

## TOWN OF MOUNT PLEASANT WASTEWATER ALLOCATION POLICY

### **I. Purpose and Intent.**

The Town of Mount Pleasant (“Town”) has invested and is continuing to invest substantial capital in the infrastructure necessary to support a prosperous, healthy, and sustainable community. Wastewater treatment capacity is among the most important elements of this infrastructure. Since 1992 this service has been provided to the Town by the Water and Sewer Authority of Cabarrus County (“WSACC”). The intent of this policy is to provide for the judicious allocation of these resources in conformity with the growth-related priorities of the Mount Pleasant Board of Commissioners which are established and/or reconfirmed in this policy. Further, the underpinning structure of this policy is to achieve a fair and reasonable balance between public interests and private interests. This policy is intended to manage the remaining capacity available until additional capacity is developed through the expansion of the Rocky River Regional Wastewater Treatment Plant (“RRRWWTP”) which is owned and managed by WSACC as well as manage future capacity. This policy will be reviewed periodically to ensure it is achieving the intended purpose.

### **II. Scope.**

In November 2021 an Interlocal Wastewater Capacity Allocation Agreement (the “Allocation Agreement”) was executed by WSACC and all of its member jurisdictions. This agreement provides for a method of distributing all available WSACC wastewater treatment capacity to each member jurisdiction under an agreed-upon formula.

The scope of this policy is to provide for a fair and reasonable allocation of the Town’s available wastewater capacity per the Allocation Agreement to meet the needs of both public and private land development interests. Due to limited capacity, phasing plans may be required for larger developments.

A significant factor influencing the development of this policy is that the collective demand from private sector development requests (formal and informal) exceeds the current and planned capacity of the RRRWWTP. Accordingly, this is a “point in time” policy in that it allocates a finite amount of sewer treatment capacity to specific projects over the course of approximately seven to ten years. The capacity is projected to be available in four phases:

- A. Phase I. Existing capacity between now and the first expansion of the RRRWWTP expected by mid-2024.
- B. Phase II. Capacity at the time of the first expansion of the RRRWWTP in 2024 to the time of the second expansion of the RRRWWTP expected by early-2027.
- C. Phase III. Capacity at the time of the second expansion of the RRRWWTP in 2027 to a point in time where there is no remaining unallocated capacity *or* when an expected third expansion of the RRRWWTP is completed. The third expansion timeframe has not been determined at the time of this policy adoption. This expansion is expected to occur between 2027 and 2030 depending on an acceleration of permitting, funding commitments and the ability to layer this expansion on the second expansion from a timing and engineering standpoint.
- D. Phase IV. Capacity at the time of the Phase III expansion to a to-be-determined future time dependent upon the size of this expansion.

### **III. Policy Applicability.**

- A. This policy shall control the preliminary allocation of wastewater treatment capacity to projects requiring permits based upon 15A NCAC, Subchapter 02T, subject to the WSACC Wastewater Service Agreement and WSACC Sewer Allocation and Commitment Policy.
- B. In general, parcels of land with an existing wastewater service connection at the time of the adoption of this policy is considered to have an existing wastewater treatment capacity allocation based on current land and/or building use. A parcel of land with no wastewater service connection at the time of the adoption of this policy is considered to not have an existing wastewater treatment capacity allocation.
- C. Issuance of a new or modified Allocation Certificate will be at the sole and absolute discretion of the Town and shall be in accordance with this policy.
- D. Notwithstanding the provisions of Section III, Subsections A or B, the following types of development are exempt from the requirements of this policy:
  - 1. A single- or two-family home on one existing, recorded lot at the time of the adoption of this policy
  - 2. A single-family or two-family home on a lot that was part of division of land exempted from subdivision regulations in accordance with NCGS 160D-802.
  - 3. Small non-residential projects within a single-building using less than 600 gpd, subject to 15A NCAC 02T.303 (a)(2-3)
  - 4. New or expanded accessory buildings.
  - 5. New additions or interior renovations to existing buildings with an existing sewer connection.
  - 6. Property serviced by a septic system which will not be connected to the Town's wastewater system.

#### IV. General Policy.

The Town seeks to grant wastewater allocations in a way that supports economic growth, economic diversity, strengthening of the tax base, creation of jobs, promotion of high-quality development and maximization of existing infrastructure and service delivery capacity. To provide a foundation for this policy, the Mount Pleasant Board of Commissioners hereby adopts the following broad development priorities and determines that they are in the best interests of the Town, its citizens and stakeholders.

This policy provides that all development projects seeking an Allocation Certificate fall into one of four (4) categories as described below. The priorities are rank ordered (first being most important). A table listing projects meeting these priorities with expected phased project timelines shall be kept by the Town Planning Director with a copy available for public inspection in the office of the Town Clerk.

- A. **Priority 1: Projects with prior Town Commitments.** Due to the commitment by the Town of significant financial resources and/or contractual obligations, the following development projects shall be issued an Allocation Certificate which will support the project commencement and completion. These projects shall be subject to a phasing plan as set forth in approved development agreements.

Project	Development Agreement	Financial Commitments
SUB 2017-01 Green Acres	Yes	WSACC Pump Station #3, Sewer line participation
SUB 2020-01 Brighton Park	Yes	WSACC Pump Station #3, Empire Drive Pump Station

- B. **Priority 2: Strategic Reserve.** This priority consists of a strategic reserve of wastewater treatment capacity to support future projects or development sites that support the general policy statement at the beginning of this Section IV and/or strategic projects that further the implementation of specific strategies outlined in the Town's adopted Comprehensive Plan. The decision to set aside capacity for these projects, future sites and development categories will be at the sole discretion of the Town. A strategic reserve in the amount of 10,000 gpd shall be set aside for these projects until the first RRRWWTP plant expansion is completed. Following completion of the first plant expansion, 10% of the Town's total allocation shall be set aside in reserve.

Generally, these projects, project sites or development categories are expected to have significant positive community impacts. These strategic reserve projects, sites and development categories are intended to align with the following strategic priorities:

1. **Recent Town investments.** These are projects or project sites served by water, sewer, stormwater, street, buildings or other such public investments currently secured by current Town debt obligations.
2. **Downtown development.** These are projects or project sites are located within the designated Downtown Core as identified in the Town's Comprehensive Plan Future Land Use Map.

3. **Economic Development.** These projects or project sites include commercial, office and industrial development (and similar uses) which create significant tax base and create 10 or more jobs.
  4. **Improved public services or infrastructure.** These are projects that, if developed, will result in significant improvements to existing public services or infrastructure through private financial participation. Examples may be partnerships on water or sewer extensions that improve fire protection or water pressures, dedication of land for a public park, greenway, or school site, as may be set forth in a development agreement subject to NCGS 160D, Article 10. The improvements must be substantial in nature including a significant private commitment of funding or other public asset development.
- C. **Priority 3: Previously Approved Projects.** Due to existing substantial financial and operational commitments of private sector development entities, based on good faith, valid and unexpired preliminary plat or preliminary site plan approvals by the Town at the time this policy is adopted, these projects will be considered for allocation of necessary sewer treatment capacity to support the project commencement and completion. Projects with preliminary plat or preliminary site plan approval must adhere to the application procedures described in Section V of this policy. If, at any time there exists greater sewer treatment demand than there is available sewer treatment capacity, the ranking procedures in Section V shall determine how the available capacity is allocated. These projects may also be subject to a phasing plan. For residential projects, each phase shall be limited to no more than 50 units annually.
- D. **Priority 4: Waiting List Projects.** These are projects that are not included in Section IV, subsections A, B or C above. The projects in this priority category become part of a waiting list and they are scored based on the prioritization scoring outlined in Section V "Procedures". Initially, upon adoption of this policy these are all projects that have an approved preliminary plat or preliminary site plan but do not yet have allocation secured as Priorities 1-3. Should additional wastewater capacity become available from WSACC or from projects not proceeding expeditiously in accordance with this policy, then projects on the waiting list will become eligible for requesting an Allocation Certificate. This potential for assigning additional allocation will only occur once every six (6) months after receiving updated capacity reports from WSACC (expected by the end of January and July of each year) except in extraordinary circumstances as approved by the Town Board of Commissioners. Projects that have secured preliminary plat or preliminary site plan approval at the time of the adoption of this policy shall be given first consideration for additional allocation over other projects.

## V. Procedure.

- A. The owner or developer of any project requiring an Allocation Certificate from the Town shall submit a written application via a form provided by Town staff, for an allocation reservation in conjunction with a Preliminary Plat or Preliminary Site Plan submittal or recent approval. The application shall include detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule and phasing in relation to demand of utility capacity, and other supporting information demonstrating how the project serves the needs and interests of the Town. In the case of industrial flows, additional information associated with the constituents shall be required and may be subject to other ordinances or policies of the Town and WSACC.

- B. All projects requesting in excess of 5,000 gpd shall require Allocation Certificate approval by the Town Board of Commissioners, subject to the priorities outlined in Section IV. All Allocation Certificate applications for such projects shall also include information regarding positive community impacts offered as part of a development proposal. Such projects shall be scored and evaluated based on the following criteria. Projects that receive a score of eight (8) points or greater shall be viewed as favorable for receiving available capacity. Waiting list projects with higher scores shall receive preference for the next available allocation.

**RESIDENTIAL PROJECT EVALUATION**

<b>Criteria</b>	<b>Points</b>
Consistent with Comprehensive Plan (prior to development request)	+2
Redevelopment Site	+2
Downtown Core Site	+2
Significant participation in Town Capital Improvement Project	+2
Completes a designated pedestrian segment identified in the Comprehensive Plan or Bicycle & Pedestrian Plan	+2
Fulfills significant Comprehensive Plan Parks & Recreation Strategies	+2
Phasing limited to no more than 25 units per year	+1
Contiguous Annexation	-1
Non-contiguous Annexation	-2
Inconsistent with Comprehensive Plan (prior to development request)	-2
New pump station needed	-2

**NON-RESIDENTIAL PROJECT EVALUATION**

<b>Criteria</b>	<b>Points</b>
Consistent with Comprehensive Plan (prior to development request)	+2
Redevelopment Site	+2
Downtown Core Site	+2
Light Industrial/Employment Center Site	+2
Significant participation in Town Capital Improvement Project	+2
Completes a designated pedestrian segment identified in the Comprehensive Plan or Bicycle & Pedestrian Plan	+2
Fulfills significant Comprehensive Plan Parks & Recreation Strategies	+2
Contiguous Annexation	-1
Non-contiguous Annexation	-2
Inconsistent with Comprehensive Plan (prior to development request)	-2
New pump station needed	-2

- C. In accordance with the Allocation Agreement, every six (6) months the updated wastewater treatment capacity available to the Town from WSACC will be reconciled with a list of projects that have applied for but have not yet received an Allocation Certificate. At this time the Town will consider allocating some or all of its then available wastewater treatment capacity to strategic reserve projects and to those competing projects “wait list” projects. There is no guarantee of any project receiving an Allocation Certificate.

- D. Due to weather-related factors, the regulatory environment, and the dynamic nature of

wastewater flow and treatment, accounting of available capacity is, by its very nature, inexact and subject to change. The Town will continually track allocation reservations granted and the amount of capacity available. Such reports do not constitute a policy statement, commitment or guarantee on the amount of capacity available for allocation.

- E. Allocation Certificates issued by the Town will reserve the approved wastewater treatment plant capacity and permit the completion by the applicant of construction drawings. The Allocation Certificate issued by the Town will be followed by the corresponding flow acceptance by WSACC during final approval of Construction Plans by the Town.
- F. Allocation Certificates are not transferrable except upon written consent of the Town.

## **VI. General Conditions**

- A. This policy shall replace any previous practices or policies on wastewater treatment capacity allocations adopted by the Town.
- B. Due to the limited wastewater treatment capacity, it is the intention of this policy to prohibit “capacity banking” where valuable wastewater treatment capacity is allocated but not used by a development project within a reasonable timeframe. Projects receiving an Allocation Certificate following preliminary plat or preliminary site plan approval must proceed diligently to secure Construction Plan approval within two (2) years from its issuance. If within one (1) year of Construction Plan approval, substantial construction has not taken place in the form of the commencement of grading and installation of improvements, the Allocation Certificate shall automatically expire. A one (1) time extension of up to six (6) months may be granted by the Planning Director if construction is imminent. Projects with an expired Allocation Certificate will be required to submit a new application. These projects will be placed on the waiting list in the order they are received.
- C. For large, multi-phase projects, an approved phasing plan will include specific timing of construction drawing submittals that will generally adhere to the principles in this subsection VI.B; however the first phase must comply with the timeframes of this subsection. Notwithstanding the above, if contractual obligations between a developer and the Town provide a different schedule for securing these approvals the contractual obligations shall become the requirement.

Upon request by the project applicant and at the discretion of the Town Manager or designee, an allocation execution timeframe may be extended one time for no more than six (6) months. Such requests must provide documentation of extenuating circumstances causing the need for the extension.

- D. Most projects requesting in excess of 5,000 gallons per day will be required to be phased. Final decisions on project phasing will be at the discretion of the Town Board of Commissioners due to the phased nature of sewer treatment capacity increases and the intent to provide a fair and equitable allocation of capacity to as many development projects as possible.
- E. If a project is unsuccessful in obtaining any required Federal, State, or local government permit or approval, the allocation shall be retracted. The Town shall bear no liability for any costs

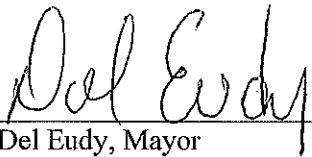
incurred by the applicant, or any further responsibility in the matter.

- F. Granting of a wastewater treatment capacity allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right.
- G. This policy shall be reviewed annually and, when appropriate, modified by Town Board of Commissioners. The Town's overall progress on policy goals will be considered and the criteria and/or point thresholds in the scoring matrix may be adjusted accordingly.

**VII. Term.**

This Policy shall be effective on and after June 14, 2022. In accordance with the Allocation Agreement this policy shall remain in effect until the earlier of (a) January 1, 2025, (b) the date upon which WSACC's expansion of the RRRWWTP comes online with 30 MGD treatment capacity, or (c) termination of the Allocation Agreement by WSACC.

**Adopted 13<sup>th</sup> day of June, 2022.**

  
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W. Del Eudy, Mayor

ATTEST:

  
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Amy Schueneman, Town Clerk

