



**SECTION II - FINANCIAL INFORMATION AS OF DATE OF APPLICATION**

1. Financing construction of project:

| <b>Source</b>   | <b>Amount</b>        |        | <b>Fee</b>                           |
|---|----------------------|--------|--------------------------------------|
| (a) Funds to be made available by the Applicant:                        |                      |        |                                      |
| Cash.....   | \$14,566,949         |        |                                      |
| General Obligation Bonds.....   | \$20,252,925         |        |                                      |
| Revenue Bonds.....  | 0                    |        |                                      |
| (b) Other {specify in 2) below} .....                                   |                      |        |                                      |
|   | \$35,766,126         |        |                                      |
| Sub-total (Applicant and Other)   | <u>\$70,586,000</u>  |        |                                      |
| (c) Federal funding (including SRF) requested by this application ..... |                      |        |                                      |
| DWSRF Planning Loan.....  | 0                    | × 2% = |                                      |
| SRF Loan.....   | \$35,000,000         | × 2% = | <u>\$700,000</u>                     |
| Other Loan.....   | 0                    |        |                                      |
| Grant.....  | 0                    |        |                                      |
| Federal Sub-Total   | <u>\$35,000,000</u>  |        |                                      |
| (d) State funding requested by this application .....                   |                      |        |                                      |
| State Emergency Loan.....   | 0                    | × 2.5% |                                      |
| State Revolving Loan.....   | 0                    | × 2.5% |                                      |
| High Unit Cost Grant.....   | 0                    | × 1.5% |                                      |
| Technical Assistance Grant.....   | 0                    | × 1.5% |                                      |
| State Sub-Total   | <u>0</u>             |        |                                      |
| Total Funding Available   | <u>\$105,586,000</u> |        | <u>Total Fee</u><br><u>\$700,000</u> |

2. Name sources and amounts of other funding, and indicate status of each request

| <b>Description</b>         | <b>Amount</b> | <b>Status<br/>"Applied for"<br/>or "offered"</b> |
|----------------------------|---------------|--|
| Town of Apex Reimbursement | \$35,766,126  | Agreed to<br>(see<br>agreement)                  |
| _____                      | _____         | _____  |
| _____                      | _____         | _____  |
| _____                      | _____         | _____  |
| _____                      | _____         | _____  |

3. Outstanding indebtedness not including loan for this project: \$275,779,065
4. Most current total appraised property valuation: \$19,696,045,832

**SECTION III - ENGINEERING INFORMATION**

1. Project cost estimate summary:  
Under Item a), list major items of work for which separate contracts are proposed and estimate their cost.

| Item   | Item Cost            |
|--|----------------------|
| (a) Construction (can specify for each contract)   |                      |
| (1) <u>Contract 1: Liquid Treatment</u>  | <u>\$104,886,000</u> |
| (2) _____  | _____                |
| (3) _____  | _____                |
| (4) _____  | _____                |
| (5) _____  | _____                |
| (6) _____  | _____                |
| Construction Sub-total   | <u>\$104,886,000</u> |
| (b) Technical Services .....   | <u>\$0</u>           |
| (c) Administrative .....   | _____                |
| (d) Contingency  | _____                |
| (10% of projected construction cost, 5% after bid) .....   | <u>\$0</u>           |
| (e) Other (specify _____).....   | _____                |
| (f) Site and Other Real Property Interests .....   | _____                |
| Sub total (a) through (f)  | <u>\$104,886,000</u> |
| (g) Departmental Fee (closing cost)  | <u>\$700,000</u>     |
| {must match fees reported in Section II.1. (c) & (d), 2% for SRF, 2.5% for state loan, 1.5% for HUC grant, } | _____                |
| Total  | <u>\$105,586,000</u> |

2. (Wastewater Only) Submittal of Final Plans and Specifications to CG&L will place your wastewater project in a higher category for Funding.

- (a) Please give the date of submission of final plans and specifications to CG&L:  
August 13, 2010
- (b) If approved by CG&L, give date and permit number:  
Currently under review

3. Under Orders - Please indicate if project is under a mandated time schedule by the SOC, JOC, AOC, or if the project is under moratorium. (If yes, attach copy.)  yes  no

4. Regional Project – Please indicate whether this is a regional project and list the local units involved. (Please provide a copy of the executed intergovernmental agreement or other documentation of agreement.)  yes  No

Local units involved: Towns of Cary, Apex and Morrisville

**SECTION IV – CHECKLIST FOR SUPPORTING DOCUMENTS**

**The following items represent the minimum submission required to establish eligibility under the various finding programs.**

- X 1. Application
  
- X 2.(a) Resolution(s) of governing body providing required assurances and agreements and designating an authorized representative
- AND**
- X 2.(b) Certification of same by recording officer
  
- 3.(a) (Drinking Water Only) – Preliminary Engineering Report (PER) and Environmental Document (see instructions for requirements)
- OR**
- Already submitted** 3.(b) .....(Wastewater Only) – Engineering Report (ER) and Environmental Document (see instructions for requirements)
  
- X 4. Financial information
  - X (a) (Wastewater Only) – Form LGC 108A
  - X (b) (Wastewater Only) – Form LGC 108C
  
- N/A 5. Information for High Unit Cost Grants only
  - (a) Water & Sewer Utilities Revenue Form
  - (b) Official water and sewer user fee structure (copy of official or certified rate sheet)

**Please Read**

Please coordinate wastewater applications with the Construction Grants & Loans Section of the Division of Water Quality (CG&L). <http://www.nccgl.net/>

Please coordinate drinking water applications with the Public Water Supply Section of the Division of Environmental Health. <http://www.deh.enr.state.nc.us/pws/srf/index.htm>

Please see the websites for important information including contact information, prioritization rules, and checklists of documentation that might provide priority.

**Projects are funded in priority order, based on available funding,**

RESOLUTION BY GOVERNING BODY OF TOWN OF CARY

WHEREAS, the Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of the permitting, design and construction of wastewater collection and treatment projects, and

WHEREAS, the Town of Cary, in collaboration with other municipal governments in Wake County, has need for and intends to construct regional wastewater management facilities in western Wake County, including regional wastewater pumping and conveyance, water reclamation facility, biosolids management facility and effluent pumping and discharge facilities to the Cape Fear River, and

WHEREAS, The Town of Cary intends to request state loan assistance for the project,

**NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF CARY:**

That the Town of Cary, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan award.

That the Town of Cary will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the Town of Cary agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Cary to make scheduled repayment of the loan, to withhold from the Town of Cary any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.


That the Town of Cary will provide for efficient operation and maintenance of the project on completion of construction thereof.


That Karen Mills, Finance Director, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the Town of Cary with the State of North Carolina for a loan to aid in the construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Town of Cary has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 12th day of November, 2009 at Cary, North Carolina.

  
Harold Weinbrecht, Jr., Mayor

Attested by:   
Sue Rowland, Town Clerk





OFFICE OF THE TOWN CLERK

**CERTIFICATION BY RECORDING OFFICER**

The undersigned duly qualified and acting Town Clerk of the Town of Cary does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council duly held on the 12 day of November, 2009; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 12 day of November, 2009.

*Sue Rowland*

\_\_\_\_\_  
(Signature of Recording Officer)

Town Clerk

\_\_\_\_\_  
(Title of Recording Officer)



TOWN of CARY

316 North Academy Street • Cary, NC 27513 • PO Box 8005 • Cary, NC 27512-8005  
tel 919-469-4011 • fax 919-460-4910 • www.townofcary.org

STATE OF NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division
and the Local Government Commission
325 North Salisbury Street, Raleigh, North Carolina 27603-1385

SELECTED FISCAL INFORMATION AS CERTIFIED BY FINANCE OFFICER

Unit Town of Cary

1. Ad Valorem Tax (current fiscal year): (AS OF 6/30/09 audited statements)

Table with 4 columns: Description, Amount, Description, Amount. Rows include Appraised Value (\$19,696,045,832), Tax Rate - General Fund (\$0.33/\$100), Total Levy (64,748,494), - Other funds (\$0), Uncollected At 6/30/2009 (563,291), - Total (\$0.33/\$100), and Percentage Collected (99.1%).

2. For the past 5 fiscal years, has there been a delay in payment or non-payment of matured bonds and coupons when presented to the unit's fiscal agent? NO (Yes; No). If yes, explain circumstances on separate statement.

3. Information relating to compliance with Local Government Budget and Fiscal Control Act: (If answer to any question in this item is No, furnish explanation.)

- A. Purchasing and Contracts: (1) Are purchase orders issued for all commitments over a minimum amount? (2) Do all purchase orders include a preaudit certificate signed by the finance officer... (3) Are all purchase orders posted to appropriate expenditure accounts as encumbrances?
B. Other: (1) Do checks or drafts on an official depository bear on their face a preaudit certificate... (2) Are the finance officer, tax collector, and other employees properly bonded... (3) Did the budget provide for all deficits...
C. Please include a description of any material instance of misfeasance or malfeasance (within the last three years) which might affect the credit of the unit. NA

I certify the above is correct to the best of my knowledge | Finance Officer's Signature | Date 8/12/10

**STATE OF NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER**

*State and Local Government Finance Division  
And the Local Government Commission  
325 North Salisbury Street, Raleigh, North Carolina 27603-1385*

**PROJECTION OF WATER AND SEWER NET REVENUES**

Unit Town of Cary

Fund Utility Fund

Complete only if the proposed financing is for water or sewer facilities. Where separate accounting funds are maintained for each system, one schedule may be completed for proposed water bond and one for proposed sewer bonds. Water and sewer operations may be consolidated when either water or sewer financing or both are proposed. Use actual amounts on modified accrual basis of accounting (budgetary basis) from latest audit report.

Fiscal Year 2009

Fiscal Year 2014

**REVENUES**

|                         | 1. Actual Revenue for Last Complete Fiscal Year | Estimated Increase or (Decrease)         |                           | 1 + 2 + 3 Estimated Revenue for Fiscal Year After Completion of Project |
|-------------------------|---|--|---------------------------|---|
|                         |   | 2. Due to Normal Growth and Rate Changes | 3. Due to Expanded System |   |
| Operating Revenues:     |   |  |                           |   |
| Customer charges        | 45,303,024                                      | 28,376,569                               |                           | 73,679,593  |
| Impact fees             |   |  |                           |   |
| Tap fees                |   |  |                           |   |
| Other revenue           | 1,236,627                                       | 99,680                                   |                           | 1,336,307   |
| Total                   | 46,539,651                                      | 28,476,249                               |                           | 75,015,900  |
| Non-operating Revenues: |   |  |                           |   |
| Interest                | 1,872,993                                       | (1,832,973)                              |                           | 40,020  |
| Restricted sales tax    |   |  |                           |   |
| Other                   |   |  |                           |   |
| Total                   | 1,872,993                                       | (1,832,973)                              |                           | 40,020  |
| Total Revenues          | 48,412,644                                      | 26,643,276                               |                           | 75,055,920  |

**EXPENDITURES**

|                                   | 1. Actual Expenditure for Last Complete Fiscal Year | Estimated Increase or (Decrease)         |                           | 1 + 2 + 3 Estimated Expenditure for Fiscal Year After Completion of Project |
|-----------------------------------|---|--|---------------------------|---|
|                                   |   | 2. Due to Normal Growth and Rate Changes | 3. Due to Expanded System |   |
| Operating Expenditures:           |   |  |                           |   |
| Administration                    |   |  |                           |   |
| Salaries                          | 2,983,437   | 1,274,402                                |                           | 4,257,839   |
| Other                             | 3,879,847   | 1,811,064                                |                           | 5,690,911   |
| Operations                        |   |  |                           |   |
| Salaries                          | 10,073,868  | 3,979,147                                |                           | 14,052,833  |
| Maint                             | 4,271,550   | 1,302,880                                |                           | 5,574,430   |
| Plants                            | 9,675,853   | 4,913,200                                |                           | 14,589,053  |
| Other                             | 0   | 85,812                                   |                           | 85,812  |
| Total Expenditures                | 30,884,555  | 13,366,505                               |                           | 44,251,060  |
| Excess Revenues over Expenditures | <u>17,528,089</u>                                   | <u>13,276,771</u>                        |                           | <u>30,804,860</u>   |

Projection of water and sewer net revenues (continued)

|                                      | Actual Expenditures<br>for Last Complete<br>Fiscal Year | Estimated Expenditures<br>First Fiscal Year After<br>Completion of Project |
|--------------------------------------|---|--|
| Other (Do not include depreciation): |   |  |
| Debt principal                       | 6,862,583   | 13,467,251   |
| Interest                             | 5,000,132   | 17,560,301   |
| Capital outlay                       |   |  |
| Capital reserve                      |   |  |
| Transfer to (from) other funds       | 2,973,555   | 1,307,662  |
| Other                                |   |  |
| Debt for Morrisville                 | 342,425   | 269,350  |
| Miscellaneous                        | (150,319)   | 700,000  |
|                                      |   |  |
| Total other                          | 15,028,376  | 33,304,564   |
|                                      |   |  |
| Net Income (Loss)                    | 2,449,713   | 1,961,784  |

Does the unit own and operate a Water System and a Sewer System? Yes  No  If 'No,' explain \_\_\_\_\_

| <u>Number of Customers</u> |             | <u>Current</u> | <u>After Completion<br/>of Project</u> |
|----------------------------|-------------|----------------|--|
| Water                      | Residential | 45,631         | 51,431                                 |
|                            | Commercial  | 4,034          | 4,303                                  |
| Sewer                      | Residential | 45,631         | 51,431                                 |
|                            | Commercial  | 4,034          | 4,303                                  |

| <u>Rate and Fee Structure</u>                                   | <u>Current</u> | <u>After Completion of<br/>Project</u> | <u>Percentage of<br/>Change</u> |
|---|----------------|--|---------------------------------|
| Indicate monthly cost for an average residential customer:      | 58.48          | 71.73                                  | 23%                             |
| Average gallons per month (for residential customer):           | 4,918          | 4,702                                  | (4%)                            |
| <b>WATER</b>  |                |  |                                 |
| Rate (include minimum cost/thousand gallons, etc.)- residential | SEE ATTACHED   | SEE ATTACHED                           |                                 |
| Average monthly bill within city limits                         | 20.78          | 22.63                                  | 9%                              |
| Average monthly bill outside city limits                        | 62.34          | 67.89                                  | 9%                              |
| <b>SEWER</b>  |                |  |                                 |
| Rate (include minimum, etc.)-residential                        | SEE ATTACHED   | SEE ATTACHED                           |                                 |
| Average monthly bill within city limits                         | 37.70          | 49.10                                  | 30%                             |
| Average monthly bill outside city limits                        | 113.10         | 147.30                                 | 30%                             |

TAP FEE POLICY: SEE ATTACHED

IMPACT FEE POLICY: SEE ATTACHED

FISCAL YEAR 2009 & 2011 vs FISCAL YEAR 2014

WATER RATES: (monthly charge)

Base charges for water and irrigation

| Meter Size  | FY 2009   |             | FY 2009   |             | FY 2011   |             | FY 2011   |             | FY 2014   |             | FY 2014   |             |
|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
|             | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville |
| 5/8" & 3/4" |           |             |           |             |           |             |           |             |           |             |           |             |
| 1"          | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     |
| 1 1/2"      | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     |
| 2"          | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    |
| 3"          | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    |
| 4"          | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    |
| 6"          | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   |
|             | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   |

Single-family Residential

- Tier 1 (usage 0-5,000 gallons)
- Tier 2 (usage 5,001 - 8,000 gallons)
- Tier 3 (usage 8,001 - 23,000 gallons or up to water budget amount)
- Tier 4 (usage > 23,000 gallons or over water budget amount)

Non-Residential & Multifamily Charge (per 1,000 gallons)

- Tier 1 (usage 0 - water budget amount)
- Tier 2 (usage > water budget amount)

Single-family Potable Irrigation

- Tier 1 (usage 0 - 15,000 gallons or up to water budget amount)
- Tier 2 (usage > 15,000 gallons or over water budget amount)

Non-Residential & Multifamily Potable Irrigation

- Tier 1 (usage 0 - water budget amount)
- Tier 2 (usage > water budget amount)

Reclaimed Water Rate (Non-potable irrigation) (per 1,000 gallons)

SEWER RATES: (monthly charge)

Base charges for sewer

| Meter Size  | FY 2009   |             | FY 2009   |             | FY 2011   |             | FY 2011   |             | FY 2014   |             | FY 2014   |             |
|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
|             | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville | Cary      | Morrisville |
| 5/8" & 3/4" |           |             |           |             |           |             |           |             |           |             |           |             |
| 1"          | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     | \$ 3.07   | \$ 5.00     |
| 1 1/2"      | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     | \$ 6.61   | \$ 6.61     |
| 2"          | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    | \$ 21.71  | \$ 21.71    |
| 3"          | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    | \$ 26.41  | \$ 26.41    |
| 4"          | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    | \$ 71.08  | \$ 71.08    |
| 6"          | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   | \$ 107.70 | \$ 107.70   |
|             | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   | \$ 132.94 | \$ 132.94   |

Volume Charge - All Users (per 1,000 gallons)

|  |           |           |           |           |           |           |           |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|  | \$ 3.28   | \$ 3.87   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   |
|  | \$ 5.33   | \$ 5.49   | \$ 5.79   | \$ 6.09   | \$ 5.79   | \$ 6.09   | \$ 5.79   | \$ 6.09   | \$ 5.79   | \$ 6.09   | \$ 5.79   | \$ 6.09   |
|  | \$ 6.38   | \$ 6.58   | \$ 6.38   | \$ 6.73   | \$ 6.38   | \$ 6.73   | \$ 6.38   | \$ 6.73   | \$ 6.38   | \$ 6.73   | \$ 6.38   | \$ 6.73   |
|  | \$ 11.88  | \$ 12.26  | \$ 11.88  | \$ 12.50  | \$ 11.88  | \$ 12.50  | \$ 11.88  | \$ 12.50  | \$ 11.88  | \$ 12.50  | \$ 11.88  | \$ 12.50  |
|  | \$ 3.28   | \$ 3.87   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   | \$ 3.60   | \$ 4.31   |
|  | \$ 3.07   | \$ 5.00   | \$ 3.07   | \$ 5.00   | \$ 3.07   | \$ 5.00   | \$ 3.07   | \$ 5.00   | \$ 3.07   | \$ 5.00   | \$ 3.07   | \$ 5.00   |
|  | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   | \$ 6.61   |
|  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  | \$ 21.71  |
|  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  | \$ 26.41  |
|  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  | \$ 71.08  |
|  | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 | \$ 107.70 |
|  | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 | \$ 132.94 |
|  | \$ 5.77   | \$ 7.34   | \$ 7.04   | \$ 9.12   | \$ 7.04   | \$ 9.12   | \$ 7.04   | \$ 9.12   | \$ 7.04   | \$ 9.12   | \$ 7.04   | \$ 9.12   |

**POLICY STATEMENT 23  
WATER AND WASTEWATER SYSTEM EXTENSION  
AND CONNECTION POLICY**

Prepared by: Jamie Revels, P.E., Engineering Department  
Supersedes: Policy Statement, No. 23 (January 9, 2003)  
Adopted by Council: 1/13/2005  
Effective: 7/1/2005

**1.0 PURPOSE**

The purpose of this policy is to provide an equitable mechanism by which the Town of Cary can plan and extend the municipal water and wastewater systems to serve the needs of the citizens of Cary and those in the Cary utility service area.

**2.0 COVERAGE**

This policy upon adoption by the Town Council shall be applicable to all areas within Cary's utility service area. All new development connecting to the Town utility system shall have access to public water and sanitary sewer in accordance with the most recent version of the Town of Cary, Code of Ordinances.

**3.0 GENERAL**

All utility infrastructure including, facility upgrades and system improvements, new facilities and system extensions shall fully comply with all applicable Town design standards and shall be designed and constructed in accordance with the Town's long-range "Water and Wastewater System Master Plans" where applicable or as approved by the Director of Engineering.

Requests for utility extensions and/or connections shall be submitted to the Town. Applications for utility extensions shall be accompanied by engineering design plans sealed by a licensed Professional Engineer. All proposed water and/or sewer extensions or facility upgrades shall be permitted by the Town prior to construction.

All new individual connections to the water and/or sewer system whether in a new development, existing development or newly annexed area shall require the payment of development/impact fees to reserve capacity in the utility system.

When tapping new mains under construction or active mains under warranty, developers shall be required to make their own utility connections, and they are not required to pay Utility Connection Fees. In cases where developers must tap existing mains, the developer must submit an application to the Inspections and Permits Department requesting permission to connect to the Town water and/or sanitary sewer system. Developers or contractors are not allowed under any

circumstance to establish a connection to the Town water and/or sanitary sewer system without the written consent of the Town.

All utility easements required for system extensions or facility upgrades shall be dedicated to the Town in accordance with the Town's Standard Specifications and Details.

When a property that has been supplied by a well or alternate source of water requests a connection to the Town water system, the well shall be completely disconnected from any structure connected to the Town water system. Under no circumstance shall a well be connected to the Town water system.

In the event that a sewer extension is installed within twenty-five (25) feet of a private well, the well shall be abandoned in compliance with State regulations and the property owner shall be required to connect to the Town water system regardless of proximity to the nearest water main.

In the event that a resident requests sewer service only and the resident is not required to connect to the Town water system, the resident will be required to install a meter on their well or other source of water for the purpose of sewer billing.

In order to minimize public health and safety risks, such as septic failure, well failure, inadequate water supply for fire protection or substandard water quality from well water, the Town Council may order utility extensions into unserved areas without a request of the property owners in the area.

#### 4.0 FEES

##### 4.1 Development Fees

Development fees provide a mechanism for the Town to increase the capacity of the overall utility system as new impacts are added. The Town requires the payment of water and/or sewer development fees for all new or existing properties that intend to connect to the Town utility system, regardless of their location or proximity to the Town Limits. Payment of development fees shall be made to the Town before a building permit is issued for new projects.

In older or previously established areas, the water development fees shall be due when a water meter is requested. For sewer connections, the sewer development fees shall be due when a plumbing permit is issued for the installation of the private, sewer service lateral. Requests for water meters and/or plumbing permits for private service lines shall be submitted to the Town before private service lines are constructed.

The schedule of development fee rates will be available for public viewing at the office of the Inspections and Permits Department. Development fee rates may

be updated annually in the "Utility Capital Improvements Budget Ordinance" and typically become effective on July 1 following adoption of the budget ordinance at the beginning of each fiscal year. Payment of development fees is the only mechanism that reserves capacity in the water and/or sanitary sewer system for an individual requesting utility service.

Development fees shall be due for all water and sewer connections to the Town utility system without exception, regardless of who makes the connection.

#### 4.2 Utility Connection Fees

Utility connection fees shall be collected in instances where a property owner has requested a connection to an existing or proposed utility main. The utility connection fees have been established to reimburse the Town for expenses incurred while Town staff members or staff otherwise under contract to the Town make the requested utility connection(s). The schedule of "Utility Connection Fee" rates will be available for public viewing at the office of the Inspections and Permits Department. Utility Connection Fee rates may be updated annually in the "Utility Capital Improvements Budget Ordinance" and typically become effective on July 1 following adoption of the budget ordinance at the beginning of each fiscal year.

For individual requests, the total amount due for the payment of utility connection fees shall be determined by the Inspections and Permits Department after field evaluations are conducted by the Public Works and Utilities Department to assess which charges are applicable. Utility connection fees shall be paid to the Town before a work order will be issued. The utility connection fees shall include tapping the water and/or sewer main and providing a utility service connection at the edge of the public right-of-way or easement. For individual requests, all required site restoration work including pavement repair, curb and gutter repair, sidewalk repair and boring shall be included in the utility connection fee.

For Town funded projects constructed by outside contractors, utility connection fees will also be levied. The applicable utility connection charges for Town funded projects will be the water and sewer "Full Service Base Tap" charges as adopted annually by Town Council in the Operating Budget. For Town funded projects, additional connection charges beyond the standard "Full Service Base Tap" charges will not be levied. With Town funded projects, discounts of standard connection charges may be allowed. See section 6.5 for further details.

#### 4.3 Availability Fees

The Town may collect availability fees from all property owners inside the corporate limits where water and/or sewer service has been made accessible and adjacent to existing developed property but the property owner has chosen not to connect. Any property with a residential dwelling or operating commercial or institutional establishment shall be liable for the payment of availability charges. The availability charges shall be collected to reimburse the Town for

the construction and maintenance costs of water and/or sewer mains adjacent to the property. In cases where the property owner chooses to connect to the existing utility service, the availability charge(s) will cease to be collected upon the owner's payment of all applicable development fees and approved connection(s) to the utility system. The schedule of availability charges will be available for public viewing at the office of the Inspections and Permits Department. The rate for collection of water availability and sewer availability charges may be updated annually in the "Utility Capital Improvements Budget Ordinance" and typically become effective on July 1 at the beginning of each fiscal year.

## 5.0 UTILITY SYSTEM EXTENSION AND CONNECTION

### 5.1 Improvements to Existing Property

Any improvements to existing developed property within the corporate limits requiring either new or expanded well and/or septic capacity shall connect to the Town utility system when the property is adjacent to an existing water and/or sewer main and another owner's private property does not have to be crossed to make the connection. In the event that there are no adjacent water and/or sewer mains available, the property owner may construct a private well and/or septic system as approved by Wake County. If the property cannot support a new or expanded well or septic system, the owner shall make an approved connection to the Town utility mains if they are within 300-ft of the owner's property boundary in accordance with Wake County regulations.

### 5.2 Proposed New Development

The owner or developer of a parcel or tract of land is required by the Code of Ordinances to construct, at no expense to the Town, all on-site water and/or wastewater facilities. All water and sewer extensions shall be made at the sole expense of the Owner unless otherwise stated by written agreements with the Town that are approved by Council.

The developer shall provide all connections and extensions of the water and wastewater facilities from the development, including all properties inside the development, to the existing utility system of the Town in accordance with all applicable Town standards, specifications and long range master utility plans. All planned extensions of the Town water and wastewater system shall have engineering design plans prepared and submitted to the Town for review and approval prior to construction. No water and wastewater facilities, extensions or connections shall be constructed without written approval and inspection by the Town.

### 5.3 Utility System Extension and Connection Outside the Town Limits

All applicants requesting utility connections outside the Town limits are required to submit a petition of annexation and/or annexation agreement along with a utility extension and/or connection request. All voluntary annexation requests

accompanied by the corresponding utility connection requests shall be submitted to the Town for approval. All requests for utility extensions and connections outside the Town Limits shall be reviewed on a case by case basis by the Town prior to approval.

A utility connection outside the Town limits will not be allowed until the Town Council has adopted the ordinance of annexation, annexation agreement, or except in cases of emergency. The Town Council, at its discretion, may incorporate additional requirements as conditions for adoption of the annexation ordinance.

The applicant shall pay all required fees and fulfill the developer obligations outlined herein for providing all on-site water and/or wastewater facilities, extensions and connections of the proposed water and wastewater facilities to the existing utility system of the Town.

If the applicant is allowed to connect to the utility system before the annexation becomes effective, the applicant shall pay current outside utility rates until the property is incorporated into the Town limits. All utility rates are updated annually and are available for public viewing.

## 6.0 TOWN FUNDED UTILITY EXTENSIONS

### 6.1 Existing Developed Property

Owners of developed property inside the Town limits with existing structures on their property, including newly annexed residents may petition the Town Manager for the extension of water and/or sewer mains funded by the Town. In order to be considered for Town funded utility extension projects, the property owners must first meet the following eligibility and minimum area requirements. In compelling cases, any or all of the following eligibility or minimum area requirements may be waived.

Applicants who choose to request water only or sewer only may be required to request both water and sewer at the discretion of the Town. Factors that will be considered for approving Town funded utility extension projects are the size of the area, number of property owners requesting utility connections, proximity to the existing Town system, buyout arrangements with the current service provider, funding limitations and the age of existing facilities.

### 6.2 Eligibility Requirements

Property will not be considered for Town funded utility extension projects without meeting the following eligibility requirements.

- a. The property must be within the Town's corporate limits.
- b. The property must be developed.
- c. The property must have a dwelling or other operational structure onsite.
- d. The property shall be subdivided in accordance with Town zoning codes.

- e. The property shall not be undergoing rezoning.
- f. Individual properties shall not be undergoing expansion or improvement.

Eligible property owners may formally request utility extensions by submitting a petition to the Town Manager. The petition must meet the requirements outlined herein and the property owners requesting utility extensions must meet the following minimum area requirements.

### 6.3 Minimum Area Requirements

Property owners petitioning for Town funded water and sewer service must meet the following minimum area requirements prior to submitting their petition.

- a. The minimum area shall not be less than a street length between intersections and shall consist of at least 10-properties requesting utility connections.
- b. For water extension requests, the area shall extend to the nearest available Town water main. In certain cases, it may not be possible to connect the proposed area to the closest water main because of access limitations. In these cases, the closest available water main along a passable alignment shall be considered.
- c. For sewer extension requests, the area shall extend to the closest available existing sewer main within the same drainage basin as the area under consideration. For sewer construction, the closest available sewer main shall be one that is at a lower elevation than the proposed area and for which a passable route exists between the proposed area and the existing sewer main.
- d. Additional requirements as recommended by the Engineering Department.

The Town may decide to increase the minimum area requirements based on the overall size and type of area under consideration for proposed utility extensions.

### 6.4 Petition Requirements

Petitions for Town funded water and/or sewer extensions shall sufficiently satisfy the following criteria. Petitions that do not sufficiently meet the following criteria will not be considered.

- a. The petition must be signed by more than fifty (50%) percent of the owners of property adjacent to the proposed utility extension(s) and those property owners shall own more than fifty (50%) percent of the road frontage along the alignment of the proposed extension(s). The proposed alignment must extend to the existing Town utility system.

- b. If the property deed is registered in the name of one owner or spouse, then only that person's signature is required for the petition. If the property deed is registered in the name of multiple parties, then all owners' signatures are required as they are recorded on the property deed.
- c. Property owners who own more than one property adjacent to proposed utility extensions must sign the petition for each of their properties within the project area.

All sufficient petitions shall require language notifying the property owners of the following items:

- a. A statement of the development fees in effect at the time of petition signing.
- b. A statement of the connection fees in effect at the time of petition signing.
- c. A statement of all applicable discounts available by participating in the petition for water and/or sewer service.
- d. A statement that all applicants registering on the petition will be required to pay their development fees and applicable connection charges prior to the Town extending utility mains.

All petitions shall be submitted to the Engineering Department to verify sufficiency prior to being considered for approval by the Town Manager. Only verified, sufficient petitions will be considered. After a petition has been deemed sufficient and the property owners have met all established requirements, the Town will prepare a recommendation for the Town Manager to order the extension of utilities. The Town Manager shall have the option of ordering the utilities installed, requesting additions or modifications to the service area, rejecting the request, or submitting the request to Council for further deliberation. The Town Manager's decision shall be final and rejected requests will not be reconsidered for 2-years after the first request was rejected. If the improvements are ordered, Town funding will be allocated to complete the proposed work.

#### 6.5 Incentives and Discounts

Residents petitioning for water and sewer service, who have initiated a sufficient petition that has been approved by the Town for design and construction will be eligible to waive 50% of the applicable connection charges. Development fees will not be discounted. In order to receive the 50% discount of connection charges, residents must apply with the Town either by petition or by contacting the Engineering Dept. following petition approval. Requests initiated after the project begins construction will not be eligible for the discount.

#### 6.6 Implementation of Town funded Utility Extension Project:

Upon acceptance of the sufficient petition and issuing an order to proceed with the extension of the utility mains, the Town will prepare plans to extend utility mains into the area requesting service. For requests that meet the requirements described herein, no assessments will be levied upon the property owners. All property owners registered on the sufficient petition will be responsible for paying at least (2/3) two-thirds of their applicable development fees and connection charges prior to the Town advertising a construction contract to extend the proposed utility mains.

Property owners petitioning for utility extensions will have the option of paying their required development fees and connection charges in full, prior to the Town advertising the construction contract for the installation of the utility mains. As a secondary option, the property owners may choose to pay their development fees and connection charges in (3) three equal installments. The installment option would consist of (3) separate installment payments due throughout the design and construction process. The first installment would consist of (1/3) one-third of the total fee balance, and this payment would be due within (60) sixty days of the petition being approved by the Town Manager. The second installment would be due prior to the Town advertising the construction contract for installation of the proposed water and sewer mains. Advertising for a Contractor to install the proposed water and sewer mains will not begin until the second installment has been received by all of the petitioning property owners. The third and final installment will be due at the discretion of the property owner. For property owners who connect to the newly extended utility service and initiate a utility account with the Town, the final installment will be due prior to activating their utility service. For property owners who do not wish to connect to utility service, their final installment will be invoiced and billed to them no sooner than (60) sixty days after the utility construction has been completed by the Town. Construction will be deemed complete after final payment has been made to the Contractor.

Property owners who have paid their development fees and connection charges in full, prior to construction will be permitted to connect to Town utility service as soon as the newly constructed water and/or sewer mains have been accepted by the Town. They will be required to obtain a plumbing permit from the Inspections & Permits Department prior to installing their private utility service lines. Potential water customers will also be required to apply for a water meter.

The Town reserves the right to withdraw support for utility extension projects in cases where petitioned applicants fail to pay the required development fees and connection charges in accordance with the schedule of payments outlined herein.

#### 6.7 Non-Petitioning Property Owners:

Property owners who have not paid their development fees and connection charges prior to construction will have the option of requesting service within 90-days of being contacted by the Town with no penalty. The Town will contact property owners after the construction contract for the utility extension project has been advertised. Property owners will have 90-days from the date they are contacted to request a utility connection by paying development fees plus the applicable connection charges. They will also be solely responsible for obtaining their plumbing permit and installing the private service line from their structure to the public right-of-way. The development fees and connection charges will be due and payable before the 90-day period elapses. After the 90-day period expires, any forthcoming requests shall be subject to both development fees and non-discounted utility connection fees payable prior to the establishment of a utility connection. Property owners that choose not to connect to newly extended water and/or sewer service shall also be liable for the payment of availability fees. The availability fees will be billed to the property owner after the service has been made available and the 90-day period has elapsed. The availability fees will be billed monthly until such time that the property owner connects to the utility service.

#### 6.8 Alignment and Location of Proposed Utility Mains

The Town reserves the right to choose the alignment and location of the requested utility mains. The Town shall not be obligated to replace landscaping, irrigation systems, or any other privately owned obstructions within the existing right-of-way or utility easement at the time of construction, nor will the Town be obligated to compensate property owners for the removal of such obstructions.

In isolated cases, sewer connections requested by property owners may not be feasible, as determined by the Director of Engineering due to the unique topography of the area. In these cases, the property owners shall be responsible for installing private pumps stations or other alternate methods as necessary to connect to an adjacent sewer main extended by the Town. Should the property owner decide not to install a private pump station or alternate connection to the sewer system, the property owner shall be solely responsible for maintenance and repair of the existing septic or waste disposal system serving the property.

#### 6.9 Maximum Depth of Sewer Mains

The Town shall not be obligated to provide gravity sewer service to any structure at an elevation lower than 8-ft below the crown of the street directly adjacent to the structure. In these circumstances, property owners may be responsible for private pump station construction or other alternate methods as required to serve their property. In most cases, the Town will not install sewer mains deeper than 8-ft unless the property owner(s) agrees to compensate the Town for the added expense of installing the proposed main deeper than 8-ft. The Town Engineering Department shall be solely responsible for quantifying the additional expense required for sewer installations deeper than 8-ft.

## 7.0 UTILITY SYSTEM INFRASTRUCTURE REIMBURSEMENTS

### 7.1 Proposed New Development

In instances where Town funding is available for the types of system extensions and facility upgrades that are beyond the scope of infrastructure required for a specific development project, the developer may enter into a reimbursement agreement with the Town. Approval of facilities under reimbursement agreements shall be contingent upon receipt of all Town and State approvals and the availability of sufficient water supply and/or wastewater treatment capacity.

The extension of water and/or wastewater systems beyond the needs of the development shall be accomplished by one or more of the following methods as recommended by the Director of Engineering and approved by the Town Council.

### 7.2 Oversize Reimbursement

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

Town reimbursement of developer funded facilities will be made for the difference in cost between facilities required for the development and oversized facilities required by the Town. The methodology of sizing facilities shall be as specified by the Town's Master Utility Plans and as approved by the Director of Engineering. In no instance shall the Town of Cary reimburse for water or wastewater lines eight (8) inches or less in diameter.

All applications for reimbursement shall comply with the provisions of Policy Statement No. 96, Oversize Reimbursement Requests.

### 7.3 Developer Funded Reimbursement Contracts

In instances where the Town Council deems it beneficial to approve such a 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 the required payment of development fees, basic infrastructure necessary to serve the development and assessments where applicable. Reimbursements paid to the developer would come from development fees paid by other subsequent developing properties within the service area benefiting from the facility improvements. Any reimbursement contract shall comply with the provisions of this policy statement regarding the details and provisions of reimbursement contracts and shall be contingent upon approval by the Town Council.

Reimbursement contracts may be made available as a funding alternative for developing properties within the "land use" planning areas of the Town and to intervening properties in the case of satellite annexations.

Costs eligible for reimbursement under this concept shall include all off-site water and/or wastewater facilities and on-site facilities of a regional nature.

All reimbursement contracts shall be two party agreements between the Town of Cary and a developer or coalition of developers and shall be approved by the Town Council prior to construction of the water and/or wastewater facilities.

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 up to, but not exceeding a period of ten (10) years from the date of contract execution, whichever expires first. The contract may be terminated (at any time) by unanimous consent of all parties.

The developer shall prepay all development fees to the Town, prior to award of any construction contract utilizing reimbursement funding. Only construction costs shall be eligible for reimbursement or fee credits.

The Town shall make reimbursement payments to the developer on an annual basis from development fees collected within the service area benefited by the project. A map delineating the benefited service area from which development fees will be collected and reimbursed will be prepared by the Engineering Department and made an exhibit to the reimbursement contract.

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

It may be feasible in certain cases to utilize developer-funded, reimbursement contracts in addition to assessments to fully fund utility extensions. In these cases, the Town shall be responsible for the design, construction, easement acquisition and all approvals for the utility extension project and the following conditions shall apply:

- a. The developer shall prepay all development fees as previously stated.
- b. 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 fifteen (15%) percent contingency and the prepaid development fees.
- c. The developer shall provide surety in the form of a cash bond. In lieu of a cash bond, an irrevocable letter of credit with no expiration date may be posted prior to award of the construction contract.

- d. Progress payments for the construction contract(s) shall utilize the prepaid development fees prior to drawing upon any letter of credit.
- e. Following completion of construction, the final project costs shall be calculated, as well as any applicable assessment fees, to determine the reimbursable amount.
- f. Following acceptance of the project(s) by the Town, the letter of credit shall be released by the Town of Cary.

#### 7.4 Developer Funded – No Reimbursement

In those instances where funding is not available under any other provisions of this policy statement, the developer shall fund the full cost of installing all water and/or wastewater facilities and utility system extensions with no reimbursement. All facilities installed under this method shall fully comply with Town design standards and all master water and/or wastewater system design plans. No waivers shall be granted without the written consent of the Director of Engineering.