

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

SUPERIOR COURT DIVISION

MECKLENBURG COUNTY

Case No. 18-CVS-21073

DAEDALUS, LLC, EPCON)
COMMUNITIES CAROLINAS, LLC,)
and NVR, INC.,)

Plaintiffs,)

v.)

CITY OF CHARLOTTE,)

Defendant.)

**SECOND AMENDED AND
SUPPLEMENTED COMPLAINT
(Class Action)**

DEMAND FOR JURY TRIAL

FILED
2019 SEP 13 A 11:51
CLERK OF SUPERIOR COURT
MECKLENBURG COUNTY, N.C.

NOW COME Plaintiffs Daedalus, LLC, Epcon Communities Carolinas, LLC, and NVR, Inc. (collectively, "Plaintiffs"), by and through the undersigned counsel, complaining of Defendant City of Charlotte ("Charlotte"), and allege as follows:

NATURE OF THE ACTION

1. Plaintiffs, on behalf of themselves and others similarly situated, bring this action to obtain redress arising from Charlotte's *ultra vires* and unlawful collection of "Capacity Fees," a form of unauthorized "Impact Fees" (as the terms are defined herein).

2. This case arises in part under *Quality Built Homes, Inc. v. Town of Carthage*, 369 N.C. 15, 789 S.E.2d 454 (2016) ("*Quality Built Homes*"), the Uniform Declaratory Judgment Act, N.C. Gen. Stat. § 1-253, *et seq.*, and other applicable case law and statutes.

3. This is a class action, filed pursuant to Rule 23 of the North Carolina Rules of Civil Procedure, on behalf of Plaintiffs and others similarly situated who have paid Capacity Fees pursuant to Charlotte's standardized policies and procedures during the period beginning three (3) years preceding the original commencement of this action through the date of judgment, or until Charlotte adopts lawful Capacity Fees, whichever is sooner.

JURISDICTION AND VENUE

4. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

5. This Court has jurisdiction over the parties and this action pursuant to N.C. Gen. Stat. § 1-254 because the rights of Plaintiffs are directly and adversely affected by the ordinances, policies, and procedures of Charlotte.

6. Venue is proper under N.C. Gen. Stat. § 1-82 in that Charlotte is a body politic and a corporate municipality in Mecklenburg County, North Carolina.

7. A copy of this complaint has been served on the Attorney General of North Carolina pursuant to N.C. Gen. Stat. § 1-260.

PARTIES

8. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

9. Plaintiff Daedalus, LLC (“Daedalus”) is a North Carolina limited liability company with a principal place of business in Mecklenburg County, North Carolina.

10. Plaintiff Epcon Communities Carolinas, LLC (“Epcon”) is a North Carolina limited liability company with a principal place of business in Dublin, Ohio, and which conducts business in Mecklenburg County, North Carolina.

11. Plaintiff NVR, Inc. (“NVR”) is a Virginia corporation with a principal place of business in Reston, Virginia, and which conducts business in Mecklenburg County, North Carolina.

12. Defendant City of Charlotte (“Charlotte”) is a body politic and a corporate municipality with the capacity to be sued as provided in N.C. Gen. Stat. § 160A-11.

13. Charlotte is not entitled to any governmental or legislative immunity because it undertook functions beyond its governmental and propriety immunities.

14. Charlotte is not entitled to sovereign immunity or any other immunities, and has, to the extent it has purchased insurance or participates in a risk pool arrangement or is self-insured, has waived sovereign immunity and all other immunities.

BACKGROUND

15. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

16. A municipality “is a creature of the General Assembly, has no inherent powers, and can exercise only such powers as are expressly conferred by the General Assembly and such as are necessarily implied by those expressly given.” *High Point Surplus Co. v. Pleasants*, 264 N.C. 650, 654, 142 S.E.2d 697, 701 (1965). “All acts beyond the scope of powers granted to a municipality are invalid.” *Quality Built Homes v. Town of Carthage*, 369 N.C. 15, 19, 789 S.E.2d 454, 457 (2016) (citation omitted).

17. Prior to October 1, 2017, absent any special authority, the authority of municipalities to charge and collect water and sewer fees was under N.C. Gen. Stat. § 160A-314(a), which provided that “[a] city may establish and revise...rents, rates, fees, charges, and penalties for the use of or the services furnished by any public enterprise.” N.C. Gen. Stat. § 160A-314(a) (2016) (emphasis added).

18. On August 19, 2016, the North Carolina Supreme Court filed a decision in *Quality Built Homes* holding that N.C. Gen. Stat. § 160A-314(a) (2016) did not grant authority for municipalities to charge for water or sewer services “to be furnished.”

19. The North Carolina Supreme Court held in *Quality Built Homes* that the plain

language of N.C. Gen. Stat. § 160A-314(a) (2016), allowing the imposition of fees for the “use of or services furnished by” a municipality, only authorized the imposition of fees for the *actual, contemporaneous use* of a municipality’s water or sewer systems, and not for fees charged *prior* to a property’s use of the water or sewer systems.

20. The North Carolina Supreme Court further held in *Quality Built Homes* that the proper method for a municipality to pay for the costs to expand its water or sewer systems is through its “authority to charge tap fees and to establish water and sewer rates to fund necessary improvements and maintain service to its inhabitants, which is sufficient to address its expansion needs.” *Quality Built Homes*, 369 N.C. at 21-22, 789 S.E.2d at 459 (emphasis added).

21. On July 20, 2017, the North Carolina General Assembly enacted N.C. Session Law § 2017-138, House Bill 436 (“HB 436”) in an effort to grant North Carolina municipalities *limited* authority to charge certain one-time water and sewer fees to new development called “system development fees” (also sometimes referred to as “system development charges,” “impact fees,” or “capacity fees”) as a condition to furnishing water or sewer service to new development (“Impact Fees”).

22. HB 436 authorizes municipalities to charge Impact Fees to new development on or after its effective date, October 1, 2017, subject to the conditions and limitations of the Act.

23. The General Assembly expressly stated in HB 436 that nothing in the Act provides *retroactive* authority for municipalities to charge Impact Fees prior to October 1, 2017:

Sections 1 through 9 of this act become effective October 1, 2017, and apply to system development fees imposed on or after that date. Section 10 of this act, being a clarifying amendment, has retroactive effect and applies to claims accrued or pending prior to and **after** the date that section becomes law. **Nothing in this act provides retroactive authority for any system development fee, or any similar fee for water or sewer services to be furnished, collected by a local governmental unit prior to October 1, 2017.** The

remainder of this act is effective when it becomes law and applies to claims accrued or pending prior to and after that date.

HB 436, § 11 (emphasis added).

24. In HB 436, the General Assembly further adopted a three (3) year statute of limitations applicable to actions for refunds of Impact Fees unlawfully collected by municipalities:

SECTION 10.(a) G.S. 1-52(15) reads as rewritten:

"(15) For the recovery of taxes paid as provided in G.S. 105-381. G.S. 105-381 OR FOR THE RECOVERY OF AN UNLAWFUL FEE, CHARGE, OR EXACTION COLLECTED BY A COUNTY, MUNICIPALITY, OR OTHER UNIT OF LOCAL GOVERNMENT FOR WATER OR SEWER SERVICE OR WATER AND SEWER SERVICE."

SECTION 10.(b) This section is to clarify and not alter G.S. 1-52.

HB 436, § 10.

CHARLOTTE'S *ULTRA VIRES* AND UNLAWFUL "CAPACITY FEES"

25. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

26. At all times relevant to the allegations contained herein, Charlotte has maintained a uniform policy of requiring any property owner who sought to obtain a new water or sewer service connection for a subject property (including the "upsizing" of an existing connection) to pay an Impact Fee to Charlotte as a mandatory condition to Charlotte furnishing water or sewer service to the property, called a "Capacity Fee" (the "Capacity Fee" or "Capacity Fees").

27. Unlike some other municipalities in North Carolina, Charlotte has not received any special authority from the General Assembly for its Capacity Fees.

28. At all times relevant to the allegations contained herein, Charlotte has collected the

Capacity Fees in addition to "Connection Fees," which reflect the material and labor costs necessary to actually connect a property to Charlotte's water or sewer system.

29. Charlotte has collected the Capacity Fees as a mandatory condition to Charlotte furnishing water or sewer service to a subject property.

30. Charlotte will not furnish water or sewer service to a property until and unless the Capacity Fees are paid in full.

31. Charlotte has required the Capacity Fees to be paid in full prior to Charlotte providing any actual water or sewer service to a subject property.

32. A property owner cannot obtain a certificate of occupancy for a new structure on a subject property until and unless the Capacity Fees are paid in full, and Charlotte thereafter furnishes water and sewer service.

33. Upon information and belief, all or part of the Capacity Fees charged and collected by Charlotte have been reserved and used by Charlotte for future discretionary spending.

34. Upon information and belief, all or part of the Capacity Fees charged and collected by Charlotte have been used for the expansion of Charlotte's water or sewer systems.

35. Upon information and belief, to the extent that any part of the Capacity Fees charged and collected by Charlotte have been used to pay debt service, such debt service was attributable to capital projects undertaken by Charlotte to furnish water or sewer capacity for future development well into the future, and not capacity for any contemporaneous service demand.

I. Charlotte's FY 16, FY 17, and FY 18 Capacity Fees.

36. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

37. From July 1, 2015 through June 30, 2016 ("FY 16"), Charlotte adopted, charged, and collected Capacity Fees of \$674.00 for water and \$2,186.00 for sewer for a new 5/8" inch meter size connection (the standard connection for a single-family residence) (the "FY 16 fees"). Higher Capacity Fees were charged for larger connections. Attached as "Exhibit A" and incorporated by reference herein is the Charlotte FY 16 Schedule of Fees reflecting all such Capacity Fee charges.

38. From July 1, 2016 through June 30, 2017 ("FY 17"), Charlotte adopted, charged, and collected Capacity Fees of \$703.00 for water and \$2,319.00 for sewer for a new 5/8" inch meter size connection ("FY 17 fees"). Higher Capacity Fees were charged for larger connections. Attached as "Exhibit B" and incorporated by reference herein is the Charlotte FY 17 Schedule of Fees reflecting all such Capacity Fee charges.

39. From July 1, 2017 through June 30, 2018 ("FY 18"), Charlotte adopted, charged, and collected Capacity Fees of \$749.00 for water and \$2,645.00 for sewer for a new 5/8" inch meter size connection ("FY 18 fees"). Higher Capacity Fees were charged for larger connections. Attached as "Exhibit C" and incorporated by reference herein is the Charlotte FY 18 Schedule of Fees reflecting all such Capacity Fee charges.

A. Charlotte's FY 16, FY 17, and FY 18 Capacity Fees are *Ultra Vires*.

40. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

41. The Capacity Fees adopted, charged, and collected by Charlotte in FY 16, FY 17, FY 18 were fees for a service "to be furnished."

42. The Capacity Fees adopted, charged, and collected by Charlotte in FY 16, FY 17, and FY 18 were not fees for any contemporaneous service.

43. Charlotte's adoption, charge, collection, and/or use of Capacity Fees in FY 16, FY 17, and FY 18 was without any express or implied authority from the General Assembly.

44. Charlotte's adoption, charge, collection, and/or use of Capacity Fees in FY 16, FY 17, and FY 18 was in direct violation of the North Carolina Supreme Court's holding *Quality Built Homes*.

45. Charlotte's adoption, charge, collection, and/or use of Capacity Fees in FY 16, FY 17, and FY 18 is *ultra vires*.

B. Charlotte's FY 16, FY 17, and FY 18 Fees Excessively Charged New Customers Over Double a True "Buy-In" Cost.

46. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

47. There must be a reasonable relationship or rational nexus, or similar connection, between the amount of an Impact Fee and the cost associated with a local government providing service to a new customer.

48. There are three (3) generally-accepted methodologies to calculate an Impact Fee with a reasonable relationship or rational nexus between the amount of the fee and the cost associated with providing service to the new customer: the "buy-in method," the "incremental cost method," and the "combined method." American Water Works Association, "M1 Manual, Principals of Water Rates, Fees, and Charges" (7th Ed. 2017) ("AWWA"), pp. 329-330.

49. The "buy-in method" is "typically used when the existing system has sufficient capacity to serve the new development now and into the future." AWWA, p. 329.

50. At all times relevant to this action, Charlotte has had sufficient capacity in its water and sewer systems to accommodate new development for well into the future.

51. Charlotte purported to calculate its Capacity Fees under the "buy-in method" for

FY 16, FY, and FY 18.

52. The “buy-in method” “is based on the principle of achieving capital equity between existing and new customers. [It] attempts to assess new customers a [fee] to approximate the average equity or debt-free investment position of existing customers.” AWWA, p. 331 (emphasis added).

53. Under the “buy-in method,” the net value of all eligible water or sewer system assets (gross asset values less the existing debt principal attributable to such assets) is divided by the total system capacity to provide a “per unit cost,” and the “per unit cost” is then multiplied by the average daily demand of a customer to provide a “per service unit cost,” which is the “buy-in fee.” AWWA, p. 333.

54. When debt principal is repaid over time through volumetric user rates and fees paid by current customers, the debt principal attributable to eligible system assets must be deducted from the system value to avoid the “double-charging of these debt costs through both the [fee] and user rates.” AWWA, p. 332 (emphasis added).

55. At all times relative to this action, Charlotte has paid most or all of its water and sewer system debt service through regular volumetric rates and fees paid by current customers.

56. Per a report by Charlotte’s contracted water and sewer fee consultant, Raftelis Financial Consultants, Inc. (hereinafter “Raftelis”) dated January 9, 2018, not less than 80.8% of Charlotte’s water system debt service, and not less than 84.1% of Charlotte’s sewer system debt service, is paid through volumetric user fees.

57. For FY 16, FY 17, and FY 18, Charlotte did not factor the debt principal associated with its water or sewer systems whatsoever in its “buy-in” calculation.

58. In fact, Raftelis calculated Charlotte’s FY 18 Capacity Fees under the “buy-in”

method with the debt principal appropriately applied and provided this fee to Charlotte. Attached hereto as “Exhibit D” and incorporated by reference herein is the FY 18 Capacity Fee model developed by Raftelis, and which identifies the “buy-in” fee with the appropriate debt principal reduction.

59. Notwithstanding the fact that Raftelis properly calculated a “buy-in” fee for FY 18 with the appropriate debt principal reduction, upon information and belief, Charlotte intentionally disregarded those fees, and instead adopted and charged a Capacity Fee without any application of the debt principal for FY 18.

60. Charlotte elected to adopt, charge, and collect Capacity Fees in FY 18 that double-charged debt costs to new customers.

61. As shown on “Exhibit D,” the failure of Charlotte to apply a debt principal reduction whatsoever in its FY 18 Capacity Fees accounts for 58.4% of the Capacity Fee charged by Charlotte in FY 18.

62. Upon information and belief, Raftelis or another rate consultant also properly calculated the “buy-in” fee for Charlotte in FY 16 and FY 17 with the appropriate debt principal reduction, and Charlotte likewise chose to disregard these fees in those years, and instead adopted and charged a Capacity Fee without any reduction for debt principal.

63. Upon information and belief, the failure of Charlotte to apply a debt principal reduction whatsoever in its FY 16 and FY 17 Capacity Fees accounts for at least 50% of the Capacity Fees charged by Charlotte in FY 16 and FY 17.

64. Charlotte elected to adopt, charge, and collect Capacity Fees in FY 16 and FY 17 that double-charged debt costs to new customers.

65. As a direct result of Charlotte’s failure to apply a debt principal reduction

whatsoever in its FY 16, FY 17, and FY 18 Capacity Fees, new customers were required to pay Charlotte over double their true “buy-in” cost.

66. Charlotte’s FY 16, FY 17, and FY 18 Capacity Fees do not “achieve capital equity between existing and new customers.”

67. Charlotte’s FY 16, FY 17, and FY 18 Capacity Fees do not “approximate the average equity or debt-free investment position of existing customers.”

68. Upon information and belief, Charlotte knew that it was doubling charging new water or sewer customers through its improper and flawed Capacity Fees, and intentionally did so to keep its volumetric user rates and fees for current customers artificially low.

II. Charlotte’s FY 19 and FY 20 Capacity Fees.

69. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

70. Charlotte began charging Capacity Fees in purported conformance with HB 436 on July 1, 2018.

71. From July 1, 2018 through June 30, 2019 (“FY 19”), Charlotte adopted, charged, and collected Capacity Fees of \$610.00 for water and \$1,848.00 for sewer for a new 5/8” inch meter size connection (the “FY 19 fees”). Higher Capacity Fees were charged for larger connections. Attached as “Exhibit E” and incorporated by reference herein is the Charlotte FY 19 Schedule of Fees reflecting such Capacity Fee charges.

72. From July 1, 2019 through the present (“FY 20”), Charlotte adopted, charged, and collected Capacity Fees of \$809.00 for water and \$2,541.00 for sewer for a new 5/8” inch meter size connection (the “FY 20 fees”). Higher Capacity Fees were charged for larger connections. Attached as “Exhibit F” and incorporated by reference herein is the Charlotte FY 20 Schedule of

Fees reflecting such Capacity Fee charges.

73. HB 436 provides that a municipality “may adopt a system development fee for water or sewer service only in accordance with the conditions and limitations of [Chapter 162A, Article 8].” N.C. Gen. Stat. § 162A-203(a) (emphasis added).

74. Further, notwithstanding N.C. Gen. Stat. § 160A-4, the powers granted to municipalities under HB 436 “shall be narrowly construed to ensure that [Impact Fees] do not unduly burden new development.” N.C. Gen. Stat. § 162A-215 (emphasis added).

A. Charlotte’s FY 19 and FY 20 Capacity Fees Violate HB 436 by Including “Local” Water Distribution and Sewer Collection Assets.

75. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

76. A “system development fee” authorized by HB 436 must, among other things, be calculated pursuant to “generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods...” N.C. Gen. Stat. § 162A-205(3).

77. Under any generally-accepted methodology, a “system development fee” is based on the costs of “major backbone infrastructure components that are necessary to provide service to all customers, including source-of-supply facilities, raw water transmission, treatment facilities, pumping facilities, storage tanks, and major treated-water transmission mains (e.g., “general benefit” facilities[...])” AWWA, p. 321 (emphasis added).

78. One reason that a “system development fee” is based on “general benefit” facilities is that new development is often required to construct, at its own expense, and then donate to the local government, certain water and sewer infrastructure necessary to serve the new development, such as water distribution and sewer collection mains.

79. Charlotte does not provide water distribution or sewer collection infrastructure to new development requiring extension to the existing Charlotte water or sewer systems.

80. Charlotte only provides new development requiring extension to the existing Charlotte water or sewer systems with “general benefit” water and sewer infrastructure:

“Utilities will provide certain basic components of the water and sewer system. These components include treatment facilities, water pumping stations, major and/or regional wastewater lift stations, water storage tanks, wastewater interceptor and trunk mains, and major water transmission mains.”

(Charlotte Utility Extension Policy, p. III-1)

81. Charlotte requires new development requiring extension to the existing Charlotte water or sewer systems to construct its own water distribution and sewer collection infrastructure, and then donate the same to Charlotte:

“[Charlotte] will not participate in the cost of street main extensions which are required strictly for subdivision of land. All such projects will be financed wholly by the developer of the land. [Charlotte] will agree by contract to own and maintain water distribution and wastewater collection systems if these systems are designed and constructed in accordance with prevailing [Charlotte] standards and specifications and if the existing [Charlotte] system has adequate capacity to sustain the new development.”

(Charlotte Utility Extension Policy, p. III-9)

82. In the case of a new development constructing its own water and sewer distribution and sewer collection infrastructure and then donating the same to Charlotte, the inclusion of distribution and collection assets as part of an Impact Fee creates a double payment for these distribution and collection costs – once through the construction of these assets, and then again through payment of the Impact Fee.

83. In FY 16, FY 17, FY 18, Charlotte did not include water distribution and sewer collection assets as part of its Capacity Fees.

84. As a result of HB 436, Charlotte’s Capacity Fees were set to drastically decrease in

FY 19.

85. For FY 19, Raftelis calculated the Capacity Fees both with and without the inclusion of all water distribution and sewer collection assets, and presented both calculations to Charlotte.

86. After discussion with Raftelis, Charlotte elected to charge a Capacity Fee for FY 19 with all water distribution and sewer collection assets included as part of the Capacity Fee.

87. This inclusion of all water distribution and sewer collection assets as part of Charlotte's Capacity Fee for FY 19 resulted in the inclusion of approximately 4,300 miles of distribution and collection pipes throughout the Charlotte water and sewer system, the majority of which does not provide any "general benefit" to new development, which increased the base Capacity Fees amount by \$335.00 for water and by \$664.00 for sewer.

88. HB 436 provides that a local government may charge an Impact Fee "to recoup costs of existing facilities which serve... new development." N.C. Gen. Stat. § 162A-201(9) (emphasis added).

89. The water distribution and sewer collection assets included by Charlotte in its FY 19 Capacity Fee calculation do not serve new development when that development is constructing its own water distribution and sewer collection infrastructure.

90. Beginning with FY 19, Charlotte has double charged new development requiring extension to Charlotte's water or sewer systems for water distribution and sewer collection infrastructure - once through the developer's required construction of these assets, and then again through payment of the Capacity Fees.

91. Charlotte has also improperly included all water distribution and sewer collection infrastructure in its FY 20 Capacity Fees.

92. Charlotte's improper inclusion of all water distribution and sewer collection infrastructure accounts for 54.9% of Charlotte's FY 19 water Capacity Fee, and 35.9% of Charlotte's FY 19 sewer Capacity Fee, and, upon information and belief, similar percentages for the FY 20 Capacity Fees.

B. Charlotte's FY 19 and FY 20 Capacity Fees Violate HB 436 by Failing to Properly Apply a Debt Credit.

93. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

94. HB 436 requires an Impact Fee based on a "buy-in" calculation to appropriately factor in a debt principal associated with eligible system assets. N.C. Gen. Stat. § 162A-211(b).

95. Pursuant to generally-accepted methodologies, the entire debt principal associated with eligible system assets should be deducted from the gross value of those assets. *See, e.g., AWWA*, p. 333.

96. For its FY 19 and FY 20 Capacity Fees, Charlotte "adjusted" the debt principal associated with eligible system assets "to account for anticipated future [Capacity Fee] revenues."

97. For FY 19, Charlotte "adjusted" the debt principal credit by 19.2% for water, and by 15.9% for sewer.

98. For FY 20, Charlotte "adjusted" the debt principal credit by 25.1% for water, and by 18.2% for sewer.

99. It is not a generally-accepted practice to "adjust" the debt principal for estimated future Impact Fee revenue as part of a "buy-in" calculation.

100. Instead, the purpose of the "buy-in" method is to achieve "capital equity between existing and new customers." *AWWA*, p. 331 (emphasis added).

101. Capital equity is not achieved between existing and new customers when new

customers are paying a higher proportion of debt as compared to existing customers.

102. An Impact Fee calculated under the “buy-in” method should attempt “to assess new customers a [fee] to approximate the average equity or debt-free investment position of existing customers.” AWWA, p. 331 (emphasis added).

103. The Capacity Fees calculated by Charlotte for FY 19 and FY 20 do not assess new customers the “debt-free investment position of existing customers,” and instead assess new customers a higher debt position.

104. Charlotte’s improper “adjustment” of the principal debt reduction in FY 19 accounts for 21.9% of Charlotte’s FY 19 water Capacity Fees, and 17.9% of Charlotte’s FY 19 sewer Capacity Fee, and, upon information and belief, even higher percentages for the FY 20 Capacity Fees.

C. Charlotte’s FY 19 and FY 20 Capacity Fees Violate HB 436 because the Fees have Not Been Properly Accounted for in a Segregated Capital Reserve Account.

105. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

106. HB 436 requires that Impact Fees “be accounted for by means of a capital reserve fund established pursuant to Part 2 of Article 3 of Chapter 159 of the General Statutes...” N.C. Gen. Stat. § 162A-211(d).

107. The purpose of the capital reserve fund requirement of HB 436 is to provide transparency that the local government is expending the Impact Fees in one of the manners required by N.C. Gen. Stat. § 162A-211, and not for an improper or unidentified use.

108. At no time has Charlotte accounted for its Capacity Fees by means of a capital reserve fund required by HB 436.

109. Instead, at all times relative hereto, Charlotte has comingled its Capacity Fees into a general operating fund with volumetric user fees, availability fees, and other revenues.

110. On June 22, 2018, the General Assembly enacted N.C. Session Law § 2018-34, Senate Bill 826 (“Senate Bill 826”), which amended HB 436 as follows:

If and to the extent that revenues derived from [Impact Fees] are pledged to secure revenue bonds or notes issued by a local government unit under the provisions of Article 5 of Chapter 159 of the General Statutes, such revenues may be deposited in such funds, accounts or subaccounts, and applied in such manner, as set forth in the bond order, resolution, trust agreement or similar instrument authorizing and securing such bonds or notes until all such revenue bonds or notes are no longer outstanding.

N.C. Gen. Stat. § 162A-211(e) (2018).

111. Senate Bill 826 is effective July 1, 2018, and applies only to Impact Fees “pledged on or after that date.” N.C. Session Law § 2018-34, § 2(b) (emphasis added).

112. Charlotte has not pledged any Impact Fees as security for revenue bonds since July 1, 2018.

113. Upon information and belief, the last pledge of Impact Fees by Charlotte as security for revenue bonds was on or about April 25, 2018, and prior to the effective date of Senate Bill 826.

114. Charlotte has failed to comply with the capital reserve fund requirement of HB 436.

115. Upon information and belief, Charlotte has violated HB 436 in other ways, and Plaintiffs reserve the right to assert such instances as they become known to Plaintiffs through discovery.

FACTS SPECIFIC TO PLAINTIFFS

Daedalus, LLC

116. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

117. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 217 Cox Ave, Charlotte, NC, 28208.

118. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 1405 Harrill Street, Charlotte, NC, 28205.

119. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 1316 Kennon St, Charlotte, NC, 28205.

120. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 100 Walnut Ave, Charlotte, NC, 28208.

121. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 2516 Greenland Ave, Charlotte, NC, 28208.

122. Within the last three years, Daedalus paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 2512 Greenland Ave, Charlotte, NC, 28208.

123. In addition to the foregoing, Daedalus paid Capacity Fees for other addresses not listed herein.

124. All or some of the Capacity Fees paid by Daedalus were paid for properties served

by water distribution and sewer collection mains constructed pursuant to the Charlotte Utility Extension Policy.

Epcon Communities Carolinas, LLC

125. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

126. On or about August 29, 2016, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 7921 Parknoll Drive, Huntersville, NC, 28078.

127. On or about August 29, 2016, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 7925 Parknoll Drive, Huntersville, NC, 28078.

128. On or about August 29, 2016, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 8239 Parknoll Drive, Huntersville, NC, 28078.

129. On or about August 29, 2016, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 8242 Parknoll Drive, Huntersville, NC, 28078.

130. On or about May 4, 2017, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 15011 Courtside Cove Lane, Cornelius, NC, 28031.

131. On or about May 4, 2017, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 15011 Courtside Cove Lane, Cornelius, NC, 28031.

132. On or about August 23, 2017, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 7905 Parknoll Drive, Huntersville, NC, 28078.

133. On or about August 23, 2017, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 7909 Parknoll Drive, Huntersville, NC, 28078.

134. On or about August 23, 2017, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 7917 Parknoll Drive, Huntersville, NC, 28078.

135. On or about January 24, 2018, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 16115 Lakeside Loop Lane, Cornelius, NC, 28031.

136. On or about January 24, 2018, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 16120 Lakeside Loop Lane, Cornelius, NC, 28031.

137. On or about January 24, 2018, Epcon paid water and sewer Capacity Fees pursuant to Charlotte's Schedules of Fees and Code of Ordinances for a home located at 16108 Lakeside Loop Lane, Cornelius, NC, 28031.

138. In addition to the foregoing, Epcon paid Capacity Fees for a number of other addresses not listed herein.

139. All or some of the Capacity Fees paid by Epcon were paid for properties served by water distribution and sewer collection mains constructed pursuant to the Charlotte Utility Extension Policy.

NVR, Inc.

140. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

141. On or about November 11, 2015, NVR paid water and sewer Capacity Fees pursuant to Charlotte's Schedule of Fees and Code of Ordinances for a property located at 2434 Alyssa Lane, Charlotte, NC 28208.

142. On or about July 5, 2016, NVR paid water and sewer Capacity Fees pursuant to Charlotte's Schedule of Fees and Code of Ordinances for a property located at 4758 Phifer Crest Court, Charlotte, NC 28226.

143. On or about July 20, 2017, NVR paid water and sewer Capacity Fees pursuant to Charlotte's Schedule of Fees and Code of Ordinances for a property located at 11275 Bryton Parkway, Huntersville, NC 28075.

144. On or about May 28, 2019, NVR paid water and sewer Capacity Fees pursuant to Charlotte's Schedule of Fees and Code of Ordinances for a property located at 6410 Brighton Park Drive, Mint Hill, NC 28227.

145. In addition to the foregoing, NVR has paid Capacity Fees for numerous other properties not listed herein.

146. All or some of the Capacity Fees paid by NVR were paid for properties served by water distribution and sewer collection mains constructed pursuant to the Charlotte Utility Extension Policy.

COMMON CLASS ALLEGATIONS

147. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

148. Pursuant to Rule 23 of the North Carolina Rules of Civil Procedure, Plaintiffs bring this action individually and on behalf of a class defined as:

All natural persons, corporations, or other entities who (a) at any point within the three (3) year period preceding the filing of Plaintiffs' original Complaint through the present (b) paid Capacity Fees to the City of Charlotte pursuant to the schedule of fees and/or Code of Ordinances adopted by the City of Charlotte.

149. Plaintiffs are adequate representatives of the class in that Plaintiffs do not have antagonistic or conflicting claims with the other members of the class; Plaintiffs have a sufficient interest in the outcome to ensure vigorous advocacy; and Plaintiffs' counsel have the requisite qualifications and experience to conduct the proposed litigation competently and vigorously.

150. Charlotte has acted on grounds generally applicable to the proposed class, thereby making appropriate final injunctive and declaratory relief with respect to the Class.

151. The Class members are so numerous that joinder of all is impractical. The names and addresses of potential Class members together with the Capacity Fees paid by each of them are readily identifiable through the business records maintained by Charlotte, and the Class members may be notified of the pendency of this action by published and/or mailed notice.

152. Upon information and belief, within the three (3) year period preceding the filing of Plaintiffs' Complaint, through the date of judgment, or until Charlotte adopts lawful Capacity Fees, whichever is sooner, Charlotte has collected unlawful Capacity Fees from hundreds, if not thousands, of potential Class members.

153. The requirements of Rule 23 are met in that this class, upon information and belief, consists of hundreds present and former property owners, developers, entities and individuals, who have either already paid, or will pay, Capacity Fees to Charlotte pursuant to the Schedule of Fees adopted by Charlotte.

154. Common questions of law and fact predominate over any individual issues that

may be presented, because Charlotte had a pattern, practice, and policy of collecting said Capacity Fees from property owners, developers and other entities. Common questions include, but are not limited to:

- a. Whether Charlotte's pattern, practice, and policy of collecting Capacity Fees violates applicable North Carolina law;
- b. Whether Charlotte improperly charged and collected Capacity Fees pursuant to its Schedule of Fees for future expansion of its water and sewer systems and/or for services to be furnished, without being specifically authorized by the General Assembly of North Carolina, or applicable law, to charge such fees;
- c. Whether Charlotte's Capacity Fees lack a reasonable relationship or rational nexus with the impact, if any, of a new customer on Charlotte's water or sewer systems, and thus violate Plaintiffs' and the Class' constitutional rights;
- d. Whether Plaintiffs and the Class have been deprived of their property interests by action of the Charlotte which has no rational relationship to a valid governmental objective;
- e. Whether Plaintiffs and the Class are entitled to a refund of all Capacity Fees paid to Charlotte, plus interest at the rate of 6% per annum pursuant to N.C. Gen. Stat. § 160A-363; and
- f. Whether Plaintiffs and the Class are entitled to their costs, expenses, and attorneys' fees pursuant to N.C. Gen. Stat. § 6-21.7 and/or other applicable law.

155. Plaintiffs' claims are typical of the claims of each Class member and all are based on the same facts and legal theories in that Charlotte has a specific policy of collecting an improper Capacity Fee from each member of the proposed Class through the Schedule of Fees and pursuant to the Code of Ordinances adopted by Charlotte.

156. Plaintiffs have no interests adverse or antagonistic to the interests of other members of the Class.

157. Plaintiffs will fairly and adequately protect the interests of the Class and has retained experienced counsel, competent in the prosecution of collection of unlawful municipal fees in the context of class action litigation.

158. Neither Plaintiffs nor their counsel have any interests that might cause them not to vigorously pursue this action. Plaintiffs are aware of their responsibilities to the putative class and have accepted such responsibilities.

159. Charlotte has acted on grounds generally applicable to the Class, thereby making appropriate final injunctive and declaratory relief with respect to the class as a whole.

160. A class action is superior to other methods for the fair and efficient adjudication of the claims herein asserted. Plaintiffs anticipate that no unusual difficulties are likely to be encountered in the management of this class action. Plaintiffs further allege that certification of the Class is appropriate in that:

- a. A class action will permit a large number of similarly situated persons to prosecute its common claims in a single forum simultaneously, efficiently, and without the duplication of effort and expense that numerous individuals' actions would engender;
- b. Each and every member of the proposed Class is subject to the schedule of fees as set forth herein;
- c. Class treatment will permit the adjudication of relatively small claims by many Class members who could not otherwise afford to seek legal redress for the wrongs complained of herein; and
- d. Absent a class action, the Class members will continue to suffer losses of statutorily protected rights as well as monetary damages, and if Charlotte's conduct continues to proceed without remedy, it will continue to reap and retain the proceeds of its ill-gotten gains.

FIRST CLAIM FOR RELIEF

(Declaration that Charlotte's Adoption and Enforcement of the FY 16, FY 17, and FY 18 Capacity Fees is *Ultra Vires*)

161. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

162. Pursuant to N.C. Const. Art. VII, § 1 and N.C. Gen. Stat. § 160A-4, municipalities in North Carolina only have the authority to exercise powers, duties, privileges and immunities

conferred upon them by the General Assembly.

163. Charlotte lacked any lawful authority to adopt, charge, and collect its Capacity Fees for FY 16, FY 17, and FY 18.

164. In charging Capacity Fees in FY 16, FY 17, and FY 18, Charlotte illegally exacted a fee not specifically authorized by law.

165. Plaintiffs and the Class are entitled to a declaratory judgment pursuant to N.C. Gen. Stat. § 1-253, *et seq.* declaring that Charlotte's FY 16, FY 17, and FY 18 Capacity Fees were unlawful for the reason that the City exceeded its lawful authority by adopting and imposing the fees as alleged herein.

SECOND CLAIM FOR RELIEF

(Declaration that Charlotte's Adoption and Enforcement of the FY 19 and FY 20 Capacity Fees Violate HB 436 and is *Ultra Vires*)

166. The foregoing allegations are hereby reincorporated by reference as if fully restated herein.

167. Charlotte's FY 19 and FY 20 Capacity Fees were not adopted, charged, and collected in compliance with HB 436.

168. In charging Capacity Fees in FY 19 and FY 20, Charlotte illegally exacted a fee not specifically authorized by law.

169. Plaintiffs and the Class are entitled to a declaratory judgment pursuant to N.C. Gen. Stat. § 1-253, *et seq.* declaring that Charlotte's FY 19 and FY 20 Capacity Fees were unlawful for the reason that Charlotte violated HB 436 and thus exceeded its lawful authority by adopting and imposing the fees as alleged herein.

THIRD CLAIM FOR RELIEF

(Alternatively, Declaration that Charlotte's Adoption and Enforcement of Capacity Fees Lack a Reasonable Relationship or Rational Nexus)

170. The foregoing allegations are hereby reincorporated by reference as if fully restated herein. This claim for relief is plead in the alternative event that the Capacity Fees in any year are not *ultra vires*.

171. Impact Fees imposed on new development must have reasonable relationship or rational nexus, or similar connection, to the impact of the development in question will have on existing infrastructure.

172. The Capacity Fees charged by Charlotte in all years do not have any reasonable relationship or rational nexus to the impact, if any, that new customers have on Charlotte's water or sewer systems for reasons including, but not necessarily limited to, the following:

- a) For FY 16, FY 17, FY 18, Charlotte failed to factor in the debt principal associated with its water and sewer system assets in its Capacity Fee calculations, resulting in new customers paying over double a true "buy-in" cost;
- b) For FY 19 and FY 20, Charlotte improperly included in its "buy-in" calculation "local" water distribution and sewer collection assets, being in part the same assets that Charlotte will not furnish to new development under Charlotte's Utility Extension Policy;
- c) For FY 19 and FY 20, Charlotte improperly "adjusted" the debt credit applicable to the "buy-in" calculation, and thus did not attempt to achieve capital equity between new and current customers of the water and sewer systems;
- d) In all years, Charlotte has required Capacity Fees to be paid in identical amounts for *all* residential connections to Charlotte's water or sewer systems, regardless of factors which impact each properties' actual impact on the systems, such as the size of the residences and their anticipated and actual use of capacity (such as, for example, number of bedrooms);
- e) In all years, Charlotte's Capacity Fees were assessed uniformly for all connections without taking into consideration the value of actions required of property owners and developers, including Plaintiffs, at their own expense, in acquiring and dedicating easements and rights-of-way and/or constructing or funding, and ultimately dedicating, extensions and other infrastructure, which financially benefitted Charlotte and offset a substantial portion of any expense to Charlotte or impacts on the systems associated with connection of Plaintiffs' properties thereto; and

- f) In all years, Charlotte's Capacity Fees lack a reasonable relationship or rational nexus to the impact on Charlotte's systems resulting from new connections because, upon information and belief, the fees are used to fund the cost of expansion of Charlotte's water and/or sewer systems to accommodate new future development, rather than to offset any system impacts allegedly caused by Plaintiffs' connections.

173. Charlotte's adopted ordinances, manuals, customs, and policies intentionally and unlawfully conditioned Plaintiffs' ability to develop their properties upon payment of Charlotte's unlawful capacity fees prior to Plaintiffs having the use of the services furnished by Charlotte's systems, thus coercing Plaintiffs into giving up the money used to pay the capacity fees in violation of Plaintiffs' constitutional rights.

174. Plaintiffs and the Class are entitled to a declaratory judgment that the Capacity Fees lack a required reasonable relationship or rational nexus with the impact of a new connection on Charlotte's water or sewer systems.

175. Through Charlotte's exaction of Capacity Fees, Plaintiffs and the Class have been treated disparately and discriminatively from existing customers of the water and sewer systems without any reasonable or rational basis.

176. Plaintiffs and the Class are entitled to a declaratory judgment that the Capacity Fees violate the doctrine of unconstitutional conditions.

177. Plaintiffs and the Class are entitled to a declaratory judgment that the Capacity Fees constitute an unlawful taking in violation of Plaintiffs' constitutional rights.

178. Plaintiffs and the Class are entitled to a declaratory judgment that the Capacity Fees violate Plaintiffs' constitutional rights of equal protection and substantive due process.

FOURTH CLAIM FOR RELIEF

(Violation of N.C. Gen. Stat. § 160A-314(a) and Return of Fees Plus 6% Interest Pursuant to N.C. Gen. Stat. § 160A-363(e))

179. The foregoing allegations are hereby reincorporated by reference as if fully

restated herein.

180. The North Carolina Supreme Court held in *Quality Built Homes* that the unlawful charge, collection, and/or use of a water or sewer fee by a local government constitutes a violation of N.C. Gen. Stat. § 160A-314(a). *Quality Built Homes*, __ N.C. __, 813 S.E.2d 218 (2018).

181. Plaintiffs and the Class are entitled to the return of all unlawfully exacted Capacity Fees. *Id.*

182. Plaintiffs and the Class are entitled to six-percent (6%) per annum interest from the date of payment on all unlawfully exacted Capacity Fees.

183. Plaintiffs and the Class are entitled to the return of a portion or all Capacity Fees paid to Charlotte plus 6% interest per annum, plus attorneys' fees and costs as allowed by law.

FIFTH CLAIM FOR RELIEF

(Charlotte's Adoption and Enforcement of Capacity Fees Violates Plaintiffs' and the Class' Constitutional Rights)

184. The preceding paragraphs are reincorporated by reference as if fully set forth herein.

185. Charlotte's adoption and imposition of unlawful Capacity Fees is contrary to State law.

186. The imposition of unlawful Capacity Fees by Charlotte is arbitrary and capricious and constitutes an abuse of discretion.

187. By adopting and imposing Capacity Fees, Charlotte has subjected Plaintiffs and the Class to disparate treatment under the laws without a rational basis in derogation of Plaintiffs' and the Class' fundamental rights, and Charlotte acted outside the legitimate objective permitted for ordinances enacted by municipalities in North Carolina.

188. By adopting and imposing unlawful Capacity Fees as a condition to development

approval, Charlotte has violated Plaintiffs' and the Class' constitutional rights.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury for all issues so triable.

PRAYER FOR RELIEF

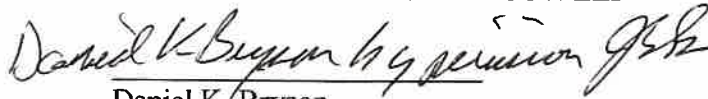
WHEREFORE, Plaintiffs Daedalus, LLC, Epcon Communities Carolinas, LLC, and NVR, Inc., and members of the Class respectfully request that this Court:

1. Declare all Capacity Fees collected by Charlotte from the date three (3) years preceding the original commencement of this action through the date of judgment, or until Charlotte adopts lawful Capacity Fees, whichever is sooner, *ultra vires* and unlawful;
2. Declare all Capacity Fees collected by Charlotte from the date three (3) years preceding the original commencement of this action through the date of judgment, or until Charlotte adopts lawful Capacity Fees, whichever is sooner, as lacking any reasonable relationship or rational nexus with the impact of a new connection on Charlotte's water and sewer system, and that Capacity Fees thus violate Plaintiffs' and the Class' constitutional rights;
3. Certify the Class and appoint Plaintiffs and its counsel to represent the Class;
4. That Plaintiffs and the Class have and recover from Charlotte all Capacity Fees paid by the Plaintiffs and the Class from the date three (3) years preceding the original commencement of this action through the date of judgment, or until Charlotte adopts lawful Capacity Fees, whichever is sooner, together with interest at the rate of six-percent (6%) per annum pursuant to N.C. Gen. Stat. § 160A-363(e);
5. That Plaintiffs and the Class be awarded their costs, expenses, and reasonable attorneys' fees pursuant to N.C. Gen. Stat. § 6-21.7 and/or other applicable law; and
6. That Plaintiffs and the Class have such other and further relief as the Court deems

just and proper.

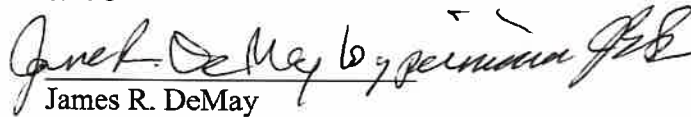
Respectfully submitted, this the 13 day of September, 2019.

WHITFIELD BRYSON & MASON LLP



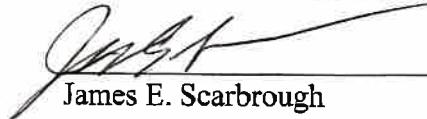
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CERTIFICATE OF SERVICE

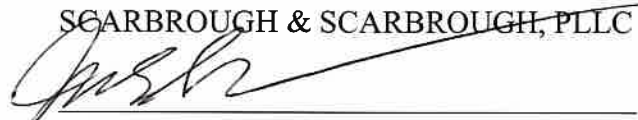
I certify that the foregoing document was served upon the party below by mailing a copy thereof to this address indicated below with the proper postage attached and deposited in an official depository under the exclusive care and custody of the United States Postage Service:

City of Charlotte
Office of the City Attorney
Attn: Thomas E. Powers
600 East Fourth Street
Charlotte, NC 28202

Patrick H. Flanagan
Alesha S. Brown
Cranfill Sumner & Hartzog, LLP
P.O. Box 30787
Charlotte, NC 28230

This the 13 day of September, 2019.

SCARBROUGH & SCARBROUGH, PLLC



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WATER CONNECTION AND WATER/SEWER CAPACITY

Water Meter Size/Type	Water Connection Fee	Water Capacity Fee	Sewer Capacity Fee
5/8"	\$ 1,830.00	\$ 674.00	\$ 2,186.00
1"	\$ 2,451.00	\$ 1,684.00	\$ 5,465.00
1½"	\$ 8,073.00	\$ 3,369.00	\$ 10,930.00
2"	\$ 8,613.00	\$ 5,390.00	\$ 17,488.00
3" Compound**	\$ 18,931.00	\$ 10,780.00	\$ 34,976.00
4" Compound**	\$ 22,008.00	\$ 16,844.00	\$ 54,650.00
4" FMCT***	At cost*	\$ 23,581.00	\$ 5,465.00
6" FMCT	At cost*	\$ 53,900.00	\$ 10,930.00
8" FMCT	At cost*	\$ 94,325.00	\$ 17,488.00
10" FMCT	At cost*	\$148,225.00	\$ 17,488.00
12" FMCT	At cost*	\$168,437.00	\$ 17,488.00
2" Fire Line	At cost*	\$ 3,537.00	N/A
4" Fire Line	At cost*	\$ 13,391.00	N/A
6" Fire Line	At cost*	\$ 30,319.00	N/A
8" Fire Line	At cost*	\$ 52,552.00	N/A
10" Fire Line	At cost*	\$ 82,787.00	N/A
12" Fire Line	At cost*	\$118,748.00	N/A
5/8" Split Irrigation	\$ 873.00	N/A	N/A

SEWER CONNECTION

Sewer Service Size	Sewer Connection Fee
4"	\$ 2,812.00
6" & larger	At cost*
1½" LPSS	\$ 2,812.00
2" LPSS & larger	At cost*

Common Residential Connections
(Public main available)
5/8" water: \$1,830 + 674 = **\$2,504**
4" sewer: \$2,812 + 2,186 = **\$4,998**
Combined total = **\$7,502**

Common Residential Connections
(Public main extension required/in progress)
5/8" water: \$1,647 + 674 = **\$2,321**
4" sewer: \$2,531 + 2,186 = **\$4,717**
Combined total = **\$7,038**

*At cost pricing is determined after a Site Utility Plan is submitted for review. Please ask for a Utility Plan Review Checklist.

** 3" and 4" water services are Compound Type. High flow 3" and 4" Turbine meters are available upon request and review. Additional capacity fees will apply.

*** 4-inch FMCT services may be used for Fire or Combined Fire & Domestic use only; flow calculations and site review may be required.

GENERAL NOTES FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS

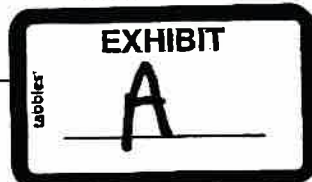
- To make application for water and/or sewer service, an application must be completed and returned to Charlotte Water (CLTWater) with payment in full (check or money order). Additionally, a backflow prevention service application must be completed for all commercial and irrigation water services. It is the responsibility of the applicant to clearly mark, with a flag or stake, the preferred service location at the edge of right-of-way along their property.
- Security deposits are required for all water services, except 5/8" residential. See the next page for schedule of security deposit charges.
- Capacity fees are required for every new connection to the water or sewer system including irrigation services, additional services, and those in a new development. The water and sewer capacity fee is based on water meter size.
- The connection fee (not capacity fee) is discounted 10% if the connection is installed during construction of a public water or sewer main. The discount is limited to 5/8" water and 4" sewer services.
- Applicants for commercial sanitary sewer only accounts cannot be accepted until a private meter, which is approved by CLTWater, has been installed on the applicants' private water service.

RESIDENTIAL AND COMMERCIAL IRRIGATION SERVICES

- There are two options for 5/8-inch residential irrigation services: 1) Split connection - Irrigation connection split off the domestic service line is available at a reduced connection fee. 2) Dedicated service line; normal connection fees apply.
- Commercial irrigation services have only one option; dedicated service line; normal connection fees apply.
- If the meter box is located in the driveway, the split connection option is not available for residential connections; a full connection fee will be required.
- All irrigation services require a backflow preventer on the customer's side of the irrigation meter.

TEMPORARY WATER AND FIRE HYDRANT CONNECTIONS

- Fire Hydrant connections are available for rental in two sizes, Garden (5/8") and Fire (2½"). Either can be rented for 30 or 60 days. A fire hydrant dispensing device for filling swimming pools is available. Please call 311 or 704-336-7600 for pricing and additional information.



(Over)

DEVELOPER INSTALLED SERVICE CONNECTIONS BY SUBDIVISION DEVELOPER FUNDED CONTRACT PROCESS

1. Connection fees do not apply to services installed by the developer during the construction of water/sewer systems under contract with and donated to CLTWater.
2. Meter charges (\$115.00 for 5/8" meter, \$162.00 for 1") and capacity fees are due for each new water service installed in the new development. Meter charges and capacity fees can only be paid when the project/phase has received final approval from CLTWater. Capacity fees will be the current effective rate when they are paid. Example: developer installed 5/8" water and 4" sewer, \$674 + \$2,186 + \$115 = \$2,975.
3. Meter charges, capacity fees and meter deposits for 1 1/2-inch and larger water services must be paid as part of the final project approval process. Such services will automatically be activated in the name of the person or company paying the fees.

FINANCIAL ASSISTANCE

1. Owner occupied, single-family residential residences with household incomes that are 80% or less of the area's median income may be eligible for special deferred payment or no interest loan payments. More information is available upon request.

SCHEDULE OF SECURITY DEPOSIT CHARGES BY METER SIZE

Customer Type	5/8"	1"	1-1/2"	2"	3"	4"	6"	8"	10"+
Auto Dealer / Service Station / Body Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Beauty Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Church	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Dry Cleaner	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Fire Line	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Garage	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Grocery / Convenience Store	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Hotel / Motel	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Irrigation*	\$25	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Laundry	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Mobile Home Park	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Office	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Paint Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Pool Hall / Lounge	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Residence, SF / Duplex	\$0	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Residence, Multi Family	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Restaurant, Carryout	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Restaurant, Dine In	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
School / Day Care	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Stadium	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Studio	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Theater	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Warehouse	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Not Specified Above	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100

*Note: Deposits do not apply to single-family residential customers

WATER CONNECTION AND WATER/SEWER CAPACITY

Water Meter Size/Type	Water Connection Fee	Water Capacity Fee	Sewer Capacity Fee
5/8" (Domestic Only)	\$ 1,982.00	\$ 703.00	\$ 2,319.00
1" (Domestic Only)	\$ 2,451.00	\$ 1,759.00	\$ 5,798.00
1 1/2"	\$ 8,880.00	\$ 3,517.00	\$ 11,595.00
2"	\$ 9,474.00	\$ 5,628.00	\$ 18,552.00
3" Compound**	\$20,824.00	\$ 11,256.00	\$ 37,105.00
4" Compound**	\$ 24,208.00	\$ 17,587.00	\$ 57,977.00
4" FMCT***	At cost*	\$ 24,622.00	\$ 5,798.00
6" FMCT	At cost*	\$ 56,278.00	\$ 11,595.00
8" FMCT	At cost*	\$ 96,487.00	\$ 18,552.00
10" FMCT	At cost*	\$154,765.00	\$ 18,552.00
12" FMCT	At cost*	\$175,869.00	\$ 18,552.00
2" Fire Line	At cost*	\$ 3,693.00	N/A
4" Fire Line	At cost*	\$ 13,982.00	N/A
6" Fire Line	At cost*	\$ 31,856.00	N/A
8" Fire Line	At cost*	\$ 54,871.00	N/A
10" Fire Line	At cost*	\$ 86,440.00	N/A
12" Fire Line	At cost*	\$123,988.00	N/A
5/8" Split Irrigation (Residential Only)	\$ 960.00	N/A	N/A
5/8" Irrigation (Dual Check)	\$2,023.00	\$703.00	N/A
1" Irrigation (Dual Check)	\$2,569.00	\$1,759.00	N/A

SEWER CONNECTION

Sewer Service Size	Sewer Connection Fee
4"	\$ 2,879.00
6" and larger	At cost*
1 1/2" LPSS	\$ 2,879.00
2" LPSS & larger	At cost*

Common Residential Connections

(Public main available)

5/8" water: \$1,982 + 703 = **\$2,685**

4" sewer: \$2,879 + 2,319 = **\$5,198**

Combined total = **\$7,883**

Common Residential Connections

(Public main extension required/in progress)

5/8" water: \$1,784 + 703 = **\$2,487**

4" sewer: \$2,592 + 2,319 = **\$4,911**

Combined total = **\$7,398**

*At cost pricing is determined after a Site Utility Plan is submitted for review. Please ask for a Utility Plan Review Checklist.

** 3" and 4" water services are Compound Type. High flow 3" and 4" Turbine meters are available upon request and review. Additional capacity fees will apply.

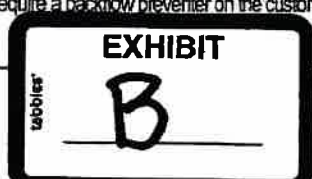
*** 4-inch FMCT services may be used for Fire or Combined Fire & Domestic use only; flow calculations and site review may be required.

GENERAL NOTES FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS

- To make application for water and/or sewer service, an application must be completed and returned to Charlotte Water (CLTWater) with payment in full (check or money order). Additionally, a backflow prevention service application must be completed for all commercial and irrigation water services. It is the responsibility of the applicant to clearly mark, with a flag or stake, the preferred service location at the edge of right-of-way along their property.
- Security deposits are required for all water services, except 5/8" residential. See the next page for schedule of security deposit charges.
- Capacity fees are required for every new connection to the water or sewer system including irrigation services, additional services, and those in a new development. The water and sewer capacity fee is based on water meter size.
- The connection fee (not capacity fee) is discounted 10% if the connection is installed during construction of a public water or sewer main. The discount is limited to 5/8" water and 4" sewer services.
- Applicants for commercial sanitary sewer only accounts cannot be accepted until a private meter, which is approved by CLTWater, has been installed on the applicants' private water service.

RESIDENTIAL AND COMMERCIAL IRRIGATION SERVICES

- There are two options for 5/8-inch residential irrigation services: 1) Split connection - Irrigation connection split off the domestic service line is available at a reduced connection fee. 2) Dedicated service line; normal connection fees apply.
- Commercial irrigation services have only one option; dedicated service line; normal connection fees apply.
- If the meter box is located in the driveway, the split connection option is not available for residential connections; a full connection fee will be required.
- All irrigation services require a backflow preventer on the customer's side of the irrigation meter.



(Over)

TEMPORARY WATER AND FIRE HYDRANT CONNECTIONS

1. Fire Hydrant connections for temporary water are available for rental. Please call 311 or 704-336-7600 for pricing and additional information.

DEVELOPER INSTALLED SERVICE CONNECTIONS BY SUBDIVISION DEVELOPER FUNDED CONTRACT PROCESS

1. Connection fees do not apply to services installed by the developer during the construction of water/sewer systems under contract with and donated to CLTWater.
2. Meter charges (\$136.00 for 5/8" meter, \$219 for 1") and capacity fees are due for each new water service installed in the new development. Meter charges and capacity fees can only be paid when the project/phase has received final approval from CLTWater. Capacity fees will be the current effective rate when they are paid. Example: developer installed 5/8" water and 4" sewer, \$703 + \$2,319 + \$136 = \$3,158.
3. Meter charges, capacity fees and meter deposits for 1/2-inch and larger water services must be paid as part of the final project approval process. Such services will automatically be activated in the name of the person or company paying the fees.

FINANCIAL ASSISTANCE

1. Owner occupied, single-family residential residences with household incomes that are 80% or less of the area's median income may be eligible for special deferred payment or no interest loan payments. More information is available upon request.

SCHEDULE OF SECURITY DEPOSIT CHARGES BY METER SIZE

Customer Type	5/8"	1"	1-1/2"	2"	3"	4"	6"	8"	10"+
Auto Dealer / Service Station / Body Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Beauty Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Church	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Dry Cleaner	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Fire Line	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Garage	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Grocery / Convenience Store	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Hotel / Motel	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Irrigation*	\$25	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Laundry	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Mobile Home Park	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Office	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Paint Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Pool Hall / Lounge	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Residence, SF / Duplex	\$0	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Residence, Multi Family	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Restaurant, Carryout	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Restaurant, Dine In	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
School / Day Care	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Stadium	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Studio	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Theater	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Warehouse	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Not Specified Above	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100

*Note: Deposits do not apply to single-family residential customers

WATER CONNECTION AND WATER/SEWER CAPACITY

Water Meter Size/Type	Water Connection Fee	Water Capacity Fee	Sewer Capacity Fee
5/8" (Domestic Only)	\$ 2,206.00	\$ 749.00	\$ 2,645.00
1" (Domestic Only)	\$ 2,868.00	\$ 1,872.00	\$ 6,612.00
1 1/2" ****	\$ 10,411.00	\$ 3,743.00	\$ 13,223.00
2" ****	\$ 11,757.00	\$ 5,989.00	\$ 21,157.00
3" Compound** , ****	\$ 26,416.00	\$ 11,978.00	\$ 42,314.00
4" Compound** , ****	\$ 26,253.00	\$ 18,716.00	\$ 66,115.00
4" FMCT****	At cost*	\$ 26,203.00	\$ 6,612.00
6" FMCT****	At cost*	\$ 59,892.00	\$ 13,223.00
8" FMCT****	At cost*	\$ 104,812.00	\$ 21,157.00
10" FMCT****	At cost*	\$ 164,704.00	\$ 21,157.00
12" FMCT****	At cost*	\$ 187,163.00	\$ 21,157.00
2" Fire Line	At cost*	\$ 3,930.00	N/A
4" Fire Line	At cost*	\$ 14,879.00	N/A
6" Fire Line	At cost*	\$ 33,689.00	N/A
8" Fire Line	At cost*	\$ 58,395.00	N/A
10" Fire Line	At cost*	\$ 91,991.00	N/A
12" Fire Line	At cost*	\$ 131,950.00	N/A
5/8" Split Irrigation (Residential Only)	\$ 1,003.00	N/A	N/A
5/8" Irrigation (Dual Check)	\$ 2,249.00	\$ 749.00	N/A
1" Irrigation (Dual Check)	\$ 2,990.00	\$ 1,872.00	N/A

SEWER CONNECTION

Sewer Service Size	Sewer Connection Fee
4"	\$ 2,953.00
6" and larger	At cost*
1 1/2" LPSS	\$ 2,953.00
2" LPSS & larger	At cost*

Common Residential Connections

(Public main available)
5/8" water: \$2,206 + 749 = **\$2,955**
4" sewer: \$2,953 + 2,645 = **\$5,598**
Combined total = **\$8,553**

Common Residential Connections

(Public main extension required/in progress)
5/8" water: \$1,985 + 749 = **\$2,734**
4" sewer: \$2,658 + 2,645 = **\$5,303**
Combined total = **\$8,037**

*At cost pricing is determined after a Site Utility Plan is submitted for review. Please ask for a Utility Plan Review Checklist.

** 3" and 4" water services are Compound Type. High flow 3" and 4" Turbine meters are available upon request and review. Additional capacity fees will apply.

*** 4-inch FMCT services may be used for Fire or Combined Fire & Domestic use only; flow calculations and site review may be required.

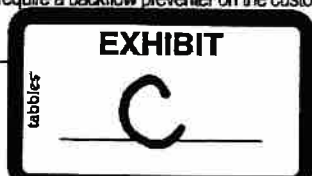
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- All irrigation services require a backflow preventer on the customer's side of the irrigation meter.



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3. Meter charges, capacity fees and meter deposits for 1½-inch and larger water services must be paid as part of the final project approval process. Such services will automatically be activated in the name of the person or company paying the fees.

FINANCIAL ASSISTANCE

1. Owner occupied, single-family residential residences with household incomes that are 80% or less of the area's median income may be eligible for special deferred payment or no interest loan payments. More information is available upon request.

SCHEDULE OF SECURITY DEPOSIT CHARGES BY METER SIZE

Customer Type	5/8"	1"	1-1/2"	2"	3"	4"	6"	8"	10"+
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Beauty Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Church	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Dry Cleaner	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Fire Line	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Garage	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Grocery / Convenience Store	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Hotel / Motel	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Irrigation*	\$25	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Laundry	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Mobile Home Park	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Office	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Paint Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Pool Hall / Lounge	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Residence, SF / Duplex	\$0	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Residence, Multi Family	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Restaurant, Carryout	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Restaurant, Dine In	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
School / Day Care	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Stadium	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Studio	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Theater	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Warehouse	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Not Specified Above	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100

*Note: Deposits do not apply to single-family residential customers

Charlotte Water
Water Capacity Fee Calculation
Buy-In Method

The calculation for the Water Capacity Fees are shown below with assets values calculated using (1) original cost, (2), original cost less depreciation, (3) replacement cost new, and (4) replacement cost new less depreciation. The associated values for all contributed assets are excluded from the calculation.

The system capacity was assumed to be 242 million gallons per day and the demand associated with one ERU was assumed to be 250 gallons per day.

Fees are calculated with and without a credit for the outstanding debt of the system.

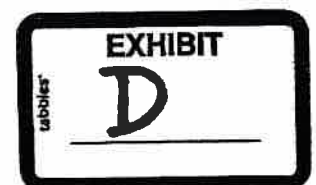
Description	Original Cost	Original Cost Less Depreciation	Replacement Cost New	Replacement Cost New Less Depreciation
W ROW	\$ 5,641,471	\$ 5,641,471	\$ 9,243,970	\$ 9,243,970
W Land	16,735,698	16,735,698	37,775,717	37,775,717
Source of Supply	60,288,885	33,034,350	172,416,370	52,682,430
W Treatment	227,778,239	137,300,351	465,440,816	200,070,107
W Pumping	33,053,845	20,132,641	76,577,688	30,629,895
Transmission	490,089,225	313,456,433	940,115,958	437,220,492
Storage	<u>26,891,783</u>	<u>16,238,053</u>	<u>65,188,255</u>	<u>22,742,501</u>
Total Value	\$ 860,279,147	\$ 542,538,998	\$ 1,766,738,774	\$ 790,365,112
Less: Developer Contributed Assets	<u>(68,198,403)</u>	<u>(48,355,349)</u>	<u>(95,646,981)</u>	<u>(65,668,331)</u>
Net Value	\$ 792,082,744	\$ 493,183,648	\$ 1,671,091,793	\$ 724,696,781
System Capacity (MGD)	242.0	242.0	242.0	242.0
Unit Cost (per gallon, per day)	\$3.27	\$2.04	\$6.91	\$2.99
Capacity of One ERU (gallons per day)	250.0	250.0	250.0	250.0
Water Capacity Fee per ERU (5/8" meter)	\$818.27	\$509.49	\$1,726.33	\$748.65
Net of Outstanding Debt:				
Asset Value	\$ 860,279,147	\$ 542,538,998	\$ 1,766,738,774	\$ 790,365,112
Less: Developer Contributed Assets	<u>(68,196,403)</u>	<u>(49,355,349)</u>	<u>(95,646,981)</u>	<u>(65,668,331)</u>
Less: Outstanding Water System Debt	<u>(408,244,852)</u>	<u>(408,244,852)</u>	<u>(408,244,852)</u>	<u>(408,244,852)</u>
Net Value	\$ 383,838,091	\$ 84,938,996	\$ 1,262,847,140	\$ 316,452,129
System Capacity (MGD)	242.0	242.0	242.0	242.0
Unit Cost (per gallon, per day)	\$1.59	\$0.35	\$5.22	\$1.31
Capacity of One ERU (gallons per day)	250.0	250.0	250.0	250.0
Water Capacity Fee per ERU (5/8" meter)	\$396.53	\$87.75	\$1,304.59	\$326.91

Asset values for the Distribution (and associated ROW), Collection (and associated ROW), and non capacity providing assets (denoted as "W Other" and "S Other") are not included in the capacity fee calculation.

However, these amounts are added back in the "check" below to ensure that assets values included in the capacity fee are correct.

Check:

Total Water Value	\$ 860,279,147	\$ 542,538,998	\$ 1,766,738,774	\$ 790,365,112
Total Sewer Value	1,452,292,627	949,870,768	2,719,960,652	1,337,826,991
Distribution ROW	21,137	21,137	43,809	43,809
Distribution	703,881,246	481,785,433	1,111,838,025	658,195,057
Collection ROW	1,278,008	1,278,008	2,825,111	2,825,111
Collection	1,069,533,806	678,192,785	1,809,217,545	983,433,770
W Other	19,555,078	9,061,019	33,359,919	14,349,276
S Other	56,782,381	42,693,402	84,992,420	54,502,671
Other	<u>75,182,823</u>	<u>29,742,868</u>	<u>105,069,141</u>	<u>35,009,895</u>
Adjusted Total	\$ 4,238,806,253	\$ 2,735,184,419	\$ 7,634,045,396	\$ 3,876,551,694
Total from "Assets" tab	\$ 4,238,806,253	\$ 2,735,184,419	\$ 7,634,045,396	\$ 3,876,551,694
	Ok	Ok	Ok	Ok



Charlotte Water
Sewer Capacity Fee Calculation
Buy-in Method

The calculation for the Sewer Capacity Fees are shown below with assets values calculated using (1) original cost, (2), original cost less depreciation, (3) replacement cost new, and (4) replacement cost new less depreciation. The associated values for all contributed assets are excluded from the calculation.

The system capacity was assumed to be 123 million gallons per day and the demand associated with one ERU was assumed to be 250 gallons per day.

Fees are calculated with and without a credit for the outstanding debt of the system.

Description	Original Cost	Original Cost	Replacement Cost	Replacement Cost
		Less Depreciation	New	New Less Depreciation
S ROW	\$ 14,239,330	\$ 14,239,330	\$ 32,522,200	\$ 32,522,200
S Land	5,668,238	5,668,238	22,147,849	22,147,849
Conveyance	666,364,764	475,587,681	1,209,438,965	600,918,776
S Pumping	102,540,853	63,715,566	163,516,502	94,523,940
WW Treatment	663,479,441	390,659,953	1,292,335,135	587,714,226
Total Value	\$ 1,452,292,627	\$ 949,870,768	\$ 2,719,960,652	\$ 1,337,826,991
Less: Developer Contributed Assets	(38,953,896)	(24,026,926)	(62,504,371)	(36,682,042)
Net Value	\$ 1,413,338,731	\$ 925,843,841	\$ 2,657,456,281	\$ 1,301,144,949
System Capacity (MGD)	123.0	123.0	123.0	123.0
Unit Cost (per gallon, per day)	\$11.49	\$7.53	\$21.61	\$10.58
Capacity of One ERU (gallons per day)	250.0	250.0	250.0	250.0
Sewer Capacity Fee per ERU (5/8" meter)	\$2,872.64	\$1,881.80	\$5,401.33	\$2,644.60
Net of Outstanding Debt:				
Asset Value	\$ 1,452,292,627	\$ 949,870,768	\$ 2,719,960,652	\$ 1,337,826,991
Less: Developer Contributed Assets	(38,953,896)	(24,026,926)	(62,504,371)	(36,682,042)
Less: Outstanding Water System Debt	(767,414,567)	(787,414,567)	(767,414,567)	(767,414,567)
Net Value	\$ 645,924,163	\$ 158,429,274	\$ 1,890,041,713	\$ 533,730,382
System Capacity (MGD)	123.0	123.0	123.0	123.0
Unit Cost (per gallon, per day)	\$5.25	\$1.29	\$15.37	\$4.34
Capacity of One ERU (gallons per day)	250.0	250.0	250.0	250.0
Sewer Capacity Fee per ERU (5/8" meter)	\$1,312.85	\$322.01	\$3,841.55	\$1,084.82

Asset values for the Distribution (and associated ROW), Collection (and associated ROW), and non capacity providing assets (denoted as "W Other" and "S Other") are not included in the capacity fee calculation.

However, these amounts are added back in the "check" below to ensure that assets values included in the capacity fee are correct.

Check:

Total Sewer Value	\$ 1,452,292,627	\$ 949,870,768	\$ 2,719,960,652	\$ 1,337,826,991
Total Water Value	860,279,147	542,538,998	1,766,738,774	790,365,112
Distribution ROW	21,137	21,137	43,809	43,809
Distribution	703,881,246	481,785,433	1,111,838,025	658,195,057
Collection ROW	1,278,008	1,278,008	2,825,111	2,825,111
Collection	1,069,533,806	678,192,785	1,809,217,545	983,433,770
W Other	19,555,078	9,061,019	33,359,919	14,349,276
S Other	56,792,381	42,693,402	84,992,420	54,502,671
Other	75,182,823	29,742,868	105,069,141	35,009,895
Adjusted Total	\$ 4,238,806,253	\$ 2,735,184,419	\$ 7,634,045,396	\$ 3,876,551,694
Total from "Assets" tab	\$ 4,238,806,253	\$ 2,735,184,419	\$ 7,634,045,396	\$ 3,876,551,694
	Ok	Ok	Ok	Ok

WATER CONNECTION AND WATER/SEWER CAPACITY

Water Meter Size/Type	Water Connection Fee	Water Capacity Fee	Sewer Capacity Fee
5/8" (Domestic Only)	\$ 2,328.00	\$ 610.00	\$ 1,848.00
1" (Domestic Only)	\$ 3,215.00	\$ 1,524.00	\$ 4,620.00
1 1/2" ****	\$ 10,380.00	\$ 3,048.00	\$ 9,241.00
2" ****	\$ 12,490.00	\$ 4,877.00	\$ 14,785.00
3" Compound**, ****	\$ 27,895.00	\$ 9,754.00	\$ 29,570.00
4" Compound**, ****	\$ 25,529.00	\$ 15,240.00	\$ 46,204.00
6" Compound**, ****	\$ 39,906.00	\$ 30,481.00	\$ 92,407.00
4" FMCT***, ****	At cost*	\$ 21,337.00	\$ 4,620.00
6" FMCT***, ****	At cost*	\$ 48,769.00	\$ 9,241.00
8" FMCT****	At cost*	\$ 85,347.00	\$ 14,785.00
10" FMCT****	At cost*	\$ 134,116.00	\$ 14,785.00
12" FMCT****	At cost*	\$ 152,405.00	\$ 14,785.00
2" Fire Line	At cost*	\$ 4,877.00	N/A
4" Fire Line	At cost*	\$ 12,192.00	N/A
6" Fire Line	At cost*	\$ 27,433.00	N/A
8" Fire Line	At cost*	\$ 54,866.00	N/A
10" Fire Line	At cost*	\$ 68,582.00	N/A
12" Fire Line	At cost*	\$ 107,476.00	N/A
5/8" Split Irrigation (Residential Only)	\$ 1,094.00	N/A	N/A
5/8" Irrigation (Dual Check)	\$ 2,443.00	\$ 610.00	N/A
1" Irrigation (Dual Check)	\$ 3,126.00	\$ 1,524.00	N/A

SEWER CONNECTION

Sewer Service Size	Sewer Connection Fee
4"	\$ 3,428.00
6" and larger	At cost*
1 1/2" LPSS	\$ 3,428.00
2" LPSS & larger	At cost*

Common Residential Connections

(Public main available)

5/8" water: \$2,328 + 610 = **\$2,938**

4" sewer: \$3,428 + 1,848 = **\$5,276**

Combined total = **\$8,214**

Common Residential Connections

(Public main extension required/in progress)

5/8" water: \$2,095 + 610 = **\$2,705**

4" sewer: \$3,085 + 1,848 = **\$4,933**

Combined total = **\$7,638**

***At cost pricing is determined after a Site Utility Plan is submitted for review.** Please ask for a Utility Plan Review Checklist.

**** 3", 4" and 6" water services are Compound Type.** High flow 3" and 4" Turbine meters are available upon request and review. Additional capacity fees will apply.

***** 4" and 6" FMCT services may be used for Fire or Combined Fire & Domestic use only.** flow calculations and site review may be required.

****** A Capacity Assurance Review is needed prior receiving a quote or making payment.** Please contact New Services for an application form.

GENERAL NOTES FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS

- To make application for water and/or sewer service, an application must be completed and returned to Charlotte Water (CLTWater) with payment in full (check or money order). Additionally, a backflow prevention service application must be completed for all commercial and irrigation water services. It is the responsibility of the applicant to clearly mark, with a flag or stake, the preferred service location at the edge of right-of-way along their property.
- Security deposits are required for all water services, except 5/8" residential. See the next page for schedule of security deposit charges.
- Capacity fees are required for every new connection to the water or sewer system including irrigation services, additional services, and those in a new development. The water and sewer capacity fee is based on water meter size.
- The connection fee (not capacity fee) is discounted 10% if the connection is installed during construction of a public water or sewer main. The discount is limited to 5/8" water and 4" sewer services.
- Applicants for commercial sanitary sewer only accounts cannot be accepted until a private meter, which is approved by CLTWater, has been installed on the applicants' private water service.

RESIDENTIAL AND COMMERCIAL IRRIGATION SERVICES

- There are two options for 5/8-inch residential irrigation services: 1) Split connection - Irrigation connection split off the domestic service line is available at a reduced connection fee. 2) Dedicated service line; normal connection fees apply.
- Commercial irrigation services have only one option; dedicated service line; normal connection fees apply.
- If the meter box is located in the driveway, the split connection option is not available for residential connections; a full connection fee will be required.
- All irrigation services require a backflow preventer on the customer's side of the irrigation meter.

TEMPORARY WATER AND FIRE HYDRANT CONNECTIONS

1. Fire Hydrant connections for temporary water are available for rental. Please call 311 or 704-336-7600 for pricing and additional information.

DEVELOPER INSTALLED SERVICE CONNECTIONS BY SUBDIVISION DEVELOPER FUNDED CONTRACT PROCESS

1. Connection fees do not apply to services installed by the developer during the construction of water/sewer systems under contract with and donated to CLTWater.
2. Meter charges (\$161.00 for 5/8" meter, \$244.00 for 1") and capacity fees are due for each new water service installed in the new development. Meter charges and capacity fees can only be paid when the project/phase has received final approval from CLTWater. Capacity fees will be the current effective rate when they are paid. Example: developer installed 5/8" water and 4" sewer, \$610 + \$1,848 + \$161 = **\$2,619**.
3. Meter charges, capacity fees and meter deposits for 1 1/2-inch and larger water services must be paid as part of the final project approval process. Such services will automatically be activated in the name of the person or company paying the fees.

FINANCIAL ASSISTANCE

1. Owner occupied, single-family residential residences with household incomes that are 80% or less of the area's median income may be eligible for special deferred payment or no interest loan payments. More information is available upon request.

SCHEDULE OF SECURITY DEPOSIT CHARGES BY METER SIZE

Customer Type	5/8"	1"	1-1/2"	2"	3"	4"	6"	8"	10"+
Auto Dealer / Service Station / Body Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Beauty Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Car Wash	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Church	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Dry Cleaner	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Fire Line	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Garage	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Grocery / Convenience Store	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Hotel / Motel	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Irrigation*	\$25	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Laundry	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Mobile Home Park	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Office	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Paint Shop	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Pool Hall / Lounge	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Residence, SF / Duplex	\$0	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Residence, Multi Family	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Restaurant, Carryout	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Restaurant, Dine In	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
School / Day Care	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Stadium	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Studio	\$25	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Theater	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Warehouse	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100
Not Specified Above	\$7	\$25	\$25	\$50	\$75	\$100	\$100	\$100	\$100

*Note: Deposits do not apply to single-family residential customers

WATER CONNECTION AND WATER/SEWER SYSTEM DEVELOPMENT FEES

Water Meter Size/Type	Water Connection Fee	Water System Development Fee	Sewer System Development Fee
5/8" (Domestic Only)	\$ 3,197.00	\$ 809.00	\$ 2,541.00
1" (Domestic Only)	\$ 4,049.00	\$ 2,023.00	\$ 6,352.00
1 1/2"	\$ 11,062.00	\$ 4,046.00	\$ 12,703.00
2"	\$ 11,446.00	\$ 6,474.00	\$ 20,325.00
3" Compound**	\$ 26,506.00	\$ 12,948.00	\$ 40,651.00
4" Compound**	\$ 27,076.00	\$ 20,232.00	\$ 63,517.00
6" Compound**	At cost*	\$ 40,463.00	\$ 127,034.00
8" Compound**	At cost*	\$ 64,741.00	\$ 203,254.00
4" FMCT***	At cost*	\$ 28,324.00	\$ 6,352.00
6" FMCT***	At cost*	\$ 64,741.00	\$ 12,703.00
8" FMCT	At cost*	\$ 113,297.00	\$ 20,325.00
10" FMCT	At cost*	\$ 178,038.00	\$ 20,325.00
12" FMCT	At cost*	\$ 202,316.00	\$ 20,325.00
2" Fire Line	At cost*	\$ 6,474.00	N/A
4" Fire Line	At cost*	\$ 16,185.00	N/A
6" Fire Line	At cost*	\$ 36,417.00	N/A
8" Fire Line	At cost*	\$ 72,834.00	N/A
10" Fire Line	At cost*	\$ 91,042.00	N/A
12" Fire Line	At cost*	\$ 142,673.00	N/A
5/8" Split Irrigation (Residential Only)	\$ 1,544.00	N/A	N/A
5/8" Irrigation (Dual Check)	\$ 2,844.00	\$ 809.00	N/A
1" Irrigation (Dual Check)	\$ 3,575.00	\$ 2,023.00	N/A

SEWER CONNECTION FEES

Sewer Service Size	Sewer Connection Fee
4"	\$ 5,035.00
6" and larger	At cost*
1 1/2" LPSS	\$ 5,035.00
2" LPSS & larger	At cost*

Common Residential Connections

(Public main available)

5/8" water: \$3,197 + \$809 = **\$4,006**

4" sewer: \$5,035 + \$2,541 = **\$7,576**

Combined total = **\$11,582**

Common Residential Connections

(Public main extension required/in progress)

5/8" water: \$2,877 + \$809 = **\$3,686**

4" sewer: \$4,531 + \$2,541 = **\$7,072**

Combined total = **\$10,758**

*At cost pricing is determined after a Site Utility Plan is submitted for review. Please ask for a Utility Plan Review Checklist.

** 3", 4", 6" and 8" water services are Compound Type. High flow 3" and 4" Turbine meters are available upon request and review.

*** 4" and 6" FMCT services may be used for Fire or Combined Fire & Domestic use *only*; flow calculations and site review may be required.

A Capacity Assurance Review is needed for all 1 1/2" meter requests prior to receiving a quote or making payment. Please contact New Services for an application form.

FMCT sewer system development fees are based on the small domestic meter. If the large meter is used for any use other than fire protection, additional sewer system development fees will apply.

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