



Proposed Water System Frequently Asked Questions

Who pays for the water system?

Only users of the water system will pay. Local government accounting dictates that a separate fund be established for the water system. Income and expenditures for the water system will be kept separate from the Town's general fund.

What about start-up funds? Will tax dollars or debt be used to finance initial costs?

In 2012 the Town Council increased the Capital Reserve for water to \$1M. That fund has been maintained for the last 7 years. Start-up costs are estimated to be a fraction of this amount and will be repaid as customers are added.

Will the water system be financially viable?

Yes, and as the municipal system gains customers, especially in larger subdivisions, the financial viability of the system strengthens. Financial models show that, with 200 customers in typically sized subdivisions, revenues will exceed expenses by 35%. In the very early stages of development with far fewer customers, however, it is possible that expenses may exceed revenues.

Will a municipal water system lead to more development, including higher-density housing?

A municipal water system will have little to no impact on development intensity. Development in Oak Ridge is controlled by strict zoning rules, the Land Use Plan, and by the limitations of septic systems.

If I am not satisfied with my private water provider, can the Town purchase my neighborhood's community well system and operate as part of the municipal system?

That depends. Many of the Town's older community well systems were not constructed to municipal standards and would not be eligible. Newer systems built to municipal

standards could be eligible for purchase with a willing seller.

I am perfectly happy with my existing well.

Do I have to connect to the Town system?

No. In fact, state law prohibits mandatory connections for individuals with functioning wells. If a municipal water line with adequate capacity and size runs along the property frontage, you would be eligible for a voluntary connection.

Will the Town have to hire new employees to operate and maintain the system?

If the proposed water system is approved by Council, the Town intends to contract with a private operator for these services. This is a common practice for smaller towns with limited staff.

Is it unusual for a town to utilize groundwater as a municipal water source?

In North Carolina it is fairly common for municipalities to use groundwater as a water source. Oak Ridge's proposal is unique, however, in that developers will be constructing much of the infrastructure and deeding it to the Town.

Does this put an unfair burden on developers to construct elements of the Town's water system?

Construction of infrastructure such as water mains, roads, and sidewalks is a common requirement in subdivision ordinances nationwide. In developments of 30 lots or greater, developers would typically be constructing community well systems for private ownership and operation. Under this proposal, this asset would simply be owned and maintained by the Town.

Will a new water system raise my taxes?

The system is designed to pay for itself with user fees. It is not likely that tax dollars will be needed to fund any shortfall.