

Policy and Procedures for Water and Sewer System Expansion Fees

Policy

A system expansion fee will be required for each new domestic connection for water and/or wastewater service.

System Expansion Fee

- a. System expansion fees shall be used to fund water and sewer capital improvements and related appurtenances required to serve new customer growth. Potential, future projects could include:
 - » water treatment works;
 - » water pumping stations;
 - » water storage tanks; and/or
 - » water distribution mains;
 - » outfall sewers;
 - » sewage pumping stations;
 - » sanitary sewer force mains; and/or
 - » sewage treatment plants.
- b. The system expansion fee shall be in accordance with an adopted City Fee Schedule and due and payable at the time of building permit application or with the application for new utility service.
- c. System expansion fees shall be maintained in a separate fund designated for future system expansions as approved by the City. Potential projects will be reviewed on a case-by-case basis according to the following criteria:
 - Alignment with the City and utility systems strategic objectives as represented by inclusion in the utility Capital Improvements Plan (CIP).
 - Adds significantly to the economy of scale (volume) of the utility within the existing capacities and capabilities of the system.
 - Encourages infill development in targeted areas served by the Gastonia utility system (as defined by an adopted map).
 - Encourages regionalization of water and or wastewater or partnership projects that provide other benefits to the community and the utility (while still achieving any of the other objectives listed).
 - Leverages other project funding.
 - Improves the operation or cost savings for the utility (i.e. elimination of lift stations, or the "looping" of water lines).
 - Project pro forma should be financially sound and provide a reasonable payback to the City.
- d. System expansion fees will be reviewed annually and adjusted according to the system expansion needs.
- e. These fees shall become effective for all new service connection requests consistent with this policy after July 1, 2010.

Implementation

- a. City Council may adopt an incentive policy designed to encourage the type or location of new development.
- b. Lots with an existing water meter or current sewer service may receive a credit for each existing service. A prorated system expansion fee will be required for any proportional up-sizing of service connections. New service connections will be subject to the system expansion fee.
- c. For attached residential structures, the System Expansion Fee will be the sum of the fees required per individual unit or the fee for the equivalent meter size to serve the building (per the attached exhibit), whichever is less.
- d. Residents who have already paid the availability fee or assessment fee associated with previous utility line extensions serving their property will not be subject to paying the System Expansion Fee, except as otherwise provided in paragraph (b) of this section.
- e. Private installation of oversize water and wastewater lines and off-site water and sewer line extensions will be in accordance with Chapter 14 of the City Code.
- f. Tap and fire connection fees are separate and apart from this policy and will be applied in accordance with the adopted fee schedule.