

POLICY FOR ALLOCATING WASTEWATER TREATMENT CAPACITY

AMENDMENT #2

DATE: JULY 11, 2011

PREFACE

In September 2007, Union County's Board of Commissioners adopted a Policy for Allocating Wastewater Treatment Capacity (Sewer Allocation Policy or Policy). This Policy set forth allocation of the limited remaining wastewater treatment capacity in the 6-Mile Collection System; and the 12-Mile Creek and Crooked Creek Wastewater Treatment Plants.

In March 2011 the Board adopted Amendment #1 to this policy in recognition a variety of changed conditions the original adoption in 2007 including:

- Design and permitting completion of the Planned Diversion (i.e. the 6-Mile Creek Diversion Project).
- Recovery of capacity for projects that failed to meet stipulated deadlines in the Policy.
- Much slower growth of private development resulting from the recent economic downturn.
- Postponement of several public sector projects that are now expected to occur after additional wastewater capacity is on-line.
- Advancement of the permitting process for the 12-Mile Creek WWTP Expansion Project.
- Recovery of approximately 75,000 gallons per day (gpd) of capacity from William Trotter Development/Goose Creek Utilities Settlement.

As a result of this review, the Board elected to amend the Policy to allocate an additional 445,000 gpd of capacity for new One-Tap and non-residential projects, increased the maximum capacity for a new non-residential project from 20,000 gpd to 60,000 gpd and set forth criteria for the allocation for non-residential projects based upon their readiness to move forward with construction.

At this time several projects have come forward that will require a phased approach to construction due to the size and nature of development that would not conform to the criteria established in Amendment #1. To accommodate these multi-parcel commercial projects the Policy for Allocated Wastewater Treatment Capacity is amended as follows.

Delete the "Available Capacity and Revised Allocation" section from Amendment #1 and replace it with the following:

AVAILABLE CAPACITY AND REVISED ALLOCATION

Given the changed conditions outlined above, Union County Public Works (UCPW) has determined that approximately 445,000 gpd of additional wastewater treatment capacity is available for allocation. This available allocation is after fulfillment of all current, updated First, Second, and Third Priority Development Projects as outlined in the Sewer Allocation Policy.

As of the Effective Date of Amendment #1, all current, updated Third Priority Projects that met their obligations under the Policy, are now eligible for securing wastewater capacity as outlined in the Policy. The owner or developer of any Third Priority Project must submit a Flow Permit Application within one (1) year from the Effective Date of this Amendment #1 to retain their capacity allocation. Failure to submit this Flow Permit Application within one (1) year from the Effective Date of this amendment will result in loss of any and all Capacity at the Treatment Facilities reserved in favor of the Project.

From the estimated available wastewater treatment capacity (i.e. 445,000 gpd), an additional 45,000 gpd is being allocated to Tap Only Projects. The balance of 400,000 gpd is being allocated to new Nonresidential Development Projects being proposed in the areas subject to the Sewer Allocation Policy. To qualify for this wastewater treatment capacity, owners or developers of these new Nonresidential Development Projects shall:

- Confirm that their wastewater treatment capacity needs are estimated to be 60,000 gpd or less (as determined by UCPW).
- Confirm that existing sewer lines are contiguous to the Project site directly or through an existing right-of-way.
- Confirm proper land use permitting (including zoning) from all applicable jurisdictions to allow the proposed development to occur.
- Submit a detailed written description of the Project to UCPW for approval (including type of project, expected wastewater capacity needs, and any other special conditions). Such written description shall include sufficient detail to enable UCPW to make a reasonable determination that it is more likely than not that the Project will proceed within the time constraints for obtaining a building permit, as outlined below.
- Obtain building permits within 270 days from written approval of the Nonresidential Development Project for such portion of the Project as will result in the use of a minimum of 25% of the wastewater treatment capacity allocation, and commence actual construction within 180 days from issuance of the building permit. Failure to obtain building permits within the prescribed time period shall result in termination of the wastewater treatment capacity allocation for those facilities for which building permits have not been obtained. If building permits, whether issued within 270 days or thereafter, expire or are otherwise terminated without issuance of a certificate of occupancy, such event shall result in termination of the wastewater treatment capacity allocation for the facilities that were subject to the expired or terminated building permit. For purposes of this paragraph, actual construction means the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, or the construction of columns. Permanent construction does not include (i) land preparation, such as clearing, grading, and filling, (ii) the installation

of streets and/or walkways, (iii) excavation for a basement, footings, piers, or foundations, or (iv) the erection of temporary forms.

- Obtain certificate(s) of occupancy for all facilities comprising the Nonresidential Development Project within five (5) years from written approval of the Project. If, within five (5) years, owners or developers fail to secure certificate(s) of occupancy for all facilities comprising the Project, such failure shall result in termination of the wastewater treatment capacity allocation for the facilities for which certificate(s) of occupancy have not been obtained.

UCPW staff may, if desired, request additional information from the Project's owner in order to make a final determination. If approved, UCPW will issue, in writing, a wastewater treatment capacity allocation for the proposed Project.

These new Nonresidential Development Projects shall be processed on a first come, first serve basis.