General Policy Statement:

The intent of the following policy is to provide an equitable mechanism by which the Town of Siler City can plan an extended water and waste water system to serve the needs of the citizens of Siler City as well as those who would like to become citizens of Siler City. In general:

A. Extensions shall be made to serve the Town corporate limits, Extraterritorial Zoning jurisdiction and other areas that may be approved by the Siler City Town Board.

B. The developer of a parcel of land is required by the Town UNIFIED DEVELOPMENT ORDINANCE to construct all on-site water and/or waste water facilities and to provide connection of the water and waste water facilities in his or her development to the existing utility system of the Town.

C. The developer shall provide access to adjacent properties to the water and/or waste water facilities that are installed. Access may be by construction of the actual facilities to the property line or by providing a public easement of sufficient size to allow access.

D. Assessment shares shall be levied on all areas served by any extensions of water and waste water service.

E. Anyone requesting the extension of water and/or waste water facilities outside the Town’s Corporate Limits must request annexation. Each request for annexation will be investigated to determine feasibility and cost effectiveness. The Town reserves the right to delay or reject the annexation request.

F. The extension of water and/or waste water systems shall be accomplished by one or more of the following methods as recommended by the Town’s consulting engineers and approved by the Town Board:
1: **Town funded assessment method:** This method shall be used as a means of defraying the expense of water and/or waste water systems by special assessment upon the properties benefited by the extensions in accordance with North Carolina General Statutes 160A-216 through 160A-236. The Town Board shall establish an assessment method from among the basis outlined in North Carolina General Statutes 160A-218 which will most accurately access each lot or parcel of land according to the benefit conferred upon it by the project.

2: **Developer funded oversize reimbursement:**

Under this method the developer shall be responsible for the full cost of installing water and/or waste water facilities within their own properties for the connection of their system to the Town’s existing utility system. The Town shall share the cost of constructing oversize facilities when larger sizes are required to serve other tracts outside of the tracts being developed.

Town reimbursement for developer funded facilities shall be made for the difference in cost between facilities required for the development and oversized facilities required by the Town of Siler City. The methodology of sizing facilities shall be as proved by the Town engineer. In no instance shall the Town of Siler City reimburse for water or waste water lines 8” or less in size. Procedures for preparing documentation for oversizing reimbursement is found in **Section B General Provisions** of this policy statement.

3: **Developer Funded Reimbursement Contract:**

In instances where Town funding is not available for extensions under other provisions of this policy statement and where the Town Board deems it in the Town’s best interest to approve the project, the developer may enter into a reimbursement contract with the Town. Any reimbursement contract would provide for developer funding of the entire project with reimbursement to the developer for those costs in excess of his required payment of fees and assessment when applicable. Reimbursement paid to the developer would come from assessment fees paid by other subsequent developing properties that are within the service area of the project. Any reimbursement contract shall be in accordance with provisions of this policy statement regarding reimbursement contracts and shall be contingent upon approval by the Siler City Town Board.
4: Developer funded no reimbursement:

This method shall be applicable in instances where funding is not available under other provisions of this policy statement. Facilities installed under this method shall comply with all Town design standards and shall be in accordance with the Town’s master water and waste water plans where applicable as approved by the Town’s consulting engineers. Approval of projects under this method shall be contingent upon receipt of all Town and State approvals and availability of sufficient water and/or waste water treatment.

General Provisions:

A. Assessments

1: General. Except for lateral water and waste water main extensions and replacements which are located within redevelopment areas as delineated pursuant to Article 22 of chapter 160A of the General Statutes of North Carolina as amended, water and waste water main extensions will be made by assessment of the cost thereof against property owners who have benefited thereby in conformity of Article 10 of chapter 160A of the General Statutes of North Carolina. The Town’s consulting engineers shall recommend to the Town Board which method of assessment authorized by General Statutes 160A-218 as amended would be most equitable to be used in an assessment role for each project and any interested property owner may be heard on this issue at the Public Hearing.

2: Payment. Assessment shall be payable as provided in General Stature 160A-233 as amended.

3: Corner Lot Provisions. When the basis for assessment is frontage method, lots at intersections shall be assessed as follows:

(a) If a water main, waste water main or both are installed simultaneously on both streets on which a lot abuts, assessment of the cost of the installation shall be based upon the entire frontage on one street plus the footage on the second side provided that on the second side there shall be an exemption of 75% of the frontage or 150’ whichever is greater.
(b) If the lot is already served by Town water and/or waste water mains in a street abutting the lot and duplicating service is installed in the other abutting street, there shall be no additional assessment made.

(c) If the lot already served by Town water and/or waste water mains in two (2) or more streets on which the lot abuts, and a duplicating service is installed in any abutting streets, the cost of the new installation shall not be assessed.

4: Duplicating Services. In additions to provisions made for corner lots above, if the lot is already served by Town water and/or waste water mains and any duplicating service is installed, the cost of the new installation shall not be assessed.

5: Additional Conditions. The term “lot” as used in this section is defined as a parcel or a number of contiguous parcels of land owned by one (1) owner without regard to how or when acquired, except that when an assessment is made on a per lot basis in a subdivision, the term “lot” shall apply to each separate subdivided lot.

6: Charges in Lieu Assessments on Property Not Assessed. If the property to be served by water or waste water connection is to be connected to a line constructed on an assessment basis pursuant to the provisions of this policy statement and no assessment was made against the property for its proportionate part of the line because ownership of the property would not permit the collection of an assessment (State or Federal property), there shall be collected at the time of connection to the system, in addition to all other fees, a fee equal to the amount which would have been assessed against the property had such property been assessable at the time the original line was constructed.

In those cases where the Town has paid the cost of the installation of a water and/or waste water line outside the Town, there shall be collected at the time of connection to the system, in addition to all other fees, a fee equal to the amount which would have been assessed, if the property was located outside the Town limits at the time the line was installed.

B. Oversized Reimbursements
1: General. In the event it is necessary or desirable, in the opinion of the Public Works Director, to specify water or waste water mains larger than needed by the developer, the Town will bear the cost difference between the
specified main and the main required to serve the development. In no instance shall the Town reimburse for water and/or waste water lines 8-inch or less in size.

2: Conditions. The following conditions are applicable to reimbursement by the Town for oversize facilities:

(a) Lines greater than that required for the immediate project being developed.

(b) Town policies and procedures relative to the installation of major water and/or waste water mains shall be followed.

(c) All extensions of water and waste water facilities outside the corporate limits of the Town shall be subject to approval by the Town Board.

3: Procedures. The following procedures are applicable to all projects for which reimbursement may be sought from the Town:

(a) Properly prepared plans and profiles shall first be submitted and reviewed by the Public Works and Fire Departments for approval. After approval from the Public Works Department, the project documents shall be submitted to the Town Board for approval.

(b) Following approval by the Town Board, the developer shall receive competitive bids and the contract shall be awarded to the lowest responsible bidder who shall be required to furnish a performance bond guaranteeing fulfillment of the contract.

(c) The Public Works Department shall be furnished copies of periodic estimates of completion of work by the contractor and any other such records as may be required to determine the actual cost of construction.

(d) Following completion of the project and acceptance by the Town of the utility improvements, the developer shall furnish the Public Works Director a set of reproducible record drawings and an itemized list of costs to be reimbursed by the Town. A reimbursement contract shall be prepared,
submitted to the Town Board for approval, and then executed by the Town Board and the Developer.

(e) Reimbursements shall be made by the Town in ten (10) equal annual installments and shall bear an interest rate as provided in G.S. 160A-233, as amended. The first payment shall become due and payable on the second January 1 following the date of final inspection and acceptance by the Town of the improvements.

C. Reimbursement Contracts

1: All reimbursement contracts shall be two party agreements between the Town of Siler City and a developer or coalition of developers.

2: The term of any reimbursement contract shall run from the execution of the contract by all parties until the Town’s obligation for reimbursement has been met or for a period of ten years from the date of execution of the contract, whichever first occurs. The contract may be terminated (at any time) by mutual consent of all parties.

3: Costs eligible for reimbursement under this concept shall include all offsite water and/or waste water facilities, on-site facilities of a regional nature and interest costs to the Developer for funds required in excess of prepaid assessment fees.

4: Reimbursement contracts may be made available as a funding alternative for developing properties within the Corporate Limits of the Town and to intervening properties in the case of satellite annexations.

5: For projects proposed for reimbursement contracts that are also being assessed, the Town shall be responsible for the design, construction, easement acquisition and all approvals for the project.

6: The Developer shall be required to prepay all assessment fees to the Town prior to award of any construction contract.

7: The Developer shall remit to the Town in one lump sum the difference between the total project cost derived from actual bid amounts plus a 15% contingency and the prepaid assessment fees. An irrevocable letter of credit may be posted prior to award of any construction contract in lieu of a lump sum payment. Progress payments for the construction contract(s) shall utilize
the prepaid acreage fees prior to drawing upon any letter of credit. Following completion of construction, the final project costs shall be calculated, as well as any applicable assessment fees, so as to determine the reimbursable amount. Following acceptance of the project(s) by the Town, the letter of credit shall be released by the Town of Siler City.

8: The Town shall make reimbursement on a quarterly basis to the Developer out of assessment fees collected from properties that develop within the service area of the project subsequent to the execution of the reimbursement contract. A map delineating the service area from which acreage fees will be reimbursed shall be prepared by the Developer and made an exhibit to the reimbursement contract.

9: By entering into a reimbursement contract the Town makes no guarantee as to the availability of water supply and/or waste water treatment capacity beyond that which would be available to any other developing properties.