



MEMORANDUM

DATE: February 10, 2026

TO: Chairman Ralph Ghent, Vice Chairwoman Martina Hatley, Council Liaison Sean Kelly, Bill Butts, Stephen O'Malley, Brian Bieda, Kim Buynak, and Heather Wallace

FROM: Barney Quinn
Town Engineer

ISSUE: RECOMMENDATION FOR DIVISION OF ALLOCATION CATEGORIES

PURPOSE:

The Town Engineer, via Staff discussions, is providing a recommendation for the division of allocation categories for an available water capacity of 19,272 gallons per day (gpd) and sewer capacity of 222,852 gpd.

BACKGROUND:

The Town Council approved Resolution 2026-2 at the Town Council meeting on February 2, 2026, which detailed the Town Engineer's recommendation as to the Town's Available Water and Sewer Capacity Yields. However, a couple errors were found and corrected in Resolution 2026-4 which will be presented to the Town Council at their March 2nd, 2026 meeting. Those corrected yields are 19,272 gpd for water and 222,852 gpd for sewer (see attached). This resolution is based on Town Engineer's monthly APFO calculations for water and sewer. These net capacity yields are effective immediately and shall be allocated in accordance with the Town's Water Allocation Ordinance.

An increase in appropriation on well 9, permit FR2001G002(3), is anticipated to occur which will provide 29,920 gpd increased available water yield. If and when this happens, the Town Engineer recommends placing all of that into Category 11 – Reserve until 2028 or such time when the use of the Reserve is needed for another application.

You will also find attached the latest Water Allocation Calculation Data matrix that shows the 2026 total water capacity yield divided among 13 categories. It lists the projects that have since received at least concept approval and therefore received portions of those available water allocations.

Additional projects for your consideration and reference are listed below.

<u>Development Project</u>	<u>Anticipated Water/Sewer Impact</u>	<u>Category</u>
1. Remaining TABP Lots	0 gpd	9 – pipeline
2. Existing Residential Lots of Record	0 gpd	6 – pipeline (individual houses only)
3. Twin Ridge Professional Park	0 gpd	9 – pipeline
4. Mount Airy Crossing (Beck)	97,000 gpd	8 – mixed use (Sewer only, new water)
5. Pank Land, LLC	pending	9 – industrial use
6. 104 Harrison Street new residence	250 gpd	6 – non mix residential
7. Mount Airy Police Department	918 gpd	3 – Public Facilities
8. Prospect Park Restroom	210 gpd	3 – Public Facilities
9. Railroad Property LLC	3,520 gpd	1 – Priority Area
10. Cold Storage	pending	1 – Priority Area
11. Flat Iron Addition/Renovation	350 gpd	3 – Public Facilities

The emphasis for upcoming, anticipated demands is in the priority area, industrial, redevelopment and revitalization and expansion of existing community/industrial categories.

DISCUSSION:

The next steps are outlined in Section 109-19.4.A. of the Water and Sewer Allocation Ordinance as follows:

Beginning in 2014 and every two years thereafter, at its regularly scheduled meeting in March, with due notice and after a public hearing, and with due consideration of the Town Engineer’s recommendations as set forth in Section 109-19.2B above, the Town Planning Commission shall make a recommendation to the Town Council as to allocation of the Town’s Available Water Capacity Yield and Available Sewer Capacity Yield among Allocation Categories in accordance with this Section. The Planning Commission’s recommendation shall thereupon be transmitted to the Town Council for consideration at the Town Council’s regularly scheduled meeting in April. The Town Council may either approve, or disapprove or modify the Planning Commission’s recommendation. If the Town Council elects to disapprove the Planning Commission’s recommendation without modifying it, the Town Council may provide to the Planning Commission a written statement of reasons for disapproval and request that the Planning Commission reconsider its allocation recommendation.

RECOMMENDATIONS:

As outlined in the Ordinance the Town Engineer now makes recommendations to the Planning Commission at its February meeting as to a division of the Available Water Capacity Yield of 19,272 gpd among the Allocation Categories set forth in section 109-19.4C as follows:

1. Priority Areas:	3,520 gpd	or	18.3%
2. Special Projects:	0 gpd	or	0%
3. Public Facilities:	1,500 gpd	or	7.8%
4. Emergency Claims:	0 gpd	or	0%
5. Entitlement Claims:	0 gpd	or	0%
6. Non-mixed use residential New Demand Outside of a Priority Area	250 gpd	or	1.3%
7. Non-mixed use commercial New Demand Outside of a Priority Area	1,050 gpd	or	5.4%
8. Mixed use New Demand Outside of a Priority Area	0 gpd	or	0%
9. Industrial use New Demand Outside of a Priority Area	4,952 gpd	or	25.7%
10. Redevelopment and Revitalization	4,000 gpd	or	20.8%
11. Reserve	0 gpd	or	0%
12. Expansion of Existing Commercial or Industrial Use	4,000 gpd	or	20.8%
13. Office Park Employment District Outside of a Priority Area	0 gpd	or	0%

The Town Engineer also recommends that the Available Sewer Capacity Yield be distributed equally for the first 19,272 gpd and that the remainder be reserved until additional water capacity is determined.

The Town Engineer Recommends any new appropriations received during this two-year cycle be placed in Allocation Category 11 – Reserve. The Reserve Allocation shall remain until the next two year cycle or reallocated if a suitable request is approved.