

SECTION SEVEN: **Utilities**



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Catawba County is one of the highest public water users in the State. In 1990, the amount of water usage per capita was 6,357 gallons per day, high enough to rank 4th in the State. This water usage can be attributed to several factors: a relatively large residential population, a large industrial base and a host of municipalities distributing water service to both their residents and businesses but also to many customers far outside of their municipal boundaries.

Similarly, in 1995 Catawba County ranked second in the State in the tonnage amount of point source emissions per square mile. These emissions, mostly from standard centralized systems include particulates, sulfur dioxide, nitrogen oxide and similar emissions released annually from major point sources. The high level of point source emissions results from the same factors that result in high water use with a strong emphasis towards a healthy industrial base.

Water Distribution

Public water and sewer services are provided for most of the urbanizing areas of the County by the individual municipalities. The cities of Hickory and Newton operate their own water treatment facilities. The towns of Long View and Maiden also own and operate their own water treatment facilities, although both purchase supplemental water from Hickory and Newton, respectively. The City of Conover purchases all of its water from the City of Hickory. The Town of Claremont purchases all of its water from Conover. The Town of Catawba purchases water from Newton. The Town of Brookford purchases all of its water from Hickory.

Counties generally stay out of the utilities business, especially counties rural in nature. Provisions for public water and sewer are generally provided by municipalities. To a certain extent, Catawba County is no different from most other counties. However, Catawba County participates in two relatively unique agreements with the municipalities: a Revenue Sharing Program and a Revolving Loan Program. These programs allow the County to participate in the funding of certain eligible water and sewer projects outside municipal limits. The programs are limited to those projects that: 1) are outside of incorporated areas; 2) are constructed to stimulate economic development, notably commercial or industrial growth; and 3) address environmental needs. However, the Board of Commissioner have the flexibility to develop projects outside these parameters when it is determined in the best interest of the citizens. The two programs act as a foundation and philosophy for addressing water and waste water needs.

County Utility Funding: Revenue Sharing and Revolving Loan Programs

The Catawba County Board of Commissioners has an established Water and Sewer Construction Fund to provide financial assistance and investment into the construction of public utilities into unincorporated areas. In 1981 the Board established a Revolving Loan Program and in 1994, the Board established a Revenue Sharing Program. The County annually allocates between \$1.0 million and \$1.8 million (the later is generated from approximately \$0.02 of the \$0.55 tax rate) into the fund. This fund is required to maintain a balance of at least \$5 million to provide for interest earnings to help create an eventual self-supporting program. Since the establishment of these programs, the County has invested \$6,088,518 into the revenue sharing plan and \$14,184,896 into the revolving loan. Included in these investments are six waterline extensions to serve schools with either water quality and water volume problems. Because of the distance away from the municipalities, the County still owns all lines of which they have participated in the financing.

The Revenue Sharing Program permits the County to fully fund and own the utility line until such time that it is annexed into the municipality. The Revolving Loan Program simply allows the County to offer the municipalities low interest loans to finance the extension of utility lines outside the municipality. Under these programs, maintenance is the responsibility of the municipality. Under the Revenue Sharing Program, revenues are divided evenly between the municipality and the County during the time it is under County ownership. In either program, should the line be annexed into the municipality, the County must be reimbursed by the municipality for the cost of the line.

While not the written policy of the County, a minimum twelve-year payback on funding for utility expansions is generally targeted. However, to date, when deciding on a particular project, more emphasis has been placed on the benefits that the utility service will provide than on the specific payback terms.

Sewer Collection

Throughout the County, only a few sewer lines exist outside of the municipalities and their Extraterritorial Jurisdictions (ETJs). These are located primarily in the rapidly urbanizing areas of the County between Hickory, Newton and Conover. However, there are areas in the County that are experiencing problems due to failing septic systems. One example is the Balls Creek community, most notably the Balls Creek Elementary School. The cost of extending sewer to this area will be several million dollars. Most municipalities are typically not willing to extend expensive sewer service to areas unless it facilitates economic development and opportunities for an increased tax base. Unlike municipal water service, sewer collection and treatment, in and of itself, is not a significant revenue generator. Other

areas vulnerable to septic system failures include most 15 to 20 year-old residential developments consisting of half-acre or smaller lots. Among others, many of these subdivisions exist in the Mtn. View, Sherrills Ford, Oxford and Balls Creek communities. Providing sewer service to some of these communities will likely require large-scale, collective efforts from more than a single local government.

Location of Utility Lines Outside of Municipalities

The waterlines that exist outside of the municipal jurisdictions are much more extensive than the sewer lines. It is common to hear references to ‘growth following sewer,’ which is generally a true statement. However, the extension of water lines also has an impact on the developability of property. Some of the areas where waterlines extend beyond municipal jurisdictions include:

- 1) A line westward from Newton to Catawba along Highway 10, including several lines to the south and north of Highway 10, most notably a line on Balls Creek Road to *Balls Creek Elementary School*;
- 2) A line northward from Conover along Highway 16 to an elevated storage tank (owned and operated by Conover), including several lines to the east and west, including a line on Oxford School Road to *Oxford Elementary School*;
- 3) Several lines northeast and east of Hickory and northwest of Conover to serve the Lake Hickory Country Club and surrounding areas, including lines along Snow Creek Road, Springs Road (serving *St. Stephens High School* and *Arndt Middle School*), Sulphur Springs Road, County Home Road, Section House Road and Sipe Road.
- 4) A line southward from Hickory along Highway 127 to just south of Highway 10 serving *Mtn. View Elementary School*, *Banoak Elementary School*, *Blackburn Elementary School*, *Jacobs Fork Middle School* and *Fred T. Foard High School*.

The County has recently agreed to construct a \$1.5 million waterline to Sherrills Ford Elementary School. The land use implications of this action and other utility extensions into unincorporated areas will be explored extensively in other parts of this Plan.

Utility Planning and Service Area Agreements

Widespread ‘official’ utility boundaries do not exist between the various municipalities in

Catawba County. However, Hickory and Conover have general agreements as do Newton and Maiden. Most of Catawba County's municipalities extend lines into areas in and around their internally-established service area when demand and other factors warrant such extensions.

Unfortunately, no long- or short-range plan exists to help prepare for or facilitate the expansion of public utilities from the municipalities. However, despite some occasional differing views on where and when water and sewer services should be extended, each of the local governments agree that utility planning is important. Recently, Catawba County has commissioned the preparation of two separate studies: one addressing public water services in the County and the other exploring approaches to providing public sewer services. Each of the municipalities have agreed to participate in these studies. Such a move of cooperative planning is a major step toward providing the most far reaching public utility services with the fewest public dollars.

VisionQuest 2010 Applicability

The County's Comprehensive Plan, VisionQuest 2010 describes the Public Services and Facilities Goal as follows: *"To ensure that needed public services and facilities will be provided in a manner which promotes orderly, compact, and efficient urban growth and serves as many residents as practical in a cost efficient manner."* VisionQuest also lists eight policies and three recommended actions specifically related to utilities. These have been addressed as part of the Growth Strategies Report.