



TOWN OF BEAUFORT POLICY

Department:

Public Services

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January 11, 2021

Policy Title:

Wastewater Allocation Policy

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001

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Approved By:

Board of Commissioners

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1. Purpose

The Town of Beaufort (“Town”) has made a significant public investment in improvements and increased capacity to the Town’s sewage treatment and disposal facilities (“Plants”) and sewage collection and transmission system (“Sewers”) in order to avoid the environmental damage and danger to the public health caused by limited or inadequate collection and treatment of wastewater. Recognizing that the capacity of the treatment and disposal facilities is finite and adding additional capacity is expensive, this Sewer Allocation Policy has been established to direct growth to areas most appropriate for the efficient provision of municipal sewer service while also establishing a plan for tracking this limited resource. Accordingly, the purpose of this policy is to effectively allocate available sewer capacity to new developments as a means of maintaining a reasonable balance of land-uses in a fair and equitable manner.

2. Definitions

The following words will have the meanings below when used in this ordinance:

- (A) Allocation: A conditional designation of estimated sewer treatment capacity to a specific owner and project, subject to the provisions of this policy and any document of approval.
- (B) Allocation Phase: A provision included as part of an allocation to a specific development that defines the amount of the total allocation which may be used at a specified time.
- (C) Applicant: Any individual, firm, partnership, company, association, corporation, governmental entity, or any other legal entity whose development or improvement of land requires sewer allocation under this policy. The Town may require disclosure of the names of all persons who have a financial interest in any project requesting or having been granted an allocation.

- (D) Application Requirements: All approvals, permits, and/or certifications required for an applicant to begin construction of the infrastructure necessary to serve a proposed development.
- (E) Development: An undertaking involving real property improvement put forth for consideration or acceptance for which Town and/or State approvals, authorizations, or permits are required. A division of real property improvements by phase and/or section lines does not constitute separate developments.
- (F) Development Proposal: An application for approval of a specific plan, subdivision, conditional use permit, site plan, parcel map, or any other discretionary development permit or entitlement application which has been filed with and is pending consideration by the Town.
- (G) DWR: The Division of Water Resources which is part of the North Carolina Department of Environmental Quality, or its successors, ensures safe drinking water in accordance with federal requirements, issues pollution control permits, monitors permit compliance, evaluates environmental water quantity and quality, and carries out enforcement actions for violations of environmental regulations.
- (H) GPD: Typical measurement of the flow or discharge of wastewater in gallons per day.
- (I) Infill Development: Development within a previously developed area that is served by the Town's existing sewer collection and does not require a permit or permit modification from Division of Water Quality for new or existing sewer main(s) to serve the development.
- (J) Infrastructure: The facilities and installations needed to support a proposed development such as transportation, water, sewer, recreation, and other improvements.
- (K) NCDEQ: The North Carolina Department of Environmental Quality or its successors.
- (L) Plat: A map, generally of a subdivision, showing the location, boundaries, and ownership of individual properties. A Plat may simply be the device for officially recording ownership changes, new lot divisions, or new rezonings.
- (M) PWS: The Public Water Supply Section, which is part of the North Carolina Department of Environmental Quality, or its successors, regulates public water systems within the state under the statutory authority of North Carolina General Statute 130A Article 10.
- (N) Redevelopment: Converting an existing built property into another use. Ideally, redevelopment aims for better use of the property that provides an economic return to the community.
- (O) Reservation Fee: A fee for the allocation of sewage treatment capacity, specified as dollars per gpd, as established by the adopted fee schedule.

- (P) Reserve Capacity: The permitted sewer treatment capacity minus the actual wastewater flow being discharged to the treatment facility averaged over the preceding twelve months expressed in gallons per day or similar unit of measurement.
- (Q) Sewer Allocation: A specified amount of sewage treatment capacity (typically measured in gallons per day, gpd) committed to a specific project through action by City staff or Board. An allocation may or may not include allocation phasing.
- (R) Site Plan: A plan, drawn to scale and showing the scale for which it is drawn, showing uses and structures proposed for a parcel of land as required by the regulations involved. It includes lot lines, streets, building sites, reserved open space, existing structures, natural and man-made landscaping features and, depending on requirements, the location of proposed utility lines.
- (S) Sketch Plan: An illustrative plan or model that shows the maximum densities for residential and non-residential development, including building massing and height, locations of public use and other spaces, and the relationship to existing and proposed buildings and properties.
- (T) Uncommitted Reserve Capacity: Is that portion of the reserve capacity remaining after subtracting the development wastewater flow of all projects for which sewer allocation has been granted but have not yet begun discharging to the sewer collection system.
 - i. Where applicable, the rated capacity of pump stations and interceptors shall also be taken into account. The most restrictive volume prevails where rated capacities for various components of the collection system differ. For example, an allocation request for 10,000 gpd cannot be granted if the pump station through which this flow would be routed has an uncommitted reserve capacity of only 6,000 gpd despite the wastewater treatment plant reserve capacity being on the order of tens or even hundreds of thousand gallons. The 10,000-gallon request could only be granted if plans for upgrading the capacity of the station have been approved for construction; the upgrade project has been bonded for construction; or the upgrade project is under construction.

3. Allocation Plan

- A. The approval of any Final Plat, Site Plan or Building Permit shall be contingent upon approval of sewer allocation adequate for the sewage flows expected to result from development. Under this policy, an approved allocation shall be a prerequisite to the approval of all Final Plats and Site Plans and the issuance of all building permits for those structures that are not part of a development with a previous allocation that has not reverted back to the Town through revocation or expiration.
- B. All sewer allocation requests shall be considered on a prioritized basis. Projects shall be grouped into one of the priority levels below to determine the level of priority and level of consideration needed.

Priority Level 1 –

- Priority 1 projects include the following classes of development provided all permitting and approval application requirements by the Town and other regulatory agencies having jurisdiction have been satisfied:
 - Infill development located within the Town’s corporate limits
 - Redevelopment located within the Town’s corporate limits.
 - New development located within the Town’s corporate limits.
- Developments approved prior to effective date of this policy.
- Town-funded projects.

Priority Level 2 –

- Priority 2 projects include the two classes of development listed immediately below provided all permitting and approval application requirements by the regulatory agencies having jurisdiction have been satisfied **except that** it does not include development or redevelopment to be located where the Town’s sewer infrastructure consists solely of a transmission force main and related appurtenances.
 - Infill development located outside of the Town’s corporate limits.
 - Redevelopment to occur within an area located outside of the Town’s corporate limits that is served by a Town-owned sewer collection system.

Priority Level 3 –

- Development and redevelopment that is volunteered for annexation and have satisfied all permitting and approval application requirements by the Town and other regulatory agencies having jurisdiction. Generally, such development and redevelopment will also incorporate into the overall project the new mains, collection lines, pressure mains, and pump stations necessary to affect extension of service to and at the development/redevelopment.

Priority Level 4 – Requests that do not meet all Town permitting and approval application requirements

C. Sewer allocation necessary to serve proposed developments shall be based on use capacities as identified in Section 15A of the North Carolina Administrative Code 02T .0114. All sewer capacity shall be considered, allocated, and tracked through the following categories.

- Residential
- Commercial
- Discretionary

4. Residential Allocation

A. Residential Allocation will be considered for all single family, duplex, townhome, and apartment projects and shall be allocated over two categories. These categories are Single Family Developments which includes single family and duplexes; and Multi-Family Developments such as triplexes, quadplexes, townhomes, and apartments.

1. Single Family Development: Single family and duplex developments shall be eligible for a maximum allocation per development phase of 36,000 gpd per 12-month period or the equivalent of one hundred (100) three-bedroom units.
 2. Multi-Family Development: Developments such as triplex, quadplex, townhomes, and apartment projects shall be eligible for a maximum allocation per development phase of 48,000 gpd per 12-month period. For example, an applicant would be eligible for up to 200 two-bedroom units per phase.
- B. Residential Allocation shall be considered “used” when the Town Engineering Division as well as, the DWR and PWS Divisions of NCDEQ receive and approve the “Engineer’s Certification of Construction” and “As-Built Record Drawings” for the water and sanitary sewer improvements serving the project development phase that was granted the sewer allocation. Release of allocation for a subsequent phase of the development will not occur until the allocation for the prior phase has been used.

5. Commercial Allocation

- A. The Commercial Category shall include all developments that are commercial or industrial in nature. The maximum allocation per development phase for projects in the Commercial Category is 15,000 gpd per 12-month period.
- B. Sewer allocation granted from the Commercial Category shall be considered “used” when the water meter is installed for the structure to which the allocation was committed.

6. Discretionary Allocation

The Discretionary Category shall include all municipal projects and any other development as approved by Town Board. There is no maximum allocation per development phase; however, Board reserves the right to set a maximum allocation available per phase if deemed appropriate.

7. Procedure

- A. All sewer allocation requests shall be made in writing on the Town’s standard form.
- B. All applicants requesting water and/or sewer service outside Town limits shall file a petition for annexation with the Town accompanied by the applicable processing fee. The Town will generally consider annexation and extension of utilities to areas within growth areas, though areas outside of a growth area may be considered.
 1. Sewer allocation requests shall be considered for a proposed development only after the project site has been annexed or an agreement for out-of-Town services has been approved.
- C. Town Staff shall have the authority to grant allocations of no more than 10,000 gpd to infill developments located within the Town’s corporate limits, projects to be located within the Town’s corporate limits for which the development plans are eligible for approval by Town staff because they do not require consideration by the Board, and Town-funded projects. In addition, staff may grant additional allocation to serve subsequent phases of developments approved prior to the effective date of this policy if:
 1. the approved plan is still valid;

2. previous allocations have been used; and
 3. the allocation being requested does not exceed the allocation limits per development phase as prescribed by this Policy.
- D. Sewer allocation requests for Priority Level 1 projects that do not meet the criteria of paragraph 7.C must be reviewed and approved by Town Board.
- E. Approval of allocation for Priority Level 2 and 3 projects shall follow the same final approval process as required for development proposal. For example, site plans or subdivisions requiring Town Board consideration shall require allocation to also be considered by Board. If a plan is eligible for approval by Town staff, then the allocation may also be granted at a staff level
- F. Priority Level 4 projects are the lowest priority in consideration for reserving sewer allocation. Typically, these projects are speculative in nature since the applicant has not made a significant investment in the proposed project. Board will consider reserving allocation for these projects upon submittal of a preliminary plan or sketch plan and a reservation fee in accordance with this policy.
1. The preliminary plan or sketch plan for a Priority Level 4 allocation request shall meet the minimum requirements for site plans as established on the Town's standard "Building Permit Application" or in the case of subdivisions, the minimum requirements for sketch plans as described by the Town's Subdivision Ordinance.
 2. The reservation fee shall be a nonrefundable per gallon charge based on twenty percent (20%) of the sewer system development fees in effect at the time the allocation request is made. If, for any reason, the applicant fails to meet the milestones, as stated in this section, the reservation fee shall be forfeited, and the allocation shall automatically revert to the Town. If the applicant meets the prescribed milestones, the reservation fee shall be credited to the sewer system development fee required for the proposed project.
 3. Priority Level 4 projects shall have twenty-four (24) months to receive all approvals, certifications, and/or permits to begin construction of the water and sewer infrastructure. Once the development has received all approvals and final sewer allocation, the allocation shall be used in accordance with the timeframe as established in the Expiration section of this Policy or the reservation fee and allocation shall be forfeited.
- G. An applicant may request allocation sufficient to serve two phases of a development. Such request shall be for the initial phase and reservation of allocation for the successive phase. A request for phased allocation shall be accompanied by a development phasing schedule that clearly shows the planned phases of the development together with the allocations desired per phase.
1. A request to release allocation for a subsequent phase may be made once an allocation for a previous phase has been used.
 2. Staff may release an approved allocation phase once the prior phase has been used and all provisions of this policy have been satisfied.

H. An applicant is only eligible to reserve allocation to serve the equivalent of two developments, for use per 12-month period, in any one category.

8. Expiration

A. Sewer allocation granted to a development shall be “used”, as defined herein, within twenty-four (24) months of approval. Thereafter, any allocation reserved for a subsequent phase of development must be used within 12 months of the allocation being released for that phase. If allocation has not been used within the stipulated time periods it shall automatically revert to the Town.

1. An allocation will not be granted until the plans have been approved or the review has been completed whenever a development proposal is part of a project.

9. Extensions

A. The Town Board may grant a 6-month first extension to a development unable to use the initial allocation within the 24-month period. The request for such extension must be accompanied by documentation demonstrating use of allocation before the expiration date is unavoidable due to factors beyond the applicant’s control. The six-month extension may be granted if, at the sole discretion of the Board, the delay is a result of factors beyond the applicant’s control.

B. The Town Board may consider additional extensions for developments with valid plans in 12-month increments. Extension requests made to Board shall be accompanied by a non-refundable processing fee as identified in the adopted Fee Schedule.

10. Appeal Process

Staff decisions may be appealed to Town Board. Appeal requests must be in writing and include a detailed description of the proposed development, allocation requested, and reason for the appeal. All decisions rendered by Board shall be final.

11. Reversion and Revocation

A. Sewer allocation is granted to a specific development to be located on a specific parcel or parcels of land and based on the approved development which received sewer allocation. Upon completion of the development or permit expiration, the unused allocation (adjusted to the actual development constructed, if necessary), will automatically revert to the Town. Further, allocation granted to a development may be immediately revoked and the Reservation Fee forfeited immediately upon written notice to the applicant that Town staff has determined the allocation was granted based on false or misleading information.

B. Town Board reserves the right to revoke allocation, if deemed necessary, on projects (or portions thereof) with excess capacity or where system development fees have not been paid within thirty-six (36) months of the original allocation.

C. Any sewer allocation granted outside the provisions of this Policy from the effective date forward shall be null and void unless granted by Town Board pursuant to Section 13, Policy Review.

12. Transferability

Sewer Allocation may only be used for the specific development or the parcel(s) for which it was originally granted. Unused sewer allocation for a development may only be transferred from the individual, firm, partnership, company, association, corporation, governmental entity, or other legal entity owning the development to another only after receiving written authorization from the Town. Under no circumstances shall allocation be used for any other development.

13. 15A NCAC 02T .0118 Acknowledgement – Capacity Limitations and Future Demands

- A. This Policy acknowledges the requirements of Title 15A of the North Carolina Administrative Code, Chapter 02, Subchapter T, Section .0118 titled “Demonstration of Future Wastewater Treatment Capacities” (15A NCAC 02T .0118) and the purpose of those requirements which is to ensure that treatment facilities to not exceed their hydraulic treatment capabilities. This section of the administrative code also details the actions that must be taken when treatment plants reach average flows of 80 percent and 90 percent of their permitted capacity.
- B. Realizing that the Town must submit to the North Carolina Division of Water Quality (NC DEQ) specific plans for meeting future wastewater treatment or disposal needs prior to exceeding 80 percent of the Town’s wastewater treatment capacity and that granting of sewer allocation requires the approval by the NC DEQ Director once the average flows to the Town’s wastewater treatment facility exceeds 80 percent, the Town Board may elect to consider only high priority level projects for granting of sewer allocation once flows to the facility approach 80 percent of permitted capacity. The Board may also elect to modify or deviate from this policy. Generally, implementation of these and/or other actions will be considered by the Board when the average flows to the Town’s wastewater treatment plant reach 75 percent of the permitted capacity.

14. Policy Review

Town Board hereby reserves all rights to review, modify, or deviate from this policy at the sole discretion of the Board. This shall include, but is not limited to:

- granting variances to the policy;
- determining sewer capacity available per category to maintain a fair and equitable balance between categories and to promote growth deemed in the best interest of the Town;
- the release of additional allocation recaptured through the Town’s Inflow and Infiltration (I&I) detection and elimination program; and
- other relevant factors as determined by Board.

15. Severability

If any portion of this Policy and any amendments made hereto are held unconstitutional or invalid by a court of competent jurisdiction, the remainder of this Policy and any amendments made hereto shall not be affected and shall remain in full force and effect.

16. Effective Date

This policy became effective upon adoption by the Town of Beaufort Board of Commissioners on January 11, 2021. This policy does not supersede or nullify any agreement concerning the allocation of sewer which existed at the time of adoption of this policy.