Rates and Service Charges

Current Water Rate Schedule

Gallons Used	Rate*
0-2,000	15.00
Over 2,000	5.75

*Rate per thousand gallons except for minimum, and includes Water Loss Protection Plan

How To Use The Rate Schedule

A minimum monthly bill is $15.00 and includes up to 2,000 gallons of water. Take a monthly reading of 6,000 gallons as an example:

You will pay $15.00 for the first 2,000 gallons used, additional water is $5.75 per thousand gallons. First you take the minimum bill rate, then take $5.75 and multiply it times 4 (which is how many thousand gallons you are over 2,000 gallons). This gives you $23.00. Finally, add the two figures together (23.00+15.00) and you have your monthly water bill, in this case it would be $38.00.

Structured Minimum Bills

Meter Size	Included Gallons	Minimum Bill*
3/4 in. Meter	**0-2,000**	15.00
1 in. Meter	**0-5,000**	33.00
1-1/2 in. Meter	**0-10,000**	63.00
2 in. Meter	**0-20,000**	123.00
3 in. Meter	**0-50,000**	303.00
4 in. Meter	**0-75,000**	453.00
6 in. Meter	**0-150,000**	903.00
8 in. Meter	**0-250,000**	1,502.75

*Minimum amount includes Water Loss Protection Plan

Fire Line Connections

Line Size	Monthly Fee
3 in.	6.00
4 in.	8.00
6 in.	12.00
8 in.	16.00
10 in.	20.00
12 in.	24.00

Connection Fees

Tap Size	Fee*
3/4 in. Taps	2,150.00
1 in. Tap	4,150.00
1-1/2 in. Tap	9,150.00
2 in. Tap	12,050.00

*All new accounts require a separate $50.00 membership fee.
This amount is included in the connection fee above.

Service Charges

Charge	Fee*
Phone Payment Convenience Fee	2.00
Same Day Service (Before 4:00pm on a Business Day)	50.00
Same Day Service (From 4:00-5:00pm on a Business Day)	75.00
Reconnection Fee (Before 4:00pm on a Business Day)	50.00
Reconnection Fee (From 4:00-7:00pm on a Business Day)	75.00
Reconnection Fee (From 7:00-9:00pm on a Business Day)	100.00
Reconnection Fee (Before 9:00pm on a Non-Business Day)	100.00
Meter Tampering (Add Normal Service Charge)	50.00
Weekend Call (When the Problem is on the Member Side)	100.00

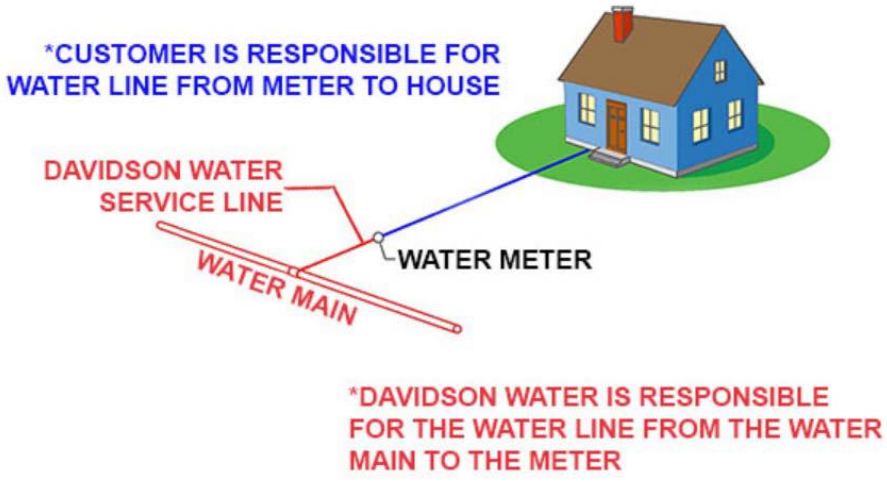
Water Loss Protection Rates

Meter Size	WLPP Fee	Max. Adjustment Amount
3/4 in. Meter	**0.50**	1,000
1 in. Meter	**1.25**	1,500
1-1/2 in. Meter	**2.50**	1,500
2 in. Meter	**5.00**	1,500
3 in. Meter	**12.50**	1,500
4 in. Meter	**18.75**	1,500
6 in. Meter	**37.50**	1,500
8 in. Meter	**62.25**	1,500

Water Loss Protection Plan

This policy went into effect January 1, 2017.

As a member of Davidson Water, Inc., you are responsible for all water passing through the meter including normal usage, irrigation, waste, and leaks. Davidson Water recognizes the impact members experience from unexpected water loss due to water leaks.



Water Loss Protection Plan has been effective since January 1, 2017, this program assists members with high bills by adjusting two consecutive water bills back to an average bill. This adjustment is available one time in a 24-month period. The cost of this program is included in your monthly water rate see the rate schedule under Rates and Service Charges. You may opt out of this program; however, if you decide to withdraw from the program you will not receive any assistance with high bills due to a leak. All repairs are still the responsibility of the member and proof of repair may be required for this adjustment. We will not reduce high bills due to water usage for swimming pool fill ups, irrigation, or misuse by the member.

Davidson Water is responsible for the distribution main near the street, the service connection to the meter, and the meter located near the street. The member's responsibility begins at the connection to the water meter.

One defense of water loss is reviewing the water bill each month for consumption. Once a problem has been recognized the member should locate the leak, and make repairs as needed in a timely manner. Monitoring your water consumption can minimize large water bills in the future and possible damage from water leaks.

Davidson Water, Inc.
Cross-Connection Control Policy
Effective Date: July 1, 2009
Updated: August 25, 2025

Section 1 – CROSS - CONNECTION CONTROL - GENERAL POLICY

1.1 PURPOSE:

The purpose of this policy is:

1.1.1 To protect the public potable water supply of Davidson Water, Inc. from the possibility of contamination or pollution by isolating within the member's internal distribution system(s) or the member's private water system(s) such contaminants or pollutants that could backflow into the public water system; and,

1.1.2 To promote the elimination or control of existing cross-connections, actual or potential, between the member's in-plant potable water system(s) and non-potable water systems, plumbing fixtures, and industrial piping systems; and,

1.1.3 To provide for the maintenance of a continuing program of cross-connection control that will systematically and effectively prevent the contamination or pollution of all potable water systems

1.2 RESPONSIBILITY: The Cross-Connection Control Coordinator shall be responsible for the oversight and implementation of this policy. If, in the judgment of said Cross-Connection Control Coordinator an approved backflow-prevention assembly is required (at the member's water service connection; or, within the member's private water system) for the safety of the water system, the Cross-Connection Control Coordinator or his/her designated agent shall give notice in writing to said member to install an approved backflow-prevention assembly(s) at specific location(s) on his/her premises. The member shall immediately install such approved assembly(s) at his/her own expense; and, failure, refusal, or inability on the part of the member to install, have tested, and maintain said assembly(s) shall constitute grounds for discontinuing water service to the premises until such requirements have been satisfactorily met.

Section 2 – DEFINITIONS

2.1 WATER COMMISSIONER OR HEALTH OFFICIAL: The Davidson Water, Inc. Cross-Connection Control Coordinator is invested with the authority and responsibility for the implementation of an effective cross-connection control program and for the enforcement of the provisions of this policy.

2.2 APPROVED: Accepted by the authority responsible as meeting an applicable specification stated or cited in this policy or as suitable for the proposed use.

2.3 AUXILIARY WATER SUPPLY: Any water supply on or available to the premises other than Davidson Water, Inc.'s public water supply or any natural source(s), such as a well, spring, river, stream, and so forth; 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 Davidson Water, Inc. does not have sanitary control.

2.4 BACKFLOW: The undesirable reversal of flow in a potable water distribution system as a result of a cross-connection.

2.5 BACK - PRESSURE: A pressure, higher than the supply pressure, caused by a pump, elevated tank, boiler, or any other means that cause backflow.

2.6 BACK - SIPHONAGE: Backflow caused by negative or reduced pressure in the supply piping.

2.7 BACKFLOW PREVENTER: An assembly or means designed to prevent backflow.

2.7.1 Air Gap: The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet conveying water or waste to a tank, plumbing fixture, receptor or other assembly and the flood level rim of the receptacle. These vertical, physical separations must be at least twice the diameter of the water supply outlet, never less than 1 in. (25 mm).

2.7.2 Reduced - Pressure Backflow - Prevention Assembly: The approved reduced- pressure principle backflow-prevention assembly consists of two independently acting, approved check valves, together with a hydraulically operating, mechanically independent pressure differential relief valve located between the check valves and below the first check valve. These units are located between two tightly closing resilient- seated shutoff valves as an assembly and equipped with properly located resilient-seated test cocks.

2.7.2a Reduced - Pressure Principle - Detector Assembly: An assembly composed of an approved reduced pressure principle backflow prevention assembly with a bypass water meter and a meter-sized approved reduced pressure principle device. The meter shall register accurately for very low flow rates and shall register all flow rates.

2.7.3 Double Check Valve Assembly: The approved double check valve assembly consists of two internally loaded check valves, either spring loaded or internally weighted, installed as a unit between two tightly closing resilient-seated shut-off valves and fittings with properly located resilient-seated test cocks. This assembly shall only be used to protect against a non-health hazard (that is, a pollutant).

2.7.3a Double Check - Detector Check Valve Assembly: An assembly composed of an approved double check valve assembly with a bypass water meter and a meter-sized approved double check valve device. The meter shall register accurately for very low flow rates and shall register all flow rates.

2.8 CONTAMINATION: An impairment of a potable water supply by the introduction or admission of any foreign substance that degrades the quality and creates a health hazard.

2.9 CROSS - CONNECTION: A connection or potential connection between any part of a potable water system and any other environment containing other substances in a manner that, under any circumstances would allow such substances to enter the potable water system. Other substances may be gases, liquids, or solids, such as chemicals, waste products, steam, water from other sources (potable or non-potable), or any matter that may change the color or add odor to the water.

2.10 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.

2.11 CROSS - CONNECTION CONTROL BY CONTAINMENT: The installation of an approved backflow-prevention assembly at the water service connection to any member's premises, where it is physically and economically unfeasible to find and permanently eliminate or control all actual or potential cross-connections within the member's water system; or it shall mean the installation of an approved backflow-prevention assembly on the service line leading to and supplying a portion of a member's water system where there are actual or potential cross - connections that cannot be effectively eliminated or controlled at the point of the cross - connection.

2.12 HAZARD, DEGREE OF: The term is derived from an evaluation of the potential risk to public health and the adverse effect of the hazard upon the potable water system.

2.12.1 Hazard – Health: A cross - connection or potential cross - connection involving any substance that could, if introduced into the potable water supply, cause death or illness, spread disease, or have a high probability of causing such effects.

2.12.2 Hazard - Plumbing: A plumbing - type cross-connection in a consumer's potable water system that has not been properly protected by an approved air gap or an approved backflow - prevention assembly.

2.12.3 Hazard – Non - Health: 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 potable water supply.

2.12.4 Hazard – System: An actual or potential threat of severe damage to the physical properties of the public potable water system or the consumer's potable water system or of a pollution or contamination that would have a protracted effect on the quality of the potable water in the system.

2.13 INDUSTRIAL - FLUIDS SYSTEM: Any system containing a fluid or solution that may be chemically, biologically, or otherwise contaminated or polluted in a form or concentration, such as would constitute a health, system, pollution, or plumbing hazard, if introduced into an approved water supply. This may include, but not limited to, polluted or contaminated waters; all types of process waters and used waters originating from the public potable water system that may have deteriorated in sanitary quality; chemicals in fluid form; plating acids and alkali; circulating cooling waters connected to an open cooling tower; and/or cooling towers that are chemically or biologically treated or stabilized with toxic substances; contaminated natural waters, such as wells, springs, streams, rivers, bays, harbors, seas, irrigation canals or systems, and so forth; oils, gases, glycerin, paraffins, caustic and acid solutions, and other liquid and gaseous fluids used in industrially, for other processes, or for fire - fighting purposes.

2.14 POLLUTION: The presence of any foreign substance in water that tends to degrade its quality so as to constitute a non-health hazard or impair the usefulness of the water.

2.15 SERVICE CONNECTION: The terminal end of a service connection from the public potable water system, that is, where the water purveyor loses jurisdiction and sanitary control over the water at its point of delivery to the member's water system. If a meter is installed at the end of the service connection, then the service connection shall mean the downstream end of the meter. There should be no unprotected takeoffs from the service line ahead of any meter or backflow-prevention assembly located at the point of delivery to the Member's water system. Service connection shall also include water service connections from the public potable water system.

2.16 UPGRADE: The replacement of backflow preventer(s), boxes, enclosures, vaults, piping, drainpipes, valves, and any apparatus associated with a backflow preventer. All upgrades require prior approval by the Cross-Connection Control Coordinator, and shall be brought into full compliance with the standards set forth in this policy.

2.17 WATER - POTABLE: Water that is safe for human consumption as described by the public health authority having jurisdiction.

2.18 WATER - NONPOTABLE: Water that is not safe for human consumption or that is of questionable quality.

2.19 WATER - USED: 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 point of delivery and is no longer under the sanitary control of the water purveyor.

Section 3 – REQUIREMENTS

3.1 WATER SYSTEM

3.1.1 The water system shall be considered as made up of two parts: the utility system and the member system.

3.1.2 The utility system shall consist of the source facilities and the distribution system and shall include all those facilities of the water system under the complete control of the utility, up to the point where the member's system begins.

3.1.3 The source shall include all components of the facilities utilized in the production, treatment, storage, and delivery of water to the distribution system.

3.1.4 The distribution system shall include the network of conduits used for the delivery of water from the source to the member's system.

3.1.5 The member's system shall include those parts of the facilities beyond the termination of the utility distribution system; that are utilized in conveying utility delivered domestic water to points of use.

3.2 POLICY

3.2.1 No water service connection to any premises shall be installed or maintained by the water purveyor unless the water supply is protected as required by state laws and regulations and this cross - connection control policy. Service of water to any premises shall be discontinued by the water purveyor if a backflow - prevention assembly required by this cross - connection control policy is not installed, tested, and maintained, or if it is found that a backflow-prevention assembly has been removed, bypassed, or if an unprotected cross-connection exist on the premises. Service will not be restored until such conditions or defects are corrected. Those facilities requiring protection under this policy shall include, but are not necessarily limited to, those listed on the attachment entitled, "Facilities Requiring Protection."

3.2.2 The member's system should be open for inspection at all reasonable times to authorized representatives of Davidson Water, Inc. to determine whether cross - connections or other structural or sanitary hazards, including violations of these regulations exist. When such a condition becomes known, the Cross - Connection Control Coordinator shall deny or immediately discontinue service to the premises by providing for a physical break in the service line until the member has corrected the condition(s) in conformance with state, and city statutes relating to plumbing and water supplies and the regulations adopted pursuant thereto.

3.2.3 An approved backflow prevention assembly shall be installed on each service line to a member's water system at or near the property line before the first branch line leading off the service line wherever the following conditions exist:

3.2.3a In the case of premises having an auxiliary water supply that is not or may not be of safe bacteriological or chemical quality and that is not acceptable as an additional source by the Cross-Connection Control Coordinator, the public water system shall be protected against backflow from the premises by installing an approved backflow-prevention assembly in the service line, appropriate to the degree of hazard.

3.2.3b In the case of premises on which any industrial fluids or any other objectionable substances are handled in such a fashion 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, appropriate to the degree of hazard. This shall include the handling of process waters and waters originating from the utility system that have been subject to deterioration in quality.

3.2.3c In the case of premises having one (1) internal cross - connections that cannot be permanently corrected and controlled, or two (2) 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 exist, the public water system shall be protected against backflow from the premises by installing an approved backflow - prevention assembly in the service line.

3.2.4 The type of protective assembly required under subsections 3.2.3a, 3.2.3b, and 3.2.3c shall depend upon the degree of hazard that exists as follows:

3.2.4a In the case of any premises where there is an auxiliary water supply as stated in subsection 3.2.3a of this section and it is not subject to any of the following rules, the public water system shall be protected by an approved air - gap separation or an approved reduced - pressure principle backflow-prevention assembly.

3.2.4b In the case of any premises where there is water or substance that would be objectionable but not hazardous to health, if introduced into the public water system, the public water system shall be protected by an approved double check valve assembly.

3.2.4c In the case of any premises where there is any material dangerous to health that is handled in such a fashion as to create an actual or potential hazard to the public water system, the public water system shall be protected by an approved air - gap separation or an approved reduced-pressure principle backflow - prevention assembly. Examples of premises where these conditions will exist include sewage treatment plants, sewage pumping stations, chemical manufacturing plants, hospitals, mortuaries, and plating plants.

3.2.4d In the case of any premises where there are "uncontrolled" cross - connections, either actual or potential, the public water system shall be protected by an approved air - gap separation or an approved reduced-pressure principle backflow - prevention assembly at the service connection.

3.2.4e In the case of any premises where, because of security requirements or other prohibitions or restrictions, it is impossible or impractical to make a complete in-plant cross - connection survey, the public water system shall be protected against backflow from the premises by either an approved air - gap separation or an approved reduced-pressure principle backflow - prevention assembly on each service to the premises.

3.2.4f In the case of any premises where, in the opinion of the Cross - Connection Control Coordinator, an undue health threat is posed because of the presence of extremely toxic substances, the Cross - Connection Control Coordinator may require an air gap at the service connection to protect the public water system. This requirement will be at the direction of the Cross - Connection Control Coordinator and is dependent on the degree of hazard.

3.2.5 The following testing laboratory has been qualified by the Cross - Connection Control Coordinator to test and certify backflow preventers: Foundation for Cross - Connection Control and Hydraulic Research, University of Southern California, University Park, Los Angeles, CA 90089.

Backflow preventers that may be subjected to backpressure or back - siphonage that have been fully tested and have been granted a certificate of approval by said qualified laboratory and are listed on the laboratory's current list of approved backflow - prevention assemblies may be used without further testing or qualification.

3.2.6 It shall be the duty of the member - user at any premises where backflow - prevention assemblies are installed to have certified inspections and operational test made at least once a year. In those instances where the Cross - Connection Control Coordinator deems the hazard to be great enough, certified inspections may be required at more frequent intervals. These inspections and test shall be at the expense of the water user and shall be performed by a certified tester, or by the assembly manufacturer's representative approved by the Cross - Connection Control Coordinator. It shall be the duty of the Cross - Connection Control Coordinator to see that these tests are made in a timely manner. These assemblies shall be repaired, overhauled, or replaced at the expense of the member - user whenever said assemblies are found to be defective. Records of such tests, repairs, and overhaul shall be kept and made available to the Cross - Connection Control Coordinator or third - party vendor for backflow test submittals.

3.2.7 Davidson Water, Inc. reserves the right to interrupt service for test, maintenance, and repairs. When it is not possible to interrupt water service, the member shall provide for the parallel installation of an approved backflow prevention assembly, the Cross- Connection Control Coordinator will not accept an unprotected bypass around a backflow preventer when the assembly is in need of testing, repair, or replacement.

3.2.8 All presently installed backflow - prevention assemblies that do not meet the requirements of this section but were approved assemblies for the purpose described herein at the time of installation and that have been properly maintained, shall, except for the inspection and maintenance requirements under subsection 3.2.6, be excluded from the requirements of these rules so long as the Cross - Connection Control Coordinator is assured that they will satisfactorily protect the utility system. Whenever the existing assembly is moved from the present location, requires more than minimum maintenance, or when the Cross - Connection Control Coordinator finds that the maintenance constitutes a hazard to health, the unit shall be replaced by an approved backflow - prevention assembly meeting the requirements of this section.

3.2.9 The installation of a backflow prevention assembly may create a closed system, and as a result thermal expansion may occur. Under such circumstance, the member must understand and assume all liability and responsibilities for that event.

Section 4 – NOTIFICATION

4.1 NOTICE OF CONTAMINATION OR POLLUTION:

4.1.1 In the event the member's private water system becomes contaminated or polluted the member shall notify Davidson Water, Inc. immediately.

4.1.2 In the event a member has reason to believe that a backflow has occurred between the private water system and the public water system the member must notify Davidson Water, Inc. immediately in order so that appropriate measures may be taken to isolate and remove the contamination or pollution.

4.1.3 Any member making any modification to the private system's configuration or use of which may change the degree of hazard, shall notify the Cross- Connection Control Coordinator before any modification is made. If the Cross-Connection Control Coordinator determines that such modification requires a different backflow prevention assembly that assembly must be installed before the modification is made.

Section 5 – FIRE SPRINKLER SYSTEMS

5.1 FIRE SPRINKLER SYSTEMS-COMMERCIAL:

5.1.1 All unmetered fire sprinkler systems without any means of back pressure, booster facilities, fire department connection, or chemical additives must have a double check- detector check valve assembly as a minimum containment device.

5.1.2 All unmetered fire sprinkler systems with means of back pressure, booster facility, fire department connection, or chemical additives must have a reduced pressure principle-detector assembly as a minimum containment device.

5.1.3 Fire lines are not to be used for any purpose other than fire suppression.

5.1.4 In the case when the fire sprinkler system is metered the approved assembly will not be required to have a detector meter.

Section 6 – LAWN IRRIGATION

6.1 IRRIGATION SYSTEMS INCLUDE BUT NOT LIMITED TO AGRICULTURAL, RESIDENTIAL, COMMERCIAL APPLICATIONS:

6.1.1 All new in - ground irrigation systems that are connected to the Davidson Water, Inc. system are required to have a separate meter.

6.1.2 All new lawn irrigation systems require an above ground reduced pressure backflow preventer with an approved enclosure.

6.1.3 There shall be no branch lines between the meter and the backflow preventer.

6.1.4 All existing lawn irrigation systems that have a double check valve assembly in place may remain until such time replacement is necessary. At which time an above ground reduced pressure assembly will be required.

6.1.5 It is recommended by the Cross-Connection Control Coordinator that all enclosures meet ASSE 1060 standards for above ground enclosures.

6.1.6 An Inspection of the Backflow preventer by a Davidson Water, Inc. employee is required on all new lawn irrigation systems

6.1.7 Backflow preventers shall be located at the service connection.
Service connection implies the closest location adjacent to the meter and out of public rights of way. With approval prior to installation and subject to inspection of line leading to backflow preventer, the backflow may be located near a building or structure at a reasonable distance from the service connection.

Davidson Water, Inc.
Meter Relocation Request Policy

This policy outlines the requirements and conditions under which Davidson Water, Inc. will consider requests to relocate an existing water meter box.

Davidson Water, Inc. permits the relocation of water meter boxes under specific conditions, subject to approval and associated costs. All relocations shall be performed by Davidson Water, Inc. in accordance with applicable standards and regulatory requirements.

Relocation Conditions

1. **Relocation Fee**
   A relocation fee will be assessed and determined by Davidson Water, Inc. based on the scope of work required. Charges will be communicated to the property owner, for approval, prior to commencement of work.

2. **Request Requirements**
   All relocation requests:
   - Must be submitted in writing by the legal property owner of record. Davidson Water, Inc. will not accept relocation requests from tenants, contractors, or third parties without written authorization from the property owner.
   - If two or more units are supplied from a common meter, the request must ensure that the meter stays with the same building/structure for which the meter was originally installed (i.e., meter cannot be moved from one building to service a different building). In instances where there is more than a single unit being fed from a meter, additional taps must be purchased.

3. **Scope of Davidson Water, Inc. Responsibility**
   Davidson Water, Inc. will relocate only the meter box and the water service line from the water main to the new meter box location.

4. **Member Responsibilities**
   The property owner (member) is responsible for:
   - Installing the private service line from the relocated meter box back to the member's plumbing system.
   - Reconnecting the member-owned portion of the service line to the new meter setter location.

5. **Acceptable Meter Box Locations**
   Meter boxes must be placed in locations approved by Davidson Water, Inc. Acceptable locations include:
   - North Carolina Department of Transportation (NCDOT) right-of-way
   - Public right-of-way
   - Recorded utility easements

6. **Ownership and Maintenance**
   Davidson Water, Inc. retains full ownership and maintenance responsibility for the meter box, meter setter, and the service line up to the water main. The member is responsible for maintenance beyond the meter setter.

Common Justifications for Relocation Requests

Meter box relocation may be requested for various reasons, including but not limited to:

Service line leaks

- Conflicts with grading or construction activities
- Meter located in a driveway or other vehicle access areas
- Reducing service line length to improve performance
- Conflicts with existing or proposed septic systems
- Potential or actual meter damage due to its current location

---

Disclaimer:

Davidson Water, Inc. reserves the right to:

- Determine the final placement based on accessibility, safety, and operational requirements.
- Deny relocation requests based on technical or logistical constraints.
- Modify cost participation based on unique project considerations or requirements.

Davidson Water, Inc.
Fire Hydrant Installation Policy

This policy outlines the requirements and conditions for requesting the installation of a fire hydrant on existing water lines.

General Requirements:

- Fire hydrants may be installed on existing 6-inch or 8-inch water lines.
- Installations on water lines larger than 8 inches will be evaluated on a case-by-case basis.
- Per applicable regulations, fire hydrants may only be installed on water lines 6 inches in diameter or larger.
- Fire hydrants may not be installed in lieu of a water meter for general water use.
- All installed fire hydrants become the property of Davidson Water, Inc. upon connection.

Installation Guidelines & Costs:

1. **If an existing fire hydrant is located within 1,000 feet (by water line run) of the requested location:**

    - Installation cost: $5,000.00 (full cost borne by the requesting party).
    - Davidson Water, Inc. will coordinate with the requester on an appropriate placement location, subject to feasibility.
    - Fire hydrants will only be installed on the same side of the road as the water main.
    - Typical placement is within 8 to 15 feet of the existing water line, generally within NC DOT right- of-way.
    - Installation is not guaranteed in all requested locations due to physical or regulatory constraints.

2. **If no existing fire hydrant is within 1,000 feet (by water line run) of the requested location:**

    - Davidson Water, Inc. will share the installation cost, contributing $2,500.00, with the requester covering the remaining $2,500.00.
    - Placement requirements and limitations are the same as above.
    - Additional fees may apply if installation requires connection to a larger water main.

Disclaimer:

Davidson Water, Inc. reserves the right to:

- Deny installation requests based on technical or logistical constraints.
- Determine the final placement location of any new fire hydrant.
- Modify cost participation based on unique project considerations or requirements.

Davidson Water, Inc.
Subdivision Request for Service, Water Line Design and Approval Policy

Developer/Owner Requirements
The following conditions must be met by the developer or property owner:

1. **Engineering Design**
   Water line designs must be prepared by a North Carolina Registered Professional Engineer.
2. **Licensed Contractor Installation**
   Installation of the water lines must be performed by a North Carolina Licensed Utility Contractor.
3. **One-Year Maintenance Period**
   Following final approval by the NC Department of Environmental Quality – Public Water Supply Section (NCDEQ-PWSS) and formal acceptance by Davidson Water, Inc., the developer is responsible for maintaining the water lines for a period of one (1) year.

Procedure for Water Line Design and Approval

1. **Plan Submission**
   The sub-divider or developer must submit engineered design plans for the proposed development. It is recommended that preliminary plans be submitted for review prior to development of detailed construction plans. Plans may also be submitted via email to planreview@davidsonwater.com. Email attachments should be in .pdf, .docx, .xlsx or .jpeg format. Submitter should confirm receipt.
2. **Plan Review by Davidson Water, Inc.**
   Davidson Water, Inc. will review, annotate, and comment on the submitted plans. Comments will be returned via email for revisions
3. **Final Plan Submission**
   Final plans sets and calculations must be sealed & signed by a NC Professional Engineer. Final submission should also include the required NCDEQ-PWSS applications/forms for review and signature by DWI. Final submission may be made via email.
4. **Permitting Submittal**
   Developer/Engineer shall be responsible for submittal of a complete application package to NCDEQ-PWSS for review and approval. The NCDEQ Public Water Supply Section's prescribed review and approval process must be followed in full.

5. **Engineering Assistance**
   For certain subdivisions or developments, Davidson Water, Inc. may require the involvement of its own engineering team to design and/or review plans. Any such services will be at the developer's expense. The developer's professional engineer must coordinate with Davidson Water, Inc. to ensure alignment with all technical specifications and requirements.

   Reference:
   For complete technical specifications and requirements, please visit:

https://www.davidsonwater.com/Specifications/SubdivisionSpecifications.aspx.

Davidson Water, Inc.
Payback Policy for Water Line Extensions on State Roads

For ***new developments*** requiring water service where either no existing water lines are present along the adjacent State Road (NCDOT), or where the existing lines are undersized to support the development, Davidson Water, Inc. requires the developer to install the necessary water line infrastructure along the affected state road(s).

Eligibility and General Requirements

To assist in offsetting this capital expenditure, Davidson Water, Inc. will reimburse the developer at a rate of ***$750.00 per new water tap*** installed by Davidson Water, Inc. Eligible taps may be located either along the state road or within the subdivision, provided they meet the following criteria:

- The tap is installed by Davidson Water, Inc.
- The tap serves an active, metered residential account.
- The account is billed monthly for water service.

Reimbursement

The total reimbursement amount shall not exceed the documented cost of water line materials and fittings installed: 1) along the State Road segment and, 2) along portion(s) of road frontage not controlled by the Developer, only. Reimbursements will be calculated annually, based on active, qualifying taps in service as of September 30 each year, with payments issued in December. This reimbursement program will remain in effect for a period of ten (10) years from the date of initial line installation.

Special Considerations and Exceptions

If the developer elects to install their own taps during the construction phase, they will not be eligible for reimbursement under this policy. Only taps installed by Davidson Water, Inc. qualify for payback.
Additionally, should the developer choose to install their own taps, a Capital Recovery Fee must be paid to Davidson Water, Inc. for each connection prior to construction of the water lines. (Refer to the Capital Recovery Fee Policy for current rates and requirements.)

All water line extensions must adhere to Davidson Water, Inc.'s Subdivision Specifications and Guidelines. Prior to the installation of water meters, the following documentation must be submitted:

- The Engineer's Certification of completion issued by the project Engineer of Record.
- A Letter of Final Approval from the NC Department of Environmental Quality

– Public Water Supply Section (NCDEQ-PWSS).

Davidson Water, Inc. will issue reimbursement for any approved cost-sharing portion upon receipt of the above documentation and verification of payment by the developer to contractors, engineers, and vendors.

Davidson Water, Inc.
Water Line Extension Policy

This policy outlines the conditions under which Davidson Water, Inc. may approve the extension of water lines ranging from 2 inches to 8 inches in diameter along existing roads maintained by the North Carolina Department of Transportation (NC DOT). The purpose of this policy is to facilitate water service connections for individual users who will become active customers upon project completion. This policy is ***not applicable to new subdivisions or residential or commercial developments***.

Eligibility and General Requirements

- **Line Size Determination:**
  The appropriate water line size will be determined solely by Davidson Water, Inc., based on system demand and engineering standards.
- **Permitted Locations:**
  Water line extensions may be installed within:
  - ❖ Existing NC DOT-maintained rights-of-way (ROW),
  - ❖ ROW dedicated to NC DOT,
  - ❖ Public ROW (must be deeded and/or platted), or
  - ❖ ROWs that are eligible for NC DOT maintenance in the future.
    Note: Installation on private easements or ROWs not intended for public maintenance is not permitted under this policy.

- **Encroachment Approval:**
  An approved NC DOT Encroachment Permit is required prior to construction.
- **Cost Participation:**
  The requesting party may be subject to a per-foot charge, based on the size and length of the line and site-specific construction conditions.
  - ❖ Davidson Water, Inc. may require cost-sharing where the number of new users is insufficient to justify the proposed line extension length.
  - ❖ Charges will be determined during project review and will account for materials, labor, and any additional complexity.
- **Construction Feasibility:**
  Water lines must be able to be installed using conventional excavation equipment (e.g., backhoe, trencher).
  - ❖ If obstacles such as rock formations, streams, or wetlands are present and require non- standard methods, additional costs may apply.
- **Service Area Verification:**
  All extension requests must be located within Davidson Water, Inc.'s current service area. Requests outside this area will not be considered.

Special Considerations and Exceptions

Requests related to the following types of developments will be evaluated on a case-by-case basis:

- Shopping centers
- Apartment or Multi-family complexes
- Permitted mobile home parks

Water Tap Justification Requirements

Water line extensions must be justified by the number of committed new water users:

- A minimum of two (2) new water taps is required to justify up to 200 feet of water line extension.
- Each additional tap justifies an additional 200 feet of extension.

Example Justification Table:

Number of New Taps/Users	Maximum Justified Line Extension
1	0 feet (no extension)
2	200 feet
3	400 feet
4	600 feet

If the requested line length exceeds the distance justified by the number of new taps/users, the applicant will be responsible for the cost of the excess footage.

Davidson Water, Inc.
Capital Recovery Fee Policy
Effective Date: January 1, 2003

The Capital Recovery Fee was established to help offset infrastructure costs incurred as a result of system expansion and capacity impacts caused by new development. Each new water service connection depletes available system capacity and contributes to the need for capital improvements.

Purpose and Application

Davidson Water, Inc.'s tap fee structure includes a component designated for capital improvement funding. These funds are used to support infrastructure upgrades required to maintain service levels and capacity as the customer base grows.

Under the current policy, developers may choose whether or not to install the water meter connections for their project (on new waterlines only). If the developer elects to install the meter connections, a Capital Recovery Fee—equal to 50% of the prevailing water meter connection fee per unit—must be paid to Davidson Water, Inc. prior to the commencement of water line construction.

In certain cases (e.g., shopping centers, townhomes, apartment complexes, or industrial sites), Davidson Water, Inc. may require that meter connections be installed during initial water line construction. In such instances, the full Capital Recovery Fee per connection will apply and must be paid prior to the commencement of water line construction.

Fee Schedule
The Capital Recovery Fee is based on the size of the water tap and is as follows:

Tap Size	Capital Recovery Fee*
¾-inch	$1,050.00
1-inch	$2,050.00
1½-inch	$4,550.00
2-inch	$6,000.00

*** A $50.00 Membership Fee is required to activate each service/account**

Payment Requirements

- The applicable Capital Recovery Fee must be paid in full prior to the start of water line construction.
- Davidson Water, Inc. reserves the right to revise fees or modify this policy based on

changes to system demands, construction standards, or regulatory requirements.

Capital Credits Policies & Procedures

Effective: February 1, 2021

Updated: July 1, 2025

Section 1 Purpose of Capital Credits

1.1 Purpose

1.1.1 Capital credits are earned by members for each year that Davidson Water, Inc. generates a profit. These credits are paid out to members who were active members during the specific year(s) being retired.

Section 2 Generating Capital Credits

2.1 Generation and Allocation

2.1.1 Capital credits represent each member's share of the margins (or profits) generated by Davidson Water in a given year. At the end of each fiscal year, Davidson Water calculates its total revenue and subtracts operating expenses. The remaining profit is then allocated to members based on their water usage during that year. Members who purchased more water will receive a larger portion of the credits. These are allocated to each member's account and may be paid or credited towards an active account when "retired" by the board. This ensures that members benefit directly from the company's financial success.

2.2 Discounting Capital Credits

2.2.1 Capital credits paid out early are discounted to the Net Present Value (NPV) of the U.S. dollar. The applicable discount rate is provided by the National Rural Utilities Cooperative Finance Corporation (NRUCFC), of which Davidson Water, Inc. is a member.

2.2.2 As outlined in the corporate bylaws, the Board of Directors may choose to retire capital credits from specific years ahead of schedule.

Section 3 General Retirement of Capital Credits

3.1 Board Approval

3.1.1 Each calendar year, the Board of Directors reviews the cooperative's financial status. Based on their assessment and vote, they determine which year(s) of capital credits will be retired.

3.2 Accounting

3.2.1 Once retirement years are approved, the designated funds are transferred from the Operating Account to the Capital Credits account.

3.2.2 Capital credits are currently issued in the form of checks.

3.3 Issuance of Capital Credit Checks

3.3.1 After Board approval, the Capital Credits Specialist initiates the process of issuing checks for each account with a capital credits value of $15.00 or more

3.3.2 Only the capital credits for the approved year(s) will be processed and issued. Checks may be printed and mailed either internally or through contracted mailing services.

Section 4 Returned Checks

4.1 Handling Returned Checks

4.1.1 If a check is returned to Davidson Water, the Capital Credits Specialist will attempt to locate an updated address for the recipient.

4.1.2 Methods for obtaining updated information include internal records, tax data, and third-party databases (e.g., LexisNexis).

4.2 Unclaimed Capital Credit Checks

4.2.1 If Davidson Water cannot locate the recipient, the account will be marked as undeliverable, and no further checks will be sent under that name. The capital credits will remain with the company until they are escheated (see Section 5).

4.2.2 Davidson Water will maintain a database of unclaimed capital credits that is accessible from the company website and can be searched by name. https://www.davidsonwater.com/MemberInfo/UnclaimedCapitalCredits.aspx.

4.2.3 If a recipient contacts Davidson Water and updates their information, any remaining unclaimed credits (that have not been escheated or subjected to a dormancy fee—see Section 4.3) can be paid out.

4.3 Dormancy Fee

4.3.1 A dormancy fee of $15 will be applied to capital credits that remain unclaimed. This fee is assessed prior to escheatment.

4.3.2 Dormancy fee revenue will be deposited into Davidson Water's Operating Account.

4.3.3 The Board of Directors may adjust the dormancy fee amount, based on administrative costs associated with maintaining unclaimed accounts.

Section 5 Escheating Capital Credits

5.1 Escheat Process

5.1.1 Unclaimed capital credits will eventually be turned over to the state of the last known address on file. Each state has its own rules regarding the holding period for such funds before escheatment is required.

5.1.2 Once credits are escheated, recipients must contact their respective state's unclaimed property office or website to retrieve the funds.

5.2 Dunbar Group

Davidson Water contracts with the Dunbar Group to manage and process all escheated funds.

Section 6 Early Retirement / Surviving Spouses

6.1 Deceased Members

6.1.1 If capital credits are in the name of a deceased member, they may be transferred to a surviving spouse. A copy of the death certificate indicating the spouse as the legal survivor is required.

6.2 Early Retirement of Capital Credits

6.2.1 If both the member and spouse are deceased, the cooperative offers the option of early retirement of capital credits.

6.2.2 Applicants must submit a completed application along with legal documentation such as a death certificate, letters of testamentary/administration, or affidavits. Payments will be issued either to the Clerk of Superior Court (in the deceased's county of residence) or to the estate, depending on the documentation provided.

6.2.3 Checks made out to the Clerk will be mailed to the court.

6.2.4 Checks made out to the estate will be sent to the mailing address provided in the application.

6.2.5 Please contact the Capital Credits Specialist or refer to the application for more details.

6.2.6 Early payments are discounted and paid out at the Net Present Value (see Section 2.2). Alternatively, recipients may opt to receive payments over a 30-year cycle, which avoids discounting. These payments will follow the Board of Directors' annual approval schedule (see Section 3.1.1).