



**Town of Clayton  
Regular Town Council Meeting Agenda  
Tuesday, January 21, 2020 @ 6:00 PM  
Council Chambers**

**1. CALL TO ORDER**

Pledge of Allegiance and Invocation

**2. ADJUSTMENT OF THE AGENDA**

**3. CONSENT AGENDA**

*(Items on the consent agenda are considered routine in nature or have been thoroughly discussed at previous meetings. Any member of the Council may request to have an item removed from the consent agenda for further discussion.)*

- a. Draft Minutes
  - January 6, 2020 - Closed Session
  - January 6, 2020 - Regular Session
- b. Proclamation - "All In Red Week" - February 7 - 14, 2020  
[Proclamation](#)
- c. Warranty Acceptance
  - Gordon Park, Phase 3
  - Ashcroft Subdivision, Phase 4A[Gordon Park, Phase 3](#)  
[Ashcroft Subdivision, Phase 4A](#)

**POTENTIAL ACTION:** Adoption of Consent Agenda as Presented

**4. ADMINISTRATIVE ITEMS**

**5. INTRODUCTIONS AND SPECIAL PRESENTATIONS**

- a. New Employee Introductions  
*Presenters:* Blair Myhand - Police Chief, Samantha Wullenwaber - Planning Director & Michael Tutwiler - GIS Coordinator
  - Lara Keating-Lopez, Administrative Support Assistant
  - Sharon Sharpe, Planner
  - Ben Paynter, GIS Technician[Cover](#)
- b. Audit Presentation  
*Presenter:* Robert McKie, Finance Director  
[Cover](#)  
[NCGS 159-34](#)  
[Audit Manual](#)

[Audit Timeline](#)  
[ChecklistMunicipalities](#)  
[Workpaper Index](#)  
[Audit Information Letter](#)  
[2019 Audit Presentation](#)

## 6. PUBLIC HEARINGS

- a. FY '20-21 Budget Public Input  
*Presenter:* Adam Lindsay, Town Manager  
[Newspaper Ad](#)  
[Budget Calendar](#)  
  
**POTENTIAL ACTION:** Receive Public Input
- b. 2019-243-OA - Code of Ordinance Amendment - Unified Development Ordinance - §155.400 (Access)  
*Presenter:* Samantha Wullenwaber, Planning Director  
[Cover](#)  
[Application - 2019-243-OA - Access - Sidewalk Strikethrough Copy](#)  
[Clean Copy](#)  
[Planning Board Recommendation](#)  
[Newspaper Ad](#)  
[Staff Report](#)  
[Consistency Statement](#)  
[Motion Form](#)  
[Ordinance](#)  
  
**POTENTIAL ACTION:** Adoption of Ordinance #2020-01-05

## 7. OLD BUSINESS

- a. Wastewater Allocation Policy  
*Presenter:* Rich Cappola, Public Services Director  
[Cover](#)  
[Wastewater Allocation Policy 2019 DRAFT - Strikethrough](#)  
[Wastewater Allocation Policy 2019 DRAFT - Clean](#)  
[Wastewater Allocation Score Sheet](#)  
[Resolution](#)  
  
**POTENTIAL ACTION:** Adoption of Resolution #2020-02

## 8. NEW BUSINESS

- a. Code of Ordinance Amendment - Chapter 53 - Backflow  
*Presenter:* Brandon Carroll, Utilities Compliance Technician  
[Cover](#)  
[Current Chapter 53](#)  
[Proposed Chapter 53](#)  
[Ordinance](#)  
  
**POTENTIAL ACTION:** Adoption of Ordinance #2020-01-06

- b. EDA Grant Resolution  
*Presenter:* Rich Cappola, Public Services Director  
[Cover](#)  
[EDA Grant Synopsis](#)  
[Resolution](#)

**POTENTIAL ACTION:** Adoption of Resolution #2020-03

## 9. STAFF REPORTS

- a. Town Manager
- b. Town Attorney
- c. Town Clerk
- d. Other Staff
  - Digital Meters Update  
*Presenter:* Ann Game, Customer Service Director  
[AMI Update](#)

## 10. OTHER BUSINESS

- a. Informal Discussion & Public Comment
- b. Council Comments

## 11. ADJOURNMENT

Quasi-Judicial (evidentiary) – These hearings are different from other public hearings in that they resemble a court hearing where testimony is presented and the Town Council acts like a court of law. During evidentiary hearings, the Town Council receives only sworn testimony and other credible evidence. In addition, the Town Council must make findings of fact based upon the evidence presented. Citizens may give testimony in an evidentiary hearing after they have taken an oath.

## *P*roclamation

**Whereas**, February 7, 2020 marks the launch of an 8-day County wide heart health awareness campaign called “**ALL IN RED WEEK**”, presented by Johnston Health and Dr. Eric Janis & the Janis Family Fund, and organized by the Johnston Health Foundation; and

**Whereas**, heart disease is the leading cause of death in the United States, North Carolina and Johnston County; and

**Whereas**, per the Center for Disease Control and Prevention (CDC), 80% of cases are preventable through education, resources and prevention; and

**Whereas**, per the 2019 Johnston County Community Health Needs Assessment, significant health needs identified are: Access to Health Services, Economy, Exercise, Nutrition & Weight and Heart Disease & Stroke; and

**Whereas**, per the 2019 Johnston County Community Health Needs Assessment Implementation Plan, Heart Disease and Stroke are on the top 5 health priorities in this county; and

**Whereas**, education on early screening and access to resources for quality treatment is important; and

**Whereas**, the financial challenges of a heart patient in need is enormous and assistance from individuals and organizations will go a long way; and

**Whereas**, the campaign invites all of Johnston County and Clayton residents, business owners and visitors to participate in this initiative by wearing **RED** on February 7, 2020 which is National Wear Red Day, and/or run a **RED** promo or fundraiser from February 7-14; and

**Whereas**, all funds raised within this campaign period will benefit local heart patients in need through the Johnston Health Foundation’s Heart Fund; and

**Whereas**, the **ALL IN RED WEEK** supports Johnston Health’s mission to improve the lives of the people in its communities, and the Johnston Health Foundation’s mission to “Bridge the Gap to Provide Quality Healthcare Close to Home”; and

**Whereas**, the **ALL IN RED WEEK** is an opportunity to increase heart health awareness and the growing needs of local heart patients, and to encourage support not just from our county, but from residents in neighboring communities; and



***Whereas***, on this day, we recognize heart disease and stroke survivors, those battling the disease, their families who are their source of love and encouragement, and applaud the efforts of our medical professionals who provide quality care; and

***NOW, THEREFORE***, the Clayton Town Council does hereby proclaim February 7-14, 2020 as **"ALL IN RED WEEK "** and encourages businesses, industries and citizens in the community to support and participate in this event.

Duly proclaimed this 21<sup>st</sup> day of January 2020, while in regular session.

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Jody McLeod  
Mayor

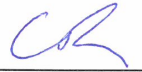


**TOWN OF CLAYTON**  
**Engineering & Inspections**  
111 E. Second St., P.O. Box 879  
Clayton, NC 27528  
Phone: 919-553-5002  
Fax: 919-553-1720

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## *MEMORANDUM*

To: Kimberly Moffett, Town Clerk

From: Chris Rowland, Construction Project Administrator 

Copy: Jonathan Barnes, Dalton Engineering  
Karen Durham, Engineering & Inspections Coordinator

Date: December 27, 2019

Subject: Gordon Park, Phase 3

Please place a warranty acceptance request for the subject public water, sewer, associated storm drainage utilities, roadway sections, and all pertinent easements on the next available agenda. Record drawings have been reviewed and accepted. Following acceptance, the utilities and roadways will be subject to a one-year warranty period. Following warranty expiration, a final inspection will be done with all deficient items corrected by the developer prior to final acceptance.



**TOWN OF CLAYTON**  
**Engineering & Inspections**  
111 E. Second St., P.O. Box 879  
Clayton, NC 27528  
Phone: 919-553-5002  
Fax: 919-553-1720

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*MEMORANDUM*

To: Kimberly Moffett, Town Clerk

From: Chris Rowland, Construction Project Administrator 

Copy: Donnie Adams, Adams & Hodge Engineering  
Karen Durham, Engineering & Inspection Coordinator

Date: January 10, 2020

Subject: Ashcroft Subdivision, Phase 4A

Please place a warranty acceptance request for the subject public water, sewer, storm drainage utilities, and all pertinent easements on the next available agenda. Record drawings have been reviewed and accepted. Following acceptance, the aforementioned will be subject to a one-year warranty period. Following the warranty, a final inspection will be done and all deficient items corrected by the developer prior to final acceptance.



## Town Council Agenda Cover Sheet

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**Meeting Date**

January 21, 2020

**Agenda Location**

Introductions & Special Presentations

**Item Title**

Introduce new PD employee Lara Keating-Lopez

**Presenter**

Blair Myhand, Chief of Police

**Summary/Description**

To introduce Lara Keating-Lopez as a new civilian employee for the Police Department

**Requested Action**

Informational Only

**Funding Source (If Applicable):**

N/A

**Cost:** N/A   Yes ☐   No ☒

**Additional Documents to be Included in Agenda Packet**

**Meeting Timeline**

Click or tap here to enter text.



## Town Council Agenda Cover Sheet

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**Meeting Date**

January 21, 2020

**Agenda Location**

Introductions & Special Presentations

**Item Title**

2019 Audit Report

**Presenter**

Robert McKie, Finance Director

**Summary/Description**

The Finance Director will present the financial results for the fiscal year ended June 30, 2019 in conjunction with an analysis of key growth rates and financial benchmarks and an overview of the audit process.

**Requested Action**

Informational Only

**Funding Source (If Applicable):**

**Cost:** N/A    Yes ☐    No ☐

**Additional Documents to be Included in Agenda Packet**

2019 CAFR  
Key Growth Rates & Policy Compliance  
Audit Information Letter

**Meeting Timeline**

Click or tap here to enter text.

**§ 159-34. Annual independent audit; rules and regulations.**

(a) Each unit of local government and public authority shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. When specified by the secretary, the audit shall evaluate the performance of a unit of local government or public authority with regard to compliance with all applicable federal and State agency regulations. This audit, combined with the audit of financial accounts, shall be deemed to be the single audit described by the "Federal Single Audit Act of 1984". The auditor shall be selected by and shall report directly to the governing board. The audit contract or agreement shall (i) be in writing, (ii) include the entire entity in the scope of the audit, except that an audit for purposes other than the annual audit required by this section should include an accurate description of the scope of the audit, (iii) require that a typewritten or printed report on the audit be prepared as set forth herein, (iv) include all of its terms and conditions, and (v) be submitted to the secretary for his approval as to form, terms, conditions, and compliance with the rules of the Commission. As a minimum, the required report shall include the financial statements prepared in accordance with generally accepted accounting principles, all disclosures in the public interest required by law, and the auditor's opinion and comments relating to financial statements. The audit shall be performed in conformity with generally accepted auditing standards. The finance officer shall file a copy of the audit report with the secretary, and shall submit all bills or claims for audit fees and costs to the secretary for his approval. Before giving his approval the secretary shall determine that the audit and audit report substantially conform to the requirements of this section. It shall be unlawful for any unit of local government or public authority to pay or permit the payment of such bills or claims without this approval. Each officer and employee of the local government or local public authority having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and shall divulge such information relating to fiscal affairs as he may request. If any member of a governing board or any other public officer or employee shall conceal, falsify, or refuse to deliver or divulge any books, records, or information, with an attempt thereby to mislead the auditor or impede or interfere with the audit, he is guilty of a Class 1 misdemeanor.

(b) The Local Government Commission has authority to issue rules and regulations for the purpose of improving the quality of auditing and the quality and comparability of reporting pursuant to this section or any similar section of the General Statutes. The rules and regulations may consider the needs of the public for adequate information and the performance that the auditor has demonstrated in the past, and may be varied according to the size, purpose or function of the unit, or any other criteria reasonably related to the purpose or substance of the rules or regulation.

(c) Notwithstanding any other provision of law, except for Article 5A of Chapter 147 of the General Statutes pertaining to the State Auditor, all State departments and agencies shall rely upon the single audit accepted by the secretary as the basis for compliance with applicable federal and State regulations. All State departments and agencies which provide funds to local governments and public authorities shall provide the Commission with documents that the Commission finds are in the prescribed format describing standards of compliance and suggested audit procedures sufficient to give adequate direction to independent auditors retained by local governments and public authorities to conduct a single audit as required by this section. The secretary shall be responsible for the annual distribution of all such standards of compliance and suggested audit procedures proposed by State departments and agencies and any amendments thereto. Further, the Commission with the cooperation of all affected State departments and agencies shall be responsible for the following:

- (1) Procedures for the timely distribution of compliance standards developed by State departments and agencies, reviewed and approved by the Commission to auditors retained by local governments and public authorities.
- (2) Procedures for the distribution of single audits for local governments and public authorities such that they are available to all State departments and agencies which provide funds to local units.
- (3) The acceptance of single audits on behalf of all State departments and agencies; provided that, the secretary may subsequently revoke such acceptance for cause, whereupon affected State departments and agencies shall no longer rely upon such audit as the basis for compliance with applicable federal and State regulations. (1971, c. 780, s. 1; 1975, c. 514, s. 15; 1979, c. 402, s. 9; 1981, c. 685, ss. 8, 9; 1987, c. 287; 1993, c. 257, s. 20; c. 539, s. 1081; 1994, Ex. Sess., c. 24, s. 14(c); 2001-160, s. 1.)



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## Department of State Treasurer – Audit Manual for Local Governments

Authoritative Accounting and Auditing and Other Professional Resources

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### Introduction

The following is a discussion of the hierarchy of authoritative accounting sources and a list of publications and other resources the independent auditor may need in conducting financial and compliance audits for units of local government, public authorities and local school administrative units in North Carolina.

### Hierarchy of Authoritative Sources

It should be noted that the Governmental Accounting Standards Board (GASB) is the primary authoritative source of generally accepted accounting principles for state and local governments. The GASB is the successor organization to the National Council on Governmental Accounting (NCGA). According to GASB Statement No. 1, all of the statements and interpretations promulgated by the NCGA and in effect at the issuance of GASB Statement No. 1 are still considered to be in effect until altered, amended or superseded by the GASB. GASB is designated by the Council of the American Institute of Certified Public Accountants as the body to establish financial accounting principles for state and local entities pursuant to rule 203 of the AICPA's Code of Professional Conduct (ET section 203.1).

GASB statements and interpretations are considered the highest than any other source of authoritative guidance for state and local governments. [GASB Statement No. 76, \*The Hierarchy of General Accepted Accounting Principles for State and Local Governments\*](#), (effective for periods beginning after June 15, 2015), has identified various sources and has arranged them into two-levels:

- a. Officially established accounting principles – GASB Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B)

Category A standards, including GASB Interpretations previously issued and currently in effect, are subject of the Accounting Principles Rule of the AICPA's Code of Professional Conduct. GASB Statement No. 76 does not affect the application of that rule.

Authoritative material from the GASB Implementation Guides is incorporated periodically into GASB's *Comprehensive Implementation Guide*, and when presented in the *Comprehensive Implementation Guide*, this material retains its authoritative status.

In addition, literature specifically made applicable to state and local governmental entities contains a statement that indicates that it has been cleared by the GASB in accordance with the GASB's Rules of Procedure.

Sources of nonauthoritative accounting literature include GASB Concepts Statements; pronouncements and other literature of the Financial Accounting Standards Board, Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks, and articles.





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The issuance of SAS No. 69, that has since been withdrawn, caused some confusion among financial statement preparers and auditors about the applicability of FASB pronouncements to the accounting and financial reporting for proprietary activities. The issuance of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* addresses this issue. Previously, GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, stated that proprietary fund activities should apply all applicable GASB pronouncements as well as FASB

Statements and Interpretations, APB Opinions, and Accounting Research Bulletins, if these pronouncements were issued on or before November 30, 1989 and did not conflict or contradict GASB guidance. GASB Statement No. 20, paragraph 7, gave units two options in applying the hierarchy rule: the unit could apply all FASB guidance issued subsequent to November 30, 1989 (unless this guidance conflicts or contradicts with GASB guidance) or the unit may elect to apply none of the FASB guidance issued subsequent to that cutoff date. With the issuance of GASB Statement No. 62, this election has been eliminated. However, those units can continue to apply post-November 30, 1989 FASB pronouncements that do not conflict or contradict GASB pronouncements.

Authoritative auditing guidance relevant to governmental units may be found in pronouncements that apply to both those specific to governmental units, such as GASB Statements mentioned earlier and nongovernmental entities. The AICPA's Statements on Auditing Standards (SASs) and the AICPA *Code of Professional Conduct* are generally applicable to governmental audits. Within this general AICPA literature are some documents specific to governmental units. Specific auditing literature has been issued by the U.S. Congress, the U.S. Government Accountability Office (GAO), and the Offices of Management and Budget. It is recommended that audit firms have a system in place to ensure staff members are informed about relevant, current authoritative literature.

### **Applicable Reference Materials**

The following is a listing of publications and other sources of information that the independent auditor and others may find useful.

#### **General Assembly of North Carolina**

Web site: <http://www.ncga.state.nc.us>

Web site provides links to the [North Carolina General Statutes](#), the [North Carolina Session Laws](#) and the [North Carolina State Constitution](#). Local government finance is included in [Chapter 159](#) of the North Carolina General Statutes.

#### **North Carolina Department of State Treasurer Publications Web site:**

<http://www.nctreasurer.com/>

For Local Government Commission (LGC) information, under divisions, select "State and Local Government" then "Local Fiscal Management" for links to the following reference materials:

[Policies Manual for Local Governments](#)



## **Department of State Treasurer – Audit Manual for Local Governments**

Authoritative Accounting and Auditing and Other Professional Resources

### **North Carolina Department of State Treasurer Publications (Continued)**

[Audit Manual](#)

[Sample Financial Statements](#)

[Single Audit Resources](#)

[County and Municipal Fiscal Analysis](#) -a management tool that helps local governments in North Carolina analyze and communicate their financial condition

[County and Municipal Financial Data](#)-provides information on how counties and municipalities receive and expend funds on a functional basis

#### **“The State Single Audit Implementation Act”**

**The State Single Audit Implementation Act** is codified at [G.S. 159-34\(c\)](#) - Annual Independent Audit; Rules and Regulations

#### **State Compliance Supplements:**

State Compliance Supplements are available at [Single Audit Resources](#).

#### **Contact information:**

Fiscal Management Section

N.C. Department of State Treasurer 3200 Atlantic Avenue, Longleaf Building  
Raleigh, North Carolina 27604

Telephone: 919-814-4299 Fax: 919-855-5812

### **Department of Public Instruction publications**

Web sites: <http://www.ncpublicschools.org>  
<http://www.ncpublicschools.org/fbs/finance/>  
<http://www.ncpublicschools.org/fbs/charterschools/>

Available reference materials include:

*North Carolina Public School Laws (Through the [2017 Session](#))*

[Financial Guide for Charter Schools](#)

#### **Contact information:**

NCDPI Publications 6306 Mail Service Center Raleigh, NC 27699-6306

Telephone: 919-807-3470 **OR** 800-663-1250 (toll free inside North Carolina)

Fax: 919-807-3481

E-mail: [publications@dpi.nc.gov](mailto:publications@dpi.nc.gov)

Ordering Information: <http://www.ncpublicschools.org/publications/>

Financial and Business Services [Directory](#)



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### **Governmental Accounting Standards Board (GASB) publications**

Web site: <http://www.gasb.org/>

#### **Contact information:**

Governmental Accounting Standards Board 401 Merritt 7  
P.O. Box 5116  
Norwalk, Connecticut 06856-5116

Telephone: 203-847-0700 Fax: 203-849-9714  
Telephone, Order Dept: 800-748-0659 Fax: 203-847-6045  
E-mail: [gasbpubs@gasb.org](mailto:gasbpubs@gasb.org)

### **Statements on Auditing Standards (SAS) and related auditing interpretations**

Web site: <http://www.aicpa.org/Publications/AuthoritativeStandards/Pages/default.aspx>

Through the Clarity Project, the AICPA's Auditing Standards Board (ASB) issued changes resulting from its effort to clarify the U.S. generally accepted auditing standards (GAAS). This project sought to use standard methods to organize, format and clarify GAAS so they are easier to read, understand and implement. At the same time, the group merged these standards with the International Standards on Auditing. As a result, SAS No. 122 *Statements on Auditing Standards: Clarification and Recodification* was issued. Note in the clarified standards that "AU-C" section numbers are used instead of the normal "AU" section numbers.

*The AICPA Professional Standards*, offered in a variety of formats, contains all of the outstanding pronouncements on professional standards issued by the AICPA and the Public Company Accounting Oversight Board Standards. *Codification of Statements on Auditing Standards*, as of January 2016, includes the latest amendments and conforming changes for statements on auditing standards (SAS) and standards for attestation engagements (SSAE).

**AU-C sections are listed here:** [Clarified Statements on Auditing Standards](#)

#### **Industry Audit Guides and Other Publications offered by the AICPA:**

*State and Local Governments - AICPA Audit and Accounting Guide (2017)*

*Government Auditing Standards and Single Audits - AICPA Audit Guide (2017)*

*Government Auditing Standards and Single Audit Developments - Audit Risk Alert (2016/17)*

*2011 Yellow Book Independence-Non Audit Services Documentation Practice Aid – (2012)*

*Health Care Entities- AICPA Audit and Accounting Guide (2016)*



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Authoritative Accounting and Auditing and Other Professional Resources

### **Contact information:**

American Institute of Certified Public Accountants  
220 Leigh Farm Road  
Durham, NC 27707-8110

Telephone: 888-777-7077 **OR** 919-402-4500 Fax: 800-362-5066  
E-mail: [service@aicpa.org](mailto:service@aicpa.org)  
Order online: <http://cpa2biz.com>

### **Financial Accounting Standards Board (FASB)**

Web site: <http://www.fasb.org>

Available reference materials include:

FASB [Codification Bound Edition- Four Volumes and online \(October 31, 2016\)](#)

### **Contact Information:**

Financial Accounting Standards Board 401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Telephone: 203-847-0700 Fax: 203-849-9714

For online store:

Telephone: 800-748-0659 Fax: 203-847-0700

E-mail: [fasbps@fasb.org](mailto:fasbps@fasb.org)

Order online: <https://www.fasb.org/store> (free download of FASB

Pronouncements and free access to the FASB Accounting Standards Codification® Basic View)

### **Governmental Accountability Office (GAO) Publications**

Web site: <http://www.gao.gov/>

Available reference materials include:

*Government Auditing Standards*, issued by the Comptroller General of the United States (Revised December 2011) (GAO-12-331G) (commonly referred to as “The Yellow Book”)

The printed or e-book version of the December 2011 revision of *Government Auditing Standards* can be ordered online through the [U.S. Government Bookstore](#) or by calling 202-512-1800 or 866-512-1800.

For questions related to Government Auditing Standards:

Telephone: 202-512-9535

E-mail: [yellowbook@gao.gov](mailto:yellowbook@gao.gov)



## **Department of State Treasurer – Audit Manual for Local Governments**

Authoritative Accounting and Auditing and Other Professional Resources

### **Governmental Accountability Office (GAO) Publications (Continued)**

For a pdf copy of The Yellow Book and for links to numerous important and helpful Yellow Book resources, many of which are available only electronically, go to: [www.gao.gov/govaud/ybk01.html](http://www.gao.gov/govaud/ybk01.html)

The Government Auditing Standards resources available include the following:  
Summary of Major Changes/Listing of Technical Changes:

*Government Auditing Standards, 2017 Exposure Draft*, issued by the Comptroller General of the United States (GAO-17-313SP, April 2017)

*Government Auditing Standards: Guidance on GAGAS Requirements for Continuing Professional Education* (GAO-05-568G, April 2005)

The United States Code codifies the general and permanent laws of the United States. It may be searched by citation, popular name, public law, etc: <https://www.gpo.gov/fdsys/browse/collectionUSCode.action?collectionCode=USCODE>

Single Audit Act of 1984 (31 U.S.C. 7501-7507)

Single Audit Act Amendments of 1996 (Public Law 104-56)

Federal Financial Management Improvement Law of 1996 (Public Law 104-208)

The Catalog of Federal Domestic Assistance (CFDA), which is maintained by the General Services Administration, provides a full listing of all Federal programs available to State and local governments.

Web site: <https://www.cfda.gov/>

### **Contact Information:**

Superintendent of Documents  
U. S. Government Printing Office

Web site: <http://www.gpo.gov/>

Telephone: 202-512-1800 OR 866-512-1800 Fax: 202-512-2104

Ordering Information: <http://bookstore.gpo.gov/help/ordering.jsp>

E-mail: [gpoaccess@gpo.gov](mailto:gpoaccess@gpo.gov)

### **U. S. Office of Management and Budget (OMB) Documents**

Web site: [https://www.whitehouse.gov/omb/grants\\_docs](https://www.whitehouse.gov/omb/grants_docs)

The Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") was officially implemented December 26, 2014. The Uniform Guidance was drawn from the previous OMB circulars. The full text of the OMB Uniform Guidance can be found at this link: [eCFR — Code of Federal Regulations](#)



## **Department of State Treasurer – Audit Manual for Local Governments**

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### **U. S. Office of Management and Budget (OMB) Documents (Continued)**

OMB designated the Census Bureau as the National Clearinghouse (or Federal Audit Clearinghouse or FAC) for the receipt of Single Audit Reports from state and local governments. The FAC serves as the central collection point and repository for audit reports prepared and submitted under provisions of the Single Audit Act of 1984 (amended in 1996) and [Uniform Guidance](#).

Information regarding submission of Single Audit Reports to the Federal Audit Clearinghouse, as well as links to additional Single Audit reference materials, is available at the following website: <https://harvester.census.gov/facdissem/main.aspx>

#### **Contact Information:**

The Office of Management and Budget  
725 17th Street, NW  
Washington, D.C. 20503

Telephone: 202-395-3080 Fax: 202-395-3888

Federal Audit Clearinghouse:

Telephone: [866-306-8779](tel:866-306-8779)

### **U.S. Department of Housing and Urban Development (HUD) Documents**

Web site: <http://portal.hud.gov/hudportal/HUD>

The HUD Real Estate Assessment Center's (REAC) mission is to provide and promote the effective use of accurate, timely and reliable information assessing the condition of HUD's portfolio; to provide information to ensure safe, decent and affordable housing; and the restore the public trust by identifying fraud, abuse and waste of HUD resources.

Available reference materials include:

HUD PHA GAAP Conversion Guide (Updated January 31, 2000)-assist public housing authorities in converting their annual financial statements from HUD's basis of accounting to GAAP: [http://www.hud.gov/offices/reac/pdf/fass\\_gaapcon.pdf](http://www.hud.gov/offices/reac/pdf/fass_gaapcon.pdf)

Real Estate Assessment Center Documents and Guidance including current versions of the following publications:

[External User Guide](#)- Provides information to facilitate the required electronic submission of Financial Data Schedules (FDS) and supplemental Data Collection Forms (DCF) under the Financial Assessment Subsystem for Public Housing Authorities

[Financial Data Schedule Line Definition Guide for Fiscal Year Ending June 30 2008 and later \(Updated May 2012\)](#)

[Guidelines and Reporting and Attestation Requirements of Uniform Financial Reporting Standards-UFRS \(Updated May 2002\)](#)



## **Department of State Treasurer – Audit Manual for Local Governments**

Authoritative Accounting and Auditing and Other Professional Resources

### **U.S. Department of Housing and Urban Development (HUD) Documents (Continued)**

Public Housing Authority GAAP Flyers- A series of brief discussions of accounting issues specifically affecting public housing authorities:

[GAAP Flyers No.1 through No.6](#)

Accounting Briefs- A series of brief discussions of auditing issues specifically affecting public housing authorities:

[Accounting Briefs No.1 through No.13](#)

#### **Contact Information:**

U.S. Department of Housing and Urban Development (HUD)  
451 7<sup>th</sup> Street, SW  
Washington DC 20410

Telephone: 202-708-1122

Public and Indian Housing-Real Estate Assessment Center Technical Assistance:

U.S. Department of Housing and Urban Development (HUD)

Office of Public and Indian Housing

Real Estate Assessment Center

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Washington, DC 20410

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Web site: [www.hud.gov/offices/reac/index.cfm](http://www.hud.gov/offices/reac/index.cfm)

E-mail: [REAC\\_TAC@hud.gov](mailto:REAC_TAC@hud.gov)

### **Government Finance Officers Association (GFOA) Publications**

Web site: <http://www.gfoa.org/>

A variety of publications and reference materials are available. The GFOA has also developed body of recommended practices in the functional areas of public finance.

Some of the reference materials and publications include the following:

[Governmental Accounting, Auditing, and Financial Reporting](#), Gauthier  
(2014 edition) (Known as the “Blue Book”)

*What Everyone Needs to Know About the New Fund Balance*, Gauthier, (2009)

Best Practices and Advisories: [\(Best Practices\)](#)

#### **Contact Information:**

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Telephone: 312-977-9700



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## ***Department of State Treasurer – Audit Manual for Local Governments***

Authoritative Accounting and Auditing and Other Professional Resources

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### **School of Government Publications**

Web Site: <http://www.sog.unc.edu/>

The School of Government at the University of North Carolina at Chapel Hill offers a wide variety of publications, courses, programs and services of interest to local government elected officials, managers and others. A [Faculty and Staff Directory](#) including areas of specialization and contact information is provided.

Publications may be available in PDF format, in loose-leaf format, or CD-ROM, or as view-only PDF files (which you may view on your computer and save for future viewing, but will not be able to print), and in some cases as free PDF files. These publications can be found at the following links: [Local Government Finance](#), [Purchasing and Contracting](#)

### **Contact Information**

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Chapel Hill, North Carolina 27599-3330

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## TOWN OF CLAYTON AUDIT TIMELINE

| AUDIT COMPONENT            | Jul                                                                             | Aug | Sep                                               | Oct                                                           | Nov                   | Dec | Jan | Feb | Mar | Apr | May | Jun                      |
|----------------------------|---------------------------------------------------------------------------------|-----|---------------------------------------------------|---------------------------------------------------------------|-----------------------|-----|-----|-----|-----|-----|-----|--------------------------|
| Collaboration with Auditor | Communication and Information Sharing                                           |     |                                                   |                                                               |                       |     |     |     |     |     |     |                          |
| Audit Workbook             | Cash, A/R, Payroll, Taxes, A/P, Debt, Fixed Assets, Inventory, Utilities, Misc. |     |                                                   |                                                               |                       |     |     |     |     |     |     |                          |
| Yearend Fieldwork          | Municipal Checklist                                                             |     |                                                   |                                                               |                       |     |     |     |     |     |     |                          |
| Audit Report               |                                                                                 |     | Financial Statements, Notes, RSI, & Single Audits | Financial Statements, Notes, RSI, Single Audits, & LGC Filing |                       |     |     |     |     |     |     |                          |
| CAFR                       |                                                                                 |     |                                                   |                                                               | Compile & GFOA Filing |     |     |     |     |     |     |                          |
| Preliminary Fieldwork      |                                                                                 |     |                                                   |                                                               |                       |     |     |     |     |     |     | Inventory & Fixed Assets |

## Financial Reporting Checklist for North Carolina Municipalities

The checklist below is provided as a supplement to other audit programs and checklists that already address compliance with generally accepted accounting principles or federal programs. This checklist addresses issues within the context of the North Carolina Local Government Budget and Fiscal Control Act (LGBFCA) that are *specific* to local government audits in North Carolina and the presentation of the audited financial statements. Also, many of the following items will be used in compiling comparative statistical data reports, which will be published statewide in the spring, following the receipt of the audits. Other audit procedures are included based upon prior years' audit reviews results. Many of the steps and procedures below are interrelated and may be done in conjunction with other audit procedures. Please refer to the Audit Manual web-site on the NC Department State Treasurer's web-site [https://www.nctreasurer.com/slg/lfm/audit\\_acct/Pages/Audit-Manual.aspx](https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/Audit-Manual.aspx) for an audit program focusing on the auditee's compliance with the LGBFCA and internal control environment. *Please read the suggested procedures before beginning the audit work.* Note that the LGBFCA is applicable to all units of local government and public authorities in North Carolina. References to "the unit" or "the local government" are not meant to, and do not, exclude public authorities, or auditors of public authorities, from using the following suggested audit procedures, as appropriate. This checklist is not intended to be all-inclusive; professional judgment should be used in determining the extent of tests and the use of procedures not included herein. A full understanding of the LGBFCA is essential to a thorough audit of a local government or public authority in North Carolina. A copy of the LGBFCA may be ordered from the Institute of Government. The General Statutes of North Carolina are also available on the website of the North Carolina General Assembly, [NCGA General Statutes - Chapter 159](#). The auditor should use professional judgment if any results of these checklist items suggest that a statutory violation has occurred. The auditor should consult with the unit's legal representative to determine if a violation of North Carolina law has actually occurred.

Some terminology has been revised for current GASB Statements. Users should consider whether the suggested procedure is of benefit as they audit.

| <b>Municipal Checklist</b> |                                                                                                                                                                                                                                                                                                                                                                                                                |                    |                     |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
|                            | Suggested Procedure / Checklist item                                                                                                                                                                                                                                                                                                                                                                           | Performed By or NA | Workpaper Reference |
|                            | <b>Independent Auditor's Report</b>                                                                                                                                                                                                                                                                                                                                                                            |                    |                     |
|                            | Does the report include Independent Auditors Report on the top of the first page? (AU-C 700, ¶.23). Is the report signed (stamped or manual signature), dated, and is the firm's city included? (AU-C 700, ¶.39,.41) It is preferred that the opinion is presented on the firm's letterhead.                                                                                                                   |                    |                     |
|                            | If other auditor(s) audit a component and the group engagement partner does not want to assume responsibility for the work of the component auditor, is (are) other auditor(s) referenced in the auditor's responsibility paragraph and opinion paragraph? (AU-C 600, ¶.28)                                                                                                                                    |                    |                     |
|                            | If other auditor(s) is (are) referenced and the audit was performed using yellow book standards, is there a statement that the DCU(s), not audited by the group auditor and not subject to yellow book standards (ABC Boards and TDAs), was (were) not performed under yellow book standards? (AICPA GAS/UG ¶4.74, ¶4.75).                                                                                     |                    |                     |
|                            | Opinion paragraph includes applicable references for the following: unmodified opinion, opinion units (as listed in the first paragraph and presented in the financial statements), budgetary comparison statements (General Fund and annually budgeted major Special Revenue funds presented in the basic financial statements), and cash flows (if cash flow statement is presented for enterprise fund(s)). |                    |                     |
|                            | Is an Other Matters paragraph included for Required Supplementary Information presented for MD&A and any other statements that have RSI Law Enforcement Officers' Special Separation Allowance (LEOSSA) Other Post Employment Benefit (OPEB), or the Local Government Employee Retirement System (LGERS)?                                                                                                      |                    |                     |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | If an Other Matters paragraph for Supplementary Information is presented, does it properly reference the appropriate schedules? Most commonly referenced are combining and individual fund financial statements, budgetary schedules, other schedules (ad valorem tax schedules), and schedule of expenditures of federal and State awards.                                                                                                                |  |  |
|  | If there has been a change in accounting principle that has a material effect on comparability of the financial statements, a paragraph headed "Change in Accounting Principle" should be added after the Opinion paragraph. (AU-C 708.08)                                                                                                                                                                                                                 |  |  |
|  | If the auditor's report is subject to other reporting responsibilities, such as Governmental Auditing Standards, a paragraph subtitled "Report on Other Legal and Regulatory Requirements" or otherwise as appropriate to the content of the section. For yellow book audits, an appropriate subtitle should be "Other Reporting Required by Governmental Auditing Standards." (AU-C ¶700.37)                                                              |  |  |
|  | Report date & date of compliance reports are the same. If not, is there dual dating of the reports?                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | <b>Management Discussion and Analysis (MD&amp;A)</b>                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Is MD&A presented preceding the basic financial statements and does it contain all the required contents? (GASB No. 34, ¶ 11)                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Do all schedules presented and references tie to the financial statements and applicable notes?                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | If comparative financial statements (basic financial statements) and RSI are presented for both years, are two years presented in the MD&A along with the prior year (three years total) presented? (If comparative data is provided for non-comparative financial statements, the three year presentation is not required). (GASB No. 34, Implementation Guide Q8)                                                                                        |  |  |
|  | <b>Exhibits</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | <b>Statement of Net Position</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Does the statement report all financial and capital resources?                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Is the Statement of Net Position presented as assets, plus deferred outflows of resources, less liabilities, less deferred inflow of resources equals net position? (GASB No. 63 ¶ 8)                                                                                                                                                                                                                                                                      |  |  |
|  | Are assets and liabilities are presented either in order of their relative liquidity or classified between current and long-term? Liabilities whose average maturities are greater than one year should be reported in two components, the amount due in one year and the amount due in more than one year. (GASB No. 34 ¶31, 97, 99 or GASB No. 62 ¶30-35),                                                                                               |  |  |
|  | Verify that unexpended bond proceeds or other cash not available for operations of the fund(s) are classified as restricted cash and investments in the financial statements and are clearly described in the notes.                                                                                                                                                                                                                                       |  |  |
|  | Does the restricted component of net position include significant unspent related debt proceeds or deferred inflow of resources attributable to the unspent amount? (GASB No. 63 ¶9)                                                                                                                                                                                                                                                                       |  |  |
|  | Verify that internal balances net to zero between Governmental Activities and Business-type Activities, and tie to the fund statements. (GASB No. 34 ¶ 58)                                                                                                                                                                                                                                                                                                 |  |  |
|  | Have differences in amounts reported in the fund statements as interfund receivables and payables presented as internal balances? Are amounts reported as receivables from or payables to fiduciary funds included in the statement of net position as receivables or payables and not internal balances?                                                                                                                                                  |  |  |
|  | Capital assets are separated between non-depreciable & depreciable. (GASB No. 34 ¶ 20)                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | Restricted net position and restricted for stabilization by state statute (RSS) should tie to the appropriate fund statements.                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Bond anticipation notes should be classified as current liabilities.                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Are deferred outflows and inflows of resources itemized? Deferred outflows or inflows of resources should include a name and amount either in the notes OR on the face of the applicable statements. (GASB No. 63 ¶ 13)                                                                                                                                                                                                                                    |  |  |
|  | Are prepaid cash receipts properly classified as liabilities or deferred inflows of resources?                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Verify that all references to "deferred revenues" are replaced by "unavailable revenues", "deferred inflows of resources" or another appropriate term as an alternative. Bond Issuance costs, except for prepaid insurance, are no longer capitalized and should not be reported on the Statement of Net Position. Deferred gains and losses on refunding debt should be presented as Deferred Outflows (losses) or Deferred Inflow (gains). (GASB No. 65) |  |  |

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|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | Verify that Bond issuance costs, EXCEPT FOR PREPAID INSURANCE, do not appear on the Statement of Net Position. They should be expensed in the current year. (GASB No. 65 ¶15)                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | Verify that deferred gains and losses on refunding debt appear as a deferred inflow of resources if a loss and a deferred outflow of resources if a gain. (GASB No. 65 ¶6)                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
|  | The equity section of the Statement of Net Position should reflect three components: Net investment in capital assets, Restricted (distinguishing between major categories of restrictions including Stabilization by State Statute), and Unrestricted.                                                                                                                                                                                                                                                                                                                                                  |  |  |
|  | Does the restricted component of net position include significant unspent related debt proceeds or deferred inflow of resources attributable to the unspent amount? (GASB No. 63 ¶9)                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | Restricted net position and restricted for stabilization by state statute (RSS) should tie to the appropriate fund statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Is the net investment in capital assets calculation reasonably correct? The calculation includes any capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributed to the capital assets. Any significant unspent debt proceeds at year end related to the capital assets should be backed out of the calculation of net investment in capital assets. (GASB No. 63 ¶ 9)                                                                                           |  |  |
|  | Verify no negative cash is shown in the statement. If a unit pools cash into one bank account and one fund is in a deficit cash position, a “due to” amount should be recorded in the appropriate fund and a “due from” should be recorded in the fund that is supporting the deficit fund. If a specific bank account is overdrawn, a bank overdraft liability should be shown in both the fund and government-wide financial statements rather than a negative cash balance. AICPA's Audit and Accounting Guide State and Local Governments 5.28 (March 2013)                                          |  |  |
|  | For municipalities that participate in LGERS,<br>Do the numbers appearing in the financial statements agree to the data tables provided by DST (make sure you have combined the data from multiple ORBIT accounts if applicable)?<br>Net pension asset or liability?<br>Deferred outflows and inflows of resources?                                                                                                                                                                                                                                                                                      |  |  |
|  | For municipalities that participate in LGERS,<br>Have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | For municipalities that participate in LGERS,<br>Are pension deferrals properly itemized on the face of the financial statements or in the notes to the statements?                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
|  | Are assets held to fund LEOSSA accounted for in a GASB defined trust? Has GASB Statement No. 68 been implemented?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | If there is an internal service fund and governmental activities are the predominant or only participates in the internal service fund, are the internal service fund assets, deferred outflows of resources, liability, and deferred inflows of resources balance that are not eliminated in the Statement of Net Position reported in the governmental activities column? If the enterprise funds are predominant or the only participants in an internal service fund, the residual assets and liabilities should be reported in the business-type activities. (GASB No. 34 ¶62 and GASB No. 63 ¶7-8) |  |  |
|  | For those units that have implemented GASB Statement No. 73, do the exhibits, notes and RSI refer to Total Pension Liability (TPL) and not Net Pension Obligation or Net Pension Liability? Net pension liability is used if the unit is reporting under GASB Statement No. 68. “Net Pension Obligation” is now obsolete. (GASB No. 73 ¶25)                                                                                                                                                                                                                                                              |  |  |
|  | For those units that have implemented GASB Statement No. 74, do the exhibits, notes and RSI reference the plans’ liability (assets) as Net OPEB Liability (asset)? “Net OPEB obligation” is now obsolete; any situation in which the total OPEB liability exceeds the OPEB plan’s fiduciary net position should use the term “Net OPEB liability.” If the plan’s fiduciary net position exceeds the total OPEB liability, “net OPEB asset” should be used.                                                                                                                                               |  |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | If the Municipality has an internal service fund and governmental activities are the predominate or only participates in the internal service fund, are the internal service fund assets, deferred outflows of resources, liability, and deferred inflows of resources balance that are not eliminated in the statement of net position reported in the governmental activities column? If the enterprise funds are predominate or the only participants in an internal service fund, the residual assets and liabilities should be reported in the business-type activities. (GASB No. 34 ¶62 and GASB No. 63 ¶7-8) |  |  |
|  | <b>Statement of Activities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Does the statement present activities accounted for in governmental funds by function and are those activities accounted for in the enterprise funds by different identifiable activities? (GASB No. 37 ¶ 10)                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | Are all expenses reported by function (governmental) or activities (business-type) except those that are reported as special or extraordinary? <u>Are all expenses reported by function and consistent with those functions reported in the fund level statements, as applicable?</u>                                                                                                                                                                                                                                                                                                                                |  |  |
|  | For municipalities that participate in LGERS, have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | <u>Are program revenues separately reported in three categories – charges for services, program- specific capital grants, and contributions?</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | Is interest on general long term liabilities that are not considered direct expense, reported on a separate line? (GASB No. 34, ¶ 46)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | Ensure transfers are shown separately & net to zero, except when transfers to/from blended component unit with different fiscal year end.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | <u>Area all general tax revenues reported separately by the type of tax?</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Special and/or extraordinary items are properly disclosed and agree to the notes following the financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Do the amounts reported as ending balances for net position tie to the amounts reported on the Statement of Net Position? Do beginning balances reported tie to the amounts reported on the prior year financial statements?                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | If there is a prior period adjustment, is the prior period adjustment described in the notes to the financial statements?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | <b>Fund Financial Statements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | <b>Governmental Fund – Balance Sheet</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Major funds should be presented individually and consistently on the Balance Sheet ( <u>displaying assets plus deferred outflows of resources equals’ liabilities plus deferred inflows of resources, plus fund balances</u> ) and the Statement of Revenues, Expenditures, and Changes in Fund Balance. (GASB No. 34 ¶ 78, 83)                                                                                                                                                                                                                                                                                      |  |  |
|  | The non-major funds should be labeled as such and presented in the aggregate on the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance.                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|  | All General and annually budgeted major Special Revenue Funds must have budget to actual statements presented in the Basic Financial Statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | If the unit has Powell Bill cash, the amount should be presented as Restricted Cash both under current assets and in the Fund Balance section.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Verify that units with 911 funds have a separate <u>Emergency Telephone System Fund</u> budget to actual presented.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|  | Verify that units with a Community Development Block Grant passed through from NC Department of Commerce, Division of Community Assistance, are reported in a separate Special Revenue or Capital Projects Fund.                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | Verify that unearned revenues (prepaid cash receipts) from exchange transactions are classified as liabilities and that unearned revenues from non-exchange transactions are shown as deferred inflows of resources. Ex: uncollected tax revenue (property taxes receivable) is reported as deferred inflows of resources on the governmental fund balance sheet. Prepaid taxes are deferred inflows of resources on both the Government-wide Statement of Net Position and the Governmental Fund balance sheet. (GASB No. 65 ¶53, 67)                                                                               |  |  |
|  | Verify that all references to “deferred revenues” are replaced by “unavailable revenues”, “deferred inflows of resources” or another appropriate term as an alternative. Deferred gains and losses on refunding debt should be presented as deferred outflows (losses) or deferred inflow (gains). (GASB No. 65)                                                                                                                                                                                                                                                                                                     |  |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <a href="#">Are Prepaid cash receipts properly classified as liabilities or deferred inflows of resources?</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | Verify that the amount restricted for stabilization by state statute (RSS) is calculated correctly and is shown on both the Statement of Net Position and the Governmental Fund Balance Sheet (GASB No. 54). Calculation = total fund balance less the fund balance available for appropriation equals the total amount that must be restricted. The total amount to be restricted less encumbrances, the nonspendable for prepaid amounts, the nonspendable for inventories, and any other nonspendable that are not available to support expenditures in the coming fiscal year (e.g. assets held for resale) equals the amount to be Restricted by state statute (Calculation for RSS is included in the Fund balance for Appropriation template). (G.S. 159-8(a)) |  |  |
|  | Verify that the total fund balance designated for subsequent year's expenditures and other governing board designations do not exceed the fund balance legally available for appropriation in any fund. (G.S. 159-8(a))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
|  | Verify that only the General Fund has a positive unassigned fund balance. It may be necessary to report a negative fund balance for other governmental funds.(GASB No. 54 ¶17)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | Verify that appropriate fund balance classifications are used: non-spendable, restricted, committed, assigned, and unassigned. (GASB No. 54 ¶6-19)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | Verify that governmental fund inventories, prepaid assets <a href="#">and long term balances of loans receivables</a> are shown as a non-spendable component of fund balance on the balance sheet (GASB No. 54 ¶ 6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | <a href="#">Are there assets that have been set aside (but not held in a trust) to pay future obligations presented as committed fund balance? (SLGFD GASB Statement No. 73 FAQs, question 4)</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | <a href="#">Is the reconciliation of total fund balance of governmental funds to the net position of governmental activities presented on the face of the financial statements or in a separate schedule? (GASB No. 34 ¶ 77, 85) Does the reconciliation appear reasonable?</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Does the reconciliation of the total fund balance of governmental funds to the statement of net position of governmental activities appear reasonable?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | <b>Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Verify funds reported as major and non-major on the Balance Sheet are also reported accordingly in the statement of revenues, expenditures, and changes in fund balance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Are revenues reported by major source and expenditures by function?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | Verify that non-departmental or miscellaneous expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance do not exceed 5% of total expenditures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | If there is an appropriation for “contingencies,” verify that the amount does not exceed 5% of all other appropriations in the same fund. G.S. 159-13(b)(3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Verify that the transfers between the statement of revenues, expenditures, and changes in fund balances – Governmental funds, and the statement of revenues, expenses, and changes in fund net position – proprietary funds are equal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | Verify that transfers in and out are shown as separate line items on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, and the Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds.<br>* If the unit is making contributions to a Pension Trust Fund for the Law Enforcement Officers’ Special Separation Allowance, the contribution should be an expenditure of the General Fund, not a transfer.                                                                                                                                                                                                                                                                                       |  |  |
|  | Do the amounts reported as ending balances on the fund Balance Sheet tie to the amounts reported on Statement of Revenues, Expenditures, and Changes in Fund Balance? Do beginning balances reported tie to the amounts reported on the prior year financial statements?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Activities of a Special Revenue Fund that does not meet the definition of a Special Revenue Fund for GASB No. 54 purposes should be consolidated into the General Fund. (GASB No. 54 ¶ 30-31)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | <a href="#">Is the reconciliation of changes in fund balance of governmental funds to the changes in net position of governmental activities presented on the face of the financial statements or in a separate schedule? (GASB No. 34 ¶ 77, 90) Does the reconciliation appear reasonable?</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
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|  | <b>Governmental Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual</b>                                                                                                                                                                                                                                                                                                            |  |  |
|  | Budget to Actual Statements are presented in the basic financial statements for the General Fund and all annually budgeted special revenue funds (except Trust and Agency). The statement should present both the original and final appropriated budgets. (GASB No. 34 ¶ 130, footnote 53)                                                                                                                                |  |  |
|  | Annually budgeted funds reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual are referenced in the auditor’s opinion in the opinion paragraph as budgetary comparison statements, only include the General Fund and any major annually budgeted special revenue fund(s).                                                                                                   |  |  |
|  | If debt service expenditures are reclassified from other functional areas, verify that the budgeted amounts have been reclassified also.                                                                                                                                                                                                                                                                                   |  |  |
|  | Verify that all budgets presented are balanced in accordance with the LGBFCA. If the municipality has adopted an unbalanced budget, verify that a statutory violation is disclosed in the Stewardship notes. (G.S. 159-8(a))                                                                                                                                                                                               |  |  |
|  | Verify that any fund balance appropriated is included in the budget presentation as an “other” financing source.                                                                                                                                                                                                                                                                                                           |  |  |
|  | Verify that fund balance appropriated does not exceed the statutory limit. (G.S. 159-8(a))                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | If a Special Revenue Fund has been consolidated into the General Fund for GASB 54 purposes, there should be reconciliation at the bottom of the General Fund Budget-to-Actual that reconciles the amount for ending fund balance to the amount presented on the Statement of Revenue, Expenditures and Changes in Fund Balance.                                                                                            |  |  |
|  | <b>Proprietary Funds – Statement of Fund Net Position/Statement of Revenues, Expenditures, and Net Position</b>                                                                                                                                                                                                                                                                                                            |  |  |
|  | Do the funds report activities that provide goods and services for which a fee is charged to external users? Are the funds for activities that are financed with debt that is secured by a pledge of net revenues from fees and charges to external users for the activities? Do the laws or regulations or price policies require that the cost of providing services be recovered by fees and charges to external users? |  |  |
|  | Is the statement of net position in the format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflow of resources, equals net position?                                                                                                                                                                                                                                        |  |  |
|  | Major funds should be presented individually and consistently on the statement of net position, the statement of revenues, expenditures, and statement of net position, and statement of cash flows. Each major fund should be presented in a separate column.                                                                                                                                                             |  |  |
|  | The non-major funds should be labeled as such and presented in the aggregate, in a single column, on the Statement of Fund Net Position, the Statement of Revenues, Expenditures, and Statement of Net Position, and Statement of Cash Flows. (GASB No. 34 ¶ 75, 96)                                                                                                                                                       |  |  |
|  | Restricted cash is separately reported from unrestricted cash and is clearly described in the notes.                                                                                                                                                                                                                                                                                                                       |  |  |
|  | For municipalities that participate in LGERS,<br>Do the numbers appearing in the financial statements agree to the data tables provided by DST (make sure you have combined the data from multiple ORBIT accounts if applicable)?<br>Net pension asset or liability?<br>Deferred outflows and inflows of resources?                                                                                                        |  |  |
|  | For municipalities that participate in LGERS,<br>Have the net pension asset or liability, deferrals, or pension expense been allocated among all relevant funds?                                                                                                                                                                                                                                                           |  |  |
|  | GASB No. 65 replaces the term Deferred Revenues. All references to “deferred revenues” should be replaced by “unavailable revenues”, “deferred inflows of resources” or another appropriate term as an alternative. Deferred gains and losses on refunding debt should be presented as Deferred Outflows (losses) or Deferred Inflow (gains).                                                                              |  |  |
|  | Bond Issuance costs, except for prepaid insurance, are no longer capitalized and should not be reported on Statement of Fund Net Position, but reported as an expense in the period incurred. (GASB No. 65 ¶ 15)                                                                                                                                                                                                           |  |  |
|  | Are Prepaid cash receipts properly classified as liabilities or deferred inflows of resources?                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Do the amounts reported as ending total net position on the Statement of Fund Net Position tie to the amounts reported on Statement of Net Position? Do beginning balances reported tie to the amounts reported on the prior year financial statements?                                                                                                                                                                    |  |  |

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|  | Liabilities payable from restricted assets should be properly identified on the Statement of Net Position and the Statement of Fund Net Position.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Does the Statement of Revenues, Expenses, and Change in Fund Net Position present the following information, in detail, when applicable?: Operating revenues, total operating revenues, operating expenses, total operating expenses, operating income/loss, nonoperating revenues/expenses, income before other revenue, expenses, and transfers, capital contributions, increase/decrease in net position, net position beginning of period, net position end of period. (GASB No. 34 ¶100)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Are revenues presented by major source and discounts and allowances disclosed either on the face of the statement or in the notes? (GASB No. 34, footnote 41)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Verify Internal Service Funds are only used to report activities that provide goods or services to other funds, departments or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis and for which the reporting government is the predominant participant in the activity. (GASB No. 34 ¶68)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | Verify the aggregate internal service funds are presented in a single column to the right of the total enterprise funds column. (GASB No. 34 ¶96)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | <b>Proprietary Funds – Statement of Cash Flows</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | Is the direct method used to present cash flows from operating activities, which reports major classes of gross cash receipts and gross cash payments and their combined sum? If applicable, the Statement of Cash Flows should report net cash provided (used) by operating, noncapital financing, capital and related financing, and investing activities and the effect on these inflows. (GASB No. 9 ¶ 7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Verify on the Statement of Cash Flows that changes in due to / due from are presented as non-capital financing and not as part of the reconciliation to “cash flows from operations”. (GASB No. 9 ¶ 21)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Do ending cash and cash equivalents tie to the related fund statements? Does beginning cash tie to prior year statements? (GASB No. 9 ¶ 8) Do transfers tie to related fund statements?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Cash flows should be classified into four categories: Cash flows from operating activities, Cash flows from noncapital financing activities, Cash flows from capital and related financing activities, and Cash flows from investing activities..                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | <b>Operating Activities</b> Cash receipts and payments from the following activities as cash flows from operating activities: a) Cash inflow from customers for sales of goods and services, including receipts from collection of accounts receivables and both short- and long- term notes receivable from customers arising from those sales. b) Cash payments to suppliers for goods and services. c) Cash payments for taxes, duties, fines, and other fees or penalties. d) Cash collected for deposits and returned of deposits. e) Cash receipts and payments for interfund provided and services used, including receipts and payments in lieu of taxes that are payments for, and reasonable equivalent in value to, services provided. f) Payment to employees. g) Cash payments on program loans. h) Cash receipts and payments for grants from or to other governments or organizations for specific activities that are considered operating activities of the grantor government or organization. i) All other cash receipts and payments that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.                                                                        |  |  |
|  | <b>Noncapital financing activities</b> Cash receipts and payments from the following activities as cash flows from noncapital activities: a) Proceeds from issuing bonds, notes, and other short- or long- term borrowings not attributed to acquisition, construction, or improvement of capital assets, or program loans. b) Cash receipts from grants or subsidies except those for specific activities that are considered to be operating activities of the grantor government. c) Cash received from other funds except for those amounts that are clearly attributed to acquisition, construction, or improvement of capital assets, interfund services provided; and interfund reimbursements. d) Cash receive from property and other taxes collected for the governmental enterprise and not specifically restricted for capital purposes. e) Repayments of amount borrowed for purposes other than acquisition, construction, or improvement of capital assets, or program loans. f) Cash paid as grants or other subsidies to other governments or organizations, except those for specific activities that are considered to be operating activities of the grantor government. g) Cash paid to other funds, except for interfund services used. |  |  |



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|  | <b>Capital and related financing activities</b> Cash receipts and payments from the following activities as cash flows from capital and related financing activities: a) proceeds from issuing or refunding bonds, mortgages, notes, and other short- or long- term borrowings clearly attributed to acquisition, construction, or improvement of capital assets. b) Receipts from capital grants awarded to the governmental enterprise. c) Receipts from contributions made by other funds, other governments, and other organizations or individuals for the specific purpose of defraying the cost of acquiring, constructing, or improving capital assets. d) Receipts from sales of capital assets as well as proceeds from insurance on capital assets that were stolen or destroyed. e) Receipts from special assessments or property and other taxes levied specifically to finance the construction, acquisition, or the improvement of capital assets. f) Payment to acquire, construct, or improve capital assets. g) Repayments or refunding of amounts borrowed specifically to acquire, construct, or improve capital assets. h) Other principle payments to vendors who have extended credit to the governmental enterprise directly for the purpose of acquiring, constructing, or improving capital assets. i) Cash payments to lenders and other creditors for interest directly related to acquiring, constructing, or improving capital assets. |  |  |
|  | <b>Investing activities</b> Cash receipts and payments from the following activities as cash flows from investing activities: a) Receipts from collections of loans (except program loans) made by the governmental enterprise and sales of other entities debt instruments (other than cash equivalents) that were purchased by the governmental enterprise. b). Receipts from sales of equity instruments and from returns of investment in those instruments. c) Interest and dividends received as returns on loans (except program loans), debt instruments of other entities, equity securities, and cash management or investment pools. d) Withdrawals from investment pools that the governmental enterprise is not using as demand accounts. e) Disbursements for loans (except program loans) made by the governmental enterprise and payments to acquire debt instruments of other entities (other than cash equivalents). f) Payments to acquire equity instruments. g) Deposits into investment pools that the governmental enterprise is not using as demand accounts.                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | Does the Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations appear reasonable? Does the net cash provided (used) by operations in the reconciliation section tie to the net cash provided (used) by operations in the operating activities section?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Does operating income on the Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities tie to operating income on the Statement of Revenues, Expenses and Changes in Fund Net Position? (GASB No. 9 ¶ 34)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | <b>Statement of Fiduciary – Net Position and Changes in Net Position</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | Verify a separate column is presented for each fiduciary type. (GASB No. 34 ¶ 106)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | Same fund type is presented among both fiduciary statements. Agency Funds should not be reported in the Statement of Changes in Fiduciary Net Position. (GASB No. 34 ¶ 110).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Both Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are included in the financial statements and ending net position between both statements agree.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|  | Verify that pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans, other postemployment benefit plans, and other employee benefit plans. (GASB No. 34 ¶70)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | Verify that private-purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. (GASB No. 34 ¶72)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Verify if agency funds are used to report resources held by the municipality in a purely custodial capacity. Examples include pass-through grants. These are infrequent cases in which the recipient government serves only as a cash conduit. (GASB No. 34 ¶5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |  |
|  | Trusts have contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable, pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms, and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. (GASB No. 68 ¶ 4 (a-c))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |

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|  | For units subject to GASB Statement No. 74, Statements of Fiduciary Net Position and Changes in Fiduciary Net Position should be included in the Basic Financial Statements. In addition, the fiduciary net position of the plan should be referred to as “net position restricted for OPEB.” (GASB No. 74 ¶ 27)                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | <b>Notes to the Financial Statements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | <b>Note Disclosures:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | <b>Summary of Significant Accounting Policies</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | Verify that the reporting entity note properly describes the relationship between the primary government and the component unit (CU). (GASB No. 61 ¶11)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Confirm CU’s nature (discrete/blended) is appropriately disclosed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | If the discretely presented component units (DPCU(s)) does not issue separate financial statements, verify that the DPCU(s) is (are) clearly described in the notes of the primary government’s financial statements and notes on material items including cash, investments, inventory, capital assets, long term debt, and compliance with bonding requirements are included.                                                                                                                                                                                                                                                                                                                                      |  |  |
|  | If DPCUs does not issue separate financial statements, verify that the audit report includes the DPCU’s budget to actual statements as supplementary information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | A description of the government-wide financial statements, noting that neither fiduciary funds nor component units that are financial in nature are included.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | The measurement focus and basis of accounting used in the government-wide and fund financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |
|  | The policy for: (i) allocating indirect expenses to functions in the statement of activities., (ii) for eliminating internal activity in the governmental-wide statement of activities, including, if applicable, that an administrative overhead component is included in direct expenses, (iii) the policy for interfund eliminations in the fund financial statements, (iv) types of transactions included in program revenues in the statement of activities, that an ad fund financial statements, (v) revenue recognition policies used in fund financial statements, including the length of time used to defined available for purpose of revenue recognition in the governmental fund financial statements. |  |  |
|  | The policy for: (i) capitalizing assets and for estimating the useful lives of those assets (used to calculate depreciation expense), (ii) a description of the modified approach for reporting eligibility infrastructure assets, if used.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|  | The policy for (i) defining operating and nonoperating revenues of proprietary funds, (ii) policy for applying FASB pronouncements issued after November 30, 1989 to business-type activities and to enterprise funds of the primary government, (iii) the definition of cash and cash equivalents used in the statement of cash flows for proprietary funds, (iv) the government’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.                                                                                                                                       |  |  |
|  | Significant or unusual accounting treatment for other materials account balances or activities, the method and period of amortization for intangible assets, and basis for stating inventories, including the method of determining costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Basis of Presentation, Basis of Accounting: Verify that descriptions of the major funds, internal service funds, and the fiduciary funds are part of the notes and agree with the fund statements. (GASB No. 38 ¶6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|  | Is there a budgetary note explaining the budgetary responsibility, the basis of accounting used in budgetary reporting, legal level of control, and other budgetary policies or legal requirements?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|  | If DPCU collects Occupancy Tax, verify the Session Law authorizing collections by the General Assembly and that the primary government’s Board adopted a resolution to levy the tax. Review <a href="#">Memo 2014-08 “Operation and Accounting for DPCU's including TDAs</a> on our website for details on Tourism Development Authorities in NC, their legal and audit requirements including presentation in the primary government’s financial statements.                                                                                                                                                                                                                                                        |  |  |

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|  | <b>Note Disclosures:</b><br><b>Statutory and Compliance with Laws, Rules, and Regulations</b>                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | Verify that material violations with legal and contractual provisions or deficit fund balance/net position in individual funds that are not visible on the face of the statement of financial position are disclosed in the stewardship note. <i>Note that the LGC illustrative statements disclose budget violations separately from other violations. Because GAAP requires disclosures of any spending violations of the legally adopted budget, materiality should not be consideration for this disclosure.</i> |  |  |
|  | Verify that if the unit has appropriated a contingency greater than 5% of the total of all other appropriations for that fund, a statutory violation has been disclosed. (G.S. 159-13(b)(3))                                                                                                                                                                                                                                                                                                                         |  |  |
|  | If fund balance appropriated exceeds the statutory limit, this includes enterprise funds, verify that this is reported as a statutory violation. (G.S. 159-8(a))                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | If debt proceeds for a capital project are not in a separate capital project fund (or separately accounted for in an established capital project fund), verify that a statutory violation is disclosed. (G.S. 159-26(b)(6))                                                                                                                                                                                                                                                                                          |  |  |
|  | <b>Note Disclosures:</b><br><b>Detailed notes on all activities and funds</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | Verify that government-wide cash and investments plus any cash and investments carried in fiduciary funds materially equal the cash and investments disclosed in the Deposits and Investments notes. Deposit and investment disclosures should comply with GASB No. 40.                                                                                                                                                                                                                                              |  |  |
|  | Verify that the investment note discloses interest rate risk, credit risk, custodial credit risk, and concentration of credit risk. If the unit's only investment is with the North Carolina Capital Management Trust Cash Portfolio, look for a statement that states "The unit has no policy regarding credit risk". (GASB No. 40)                                                                                                                                                                                 |  |  |
|  | Are material receivables described in the notes or on the face of the statements? Do they tie to the Statement of Net Position and Balance Sheet? If receivables are presented in aggregate in the financial statements, there must be detailed presentation in the note disclosures.                                                                                                                                                                                                                                |  |  |
|  | Summary of changes in capital assets including intangible assets for both governmental activities and business-type activities are disclosed. Capital Assets for business-type activities should be separately shown for electric and water and sewer funds.                                                                                                                                                                                                                                                         |  |  |
|  | Does the schedule of capital assets show the beginning and end of year balances, with accumulated depreciation presented separately from historical costs? The capital acquisitions, sales and other dispositions, and current period depreciation expense, with the amounts charged to each of the functions in the statement of activities?                                                                                                                                                                        |  |  |
|  | Do the notes disclose the method or methods used to compute depreciation for each major class?                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Are material payables described in the notes or on the face of the statements? Do they tie to the Statement of Net Position and Balance Sheet?                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Verify that the municipality has an appropriate pension footnote for the Local Government Employees' Retirement System or any other pension notes applicable to the municipality for non-law enforcement employees.                                                                                                                                                                                                                                                                                                  |  |  |
|  | For municipalities that participate in LGERS, Is the note disclosure for each pension plan complete? Includes all relevant note disclosures for each plan outlined in GASB Statement 68, paragraphs 74-80.                                                                                                                                                                                                                                                                                                           |  |  |
|  | Have units with separately financed liabilities that have resulted from the purchase of past service included the liability in the long-term liability totals and note disclosure?                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | For participants in the Firefighters' and Rescue Squad Workers' Plan- If the liability or pension expense is material to the unit, do the notes include the necessary disclosures, including plan description, on-behalf payment amount, and proportionate share of the liability?                                                                                                                                                                                                                                   |  |  |
|  | For municipalities that participate in LGERS: Are pension deferrals properly itemized on the face of the financial statements or in the notes to the statements? If itemized in the notes, are the amounts easily traceable to the financial statements?                                                                                                                                                                                                                                                             |  |  |
|  | If there is no reference to an actuarial study for the LEO Separation Allowance, has documented prior approval been given for an exemption from that requirement? Units that have deemed the pension liability immaterial to their financial statements and have not had an actuarial study performed should have received a written exemption from the requirement that an actuarial study be performed. Written exemptions will be issued by the SLGFD. If                                                         |  |  |

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|  | such approval has been granted, there should be no mention of the pension benefit in the financial statements, the notes to the financial statements, or the RSI.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | If the required contributions to the Supplemental Retirement Income Plan for LEOs (401K program) have not been made, verify that a statutory violation has been disclosed. <i>Based on individual situations, materiality, and the level of audit done, it is possible that a corrective action plan may be required to be included with the compliance reports.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | If the LEOs participate in the Local Government Employees' Retirement System, verify that the appropriate note disclosure for the Death Benefit Plan is included.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | In reference to GASB Statement No. 73, verify that amounts in the notes, exhibits and RSI are consistent with each other. There should be consistency among amounts in each element of the audit report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | There should be no mention of a trust fund for units subject to GASB Statement No. 73 reporting requirements. If assets have been set aside in a trust to pay future pension obligations, the unit should be reporting under GASB Statement No. 68. The notes to the financial statements and RSI should refer to total pension liability. No fiduciary statements should be included.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|  | Verify OPEB note disclosure complies with GASB 74 and 45, including calculation chart, funding status, actuarial methods and assumptions disclosures. <u>If OPEB is funded, verify that amounts are included in the fiduciary statements</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|  | Confirm OPEB calculation chart is included and includes an amount for interest if there was a prior year balance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Funding Status & Progress are included for OPEB and Actuarial Methods and Assumptions disclosed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | <u>If OPEB is funded, verify that applicable note disclosures required by GASB Statement No. 74 are included. (GASB No. 74 ¶ 34,35)</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | <u>If the unit has GASB Statement No. 74 disclosures, are there appropriate references to a trust fund? Units are required to report in compliance with GASB Statement No. 74 if the unit has assets set aside to pay future OPEB obligations in a trust fund. If disclosures for GASB Statement No. 74 have been included in the audit report, there should be a fiduciary trust fund presented as well.</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Long Term Obligation Activity Note: Are liabilities divided between governmental activities and business-type activities and then separated between types of debt (bonds, notes, installment purchases, leases payables, compensated absences, claims and judgments, OPEB, etc.), presentation of beginning and end of year balances (regardless of whether prior-year data are presented on the face of the government-wide financial statements), increases and decreases (separately presented), and current portion of each item (due in one year)? (GASB No. 34 ¶119)                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Does the entity disclose the following details of debt service requirements to maturity: Principal and interest requirements to maturity presented separately, for each of the five subsequent years, and in five year increments thereafter? (GASB No. 38 ¶10)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Verify that unavailable revenues, deferred inflows of resources and deferred outflows of resources are itemized in the financial statements and clearly disclosed in the notes to the financial statements. (GASB No. 63 ¶13)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Verify the municipality has legally required bonding on the municipality's finance officer and a separate bond on the finance officer for the discretely presented component unit <u>if applicable</u> (ex: Tourism Development Authority) in addition to bonding on other appropriate employees in compliance with "§ 159-29. Fidelity bonds". Verify this is disclosed in the risk management note.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | Review Bond covenants for units with outstanding revenue bonds. <u>Note that revenue bond covenants are not standardized and can vary from bond issue to bond issue.</u> Verify that any material failures of the unit to comply with reserve levels, coverage ratio requirements or other terms, as specified in the bond documents, are disclosed in the notes to the financial statements as contractual violations. The audit must also include, either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the governmental unit's audited financial statements unless otherwise specified in the bond documents. GASBS 48 ¶21, Memo #1105 and LGC-205Audit contract. Specific note |  |  |

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|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <i>disclosures are not required for legally separate entities that report as stand-alone business-type activities whose operations are financed primarily by a single major revenue source.</i>                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | For municipalities with Industrial Revenue Bonds (IRB), verify there is a note disclosure indicating the nature of the debt issued by the unit of local government. Note disclosures should include the number of all IRB's outstanding and the amount of debt outstanding. If the amount of debt outstanding is not disclosed, the original debt issue amount should be disclosed. <i>(GASB Interpretation No. 2 ¶3)</i>                                                                                                                                                                             |  |  |
|  | If the municipality has incurred losses in excess of insurance coverage, verify that this is also disclosed in the risk management note.                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
|  | Interfund balances/payables (due to) and receivables (due from) should be disclosed in the notes, including the purpose of the interfund balance and the interfund balances that are not expected to be repaid within one year of the financial statement date. <i>(GASB No. 38 ¶14 and Memo #981)</i>                                                                                                                                                                                                                                                                                                |  |  |
|  | Verify that a schedule of interfund transfers is presented as part of the notes, including the amounts transferred between funds and a general description of the principal purpose of each transfer. <i>(GASB No. 38 ¶ 15 and Memo #981)</i>                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Verify transfers are properly classified and are not actually cost allocations. Interfund services provided and used must be reported as revenues or expenditures in the proper funds with unpaid amounts reported as interfund receivables (due from) or interfund payables (due to). Ex: administrative costs from one fund to another. <i>Memo 2014-07 Proper accounting and treatment for Cost Allocations</i> discusses detail on this. <a href="https://www.nctreasurer.com/slg/Memos/2014-07.pdf">https://www.nctreasurer.com/slg/Memos/2014-07.pdf</a> <i>(GASB No. 34 ¶112a(2))</i>          |  |  |
|  | Transfers from the Electric Fund should be itemized into each separate component: PILOT, "operating", rate stabilization fund. <i>Violations of the unit's transfer policy will be subject to statutory violations.</i> (LGC requirement) <i>Note that units that are a member of the North Carolina Eastern Municipal Power Agency must comply with G.S. 159B-39 with regards to transfers to other funds.</i>                                                                                                                                                                                       |  |  |
|  | For governments that use encumbrance accounting and have significant encumbrances at year end, verify this is disclosed in the notes to the financial statements by major fund and non-major funds in the aggregate. <i>(GASB No. 54 ¶24)</i>                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Confirm on-behalf payments such as Firefighter & Rescue Squad Workers Pension Fund and Firefighter Relief Pension Fund are clearly described, if the unit has Fire or Rescue Department. <i>(GASB No. 24)</i>                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Does the entity make segment disclosures for each identifiable activity reported as or within an enterprise fund accounting and reporting standards; and that has one or more bonds or other debt instruments outstanding; with revenue stream pledged in support of that debt and externally imposed requirements to account for the activity's revenues, expenses, gains and losses, assets, and liabilities separately? Major enterprise funds that meet all the criteria do not qualify as a segment because its data are already presented separately <i>(Water Fund)</i> . <i>(GASB No. 34)</i> |  |  |
|  | Are construction or other significant commitments, claims and judgments, and contingencies disclosed? Debt that a unit is secondarily liable for should be disclosed.                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |  |
|  | Are non-recognizable, subsequent events that occurred after the year end of the reporting period, but prior to the issuance of the financial statement disclosed in order for user understanding the financial statements? Examples of non-recognizable events are major uninsured loss, issuance of debt, creation of a new component unit, or major casualty loss due to a natural disaster. <i>(GASB No. 56)</i>                                                                                                                                                                                   |  |  |
|  | Are related party transactions disclosed and include the nature of the relationship, the description of the transaction, the dollar amount of the transaction, and any receivable/payable. <i>(GASB No. 56)</i>                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | If applicable, verify that jointly governed organizations, joint ventures, and related organizations are properly described.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|  | Verify that material prior period adjustments (PPA) or restatements of fund balance or net position are presented in the statements and the notes when applicable and are included as a finding in the compliance reports if appropriate. <i>(AU-C 265)</i>                                                                                                                                                                                                                                                                                                                                           |  |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <b>Required Supplementary Information and Schedules</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
|  | Local Law Enforcement Officers' Special Separation Allowance (LEOSSA): <u>Are all disclosures required by GASB Statement No. 73 present? This includes applicable note disclosures as well as RSI. RSI should include Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll. All years for which information is available should be presented. (GASB No. 73 ¶ 41-46)</u>                                                                                                                                                                                                      |  |  |
|  | LEOSSA: Do the amounts reported as Annual Required Contribution in the notes tie to the amount reported in Schedule of Employer Contributions?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Other Post Employment Benefit (OPEB): Is there a Schedule of Funding Progress that shows all the required information (actuarial valuation date, value of assets, accrued liability (AAL)-projected unit credit, unfunded AAL (UAAL), funded ratio, covered payroll, and UAAL %) of covered payroll? Is information presented for the recent valuation plus two preceding valuations (unless the aggregate actuarial method was used)? Is a Schedule of Employer Contributions presented if required? <u>Note: This is only required if the unit had an actuarial valuation or the alternative method worksheet was used for OPEB.</u> |  |  |
|  | OPEB: Do the amounts reported as Annual Required Contributions in the notes tie to the amounts reported in Schedule of Employer Contributions?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | <u>If the unit is subject to GASB Statement No. 74 requirements, a Schedule of Changes in the Net OPEB Liability and Related Ratios, a Schedule of Unit Contributions (which should present ten years' worth of information), and a Schedule of Investment Returns should be presented. All years for which information is available should be presented.</u>                                                                                                                                                                                                                                                                          |  |  |
|  | <u>Have ten years of information been presented in the Schedule of Contributions in RSI for each OPEB plan? RSI information should be presented for all years for which information is available. Units should present amounts contributed to their plan for each of the past 10 years, assuming the plan has been in existence for 10 years. If retroactive information is not presented for the full 10 years, RSI should be presented for as many years for which information is available. (GASB No. 74 ¶ 62)</u>                                                                                                                  |  |  |
|  | Is RSI included for LGERS, Schedule of Proportionate Share of Net Pension Liability (Asset), Schedule of Employer Contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |  |
|  | For participants in the Firefighters' and Rescue Squad Workers' Pension Plan-Have on-behalf payments paid by the State been included in the supplemental schedules?                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
|  | <b>Supplementary Information and Schedules</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Combining statements are presented for all non-major funds and amounts tie to the basic financial statements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|  | Check amounts and funds presented as individual nonmajor budget to actuals and compare to the combining statements and see if total amounts agree.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |  |
|  | Budgetary comparison statements are presented for each fund presented and ties to operating statement. Budgetary statements could be in the form of project ordinances or annually budgeted.                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |  |
|  | Verify that the financial plan for an internal service fund is presented as if it were a budget. (G.S. 159-13.1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |  |
|  | Verify that expenditures were not appropriated in the Capital Reserve Fund. North Carolina law specifies a capital reserve fund may only be used to accumulate financial resources for ongoing or future capital projects. Transfers to other funds are the only types of appropriation that may be made in a Capital Reserve Fund. (G.S. 159-22)                                                                                                                                                                                                                                                                                      |  |  |
|  | For units that receive Community Development Block Grant proceeds <u>passed through the NC Dept. of Commerce</u> , verify that the grant project is accounted for on a multi-year basis.                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
|  | Verify that enterprise funds show budgets on a modified accrual basis and that a reconciliation of the revenues over/under expenditures to the full accrual net income/loss amount is included. Verify also that the enterprise fund capital projects funds are reconciled/consolidated correctly. (Check sales tax, grant/interest income, and the elimination of transfers between operating and capital project funds).                                                                                                                                                                                                             |  |  |
|  | Verify that a statement/schedule is included for enterprise funds and multi-year special revenue capital project funds, showing budget to actual performance at the level the budget was adopted (function, department, or project).                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|  | If an enterprise fund capital project shows unspent debt proceeds, verify that the unspent proceeds appear as Restricted Assets on the Statement of Fund Net Position – Proprietary Funds.                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |  |

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|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | If Grant Income appears in an enterprise fund capital project, verify that the amount is correctly recognized as revenue.                                                                                                                                                                                                                                                                                                                         |  |  |
|  | Grant revenue intended to finance improvements which <u>primarily</u> result in new assets for an enterprise fund (e.g., new water and sewer lines for a water and sewer fund) should be reported in an enterprise fund capital project. The revenue should not be presented in a governmental special revenue fund or governmental capital project fund.                                                                                         |  |  |
|  | Verify that the Analysis of Current Tax Levy schedule is included. Once a majority of audits are received, the LGC will issue information including statewide tax collection rates calculated to two decimal places. For consistency with LGC reports, the overall tax collection rate, the collection rate on motor vehicles only and the collection rate for all other property should be shown to <u>two</u> decimal places. (LGC Requirement) |  |  |
|  | Verify that the Analysis of Current Tax Levy <u>does not include special districts</u> that are not unit wide, or items that are actually fees (e.g., animal taxes which are actually flat fees). (LGC Requirement)                                                                                                                                                                                                                               |  |  |
|  | <u>The current levy collection percentage for registered motor vehicles should be very close to 100.00%. The only unpaid registered motor vehicle tax at June 30 will be amounts owed for limited registration plates.</u>                                                                                                                                                                                                                        |  |  |
|  | Verify that the disclosures of the legal debt margin; the tax base broken down by real property, personal property and public service companies; and the ten largest taxpayers are included for units subject to <u>secondary market disclosure requirements</u> .                                                                                                                                                                                |  |  |

TOWN OF CLAYTON  
WORKPAPER INDEX  
JUNE 30, 2018

GENERAL, PLANNING & LONG RETENTION AUDIT WORKPAPERS

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WP - 2 DISCLOSURE CHECKLIST  
WP - 3 FINAL ANALYTICAL REVIEW  
WP - 4 AUDIT DIFFERENCE EVALUATION  
WP - 5 EXAMINATION OF MINUTES  
WP - 6 RELATED PARTIES WPs  
WP - 7 COMMITMENTS & CONTINGENCIES WP  
WP - 8 SUBSEQUENT EVENTS WP  
WP - 9 ACCOUNTING ESTIMATES CHECKLIST  
WP - 10 GOING CONCERN MEMO  
WP - 14 BUDGET WP's  
WP - 16 JOURNAL ENTRY TESTINGS  
WP - 18 LGC BUDGET & FISCAL CONTROL CHECKLIST  
WP - 22 PLANNING MEMO  
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WP - 25 PRELIMINARY ANALYTICAL PROCEDURES  
WP - 27 PBC LETTER  
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WP - 66 FINANCIAL REPORTING SYSTEM DOCUMENTATION FORM- IT ENVIRONMENT &  
GENERAL COMPUTER CONTROL  
WP - 67 WALK THROUGH DOCUMENTATION FORMS  
WP - 68 ENTITY- LEVEL CONTROL FORM FOR GENERAL COMPUTER CONTROLS  
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WP - 70 CONTROL DEFICIENCY EVALUATION WORKSHEET



TOWN OF CLAYTON  
WORKPAPER INDEX  
JUNE 30, 2018

SUBSTANTIVE AUDIT WORKPAPERS

A-SERIES - CASH & INVESTMENTS  
C-SERIES - ACCOUNTS RECEIVABLE  
D-SERIES - INVENTORIES  
E- SERIES - TAX REVIEVABLES  
I-SERIES - FIXED ASSETS  
M-SERIES - ACCOUNTS PAYABLE & OTHER LIABILITES  
O-SERIES - PAYROLL & RELATED LIABILITIES  
T-SERIES - DEBT  
X-SERIES - NET ASSETS  
80 SERIES - GRANTS

PERMANENT FILE

ALL WPs

**TO:** Town of Clayton

**FROM:** Ken Anderson, CPA

**DATE:** January 21, 2020

**RE:** Available Fund Balance, Tax Collection Percentages and Other Audit Information

Fund Balance information as follows:

|                                          | <u>General</u> | <u>General</u> | <u>Water<br/>and Sewer</u> | <u>Electric</u> |
|------------------------------------------|----------------|----------------|----------------------------|-----------------|
| Year End June 30, 2019<br>46 % - General | \$ 8,581,406   | \$ 14,455,315  | \$ 48,405,647              | \$ 14,271,887   |
| Year End June 30, 2018<br>46 % - General | \$ 9,243,891   | \$ 11,719,964  | \$ 45,389,821              | \$ 13,013,509   |
| Year End June 30, 2017<br>32 % - General | 6,788,366      | 9,082,696      | 39,937,344                 | 11,791,037      |
| Year End June 30, 2016<br>28 % - General | 5,515,806      | 7,706,368      | 38,532,008                 | 11,184,443      |
| Year End June 30, 2015<br>25% - General  | 4,929,315      | 7,632,406      | 35,116,089                 | 10,198,337      |
| Year End June 30, 2014<br>44% - General  | 5,953,914      | 8,474,713      | 33,236,732                 | 9,689,236       |

Property tax collection percentages are as follows:

|                        | <u>Overall</u> | <u>Excluding<br/>Vehicle</u> | <u>Vehicle</u> |
|------------------------|----------------|------------------------------|----------------|
| Year End June 30, 2019 | 99.99%         | 99.99%                       | 100.00%        |
| Year End June 30, 2018 | 99.98%         | 99.97%                       | 100.00%        |
| Year End June 30, 2017 | 99.95%         | 99.95%                       | 100.00%        |
| Year End June 30, 2016 | 99.98%         | 99.98%                       | 100.00%        |
| Year End June 30, 2015 | 99.93%         | 99.93%                       | 99.98%         |
| Year End June 30, 2014 | 99.69%         | 99.87%                       | 98.17%         |

TOWN OF CLAYTON  
AUDIT REPORT COMMENTS  
JUNE 30, 2019

**AUDIT REPORT**

1. PAGE 1     **INDEPENDENT AUDITOR'S REPORT**  
THE CITY RECEIVED AN UNMODIFIED OPINION ON THEIR JUNE 30, 2019 FINANCIAL STATEMENTS = GOOD REPORT
2. PAGE 19     **NET CHANGE IN FUND BALANCE GENERAL FUND**  
CURRENT YEAR REVENUES EXCEEDED EXPENDITURES BY \$2,735,351.
3. PAGE 23     **CHANGE IN FUND BALANCE - WATER & SEWER FUND**  
CURRENT YEAR REVENUES EXCEEDED EXPENDITURES BY \$3,015,826.
4. PAGE 23     **CHANGE IN FUND BALANCE - ELECTRIC FUND**  
CURRENT YEAR REVENUES EXCEEDED EXPENDITURES BY \$1,258,378.
5. PAGE 53     **CHANGES IN LONG TERM LIABILITIES - DEBT**  
GOVERNMENTAL ACTIVITIES DEBT DECREASED FROM \$14,714,557 TO \$13,374,000 OR A CURRENT YEAR DECREASE FOR \$1,340,557.  
  
BUSINESS TYPE ACTIVITIES DEBT DECREASED FROM \$15,018,558 TO \$13,787,510 OR A CURRENT YEAR DECREASE FOR \$1,231,048

THE TOWN WAS SUBJECT TO THREE COMPLIANCE TYPE AUDITS FOR THE YEAR. ONE FEDERAL, A PUBLIC WORKS GRANT IN THE ECIA LIFT STATION PROJECT AND TWO STATE GRANTS, POWELL BILL AND A GOVERNOR'S SPECIAL APPROPRIATION GRANT, BOTH WITHIN THE TOWN'S GENERAL FUND. ALL GRANTS RECEIVED UNMODIFIED OPINIONS WITH NO FINDINGS OR QUESTIONED COSTS.

THE TOWN HAD NO BUDGET OVER- EXPENDITURES DURING THE YEAR

THE TOWN AUDIT REPORT WAS SUBMITTED TO THE LOCAL GOVERNMENT COMMISSION AND WAS ACCEPTED. THE AFIR WAS SUBMITTED AS WELL.



**FISCAL YEAR ENDED JUNE 30, 2019**

**AUDIT PROCESS, FINANCIAL RESULTS, KEY GROWTH RATES,  
POLICY COMPLIANCE, & AUDIT HIGHLIGHTS**

# AUDIT PROCESS OVERVIEW

- ◇ Government Accounting Standards Board (GASB) is the primary authoritative source for generally accepted accounting principles (GAAP) for state and local governments.
- ◇ Generally Accepted Government Auditing Standards (Yellow Book) published by US Government Accountability Office (GOA).
- ◇ Oversight Bodies:
  - ◇ Local Government Commission (LGC) Oversight – G.S. 159-34
  - ◇ Office of the State Auditor
  - ◇ American Institute of Certified Public Accountants (AICPA)
  - ◇ North Carolina Association of CPAs (NCACPA)
- ◇ Procedures to comply with the North Carolina Local Government Budget and Fiscal Control Act:
  - ◇ Budget
  - ◇ Project Ordinances and Capital Projects
  - ◇ Capital Reserve Funds
  - ◇ Duties of the Finance Officer
  - ◇ Cash Receipts and Disbursements
  - ◇ Investments



# AUDIT PROCESS OVERVIEW

- ◇ PPC's Guide to Audits of Local Governments (Practitioners Publishing Company)
- ◇ State Treasurer Audit Manual for Local Governments.
  - ◇ Municipal Checklist for Financial Reporting:
    - ◇ Independent Auditor's Report
    - ◇ Management Discussion and Analysis (MD&A)
    - ◇ Basic Financial Statements
    - ◇ Notes to the Basic Financial Statements - Disclosure
    - ◇ Required Supplemental Financial Data – Pension & OPEB Liability
    - ◇ Combining and Individual Fund Financial Statements
- ◇ **Town Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP.**
  - ◇ Greater restrictions on Auditor preparation – Independence requirements by GOA Yellow Book revisions.
  - ◇ Nonaudit services include preparation of accounting records and financial statements.
- ◇ **Internal control provides reasonable assurance the financial statements are free from material misstatements, whether due to fraud or error.**

# AUDIT PROCESS

## TOWN OF CLAYTON AUDIT TIMELINE

| Audit Component            | Jul                                                                             | Aug | Sep                                               | Oct                                                           | Nov                   | Dec | Jan | Feb | Mar | Apr                  | May | Jun                      |
|----------------------------|---------------------------------------------------------------------------------|-----|---------------------------------------------------|---------------------------------------------------------------|-----------------------|-----|-----|-----|-----|----------------------|-----|--------------------------|
| Collaboration with Auditor | Communication and Information Sharing                                           |     |                                                   |                                                               |                       |     |     |     |     |                      |     |                          |
| Audit Contract             |                                                                                 |     |                                                   |                                                               |                       |     |     |     |     | Approval & Execution |     |                          |
| Preliminary Fieldwork      |                                                                                 |     |                                                   |                                                               |                       |     |     |     |     |                      |     | Inventory & Fixed Assets |
| Audit Workbook             | Cash, A/R, Payroll, Taxes, A/P, Debt, Fixed Assets, Inventory, Utilities, Misc. |     |                                                   |                                                               |                       |     |     |     |     |                      |     |                          |
| Yearend Fieldwork          | PPCS Audit Guide                                                                |     |                                                   |                                                               |                       |     |     |     |     |                      |     |                          |
| Audit Report               |                                                                                 |     | Financial Statements, Notes, RSI, & Single Audits | Financial Statements, Notes, RSI, Single Audits, & LGC Filing |                       |     |     |     |     |                      |     |                          |
| CAFR                       |                                                                                 |     |                                                   |                                                               | Compile & GFOA Filing |     |     |     |     |                      |     |                          |

## FINANCIAL RESULTS – GENERAL FUND

- ◆ Chief operating fund of the Town.
- ◆ Unassigned Fund Balance - \$7,646,406; Total Fund Balance increased \$2,735,351 to \$14,455,315. Key components are as follows:
  - ◆ \$1,284,289 increase in ad valorem tax revenue, primarily due to \$0.03 tax rate increase.
  - ◆ \$513,001 increase in sales tax revenues.
  - ◆ \$426,431 increase in permits and fees revenues, primarily due to building activity in conjunction with a revised fee structure.
  - ◆ \$216,978 increase in investment income, primarily due to higher yields from NC Capital Management Trust portfolios.
  - ◆ \$3,868,099 increase in expenditures, primarily due to \$1,864,953 increase in capital outlay for street improvements and equipment and vehicle acquisitions for public safety and public works. \$1,389,369 increase in personnel costs in public safety and public works.

Refer to Exhibit A-1 in the 2019 CAFR for a Budget Comparison



## FINANCIAL RESULTS – PROPRIETARY FUNDS

- ◆ Net Position increased \$4,274,204: W&S - \$3,015,826; Electric - \$1,258,378.
- ◆ Expenses net of program revenues decreased by \$1,744,924. Key elements are as follows:
  - ◆ \$2,308,680 (9.6%) increase in revenues generated by the operations of water distribution, wastewater treatment, and electric distribution.
  - ◆ \$2,094,167 increase in grants and contributions, primarily due to grant reimbursements recognized from the U.S. Economic Development Administration and State Department of Commerce for the ECIA Lift Station project.
  - ◆ \$2,657,923 increase in expenses, primarily due to capacity allocation purchases to support future demand that's attributable to industrial growth in conjunction with higher wholesale power purchases.
- ◆ \$4,233,947 in revenues generated from development activity.

Refer to Exhibit C-1 & C-5 in the 2019 CAFR for a Budget Comparison

# KEY GROWTH RATES – GENERAL FUND

## Sales Tax Revenue

| <b>Fiscal<br/>Year</b>    | <b>Sales Tax<br/>Revenue</b> | <b>Growth</b> |
|---------------------------|------------------------------|---------------|
| 2015                      | 2,978,962                    |               |
| 2016                      | 3,227,971                    | 8.4%          |
| 2017                      | 3,845,911                    | 19.1%         |
| 2018                      | 4,125,965                    | 7.3%          |
| 2019                      | 4,585,262                    | 11.1%         |
| <b>Total Growth</b>       |                              | <b>53.9%</b>  |
| <b>5-Year Avg. Growth</b> |                              | <b>9.0%</b>   |

# KEY GROWTH RATES – GENERAL FUND

## Property Tax Revenue

| <b>Fiscal<br/>Year</b>    | <b>Property Tax<br/>Revenue</b> | <b>Growth</b> |
|---------------------------|---------------------------------|---------------|
| 2015                      | 8,741,219                       |               |
| 2016                      | 9,633,212                       | 10.2%         |
| 2017                      | 10,084,003                      | 4.7%          |
| 2018                      | 10,636,590                      | 5.5%          |
| 2019                      | 11,920,879                      | 12.1%         |
| <b>Total Growth</b>       |                                 | <b>36.4%</b>  |
| <b>5-Year Avg. Growth</b> |                                 | <b>6.4%</b>   |

## KEY GROWTH RATES – GENERAL FUND

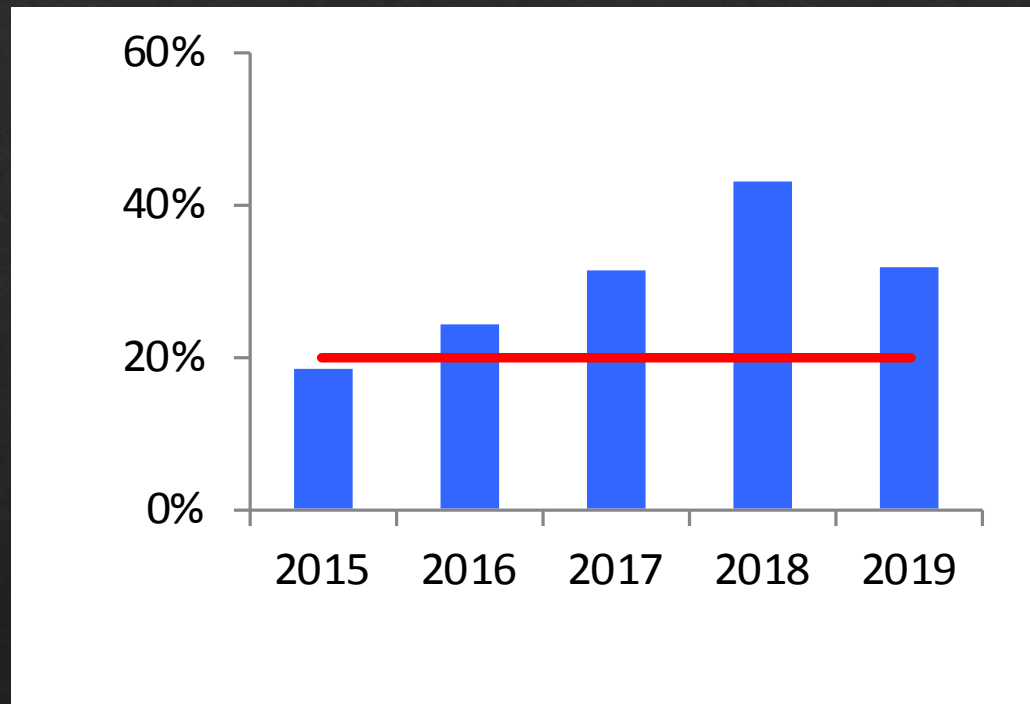
### Assessed Value

| <b>Fiscal<br/>Year</b>    | <b>Total<br/>Assessed Value</b> | <b>Growth</b> |
|---------------------------|---------------------------------|---------------|
| 2015                      | 1,688,412,928                   |               |
| 2016                      | 1,791,480,793                   | 6.1%          |
| 2017                      | 1,858,420,778                   | 3.7%          |
| 2018                      | 1,951,740,682                   | 5.0%          |
| 2019                      | 2,067,377,054                   | 5.9%          |
| <b>Total Growth</b>       |                                 | <b>22.4%</b>  |
| <b>5-Year Avg. Growth</b> |                                 | <b>4.1%</b>   |



# FUND BALANCE RATIO – GENERAL FUND

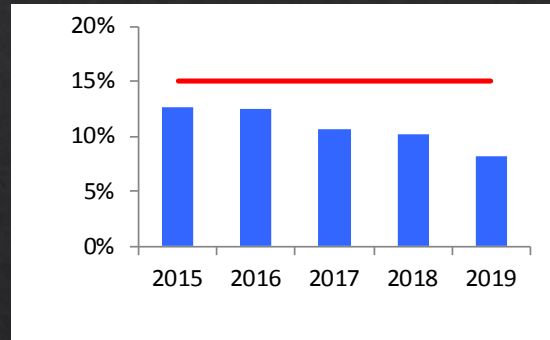
Unassigned Fund Balance as a Percentage of Net Expenditures



2019 = 32%, Policy = 20%, Expectation = Min. of 30%

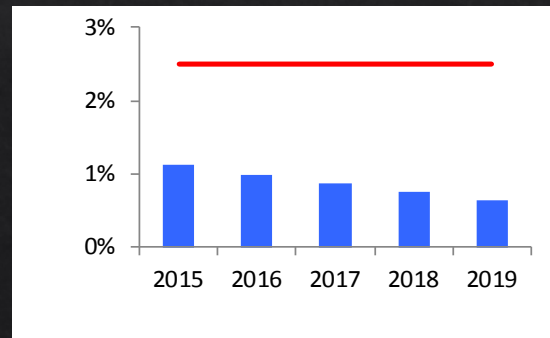
# DEBT RATIOS - GENERAL FUND

## Debt Service Compared to Total Governmental Expenditures Less Capital Outlay



2019 = 8.1%, Policy = 15%, Expectation = Max. of 13%

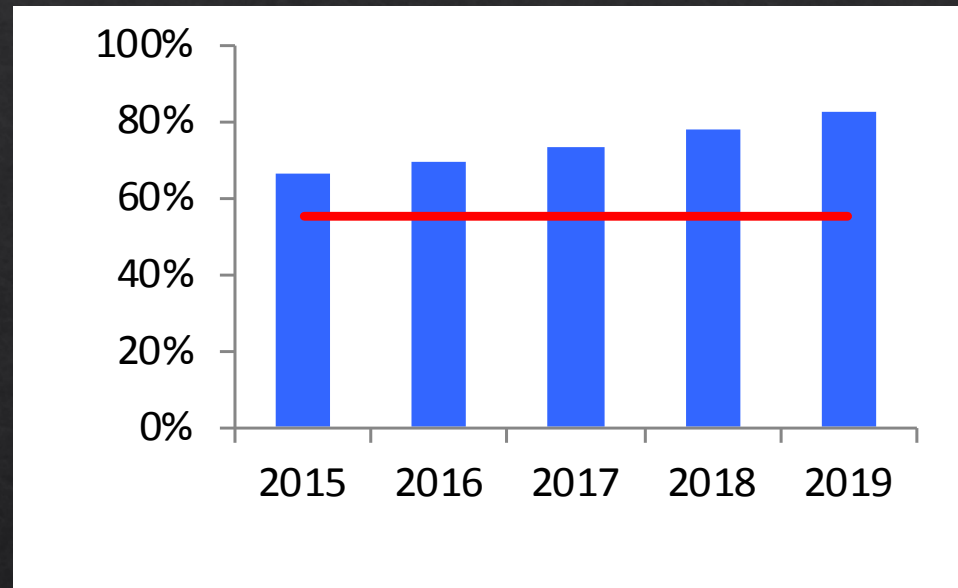
## Debt as a Percentage of Assessed Value



2019 = 0.65%, Policy = 2.5%

# DEBT RATIOS - GENERAL FUND

## 10-YEAR PAYOUT RATIO

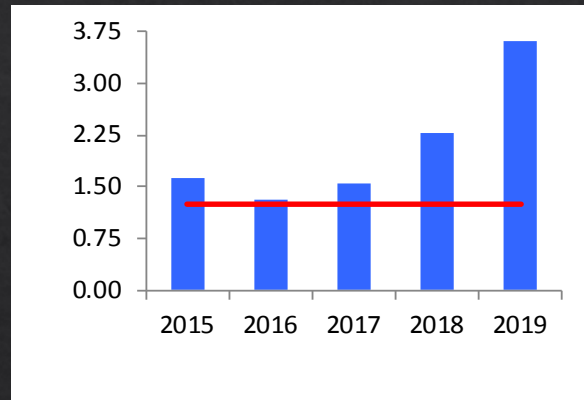


2019 = 82.6%, Policy = 55%



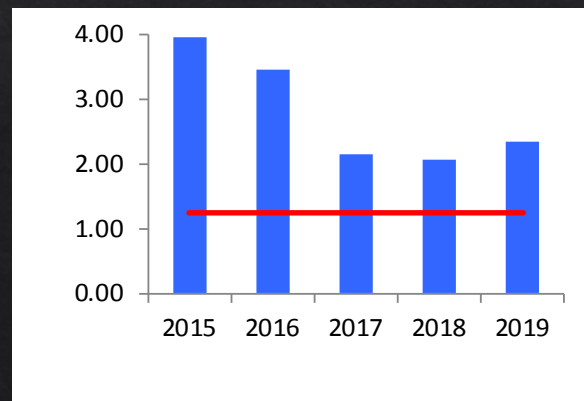
# DEBT SERVICE COVERAGE RATIO – ENTERPRISE FUNDS

## Water & Sewer Fund



2019 = 3.62, Policy = 1.25, Expectation = Min. of 1.50

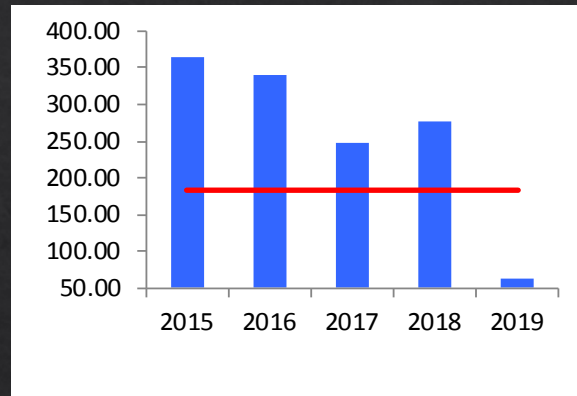
## Electric Fund



2019 = 2.36, Policy = 1.25, Expectation = Min. of 1.50

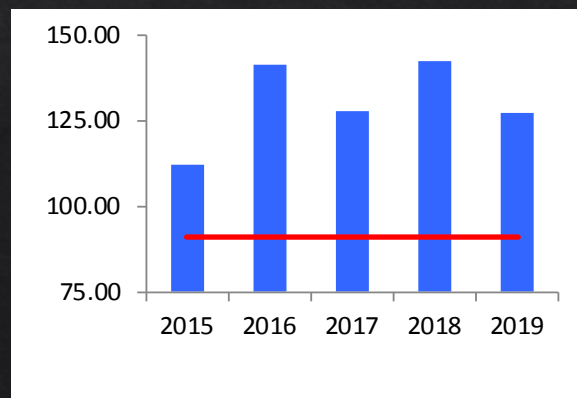
# OPERATING DAYS CASH ON HAND – ENTERPRISE FUNDS

## Water & Sewer Fund



2019 = 64.21, Policy = 182.50, Expectation = Min. of 200.75

## Electric Fund



2019 = 127.11, Policy = 91.25, Expectation = Min. of 98.55

# AUDIT REPORT HIGHLIGHTS

- ◇ Unmodified (“clean”) opinion.
- ◇ Audit report was submitted and approved by LGC along with the AFIR.
- ◇ Town had no compliance violations.
- ◇ Overall tax collection percentage 99.99%.
- ◇ General Fund Debt decreased from \$14,714,557 to \$13,374,000, or \$1,340,557. No new debt.
- ◇ Proprietary Funds debt decreased from \$15,018,558 to \$13,787,510, or \$1,231,048. No new debt.

# QUESTIONS

Thank You  
Any Questions?

The Clayton Town Council will hold a Public Hearing on Tuesday, January 21, 2020 at 6:00 p.m. at Town Hall, 111 East Second Street, to receive public input on the upcoming 2020-2021 fiscal year budget for the Town of Clayton.

This is an open meeting and citizens are invited to attend.

Kimberly A. Moffett, CMC, NCCMC – Town Clerk  
919-553-5002

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Please Advertise: January 8 & 15, 2020

Affidavit of Publication Required

**Town of Clayton  
FY 2020-2021 Budget Calendar**

| <b>Budget Step</b> | <b>Deadline</b>       | <b>Mandatory Budget Forms?</b> | <b>Budget Task</b>                                                                           |
|--------------------|-----------------------|--------------------------------|----------------------------------------------------------------------------------------------|
| 1                  | 9/1/2019              |                                | Open NWS Budget Module                                                                       |
| 2                  | 9/9/2019              |                                | MANDATORY Budget Kickoff Meeting / Budget Training - Distribution of forms                   |
| 3                  | 10/18/2019            | ✓                              | Submit updated Capital Improvement Plan (CIP)                                                |
| 4                  | 10/18/2019            | ✓                              | Submit Personnel Management Plan (PMP)                                                       |
| 5                  | 11/4/2019             | ✓                              | Submit position requests/reclassifications to HR                                             |
| 6                  | 12/31/2019            | ✓                              | HR submit position requests/reclassifications information to Finance                         |
| 7                  | 1/8/2020              | ✓                              | Submit FY 19-20 Budget Close-out forms and enter End of Year Estimates in NWS                |
| 8                  | 1/20/2020             |                                | Initial Public Hearing                                                                       |
| 9                  | 2/21/2020             |                                | Update Vehicle Replacement Plan and make recommendations to departments                      |
| 10                 | 2/21/2020             |                                | Update Building Maintenance Budgets                                                          |
| 11                 | 3/13/2020             | ✓                              | Departmental Requests Budget Deadline (including all justification forms)                    |
| 12                 | 3/13/2020             | ✓                              | Recommended changes to Comprehensive List of Fees and Charges with associated justifications |
| 13                 | 3/13/2020             | ✓                              | Recommended utility rate changes                                                             |
| 14                 | 3/16/2020 - 3/27/2020 |                                | Departmental Meetings- Presentations to Town Manager and Budget Review Team                  |
| 15                 | 3/27/2020             |                                | Update and submit Performance Measures data section of budget cover sheets                   |
| 16                 | 4/2/2020              |                                | MANDATORY Departmental "Balance the Budget" Meetings - GENERAL FUND                          |
| 17                 | 4/3/2020              |                                | MANDATORY Departmental "Balance the Budget" Meetings - ENTERPRISE FUNDS                      |
| 18                 | 4/20/2020             |                                | Distribution of FY 20-21 Budget Proposal to Town Council with Summary Presentation           |
| 19                 | 4/29/2020             |                                | Council comments & questions to Town Manager                                                 |
| 20                 | 5/5/2020 - 5/6/2020   |                                | Council Budget Work Sessions                                                                 |
| 21                 | 5/13/2020             |                                | Final Budget Document prepared                                                               |
| 22                 | 5/18/2020             |                                | Final Public Hearing                                                                         |
| 23                 | 6/1/2020              |                                | Adoption of FY 20-21 Annual Budget                                                           |
| 24                 | 6/15/2020             |                                | Submit implementation schedule for FY 20-21 CIP projects                                     |



## Town Council Agenda Cover Sheet

---

**Meeting Date**

January 21, 2020

**Agenda Location**

Public Hearings

**Item Title**

2019-243-OA Access Ordinance Amendment

**Presenter**

Planning Department

**Summary/Description**

Request to amend the Unified Development Code to clarify the general development standards for residential and non-residential development. The amendment includes access points clarification, sidewalk, and fee-in-lieu clarification among other items.

**Requested Action**

Approval

**Funding Source (If Applicable):**

N/A

**Cost:** N/A   Yes ☐   No ☒

**Additional Documents to be Included in Agenda Packet**

Application  
Strikethrough Copy  
Clean Copy  
Staff Report  
PB Recommendation  
Consistency Statement  
Newspaper Ad

**Meeting Timeline**

December 17, 2019- Planning Board (recommendation)  
January 6, 2020- Town Council (postponed)  
January 21, 2020- Town Council





**TOWN OF CLAYTON**  
Planning Department  
111 E. Second St., P.O. Box 879  
Clayton, NC 27528  
Phone: 919-553-5002  
Fax: 919-553-1720

## ORDINANCE AMENDMENT APPLICATION

*Pursuant to Article 7, Section 155.703 of the Unified Development Code, the Town Council, Board of Adjustment, Planning Board, Planning Director, or the general public may petition the Town Council to amend the Code of Ordinances.*

**Application Fee: TBD**

**Advertisement Fee: \$100.00**

*All fees are due when the application is submitted.*

### AMENDMENT INFORMATION

**Project Name:** Access / Sidewalk Ordinance Amendment

**Existing title of Code Section(s):** General Development Standards- Access

**Code Section Number(s):** 155.400 Access

### APPLICANT/CONTACT INFORMATION

**Applicant:** Town of Clayton Planning Department

**Mailing Address:** PO Box 879 Clayton, NC 27520

**Phone Number:** 919-553-5002

**Fax:** \_\_\_\_\_

**Contact Person:** Haley Hogg, Planner II & Samantha Wullenwaber, Planning Director

**Email Address:** hhogg@townofclaytonnc.org & swullenwaber@townofclaytonnc.org

### DESCRIPTION OF REQUESTED CHANGES

*Please provide a general justification of the requested ordinance amendment. Attach additional sheets if necessary.*

Update the requirements for access points for residential subdivisions and multi-family developments to ensure adequate access for emergency vehicles including fire, police, and EMS. Additionally, the amendment specifies the requirements of sidewalks and when sidewalk development vs. fee-in-lieu is appropriate.

### FOR OFFICE USE ONLY

Date Received: 12-2-19

Amount Paid: NO Fee -

File Number: 2019-243

*Town initiated*

## REQUIRED INFORMATION (to be submitted with the application)

*The following items must accompany this application for it to be deemed complete.*

| To be completed by the applicant:                                                    |                                     |     | For staff use only: |    |     |
|--------------------------------------------------------------------------------------|-------------------------------------|-----|---------------------|----|-----|
| Submit 9 copies of all materials unless otherwise noted or directed by staff         | Yes                                 | N/A | Yes                 | No | N/A |
| 1. A pre-application conference was held with Town of Clayton staff. Date: _____     | <input type="checkbox"/>            |     |                     |    |     |
| 2. Review Fee and Advertisement Fee                                                  | <input type="checkbox"/>            |     |                     |    |     |
| 3. Completed application                                                             | <input checked="" type="checkbox"/> |     |                     |    |     |
| 4. A bound strikethrough/underline copy of the Code section(s) proposed for revision | <input checked="" type="checkbox"/> |     |                     |    |     |
| 5. A bound "clean" copy of the Code section(s) proposed for revision                 | <input checked="" type="checkbox"/> |     |                     |    |     |

## APPROVAL CRITERIA

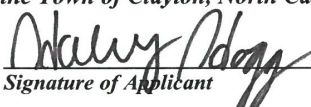
*All applications for Ordinance Amendment must address the following criteria:*

1. The extent to which the proposed text amendment is consistent with the remainder of the chapter, including specifically, any purpose and intent statements.  
The proposed text amendment is consistent with the remainder of the chapter, including any purpose and intent statements.
2. The extent to which the proposed text amendment represents a new idea not considered in the existing chapter, or represents a revision necessitated by changing circumstances over time.  
The proposed amendment does not represent a new idea not considered in the existing chapter, but does represent a revision necessitated to ensure adequate vehicular and pedestrian access is provided.
3. Whether or not the proposed text amendment corrects an error in the chapter.  
The text amendment does not correct an error in the chapter.
4. Whether or not the proposed text amendment revises the chapter to comply with state or federal statutes or case law.  
The proposed amendment is not proposed to comply with state or federal statutes or case law.

## APPLICANT AFFIDAVIT

*I/We, the undersigned, do hereby make application and petition to the Town Council of the Town of Clayton to amend the Code of Ordinances as requested. I hereby certify that I have full legal right to request such action and that the statements or information made in any paper or plans submitted herewith are true and correct to the best of my knowledge. I understand this application, related material and all attachments become official records of the Planning Department of the Town of Clayton, North Carolina, and will not be returned.*

Haley Hogg  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Signature of Applicant

12/2/19  
\_\_\_\_\_  
Date

## ARTICLE 4: GENERAL DEVELOPMENT STANDARDS

### CONTENTS:

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### § 155.400 ACCESS

#### (A) PURPOSE AND INTENT

It is the intent of this Section to establish procedures and design standards for driveways and access points to promote efficiency and safety of the connecting street system, support operations of the surrounding pedestrian and bicycle network, ensure safe roadway access to all parcels and lots, and promote a vibrant and attractive streetscape character. These procedures and standards are intended to preserve and enhance the character of the community, and protect the health, safety and general welfare of Clayton's residents.

#### (B) ACCESS

For the purposes of this section, access means the point or points of ingress and egress from a development or parcel to the existing right-of-way network.

(C) **ACCESS REQUIRED**

- (1) Except as provided in paragraph(c)(2) below, no principal building, structure, or use may be erected or established on any lot which does not abut at least 30 feet on a street that is publicly-dedicated and maintained by the Town or the North Carolina Department Of Transportation.
- (2) The Planning Director may authorize, in specific situations, alternative driveway access when:
  - (a) The effect of such application would be to deprive the parcel of reasonable access; or
  - (b) The size, configuration, or lack of frontage makes alternatives infeasible.
  - (c) At a minimum, entrances and exits, except those associated with a single-family residential use, shall be subject to the dimensional standards provided in Table 4-1 below.

**TABLE 4-1 –DIMENSIONAL STANDARDS OF ACCESS WAYS**

| Min. Entrance/Exit Width                | Feet <sup>(1)</sup>                                                                                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| One-Way                                 | 15                                                                                                                                                                                                     |
| Two-Way without median                  | 25 (35 maximum)                                                                                                                                                                                        |
| Two-way with median                     | 40 <sup>(2)</sup>                                                                                                                                                                                      |
| <b>Right Turn Radius <sup>(3)</sup></b> |                                                                                                                                                                                                        |
| Minimum                                 | 25                                                                                                                                                                                                     |
| Maximum                                 | 30                                                                                                                                                                                                     |
| <b>Notes:</b>                           |                                                                                                                                                                                                        |
| 1.                                      | All entrances and exits are subject to approval by the Town of Clayton and/or NCDOT. Widths exceeding these standards may be approved by the Planning Director or Town Engineer, depending on the use. |
| 2.                                      | Width excludes median. 20 foot unobstructed pavement required on both sides of median, excluding landscape islands.                                                                                    |
| 3.                                      | Measured on side of driveway exposed to entry or exit by right turning vehicles.                                                                                                                       |

(D) **COMPLIANCE WITH LOCAL AND STATE REQUIREMENTS**

- (3) Prior to beginning any construction, permits necessary to connect to the right-of-way network of the town or state shall be secured. Driveway connections to individual residences are generally excluded from this requirement, but may be necessary if a safety concern is identified.
- (4) Failure to secure necessary permits prior to construction may result in the removal of the driveways and/or denial of access at that location.

- (5) A Certificate of Occupancy shall not be issued until the access requirements of this chapter have been met.

(E) **ACCESS TO RESIDENTIAL SUBDIVISIONS**

- (1) When a residential subdivision borders on or contains a major thoroughfare, direct driveway access from lots within the subdivision onto the thoroughfare shall not be permitted.
- (2) In order to accommodate emergency and service vehicles, the following standards shall apply:
- (a) Any residential subdivision of greater than 30 lots shall include at least two separate and constructed access points. ~~The second access may consist of an existing or future street connection to an adjacent development.~~
- ~~(b) Any residential subdivision of greater than 75 lots shall include at least two access points. The second access may consist of a street connection to an existing adjacent development.~~
- ~~(c) No more than 75 certificates of occupancy may be issued within the subdivision until the required secondary access has been constructed or bonded for construction.~~
- ~~(b) Residential subdivisions of 250 or more lots shall provide at least three separate and constructed access points. Where three or more access points are required, the Town Council may waive the requirement for immediate construction of more than two access points, provided that subdivision phasing and design illustrates the additional required connections. A Variance may be sought in accordance with section § 155.716 in situations where unique topographical features such as slope or other unique circumstances limit the potential for the third access point.~~
- ~~(c) All required access points shall be placed at a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight line between access points.~~
- ~~(d) Street stub-outs to adjacent undeveloped properties shall be provided as deemed appropriate. Stub-outs to adjacent undeveloped properties shall not count towards the minimum number of required access points. All stub-outs shall be constructed to the property line.~~
- ~~(e) Street connections shall be made to existing stub-outs on adjacent developed properties. These street connections may count towards the minimum number of required access points.~~



(f) All required access points outlined in this section shall be constructed prior to plat recordation of the phase in which the access points are located.

~~(3) A waiver (see § 155.706(1)(7)) of these standards may be allowed by the Town Council during approval of the preliminary subdivision plat only where limited frontage, natural features (slope, topography), or similar circumstances preclude the required connections and there is no substantial impact noted regarding emergency service delivery.~~

**(F) MULTI-FAMILY RESIDENTIAL DEVELOPMENTS**

(a) Multi-Family projects having more than 100 dwelling units shall provide at least two separate and constructed access points. Required access points shall be constructed prior to issuance of the first Certificate of Occupancy for the phase in which they are located.

(b) When two access roads are required, they shall be placed at a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight light between access points.

**(F)(G) RESIDENTIAL DRIVEWAY STANDARDS**

Residential driveway access to and from streets shall be constructed in accordance with Town standards as outlined below:

**(1) Design**

The standard residential driveway access for the Town shall be a "ramp" type driveway section. Ramp-type driveways shall be constructed in accordance with Town standards and specifications as outlined in the Town's *Engineering Design Manual*.

**(2) Width**

The width of a residential driveway shall be no less than ten feet and no more than 24 feet. When two residential driveways coincide along a property line, the maximum width of both driveways combined shall not exceed 24 feet.

**(3) Number**

The number of driveway access points servicing a residential lot should be limited to one. In no instance shall there be more than two residential driveway access points servicing the lot.

**(4) Setbacks**

- (a) Residential driveways shall be spaced at least 20 feet from any other driveway on the same lot.
- (b) Driveways shall be no closer than three and one-half feet to any lot line, except where two residential driveways coincide along the same lot line.
- (c) The minimum corner clearance from the curb line or edge of pavement of intersecting streets shall be at least 20 feet from the point of tangency of the radius curvature, or 20 feet from the intersection of right-of-way lines, whichever is greater.
- (d) The radius of the driveway shall not encroach on the minimum corner clearance.

#### ~~(G)~~(H) NON-RESIDENTIAL DRIVEWAY STANDARDS

##### (1) **Design**

Non-residential driveway access to and from streets shall be constructed in accordance with the standards and specifications provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by NCDOT.

##### (2) **Number**

- (a) For any development, the number of driveway access points may be restricted where it is necessary for purposes of decreasing traffic congestion or hazards. These restrictions may include required common access points.
- (b) Approval of driveway access between a lot and the right-of-way at an interval less than those specified by the *Policy on Street and Driveway Access to North Carolina Highways* manual, as adopted and amended by NCDOT, may be granted only by review and recommendation of the Town Engineer and NCDOT.

##### (3) **Outparcels**

Outparcels shall take access from within the development, where possible.

#### ~~(H)~~(I) CROSS ACCESS CONNECTIONS

- (1) Internal driveway connections to adjacent existing or future development shall be provided for residential and commercial development, and clearly identified. All driveway connections shall be constructed and stubbed to the property line, and future development of adjacent property shall complete a connection to any existing stub.
- (2) Access easements may be required to ensure outparcels or adjacent developments have adequate access if ownership patterns change.



- ~~(3) The Planning Board or Town Council may waive the requirement for a driveway connection required above in those cases where unusual topography or site conditions would render such a connection or easement of no benefit to adjoining properties.~~

~~(H)~~(J) **SHARED ACCESS**

A shared access easement may be required between adjacent lots fronting on ~~a thoroughfare~~ in order to minimize the total number of access points along those streets and to facilitate traffic flow between lots.

~~(H)~~(K) **CLOSURE OR RELOCATION OF EXISTING ACCESS POINTS**

- (1) The Planning Board or Town Council, in conjunction with NCDOT, shall have the authority to require the closure or relocation of existing access points where multiple access points to the site are available.
- (2) The Planning Board or Town Council may approve the closure of driveway access in those cases where adjoining parcels are subsequently developed with a residential use.

~~(K)~~(L) **VISIBILITY AT INTERSECTIONS**

- (1) On a corner lot, nothing shall be erected, placed, planted, or allowed to grow in such a manner as to materially impede vision between a height of 30 inches and ten feet in a triangular area formed by a diagonal line between two points on the right-of-way lines, 20 feet from where they intersect.
- (2) Adequate sight distance should be provided at all driveway access points and shall be in accordance with the standards provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by the NCDOT.

~~(L)~~(M) **THOROUGHFARE OVERLAY DISTRICT**

In addition to the standards set forth in this Section, driveways to be constructed within a Thoroughfare Overlay District are subject to the additional standards set forth in § 155.204(A).

~~(N)~~ **SIDEWALKS**

- ~~(1) All sidewalks associated with a residential subdivision shall be required as outlined in Article 6 of this chapter.~~
- ~~(2) All residential and non-residential development projects not associated with a residential subdivision shall be required to install sidewalks and curb-and-gutter along all property lines with road frontage. If there is no existing sidewalk within 300' of the proposed development project, a fee-in-lieu of sidewalk may be accepted.~~

- (3) If fee-in-lieu of sidewalk is made, an Engineer's estimate for fee-in-lieu shall be provided to the Town's Engineering department for review. Fee-in-lieu shall be paid for sidewalks prior to issuance of building permits.
- (4) Sidewalks shall be installed prior to issuance of a Certificate of Occupancy for the development.

(Ord. 2005-11-02, passed 11-21-05; Am. Ord. 2013-09-03, passed 9-3-13)



## ARTICLE 4: GENERAL DEVELOPMENT STANDARDS

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| § 155.402 | LANDSCAPING, SCREENING AND BUFFERING .....                   | Error! Bookmark not defined. |
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| PART 3.   | STREET YARD TREES.....                                       | Error! Bookmark not defined. |
| PART 4.   | SCREENING .....                                              | Error! Bookmark not defined. |
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| § 155.404 | OUTDOOR LIGHTING .....                                       | Error! Bookmark not defined. |
| §155.405  | DESIGN STANDARDS- NON-RESIDENTIAL & MULTI-FAMILY.....        | 67                           |

### § 155.400 ACCESS

#### (A) PURPOSE AND INTENT

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#### (B) ACCESS

For the purposes of this section, access means the point or points of ingress and egress from a development or parcel to the existing right-of-way network.

(C) **ACCESS REQUIRED**

- (1) Except as provided in paragraph(c)(2) below, no principal building, structure, or use may be erected or established on any lot which does not abut at least 30 feet on a street that is publicly-dedicated and maintained by the Town or the North Carolina Department Of Transportation.
- (2) The Planning Director may authorize, in specific situations, alternative driveway access when:
  - (a) The effect of such application would be to deprive the parcel of reasonable access; or
  - (b) The size, configuration, or lack of frontage makes alternatives infeasible.
  - (c) At a minimum, entrances and exits, except those associated with a single-family residential use, shall be subject to the dimensional standards provided in Table 4-1 below.

**TABLE 4-1 –DIMENSIONAL STANDARDS OF ACCESS WAYS**

| Min. Entrance/Exit Width                | Feet <sup>(1)</sup>                                                                                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| One-Way                                 | 15                                                                                                                                                                                                     |
| Two-Way without median                  | 25 (35 maximum)                                                                                                                                                                                        |
| Two-way with median                     | 40 <sup>(2)</sup>                                                                                                                                                                                      |
| <b>Right Turn Radius <sup>(3)</sup></b> |                                                                                                                                                                                                        |
| Minimum                                 | 25                                                                                                                                                                                                     |
| Maximum                                 | 30                                                                                                                                                                                                     |
| <b>Notes:</b>                           |                                                                                                                                                                                                        |
| 1.                                      | All entrances and exits are subject to approval by the Town of Clayton and/or NCDOT. Widths exceeding these standards may be approved by the Planning Director or Town Engineer, depending on the use. |
| 2.                                      | Width excludes median. 20 foot unobstructed pavement required on both sides of median, excluding landscape islands.                                                                                    |
| 3.                                      | Measured on side of driveway exposed to entry or exit by right turning vehicles.                                                                                                                       |

(D) **COMPLIANCE WITH LOCAL AND STATE REQUIREMENTS**

- (3) Prior to beginning any construction, permits necessary to connect to the right-of-way network of the town or state shall be secured. Driveway connections to individual residences are generally excluded from this requirement, but may be necessary if a safety concern is identified.
- (4) Failure to secure necessary permits prior to construction may result in the removal of the driveways and/or denial of access at that location.

- (5) A Certificate of Occupancy shall not be issued until the access requirements of this chapter have been met.

(E) **ACCESS TO RESIDENTIAL SUBDIVISIONS**

- (1) When a residential subdivision borders on or contains a major thoroughfare, direct driveway access from lots within the subdivision onto the thoroughfare shall not be permitted.
- (2) In order to accommodate emergency and service vehicles, the following standards shall apply:
- (a) Any residential subdivision of greater than 30 lots shall include at least two separate and constructed access points.
  - (b) Residential subdivisions of 250 or more lots shall provide at least three separate and constructed access points. A Variance may be sought in accordance with section § 155.716 in situations where unique topographical features such as slope or other unique circumstances limit the potential for the third access point.
  - (c) All required access points shall be placed at a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight line between access points.
  - (d) Street stub-outs to adjacent undeveloped properties shall be provided as deemed appropriate. Stub-outs to adjacent undeveloped properties shall not count towards the minimum number of required access points. All stub-outs shall be constructed to the property line.
  - (e) Street connections shall be made to existing stub-outs on adjacent developed properties. These street connections may count towards the minimum number of required access points.
  - (f) All required access points outlined in this section shall be constructed prior to plat recordation of the phase in which the access points are located.

(F) **MULTI-FAMILY RESIDENTIAL DEVELOPMENTS**

- (a) Multi-Family projects having more than 100 dwelling units shall provide at least two separate and constructed access points. Required access points shall be constructed prior to issuance of the first Certificate of Occupancy for the phase in which they are located.

- (b) When two access roads are required, they shall be placed at a distance apart equal to not less than one-half of the length of the maximum overall diagonal dimension of the property or area to be served, measured in a straight light between access points.

(G) **RESIDENTIAL DRIVEWAY STANDARDS**

Residential driveway access to and from streets shall be constructed in accordance with Town standards as outlined below:

(1) **Design**

The standard residential driveway access for the Town shall be a "ramp" type driveway section. Ramp-type driveways shall be constructed in accordance with Town standards and specifications as outlined in the Town's *Engineering Design Manual*.

(2) **Width**

The width of a residential driveway shall be no less than ten feet and no more than 24 feet. When two residential driveways coincide along a property line, the maximum width of both driveways combined shall not exceed 24 feet.

(3) **Number**

The number of driveway access points servicing a residential lot should be limited to one. In no instance shall there be more than two residential driveway access points servicing the lot.

(4) **Setbacks**

- (a) Residential driveways shall be spaced at least 20 feet from any other driveway on the same lot.
- (b) Driveways shall be no closer than three and one-half feet to any lot line, except where two residential driveways coincide along the same lot line.
- (c) The minimum corner clearance from the curb line or edge of pavement of intersecting streets shall be at least 20 feet from the point of tangency of the radius curvature, or 20 feet from the intersection of right-of-way lines, whichever is greater.
- (d) The radius of the driveway shall not encroach on the minimum corner clearance.

(H) **NON-RESIDENTIAL DRIVEWAY STANDARDS**

(1) **Design**



Non-residential driveway access to and from streets shall be constructed in accordance with the standards and specifications provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by NCDOT.

(2) **Number**

- (a) For any development, the number of driveway access points may be restricted where it is necessary for purposes of decreasing traffic congestion or hazards. These restrictions may include required common access points.
- (b) Approval of driveway access between a lot and the right-of-way at an interval less than those specified by the *Policy on Street and Driveway Access to North Carolina Highways* manual, as adopted and amended by NCDOT, may be granted only by review and recommendation of the Town Engineer and NCDOT.

(3) **Outparcels**

Outparcels shall take access from within the development, where possible.

(I) **CROSS ACCESS CONNECTIONS**

- (1) Internal driveway connections to adjacent existing or future development shall be provided for residential and commercial development, and clearly identified. All driveway connections shall be constructed and stubbed to the property line, and future development of adjacent property shall complete a connection to any existing stub.
- (2) Access easements may be required to ensure outparcels or adjacent developments have adequate access if ownership patterns change.

(J) **SHARED ACCESS**

A shared access easement may be required between adjacent lots fronting on a thoroughfare in order to minimize the total number of access points along those streets and to facilitate traffic flow between lots.

(K) **CLOSURE OR RELOCATION OF EXISTING ACCESS POINTS**

- (1) The Planning Board or Town Council, in conjunction with NCDOT, shall have the authority to require the closure or relocation of existing access points where multiple access points to the site are available.
- (2) The Planning Board or Town Council may approve the closure of driveway access in those cases where adjoining parcels are subsequently developed with a residential use.

(L) **VISIBILITY AT INTERSECTIONS**

- (1) On a corner lot, nothing shall be erected, placed, planted, or allowed to grow in such a manner as to materially impede vision between a height of 30 inches and ten feet in a triangular area formed by a diagonal line between two points on the right-of-way lines, 20 feet from where they intersect.
- (2) Adequate sight distance should be provided at all driveway access points and shall be in accordance with the standards provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by the NCDOT.

(M) **THOROUGHFARE OVERLAY DISTRICT**

In addition to the standards set forth in this Section, driveways to be constructed within a Thoroughfare Overlay District are subject to the additional standards set forth in § 155.204(A).

(N) **SIDEWALKS**

- (1) All sidewalks associated with a residential subdivision shall be required as outlined in Article 6 of this chapter.
  - (2) All residential and non-residential development projects not associated with a residential subdivision shall be required to install sidewalks and curb-and-gutter along all property lines with road frontage. If there is no existing sidewalk within 300' of the proposed development project, a fee-in-lieu of sidewalk may be accepted.
  - (3) If fee-in-lieu of sidewalk is made, an Engineer's estimate for fee-in-lieu shall be provided to the Town's Engineering department for review. Fee-in-lieu shall be paid for sidewalks prior to issuance of building permits.
- (4) Sidewalks shall be installed prior to issuance of a Certificate of Occupancy for the development. (Ord. 2005-11-02, passed 11-21-05; Am. Ord. 2013-09-03, passed 9-3-13)



**TOWN OF CLAYTON  
PLANNING BOARD WRITTEN RECOMMENDATION  
Ordinance Amendment**

**2019-243-OA Access & Sidewalk Ordinance Amendment**

On December 17, 2019 the Planning Board heard the above-referenced request and made the following vote:

Recommendation to the Town Council to:

☒ approve the request.

☐ deny the request.

Recommendation(s) made this 17<sup>th</sup> day of December, 2019 while in regular session.

Signed:

  
Robert J. Ahlert, Planning Board Chair

### **PUBLIC NOTICE**

In accordance with NC GS 160A-364, the Clayton Town Council will hold a public hearing on Monday, January 6, 2020, at 6:00 PM in the Council Chambers at the Clayton Center, 111 E Second Street, to consider the following amendment to the Unified Development Code: 2019-243-OA Access Ordinance Amendment. Copies of the proposed amendment are available in the Planning office and the Town Clerk's office for review by the public. Title XV, Chapter 155 is proposed to be amended to add the following section:

- Section 400: Access

The public is invited to attend.

Haley Hogg, Planner II  
919-553-5002

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The Johnstonian Newspaper

Please advertise on the following dates:  
December 25, 2019  
January 1, 2020

Affidavit of publication required.



Town of Clayton  
Planning Department  
111 E. Second Street, Clayton, NC 27520  
P.O. Box 879, Clayton, NC 27528  
Phone: 919-553-5002  
Fax: 919-553-1720

*Town Council  
January 6, 2020*

## STAFF REPORT

**Application Number: 2019-243-OA**  
**Project Name: Access & Sidewalk Ordinance Amendment**

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**Applicant:** Town of Clayton

**Public Noticing:**

- Newspaper ad to be published December 25, 2019 & January 1, 2020

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**REQUEST:** Request to amend the Unified Development Code Title XV, §155.400. This amendment seeks to clarify the general development standards for residential and non-residential development. The amendment includes access points clarification, sidewalk, and fee-in-lieu clarification among other items.

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**SECTIONS PROPOSED FOR AMENDMENT:**

The following sections of Title XV, Chapter 155 and their general description are proposed for amendment:

- 400- Access

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**STAFF ANALYSIS AND COMMENTARY:**

**Overview**

This ordinance amendment modifies Section 400 of the Unified Development Code which pertains to general development standards. The primary proposed changes are outlined in detail below:

**Access to Residential Subdivisions**

**1. Number of Access Points**

Staff is proposing to amend the requirement for the minimum number of access points for residential subdivisions for safety purposes. These proposed changes have been discussed internally among the Planning, Engineering, Public Services, Police, Inspections, and Fire departments.

At this time the Fire Department enforces the access requirements of Appendix D of the North Carolina State Fire Code for residential subdivisions, which requires all subdivisions over 30 lots to include at least two separate and constructed access points. The UDC's current language contradicts this requirement as

*Page 1 of 3*

it currently allows the secondary access to be provided in the form of a stub-out or future connection to adjacent parcels. Staff is proposing to modify the requirement to better match the Fire Code requirement.

The proposed ordinance amendment is slightly more stringent than the Fire Code. As currently written, the fire code allows at times the number of access points to be reduced if individual housing units have sprinkler systems installed. While this addresses the concern of fire, it still does not address the issue of access for other emergency services such as EMS and Police. For this reason staff is proposing the recommended number of access points be required regardless of whether or not sprinkler systems are installed within individual units. This means that any subdivision over 30 lots would be required to have two constructed access points serving the development.

These changes are proposed for safety reasons. If a subdivision is constructed with only one access point there is a risk that if that access point is blocked for any reason then emergency services would not be able to get to residents within the development. The proposed changes are to ensure that adequate access for emergency services (fire, EMS, and police) is provided for residences. This also allows for looping of utility lines which is necessary for water quality and flow. Looping water lines instead of creating dead ends helps water quality and pressure.

## **2. Waivers**

This ordinance amendment proposes the removal of the language regarding waivers for required access points. The Fire Code does not permit waivers. In instances that the UDC may be stricter regarding access points, a variance process would be more appropriate when there is a unique hardship as it is a quasi-judicial process which requires evidence and specific Findings to be met.

## **3. Timing of Construction**

Staff is proposing that the required access points be constructed prior to plat recordation of the phase in which the access points are located.

### **Access to Multi-Family Developments**

The UDC does not currently specify access requirements for multi-family residential developments. This would include apartment developments primarily, but may also include townhomes that are built to multi-family building code standards. The proposed required number of access points is based upon the Fire Code, which is already being enforced by the Town's Fire department. As with the modifications for residential subdivisions, the proposed ordinance amendment would not allow a reduction in the number of required access points regardless of whether or not the buildings have sprinkler systems installed. These access points would be required to be constructed prior to issuance of the first CO in the phase in which they are located.

### **Sidewalks**

The UDC does not currently have clear standards in regards to the requirements of sidewalk and situations in which fee-in-lieu of sidewalk is appropriate. The amendment proposed pertains only to residential and non-residential developments not associated with major subdivisions, as major subdivisions are subject to separate requirements in Section 6 of the UDC. The proposed ordinance amendment clarifies that sidewalks and curb-and-gutter are required along all property lines with road frontage for developments. In instances where there is no existing sidewalk within 300', fee-in-lieu may be paid instead prior to issuance of building permits.

### **Approval Criteria:**

- **Consistency with remainder of the Chapter**

The request is consistent with the remainder of Chapter 155.



- **Novelty of the request**

The request does not represent novel changes to the Code. The code currently outlines requirements for access points and sidewalks. The modifications are simply updating the access point requirements to better match the Fire Code and the sidewalks to provide additional clarification.

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#### **CONSIDERATIONS**

- The Planning Board shall make a recommendation to Town Council. The Town Council shall make a final decision regarding revisions to the Town Code.
- 

#### **STAFF RECOMMENDATION:**

Staff is recommending approval of the proposed amendment.

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#### **ATTACHMENTS:**

- 1) Application
- 2) Draft Ordinance Amendment, in strikethrough/underline
- 3) Draft Ordinance- Clean Copy
- 4) PB Recommendation

**TOWN OF CLAYTON**  
**ORDINANCE AMENDMENT**  
**CONSISTENCY AND REASONABLENESS STATEMENT**  
[2019-243-OA Access Ordinance Amendment]

The Town Council of the Town of Clayton hereby states:

**Section 1:** The above referenced ordinance amendment IS APPROVED.

**Section 2:** The above referenced ordinance amendment IS CONSISTENT with:

The Town of Clayton's Comprehensive Plan 2040, specifically:

- Goal M2: Support interconnected street systems that efficiently disperse traffic.
- Goal LU2: Encourage quality development which maximizes existing infrastructure, promotes walking and biking, and enhances travel safety.

**The requested ordinance amendment is consistent with the above referenced goals of the Comprehensive Plan 2040. The proposed amendment seeks to modify the UDC 155.400 section regarding access and general development standards. The proposed amendment updates and clarifies access and sidewalk requirements for residential and non-residential developments. The amendment will ensure that street systems associated with future residential and non-residential developments are interconnected to disperse traffic in an efficient manner. The amendment will also further encourage quality development that promotes walking with sidewalk requirements that are clearly outlined for clarification purposes.**

**Section 3:** Based upon information presented at the public hearings and by the applicant, and based upon the recommendations and detailed information developed by staff and the Planning Board contained in the staff report, and considering the criteria applicable sections of the Unified Development Code of the Town of Clayton, specifically

**that the ordinance amendment is consistent with the Comprehensive Plan 2040,**

the above referenced ordinance amendment is reasonable and in the public interest.

**Town of Clayton  
Town Council  
Ordinance Amendment Motion Sheet**

After considering the recommendations of the Planning Board and Planning Director, I move to **[approve OR deny] # 2019-243-OA – Code of Ordinance Amendment - Chapter 155 – Section 400**  
[IF APPROVING]

and to approve the Statement of Consistency and Reasonableness included in the Agenda packet [with the following modifications: STATE MODIFICATIONS, IF ANY].

**MOTION FORM  
Item 6b  
2019-243-OA  
Text Amendment –155.400**

**TOWN OF CLAYTON**  
**Amendment to the Code of Ordinances: Chapter 155, Section 400**

**BEING HEREBY AOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON, NORTH CAROLINA**, to amend Chapter 155, Section 400 to read as follows

**§ 155.400 ACCESS**

(A) **PURPOSE AND INTENT**

It is the intent of this Section to establish procedures and design standards for driveways and access points to promote efficiency and safety of the connecting street system, support operations of the surrounding pedestrian and bicycle network, ensure safe roadway access to all parcels and lots, and promote a vibrant and attractive streetscape character. These procedures and standards are intended to preserve and enhance the character of the community, and protect the health, safety and general welfare of Clayton's residents.

(B) **ACCESS**

For the purposes of this section, access means the point or points of ingress and egress from a development or parcel to the existing right-of-way network.

(C) **ACCESS REQUIRED**

- (1) Except as provided in paragraph(c)(2) below, no principal building, structure, or use may be erected or established on any lot which does not abut at least 30 feet on a street that is publicly-dedicated and maintained by the Town or the North Carolina Department Of Transportation.
- (2) The Planning Director may authorize, in specific situations, alternative driveway access when:
  - (a) The effect of such application would be to deprive the parcel of reasonable access; or
  - (b) The size, configuration, or lack of frontage makes alternatives infeasible.
  - (c) At a minimum, entrances and exits, except those associated with a single-family residential use, shall be subject to the dimensional standards provided in Table 4-1 below.

**TABLE 4-1 –DIMENSIONAL STANDARDS OF ACCESS WAYS**

| Min. Entrance/Exit Width                                                                                                                                                                                  | Feet <sup>(1)</sup> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| One-Way                                                                                                                                                                                                   | 15                  |
| Two-Way without median                                                                                                                                                                                    | 25 (35 maximum)     |
| Two-way with median                                                                                                                                                                                       | 40 <sup>(2)</sup>   |
| <b>Right Turn Radius <sup>(3)</sup></b>                                                                                                                                                                   |                     |
| Minimum                                                                                                                                                                                                   | 25                  |
| Maximum                                                                                                                                                                                                   | 30                  |
| <b>Notes:</b>                                                                                                                                                                                             |                     |
| 1. All entrances and exits are subject to approval by the Town of Clayton and/or NCDOT. Widths exceeding these standards may be approved by the Planning Director or Town Engineer, depending on the use. |                     |
| 2. Width excludes median. 20 foot unobstructed pavement required on both sides of median, excluding landscape islands.                                                                                    |                     |
| 3. Measured on side of driveway exposed to entry or exit by right turning vehicles.                                                                                                                       |                     |

**(D) COMPLIANCE WITH LOCAL AND STATE REQUIREMENTS**

- (3) Prior to beginning any construction, permits necessary to connect to the right-of-way network of the town or state shall be secured. Driveway connections to individual residences are generally excluded from this requirement, but may be necessary if a safety concern is identified.
- (4) Failure to secure necessary permits prior to construction may result in the removal of the driveways and/or denial of access at that location.
- (5) A Certificate of Occupancy shall not be issued until the access requirements of this chapter have been met.

**(E) ACCESS TO RESIDENTIAL SUBDIVISIONS**

- (1) When a residential subdivision borders on or contains a major thoroughfare, direct driveway access from lots within the subdivision onto the thoroughfare shall not be permitted.
- (2) In order to accommodate emergency and service vehicles, the following standards shall apply:
  - (a) Any residential subdivision of greater than 30 lots shall include at least two separate and constructed access points.
  - (b) Residential subdivisions of 250 or more lots shall provide at least three separate and constructed access points. A Variance may be sought in accordance with Section § 155.716 in situations where unique topographical features such as slope or other unique circumstances limit the potential for the third access point.
  - (c) Street stub-outs to adjacent undeveloped properties shall be provided as deemed appropriate. Stub-outs to adjacent undeveloped properties shall not count towards the minimum number of required access points. All stub-outs shall be constructed to the property line.

Ordinance #2020-01-05

2 | Page

- (d) Street connections shall be made to existing stub-outs on adjacent developed properties. These street connections may count towards the minimum number of required access points.
- (e) All required access points outlined in this section shall be constructed prior to plat recordation of the phase in which the access points are located.

(F) **MULTI-FAMILY RESIDENTIAL DEVELOPMENTS**

- (a) Multi-Family projects having more than 100 dwelling units shall provide at least two separate and constructed access points. Required access points shall be constructed prior to issuance of the first Certificate of Occupancy for the phase in which they are located.

(G) **RESIDENTIAL DRIVEWAY STANDARDS**

Residential driveway access to and from streets shall be constructed in accordance with Town standards as outlined below:

(1) **Design**

The standard residential driveway access for the Town shall be a "ramp" type driveway section. Ramp-type driveways shall be constructed in accordance with Town standards and specifications as outlined in the Town's *Engineering Design Manual*.

(2) **Width**

The width of a residential driveway shall be no less than ten feet and no more than 24 feet. When two residential driveways coincide along a property line, the maximum width of both driveways combined shall not exceed 24 feet.

(3) **Number**

The number of driveway access points servicing a residential lot should be limited to one. In no instance shall there be more than two residential driveway access points servicing the lot.

(4) **Setbacks**

- (a) Residential driveways shall be spaced at least 20 feet from any other driveway on the same lot.
- (b) Driveways shall be no closer than three and one-half feet to any lot line, except where two residential driveways coincide along the same lot line.
- (c) The minimum corner clearance from the curb line or edge of pavement of

intersecting streets shall be at least 20 feet from the point of tangency of the radius curvature, or 20 feet from the intersection of right-of-way lines, whichever is greater.

- (d) The radius of the driveway shall not encroach on the minimum corner clearance.

(H) **NON-RESIDENTIAL DRIVEWAY STANDARDS**

(1) **Design**

Non-residential driveway access to and from streets shall be constructed in accordance with the standards and specifications provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by NCDOT.

(2) **Number**

- (a) For any development, the number of driveway access points may be restricted where it is necessary for purposes of decreasing traffic congestion or hazards. These restrictions may include required common access points.
- (b) Approval of driveway access between a lot and the right-of-way at an interval less than those specified by the *Policy on Street and Driveway Access to North Carolina Highways* manual, as adopted and amended by NCDOT, may be granted only by review and recommendation of the Town Engineer and NCDOT.

(3) **Outparcels**

Outparcels shall take access from within the development, where possible.

(I) **CROSS ACCESS CONNECTIONS**

- (1) Internal driveway connections to adjacent existing or future development shall be provided for residential and commercial development, and clearly identified. All driveway connections shall be constructed and stubbed to the property line, and future development of adjacent property shall complete a connection to any existing stub.
- (2) Access easements may be required to ensure outparcels or adjacent developments have adequate access if ownership patterns change.

(J) **SHARED ACCESS**

A shared access easement may be required between adjacent lots fronting on a thoroughfare in order to minimize the total number of access points along those streets and to facilitate traffic flow between lots.

(K) **CLOSURE OR RELOCATION OF EXISTING ACCESS POINTS**

- (1) The Planning Board or Town Council, in conjunction with NCDOT, shall have the authority to require the closure or relocation of existing access points where multiple access points

to the site are available.

- (2) The Planning Board or Town Council may approve the closure of driveway access in those cases where adjoining parcels are subsequently developed with a residential use.

(L) **VISIBILITY AT INTERSECTIONS**

- (1) On a corner lot, nothing shall be erected, placed, planted, or allowed to grow in such a manner as to materially impede vision between a height of 30 inches and ten feet in a triangular area formed by a diagonal line between two points on the right-of-way lines, 20 feet from where they intersect.
- (2) Adequate sight distance should be provided at all driveway access points and shall be in accordance with the standards provided in the manual, *Policy on Street and Driveway Access to North Carolina Highways*, as adopted and amended by the NCDOT.

(M) **THOROUGHFARE OVERLAY DISTRICT**

In addition to the standards set forth in this Section, driveways to be constructed within a Thoroughfare Overlay District are subject to the additional standards set forth in § 155.204(A).

(N) **SIDEWALKS**

- (1) All sidewalks associated with a residential subdivision shall be required as outlined in Article 6 of this chapter.
- (2) All residential and non-residential development projects not associated with a residential subdivision shall be required to install sidewalks and curb-and-gutter along all property lines with road frontage. If there is no existing sidewalk within 300' of the proposed development project, a fee-in-lieu of sidewalk may be accepted.
- (3) If fee-in-lieu of sidewalk is made, an Engineer's estimate for fee-in-lieu shall be provided to the Town's Engineering department for review. Fee-in-lieu shall be paid for sidewalks prior to issuance of building permits.
- (4) Sidewalks shall be installed prior to issuance of a Certificate of Occupancy for the development.



Duly adopted this the 6<sup>th</sup> day of January, 2020 while in regular session.

---

Jody McLeod  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk





## Town Council Agenda Cover Sheet

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**Meeting Date**

January 21, 2020

**Agenda Location**

Old Business

**Item Title**

Updates to Water & Wastewater Allocation Policy

**Presenter**

Rich Cappola, Public Services Director

**Summary/Description**

Currently the Town controls 4.9 Million Gallons per Day (MGD) of total wastewater treatment capacity. That consists of 2.5 MGD at the Town-owned and operated Little Creek Water Reclamation Facility (LCWRF), 1.4 MGD within the Johnston County Utilities plant, and a lease agreement with the City of Raleigh for 1.0 MGD.

The LCWRF is approaching its useful life and the Town is now in the early stages of design for a new 6 MGD facility, which will be called the New Neuse River Water Reclamation Facility. That project, however, will take several years to complete. Until that future facility is available, Town Council has expressed a desire to examine how the Town can manage the available capacity that can be allocated to new development. Staff spent considerable time updating the Town's Water & Wastewater Allocation policy, which had last been revised in 2010. The new policy includes a point-based system for proposed developments proposed to assist in wastewater allocation decision-making going forward.

**Requested Action**

Approval

**Funding Source (If Applicable):**

N/A

**Cost:** N/A   Yes ☐   No ☒

**Additional Documents to be Included in Agenda Packet**

Wastewater Allocation Score Sheet  
Draft 2019 Wastewater Allocation Policy  
Resolution

**Meeting Timeline**



## TOWN OF CLAYTON POLICY

**Department:**  
Public Services

**Effective:**  
MON. DA, YEAR

**Policy Title:**  
Water & Wastewater Allocation Policy  
  
Version #02 (V.02)

**Supersedes:** TC Action 2010-026

**Prepared By:**  
Richard D. Cappola Jr., PE  
Public Services Director

**Approved By:**  
Town Council  
**Date:** MON. DA, YEAR

### I. Purpose

The Town of Clayton has invested substantial capital in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacities are among the most important elements of this infrastructure. The intent of this policy is to provide for the judicious allocation of these resources in conformity with adopted goals and priorities in an effort to shape the community consistent with the articulated vision to become the "Premier Community for Active Families." This policy is intended to manage the remaining capacity available until additional capacity is developed through construction of a new Water Reclamation Facility, and should be reviewed periodically to ensure it is achieving the intended purpose.

### II. Scope

The Town Council for the Town of Clayton has adopted ~~certain goals that are~~ the Comprehensive Plan 2040 which is a useful tools to successfully evaluate applications for allocation of public resources so that the character of the community shall be consistent with its vision, values, and plans. In accordance with the "Town of Clayton Strategic Growth Plan", utility allocation reservations should support and maximize the concept of increasing the Town's property tax based revenues by the expansion and improvement of higher valued land use development, emphasizing a balance of Residential, commercial, and industrial uses.

### III. Policy

The Town of Clayton seeks to grant utility allocations such that the existing character of the Town's utility customer base does not become more residential than is practical to achieve the intent of the Strategic Growth Plan, and seeks to increase the diversity of the customer base by increasing the percentage of resources devoted to industrial, commercial, and mixed use development.

The total amount of available capacity and each incremental increase in capacity ~~shall be~~ should generally be allocated based on the following parameters:

- No more than fifty percent (50%) of the total available capacity may be allocated to projects that include solely residential development.
- At least thirty percent (30%) of the total available capacity shall be reserved for allocation to commercial/industrial projects.
- Projects encompassing mixed use (residential and commercial) elements may be considered for allocation even if such an allocation will exceed the limit established above for residential use.  
Note: These percentages may be reviewed and adjusted by the Town Council at their discretion.

Due to weather related factors, the regulatory environment, and the dynamic nature of wastewater flow and treatment, accounting of available utility capacity is, by its very nature, inexact. The Town of Clayton shall track allocation reservations granted and the amount of capacity available. Such reports do not constitute a policy statement, commitment or guarantee on the amount of capacity available for allocation.

The following hierarchy shall apply to evaluation of utility allocation requests:

- Commercial properties with quality development projects
- Development projects with a mixed-use element
- Industrial projects and other major employer entities
- Additional phases attached to residential projects with a proven record of quality product and economic success
- Residential projects that include tangible, high quality community amenities
- Residential projects that include diverse products and opportunities
- Residential projects not otherwise described above

Evaluation of projects will be based on the scoring rubric attached hereto as Exhibit A, which is incorporated in this Agreement by reference. A project must meet or exceed 50 points to receive an allocation. Proposed projects can gain BONUS POINTS by the applicant ~~agreeing-offering~~ to provide items ~~over and above the UDC or Standard Specification requirements listed on the rubric as part of -for~~ their development proposal. Examples of these items may include such things as additional amenities (fire pits, community gardens, etc.) or offering to provide "Minimum of 25% of building façades will be made of masonry materials."

The Town of Clayton may allocate utility service capacity to competing projects based on a demonstrated intent and ability of the applicant to meet adopted Town goals and plans for character and quality of development. The Town of Clayton reserves the right to deny a utility allocation request if the applicant fails to adequately demonstrate that the project meets adopted Town goals or plans, or in the case that the project is deemed to be less supportive of Town goals or plans of a competing project.

#### IV. Procedure

The owner or developer of any project requiring water or wastewater utility service from the Town of Clayton shall submit a written application, in the application form provided by Town Staff, for an allocation reservation. The application shall include detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule in relation to demand of utility capacity, and other supporting information demonstrating how the project serves the needs and interests of the Town of Clayton. In the case of Industrial flows, additional information associated with the constituents shall be required and may be subject to other ordinances or policies of the Town.

- The Town Council shall review for approval all allocations which require or may require a daily flow allocation of ten thousand gallons or more ( > 10,000 GPD)
  - o The Town Council shall incorporate the evaluation of utility allocation requests into the decision-making process associated with Subdivisions, Mixed-use Planned Developments, and Special Use Permits. The criteria contained herein for evaluation of utility allocation requests shall be included as elements within the review processes for the accompanying land use application with regard to conformity with Town of Clayton policies and ordinances, planning practices, and consistency with adopted long-range and strategic plans.
  - o For allocations requiring Town Council approval, but which do not require other land use regulatory reviews or approvals, the applicant shall provide a full description of how their

project supports the goals and priorities established within this and related policies and plans in their application for allocation reservation.

- The Town Manager or their designee shall review for approval all applications for utility capacity which require a daily flow allocation of less than ten thousand gallons (< 10,000 GPD).
  - o In addition to the scoring rubric, the Town Manager or their designee shall consider the goals articulated by this and related Town policies when reviewing applications for utility allocations. If an application is denied, the Town Manager or their designee shall state in writing the reasons for denial of the request.

#### **V. General Conditions**

- This policy shall replace any previous policies on water and wastewater allocations adopted by the Town Council.
- An allocation will expire if a project has not progressed in construction plan approval, building permit approval, or on-site construction within 12 months of award of the allocation.
- Upon request by the applicant and at the discretion of the Town Engineer, an allocation may be extended for one twelve (12) month period.
- If a project is unsuccessful in obtaining any required Federal, State, or local government permit or approval the reservation shall be retracted. The Town of Clayton shall bear no liability for any costs incurred by the applicant, nor bare further responsibility in the matter.
- Granting of a utility allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right.
- Public water may be utilized for irrigation purposes so long as the Primary Use associated with the site has previously gained a water allocation through the Town.
- This policy shall be reviewed annually and, when appropriate, readjusted by the Town Council. The Town's overall progress on policy goals will be considered and the multipliers and/or point thresholds readjusted accordingly.

#### **V. Appeals Process**

- Appeal of any provision of this policy shall be made to the Town Council.
- Appeal of any decision on a utility allocation by the Town Manager or their designee shall be made to the Town Council for final decision. Any such appeal shall be placed on the agenda of a regularly scheduled Town Council meeting.

|                                                                                        |                                                                               |                                    |
|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------|
|       | <b>TOWN OF CLAYTON POLICY</b>                                                 |                                    |
|                                                                                        | <b>Department:</b><br>Public Services                                         | <b>Effective:</b><br>MON. DA, YEAR |
| <b>Policy Title:</b><br>Water & Wastewater Allocation Policy<br><br>Version #02 (V.02) | <b>Supersedes:</b> TC Action 2010-026                                         |                                    |
|                                                                                        | <b>Prepared By:</b><br>Richard D. Cappola Jr., PE<br>Public Services Director |                                    |
|                                                                                        | <b>Approved By:</b><br>Town Council<br><b>Date:</b> MON. DA, YEAR             |                                    |

## I. Purpose

The Town of Clayton has invested substantial capital in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacities are among the most important elements of this infrastructure. The intent of this policy is to provide for the judicious allocation of these resources in conformity with adopted goals and priorities in an effort to shape the community consistent with the articulated vision to become the "Premier Community for Active Families." This policy is intended to manage the remaining capacity available until additional capacity is developed through construction of a new Water Reclamation Facility, and should be reviewed periodically to ensure it is achieving the intended purpose.

## II. Scope

The Town Council for the Town of Clayton has adopted the Comprehensive Plan 2040 which is a useful tool to successfully evaluate applications for allocation of public resources so that the character of the community shall be consistent with its vision, values, and plans. In accordance with the "Town of Clayton Strategic Growth Plan", utility allocation reservations should support and maximize the concept of increasing the Town's property tax based revenues by the expansion and improvement of higher valued land use development, emphasizing a balance of Residential, commercial, and industrial uses.

## III. Policy

The Town of Clayton seeks to grant utility allocations such that the existing character of the Town's utility customer base does not become more residential than is practical to achieve the intent of the Strategic Growth Plan, and seeks to increase the diversity of the customer base by increasing the percentage of resources devoted to industrial, commercial, and mixed use development.

The total amount of available capacity and each incremental increase in capacity should generally be allocated based on the following parameters:

- No more than fifty percent (50%) of the total available capacity may be allocated to projects that include solely residential development.
  - At least thirty percent (30%) of the total available capacity shall be reserved for allocation to commercial/industrial projects.
  - Projects encompassing mixed use (residential and commercial) elements may be considered for allocation even if such an allocation will exceed the limit established above for residential use.
- Note: These percentages may be reviewed and adjusted by the Town Council at their discretion.

Due to weather related factors, the regulatory environment, and the dynamic nature of wastewater flow and treatment, accounting of available utility capacity is, by its very nature, inexact. The Town of Clayton shall track allocation reservations granted and the amount of capacity available. Such reports do not constitute a policy statement, commitment or guarantee on the amount of capacity available for allocation.

The following hierarchy shall apply to evaluation of utility allocation requests:

- Commercial properties with quality development projects
- Development projects with a mixed-use element
- Industrial projects and other major employer entities
- Additional phases attached to residential projects with a proven record of quality product and economic success
- Residential projects that include tangible, high quality community amenities
- Residential projects that include diverse products and opportunities
- Residential projects not otherwise described above

Evaluation of projects will be based on the scoring rubric attached hereto as Exhibit A, which is incorporated in this Agreement by reference. A project must meet or exceed 50 points to receive an allocation. Proposed projects can gain BONUS POINTS by the applicant offering to provide items listed on the rubric as part of their development proposal. Examples of these items may include such things as additional amenities (fire pits, community gardens, etc.) or offering to provide "Minimum of 25% of building façades will be made of masonry materials."

The Town of Clayton may allocate utility service capacity to competing projects based on a demonstrated intent and ability of the applicant to meet adopted Town goals and plans for character and quality of development. The Town of Clayton reserves the right to deny a utility allocation request if the applicant fails to adequately demonstrate that the project meets adopted Town goals or plans, or in the case that the project is deemed to be less supportive of Town goals or plans of a competing project.

#### **IV. Procedure**

The owner or developer of any project requiring water or wastewater utility service from the Town of Clayton shall submit a written application, in the application form provided by Town Staff, for an allocation reservation. The application shall include detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule in relation to demand of utility capacity, and other supporting information demonstrating how the project serves the needs and interests of the Town of Clayton. In the case of Industrial flows, additional information associated with the constituents shall be required and may be subject to other ordinances or policies of the Town.

- The Town Council shall review for approval all allocations which require or may require a daily flow allocation of ten thousand gallons or more ( > 10,000 GPD)
  - o The Town Council shall incorporate the evaluation of utility allocation requests into the decision-making process associated with Subdivisions, Mixed-use Planned Developments, and Special Use Permits. The criteria contained herein for evaluation of utility allocation requests shall be included as elements within the review processes for the accompanying land use application with regard to conformity with Town of Clayton policies and ordinances, planning practices, and consistency with adopted long-range and strategic plans.
  - o For allocations requiring Town Council approval, but which do not require other land use regulatory reviews or approvals, the applicant shall provide a full description of how their



project supports the goals and priorities established within this and related policies and plans in their application for allocation reservation.

- The Town Manager or their designee shall review for approval all applications for utility capacity which require a daily flow allocation of less than ten thousand gallons (< 10,000 GPD).
  - In addition to the scoring rubric, the Town Manager or their designee shall consider the goals articulated by this and related Town policies when reviewing applications for utility allocations. If an application is denied, the Town Manager or their designee shall state in writing the reasons for denial of the request.

#### **V. General Conditions**

- This policy shall replace any previous policies on water and wastewater allocations adopted by the Town Council.
- An allocation will expire if a project has not progressed in construction plan approval, building permit approval, or on-site construction within 12 months of award of the allocation.
- Upon request by the applicant and at the discretion of the Town Engineer, an allocation may be extended for one twelve (12) month period.
- If a project is unsuccessful in obtaining any required Federal, State, or local government permit or approval the reservation shall be retracted. The Town of Clayton shall bear no liability for any costs incurred by the applicant, nor bare further responsibility in the matter.
- Granting of a utility allocation does not imply or confer approval of any other applications or reviews as may be required by Town Ordinance or policy and does not imply or create any vested right.
- Public water may be utilized for irrigation purposes so long as the Primary Use associated with the site has previously gained a water allocation through the Town.
- This policy shall be reviewed annually and, when appropriate, readjusted by the Town Council. The Town's overall progress on policy goals will be considered and the multipliers and/or point thresholds readjusted accordingly.

#### **V. Appeals Process**

- Appeal of any provision of this policy shall be made to the Town Council.
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| WATER & WASTEWATER ALLOCATION CRITERIA                                       |                                                                          |                                                                                                                                                                                               |       |                                                                      |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------|
| TOTAL POINTS = 0 MINIMUM 50 POINTS REQUIRED                                  |                                                                          |                                                                                                                                                                                               |       |                                                                      |
|                                                                              | Category                                                                 | Points                                                                                                                                                                                        | Calc. | Notes                                                                |
| DEVELOPMENT TYPE <sup>1</sup><br>(Choose 1 from this category)               | Government/Public Admin./Public Safety                                   | 50                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Non-residential (Commercial) - Retail & Restaurant                       | 30                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Non-residential (Commercial) - Office                                    | 20                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Non-residential (Commercial) - Warehouse                                 | 15                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Non-residential (Commercial) - Medical                                   | 25                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Non-residential (Commercial) - Hotel/Motel                               | 35                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Industrial/Manufacturing                                                 | 30                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Institutional                                                            | 15                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Residential Existing Lot- Single Family Detached                         | 40                                                                                                                                                                                            |       | Individual Existing Lot construction                                 |
|                                                                              | Residential Subdivision - Single Family Detached ( > 0.25 Acre Lots)     | 20                                                                                                                                                                                            |       | Single Family Homes on Individual Lots greater than 0.25 acres       |
|                                                                              | Residential Subdivision - Single Family Detached ( < 0.25 Acre Lots)     | 15                                                                                                                                                                                            |       | Single Family Homes on Individual Lots less than 0.25 Acres          |
|                                                                              | Residential Subd.- Single Family Attached ( > 1,500 SF Heated Space)     | 10                                                                                                                                                                                            |       | Townhomes with heated square-footage greater than 1,500 SF           |
|                                                                              | Residential Subd.- Single Family Attached ( < 1,500 SF Heated Space)     | 5                                                                                                                                                                                             |       | Townhomes with heated square-footage less than 1,500 SF              |
|                                                                              | Residential - Multifamily (Apartments)                                   | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Mixed-Residential                                                        | 25                                                                                                                                                                                            |       | Mix of various lot sizes of Single-family, Townhomes, and Apartments |
|                                                                              | Mixed-Use Commercial & Residential                                       | 30                                                                                                                                                                                            |       | Mix of Residential and Non-residential (Commercial) uses             |
|                                                                              | Downtown Redevelopment                                                   | 30                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Infill Development                                                       | 25                                                                                                                                                                                            |       | Utilities already exist within 300 Feet of property                  |
| FUTURE TAX STATUS<br>(Choose 1 from this category)                           | Exempt                                                                   | 0                                                                                                                                                                                             |       |                                                                      |
|                                                                              | Residential                                                              | 5                                                                                                                                                                                             |       |                                                                      |
|                                                                              | Non-residential                                                          | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Industrial                                                               | 10                                                                                                                                                                                            |       |                                                                      |
| COMMUNITY BENEFIT BONUS POINTS<br>(Choose All that apply from this category) | Cultural Arts/Entertainment for Public                                   | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Sports/Recreation for Public                                             | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Town Electric Customer                                                   | 20                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Expansion of existing non-residential use                                | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Re-development of an existing property                                   | 5                                                                                                                                                                                             |       | Must result in increased property value                              |
|                                                                              | Residential Subdivision - Additional amenities included                  | 5 - 15                                                                                                                                                                                        |       | Pool, Clubhouse, sports courts, etc. - 5 pts per, max 15 pts         |
|                                                                              | Job Creation - 10 to 25 new jobs                                         | 5                                                                                                                                                                                             |       |                                                                      |
|                                                                              | Job Creation - 26 to 100 new jobs                                        | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Job Creation - 100+ new jobs                                             | 15                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Job creation - Jobs created will have salaries at or above median income | 5                                                                                                                                                                                             |       | Must be greater than 50% of jobs added with documentation to confirm |
|                                                                              | Residential - Multiple-Car Garages provided                              | 5                                                                                                                                                                                             |       |                                                                      |
|                                                                              | Residential - Overflow Parking provided                                  | 5                                                                                                                                                                                             |       | Subject to Planning and Engineering support                          |
|                                                                              | Masonry Elements included in Building Construction                       | 10                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Sustainable/High Efficiency Products and appliances used                 | 5 - 15                                                                                                                                                                                        |       | 5 pts per, max 15 pts                                                |
|                                                                              | Private trail connection to Public Greenway                              | 10                                                                                                                                                                                            |       |                                                                      |
| COMMUNITY IMPACT DEDUCT POINTS<br>(Choose All that apply from this category) | Pump Station Improvements required <sup>2</sup>                          | -10                                                                                                                                                                                           |       | Subject to Town policy and standards                                 |
|                                                                              | New Pump Station Required <sup>2</sup>                                   | -20                                                                                                                                                                                           |       | Subject to Town policy and standards                                 |
|                                                                              | Out-of Town Status (After construction)                                  | -10                                                                                                                                                                                           |       |                                                                      |
|                                                                              | Outside Fire District                                                    | -5                                                                                                                                                                                            |       |                                                                      |
|                                                                              | Inconsistent with Comp Plan                                              | -5                                                                                                                                                                                            |       |                                                                      |
| CLARIFICATIONS                                                               | 1                                                                        | Any Development Type Category not listed is subject to Town Council discretion with staff recommendation.                                                                                     |       |                                                                      |
|                                                                              | 2                                                                        | The Town Engineer may waive these deductions if the improvements are consistent with Future utility service plans, replace/offline an aging station, or are in the best interest of the Town. |       |                                                                      |

**TOWN OF CLAYTON  
RESOLUTION ESTABLISHING UPDATED  
WATER & WASTEWATER ALLOCATION POLICY**

**BE IT RESOLVED by the Town Council of the Town of Clayton, North Carolina, the updated Water & Wastewater Allocation Policy will read as follows:**

**I. Purpose**

The Town of Clayton has invested substantial capital in the infrastructure necessary to support a growing, prosperous, and healthy community. Water supply and wastewater treatment capacities are among the most important elements of this infrastructure. The intent of this policy is to provide for the judicious allocation of these resources in conformity with adopted goals and priorities in an effort to shape the community consistent with the articulated vision to become the "Premier Community for Active Families." This policy is intended to manage the remaining capacity available until additional capacity is developed through construction of a new Water Reclamation Facility, and should be reviewed periodically to ensure it is achieving the intended purpose.

**II. Scope**

The Town Council for the Town of Clayton has adopted the Comprehensive Plan 2040 which is a useful tool to successfully evaluate applications for allocation of public resources so that the character of the community shall be consistent with its vision, values, and plans. In accordance with the "Town of Clayton Strategic Growth Plan", utility allocation reservations should support and maximize the concept of increasing the Town's property tax based revenues by the expansion and improvement of higher valued land use development, emphasizing a balance of Residential, commercial, and industrial uses.

**III. Policy**

The Town of Clayton seeks to grant utility allocations such that the existing character of the Town's utility customer base does not become more residential than is practical to achieve the intent of the Strategic Growth Plan, and seeks to increase the diversity of the customer base by increasing the percentage of resources devoted to industrial, commercial, and mixed use development.

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Evaluation of projects will be based on the scoring rubric attached hereto as Exhibit A, which is incorporated in this Agreement by reference. A project must meet or exceed 50 points to receive an allocation. Proposed projects can gain BONUS POINTS by the applicant offering to provide items listed on the rubric as part of their development proposal. Examples of these items may include such things as additional amenities (fire pits, community gardens, etc.) or offering to provide "Minimum of 25% of building façades will be made of masonry materials."

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detailed information on the amount of capacity necessary to serve the project, the nature of the project, project schedule in relation to demand of utility capacity, and other supporting information demonstrating how the project serves the needs and interests of the Town of Clayton. In the case of Industrial flows, additional information associated with the constituents shall be required and may be subject to other ordinances or policies of the Town.

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## **V. General Conditions**

- This policy shall replace any previous policies on water and wastewater allocations adopted by the Town Council.
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- This policy shall be reviewed annually and, when appropriate, readjusted by the Town Council. The Town's overall progress on policy goals will be considered and the multipliers and/or point thresholds readjusted accordingly.

## **V. Appeals Process**

- Appeal of any provision of this policy shall be made to the Town Council.
- Appeal of any decision on a utility allocation by the Town Manager or their designee shall be made to the Town Council for final decision. Any such appeal shall be placed on the agenda of a regularly scheduled Town Council meeting.

Duly adopted this the 21<sup>st</sup> day of January 21, 2020 while in regular session.

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Jody McLeod  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk



## Town Council Agenda Cover Sheet

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**Meeting Date**

January 21, 2020

**Agenda Location**

New Business

**Item Title**

New Backflow Cross Connection Ordinance

**Presenter**

Brandon Carroll Utility Compliance Technician

**Summary/Description**

New Backflow Cross Connection Ordinance

**Requested Action**

Place on Consent Agenda

**Funding Source (If Applicable):**

N/A

**Cost:** N/A   Yes ☐   No ☒

**Additional Documents to be Included in Agenda Packet**

Old Backflow Cross Connection Ordinance  
New Backflow Cross Connection Ordinance

**Meeting Timeline**

Click or tap here to enter text.

[Print](#)

## Clayton, NC Code of Ordinances

**CHAPTER 53: CROSS-CONNECTION/BACKFLOW PROTECTION**

## Section

- 53.01 General
- 53.02 Purpose
- 53.03 Responsibilities
- 53.04 Definitions
- 53.05 Water system
- 53.06 Right of entry
- 53.07 Backflow assembly installation
- 53.08 Type of backflow assembly
- 53.09 Testing and maintenance
- 53.10 Categorical facilities
- 53.11 Connection to unapproved water supplies
- 53.12 Fire protection systems
- 53.13 Enforcement

**§ 53.01 GENERAL.**

(A) The intention of this chapter is to define the authority of the town as the water purveyor in the elimination of all hazards, both actual and potential, to the potable water within the town's public water supply system.

(B) This chapter will comply with the Federal Safe Drinking Water Act (Pub. L. 93-523), the North Carolina Administrative Code (Title 10, Chapter 10, Subchapter 10-D, Subparagraph .1006), and the North Carolina Building Code (Volume II) as they pertain to cross-connections with the public water supply system and will apply the principle that the degree of protection should be commensurate with the degree of the hazard or potential hazard to the public water supply system.

(Ord. passed 3-20-95)

**§ 53.02 PURPOSE.**

The purpose of this chapter for the Department of Public Works of the town is as follows:



(A) Protect the public potable water supply of the town against actual or potential contamination (i.e., cross-connections, backflow, backsiphonage) by isolating and containing, within the consumer's premises or private property, contamination or pollution that has occurred or may occur because of some uncontrolled (i.e., undiscovered or unauthorized) cross-connection on the consumer's premises or private property back into the public water supply.

(B) Eliminate or control existing cross-connections, both actual and potential, (backflow, backsiphonage or any other source of water or process water used for any purpose whatsoever) which might jeopardize the potability of the public water supply system of the town.

(C) Establish and maintain a continuing program of cross-connection control and inspection which will systematically and effectively prevent the contamination or pollution, either actual or potential, of all potable water systems connected to the town's public water supply system.

(D) Control cross-connections (i.e., backflow and backsiphonage) through cooperation between the town and the town's customers (consumers). Responsibilities and duties of each will be set forth in this chapter and their applicable regulations.

(Ord. passed 3-20-95)

### § 53.03 RESPONSIBILITIES.

The Director of the Department of Public Works, hereinafter referred to as Director, will be responsible for the protection of the public potable water distribution system from contamination or pollution due to the backflow or backsiphonage of contaminants or pollution through the water service connection. If, in the judgement of the Director, or his duly appointed representative, an approved backflow prevention assembly is required (at the consumer's water service connection; or, within the consumer's private water system) for the safety of the water system, the Director, or his duly appointed representative, shall give notice, in writing, to the customer (consumer) to install such approved backflow prevention assemblies at specified locations on his premises. The customer shall install, within a period of time defined in this chapter, such approved backflow prevention assemblies at the customer's own expense. Failure, refusal, or inability on the part of the customer to install, have tested, and maintain such assemblies, shall constitute grounds for enforcement (such as stipulated penalties, disconnection of water service, and the like) until such requirements have been satisfactorily met. Enforcement of this chapter shall be administered by the Director or his duly appointed representative.

(Ord. passed 3-20-95)

### § 53.04 DEFINITIONS.

**AIR GAP (SEPARATION).** A physical separation between the free flowing discharge end of a potable water supply pipeline and an open or non-pressure receiving vessel. An **APPROVED AIR GAP** shall be at least double the diameter of the supply pipe measured vertically above the overflow rim of the vessel, but in no case less than 1 inch (2.54 cm).

#### **APPROVED.**

(1) As herein used in reference to a water supply, it shall mean a water supply that has been approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

(2) As herein used in reference to an air gap, a double check valve assembly, a reduced pressure backflow prevention assembly or other backflow prevention assemblies or methods, it

shall mean an approval by the town.

**ATMOSPHERIC VACUUM BREAKER (AVB) (Approved).** A backflow prevention assembly used to prevent backsiphonage which is designed so as not to be subject to static line pressure.

**AUXILIARY WATER SUPPLY.** Any water supply on or available to the premises other than the purveyor's (Town of Clayton) approved public water supply, will be considered as an auxiliary water supply. These auxiliary waters may include, but are not limited to, water from another purveyor's public potable water supply or any natural source such as well, spring, river, stream, pond, lake, and the like, or used waters or industrial fluids. These waters may be contaminated or polluted or they may be objectionable and constitute an unacceptable water source over which the water purveyor does not have sanitary control.

**BACKFLOW.** The undesirable reversal of flow of waters or mixtures of water and other liquids, gases, or other substances into the distribution lines of the potable supply of water from any source. See also terms **BACKPRESSURE** and **BACKSIPHONAGE**.

**BACKFLOW PREVENTION ASSEMBLY (Approved).** An assembly or means designed to prevent backflow into the potable water supply system. These assemblies shall be investigated and approved by the town and will have been shown to meet or exceed the design and performance standards of the American Society of Sanitary Engineers (ASSE), the American Water Works Association (AWWA), and/or the Foundation for Cross- Connection Control and Hydraulic Research of the University of Southern California (FCCCHR-USC). The approval of backflow prevention assemblies by the Department of Public Works is based on a favorable report by an approved testing laboratory (i.e., FCCCHR-USC, Underwriters Laboratory, Factory Mutual, and the like), recommending such an approval. The following are approved methods for backflow prevention:

- (1) Air gap.
- (2) Reduced Pressure Principle Backflow Prevention Assembly (RP or RPZ), and
- (3) Double Check Valve Backflow Prevention Assembly (DCVA).

**BACKFLOW PREVENTION ASSEMBLY TECHNICIAN (Certified).** A person that has proven his/her competency to the satisfaction of the town. Any person that is certified to make competent tests, or to repair, overhaul and make reports on backflow prevention assemblies shall be knowledgeable of applicable laws, rules, and regulation; shall be a licensed plumber or have had at least two years experience under a licensed plumber or plumbing contractor, or have equivalent qualifications acceptable to the town; and must hold a certificate of completion from an acceptable training program (i.e., NC AWWA) in the testing, repair, and reporting of backflow prevention assemblies.

**BACKPRESSURE.** Backflow caused by a pump, elevated tank, boiler, or other means that could create pressure within the system greater than the supply pressure.

**BACKSIPHONAGE.** A reversal of the normal direction of flow in the lines due to a negative pressure (vacuum) being created in the supply line with the backflow source subject to atmospheric pressure.

**CONSUMER'S POTABLE WATER SYSTEM.** That portion of the privately-owned potable water system located between the point of delivery (service connection) and the point of use. This system will include, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, store, or use potable water.

**CONSUMER'S WATER SYSTEM.** Any water system located on the consumer's premises, whether supplied by a public potable water or an auxiliary water supply. The system or systems may be either a potable water system or an industrial piping system.



**CONTAMINATION.** An impairment of the quality of the water which creates an actual hazard to the public health through poisoning or through the spread of disease by sewage, industrial fluids, waste, and the like.

**CUSTOMER** or **CONSUMER.** Any person, firm, or corporation using or receiving water from the town.

**CROSS-CONNECTION.** Any unprotected actual or potential connection or structural arrangement between a public or a consumer's potable water system and any other source or system through which it is possible to introduce into any part of the potable system any used water, industrial fluids, gas, or substance other than the intended potable water with which the system is supplied. Bypass arrangements, jumper connections, removable sections, swivel or change-over devices and other temporary or permanent devices through which or because of which backflow can or may occur are considered to be cross-connections.

(1) The term **DIRECT CROSS- CONNECTION** shall mean a cross-connection which is subject to both backsiphonage and backpressure.

(2) The term **INDIRECT CROSS- CONNECTION** shall mean a cross-connection which is subject to backsiphonage only.

**CROSS-CONNECTION (Controlled).** A connection between a potable water system and a non- potable water system with an approved backflow prevention assembly properly installed and maintained so that it will continuously afford the protection commensurate with the degree of hazard.

**CROSS-CONNECTION CONTROLLED BY CONTAINMENT.** The term **SERVICE PROTECTION** shall mean the appropriate type or method of backflow protection at the service connection, commensurate with the degree of hazard of the consumer's potable water system.

**DOUBLE CHECK VALVE ASSEMBLY (Approved) (DCVA).** Any assembly composed of two independently acting, approved check valves, including tightly closing shut-off valves located at each end of the assembly and suitable connections for testing the water tightness of each check valve.

**HAZARD, DEGREE OF.** Either a pollutorial (non-health) or contamination (health) hazard and which is derived from the evaluation of conditions within a system.

(1) Health - An actual or potential threat of contamination of a physical or toxic nature to the public potable water system or the consumer's potable water system that would be a danger to health.

(2) Plumbing - An internal or plumbing type cross-connection in a consumer's potable water system that may be either a pollutorial or a contamination-type hazard. This includes, but is not limited to, cross-connection to toilets, sinks, lavatories, wash trays and lawn sprinkling systems. Plumbing-type cross-connections can be located in many types of structures including homes, apartment houses, hotels, and commercial or industrial establishments. Such a connection, if permitted to exist, must be properly protected by an appropriate type of backflow prevention assembly.

(3) Pollutorial - An actual or potential threat to the physical properties of the water system or the potability of the public or the consumer's potable water system but which would not constitute a health or system hazard, as defined. The maximum degree or intensity of pollution to which the potable water system could be degraded under this definition would cause a nuisance or be aesthetically objectionable or could cause minor damage to the system or its appurtenances.

(4) System - An actual or potential threat of severe danger to the physical properties of the public or the consumer's potable water system or of a pollution or contamination which would

have a protracted effect on the quality of the potable water in the system.

**INDUSTRIAL FLUIDS.** Any fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration which would constitute a health, system, pollutional, or plumbing hazard if introduced into an approved water supply. This may include, but is not limited to: polluted or contaminated used waters; all types of processed waters and "used waters" originating from the public potable water system which may deteriorate in sanitary quality; chemicals in fluid form; plating acids and alkalies; circulated cooling waters connected to an open cooling tower and/or cooling waters that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters such as from wells, springs, streams, rivers, ponds, lakes, irrigation canals or system, and the like; oils, gases, glycerines, paraffins, caustic and acid solutions and other liquid and gaseous fluids used industrially, for other processes, or for fire fighting purposes.

**INDUSTRIAL PIPING SYSTEM (Consumer's).** Any system used by the consumer for transmission of or to store any fluid, solid, or gaseous substance other than an approved water supply. Such a system includes, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances to produce, convey, or store substances which are or may be polluted or contaminated.

**LABORATORY TESTING (Approved).** Refers to the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (FCCCHR-USC) or another lab having the equivalent facilities for both the laboratory and field evaluation of the assemblies approved by the AWWA and/or APSE.

**NON-POTABLE WATER.** A water supply which has not been approved for human consumption by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

**POLLUTION.** An impairment of the quality of the water to a degree which does not create a hazard to the public health, but which does adversely and unreasonably affect the aesthetic qualities of such waters for domestic use.

**POTABLE WATER.** Any public potable water supply which has been investigated and approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section. The system must be operating under a valid health permit. In determining what constitutes an approved water supply, the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section has final judgement as to its safety and potability.

**PRESSURE VACUUM BREAKER (PVB) (Approved).** A backflow prevention assembly suitable for continuous pressure, to be used to provide protection against backsiphonage.

**PUBLIC POTABLE WATER SYSTEM.** Any publicly or privately-owned water system operated as a public utility, under a current health permit, to supply water for domestic purposes. This system will include all sources, facilities, and appurtenances between the source and the point of delivery (service connection) such as valves, pumps, pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, treat, or store potable water for public consumption or use.

**PURVEYOR, WATER.** The owner or operator of a public potable water system, providing an approved water supply to the public.

**REDUCED PRESSURE PRINCIPLE PREVENTION ASSEMBLY (RPZ or RP) (Approved).** An assembly containing two independently acting approved check valves together with a hydraulically operating, mechanically independent pressure differential relief valve located between the check valves and at the same time below the first check valve. The unit shall include



properly located resilient seated test cocks and lightly closing resilient seated shut-off valves at each end of the assembly. This assembly is designed to protect against a non-health (i.e., pollutant) or a health (i.e., contaminant) hazard. This assembly shall not be used for backflow protection of sewage or reclaimed water.

**SERVICE CONNECTION.** The terminal end of a service connection from the public potable water system, (i.e., where the water purveyor may lose jurisdiction and sanitary control of the water at its point of delivery to the consumer's water system). If a water meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the water meter.

**UNAPPROVED WATER SUPPLY.** A water supply which has not been approved for human consumption by the North Carolina Department of Environment, Health, and Natural Resources.

**USED WATER.** Any water supplied by a water purveyor from a public potable water system to a consumer's water system after it has passed through the service connection and is no longer under the control of the town (water purveyor).

(Ord. passed 3-20-95)

#### § 53.05 WATER SYSTEM.

(A) The water system shall be considered as made up of two parts: The town's (water purveyor) system and the consumer's system.

(B) The town is permitted as a purchase water supply system by the State of North Carolina since the town does not treat water from a natural source (i.e., well, spring, stream, river, pond, lake, and the like). The town purchases its water from another state- permitted water purveyor. The town's system shall consist of a storage and distribution system including all those facilities of the water system under the complete control of the town, up to the point where the consumer's system begins (service connection).

(C) The source shall include all components of the facilities utilized in the storage and delivery of water to the town's distribution system.

(D) The distribution system shall include the network of conduits used for the delivery of water from the purchased source to the consumer's system.

(E) The consumer's system shall include those parts of the facilities beyond the termination of the town's distribution system (service connection) which are utilized in conveying potable water to points of use.

(Ord. passed 3-20-95)

#### § 53.06 RIGHT OF ENTRY.

(A) The Public Works Director (Director) and his duly appointed representatives from the town shall have the right to enter any building, structure, or premises during normal business hours to perform any duty imposed upon the Director by this chapter. Those duties may include sampling and testing of water, or inspections and observations of all piping systems connected to the public water supply. Refusal to allow entry for these purposes shall result in enforcement action (disconnection of water services, stipulated penalties, and the like)

(B) On request from the Director, the consumer shall furnish to the town any pertinent information regarding the water supply system on such property where cross-connections, either

actual or potential, and backflow are deemed possible.

(C) The consumer's system should be open for inspection at all reasonable times to authorized representatives from the town to determine whether unprotected cross-connections or other structural or sanitary hazards, including violations of this chapter, exist. Refusal to allow entry for these purposes shall result in enforcement action (disconnection of water services, stipulated penalties, and the like). When such a condition becomes known, the consumer will be notified, in writing, to disconnect the unprotected cross-connections within a time period established in this chapter. The degree of protection required and the period of time required for conformance shall be commensurate with the actual or potential degree of hazard to the public potable water supply system.

(1) Cross-connection with private wells or other unapproved auxiliary water supplies require immediate disconnection of the unapproved source.

(2) Cross-connection requiring correction through: elimination, air gap separation, reduced pressure principle backflow prevention assembly (RP) or double check valve assembly (DCVA) for sizes  $\frac{3}{4}$ -inch through 2 inches require a 30-day maximum conformance period.

(3) Cross-connection requiring correction through reduced pressure principle backflow prevention assembly (RP) or double check valve assembly (DCVA) for sizes  $2\frac{1}{2}$  inches and larger require a 60-day maximum conformance period.

(Ord. passed 3-20-95)

#### **§ 53.07 BACKFLOW ASSEMBLY INSTALLATION.**

(A) An approved backflow prevention assembly shall be installed, in accordance with manufacturer's installation instructions, on each consumer's water system at or near the property line or immediately inside the building being served; but, in all cases, before the first branch line leading off the service line wherever the following conditions exist:

(1) In the case of premises having an auxiliary water supply which is not or may not be of safe bacteriological or chemical quality and which is not acceptable as an additional source by the Department of Environment, Health, and Natural Resources, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard.

(2) In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a manner as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard. This shall include the handling of process waters and waters originating from the water purveyor's system which have been subject to deterioration in quality.

(3) In the case of premises having internal cross-connections that can not be permanently corrected or protected against, or having intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exists, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard.

(B) Ownership, testing, and perpetual maintenance of the backflow prevention assemblies shall be the responsibility of the consumer. All reduced pressure principle assemblies (RP) and double check valve assemblies (DCVA) shall be installed above ground in a protective enclosure



or in a drainable, below ground pit, if above ground installation is not determined reasonable by the town. The installer shall be responsible to ensure that the assembly is installed and working properly and shall furnish the following information to the Director within five working days after a backflow prevention assembly is installed:

- (1) Owners' name, address, phone number, and responsible contact;
- (2) Assembly location (specific);
- (3) Date of installation;
- (4) Installer's name, address, and phone number;
- (5) Installer's certification number;
- (6) Type of assembly;
- (7) Manufacturer;
- (8) Model number;
- (9) Serial number;
- (10) Test results/reports.\*

\*All reduced pressure principle assemblies (RP) and double check valve assemblies (DCVA) are required to be tested following installation by a certified backflow prevention assembly technician (tester).

(C) (1) All commercial and industrial consumers, upon notification from the town, shall install or have installed an approved backflow prevention (containment) assembly, commensurate with the degree of hazard. The period allowed for this installation shall not exceed the following:

| <b><i>Degree of Hazard</i></b>        | <b><i>Time Frame, days</i></b> |
|---------------------------------------|--------------------------------|
| <b>2 inch Service or Smaller:</b>     |                                |
| Low                                   | 90                             |
| Medium                                | 90                             |
| High                                  | 60                             |
| <b>Service Greater Than 2 inches:</b> |                                |
| Low                                   | 270                            |
| Medium                                | 270                            |
| High                                  | 180                            |

Commercial and industrial consumers shall also submit plans and specifications to the Director for review and approval, acquire all necessary permits prior to installation, and upon satisfactory installation of approved backflow prevention assembly and appurtenances, forward a certificate of completion to the Director.

(Ord. passed 3-20-95)

#### **§ 53.08 TYPE OF BACKFLOW ASSEMBLY.**

(A) The type of backflow prevention assembly to be installed to protect the public potable water supply required by this chapter shall be commensurate with the degree of either actual or potential hazard.

(B) Any backflow prevention assembly required herein shall be a make, model, and size approved by the town. The term **APPROVED BACKFLOW ASSEMBLY** shall mean an assembly that has been manufactured in full conformance with the standards established by the American Water Works Association (AWWA), entitled:

AWWA/ANSI C501-92 (or most current revision) Standard for Double Check Valve Backflow Assemblies;

AWWA/ANSI C11-92 (or most current revision) Standard for Reduced Pressure Principle Backflow Prevention Assemblies;

and, have met completely the laboratory and field performance specifications of the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (FCCCHR- USC) established in:

Specifications of Backflow Prevention Assemblies - Section 10 of the most current edition of the *Manual of Cross-Connection Control*.

(Ord. passed 3-20-95)

#### § 53.09 TESTING AND MAINTENANCE.

(A) It shall be the duty of the consumer at any premises where backflow prevention assemblies are installed to have a field test performed by a certified backflow prevention assembly technician (tester) upon installation and at least once per year for the life of the assembly. In instances where the Director deems the hazard to be great enough he may require field tests at more frequent intervals. These tests shall be at the expense of the consumer (water user) and shall be performed by a certified technician (tester) approved by the town. It shall be the duty of the Director to see that these tests are made in a timely manner.

(B) All tests must be completed on or before December 31 of each year. If problems are detected with the backflow prevention assemblies, it is the duty of the consumer to report these discrepancies to the Director within five working days of detection. These assemblies shall be repaired, overhauled, or replaced at the expense of the consumer whenever the assemblies are found to be defective. Records of such tests, repairs, overhauls, and replacements shall be kept by the consumer and made available to the town.

(C) All presently installed backflow prevention assemblies which do not meet the requirements of this chapter but were approved devices for the purposes described herein at the time of the installation and which have been properly maintained, shall, except for the testing and maintenance requirements, be excluded from the requirements of this chapter as long as the Director is assured that the affected backflow prevention devices/assemblies will satisfactorily protect the town's water supply system. Whenever the existing device/assembly is moved from the present location or requires more than minimum maintenance, or when the Director determines that the maintenance constitutes a hazard to health, the unit shall be replaced with an approved backflow prevention assembly meeting the requirements of this chapter at the consumer's expense.

(D) When it is not possible to interrupt water service, provisions shall be made for a "parallel installation" of backflow prevention assemblies. The Director will not accept an unprotected bypass around a backflow prevention assembly when the assembly is in need of testing, repair, or replacement.



(E) When repair work is required on any approved backflow prevention assembly, whether determined through testing or routine inspection by the consumer (owner) or by the town (water purveyor), these repairs shall be completed within a specified period of time commensurate with the degree of hazard at the consumer's expense. In no case shall this period of time exceed 30 days.

(Ord. passed 3-20-95)

#### **§ 53.10 CATEGORICAL FACILITIES.**

(A) Approved backflow prevention assemblies shall be installed on the service connection to any premises that the town has identified as having a potential for backflow, including but not limited to:

- (1) Automotive plants.
- (2) Automotive service stations.
- (3) Auxiliary water system:
  - (a) Private water supply.
  - (b) "Used water" and "industrial fluids".
- (4) Beauty shops.
- (5) Beverage bottling plants.
- (6) Buildings (hotels, motels, apartments, public and private buildings or other structures having unprotected cross-connections).
- (7) Canneries, packing houses, and rendering plants.
- (8) Chemical plants (manufacturing, processing, and compounding or treatment).
- (9) Chemically contaminated water systems.
- (10) Commercial car washing facilities.
- (11) Dairies and cold storage plants.
- (12) Buildings of five or more stories above ground level.
- (13) Film laboratories.
- (14) Commercial laboratories.
- (15) Fire sprinkler systems.
- (16) Hospitals, medical buildings, sanitariums, morgues, mortuaries, autopsy facilities, funeral homes, nursing and convalescent homes, and clinics.
- (17) Irrigation systems (lawn, commercial, and the like)
- (18) Laundries and dye works.
- (19) Metal manufacturing, cleaning, processing, and fabricating plants.
- (20) Oil and gas production, storage or transmission properties.
- (21) Paper and product plants.

- (22) Plastic molding facilities.
- (23) Weaving, spinning operations.
- (24) Pharmaceutical manufacturing.
- (25) Painting and staining operations related to finished woods and metals.
- (26) Electroplating processes.
- (27) Power plants.
- (28) Radioactive materials or substances (plants or facilities handling).
- (29) Restricted, classified, or other closed facilities.
- (30) Rubber plants (natural and synthetic)
- (31) Sand and gravel plants.
- (32) Schools and day care centers.
- (33) Wastewater treatment and storm drain- age facilities.
- (34) Other premises specified by the Director, or his duly appointed representative, when the cause can be shown that a potential cross-connection hazard, not enumerated in the above list, exists.

(B) All backflow prevention assemblies and installations shall be subject to approval and inspection by the town.

(Ord. passed 3-20-95)

#### **§ 53.11 CONNECTION TO UNAPPROVED WATER SUPPLIES.**

No person shall connect or cause to be connected any supply of water not approved by the state to the public potable water supplied by the town. Any such connection allowed by the town must be in conformance with the backflow prevention requirements set forth in this chapter.

(Ord. passed 3-20-95)

#### **§ 53.12 FIRE PROTECTION SYSTEMS.**

(A) All connections to fire sprinkler systems hereinafter connected with the public water supply system shall be protected with an approved backflow prevention assembly (i.e., double check valve detector assembly, and the like) in conformance with specific standards established by the American Water Works Association (AWWA) (most current revision) and the National Fire Prevention Association (NFPA) (most current revision). All fire systems using toxic additives or booster pumping facilities shall be required to be protected with an approved reduced pressure principle assembly (RP) at the main.

(B) Except for an eminent health hazard as defined herein, as determined by the Director, or his duly appointed representative, of the town, any fire sprinkler system connected with the public potable water system of the town on or before the effective date of this chapter, shall have 24 months to get into conformance with the provisions of this chapter.

(Ord. passed 3-20-95)

**§ 53.13 ENFORCEMENT.**

(A) When any installation is found not to be in compliance with this chapter, the consumer shall be notified, in writing, with regard to the corrective action required and a specified period of time (see § 53.06) to achieve compliance.

(B) Any installation which remains in noncompliance after notice is given and the time prescribed in § 53.06, will be considered in violation of this chapter and will realize the potential for disconnection of water services until compliance is achieved. In addition, any person who shall continue any violation beyond the time limit provided for in the aforementioned notice of violation (NOV) and § 53.06 shall be guilty of a misdemeanor, and on conviction thereof shall be fined in the amount not to exceed \$50 for each violation. Each day in which any violation continues shall be deemed a separate offense.

(C) Enforcement of this program shall be administered by the Director or his duly appointed representative.

(D) The Director is authorized to make all necessary and reasonable rules and policies with respect to the enforcement of this chapter. All such rules and policies shall be consistent with the provisions of this chapter and shall be effective upon the date of adoption by the Town Council.

(Ord. passed 3-20-95)



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## CHAPTER 53

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Backflow / Cross Connection



DECEMBER 9, 2019  
TOWN OF CLAYTON, NC

## Chapter 53: Backflow / Cross Connection Protection

- 53.1 General
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### DEFINITIONS.

As used in this article, the following terms shall have the meanings provided in this section unless the context clearly indicates otherwise.

**Air-gap.** A physical separation sufficient to prevent backflow between the free-flowing discharge end of the public water system and any other system. Physically defined as a distance equal to twice the diameter of the supply side pipe diameter but never less than one (1) inch.

### **Approved.**

(1) As herein used in reference to a water supply, it shall mean a water supply that has been approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

(2) As herein used in reference to an air gap, a double check valve assembly, a reduced pressure backflow prevention assembly or other backflow prevention assemblies or methods, it shall mean an approval by the town.

**Atmospheric Vacuum Breaker (AVB)** (Approved). A backflow prevention assembly used to prevent backsiphonage which is designed so as not to be subject to static line pressure.

**Auxiliary intake.** Any piping connection or other device whereby water may be obtained from a source other than the Town's public water supply.

**Auxiliary water supply.** Any water other than the Town of Clayton public water supply as defined herein; including, but not limited to recycled water, grey water, rain water, well water, cistern water, reuse water and any other water supply from water purveyors other than the Town of Clayton.

**Backflow.** The flow of water or other liquids, mixtures or substances, under positive or reduced pressure in the distribution pipes of the public water supply from any source other than its intended source.

**Backflow assembly.** An inline testable and repairable mechanical valve arrangement used to protect the public water supply that meets or exceeds standards set forth by the University of Southern California for Cross Connection control and Hydraulic Research (USCFCCHR) and the American Society of Sanitary Engineering (ASSE) by being on the agency's approval list. A backflow assembly used on fire suppression systems must have the additional approval of the Factory Mutual (FM) and comply with the National Fire Protection Association (NFPA) code.

**Backflow device.** A mechanical backflow assembly without shut-off valves or test cocks and that is not testable after installation.

**Backpressure.** A condition in which an owner's water supply system pressure is greater than the public water supply system pressure.

**Backsiphonage.** The flow of water or other liquids, mixtures or substances into the distribution pipes of the public water supply system from any source other than its intended source caused by the sudden reduction of pressure in the public water supply system.

**Building Story.** A building story is equal to 10 feet for the purpose of this article.

**Certified tester.** A person who has proven his/her competency to test and make reports on backflow assemblies as evidenced by certification of successful completion of a training program approved by the Public Works and Utilities Director or his designee.

**Consumer, Customer.** Any person, firm, or corporation using or receiving water from the town.

**Consumer's Potable Water System.** That portion of the privately-owned potable water system located between the point of delivery (service connection) and the point of use. This system will include, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, store, or use potable water.

**Consumer's Water System.** Any water system located on the consumer's premises, whether supplied by a public potable water or an auxiliary water supply. The system or systems may be either a potable water system or an industrial piping system.

**Containment assembly.** A backflow assembly, installed at the point of separation between the public water supply and a private service or private distribution system or at the point of metering.

**Containment protection.** A containment assembly installed at the point of separation between the public water supply and a private service or private distribution system or at the point of metering.

**Contamination.** An impairment of the quality of the water which creates an actual hazard to the public health through poisoning or through the spread of disease by sewage, industrial fluids, waste, and the like.

**Cross-connection.** Any actual or potential connection between the public water supply and a source of contamination or pollution.

**Double check valve assembly (DCVA).** A type of backflow assembly manufactured pursuant to ASSE Standard 1015.

**Dual check valve.** A type of backflow device manufactured pursuant to ASSE Standard 1024.

**Fire line.** A system of pipes and equipment used to supply water in an emergency for extinguishing fire.

**Industrial Fluids.** Any fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration which would constitute a health, system, pollutional, or plumbing hazard if introduced into an approved water supply. This may include, but is not limited to: polluted or contaminated used waters; all types of processed waters and "used waters" originating from the public potable water system which may deteriorate in sanitary quality; chemicals in fluid form; plating acids and alkalies; circulated cooling waters connected to an open cooling tower and/or cooling waters that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters such as from wells, springs, streams, rivers, ponds, lakes, irrigation canals or system, and the like; oils, gases, glycerines, paraffins, caustic and acid solutions and other liquid and gaseous fluids used industrially, for other processes, or for firefighting purposes.

**Industrial Piping System (Consumer's).** Any system used by the consumer for transmission of or to store any fluid, solid, or gaseous substance other than an approved water supply. Such a system includes, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances to produce, convey, or store substances which are or may be polluted or contaminated.

**Interconnection.** Any system of piping or other arrangement whereby the public water supply is connected directly to a sewer, drain, conduit, pool, heat exchanger, storage reservoir, or other device which does or may contain sewage or other waste or substance which would be capable of imparting contamination to the public water supply.

**Laboratory Testing (Approved).** Refers to the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (FCCCHR-USC) or another lab having the equivalent facilities for both the laboratory and field evaluation of the assemblies approved by the AWWA and/or APSE.

**Isolation assembly.** A backflow assembly required by the North Carolina Plumbing Code that is installed within a private plumbing or distribution system to isolate a localized hazard from the remainder of the private system.



**Moderate Hazard.** A cross-connection or potential cross-connection involving any substance that generally would not be a health hazard but would constitute a nuisance or be aesthetically objectionable if introduced into the public water supply.

**Owner.** Any person who has legal title to, or license to operate or inhabit, a property upon which a cross-connection inspection is to be made or upon which a cross-connection is present.

**Non-Potable Water.** A water supply which has not been approved for human consumption by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

**Pollution.** An impairment of the quality of the water to a degree which does not create a hazard to the public health, but which does adversely and unreasonably affect the aesthetic qualities of such waters for domestic use.

**Potable Water.** Any public potable water supply which has been investigated and approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section. The system must be operating under a valid health permit. In determining what constitutes an approved water supply, the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section has final judgement as to its safety and potability.

**Pressure Vacuum Breaker (PVB) (Approved).** A backflow prevention assembly suitable for continuous pressure, to be used to provide protection against backsiphonage.

**Public Potable Water System.** Any publicly or privately-owned water system operated as a public utility, under a current health permit, to supply water for domestic purposes. This system will include all sources, facilities, and appurtenances between the source and the point of delivery (service connection) such as valves, pumps, pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, treat, or store potable water for public consumption or use.

**Public water supply.** The water and waterworks system of the Town of Clayton and its customers outside the corporate limits, for general use as potable water and which is recognized as a public water supply by the North Carolina Department of Environment and Natural Resources.

**Purveyor, Water.** The owner or operator of a public potable water system, providing an approved water supply to the public.

**Reduced pressure zone principle backflow prevention assembly (RPZ).** A type of backflow assembly manufactured pursuant to ASSE Standard 1013.

**Service Connection.** The terminal end of a service connection from the public potable water system, (i.e., where the water purveyor may lose jurisdiction and sanitary control of the water at its point of delivery to the consumer's water system). If a water meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the water meter.

**Severe hazard.** A cross-connection or potential cross-connection involving any substance that could, if introduced into the public water supply, cause death or illness, spread disease, or have a high probability of causing such effects.

**Used Water.** Any water supplied by a water purveyor from a public potable water system to a consumer's water system after it has passed through the service connection and is no longer under the control of the town (water purveyor).

53.1. - General

The intention of this chapter is to define the authority of the Town as the water purveyor in the elimination of all hazards, both actual and potential, to the potable water within the Town's public water supply system

(Ord.)

53.2. – Purpose

The purpose of this chapter for the Department of Public Works of the Town is as follows:

- (A) Protect the public potable water supply of the Town against actual or potential contamination (i.e., cross-connections, backflow, backsiphonage) by isolating and containing, within the consumer's premises or private property, contamination or pollution that has occurred or may occur because of some uncontrolled (i.e., undiscovered or unauthorized) cross-connection on the consumer's premises or private property back into the public water supply.
- (B) Eliminate or control existing cross- connections, both actual and potential, (backflow, backsiphonage or any other source of water or process water used for any purpose whatsoever) which might jeopardize the potability of the public water supply system of the Town.
- (C) Establish and maintain a continuing program of cross-connection control and inspection which will systematically and effectively prevent the contamination or pollution, either actual or potential, of all potable water systems connected to the Town's public water supply system.
- (D) Control cross-connections (i.e., backflow and backsiphonage) through cooperation between the Town and the Town's customers (consumers). Responsibilities and duties of each will be set forth in this chapter and their applicable regulations.

(Ord.)

53.3. - COMPLIANCE WITH FEDERAL AND STATE LAW.

The Town of Clayton will comply with the Federal Safe Drinking Water Act, the North Carolina Drinking Water Act, and North Carolina State Building Code and any subsequent editions, which pertain to cross-connections, auxiliary intakes and interconnections, and establish an effective ongoing program to control potential sources of contamination of the public water supply.

(Ord.)

53.4. - UNLAWFUL CONNECTIONS.

It shall be unlawful for any person to cause a cross-connection, auxiliary intake, or interconnection to be made within the Town's public water supply; or to allow one to exist for any purpose whatsoever.

(Ord.)

53.5. - INSPECTION OF PROPERTY.

It shall be the duty, upon request of the Town of Clayton Public Works and Utilities Director or his designee, to cause inspections to be made of properties served by the public water supply. Where cross-connections with the public water supply are deemed possible. The frequency of inspections and re-inspections shall be set by the Town of Clayton Public Works and Utilities Director or his designee. (Ord.)

53.6. - RIGHT OF ACCESS.

- (A) The Town of Clayton Public Works and Utilities Director or his designee shall have the right to enter, at reasonable times, any nonresidential property served by a connection to the Town's public water supply for the purpose of performing the duties of this article. In those cases in which the owner chooses not to provide such access, the Town of Clayton Public Works and Utilities Director or his designee may classify the location as a severe hazard in accordance with 53.08
- (B) On request from the Town of Clayton Public Works and Utilities Director, the consumer shall furnish to the Town any pertinent information regarding the water supply system on such property where cross-connections, either actual or potential, and backflow are deemed possible.
- (C) The consumer's system should be open for inspection at all reasonable times to authorized representatives from the Town to determine whether unprotected cross-connections or other structural or sanitary hazards, including violations of this chapter, exist. Refusal to allow entry for these purposes shall result in enforcement action (disconnection of water services, stipulated penalties, and the like). When such a condition becomes known, the consumer will be notified, in writing, to disconnect the unprotected cross-connections within a time period established in this chapter. The degree of protection required and the period of time required for conformance shall be commensurate with the actual or potential degree of hazard to the public potable water supply system.

(Ord.)

53.7. - EXISTING CONDITIONS.

Any owner that is subject to the requirements of this article shall be allowed ninety (90) days to correct any cross-connections, auxiliary intakes, interconnections or other hazard as defined by 53.08 or other connection as defined in 53.09 of this Code in violation of the provisions of this article. The ninety (90) days will be from the date of receipt of the notification in accordance with 53.12. Notwithstanding the requirements of this section, if the Town of Clayton Public Works and Utilities Director or his designee determines that there is an imminent threat to the public water supply; water service may be discontinued until such violations are corrected.

(Ord.)

53.8. - SEVERE HAZARDS.

- (a) The following shall be classified as severe hazards:
- (1) Severe hazards include, but are not limited to: pumps, tanks or any other container for conveying, storing or otherwise handling sewage, radioactive, lethal, or toxic substances, boiler and steam connections, sewer waste lines, low inlets to receptacles containing toxic substances, coils or jackets used as heat exchangers, bacterial and viral

Commented [BC1]: Severe hazard

Commented [BC2]: Does this need to change?

Commented [BC3]: Severe hazard

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Commented [BC5]: Notification of hazard

materials, private wells or other private water supply, irrigation systems, water systems or hose connections, with booster pumps such as fire department connections (FDC) and private hydrants used in conjunction with FDC's, carbonation equipment, or similar severe hazard potential as determined by the Town of Clayton Public Works and Utilities Director.

- (2) Any location at which the nature or mode of operation within a structure are such that frequent alterations are made to the plumbing or at which there is a likelihood in the determination of the Town of Clayton Public Works and Utilities Director that protective measures may be subverted, altered, or disconnected.
- (3) Any structure which contains, but is not limited to, a bottling plant, cannery, five (5) or more building stories, battery manufacturer, exterminator, lawn care companies, greenhouse, chemical processing plant, dairy, dye works, film laboratory, car wash, hospital, other medical facilities including psychology and psychiatric offices that administer medications, commercial laboratory, laundries, tattoo parlor, metal fabricating operation, mortuary, swimming pool, morgue, x-ray equipment, medical office with laboratory, aspirator, medical washing equipment, packing house, plating plant, poultry house, power plant, nuclear reactor, those fire sprinkler systems equipped with facilities for introduction of freeze preventive chemicals or other substances other than water, dental office, any radioactive material, restaurant, shopping mall with a tenant conducting any activity listed in this section and sewage pump or treatment facilities.

- (b) All installations classified as severe hazards pursuant to §3.08 (a) above must have a containment assembly in the form of a reduced pressure zone backflow assembly installed pursuant to §3.10 of this Code.

Commented [BC6]: Severe hazard

(Ord.)

Commented [BC7]: Installation

53.9. - ALL OTHER USES: RESIDENTIAL AND MODERATE HAZARD.

- (a) **Residential uses.** Single service connections that serve no more than two dwelling units, not otherwise required by this Code to have other containment assemblies, shall have a containment device in the form of an approved dual check valve.
- (b) **Moderate Hazards.** All other connections to the public water supply of the Town of Clayton not deemed a severe hazard under §3.08 or addressed in §3.09 (a) shall be classified as moderate hazards and shall have containment assemblies in the form of a double check valve assembly installed pursuant to §3.10 of this Code

Commented [BC8]: Severe hazard

Commented [BC9]: Moderate hazard

Commented [BC10]: Installation

(Ord.)

53.10. - INSTALLATION OF CONTAINMENT ASSEMBLIES.

- (a) Containment assemblies shall be installed pursuant to North Carolina Plumbing Code as set forth in this Article, the **Town of Clayton Cross Connection Handbook**, and the North Carolina Plumbing and Fire Codes.

- (b) In those cases in which any containment assembly was installed by a prior owner, or any other person, the responsibility for maintenance, testing, and replacement as applicable shall be with the current owner.
- (c) The cost of any containment assembly, and any other plumbing modifications necessary and convenient to install a containment assembly, and the testing and maintenance thereof, shall be paid for by the owner.
- (d) Any pre-existing, compliant approved backflow assembly will be allowed to remain only in its original location and must be repaired with approved parts. If the containment assembly is removed or repaired with parts that are not approved, then such containment assembly shall no longer be considered pre-existing and compliant and shall be replaced with a containment assembly pursuant to this 53.10.
- (e) Private distribution systems shall have a master meter and a master backflow assembly at each connection to the public water supply.
- (f) In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a manner as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard. This shall include the handling of process waters and waters originating from the water purveyor's system which have been subject to deterioration in quality.
- (g) In the case of premises having internal cross-connections that cannot be permanently corrected or protected against, or having intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exists, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard.
- (h) All commercial and industrial consumers, upon notification from the Town, shall install or have installed an approved backflow prevention (containment) assembly, commensurate with the degree of hazard. The period allowed for this installation shall not exceed the following.

| Degree of Hazard       | Time Frame ( Days) | Degree of Hazard      | Time Frame (Days) |
|------------------------|--------------------|-----------------------|-------------------|
| 2in Service or Smaller |                    | 2in Service or Larger |                   |
| Low                    | 90                 | Low                   | 270               |
| Medium                 | 90                 | Medium                | 270               |
| High                   | 60                 | High                  | 180               |

(Ord.)

#### 53.11. - NEW CONSTRUCTION.

All buildings proposing to connect to the public water system of the Town of Clayton receiving building permits, on or after the effective date of this article, shall be equipped with a containment assembly and tested as properly functioning as prescribed herein, prior to the issuance of a certificate of code compliance for that building.

(Ord.)

#### 53.12. - NOTIFICATION OF HAZARD.

Commented [BC11]: Installation

Commented [BC12]: ALTA, Any others?

Upon identification of any hazard or hazard potential, as defined in 53.08 through 53.09 of this code, the Town of Clayton Public Works and Utilities Director shall notify the owner of the property on which the hazard exists, of the following:

- (a) Location of hazard;
- (b) Nature of hazard observed;
- (c) Date hazard observed;
- (d) Section of Code applicable;
- (e) Requirements of Code.

All notices required by this article shall be delivered by hand-delivery to the owner or by certified mail to the owner's last known address. When service is made by certified mail, a copy of the notice may also be sent by regular U.S. Mail. Service shall be deemed sufficient if the notice sent by regular U.S. Mail is not returned by the U.S. Post office seven (7) days after mailing.

(Ord.)

#### 53.13. - CHANGE IN NATURE OF USE.

The Town of Clayton shall be notified by the owner when the nature of use of the property changes so as to change the hazard classification of that property, as set forth in 53.08 through 53.09 of this Code.

(Ord.)

#### 53.14. - RESPONSIBILITIES.

- (a) The owner shall, upon notification pursuant to 53.12 of this article, install an containment assembly as required by the degree of hazard in ninety (90) days from the date of notification except those owners of properties with a cross-connection, auxiliary intake, interconnection or severe hazard as defined by 53.08 that poses an imminent health hazard shall install any required containment assembly immediately.
- (b) If any required containment assembly has not been installed in conformance with standards set by this article and the Town of Clayton Cross connection handbook, and within the timeframe set forth in the notification issued pursuant to 53.12 of this article, the Town of Clayton Public Works and Utilities Director or his designee may discontinue the public water service at that property, and service shall not be restored until any required containment assembly has been installed.
- (c) The Town shall bear no liability for direct or consequential damages proximately caused by the discontinuance of service pursuant to this section.

(Ord.)

#### 53.15. - TESTING AND MAINTENANCE OF ASSEMBLIES.

- (a) The owner at a property where any containment assembly has been installed, except those with devices installed in accordance with 53.09 (a) of this Code, shall have each containment assembly tested by a certified tester and pursuant to the **Town of Clayton Cross Connection Handbook** ; shall cause any routine maintenance to such containment assembly to be performed as recommended by the manufacturer; and shall cause a report regarding that

Commented [BC13]: Sever hazard

Commented [BC14]: Moderate hazard

Commented [BC15]: Sever hazard

Commented [BC16]: Moderate hazard

Commented [BC17]: Notification

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Commented [BC20]: Moderate hazard

operational test to be submitted to the Town pursuant to 53.15 (b) no later than fifteen (15) days following any testing event. Testing must be performed with equipment approved by the Town of Clayton. The owner shall cause such maintenance or repairs to be made, rendering the containment assembly fully operational. Failure of the owner to perform that testing and maintenance shall be cause for the premises to be deemed an immediate public health hazard. The Town of Clayton Public Works and Utilities Director may immediately thereafter discontinue public water supply service to that premises and service shall not be restored until all containment assemblies have been tested and the test demonstrates that the assemblies are fully operational. Where the use of water is critical to the continuance of normal operations or protection of life, property, or equipment a bypass shall be installed to maintain service. The bypass will need to be protected with the same degree of hazard. Bypass containment assemblies shall be provided by the owner to avoid the necessity of discontinuing water service to test or repair the containment assembly or assemblies.

- (b) Any certified tester who performs an operational test on any containment assembly connected to the Town's public water supply shall file a report regarding the results of that operational test using the Town's designated electronic reporting system managed by the currently contracted vendor as published at [www.Townofclaytonnc.org](http://www.Townofclaytonnc.org). Certified testers shall supply all testing information required by the designated electronic reporting system to included but not limited to test values for containment assembly, size, make, model, serial number and location of containment assembly, name and address of owner as recorded on notice, premise number for fire services, meter number for domestic and irrigation services, and for containment assemblies on private distribution and fire sprinkler systems. The fee for any report filed using the electronic reporting system shall paid at the time of testing. In addition, certified testers shall comply with all requirements of this code and the **Town of Clayton Cross Connection Handbook**.

(Ord)

53.16. - ENFORCEMENT.

- (A) When any installation is found not to be in compliance with this chapter, the consumer shall be notified, in writing, with regard to the corrective action required and a specified period of time 53.07 to achieve compliance.
- (B) Any installation which remains in noncompliance after notice is given and the time prescribed in 53.07, will be considered in violation of this chapter and will realize the potential for disconnection of water services until compliance is achieved. In addition, any person who shall continue any violation beyond the time limit provided for in the aforementioned notice of hazard (NOH) 53.12 shall be guilty of a misdemeanor, and on conviction thereof shall be fined in the amount not to exceed \$50 for each violation. Each day in which any violation continues shall be deemed a separate offense.
- (C) Enforcement of this program shall be administered by the Town of Clayton Public Works and Utilities Director or his duly appointed representative.
- (D) The Town of Clayton Public Works and Utilities Director is authorized to make all necessary and reasonable rules and policies with respect to the enforcement of this chapter. All such rules and policies shall be consistent with the provisions of this chapter and shall be effective upon the date of adoption by the Town Council.

Commented [BC21]: Testing



(Ord)

53.17. - LIMITATION OF LIABILITY.

The Town shall not be held liable, for any cause, for failure to detect any containment assembly failing to operate adequately, or failure to identify any specific hazard, which may result in contamination of its public water supply, nor shall this article diminish the responsibility of any owner from whose property a contamination of the public water supply may originate.

**TOWN OF CLAYTON  
AMENDMENT TO THE CODE OF ORDINANCES, CHAPTER 53**

**BEING HEREBY ADOPTED BY THE TOWN COUNCIL FOR THE TOWN OF CLAYTON,  
NORTH CAROLINA, to amend Chapter 53 to read as follows:**

Chapter 53: Backflow / Cross Connection Protection

*Section*

- 53.1 General
- 53.2 Purpose
- 53.3 Compliance with Federal and State Law
- 53.4 Unlawful Connections
- 53.5 Inspection of Property
- 53.6 Right of Access
- 53.7 Existing Conditions
- 53.8 Sever Hazards
- 53.9 All Other Uses: Residential and Moderate Hazard
- 53.10 Installation of Containment Facilities
- 53.11 New Construction
- 53.12 Notification of Hazard
- 53.13 Change in Nature of Use
- 53.14 Responsibilities
- 53.15 Testing and Maintenance
- 53.16 Enforcement
- 53.17 Limitation of Liability

## DEFINITIONS.

As used in this article, the following terms shall have the meanings provided in this section unless the context clearly indicates otherwise.

**Air-gap.** A physical separation sufficient to prevent backflow between the free-flowing discharge end of the public water system and any other system. Physically defined as a distance equal to twice the diameter of the supply side pipe diameter but never less than one (1) inch.

**Approved.**

(1) As herein used in reference to a water supply, it shall mean a water supply that has been approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

(2) As herein used in reference to an air gap, a double check valve assembly, a reduced pressure backflow prevention assembly or other backflow prevention assemblies or methods, it shall mean an approval by the town.

**Atmospheric Vacuum Breaker (AVB)** (Approved). A backflow prevention assembly used to prevent backsiphonage which is designed so as not to be subject to static line pressure.

**Auxiliary intake.** Any piping connection or other device whereby water may be obtained from a source other than the Town's public water supply.

**Auxiliary water supply.** Any water other than the Town of Clayton public water supply as defined herein; including, but not limited to recycled water, grey water, rain water, well water, cistern water, reuse water and any other water supply from water purveyors other than the Town of Clayton.

**Backflow.** The flow of water or other liquids, mixtures or substances, under positive or reduced pressure in the distribution pipes of the public water supply from any source other than its intended source.

**Backflow assembly.** An inline testable and repairable mechanical valve arrangement used to protect the public water supply that meets or exceeds standards set forth by the University of Southern California for Cross Connection control and Hydraulic Research (USCFCCHR) and the American Society of Sanitary Engineering (ASSE) by being on the agency's approval list. A backflow assembly used on fire suppression systems must have the additional approval of the Factory Mutual (FM) and comply with the National Fire Protection Association (NFPA) code.

**Backflow device.** A mechanical backflow assembly without shut-off valves or test cocks and that is not testable after installation.

**Backpressure.** A condition in which an owner's water supply system pressure is greater than the public water supply system pressure.

**Backsiphonage.** The flow of water or other liquids, mixtures or substances into the distribution pipes of the public water supply system from any source other than its intended source caused by the sudden reduction of pressure in the public water supply system.

**Building Story.** A building story is equal to 10 feet for the purpose of this article.

**Certified tester.** A person who has proven his/her competency to test and make reports on backflow assemblies as evidenced by certification of successful completion of a training program approved by the Public Works and Utilities Director or his designee.

**Consumer, Customer.** Any person, firm, or corporation using or receiving water from the town.

**Consumer's Potable Water System.** That portion of the privately-owned potable water system located between the point of delivery (service connection) and the point of use. This system will include, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, store, or use potable water.

**Consumer's Water System.** Any water system located on the consumer's premises, whether supplied by a public potable water or an auxiliary water supply. The system or systems may be either a potable water system or an industrial piping system.

**Containment assembly.** A backflow assembly, installed at the point of separation between the public water supply and a private service or private distribution system or at the point of metering.

**Containment protection.** A containment assembly installed at the point of separation between the public water supply and a private service or private distribution system or at the point of metering.

**Contamination.** An impairment of the quality of the water which creates an actual hazard to the public health through poisoning or through the spread of disease by sewage, industrial fluids, waste, and the like.

**Cross-connection.** Any actual or potential connection between the public water supply and a source of contamination or pollution.

**Double check valve assembly (DCVA).** A type of backflow assembly manufactured pursuant to ASSE Standard 1015.

**Dual check valve.** A type of backflow device manufactured pursuant to ASSE Standard 1024.

**Fire line.** A system of pipes and equipment used to supply water in an emergency for extinguishing fire.

**Industrial Fluids.** Any fluid or solution which may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration which would constitute a health, system, pollutional, or plumbing hazard if introduced into an approved water supply. This may include, but is not limited to: polluted or contaminated used waters; all types of processed waters and "used waters" originating from the public potable water system which may deteriorate in sanitary quality; chemicals in fluid form; plating acids and alkalies; circulated cooling waters connected to an open cooling tower and/or cooling waters that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters such

as from wells, springs, streams, rivers, ponds, lakes, irrigation canals or system, and the like; oils, gases, glycerines, paraffins, caustic and acid solutions and other liquid and gaseous fluids used industrially, for other processes, or for firefighting purposes.

**Industrial Piping System (Consumer's).** Any system used by the consumer for transmission of or to store any fluid, solid, or gaseous substance other than an approved water supply. Such a system includes, but is not limited to: all pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances to produce, convey, or store substances which are or may be polluted or contaminated.

**Interconnection.** Any system of piping or other arrangement whereby the public water supply is connected directly to a sewer, drain, conduit, pool, heat exchanger, storage reservoir, or other device which does or may contain sewage or other waste or substance which would be capable of imparting contamination to the public water supply.

**Laboratory Testing (Approved).** Refers to the Foundation for Cross-Connection Control and Hydraulic Research of the University of Southern California (FCCCCHR-USC) or another lab having the equivalent facilities for both the laboratory and field evaluation of the assemblies approved by the AWWA and/or APSE.

**Isolation assembly.** A backflow assembly required by the North Carolina Plumbing Code that is installed within a private plumbing or distribution system to isolate a localized hazard from the remainder of the private system.

**Moderate Hazard.** A cross-connection or potential cross-connection involving any substance that generally would not be a health hazard but would constitute a nuisance or be aesthetically objectionable if introduced into the public water supply.

**Owner.** Any person who has legal title to, or license to operate or inhabit, a property upon which a cross-connection inspection is to be made or upon which a cross-connection is present.

**Non-Potable Water.** A water supply which has not been approved for human consumption by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section.

**Pollution.** An impairment of the quality of the water to a degree which does not create a hazard to the public health, but which does adversely and unreasonably affect the aesthetic qualities of such waters for domestic use.

**Potable Water.** Any public potable water supply which has been investigated and approved by the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section. The system must be operating under a valid health permit. In determining what constitutes an approved water supply, the North Carolina Department of Environment, Health, and Natural Resources, Division of Environmental Health, Public Water Supply Section has final judgement as to its safety and potability.

**Pressure Vacuum Breaker (PVB) (Approved).** A backflow prevention assembly suitable for continuous pressure, to be used to provide protection against backsiphonage.

**Public Potable Water System.** Any publicly or privately-owned water system operated as a public utility, under a current health permit, to supply water for domestic purposes. This system will include all sources, facilities, and appurtenances between the source and the point of delivery (service connection) such as valves, pumps, pipes, conduits, tanks, receptacles, fixtures, equipment, and appurtenances used to produce, convey, treat, or store potable water for public consumption or use.

**Public water supply.** The water and waterworks system of the Town of Clayton and its customers outside the corporate limits, for general use as potable water and which is recognized as a public water supply by the North Carolina Department of Environment and Natural Resources.

**Purveyor, Water.** The owner or operator of a public potable water system, providing an approved water supply to the public.

**Reduced pressure zone principle backflow prevention assembly (RPZ).** A type of backflow assembly manufactured pursuant to ASSE Standard 1013.

**Service Connection.** The terminal end of a service connection from the public potable water system, (i.e., where the water purveyor may lose jurisdiction and sanitary control of the water at its point of delivery to the consumer's water system). If a water meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the water meter.

**Severe hazard.** A cross-connection or potential cross-connection involving any substance that could, if introduced into the public water supply, cause death or illness, spread disease, or have a high probability of causing such effects.

**Used Water.** Any water supplied by a water purveyor from a public potable water system to a consumer's water system after it has passed through the service connection and is no longer under the control of the town (water purveyor).

## **§53.01 GENERAL**

The intention of this chapter is to define the authority of the Town as the water purveyor in the elimination of all hazards, both actual and potential, to the potable water within the Town's public water supply system

## **§53.02 PURPOSE**

The purpose of this chapter for the Department of Public Works of the Town is as follows:

- (A) Protect the public potable water supply of the Town against actual or potential contamination (i.e., cross-connections, backflow, backsiphonage) by isolating and

containing, within the consumer's premises or private property, contamination or pollution that has occurred or may occur because of some uncontrolled (i.e., undiscovered or unauthorized) cross-connection on the consumer's premises or private property back into the public water supply.

- (B) Eliminate or control existing cross-connections, both actual and potential, (backflow, backsiphonage or any other source of water or process water used for any purpose whatsoever) which might jeopardize the potability of the public water supply system of the Town.
- (C) Establish and maintain a continuing program of cross-connection control and inspection which will systematically and effectively prevent the contamination or pollution, either actual or potential, of all potable water systems connected to the Town's public water supply system.
- (D) Control cross-connections (i.e., backflow and backsiphonage) through cooperation between the Town and the Town's customers (consumers). Responsibilities and duties of each will be set forth in this chapter and their applicable regulations.

#### **§ 53.03 COMPLIANCE WITH FEDERAL AND STATE LAW.**

The Town of Clayton will comply with the Federal Safe Drinking Water Act, the North Carolina Drinking Water Act, and North Carolina State Building Code and any subsequent editions, which pertain to cross-connections, auxiliary intakes and interconnections, and establish an effective ongoing program to control potential sources of contamination of the public water supply.

#### **§ 53.04 UNLAWFUL CONNECTIONS.**

It shall be unlawful for any person to cause a cross-connection, auxiliary intake, or interconnection to be made within the Town's public water supply; or to allow one to exist for any purpose whatsoever.

#### **§ 53.05 INSPECTION OF PROPERTY.**

it shall be the duty, upon request of the Town of Clayton Public Works and Utilities Director or his designee, to cause inspections to be made of properties served by the public water supply. Where cross-connections with the public water supply are deemed possible. The frequency of inspections and re-inspections shall be set by the Town of Clayton Public Works and Utilities Director or his designee.

#### **§ 53.06 RIGHT OF ACCESS.**

- (A) The Town of Clayton Public Works and Utilities Director or his designee shall have the right to enter, at reasonable times, any nonresidential property served by a connection to the Town's public water supply for the purpose of performing the duties of this article. In those cases in which the owner chooses not to provide such access, the Town of Clayton Public



Works and Utilities Director or his designee may classify the location as a severe hazard in accordance with 53.08

- (B) On request from the Town of Clayton Public Works and Utilities Director, the consumer shall furnish to the Town any pertinent information regarding the water supply system on such property where cross-connections, either actual or potential, and backflow are deemed possible.
- (C) The consumer's system should be open for inspection at all reasonable times to authorized representatives from the Town to determine whether unprotected cross-connections or other structural or sanitary hazards, including violations of this chapter, exist. Refusal to allow entry for these purposes shall result in enforcement action (disconnection of water services, stipulated penalties, and the like). When such a condition becomes known, the consumer will be notified, in writing, to disconnect the unprotected cross-connections within a time period established in this chapter. The degree of protection required and the period of time required for conformance shall be commensurate with the actual or potential degree of hazard to the public potable water supply system.

#### **§ 53.07 EXISTING CONDITIONS.**

Any owner that is subject to the requirements of this article shall be allowed ninety (90) days to correct any cross-connections, auxiliary intakes, interconnections or other hazard as defined by 53.08 or other connection as defined in 53.09 of this Code in violation of the provisions of this article. The ninety (90) days will be from the date of receipt of the notification in accordance with 53.12. Notwithstanding the requirements of this section, if the Town of Clayton Public Works and Utilities Director or his designee determines that there is an imminent threat to the public water supply; water service may be discontinued until such violations are corrected.

#### **§ 53.08 SEVERE HAZARDS.**

(A) The following shall be classified as severe hazards:

1. Severe hazards include, but are not limited to: pumps, tanks or any other container for conveying, storing or otherwise handling sewage, radioactive, lethal, or toxic substances, boiler and steam connections, sewer waste lines, low inlets to receptacles containing toxic substances, coils or jackets used as heat exchangers, bacterial and viral materials, private wells or other private water supply, irrigation systems, water systems or hose connections, with booster pumps such as fire department connections (FDC) and private hydrants used in conjunction with FDC's, carbonation equipment, or similar severe hazard potential as determined by the Town of Clayton Public Works and Utilities Director.
2. Any location at which the nature or mode of operation within a structure are such that frequent alterations are made to the plumbing or at which there is a likelihood in the determination of the Town of Clayton Public Works and Utilities Director that protective measures may be subverted, altered, or disconnected.

3. Any structure which contains, but is not limited to, a bottling plant, cannery, five (5) or more building stories, battery manufacturer, exterminator, lawn care companies, greenhouse, chemical processing plant, dairy, dye works, film laboratory, car wash, hospital, other medical facilities including psychology and psychiatric offices that administer medications, commercial laboratory, laundries, tattoo parlor, metal fabricating operation, mortuary, swimming pool, morgue, x-ray equipment, medical office with laboratory, aspirator, medical washing equipment, packing house, plating plant, poultry house, power plant, nuclear reactor, those fire sprinkler systems equipped with facilities for introduction of freeze preventive chemicals or other substances other than water, dental office, any radioactive material, restaurant, shopping mall with a tenant conducting any activity listed in this section and sewage pump or treatment facilities.

(B) All installations classified as severe hazards pursuant to 53.08 (a) above must have a containment assembly in the form of a reduced pressure zone backflow assembly installed pursuant to 53.10 of this Code.

#### **§ 53.09 ALL OTHER USES: RESIDENTIAL AND MODERATE HAZARD.**

- (A) **Residential uses.** Single service connections that serve no more than two dwelling units, not otherwise required by this Code to have other containment assemblies, shall have a containment device in the form of an approved dual check valve.
- (B) **Moderate Hazards.** All other connections to the public water supply of the Town of Clayton not deemed a severe hazard under 53.08 or addressed in 53.09 (a) shall be classified as moderate hazards and shall have containment assemblies in the form of a double check valve assembly installed pursuant to 53.10 of this Code

#### **§ 53.10 INSTALLATION OF CONTAINMENT ASSEMBLIES.**

- (A) Containment assemblies shall be installed pursuant to North Carolina Plumbing Code as set forth in this Article, the **Town of Clayton Cross Connection Handbook**, and the North Carolina Plumbing and Fire Codes.
- (B) In those cases in which any containment assembly was installed by a prior owner, or any other person, the responsibility for maintenance, testing, and replacement as applicable shall be with the current owner.
- (C) The cost of any containment assembly, and any other plumbing modifications necessary and convenient to install a containment assembly, and the testing and maintenance thereof, shall be paid for by the owner.
- (D) Any pre-existing, compliant approved backflow assembly will be allowed to remain only in its original location and must be repaired with approved parts. If the containment assembly is removed or repaired with parts that are not approved, then such containment assembly shall no longer be considered pre-existing and compliant and shall be replaced with a containment assembly pursuant to this 53.10.

- (E) Private distribution systems shall have a master meter and a master backflow assembly at each connection to the public water supply.
- (F) In the case of premises on which any industrial fluids or any other objectionable substance is handled in such a manner as to create an actual or potential hazard to the public water system, the public system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard. This shall include the handling of process waters and waters originating from the water purveyor's system which have been subject to deterioration in quality.
- (G) In the case of premises having internal cross-connections that cannot be permanently corrected or protected against, or having intricate plumbing and piping arrangements or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not dangerous cross-connections exists, the public water system shall be protected against backflow from the premises by installing an approved backflow prevention assembly in the service line commensurate with the degree of hazard.
- (H) All commercial and industrial consumers, upon notification from the Town, shall install or have installed an approved backflow prevention (containment) assembly, commensurate with the degree of hazard. The period allowed for this installation shall not exceed the following.

| Degree of Hazard       | Time Frame ( Days) | Degree of Hazard      | Time Frame (Days) |
|------------------------|--------------------|-----------------------|-------------------|
| 2in Service or Smaller |                    | 2in Service or Larger |                   |
| Low                    | 90                 | Low                   | 270               |
| Medium                 | 90                 | Medium                | 270               |
| High                   | 60                 | High                  | 180               |

#### **§ 53.11 NEW CONSTRUCTION.**

All buildings proposing to connect to the public water system of the Town of Clayton receiving building permits, on or after the effective date of this article, shall be equipped with a containment assembly and tested as properly functioning as prescribed herein, prior to the issuance of a certificate of code compliance for that building.

#### **§ 53.12 NOTIFICATION OF HAZARD.**

Upon identification of any hazard or hazard potential, as defined in 53.08 through 53.09 of this code, the

Town of Clayton Public Works and Utilities Director shall notify the owner of the property on which the hazard exists, of the following:

- (a) Location of hazard;
- (b) Nature of hazard observed;
- (c) Date hazard observed;
- (d) Section of Code applicable;
- (e) Requirements of Code.

All notices required by this article shall be delivered by hand-delivery to the owner or by certified mail to the owner's last known address. When service is made by certified mail, a copy of the notice may also be sent by regular U.S. Mail. Service shall be deemed sufficient if the notice sent by regular U.S. Mail is not returned by the U.S. Post office seven (7) days after mailing.

#### **§53.13CHANGE IN NATURE OF USE.**

The Town of Clayton shall be notified by the owner when the nature of use of the property changes so as to change the hazard classification of that property, as set forth in 53.08 through 53.09 of this Code.  
53.09

#### **§ 53.14 RESPONSIBILITIES.**

- (A) The owner shall, upon notification pursuant to 53.12 of this article, install an containment assembly as required by the degree of hazard in ninety (90) days from the date of notification except those owners of properties with a cross-connection, auxiliary intake, interconnection or severe hazard as defined by 53.08 that poses an imminent health hazard shall install any required containment assembly immediately.
- (B) If any required containment assembly has not been installed in conformance with standards set by this article and the Town of Clayton Cross connection handbook, and within the timeframe set forth in the notification issued pursuant to 53.12 of this article, the Town of Clayton Public Works and Utilities Director or his designee may discontinue the public water service at that property, and service shall not be restored until any required containment assembly has been installed.
- (C) The Town shall bear no liability for direct or consequential damages proximately caused by the discontinuance of service pursuant to this section.

#### **§ 53.15 TESTING AND MAINTENANCE OF ASSEMBLIES.**

- (A) The owner at a property where any containment assembly has been installed, except those with devices installed in accordance with 53.09 (a) of this Code, shall have each containment assembly tested by a certified tester and pursuant to the **Town of Clayton Cross Connection Handbook** ; shall cause any routine maintenance to such containment assembly to be performed as recommended by the manufacturer; and shall cause a report regarding that
- (B) operational test to be submitted to the Town pursuant to 53.15 (b) no later than fifteen (15) days following any testing event. Testing must be performed with equipment approved by the Town of Clayton. The owner shall cause such maintenance or repairs to be made, rendering the containment assembly fully operational. Failure of the owner to perform that testing and maintenance shall be cause for the premises to be deemed

an immediate public health hazard. The Town of Clayton Public Works and Utilities Director may immediately thereafter discontinue public water supply service to that premises and service shall not be restored until all containment assemblies have been tested and the test demonstrates that the assemblies are fully operational. Where the use of water is critical to the continuance of normal operations or protection of life, property, or equipment a bypass shall be installed to maintain service. The bypass will need to be protected with the same degree of hazard. Bypass containment assemblies shall be provided by the owner to avoid the necessity of discontinuing water service to test or repair the containment assembly or assemblies.

- (c) Any certified tester who performs an operational test on any containment assembly connected to the Town's public water supply shall file a report regarding the results of that operational test using the Town's designated electronic reporting system managed by the currently contracted vendor as published at [www.Townofclaytonnc.org](http://www.Townofclaytonnc.org). Certified testers shall supply all testing information required by the designated electronic reporting system to included but not limited to test values for containment assembly, size, make, model, serial number and location of containment assembly, name and address of owner as recorded on notice, premise number for fire services, meter number for domestic and irrigation services, and for containment assemblies on private distribution and fire sprinkler systems. The fee for any report filed using the electronic reporting system shall paid at the time of testing. In addition, certified testers shall comply with all requirements of this code and the **Town of Clayton Cross Connection Handbook**.

#### **§ 53.16 ENFORCEMENT.**

- (A) When any installation is found not to be in compliance with this chapter, the consumer shall be notified, in writing, with regard to the corrective action required and a specified period of time 53.07 to achieve compliance.
- (B) Any installation which remains in noncompliance after notice is given and the time prescribed in 53.07, will be considered in violation of this chapter and will realize the potential for disconnection of water services until compliance is achieved. In addition, any person who shall continue any violation beyond the time limit provided for in the aforementioned notice of hazard (NOH) 53.12 shall be guilty of a misdemeanor, and on conviction thereof shall be fined in the amount not to exceed \$50 for each violation. Each day in which any violation continues shall be deemed a separate offense.
- (c) Enforcement of this program shall be administered by the Town of Clayton Public Works and Utilities Director or his duly appointed representative.
- (D) The Town of Clayton Public Works and Utilities Director is authorized to make all necessary and reasonable rules and policies with respect to the enforcement of this chapter. All such rules and policies shall be consistent with the provisions of this

chapter and shall be effective upon the date of adoption by the Town Council.

**§ 53.17 LIMITATION OF LIABILITY.**

The Town shall not be held liable, for any cause, for failure to detect any containment assembly failing to operate adequately, or failure to identify any specific hazard, which may result in contamination of its public water supply, nor shall this article diminish the responsibility of any owner from whose property a contamination of the public water supply may originate.

Duly adopted this the 21<sup>st</sup> day of January, 2020 while in regular session.

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Jody McLeod  
Mayor

ATTEST:

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Kimberly A. Moffett, CMC, NCCMC  
Town Clerk



## Town Council Agenda Cover Sheet

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**Meeting Date**

January 21, 2020

**Agenda Location**

New Business

**Item Title**

EDA Grant Application Support

**Presenter**

Rich Cappola, PE – Public Services Director

**Summary/Description**

EDA has announced a program of investment assistance to help communities implement long-term economic recovery strategies through a variety of non-construction and construction projects to address economic challenges in areas where a Presidential declaration of a major disaster was issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 et seq.)

Town staff are recommending submittal of an application for this grant funding to make sewer transmission improvements (pump station expansion and new forcemain) from the East Clayton Industrial Area (ECIA) to the future wastewater treatment facility site. Additionally, Johnston County Utilities would partner with the Town on the application to make improvements to a forcemain in their system that the Town has the capability to send flow through, but will need to be upgraded to accommodate the amount of flow from the ECIA area. These improvements will provide redundancy and resiliency to customers in this area during and after hurricanes or other catastrophic events, ensuring the economic stability of the area.

The Town and County will be seeking approximately \$7.2M in funding from EDA to offset a significant portion of the project, which is currently estimated at a pre-planning total \$9.1M.

**Requested Action**

Approval

**Funding Source (If Applicable):**

Water & Sewer Enterprise Fund

**Cost:** N/A    Yes ☒    No ☐

**Additional Documents to be Included in Agenda Packet**

- EDA Grant Synopsis
- Maps

**Meeting Timeline**

10 min.



**EDA-2019-DISASTER**  
**FY 2019 EDA Disaster Supplemental**  
**Department of Commerce**  
**Economic Development Administration**

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**GENERAL INFORMATION**

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|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Document Type:</b>                        | Grants Notice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Funding Opportunity Number:</b>           | EDA-2019-DISASTER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Funding Opportunity Title:</b>            | FY 2019 EDA Disaster Supplemental                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Opportunity Category:</b>                 | Discretionary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Opportunity Category Explanation:</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Funding Instrument Type:</b>              | Cooperative Agreement<br>Grant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Category of Funding Activity:</b>         | Other (see text field entitled "Explanation of Other Category of Funding Activity" for clarification)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Category Explanation:</b>                 | EDA announces general policies and application procedures for the Disaster Supplemental Notice of Funding Opportunity (NOFO). Subject to the availability of funds, this investment assistance will help communities and regions devise and implement long-term economic recovery strategies through a variety of non-construction and construction projects, as appropriate, to address economic challenges in areas where a Presidential declaration of a major disaster was issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 et seq.) (Stafford Act) as a result of Hurricanes Florence, Michael, and Lane, Typhoons Yutu and Mangkhut, and of wildfires, volcanic eruptions, earthquakes and other natural disasters occurring in calendar year 2018, and tornadoes and floods occurring in calendar year 2019.... Please read the FY 18 Disaster Supplemental Notice of Funding Opportunity (NOFO) carefully for all of EDA's eligibility and program requirements under this announcement. |
| <b>Expected Number of Awards:</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>CFDA Number(s):</b>                       | 11.307 -- Economic Adjustment Assistance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Cost Sharing or Matching Requirement:</b> | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                                |                                                                            |
|------------------------------------------------|----------------------------------------------------------------------------|
| <b>Version:</b>                                | Synopsis 2                                                                 |
| <b>Posted Date:</b>                            | Aug 13, 2019                                                               |
| <b>Last Updated Date:</b>                      | Aug 13, 2019                                                               |
| <b>Original Closing Date for Applications:</b> | Applications are accepted on a continuing basis and processed as received. |
| <b>Current Closing Date for Applications:</b>  | Applications are accepted on a continuing basis and processed as received. |
| <b>Archive Date:</b>                           |                                                                            |
| <b>Estimated Total Program Funding:</b>        |                                                                            |
| <b>Award Ceiling:</b>                          | \$587,000,000                                                              |
| <b>Award Floor:</b>                            | \$0                                                                        |

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**ELIGIBILITY**

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**Eligible Applicants:**

Special district governments  
Nonprofits that do not have a 501(c)(3) status with the IRS, other than institutions of higher education  
Others (see text field entitled "Additional Information on Eligibility" for clarification)  
State governments  
City or township governments  
Private institutions of higher education  
County governments  
Public and State controlled institutions of higher education  
Native American tribal governments (Federally recognized)  
Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education

**Additional Information on Eligibility:** Pursuant to the Public Works and Economic Development Act of 1965 (PWEDA), an eligible applicant for and eligible recipient of EDA investment assistance under this announcement include a(n): (1) District Organization; (2) Indian Tribe or a consortium of Indian Tribes; (3) State, city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; (4) institution of higher education or a consortium of institutions of higher education; or (5) public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State. See section 3 of PWEDA (42 U.S.C. § 3122) and 13 C.F.R. § 300.3. EDA is not authorized to provide grants to individuals or to for-profit entities seeking to start or expand a private business. Such requests may be referred to State or local agencies, or to non profit economic development organizations.

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**ADDITIONAL INFORMATION**

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**Agency Name:** Economic Development Administration

**Description:**

EDA announces general policies and application procedures for the Disaster Supplemental NOFO. Subject to the availability of funds, this investment assistance will help communities and regions devise and implement long-term economic recovery strategies through a variety of non-construction and construction projects, as appropriate, to address economic challenges in areas where a Presidential declaration of a major disaster was issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 et seq.) (Stafford Act) "as a result of Hurricanes Florence, Michael, and Lane, Typhoons Yutu and Mangkhut, and of wildfires, volcanic eruptions, earthquakes and other natural disasters occurring in calendar year 2018, and tornadoes and floods occurring in calendar year 2019...". To be competitive, applications must clearly incorporate principles for enhancing the resilience (as defined under Section A.4, below) of the relevant community/region or demonstrate the integration of resilience principles into the investment project itself. Resilience is an essential component of any strategy for mitigating the potential for future disaster-related losses and adverse economic impacts for communities. Therefore, inclusion of resilience principles in the project is a necessary step to improve the capacity of the region to recover more quickly from future disaster events. Applicants must include a narrative attachment as a part of their application materials, describing in detail the nexus between their proposed project scope of work and disaster recovery and resilience efforts. The strength of the nexus to the disaster is drawn from the consequences of the relevant disaster(s) and the intended project outcomes that fulfill the community's specific post-disaster needs.

**Link to Additional Information:** [www.eda.gov](http://www.eda.gov)

**Grantor Contact Information:** If you have difficulty accessing the full announcement electronically, please contact:

[www.eda.gov/contact](http://www.eda.gov/contact)

[www.eda.gov/contact](http://www.eda.gov/contact)



**RESOLUTION FOR THE TOWN OF CLAYTON AND JOHNSTON  
COUNTY TO APPLY FOR AN ECONOMIC DEVELOPMENT  
ADMINISTRATION TITLE IX DISASTER ASSISTANCE GRANT**

**WHEREAS**, the Town of Clayton Town Council desires to assist in economic development efforts; and,

**WHEREAS**, the Town of Clayton Town Council and the Johnston County Board of Commissioners wish to submit a formal joint application to the Economic Development Administration (EDA), US Department of Commerce to obtain grant funds to help finance sewer transmission improvements that will provide sewer service redundancy resiliency to Town customers, especially businesses located or locating in the East Clayton Industrial Area.

**NOW, THEREFORE BE IT RESOLVED**, by the Town of Clayton Town Council that:

1. The Town of Clayton is authorized to submit a formal joint application with Johnston County to EDA for approval of a Title IX – Economic Adjustment Disaster Assistance grant.
2. The Town of Clayton certifies it will meet all federal regulatory and statutory requirements of EDA program requirements.
3. The Town Manager, Deputy Town Manager, and Public Services Director are authorized to sign documents as required during the application review and, if applicable, project administration.
4. The Town of Clayton and Johnston County will provide the required 20% non-EDA funding match.

Duly adopted this the 21<sup>st</sup> day of January, 2020 while in regular session.

\_\_\_\_\_  
Jody McLeod  
Mayor

ATTEST:

\_\_\_\_\_  
Kimberly A. Moffett, CMC, NCCMC  
Town Clerk

## Project Scope and Timeline

