	CITY OF KING **CITY COUNCIL**	**MEETING DATE:** November 2nd, 2026

OCTOBER	
Subject:	REQUEST BY CAROWAY JOHNSON CONSTRUCTION LLC FOR CITY SEWER PER OUR UTILITIES EXTENSION POLICY WITH A REQUEST FOR NO VOLUNTARY ANNEXATION.
Action Requested:	Decide on this request based on our utilities extension policy in Sec 29-232 listed below to allow sewer to the property without voluntary annexation request.
Attachments:	

	This abstract requires review by:	
	City Manager	**City Engineer**
Benjamin Marion, PE – City Engineer		

PART B

Introduction and Background:

We have a development company (Caroway Johnson Construction) that bought a tract of land on Meadowbrook Drive. The tract contains 4 lots on 1.44 acres and is considered a minor subdivision. The plat for this property has already been reviewed by City of King Planning Department and recorded in Stokes County Register of Deeds. The developer is requesting that they be allowed to hook to city sewer without submitting a voluntary annexation petition because this tract is noncontiguous to any of King's corporate limits. The only available municipal water and sewer in the area is the City of King's. The developer understands that the future owners would pay the outside rates for water and sewer.

Sec. 29-232. - General policies regarding extensions.

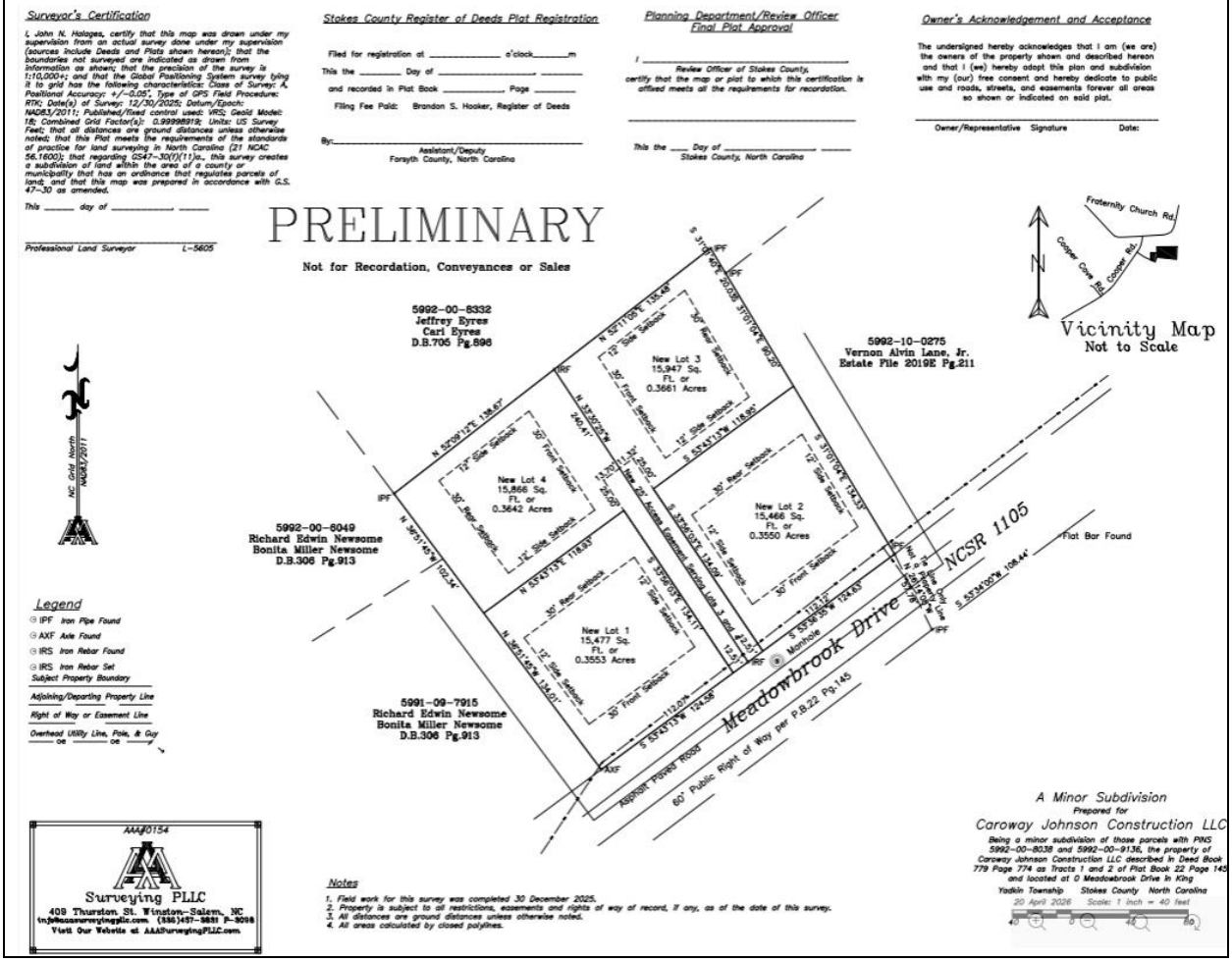
(a) It shall be the general policy of the city to permit extensions of water and sewer service to areas within the city's corporate limits without restriction, provided that all applicable fees shall be paid and all construction shall adhere to the city's construction standards. The board and the director shall have the authority to reject plans for any extension which would not be in the best interest of the city. (b)It shall be the general policy of the city to permit extensions of water and sewer service to areas outside the city's corporate limits, but within the city's adopted area of consideration for annexation, only when such areas or developments simultaneously with the request for water and/or sewer service agree to petition the city for annexation, where practical, prior to the extension of such service. The board shall have the authority to waive this requirement when annexation would be impractical, legally impossible, or would not be in the best interest of the city. (c)For areas which are outside the city's

corporate limits and outside the city's adopted area of consideration for annexation, water service may be extended when it is considered by the director to be in the best interest of the water system, and not detrimental to the interests of the city. Normally, sewer service will not be extended to areas outside the corporate limits of the city which do not request voluntary annexation, regardless of location. (d)The board shall have the authority to make exceptions to these policies for reasons determined to be in the best interest of the city.

(Ord. No. 7-98, § 1, 5-12-98)

Discussion and Analysis:

Staff have reviewed the developer's request. In reviewing the city's extension policy, it is determined that the board can make exceptions to the policy under item (d) of Chapter 29-232 of the city's ordinance. Staff does not see any benefit in annexation of this property currently because of its location to current incorporated limits but can see the need for this annexation in the future.





Budgetary Impact:

Water/sewer info if annexed –
Tap fees = $5,200/home = $20,800
Water rates – inside - $29.86
Sewer rates – inside - $109.25
City taxes - .47/$100 in valuation = $1,410/home/year based on a $300,000 home value.
Based on a 4-lot S/D that would be $5640 in city taxes and $3338.64 in water/sewer bills.

Water/sewer info if not annexed –
Tap fees = $5,200/home = $20,800
Water rates – outside - $41.80
Sewer rates – inside - $152.95
Based on a 4-lot S/D that would be $4674.00in water/sewer bills.

Please note that an approved change in the water and sewer rates would change these numbers based on usage. Tap fees will remain the same.

Recommendation:

Staff recommend that the council require the developers to request voluntary annexation to access our sewer. If council wishes to require voluntary annexation, staff would request that a public hearing be set for the December 7th, 2026, meeting and like to ask that once developer submits the voluntary annexation request that taps can be installed. This request would come back before council as a public hearing and action item at the December 7th, 2026, meeting.