

TOWN OF APEX SITE 14 WATER AND SEWER EXTENSION POLICY

1.0 PURPOSE

The purpose of this document is to present a proposed water and sewer extension policy (policy) for the provision of water and sewer service for properties located within census block 534.03-1053 (affected community).

It is understood by all parties that the provision of water and sewer service is being offered as a mitigation measure for locating a water reclamation facility on Site 14 (formerly the Seymour property), which is within census block 534.03-1053. It is understood that if the water reclamation facility is not located on Site 14, then the proposed policy described herein will be withdrawn from further consideration.

2.0 PROPOSED POLICY

The proposed policy is intended to address issues related to the financing, planning, design, land acquisition, permitting, construction and operation of a water and sewer system to serve the affected community.

2.1 Geographic Extent of Policy

The geographic extent for the proposed policy will be defined as the affected area encompassed by census block 534.03-1053, which is generally bounded by New Hill-Holleman Road to the east, Shearon Harris Road to the west, Old US 1 to the north and new US 1 to the south.

2.2 Eligibility

This policy applies only to current property owners and structures of record as of March 27, 2007, and is available for a limited time period as described in Section 2.4.

2.3 Designated Service Provider

The affected community is located in the Long-Range Urban Service Area for the Town of Apex. Accordingly, the Town of Apex will be the water and sewer service provider for the affected community. Therefore, any decisions regarding the provision of water and sewer service to the affected community must be consistent with the water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.

2.4 Closing Date for Acceptance

The property owners of record as of March 27, 2007, have until January 1, 2010, to submit a request to the Town of Apex for water and sewer service in accordance with the terms and

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conditions described herein. Property owners within the affected community that request water and sewer service after the closing date may apply for service in accordance with the standard water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.

2.5 Service Offerings

Property owners in the affected community may request both water and sewer service, or water service only. This policy does not allow for provision of sewer service without water service.

2.6 Annexation Requirements

Under current Town of Apex policies and ordinances, prior to receiving water and sewer service a property must be annexed into the municipal corporate limits of the Town of Apex. Under this proposed policy, the Town Council of Apex will not require annexation as a condition for providing water and sewer service. However, as a condition of accepting water and sewer service under the proposed policy, the property owners in the affected community agree as follows:

- 1) At some unspecified date in the future, but no earlier than January 1, 2020, the Town may initiate annexation proceedings for all, or a portion of, the properties located in the affected community.
- 2) Upon initiating annexation procedures, the property owners that have received water and sewer service in accordance with the terms and conditions of this policy will not protest or contest the annexation proceedings brought forth by the Town of Apex.

For properties located within the affected community that accept water and sewer service as offered through this policy, compliance with the above listed provisions will allow for continued and uninterrupted service.

2.7 General Description of Water and Sewer Facilities

As the designated water and sewer service provider, the Town of Apex shall have responsibility for the planning, design, land acquisition, permitting, construction and operation of the water and sewer system for the affected area. It is understood that no costs for the planning, design, land acquisition, permitting, construction and installation of the water and sewer system shall be assessed against the property owners in the affected community.

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Water System

It is expected that the water system will consist of a water distribution pipeline that will loop through the affected area starting and terminating at New Hill-Holleman Road. The capital costs for the new water distribution system will include all required land acquisition, pipelines, valves, remote-read automatic meters, pressure-reducing devices, disconnection of onsite wells, surveying, engineering and inspection services and final connection of each dwelling unit on each property to the new water distribution system.

Sewer System

It is expected that the sewer system will consist of a gravity sewer system that will discharge to a wastewater pumping station owned and operated by the Town of Apex. The new wastewater collection system will include all required land acquisition, pipelines, manholes, surveying, engineering and inspection services, disconnection and decommissioning of existing septic tanks and final connection of each dwelling unit on each property to the new wastewater collection system.

2.8 Easement Acquisition Considerations

The construction, installation, operation and maintenance of the new water and sewer system will require the acquisition of easements from property owners located in the affected community. Property owners agree to allow Apex to acquire easements as may be required for the proper construction, installation, operation and maintenance of the water and sewer facilities. Apex agrees that to the greatest extent practicable, all easements shall be located in a manner so as to minimize impacts to existing structures and to not unreasonably impact the property owner's current and future uses of the property.

The Town of Apex agrees to pay fair compensation to property owners for easements.

2.9 User Fees

The Town Council for Apex has the sole responsibility and authority to establish and set rates, fees, charges and penalties necessary for the operation, maintenance, management, administration, upgrade, rehabilitation, improvement and expansion of the water and sewer utility system.

Water and Sewer Connection Fees

Under current Town of Apex policies and ordinances, property owners are required to pay acreage fees and capacity fees prior to connecting to the water and sewer system. The cost of acreage fees and capacity fees vary based on the type of development (residential, commercial, industrial, etc.) being connected to the water and sewer system. Under the proposed policy, payment of the acreage fees and capacity fees shall be deferred by the

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Town of Apex for properties located within the affected community. Deferment of acreage fees and capacity fees will remain in effect until conditions of the property change as described in Section 2.10.

Monthly Water and Sewer Bills

Under current Town of Apex policies and ordinances, water and sewer customers are required to pay a monthly water and sewer bill based on monthly water meter readings. Under the proposed policy, property owners in the affected community agree to pay a monthly water and sewer bill proportional to the level of service received as determined by monthly water meter readings. For properties located within the affected community, the Town of Apex will charge for water and sewer service based on in-Town water and sewer rates.

2.10 Deferment of Annexation and Collection of Connection Fees

For those property owners of record as of March 27, 2007, that request water and sewer service from the Town of Apex prior to January 1, 2010, the deferment of annexation and the deferment of acreage fees and capacity fees will remain in effect until conditions change for their subject property. Changed conditions for a property will be defined as (a) a change in use of the property, or (b) the property is developed or redeveloped requiring a site plan or subdivision plan. At the time when a changed condition is complete for a property located within the affected community, then the property owner of record agrees to the following:

- 1) Acreage fees and capacity fees in effect at the time of the changed conditions shall become due and payable to the Town of Apex by the property owner of record; and
- 2) The Town of Apex may initiate annexation proceedings for the property and the property owner of record will not protest or contest the annexation.

For properties located within the affected community that accept water and sewer service as offered through this policy, compliance with the above listed provisions will allow for continued and uninterrupted service.

The deferment of annexation and the deferment of acreage fees and capacity fees apply only to those property owners of record as of March 27, 2007, that request water and sewer service from the Town of Apex prior to January 1, 2010. Property owners within the affected area that request water and sewer service after January 1, 2010 may apply for service in accordance with the standard water and sewer policies and ordinances enacted, and as may be amended, by the Town Council of Apex.