Sec. 30-863. Utilities.

Table *x:* Subdivision Criteria for Required Hook Up to Public System		
Distance from nearest property line to adequate public water line (ft.)	**Subdivision Range Houses or Lots**	**Connection Required**
<300	1-4	Yes
< 500	5—10	Yes
< 1,000	11—25	Yes
< 2,000	26—50	Yes
< 3,000	51—75	Yes
< 3,500	76—100	Yes
< 4,000	> 100	Yes

(a) *Public water and sewer construction requirements.* Water and sewer lines, connections, and equipment shall be constructed in accordance with state and local regulations.

(b) *Water and sewer connection.* Connection of each lot to public water and sewer utilities shall be required if the proposed subdivision is within the distances prescribed by Table *x* ~~300 feet of the nearest adequate lines of a public system~~, provided that no geographic or topographic factors would make such connection infeasible. Where public sewer is not available, lots shall be evaluated in accordance with "Laws and Rules for Sanitary Sewage Collection, Treatment, and Disposal 11" G.S. 130A. Approval of the environmental health division shall be obtained after preliminary plat approval. The final plat shall show lots denied or not evaluated crosshatched and labeled "No improvement permit has been issued for this lot."

(c) *Underground utilities.* Electrical, television cable, and telephone utility lines installed within major subdivisions shall be underground unless the town council determines underground installation is inappropriate.

(d) *Community wells (public) required.* Community wells are required in all subdivisions of ~~30~~ 15 dwelling units or greater. Community wells and their distribution systems shall be constructed by the subdivider and deeded to the town upon completion. ~~Community wells are encouraged in subdivisions of less than 30 dwelling units if feasible~~.

(e) The subdivider shall provide individual utility connections for each lot within the subdivision. Each subdivision lot shall be provided a connection to a power supply, a connection to an approved water supply (except individual wells) and a connection to an approved sewage waste disposal system.

(f) No permit for the construction of or placement of a dwelling unit shall be issued in a subdivision until a water supply system has been installed and approved (unless individual wells are used as the water supply).

(g) No dwelling unit within a subdivision shall be occupied until:

(1) A connection to a power supply is complete;

(2) A connection to an approved water system is complete;

(3) A connection to an approved sewage system is complete; and

(4) All required inspections are completed and final approvals given.

(h) *Potable water.* There shall be a safe, adequate, continuous, and conveniently located potable water supply provided for each lot within a subdivision. Potable water supply shall be in compliance with the applicable edition of the North Carolina Plumbing Code.

(i) Where a public water system is not available, or where capacity or line size is not sufficient for extension, every individual well, shared well, or private community well shall be installed, inspected, tested, approved, and maintained in accordance with state and local regulations.

(j) Dry lines may be required to be installed where public water supplies are anticipated to become available within a reasonably short time after completion of the project.

(k) Applications for public water supplies for new subdivisions shall contain calculations showing the maximum daily water usage of the development.

(l) A certification shall be provided that the public water system will provide water to the development. Design standards, installation, connections, and approvals of all components of the water system shall be as required by the public water system.

(m) Fire hydrants, where required, shall be installed in compliance with the North Carolina administrative, building, plumbing, and fire codes, local fire department requirements, and other applicable local ordinances and standards.

(n) *Utility easements.*

(1) *Major subdivisions.* To provide for electric, telephone, gas, and community antenna television services conduits, and sewer or water lines within the subdivision, appropriate utility easements not to exceed 30 feet in width shall be provided. The location of such easements shall be reviewed and approved by the town before final plat approval.

(2) *Minor subdivisions.* Lots fronting on public streets with access to existing utilities are not required to have utility easements. All other lots shall contain a 20-foot utility easement to the front, side, or rear of each lot unless easement releases are obtained from all utility companies, in which case no utility easement will be required.

(3) *No buildings or improvements.* Utility easements shall be kept free and clear of any building or other improvement that would interfere with the proper maintenance or replacement of any utility. The town shall not be liable for damages to any improvement located within the utility easement area caused by maintenance or replacement of any utility located therein.

(Ord. of 1-6-2000, § 5-13.6; Ord. No. O-2019-10, 9-5-2019)

MEMORANDUM

TO: Town Council

FROM: Bill Bruce

DATE: June 6, 2025

RE: Village Woods Water System Conveyance

Please find in your packets an Agreement for the Purchase and Sale of Assets for the purpose of conveying the Village Woods water system to the Town. The Water Advisory Committee has reviewed this document and recommends Council approve the agreement. A few important points to consider:

1. Under the terms of the agreement, The Town would acquire all assets including the community well, distribution system, and all fixtures, equipment, and improvements constituting the water system, but not including customer water service lines from the meter boxes to the residences, for the purchase price of $1.00.
2. The agreement is modeled after the agreement used to acquire the Honeycutt Reserve system, and has been reviewed and approved as to legal form by the Town Attorney.
3. Town water rates of $24.00/month + $7.50/1000 gallons will be charged to residents. Based on typical usage, total revenue is projected at $12,960 annually.
4. As our contracted water system operator, Envirolink would provide operations, management, and maintenance services for the system, as well as billing and customer service. An estimated annual breakdown of costs is as follows:
    a. O&M $12,000
    b. Chemicals $800
    c. Customer service $1,000 (for a total of 20 customers)
    d. Labs/Other $2,300
    $16,100
5. Costs for labs are variable and were highest in the initial year after reaching the public system threshold of 15 units (reached early 2024). Projected lab costs TOTAL for 2025-2033 are $14,000. The line item above for Labs/Other includes both annualized lab costs and other miscellaneous costs.
6. When the Town established an ordinance requiring all new residential subdivisions of 30 units or more to construct a community well system for conveyance to the Town, the 30 unit threshold was established as the “break-even” point for

establishing a fair water rate. Individual systems smaller than 30 units would not have a positive cash flow, but systems larger than 30 would provide additional cash flow to make up the difference.

7. When combined with the Honeycutt Reserve system at buildout, the Town should realize an annual net revenue over expenses of approximately $15,000. As the system grows, these funds are invested back into the Enterprise Fund. Please note this figure is an estimate only, and is highly variable depending on water usage and rates as established by Council.
8. All of the equipment, including the well house, has been inspected by Envirolink and deemed to be in good condition, with all lines adequately sized.
9. The Agreement allows for an additional period of due diligence, for the purposes detailed within, and maintains the Town's right to terminate the agreement prior to closing, without cause and without penalty.

Acquiring the Village Woods system continues the Town's commitment to growing its municipal water customer base. A return on this investment will be realized over decades as more and more residents are connected to a safe and reliable source of drinking water. Connection to the system currently under development to bring water from Forsyth County would ultimately be paid for by Enterprise Fund reserves generated through user fees, but the feasibility of these connections are best assessed in the future when more details are known.

NORTH CAROLINA
GUILFORD COUNTY

AGREEMENT FOR THE PURCHASE AND SALE OF ASSETS

This Agreement of Purchase and Sale is made between Village Woods Property Owners Association, Inc., a North Carolina corporation, duly authorized to do business in the State of North Carolina and having its principal office located at 1842 Banking Street, Greensboro,, NC 27408 ("VWPOA)"), and the Town of Oak Ridge, a North Carolina municipal Corporation ("Town"), whose address is 8315 Linville Road, Oak Ridge, NC 27310.

The Town and VWPOA hereby agree as follows:

1. *DEFINITIONS.* The following words and phrases are defined as set forth below when used in this Contract, unless a contrary meaning is clearly required by the context in which the word or phrase are used:

(a) "Effective date of this Contract": _____ 2024. This Contract is referred to herein as both "Contract" and "Agreement."

(b) "Acquired Assets": The property, including all fixtures, equipment and improvements thereto, constituting the following water system owned by VWPOA:

(1) Village Woods Development (PWSID # NC 3041075);

Said system will be transferred to the Town pursuant to this Contract, as identified on Exhibit A, attached hereto and incorporated herein by reference, including the real property owned by VWPOA and located in the Subdivision more particularly described in the Map Book(s) in the Guilford County Registry listed in Exhibit B.

(c) Notwithstanding the foregoing, the Acquired Assets shall not include any of the following:

(1) Customer water service lines that run from the meter boxes serving customers to the residences.

(2) Piping and fixtures internal to the residences.

(3) Cash on hand of VWPOA and accounts receivable for customer billings for any water and utility services provided by VWPOA prior to the Closing Date.

(4) Deposits maintained by VWPOA with any governmental authority, deposits by VWPOA customers and any prepaid expenses related to the operation of the Acquired Assets.

(5) Escrows or other provisions made by VWPOA for payment of any taxes.

(6) Any and all real property as more fully set forth on Exhibit B.

(7) Rolling stock, tools and mobile equipment (except fixtures)

(d) "Closing Date": The date on which title to the Acquired Assets is transferred from VWPOA to the Town, which shall be as soon as reasonably possible after the later to occur of:

(1) Receipt by VWPOA of all regulatory approvals from applicable governmental authorities (other than the Town), in form and substance that are satisfactory to both parties, for the transfer of the Acquired Assets to the Town; approval by the VWPOA Board of Directors; and approval of this Agreement by the Oak Ridge Town Council.

(2) The Closing Date shall not occur any later than 30 days from the later of the date on which the termination rights in Paragraph 5 expire or are waived.

2. *CLOSING: GENERAL OBLIGATIONS.*

(a) On the Closing Date, VWPOA will transfer and convey to the Town the Acquired Assets owned and operated by VWPOA.

(b) It is agreed that Town will be entitled to all accounts receivable for customer billings for water service provided by the Town on and after the Closing Date, and VWPOA will be entitled to all such billings for services provided prior to the Closing Date. After the Closing Date, any payments received by the Town or VWPOA with respect to the water service provided by the Acquired Assets shall belong to the Town or VWPOA as indicated on such payment or the documentation relating thereto and each party agrees to cooperate with the other party to ensure that payments are forwarded to the proper party. If either party receives a payment which under the terms of this Agreement properly belongs to the other party, the party in receipt of such payment shall turn the payment over to the proper party upon receipt thereof without any right of setoff.

(c) From and after the Closing Date, the Town shall be solely responsible for the operation and maintenance of the Acquired Assets, including without limitation the costs associated with such operation and maintenance, except as otherwise expressly set forth herein.

3. *PURCHASE PRICE*. The Purchase Price for these systems is one Dollar ($1.00). The Purchase Price shall be paid by the Town in full at the Closing.

4. *CLOSING TIME AND DELIVERABLES.*

(a) Closing hereunder shall take place as noted in Section 1(d) above or as may be adjusted for a later date as determined by mutual agreement of the Parties. The Closing shall occur at the offices of the Town and commence at 10:00 a.m. Eastern Standard Time. The date of the Closing is referred to herein as the "Closing Date". The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

(b) At Closing and subject to the terms and conditions herein contained, VWPOA shall deliver to the

Town all title and rights to the Acquired Assets, including without limitation the following:

(1) A Bill of Sale and Assignment, Special Warranty Deed, and other instruments and documents of conveyance and transfer executed by VWPOA, all in form mutually satisfactory to the Town and VWPOA, as shall be necessary and effective to transfer and assign to, and vest in, the Town good and marketable title to the Acquired Assets;

(2) Assignment of easements, in a form mutually satisfactory to the Town and VWPOA, providing:

(i) access to all portions of the Acquired Assets; and (ii) access for use, maintenance and operation of the Acquired Assets;

(3) Copies, or the originals, where appropriate, of all plans, agreements, contracts, commitments, leases, plans, bids, quotations, proposals, instruments and other documents in VWPOA's possession that are part of or related to the Acquired Assets;

(4) A complete and accurate list of the names, addresses, and billing addresses of all customers and lot owners as of the Closing Date, and any other information that may be reasonably pertinent to the purchase;

(5) Keys to all facilities identified as part of the Acquired Assets; and simultaneously with such delivery, all such steps shall be taken as may reasonably be required to put the Town in actual, physical possession and operating control of the Acquired Assets;

(6) An assignment of all permits for the water systems being transferred hereunder.

(c) At Closing, and subject to the terms and conditions herein contained, the Town shall pay to VWPOA the Purchase Price.

(d) Electric service to the water system, which serves VWPOA's irrigation and septic system in addition to the well house, will remain VWPOA's responsibility, and all bills related to electric service will be paid by VWPO.

5. *PRE-CLOSING ACCESS; PERMITS; CONDITION OF PROPERTY; THIRD PARTIES.*

(a) It is a condition precedent to the closing and enforceability of this contract that the Town as a matter of due diligence and public trust shall have reasonable access prior to Closing to inspect all the physical components of the real property and personal property comprising the system(s) herein described and all the documents maintained by VWPOA pertaining to the acquisition, maintenance, public regulation, and business operations thereof, including without limitation all documentation described or referenced in Section 6(b) below. The Town in its sole discretion and as a matter of public trust shall have the absolute right to terminate this agreement based upon (a) VWPOA's failure to provide such reasonable access in any degree, (b) identification of any physical or legal aspect of such existing system(s) which renders incorporation of same into the Oak Ridge Water System impracticable, or (c) the Town's convenience and without cause. Exercise of such right of termination shall consist of giving VWPOA written notice of such decision to terminate prior to the closing date. In the event the Town exercises such right of termination, each party shall bear

their own costs incurred in this matter prior to such termination.

(b) Each party will support the other party's application to the applicable regulatory agencies having jurisdiction over the Acquired Assets. The Town will undertake the necessary actions and complete the necessary paperwork for the transfer of all permits or other approvals required from the North Carolina Department of Environmental Quality, and Division of Water Resources. VWPOA will undertake the necessary actions and complete the necessary paperwork for approval by the North Carolina Utilities Commission of the transfer and/or assignment of the Water System Assets by VWPOA to the Town. Either VWPOA or Town may terminate this Agreement without liability in the event the North Carolina Utilities Commission ("Commission") issues an Order approving the transfer of the Acquired Assets on terms that either VWPOA or Town determines, in either's sole discretion, are not satisfactory. This right to terminate must be exercised by the President of VWPOA or by the Town of Oak Ridge Mayor, respectively, within 30 days of the date on which the Commission's Order is final, unless the Parties agree to extend such period by mutual written agreement. Either party may, by written acknowledgement, waive such termination rights.

(c) The Acquired Assets will be transferred to the Town in "as is" condition as of the effective date of this Contract, except as otherwise expressly set forth herein. The documents needed to memorialize this passage of title will not be required to contain any warranties of conditions or title, except as expressly set forth in this Contract. Such documents must be by general warranty deed or permanent easement and sufficient to convey to the Town all of VWPOA's right, title and interest in and to the Acquired Assets, including all easements and rights-of-way whether or not recorded. VWPOA shall execute an Affidavit and Lien Waiver, as set forth in Exhibit C, which is incorporated herein by reference. Said general warranty deed and Affidavit and Lien Waiver, together with any other documents determined by the Town and VWPOA to be reasonably necessary to effect the transfer of the Acquired Assets, must be completely and properly executed and tendered to the Town on the Closing Date. A copy of said special warranty deed (as approved by the Parties but not containing a description of the Acquired Assets) is attached as Exhibit D.

(d) VWPOA will cooperate with the Town in establishing title to any portion of the Acquired Assets which may be contested and will take no position inconsistent with the unconditional right of the Town, without the payment of damages and just compensation, to maintain and operate all portions of the Acquired Assets. In the event that any action is filed against the Town and/or VWPOA within two (2) years of the Closing Date which results in a judgment against the Town and/or VWPOA that is limited to and requires the payment of damages or just compensation for the right to operate and/or maintain any portion of the Acquired Assets, and such judgment was not due to actions of the Town after the Closing Date which are substantially inconsistent with the rights and obligations of the Town in the operation and maintenance of a public water system, and if a judgment is entered against the Town, VWPOA will pay the full amount of said judgment up to a maximum of Fifty Thousand Dollars ($50,000) ("Judgment Ceiling"). If more than one judgment is entered as described above, the cumulative amount of all such judgments which VWPOA is required to pay under this sub-paragraph may not exceed the Judgment Ceiling. VWPOA will have no obligation to defend the Town or pay any portion of the costs of such defense but must assist in such defense as expressly set forth above. The Town acknowledges and agrees that VWPOA shall have no other liability under this Contract for the Town's operation of the Acquired Assets after the Closing Date, except as otherwise expressly set forth herein. Further, VWPOA acknowledges that Town shall have no liability under this Agreement for any liability, cost or expense arising out of VWPOA's operation of the Acquired Assets prior to the Closing Date and VWPOA agrees to indemnify and hold Town harmless from any such liability, cost or expense.

(e) Prior to the Closing Date, VWPOA will maintain the Acquired Assets in the same condition as existed on the effective date of this Contract, reasonable wear and tear excepted. VWPOA will be solely responsible for all expenses incurred in such maintenance. From and after the Closing Date, the Town will have the immediate and sole duty and responsibility for the operation and maintenance of the Acquired Assets. Thereafter, VWPOA will have no responsibilities for the operation and maintenance of the Acquired Assets and will have no interest in the revenues collected by the Town from and after the Closing Date.

(f) VWPOA represents and warrants to the Town that there is no discriminatory agreement between VWPOA and any customer or user of the Acquired Assets which will or may survive this Contract and be binding upon the Town. For purposes of this Contract, a discriminatory agreement is any agreement, contract or other understanding between VWPOA and any customer or user of the Acquired Assets which provides that: water service be extended and/or provided in a different manner than such service is extended and/or provided to the remaining customers or users of the Acquired Assets as to quality, quantity or any other aspect of extending and/or providing such services; or water services be provided upon the payment of a different schedule of rates, fees, charges or penalties for the provision of water services than is imposed upon the remaining customers or users of the Acquired Assets. In the event that a discriminatory agreement exists which survives this Agreement and is binding upon the Town, for a period of two (2) years following the Closing Date, VWPOA shall indemnify and hold the Town harmless from any and all damages incurred by the Town (including the reasonable costs, expenses and attorney fees) arising in whole or in part from the existence of such discriminatory agreement in an amount not to exceed the Judgment Ceiling.

6. *DEBT; DOCUMENTS; EXISTING CUSTOMERS.*

(a) It is expressly understood and agreed that, with the sole exception of VWPOA's agreements to provide water service to its individual customers through the water system comprising the Acquired Assets in existence on the Closing Date upon the payment of such fees, charges, penalties and fines as may be established in accordance with applicable law, the Town is not assuming any debt, contractual obligation, or liability of any nature or description of VWPOA except the contractual obligations listed in Exhibit E, which shall be assigned by VWPOA and assumed by Town. Except for service agreements, as described in the immediately preceding sentence, VWPOA shall remain fully and solely liable for any and all debts, obligations, or liabilities arising from VWPOA's operation of the Acquired Assets prior to the Closing Date, and VWPOA shall be responsible and hold the Town harmless from payment of any and all obligations including liability for any payment to a developer incurred prior to closing. Except as specified in Exhibit E, VWPOA has no contract to extend any portions of the Acquired Assets as of the effective date of this Contract and will not enter into such a contract without the express, written approval of the Oak Ridge Town Council. Such approval may be made subject to any condition(s) the Town Council may specify in its sole and absolute discretion.

(b) At Closing, VWPOA shall transfer all of the following documents that are in its possession: construction contracts, drawings, maps, and all other related documents evidencing the condition or location of any portion of the Acquired Assets; pending applications for water service; contracts or agreements to provide water service currently in effect; repair and maintenance records and any warranty information on any portion of said water system; revenue reports; plans, specifications, and surveys, on any planned water facilities, and a copy of any written certification provided by any developer responsible for construction of all or part of the Acquired Assets showing developer's costs for the entire water system at

each location. To the extent that such documents are in the possession of VWPOA's consultants, VWPOA shall make reasonable commercial efforts to obtain copies of such documents for Town, provided that the cost of obtaining any such documents from consultants shall be shared evenly between the Parties. Prior to closing, VWPOA shall make all the aforementioned documents within their possession available for inspection by the Town or its representatives, and further agrees to meet with the Town and/or its representatives to review operational procedures and protocols to ensure uninterrupted service to water customers in both subdivisions after ownership is conveyed from VWPOA to Town.

(c) The Town Manager, or Town designee, and an appropriate designee for VWPOA shall be authorized to determine mutually satisfactory, administrative details of the transfer of the above-referenced records, including but not limited to establishing the method for determining and rendering final water bills to customers of the Acquired Assets which are payable to VWPOA. Bills for water services provided to customers of the Acquired Assets after the Date of Transfer shall be payable to the Town. The Town shall provide reasonable assistance to VWPOA in VWPOA's efforts to collect any final, unpaid water bill of VWPOA. Such assistance will not include terminating water services to any delinquent customer or user, for failure to pay charges owing to VWPOA. To the extent authorized by applicable law, all documents and records transferred by VWPOA to the Town pursuant to this Paragraph which contain personally identifying information about VWPOA's customers are confidential records that shall be protected from disclosure and are not public records. VWPOA and the Town shall review such records prior to transfer and identify any information in VWPOA's customer records that is not collected by the Town for its water / customers. VWPOA may redact any information which the Town identifies as not collected by the Town for its water customers.

(d) Immediately upon the effective date of this Contract, but only following reasonable written notice to VWPOA, the Town will be allowed access to: inspect and review all portions of the Acquired Assets for purposes of inspecting the condition thereof; and all records of VWPOA including all contracts, drawings, and maps regarding the Acquired Assets, which are reasonably necessary to the Town in determining the condition of the Acquired Assets and VWPOA's obligation under this Contract including, without limitation, all records relating to the operation and maintenance of the Acquired Assets within their possession.

(e) Immediately upon the effective date of this Contract, VWPOA agrees to produce to Town Manager or designee (1) all of the operation and maintenance (0 & M) manuals for any equipment at these locations (wells, pumps, chlorinators, etc. within their possession, and (2) any and all information on past testing and sampling, current requirements for same, and information related to the current frequency and approved sampling locations at each location.

7. *NEW SERVICE ACCOUNTS AFTER TRANSFER.* After the Closing Date, all requests for new service installations to the Acquired Assets must be made directly to the Town. Prior to the Closing Date, all requests for new service installations to the Acquired Assets shall continue to be made directly to VWPOA and all decisions with respect to the ability to provide new service installations shall be made by VWPOA in its sole discretion. In accordance with Section 3, the purchase price shall be established prior to execution of the contract and no change in the purchase price as a result of the customary addition or deletion of individual customers during the period between Contract execution and Closing will be allowed. Both the Town and VWPOA also agree not to take any actions that could cause a significant change in the customer number during this period, unless mutually agreed in writing by the parties. VWPOA agrees to provide, or otherwise cooperate with the Town in providing, information to interested persons and to customers or users of the Acquired Assets concerning acquisition of the Acquired Assets by the Town and applicable procedures

for requesting service from the Town.

8. *NO EXISTING LIABILITY FOR REFUNDS OR CREDITS.* VWPOA represents that no customer or user of the water system comprising the Acquired Assets will be entitled to any refund or credit arising from a deposit or advance payment for water service made to VWPOA prior to the Closing Date. To the extent VWPOA discovers before or after the Closing Date that a customer is entitled to a deposit, credit or any other payment, VWPOA is obligated to refund it directly to the customer. Under no circumstance is Town obligated to pay to customer any deposit, credit or other payment owed to customer by VWPOA.

9. *MISCELLANEOUS PROVISIONS.*

(a) This Contract is made in the State of North Carolina and must be construed under the laws of the State of North Carolina and without regard to North Carolina. Any dispute arising out of this Agreement shall be decided by a court of competent jurisdiction in Guilford County, North Carolina.

(b) This Contract is the entire agreement among the parties. There are no terms or conditions to this Contract which are not expressly set forth herein. This Contract may not be Amended except by a written document signed by an authorized official of each party.

(c) This Contract is binding upon the assigns and successors-in-interest of the parties and upon all corporations, partnerships. joint ventures or other legal entities which own or otherwise control a party, or are owned by or otherwise controlled by a party.

(d) This Contract shall not be construed to create any rights in any entity that is not a party to this Contract. All portions of this Contract shall be enforceable by each party against the other party. If any provision contained in this Contract which by its nature and effect is required to be observed, kept, or performed after the transfer herein required, it shall survive such transfer and remain binding upon and for the benefit of the parties hereto until fully observed, kept, or performed.

This the __ day of _____, 20_____.

VILLAGE WOODS PROPERTY OWNERS ASSOCIATION

By:_____
Vice/President

ATTEST:

_____
Corporate Secretary

TOWN OF OAK RIDGE

By:_____
Mayor

ATTEST:

_____
Town Clerk

[Town seal]

[corporate seal]