establish that once the project is completed, the Council may select a basis of assessment from [G.S. 160A, Article 10](#) to recoup the cost of the extension if the Town bore the initial cost of extension in accordance with Sec. 50.302(a). Property owners also have the option to pay their proportionate share of the cost in one lump sum rather than in equal annual installments with interest. Sec. 50.302(g) states that lines installed larger than is necessary to serve the property or other system facilities installed for public use (like fire hydrants or pumping stations) shall be excluded from the total cost to be shared by the property owners.

MATERIALS PROVIDED

- **Red line copy of current ordinance with additions**