

**TUCKASEIGEE WATER & SEWER AUTHORITY (TWSA)  
ECONOMIC DEVELOPMENT & COMMUNITY OUTREACH FUND POLICY**

1. **PURPOSE-** This policy is established to address the need to support projects that promote economic development along with those that indirectly support well-being of the communities that are served by TWSA. The intent of this policy is to establish a uniform method for identifying, evaluating, prioritizing and funding projects which improve properties in a manner that serves such purposes. The funds to be expended under this program shall not leave TWSA, but are to be applied to the Impact Fees for an approved Project. The successful applicant shall still be responsible for all costs for providing any water and / or sewer taps, meters and appurtenances. "In-kind" services that may be provided by TWSA staff shall apply only to work on the private side of the connection.
2. **APPLICABILITY-** This policy is written to be applicable to any project involving a property that is or may become a TWSA customer.
3. **DEFINITIONS-** The following words and terms are used within this policy and / or within the procedures and forms established to implement this policy. The intended meaning for each term is provided here for such use. Such words and terms are shown with first letter capitalization for the purpose of triggering reference to the intended definition, and for ease in use and consistency in application.
  - a. **Allocation-** a block of water Distribution System and water treatment capacity and /or wastewater Collection System and wastewater treatment capacity assigned to a specific Property for a specific Development purpose consistent with a plan submitted to TWSA and expressed in Gallons Per Day (GPD).
  - b. **Applicant-** that party whom is making application to TWSA for consideration of a specific project for funding under the Policy. For this program the Applicant must also be the Property Owner, or the Property Owner's designated agent.
  - c. **Application-** that form currently in use and provided by TWSA for the purpose of applying for water and /or sewer allocation and service along with those documents necessary to detail the ownership status and the proposed Development of the Property involved. A separate Application is required for each proposed project, and for each funding cycle if a Community Outreach Project.
  - d. **Application Fee-** a non-refundable payment of \$175.00 to be received with each Application package to offset the administrative cost of processing the

request. For a Non-Profit Entity, the Application Fee may be waived after written request and subject to approval by the TWSA Board.

- e. **Availability-** water and / or sewer service is deemed available for a given property if a TWSA owned Distribution and / or Collection System asset is contiguous to the property and there is capacity available to serve the proposed Development of the Property.
- f. **Capacity Assurance-** that monthly charge that is assessed a customer holding unrealized allocation for a project which is not completed in the construction timeframes as established in Section 6.A of the TWSA Water & Sewer Allocation Policy.
- g. **Collection System-** those sewer infrastructure assets that are owned (or leased), operated and maintained by TWSA which receive and convey wastewater flows from private connections.
- h. **Community Outreach Project-** a proposed improvement to a specific Property by a local government or a non-profit organization which generates benefit to the community in a manner other than job creation. Such benefits may include the development of cultural resources, or promoting the health and welfare of our residents and our guests. TWSA will partner with other Entities such as Jackson County and / or local municipalities in quantifying and qualifying the benefits of such projects. Any grant provided such projects shall be linked to the Applicant by contract, which shall specify all terms of such grant.
- i. **Development-** those improvements proposed on a property which generates a request for water and / or sewer allocation. Development phasing shall be identified by the owner and shall be part of the review process.
- j. **Distribution System-** those water infrastructure assets that are owned (or leased), operated and maintained by TWSA which convey water flows to Private Connections.
- k. **Documentation-** those items which are necessary to verify the status of the ownership of a Property and to describe the details of the proposed Development purpose for which the Economic Development or Community Outreach Grant is requested. At the discretion of TWSA staff such items might be received in hard copy or electronically, however all documents which contain signature blocks, Entity seals and / or notary statements must be supplied with original signatures. For funded projects Documentation

shall also include those letter agreements and other documents that stipulate terms and conditions of the grant.

- i. **Economic Development Project-** a proposed improvement to a specific Property by a for-profit organization which generates benefit to the community through the creation or retention of jobs. Such benefits must be quantifiable and sustained in nature. TWSA will partner with other Entities such as Jackson County and / or local municipalities in quantifying and qualifying such projects. Any grant provided such projects shall be linked to performance by contract, which shall specify terms of such grant.
- m. **Entity-** A non-person organization that legally holds an ownership interest in a Property. This may include any organization which by definition is allowed to exist and does exist under North Carolina Law such as corporations, limited liability companies, homeowner associations, municipalities, etc.
- n. **Impact Fee-** those fees collected upon purchase of a new block of water or sewer allocation, as determined under the current TWSA process and as set in the current TWSA Budget They are based on the Impact of a proposed Development on the TWSA infrastructure. These fees are intended to collect revenue to replace the capital investment in the wastewater Collection System and the wastewater treatment plant that are needed to service a proposed Development.
- o. **Letter Agreement-** That formal document prepared by TWSA which stipulates the roles, responsibilities and obligations of all parties involved in a specific project approved to receive funding and/ or in kind services under this policy. At a minimum it shall involve TWSA and the Applicant, but may also include some third party in unique situations. A Letter Agreement may include supplemental documents provided such are identified in the body of the Letter Agreement by reference. Such Letter Agreement shall be written so as to exclude any new or modified agreements unless such are made in writing as an amendment to the Letter Agreement. Letter Agreements shall be subject to Legal Review by all parties before execution.
- p. **In-Kind Services:** TWSA contributed personnel and equipment authorized to be used in the accomplishment of an approved project, the value of which will be considered as part of total funding requested / approved for a project.
- q. **Point of Service Delivery-** that location where a Private Connection and the Collection System are joined.
- r. **Private Connection-** those sewer infrastructure assets owned, operated and maintained by parties other than TWSA which convey wastewater flows to the Collection System.

- s. **Property**- that specific piece of real estate identified in the Jackson County Geographic Information System (GIS) with a unique Property Identification Number (PIN), upon which a proposed Development is to occur and to which a project specific Water and / or Sewer Allocation will be assigned upon completion of the prescribed TWSA procedure.
  - t. **Property Owner**- That party who holds title to the Property to which a Sewer Allocation is assigned. Property Owners may be individuals or Entities as provided by state law and as otherwise defined in this policy.
  - u. **Ready to Proceed Status**- That condition for a project in which there are no potential impediments to timely execution of the work. Funding requests shall be reviewed and final recommendations made based on the project being in such status. Offers of funding shall include a requirement that the grant be used within a specified period of time based on funding availability being limited to the current Fiscal Year.
  - v. **Sewer Allocation**- the specific quantity of wastewater flow allocated to accommodate the construction of a specific Development on a specific property.
  - w. **Unrealized Allocation**- those Sewer Allocations for which TWSA has a contractual obligation but have not yet been connected to the TWSA Collection System.
  - x. **Water Allocation**- the specific quantity of water flow allocated to accommodate the construction of a specific Development on a specific Property.
4. **Economic Development Projects**- Whereas each of these types of projects shall be considered on its own merit, Applications for these type of projects may be made at any time during the year. The purpose of these funds is to assist in the costs of "Impact Fees" for the project. Impact Fees shall be determined in total and the balance due after application of any approved grant shall be paid in full before the grant funds are released. The maximum amount of funding that may be provided is the higher of \$2,000.00 or 25% of the current annual appropriation made for Economic Development. Upon written request by the Applicant, and recommendation by TWSA Staff, the TWSA Board may approve funding at a higher level than these limits, subject to available funding. These projects shall be funded based on their "Ready to Proceed" status.
5. **Community Outreach Projects**- Applications for these types of project shall be made in two cycles each year with applications due to TWSA on the last Friday of August for the Fall Cycle, and again on the last Friday of February for the Spring

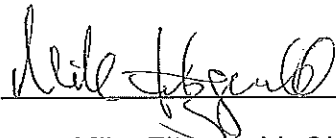
Cycle. The purpose of these funds is to assist in the costs of "Impact Fees" for the project. Impact Fees shall be determined in total and the balance due after application of any approved grant shall be paid in full before the grant funds are released. The maximum amount of funding that may be provided is the higher of \$2,000.00 or 25% of the current annual appropriation made for Community Outreach. Upon written request by the Applicant, and recommendation by TWSA Staff, the TWSA Board may approve funding at a higher level than these limits, subject to available funding. These projects shall be funded based on their "Ready to Proceed" status. In addition to the direct grant funds allowed above, the TWSA Board may approve the use of TWSA Staff and equipment as "In Kind" assistance in developing the Private Connections on such projects, subject to specific approval of these efforts and their costs by the TWSA Board. Approval of any Grant funds and "In-Kind" services shall take place concurrently.

6. **Processing-** Subsequent to receipt of Applications, a meeting is required between the Applicant or the Applicant's designated agent, and TWSA staff to review and discuss the Application package. Upon request and prior to that meeting TWSA shall provide a checklist of items generally required to produce a complete Application package as part of the review process, however the meeting may identify additional requirements due to the unique nature of each Property and Development. Requested services must be available at the Property to consider the Application Package as valid, unless the Applicant intends to fund any required utility extensions. TWSA staff shall complete their evaluation of all complete Application packages using that evaluation criteria and scoring process as is developed by the TWSA Staff and approved by the TWSA Board when the Application forms and procedure have been drafted but consistent with this policy. Specific criteria that shall be included are documented financial need, identification of other funding sources including other grants and / or loans, impact and / or benefits derived, reviews and recommendations of other agencies. TWSA staff shall make a recommendation to the TWSA Board within 30 calendar days of completed Applications being received. The TWSA Board shall by vote approve all grants which are to be funded under this program.
7. **Development Completion** – It is recognized that some Developments are constructed over time and on occasion there may be a portion of the Development incomplete. The Applicant is responsible for providing Documentation when each portion of the Development is completed and connected. If the completion is partial, the customer will be billed for water and sewer flows for the connected portion, and if applicable as per Table 6.1 of the current TWSA Water and Sewer Allocation Policy, for Capacity Assurance Fees for the portion not yet completed. It is noted that upon completion all flows will be billed as connected. Once an approved Development for which an Allocation is assigned is constructed and complete, the associated Water Allocation and/or Sewer Allocation is likewise deemed fully used. In addition, the letter agreements for specific projects may require the advance payment of any applicable Impact Fee costs being offset by

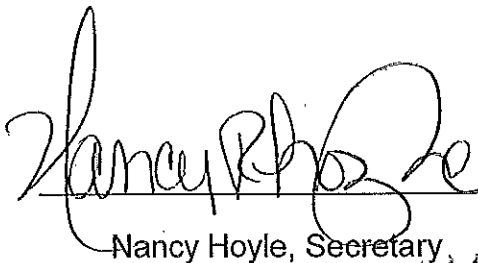
TWSA grant, which in turn will be reimbursable upon completion of the approved project.

8. **Reporting-** TWSA Staff shall keep the TWSA Board updated on the status of any requested Applications under this policy, along with reporting on grants approved to date.
9. **Funding-** Funds for this program shall be made available by annual appropriations in the approved TWSA Budget. Unless otherwise stipulated, the annual appropriation shall be split with 2/3 of funds being designated for Economic Development Projects, and 1/3 being designated for Community Outreach Projects. The TWSA Board may make an exception to this funding pattern by formal action. Funds are in a capital reserve account for this program, and those funds not expended at the end of a fiscal year shall carry over to the next year.
10. **Performance-** Recipients of grants under this program are obligated to complete the required actions and sustain them for the specified durations as contained in the letter agreement between TWSA and the Applicant. Failure to comply with said agreement may constitute a breach of contract with TWSA and require the repayment of some or all of the grant funds provided.

Adopted by a vote of the TWSA Board on this 21<sup>st</sup> day of July, 2015.



Mike Fitzgerald, Chairman



Nancy Hoyle, Secretary

