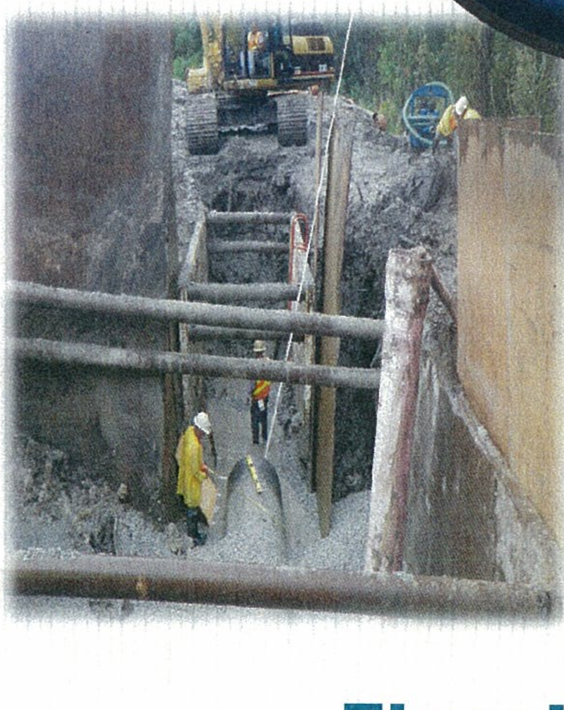
Cape Fear Public Utility Authority

Stewardship. Sustainability. Service.



Fiscal Year 2011

ADOPTED BUDGET

Cape Fear
Public Utility Authority
Stewardship. Sustainability. Service.

BOARD MEMBERS

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Cape Fear
Public Utility Authority
Stewardship. Sustainability. Service.

May 12, 2010

Members of the Authority Board
Cape Fear Public Utility Authority
235 Government Center Drive
Wilmington, NC 28403

Subject: FY 10-11 Budget

Dear Members of the Authority Board:

On the following pages you will find the Authority's recommended budget for Fiscal Year 2010-2011 for your consideration. This budget was prepared in accordance with The Local Government Budget and Fiscal Control Act, and is designed to provide services meeting or exceeding all state regulations and rate covenants with which the Authority must comply. This budget proposes essential projects and operations necessary for the provision of high quality water and sewer service in an environmentally responsible manner.

The Authority's commitment to its mission "to provide high-quality water and sewer service in an environmentally responsible manner, while maintaining the lowest practical cost" and direction provided by the Authority Board and its committees have been driving forces throughout the development of this year's budget. With the adoption of the Strategic Plan, during this fiscal year, Staff has been provided additional guidance to help focus the budget requests and the overall direction the Authority wishes work toward. This plan focuses specifically on the guiding principles of "Stewardship, Sustainability, and Service." These principles are evident in the goals as well as the identified strategies and tactics. The attached budget funding requests tie back to this plan and support the spirit as well as the letter of the Strategic Plan within the economic and budgetary constraints of this economic environment.

Not only our Southeast North Carolina region, but the Country has and continues to face very tough economic times and despite the innate need for water and wastewater services the Authority is not immune to impacts from such economic downturns. During this past fiscal year, the Authority has passed and implemented two rate increases (Fixed meter charge per 5/8" water and sewer service by $4 each for a bi-monthly period effective January 2010 and 14% in May 2010). These rate increases were necessary to continue to ensure the fiscal sustainability of the organization. Although with the approved rate increases staff has and will continue to work to identify and implement efficiencies and cost saving measures where possible. Many of these efforts have been evident within these first two years, the Authority has maintained expenditures thus far at levels below the initial budget of $38.1 M in fiscal year 08-09 ($6.5 M FY08-09 and a projection of $3M FY09-10). At the same time, staff has been improving the operation and growing the systems resulting in:

- less spillage from the sewer system
- improved water quality for consumption
- operation of a new water treatment facility
- operation of an upgraded wastewater treatment facility
- reduced sewer odors within the community
- quickly and aggressively responding to infrastructure failures
- beginning a septage receiving program
- performing increased educational outreach
- improved relationships with federal, state and local regulatory agencies
- proactively working as environmental stewards to minimize and/or prevent impacts
- grew the sewer system by approximately 4 miles of sewer line and 6 additional pump stations
- grew the water system by approximately 10 miles of water lines and 23 wells
- increased the Asset value of the organization by $8,794,791

These accomplishments and many others have been made through the commitment of staff, management, and the Authority Board while operating with frozen positions and decreases in expected expenditure levels. We as an organization are committed to the guiding principles of Stewardship, Sustainability, and Service to the community, the region, the systems, and its customers. We will work to meet our core missions and to focus on continual improvement in each area of the Authority.

OPERATING BUDGET

The recommended FY 2011 budget for operations is $37.37 million as compared to $37.97 in FY 2010 adopted budget. The decrease in budget comes despite the first full year for the operations of the new NANO water treatment plant, the first year of operations for the Environment and Safety Building, increased maintenance of the Authority's infrastructure, increases in the Authority's required contributions to the Local Government Employee Retirement System, unemployment costs estimated at $156,000 not previously budgeted, credit card and bank fees on customer payments estimated at $195,000 not budgeted in FY10, and increases in printing and postage estimated at $190,000 relating to delinquent and connection notices and increases in insurance at $181,000.

In terms of personnel, the recommended budget includes the elimination of 13 permanent and 2 temporary positions and freezing the hiring of 4 additional vacant positions. The FY 2011 budget does not include any funding for merit pay or pay plan adjustments. No merit raises or pay plan adjustments were made in FY 2009 or FY2010. Health insurance funding by the Authority will increase 7.54%. A larger potential increase was mitigated by changing the plan's schedule of benefits. Dental insurance benefits were also changed to shift more premium cost to employees.
A component of budget development each year includes evaluation of the departmental structures and capacity to meet organizational needs. Reflecting the conditions and reduced CIP, several organizational adjustments were made particularly within the Engineering department. The Design

Division which had previously been a support unit within the Engineering department was renamed to Design and Modeling Division and two engineering positions were transferred into this division from within the department. The function of this work unit will be to expand modeling system capacity by performing water distribution and wastewater collection system modeling in-house. Additional support related to Asset Management and anticipated EPA requirements will be provided along with in-house engineering design of some water and sewer extension projects. Reducing reliance on outside consultants and retaining knowledge of the hydraulic models in house will decrease services that would otherwise be outsourced. Other adjustments within the department included a reduction in force of 2.5 full time equivalent positions.

In Administration, by contracting with a legal consultant instead of utilizing a large multi-office law firm legal expenses have decreased to date by 75%. In FY09 we spent $523,826.42. In FY10, we began phasing out the use of the large firm and phased in the legal consultant. Legal costs to date total $134,532.96. Additionally, the department reduced its work force by one full time position.

Debt service on bonds and other installment financings for the Authority increases significantly this year as the first principal payments come due on the $187 million in revenue bonds issued in August 2008 and capitalized interest that was included in the bond sale and used to offset previous interest payments is reduced. Capitalized interest allows an entity to more gradually increase rates over a period of several years before the full budgetary impact of a debt issuance is realized. FY11 net debt service is $20.3 million compared to $16.6 million in FY10. Full debt service on the 2008 bonds will impact the FY12 budget when total debt service reaches $26 million with no capitalized interest offset.

The budget will continue to be monitored closely and aligned with any significant changes in the Authority's revenue projections. In addition staff will continue to look for opportunities to improve the efficiency of our operations.

REVENUES

Total revenues for the Authority are projected at $58.5 million in FY 2011 as compared to $55.4 million in FY 2010 adopted budget. Revenues reflect a 14% increase in user charges for water and sewer that was effective May 1, 2010. The rate increase was primarily required to fund the increased debt service expenditures and to meet the required 1.20 debt coverage ratio to issue additional bonds in FY12 to finance the Authority's ongoing capital improvement program.

The FY10 budget was adjusted in December 2009 to reduce water and sewer revenues by $1 million and $1.9 million, respectively, due to declining water sales as a result of worsening economic conditions and increased rainfall. Actual water consumption levels in FY 2010 have been approximately 10% below projections. FY11 revenue projections assume no increase in water consumption over FY10 actuals. With the increase in rates, water revenues at $27.0 million are projected to be $3.5 million higher than the FY2010 adjusted budget. Sewer revenues are projected at $26.4 million or approximately $2.8 million higher than the adjusted FY 2010 budget.

Weather patterns and the general economy have significant impacts on water and sewer revenues. With close to 2 years of consumption patterns now established, the actual billings will continue to be closely monitored over the next year and budget changes made proactively if revenues fall significantly below estimates.

The largest decrease in other revenues from the adopted FY 2010 budget was in interest earnings, as interest rates have continued to decline. Staff will continue to monitor interest rates and look for additional opportunities to increase yield on the Authority's investments, while maintaining safety and liquidity. System Development Charges (SDCs) also continue to be much lower than originally projected when the Authority began. FY11 projections of $2.3 million assume that SDCs will remain relatively flat as much uncertainty remains as to when construction activity will increase.

CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

The Authority's capital improvement program has been modified to fund recent unanticipated sewer repair projects and to adequately plan for other unexpected projects by providing sufficient funding for emergency repair projects. The funding for 19 projects was modified by the Board in April 2010 to redirect $9.7 million to emergency water and emergency sewer projects. $5.3 million of the $14.4 million FY11 capital improvement budget will fund the emergency sewer project.

As part of the FY 11 CIP budget preparation, projected capital expenditures (needs) are matched with available financial resources. The 2008 bond issuance provided funding for many previously approved CIP projects. The ability to issue future debt correlates to revenue from rate increases. With the recent rate increases, the Authority is structuring itself to issue bonds in FY12. It is important to note, however, that rate increases will also be needed in FY 12 to continue the 5-year CIP budget presented.

Funding for the $14.4 million FY 11 capital improvement budget comes from various sources. A transfer of $2.9 million is recommended from the Operating Fund with $1.0 million from current revenues and $1.9 million from capital reserves. Proceeds from the planned FY 2012 revenue bond issue are budgeted at $11.2 million, and interest earnings on bond proceeds held in the 2008 bond construction escrow and other cash balances are budgeted at $348,000.

The developing asset management program, along with emerging issues, will identify additional capital improvement needs over upcoming years. Future fiscal cycles will see the CIP budget modified to address system demands, development trends, legal requirements and other factors that support projects competing for limited fiscal resources.

CIP Projects Completed in FY 10

Several noteworthy projects were completed in FY 10. These include Northern School Water Storage Tank Construction, Nano Plant and Wellfield Construction, and Pump Station 2 Improvements to name a few.

Ongoing Projects

Currently, more than forty CIP projects are in various stages of planning, design or construction. Some of the more notable projects are listed below.

- Sweeney Water Treatment Plant Expansion ($73 million). This is an expansion and upgrade of the existing treatment plant. The plant rating would go to 44 mgd of finished water.

- Environmental Services Lab Building Construction ($4 million). Displaced from the Sweeney facility, a new lab building is being constructed on the Nano Plant site.
- Burnt Mill Creek Sewer Repairs, Phase II ($2.8 million). This will replace 2500 lf of existing 48-inch gravity sewer that flows to Pump Station 10.
- Northern Route Force Main ($24 million). This project will construct a new 24-inch force main from PS 35 at Bradley Creek to the Northside Treatment Plant. The new FM will allow flows to be diverted from the Southside to Northside plant, and provide redundancy for event management.
- Effluent Force Main ($4.5 million). This project will provide a second 30-inch effluent force main from Northside Wastewater Treatment Plant and allow the plant to be rated to its full capacity of 16 mgd.

FISCAL YEAR 09-10 ACCOMPLISHMENTS

In FY 09-10, CFPUA served approximately 62,000 residential, commercial, and industrial customers. CFPUA service area includes the incorporated areas of the City of Wilmington as well as the majority of New Hanover County. The Authority also provides wholesale wastewater treatment to the Town of Wrightsville Beach and Pender County.

Operations Accomplishments

Asset Management

The Operations Department recognizes that the Authority was formed to consolidate resources and find efficiencies while maintaining a high level of service and preserving the customer's equity value. With Board approval, the Authority purchased an Authority-wide Computerized Maintenance Management System (CMMS) software to assist in the development of a strategic asset management business plan. The Authority took a bottom up/top down approach to developing a strategic plan and selecting the best possible CMMS suitable for managing and maintaining the authority's assets for years to come. The Enterprise Asset Management Strategic Plan is complete and implementation is scheduled to kick off in May 2010.

Utility Services

The construction utility division has effectively responded to the challenge of repairing the over 40% of the Cape Fear Public Authority system which exceeds the life of the assets. Front-line staff restores the flow to the pipe lines and must continue to be vigilant until the capital projects in future years provide relief as the remaining system ages. This division which repairs both the distribution and collection systems, performs locates, maintains and monitors system water quality and manages meters which provide the source of CFPUA revenue and, while stretched to the point of yielding has continued to give this Authority 100% 24/7. The division has accomplished the following partial list to date:

- Water Construction – This division has completed 552 work orders, repaired or replaced 21 hydrants, installed 71 water services, repaired 105 water services, repaired 38 water mains, replaced 15 water valves.
- Sewer Construction – This division has completed 642 work orders, installed or replaced 259 sewer services and repaired 35 sewer mains or manholes.

- Water Quality – This division has completed 484 work orders responding to complaints, in addition to flushing, activating and testing new mains.
- Meter Services – This division has completed 3300 work orders, set 1,071 meters and tested 28 large meters.
- Locates – This division has completed 7,896 locates with in-house staff.

Fiscal 2009-2010 was the first year the Authority used chemical root control, and the results from the application proved the effectiveness of the application. In sewer lines where root control was carried out, there has not been a report of a main stop or service stop Sanitary Sewer Overflow (SSO) in those lines since the chemical was applied.

The collection system staff has been able to maintain the outfalls, pump stations and collection system. To date, this section has accomplished the following:

- Crews were centralized in the new Ogden Maintenance Facility allowing crews to work more efficiently and effectively when planning work and responding to emergencies.
- Inspected/cleaned approximately 14% (111 miles) of mainline collection system to date, well exceeding the minimum required 10%.
- Inspected/videoed 36 miles of gravity sewer mains, approximately 4.5% of the system.
- Responded to 1,860 service order calls.
- Installed the Pump Station #34 grinder unit with in-house staff, saving thousands of dollars.
- Installation of five (5) standby generator replacements with in-house staff.
- Maintained/cleared 52 miles of outfalls.
- Repaired/replaced/upgraded 56 lift stations; wet well piping, valves, fabrication, pump repairs, bar screen/grinder or controls with in-house staff.
- Respond to 16 SSO's and 12 failures with the commitment of stewardship as the foremost concern.

Water Treatment

- The surface water and the groundwater sections have pumped a combined 6.0 billion gallons of water to customers during the last calendar year and have also achieved no violations of state and federal water quality standards during the same period.
- The surface water plant has achieved 100% compliance while in the middle of major construction and renovations.
- The average flow from the surface water section was 13.4 MGD and from the groundwater section was 3.12 MGD.
- The start-up of the new Nano-Filtration plant was achieved in November and has greatly improved the water quality in areas served by this plant.
    - The average water hardness has dropped from ~250 ppm to an average of ~45 ppm and the issues of iron staining and sulfide smells have been eliminated.
- Successful completion of Phase I Improvements at Sweeney WTP and beginning of Phase 2. This includes completion of new solids handling facilities which allow us to process more residuals more efficiently. Plant staff was instrumental in maintaining treatment while various treatment trains and processes were interrupted and changed.
- The Division successfully achieved the milestone in December of surpassing 1,000,000 man-hours without a loss time accident.

- The Division has met its obligation for safety training for all employees during the past year.
- All of the certified operators achieved their obligation 6 hrs of continuing education training.
- Division employees have continued to participate in various CFPUA programs and committees such as strategic planning, asset management, IWRMP, safety committee and construction progress meetings and updates.

Wastewater Treatment

- The period 07/2009 – 12/2009 was characterized by outstanding plant performance. WWT Statistics: Overall (3 WWTPs) – Average Wastewater Flow = 16.916 MGD; % NPDES Compliance = 100.00. NSWWTP – Average Wastewater Flow = 8.110 MGD; % BOD Removed = 99.84; % TSS Removed = 99.94; % NPDES Compliance = 100.00; Wastewater Residuals Produced = 4,505 CY. SSWWTP – Average Wastewater Flow = 8.758 MGD; % BOD Removed = 94.04; % TSS Removed = 96.55; % NPDES Compliance = 100.00; Wastewater Residuals Production = 3,936 CY. WHWWTP – Average Wastewater Flow = 0.048 MGD; % NPDES Compliance = 100.00.
- The Northside Wastewater Treatment Plant (NSWWTP) Expansion/Upgrade project, transforming the former 8 MGD secondary plant to the current 10 MGD advanced plant, has been completed. Rerating the plant for its design flow of 16 MGD awaits the installation of the second effluent force main.
- The Southside Wastewater Treatment Plant Expansion/Upgrade project, transforming the current 12 MGD secondary plant to a proposed 16 MGD advanced plant, continues within the design phase. A plant condition assessment is planned in order to better anticipate and project necessary repairs, replacements and associated costs throughout this period.
- The Walnut Hills Wastewater Treatment Plant has received various process and safety improvements. Alternate processing and staffing arrangements have been successfully implemented to maintain plant performance and permit compliance while plans are developed for its eventual decommissioning and conveyance of flow to the NSWWTP.
- Wastewater Treatment staff continues to assume increased obligations and responsibilities as filling of vacancies has been reduced or eliminated.
- The Wastewater Treatment Division currently possesses 25 certified biological plant operators of its 42 member staff. All staff satisfactorily completed their annual continuing education obligations.
- Staff remains involved on various levels with many environmentally active organizations, including the Cape Fear River Assembly, the Lower Cape Fear River Program, and the North Carolina American Water Works Association – Water Environment Association.
- Work continues on Total Maximum Daily Loads (TMDLs) affecting our NPDES permits, and improvements to the odor corrosion control program and residuals management contracts.

Engineering Accomplishments

- The Administration continues to refine the processes within the work units including the Capacity Management and Capital Improvement Programs, Plan Review, Property Acquisitions and GIS Database.
- The Design Division staff is currently reorganizing as built drawings of the system infrastructure, permits and other records along with their respective different filing systems have been received from the City and County. These records will then be filed in to a

common filing system that promotes more efficient retrieval. GIS information is currently being archived. Archiving and maintaining records, maps and permits is an essential function of the Engineering Department.

- Project Management staff managed many carry-over projects from the City and County, and initiated new projects. Notable projects include Northside Wastewater Treatment Plant construction, Nano Filtration Water Plant construction, Sweeney Water Treatment Plant construction, Burnt Mill Creek emergency repairs, Raw Water Transmission Main emergency repairs, Northern Route Force Main design, and Northern School Site water and sewer to name a few.
- The Development Services Division refined the programs and processes administered by this Division.
    - Developed ordinance language that would support Non Standard Cost Sharing Agreements.
    - Continues to provide a high level of support to the public and internal customers.

Customer Service Accomplishments

- All billing routes processed before scheduled mail date since June 2009
- Coordinated successful implementation of Middle Sound Mandatory Connection program with Engineering Department adding over 500 new sewer customers
- Implemented standard collection procedures for all customer accounts, collecting thousands of dollars in delinquent accounts and setting up over 4,000 payment plans which allowed customers to keep their water on while catching up on large amounts owing
- Participated in the North Carolina Department of Revenue's debt set-off program to assist in collection of amounts owed by customers who have moved away leaving balances in excess of $50
- Implemented **ezBilling** which allows customers to access account information and make utility payments on line
- Participated on task force with City of Wilmington staff to update changes to accounts billing stormwater Equivalent Residential Units as recalculated in 2008
- Instituted procedures to handle threats to the water system communicated to the Call Center.
- Persevered in the data cleanup process by researching and refunding any customer account credit balances and verifying that all credits for double-billing of sewer when City and County accounts merged have been properly posted.
- Reviewed and adjusted previously consolidated meter routes for enhanced efficiency

Environmental and Safety Management Accomplishments

The goal of the Environmental and Safety Management Department is to support the overall mission of the Authority by supporting the environmental and safety compliance efforts of each department within the Authority in a proactive, positive manner that supports continual improvement.

- Continued implementation of an Environmental Management System. Environmental aspects and impacts have been developed for the activities conducted in the collections systems, procedures have been developed and training is being implemented for all affected employees within the collections system. Corrective and preventative action (C/PAR) program and document control has continues to be implemented within the Authority. The recycling program continues.

- Collection Systems employees completed training on all EMS Procedures.
- 18 CFPUA employees representing each department certified as EMS Internal Auditors and 5 CFPUA employees were certified as EMS Lead Auditors in training conducted in September 2009.
- Received bids to proceed with the certification of the ISO 14001 program.
- Emergency response procedures developed for water and collection system activities.
- Assisted in coordinating activities associated with work performed by the collection systems and engineering groups with other government agencies (DWQ, CAMA, USACE) that are responsible for the protection environmentally sensitive areas.
- Assisted Gastonia with EMS preparedness audit.
- Successfully completed sampling and testing to meet regulatory requirements and operational process needs for all four CFPUA water systems, three wastewater treatment plants, three water treatment plants, and their associated distribution and collection systems. More than 19,000 samples are being analyzed to determine water quality characteristics.
- Laboratory staff initiated sampling and testing at the nano-plant to ensure compliance with drinking water monitoring requirements and to support plant operations. An additional 10,000 tests are being performed in support of this new facility.
- Laboratory staff initiated water distribution monitoring to comply with new EPA and State regulations that added an additional 1,000 samples from numerous sites in our distribution systems.
- Laboratory staff continued to provide timely, accurate analytical data and reports in support of the water, wastewater, and pretreatment monitoring programs.
- Monitored industrial and commercial users to ensure protection of the wastewater plants and workers in the collection system and to comply with NC Pretreatment regulations.
- Completed over 600 inspections or surveys of automotive and medical facilities discharging to our sewer system.
- Conducted inspections of 625 commercial grease traps to control FOG (fats, oil, and grease) in the sewer collection system. Ensured >95%compliance with grease trap pumping requirements.
- Expanded the FOG customer education program to include radio commercials and TV interviews.
- Tracked annual testing of over 7,700 backflow devices connected to our water distribution system to ensure >80% compliance with cross connection control requirements.
- Responded promptly to all sanitary sewer overflows to investigate cause and/or to determine impact on the environment.
- Continue to work with Engineering to complete the new Environmental and Safety Management Building to be ready to move into in May, 2010.
- Continue to improve the Accident Rates to below industry standards.
- Continue to lead the Monthly safety and accident review committee meetings and working to minimize the potential for future accidents through the identification of root cause and implementing process to prevent re-occurrence.
- Continue to perform routine safety inspections in all areas of the Authority.

Human Resources Accomplishments

The Goal of the Human Resources Department is to provide quality service and support in employment, employee relations, benefits, compensation, and training to employees so that they can best serve the needs of the customers of the Cape Fear Public Utility Authority.

- Secured employee benefits renewal contracts consistent with the Authority's HR Committee recommendations for the fiscal year.
- Enhanced employee benefits with the addition of a Roth 401(k) supplemental retirement plan option and vision insurance at no cost to the Authority.
- Changed providers of the employee clinic that resulted in an approximate 8% annual savings and greater convenience for employees.
- Conducted seasonal flu and H1N1 flu vaccination clinics, and assisted with preparation and implementation of the H1N1 flu pandemic strategy.
- Maintained the Authority approved classification and compensation plan.
- Conducted an in-house compliance audit of all personnel files and I-9 files.
- Conducted the Second Annual CFPUA United Way Campaign.
- Updated the HR website and the intranet site for employees and the public.
- Maintained position number control system and updated the organizational chart on a regular interval.
- Implemented organizational training program for employees that resulted in 179 employees receiving 1,418 contact hours of training instruction.
- Developed and maintained benchmarking measurements for the department.

Finance Accomplishments

The Finance Department is committed to the principles of Stewardship of the Authority's financial resources, Sustainability of its water and waste water assets, and Service to our customers by providing cost-effective water and sewer utilities. The Finance Department works to establish and maintain an effective balance among the Authority's fee schedule, long-term debt, asset values, Capital Improvement Program needs, operations and maintenance expenditures, and operating expenses and revenues and to operate as a fiscally responsible corporate entity which endeavors to identify and implement cost-efficiencies.

- Monitored the FY10 Operating Budget and Capital Improvement Program (CIP) to minimize Authority expenditures and maximize revenues.
- Developed and implemented the methodology used to reduce Authority expenditures in response to the FY 2010 revenue shortfalls.
- Analyzed revenue streams to project decreases in FY 2010. Worked with departments and senior management to identify and evaluate spending reductions for short-term and long-term service.
- Achieved a stable financial position by accurately estimating, prudently allocating, and managing financial resources.
- Compiled enhanced and accurate monthly financial reporting to the Finance Committee and Board for decision making purposes.

- Updated FY10 financial model throughout the year for revised consumption and economic data, reported results to the Board to allow them to make informed decisions related to necessary rate increases to meet revenue bond coverage requirements and fiscal sustainability of the Authority.
- Prepared the Authority's first Comprehensive Annual Financial Report (CAFR) for Fiscal Year Ended June 30, 2009, obtained an unqualified opinion on the annual independent audit, and submitted the CAFR to the GFOA Certificate of Achievement program. Provided disclosure information to bondholders and rating agencies through timely disclosures to the Security and Exchange Commission (SEC) required on the Authority's outstanding debt.
- Moody's bond rating recalibrated to Aa2, and maintained the Authority's AA Standard & Poor's rating.
- Continued the refinement and adoption of Finance, Accounting, and Purchasing policies.
- Enhanced the purchasing system to efficiently and effectively support the procurement of the goods, materials, and services used in the Authority's operations.
    1. Saved approximately $300,000 on publicly bid water treatment chemicals.
    2. Negotiated approximately a $22,000 credit in cell phone service.
    3. Prepared weekly vendor payments maximizing cash balances, discount opportunities and staff and vendor relationships.
    4. Issued approximately 3,000 purchase orders, 3,000 requisitions, 7,000 accounts payable checks, and managed and reviewed approximately 90 purchasing cards.
    5. Improved Authority-wide competitive pricing requirements.
- Prudently managed the Authority's $300 million debt through long-term planning, covenant compliance, arbitrage management and application of bond proceeds. Managed the $150 million cash, investments, and bond proceeds balances to protect capital and provide liquidity for the Authority's operational and capital needs.

Information Technology Accomplishments

- Implemented Online bill pay (ezBilling) which is now available to Authority customers.
- Created the SCADA CIP which has allowed funding for the implementation of a Wireless Ethernet Infrastructure and software consolidation.
- Consolidated all SCADA licenses.
- Added the new Nano Filtration plant, which required physical connectivity, network redundancy, and the first use of the SCADA Wireless Infrastructure for outlying well sites.
- Implementation of the Authority's Document Imaging System (Laserfiche) which allows staff to reduce the amount of paper produced while at the same time electronically backing up the data (offsite) so that in the event of a disaster this critical information is not lost.
- Installed MDT Autosave which is being used by the Northside Treatment plant with plans for implementation throughout the remaining facilities and SCADA assets. This software's main function is to keep track of changes within SCADA programs for historical purposes, backup, and forecasting.
- Implemented and extended the GIS data collection project which gives staff the ability to collect and compile our own GIS data. This reduces costs spent on consultants and vendors, and increases the quality of the data being collected.
- Expanded GIS to more users within the organization. This was achieved without increasing costs associated with licenses.

- Implemented the IT helpdesk system that allowed for faster resolution of technology related problems, and better overall tracking of our technology assets.

Public Relations / Public Information Accomplishments

- Outreach via various media outlets, reports, Board meeting presentations, and frequent appearances on the City of Wilmington and New Hanover County agenda speaking about consolidation successes.
- Specific outreach to explain billing procedure and budget
  - Media and general public outreach to communicate extremely delinquent accounts and termination procedures to begin Sept 2009 and Jan 2010
  - Numerous interviews regarding rates and projects (Nano Plant, ESM building)
- Participation and successful community outreach with organizations like the American Society of Civil Engineers, Boys and Girls Scouts, United Way, Food Bank, and Wilmington Area Rebuilding Ministries.
- Coordination of Customer Assistance third party program
- Created a comprehensive 'Community Partners' approach to facilities promotion. Created online catalog and registration procedure for web.
- Continued participation in events like community expos, including Earth Day.
- Presence on GTV with backflow prevention, conservation, and a recent submission to address 'infrastructure undergound'.
- Completion of the 'everyday successes' initiative highlighting the various departments and responsibilities of the Authority. Job shadow partnerships with Board members conducted, photographically documented, generated into a comprehensive PowerPoint presentation and located on the website.
- Internal outreach performed at CFPUA Administrative building targeting water quality.
- Fostered continued relationship building with environmental stakeholders like the New Hanover Soil & Water Conservation District, the Coastal Federation, the Cooperative Extension, the Green Building Alliance, and in 2010 Cape Fear River Watch.
- Continued work with developmental and community organizations like the Council of Neighborhood Associations, Wilmington Downtown Inc, the Business Alliance for a Sound Economy, Coastal Carolina Tomorrow, and the REALTORS Association
  - Continued the Community Public Relations Committee working with groups like the Council of Neighborhood Associations, Residents of Old Wilmington, the Landfall Neighborhood Association, and various regional neighbors like Kure Beach, Carolina Beach, and Pender County.
- Continued monitoring and notification for projects, initiatives, and incidents
  - NEI project
  - Ogden Interceptor
  - Kerr Avenue partnership project with Wilmington stormwater
  - Front Street Improvements partnership
    - Coordinated a media work session
- Community meeting for Nano facility
  - Comprehensive outreach and web presence to include facility progress, service changes, and updates (flushing and water quality)
- Ribbon cutting and groundbreaking ceremonies for Nano water treatment facility and ESM building

- Community meetings for mandatory connection procedures in Middle Sound
- Outreach coordination for future mandatory connection initiatives
- Outreach coordination with Porter's Neck
- Consultation with New Hanover County representatives regarding system expansion
- Outreach participation in conjunction with US Hwy 421 CFPUA / Pender County joint initiative
- Assisted with Strategic Planning initiative – conducted Board work session
- Work with Board members as directed by CEO regarding public relations
- Assisted with the creation and promotion of the Authority's ezBilling online bill management service

Strategic Planning Accomplishments

- Authority Board adopted Strategic Plan Goals and Strategies on February 10, 2010.
- Created the Cape Fear Public Utility Authority's first Local Water Supply Plan (LWSP) and the approval of this plan by the NC Division of Water Resources. This LWSP is the first created following the joining of the City of Wilmington and New Hanover County systems.
- Coordinated the preparation of the American Recovery and Reinvestment Act application to the Drinking Water State Revolving Fund (PWSS/DENR) for the Aquifer Storage and Recovery project for which the CFPUA was awarded $3.0 million.

IN CLOSING

This Budget represents the combined efforts and guidance of the Authority Board, its Committees and Staff. We pledge to be faithful stewards of these allocated resources and will strive to employ these funds to service the customers and community we serve while remaining consistent with our guiding principles of Stewardship, Sustainability, and Service.

Respectfully submitted,

Matthew W. Jordan, P.E.
Chief Executive Officer
Cape Fear Public Utility Authority
Sustainability.Stewardship.Service

Cape Fear Public Utility Authority
Stewardship. Sustainability. Service.

2.10.10

STRATEGIC PLAN 2009-2010

This document represents the foundation of Cape Fear Public Utility Authority's Strategic Plan, and the current strategies for addressing the identified goals. Consistent with the guiding principles of the Authority, these goals and strategies have been developed to support achieving the overall mission. As the Authority moves forward, plans, actions and opportunities are subject to change. Based on continued assessments of not only the Authority's physical, human, and financial assets but also the changing conditions and expectations of the community in which it operates, the plan will be reviewed and updated on an annual basis. This review will be done prior to the Authority's annual meeting in November of each year. These amendments will enable the most recent technologies and resources to be considered and incorporated within the goals and strategies for the coming year. It will also ensure that the Strategic Plan stays consistent with the current understanding of staff, the Authority Board, and stakeholders.

In addition to the Authority's mission statement, strategic vision, guiding principles, goals, and strategies, the completed plan will include tactics with quantitative measures and prioritized actions to implement the Plan. The goals and strategies herein are not represented in any particular order or prioritization.

This Strategic Plan presents the 2009-2010 Cape Fear Public Utility Authority's goals and strategies, within a framework which allows expansion based upon the need for continuing current and long-range planning. Some of the goals herein described will be able to be met within a relatively short period of time, others we will address as the Authority moves forward.

MISSION STATEMENT

The Cape Fear Public Utility Authority's mission is to provide high quality water and sewer service in an environmentally responsible manner while maintaining the lowest practicable cost.

STRATEGIC VISION

The staff and the Board of the Authority are committed to achieving excellence. Authority staff, with guidance from the Board, will effectively and efficiently manage operations, infrastructure, and investments to protect, restore, and enhance the natural environment; responsibly use water and other natural resources; promote economic vitality; ensure public safety and health; and engender overall community improvement and involvement on significant issues. The Authority will continuously improve and will not only meet but strive to exceed all regulatory requirements.

GUIDING PRINCIPLES

The Authority is committed to the principles of ***Stewardship***, ***Sustainability*** and ***Service***. These principles serve as a guide for ethical decisions, provide a gauge for measuring success, and define our responsibility to the community. They guide our organization towards the following objectives:

Stewardship

- 1. Of the region's natural resources
- 2. Of the financial resources and assets our customers entrust to us

Sustainability

- 1. Of the region through dependable water and wastewater utilities that support public health and economic prosperity
- 2. Of the Authority's ability to meet the community's current and future water and wastewater needs and expectations
- 3. Of the Authority to ensure the ongoing viability of the systems and the organization

Service

- 1. To our customers by providing reliable, cost-effective water and sewer utilities
- 2. To our community as a thoughtful and participatory corporate citizen

GOALS & STRATEGIES

GOAL 1: <u>The Authority will hold paramount our regional responsibility to protect the environment, ensure public health and safety, and to respond effectively to the needs of our customers</u>.

Strategy 1.A – Optimize the protection and use of water and sewer resources and other natural resources, and recycle where cost effective. (Stewardship #1)

Strategy 1.B – Provide a safe work environment for our staff, contractors, and customers, and maintain, enhance, and improve the natural environment within our service area. (Stewardship #1, #2)

Strategy 1.C – Understand, anticipate, and respond to our customers and our community's needs in a professional, prompt, and efficient manner. (Service #1, #2)

Strategy 1.D – Identify partnerships, develop alliances, and encourage public participation with community stakeholders in both public and private entities. (Sustainability #2, Service #1, #2)

Strategy 1.E – The Authority will recruit and retain the best qualified and motivated workforce. (Stewardship #2, Sustainability #3)

GOAL 2: The Authority will maintain a stable financial position that balances rates, the environment, and the organization's long-term capital and operating needs.

Strategy 2.A– Establish and maintain an effective balance among CFPUA fee schedule, long-term debt, asset values, Capital Improvement Program needs, operations and maintenance expenditures, and operating expenses and revenues. (Stewardship #2, Sustainability #2, #3, Service #1)

Strategy 2.B– Operate as a fiscally responsible corporate entity which will endeavor to identify and implement cost-efficiencies, as well as to exceed benchmarks, targets, and measures comparable to similar water and wastewater utilities and consistent with industry standards. (Stewardship #2, Sustainability #1, #2, #3, Service #1)

GOAL 3: The Authority will build, maintain and operate the enterprise, and all of its human and physical assets, in a manner that provides both new and existing customers with consistently high quality services.

Strategy 3.A – Establish criteria to prioritize the systematic extension of wastewater collection systems to areas with failing septic tanks and water distribution systems to areas with poor quality well water in an equitable manner to maximize public health and economic development. (Stewardship #1, #2, Sustainability #1, #2)

Strategy 3.B – Operate, maintain, and build the Authority's assets in such a way as to provide high quality, cost effective collection, treatment, and distribution systems, efficient service, and to maximize the life expectancy of physical assets. (Stewardship #1, Sustainability #2, Service #1)

Strategy 3.C – Establish a forward thinking organizational culture focusing on creativity and the optimization of employee resources, the identification of efficiencies, and that offers rewards for such results. (Stewardship #2, Sustainability #3, Service #1)

Strategy 3.D – Acquire and implement technologies and tools that allow for improved inter-departmental communication, the enterprise-wide sharing of information, and operational efficiencies. (Stewardship #1, Sustainability #3, Service #1)

Ordinance

June 9, 2010

Ordinance Making Appropriations for the Fiscal Year Beginning July 1, 2010

LEGISLATIVE INTENT/PURPOSE:
Appropriations to the Operating Fund for the Fiscal Year Beginning July 1, 2010.

THEREFORE, BE IT ORDAINED:

SECTION I: That the following appropriations are hereby made to the Operating Fund and that the following revenues are anticipated to be available during the fiscal year to meet these appropriations.

Operating Fund

Appropriations:	
Operating Expenditures	$ 34,890,022
Non-Departmental	1,675,850
Contingency	800,000
Debt Service	23,807,359
Transfers to Capital Project Funds	2,888,500
Total Appropriations	**$ 64,061,731**
Revenues:	
Water Revenues	$ 27,044,650
Wastewater Revenues	26,393,873
Interest Earnings	928,000
Other Charges for Services	1,808,200
Transfer from System Development Funds	2,340,000
Appropriated Fund Balance - Capitalized Interest	3,502,925
Appropriated Fund Balance - Capital Reserve	2,044,083
Total Revenues	**$ 64,061,731**

SECTION II: That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2010 added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid.

SECTION III: That the following appropriations are hereby made to the System Development Funds and that the following revenues are anticipated to be available during the fiscal year to meet these appropriations.

System Development Funds

Appropriations:

Transfer to Operating Fund	$ 2,340,000
Total Appropriations	**$ 2,340,000**

Revenues:

System Development Charges	$ 2,340,000
Total Revenues	**$ 2,340,000**

SECTION IV: That, pursuant to NCGS 159-13.2, the following appropriations are hereby made to the Capital Projects Funds and that the following revenues are estimated to be available during the fiscal year to meet these appropriations.

Capital Projects Funds

Appropriations:

Water Capital Improvement Projects	$ 1,671,000
Sewer Capital Improvement Projects	12,771,500
Total Appropriations	**$14,442,500**

Revenues:

Transfer from Operating Fund	$ 2,888,500
Proceeds from Revenue Bonds	11,206,000
Interest Earnings	348,000
Total Revenues	**$14,442,500**

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Gene F. Renzaglia, Chair

Adopted at a _______________meeting
on __________________________, 2010

ATTEST:

____
Clerk to the Board

Cape Fear
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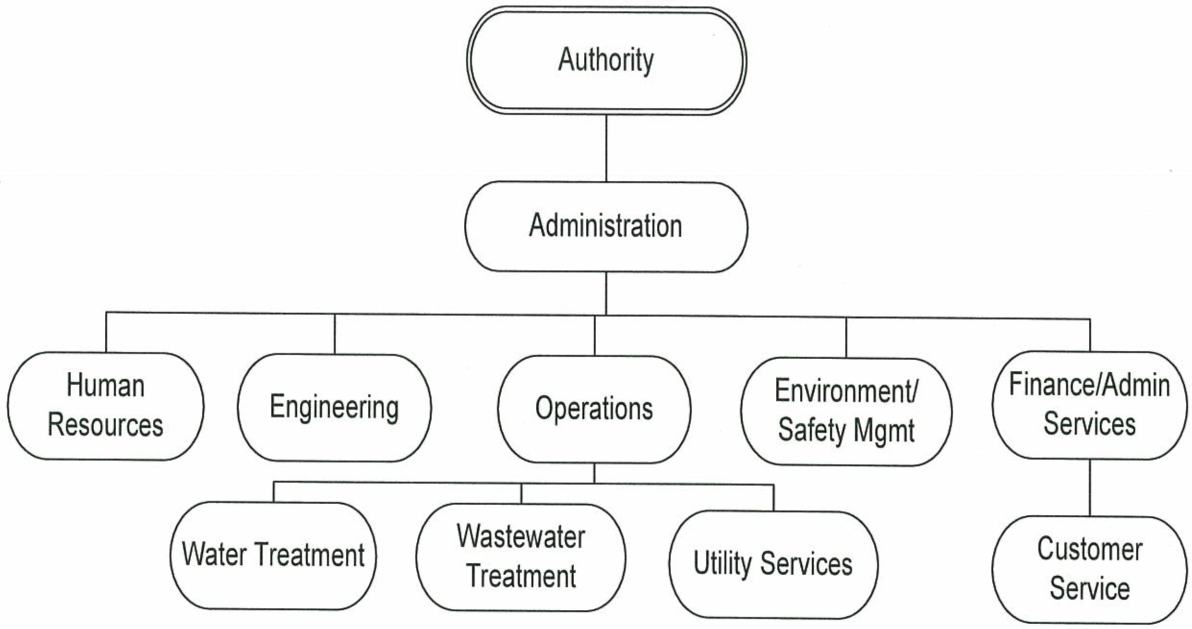

Staffing Summary

The Authority has authorized a total of 291.5 positions. Staffing level (full-time equivalents) by department is as follows:

	FY 09	FY 10	FY 11
Administration	7	6	4
Finance/Administrative Services	16	15	15
Human Resources	4	4	4
Engineering	25	24	22
Operations	185	185	176
Environment/Safety Management	30.5	29.5	29.5
Customer Service	42	41	41
	309.5	304.5	291.5

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Operating and Capital Budget Summary

	CFPUA FY10-11 Recommended
INCOME	
Water Charges	$ 27,044,650
Wastewater Charges	26,393,873
Other Charges for Service	1,808,200
Total Operating Income	**55,246,723**
Interest Earnings	928,000
System Development Charges	2,340,000
Total Non-Operating Income	**3,268,000**
Total Income	**58,514,723**
EXPENSES	
Operating Expenditures before Debt Service and Capital (Note 1)	**34,110,898**
Net Income before Debt Service	**24,403,825**
Debt Service Coverage	**1.20**
Long Term Debt Principal & Interest Payments (Note 2)	20,304,434
Total Expenses	**54,415,332**
NET INCOME	
Income after Debt Service Available for Capital Use	4,099,391
EQUIPMENT AND CONSTRUCTION EXPENDITURES	
Funded by Operations:	
Capital Outlay	895,500
Capitalized Costs (Note 3)	2,359,474
Total Capital Uses	**3,254,974**
Increase (Decrease) Pay Go	**$ 844,417**

Note 1: Total expenditures less debt service, engineering, capital outlay and half of contingency.
Note 2: Debt Service shown net of $3,502,925 in capitalized interest in FY11.
Note 3: Total engineering plus 1/2 of contingency

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Statement of Revenues and Expenditures

(Budget Basis)

	CFPUA FY 08-09 Adjusted	CFPUA FY 08-09 Actual	CFPUA FY 09-10 Adopted	CFPUA FY09-10 Adjustments	CFPUA FY09-10 Adjusted Budget	CFPUA FY10-11 Recommended
REVENUE AND OTHER FINANCING SOURCES						
Water Charges	$ 24,307,324	$ 21,968,709	$ 24,513,835	$ (1,000,000)	$ 23,513,835	$ 27,044,650
Wastewater Charges	26,414,260	20,723,200	25,568,226	(1,949,752)	23,618,474	26,393,873
Other Charges for Service	2,318,030	994,818	1,713,000	-	1,713,000	1,808,200
Operating Grants and Contributions	66,320	153,071	-	-	-	-
System Development Charges	5,200,000	2,727,848	2,110,000	-	2,110,000	2,340,000
Interest Earnings	915,000	1,148,224	1,539,380	-	1,539,380	928,000
Total Revenue	**59,220,934**	**47,715,870**	**55,444,441**	**(2,949,752)**	**52,494,689**	**58,514,723**
Proceeds from Bonded Debt	4,076,638	29,281,941	-	-	-	-
Transfer from Other Funds	1,180,000	1,328,276	2,088,030	-	2,088,030	-
Appropriated Fund Balance - Capitalized Interest	-	-	7,005,850	-	7,005,850	3,502,925
Appropriated Fund Balance - Capital Projects	-	-	4,950,248	3,373,734	8,323,982	2,044,083
Total Revenues and Other Financing Sources	**$ 64,477,572**	**$ 78,326,087**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**
EXPENDITURES AND OTHER FINANCING USES						
Authority Board	62,675	41,757	53,773	-	53,773	42,892
Administration	1,158,600	1,116,156	959,571	18,736	978,307	791,470
Finance/Administrative Services	2,146,201	2,077,871	2,117,316	(2,887)	2,114,429	2,019,933
Human Resources	398,786	349,822	406,253	(782)	405,471	603,281
Engineering	2,175,224	2,036,957	2,088,030	(1,753)	2,086,277	1,959,474
Total General and Administrative	5,941,486	5,622,563	5,624,943	13,314	5,638,257	5,417,050
Operations - Administration	820,956	739,971	871,381	(887)	870,494	838,699
Operations - Water Treatment	6,552,056	5,865,136	7,408,034	(61,769)	7,346,265	6,991,326
Operations - Wastewater Treatment	5,391,826	5,006,812	5,524,000	2,402	5,526,402	5,276,881
Operations - Utility Services	12,498,936	9,370,358	11,874,476	351,648	12,226,124	11,211,349
Environment/Safety Management	2,283,674	1,963,395	2,237,023	(656)	2,236,367	2,251,965
Customer Service	2,733,621	2,872,855	2,427,439	119,930	2,547,369	2,902,752
Nondepartmental	1,450,500	1,447,953	1,504,000	-	1,504,000	1,675,850
Contingency	500,000	-	500,000	-	500,000	800,000
Total Operations	32,231,569	27,266,480	32,346,353	410,668	32,757,021	31,948,822
Debt Service	26,304,517	20,737,580	23,617,273	-	23,617,273	23,807,359
Total Expenditures	**64,477,572**	**53,626,623**	**61,588,569**	**423,982**	**62,012,551**	**61,173,231**
Transfers to Capital Project Funds	-	-	7,900,000	-	7,900,000	2,888,500
Transfer to Capital Reserve for Future Use	-	-	-	-	-	-
Total Expenditures and Other Financing Uses	**$ 64,477,572**	**$ 53,626,623**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**

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BUDGET SUMMARY

	CFPUA FY 08-09 Adjusted	CFPUA FY 08-09 Actual	CFPUA FY 09-10 Adopted	CFPUA FY09-10 Adjustments	CFPUA FY09-10 Adjusted Budget	CFPUA FY10-11 Recommended	% Change Recommended/ 09-10 Adopted
REVENUES							
Water Revenues	$ 24,307,324	21,968,709	$ 24,513,835	$ (1,000,000)	$ 23,513,835	$ 27,044,650	10%
Wastewater Revenues	26,414,260	20,723,200	25,568,226	(1,949,752)	23,618,474	26,393,873	3%
Interest Earnings	915,000	1,148,224	1,539,380	-	1,539,380	928,000	-40%
Other Charges for Service	2,318,030	994,818	1,713,000	-	1,713,000	1,808,200	6%
Operating Grants and Contributions	66,320	153,071	-	-	-	-	0%
System Development Charges	5,200,000	2,727,848	2,110,000	-	2,110,000	2,340,000	11%
Transfers from Other Funds	1,180,000	1,328,276	2,088,030	-	2,088,030	-	-100%
Proceeds from Bonded Debt	4,076,638	29,281,941	-	-	-	-	0%
Appropriated Fund Balance - Capitalized Interest	-	-	7,005,850	-	7,005,850	3,502,925	-50%
Appropriated Fund Balance - Capital Projects	-	-	4,950,248	3,373,734	8,323,982	2,044,083	-59%
TOTAL REVENUES	**$ 64,477,572**	**$ 78,326,087**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**	-8%
EXPENDITURES							
Authority Board	$ 62,675	$ 41,757	$ 53,773	$ -	$ 53,773	$ 42,892	-20%
Administrative	1,158,600	1,116,156	959,571	18,736	978,307	791,470	-18%
Finance/Administrative Services	2,146,201	2,077,871	2,117,316	(2,887)	2,114,429	2,019,933	-5%
Human Resources	398,786	349,822	406,253	(782)	405,471	603,281	48%
Engineering	2,175,224	2,036,957	2,088,030	(1,753)	2,086,277	1,959,474	-6%
Operations - Administration	820,956	739,971	871,381	(887)	870,494	838,699	-4%
Operations - Water Treatment	6,552,056	5,865,136	7,408,034	(61,769)	7,346,265	6,991,326	-6%
Operations - Wastewater Treatment	5,391,826	5,006,812	5,524,000	2,402	5,526,402	5,276,881	-4%
Operations - Utility Services	12,498,936	9,370,358	11,874,476	351,648	12,226,124	11,211,349	-6%
Environment/Safety Management	2,283,674	1,963,395	2,237,023	(656)	2,236,367	2,251,965	1%
Customer Service	2,733,621	2,872,855	2,427,439	119,930	2,547,369	2,902,752	20%
Nondepartmental	1,450,500	1,447,953	1,504,000	-	1,504,000	1,675,850	11%
Debt Service	26,304,517	20,737,580	23,617,273	-	23,617,273	23,807,359	1%
Contingency	500,000	-	500,000	-	500,000	800,000	60%
Transfers to Capital Projects	-	-	7,900,000	-	7,900,000	2,888,500	-63%
TOTAL EXPENDITURES	**$ 64,477,572**	**$ 53,626,623**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**	-8%

Cape Fear Public Utility Authority
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EXPENDITURE SUMMARY

	CFPUA FY 08-09 Adjusted	CFPUA FY 08-09 Actual	CFPUA FY 09-10 Adopted	CFPUA FY09-10 Adjustments	CFPUA FY09-10 Adjusted Budget	CFPUA FY10-11 Recommended	% Change Recommended/ 09-10 Adopted
EXPENDITURES BY DEPARTMENT							
Authority Board	$ 62,675	$ 41,757	$ 53,773	$ -	$ 53,773	$ 42,892	-20%
Administration	1,158,600	1,116,156	959,571	18,736	978,307	791,470	-18%
Finance/Administrative Services	2,146,201	2,077,871	2,117,316	(2,887)	2,114,429	2,019,933	-5%
Human Resources	398,786	349,822	406,253	(782)	405,471	603,281	48%
Engineering	2,175,224	2,036,957	2,088,030	(1,753)	2,086,277	1,959,474	-6%
Operations - Administration	820,956	739,971	871,381	(887)	870,494	838,699	-4%
Operations - Water Treatment	6,552,056	5,865,136	7,408,034	(61,769)	7,346,265	6,991,326	-6%
Operations - Wastewater Treatment	5,391,826	5,006,812	5,524,000	2,402	5,526,402	5,276,881	-4%
Operations - Utility Services	12,498,936	9,370,358	11,874,476	351,648	12,226,124	11,211,349	-6%
Environment/Safety Management	2,283,674	1,963,395	2,237,023	(656)	2,236,367	2,251,965	1%
Customer Service	2,733,621	2,872,855	2,427,439	119,930	2,547,369	2,902,752	20%
Nondepartmental	1,450,500	1,447,953	1,504,000	-	1,504,000	1,675,850	11%
Debt Service	26,304,517	20,737,580	23,617,273	-	23,617,273	23,807,359	1%
Contingency	500,000	-	500,000	-	500,000	800,000	60%
Transfers to Capital Projects	-	-	7,900,000	-	7,900,000	2,888,500	-63%
Capital Reserve	-	-	-	-	-	-	
TOTAL	**$ 64,477,572**	**$ 53,626,623**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**	-8%
EXPENDITURES BY CATEGORY							
Salaries	$ 13,559,165	$ 13,419,394	$ 13,757,937	$ (14,265)	$ 13,743,672	$ 13,311,192	-3%
Benefits	4,351,376	4,267,593	4,237,458	(1,784)	4,235,674	4,438,494	5%
Operating	16,352,700	12,711,408	16,306,301	88,605	16,394,906	16,244,836	0%
Capital Outlay	1,959,314	1,042,695	1,665,600	351,426	2,017,026	895,500	-46%
Nondepartmental	1,450,500	1,447,953	1,504,000	-	1,504,000	1,675,850	11%
Debt Service	26,304,517	20,737,580	23,617,273	-	23,617,273	23,807,359	1%
Contingency	500,000	-	500,000	-	500,000	800,000	60%
Transfers to Capital Projects	-	-	7,900,000	-	7,900,000	2,888,500	-63%
Capital Reserve	-	-	-	-	-	-	
TOTAL	**$ 64,477,572**	**$ 53,626,623**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**	-8%

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EXPENDITURE DETAIL BY DEPARTMENT

EXPENDITURES BY DEPARTMENT	CFPUA FY 08-09 Adjusted	CFPUA FY 08-09 Actual	CFPUA FY 09-10 Adopted	CFPUA FY09-10 Adjustments	CFPUA FY09-10 Adjusted Budget	CFPUA FY10-11 Recommended	% Change Recommended/ 09-10 Adopted
Authority Board							
Salaries	$ 33,000	$ 33,500	$ 33,000	$ -	$ 33,000	$ 26,403	-20%
Benefits	2,525	2,563	2,523	-	2,523	2,019	-20%
Operating	27,150	5,694	18,250	-	18,250	14,470	-21%
Total Authority Board	**62,675**	**41,757**	**53,773**	**-**	**53,773**	**42,892**	**-20%**
Administration							
Salaries	394,780	412,569	527,049	(49,150)	477,899	381,513	-28%
Benefits	111,820	97,945	120,022	(4,850)	115,172	91,477	-24%
Operating	647,000	603,915	307,500	72,736	380,236	318,480	4%
Capital Outlay	5,000	1,727	5,000	-	5,000	-	-100%
Total Administration	**1,158,600**	**1,116,156**	**959,571**	**18,736**	**978,307**	**791,470**	**-18%**
Finance/Administrative Services							
Salaries	942,060	890,980	914,063	(10,000)	904,063	910,731	0%
Benefits	257,635	253,839	243,974	(3,941)	240,033	271,411	11%
Operating	884,540	877,746	896,279	45,402	941,681	837,791	-7%
Capital Outlay	61,966	55,306	63,000	(34,348)	28,652	-	-100%
Total Finance/Administrative Services	**2,146,201**	**2,077,871**	**2,117,316**	**(2,887)**	**2,114,429**	**2,019,933**	**-5%**
Human Resources							
Salaries	243,569	237,973	248,069	-	248,069	248,069	0%
Benefits	68,917	62,642	62,284	-	62,284	68,487	10%
Operating	86,300	49,207	95,900	(782)	95,118	286,725	199%
Total Human Resources	**398,786**	**349,822**	**406,253**	**(782)**	**405,471**	**603,281**	**48%**
Engineering							
Salaries	1,504,540	1,517,129	1,502,751	5,000	1,507,751	1,398,680	-7%
Benefits	415,218	418,087	396,807	7,006	403,813	411,381	4%
Operating	220,466	76,158	170,972	(13,759)	157,213	149,413	-13%
Capital Outlay	35,000	25,583	17,500	-	17,500	-	-100%
Total Engineering	**2,175,224**	**2,036,957**	**2,088,030**	**(1,753)**	**2,086,277**	**1,959,474**	**-6%**
Operations - Administration							
Salaries	571,260	558,716	624,357	-	624,357	624,607	0%
Benefits	151,069	156,565	166,224	-	166,224	181,183	9%
Operating	98,627	24,690	80,800	(887)	79,913	32,909	-59%
Total Operations - Administration	**820,956**	**739,971**	**871,381**	**(887)**	**870,494**	**838,699**	**-4%**
Operations - Water Treatment							
Salaries	1,230,369	1,288,043	1,316,908	-	1,316,908	1,339,340	2%
Benefits	413,329	433,636	425,275	-	425,275	466,837	10%
Operating	4,861,818	4,122,072	5,544,851	(148,769)	5,396,082	5,169,149	-7%
Capital Outlay	46,540	21,385	121,000	87,000	208,000	16,000	-87%
Total Operations - Water Treatment	**6,552,056**	**5,865,136**	**7,408,034**	**(61,769)**	**7,346,265**	**6,991,326**	**-6%**
Operations - Wastewater Treatment							

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EXPENDITURE DETAIL BY DEPARTMENT

	CFPUA FY 08-09 Adjusted	CFPUA FY 08-09 Actual	CFPUA FY 09-10 Adopted	CFPUA FY09-10 Adjustments	CFPUA FY09-10 Adjusted Budget	CFPUA FY10-11 Recommended	% Change Recommended/ 09-10 Adopted
EXPENDITURES BY DEPARTMENT							
Salaries	$ 1,718,519	1,760,969	$ 1,780,529	-	1,780,529	1,701,070	-4%
Benefits	586,710	582,479	574,004	1	574,005	585,229	2%
Operating	2,607,497	2,231,609	2,612,067	53,914	2,665,981	2,746,082	5%
Capital Outlay	479,100	431,755	557,400	(51,513)	505,887	244,500	-56%
Total Operations - Wastewater Treatment	**5,391,826**	**5,006,812**	**5,524,000**	**2,402**	**5,526,402**	**5,276,881**	**-4%**
Operations - Utility Services							
Salaries	4,129,777	3,882,613	4,121,406	-	4,121,406	3,918,106	-5%
Benefits	1,383,485	1,330,083	1,353,413	-	1,353,413	1,371,861	1%
Operating	5,692,466	3,681,767	5,508,557	(8,739)	5,499,818	5,286,382	-4%
Capital Outlay	1,293,208	475,895	891,100	360,387	1,251,487	635,000	-29%
Total Operations - Utility Services	**12,498,936**	**9,370,358**	**11,874,476**	**351,648**	**12,226,124**	**11,211,349**	**-6%**
Environment/Safety Management							
Salaries	1,298,859	1,195,035	1,259,375	-	1,259,375	1,268,391	1%
Benefits	416,854	387,407	396,568	-	396,568	436,488	10%
Operating	540,761	361,169	580,580	(656)	579,924	547,086	-6%
Capital Outlay	27,200	19,784	500	-	500	-	-100%
Total Environment/Safety Management	**2,283,674**	**1,963,395**	**2,237,023**	**(656)**	**2,236,367**	**2,251,965**	**1%**
Customer Service							
Salaries	1,492,432	1,641,867	1,430,430	39,885	1,470,315	1,494,282	4%
Benefits	543,814	542,347	496,364	-	496,364	552,121	11%
Operating	686,075	677,381	490,545	90,145	580,690	856,349	75%
Capital Outlay	11,300	11,260	10,100	(10,100)	-	-	-100%
Total Customer Service	**2,733,621**	**2,872,855**	**2,427,439**	**119,930**	**2,547,369**	**2,902,752**	**20%**
Nondepartmental	**1,450,500**	**1,447,953**	**1,504,000**	-	**1,504,000**	**1,675,850**	**11%**
Debt Service	**26,304,517**	**20,737,580**	**23,617,273**	-	**23,617,273**	**23,807,359**	1%
Contingency	**500,000**	-	**500,000**	-	**500,000**	**800,000**	60%
Transfers to Capital Projects	-	-	**7,900,000**	-	**7,900,000**	**2,888,500**	-63%
TOTAL	**$ 64,477,572**	**$ 53,626,623**	**$ 69,488,569**	**$ 423,982**	**$ 69,912,551**	**$ 64,061,731**	-8%

Cape Fear Public Utility Authority
Water and Wastewater Capital Improvement Program
FY 2011 Capital Budget

ID	Water Capital Projects	Project Cost	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
1	Raw Water Booster Station-(U.S. 421 at Invista)	$8,000,000		$4,000,000	$4,000,000					
2	Aquifer Sustainability & Monitoring	$2,470,000		$470,000	$2,000,000					
3	30" Raw Water Main Rehabilitation-(Raw Water Transmission Main)	$5,000,000	$1,000,000	$1,000,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000
4	Aquifer Storage & Retrieval (ASR)	$4,000,000			$2,000,000					$2,000,000
5	Sweeney clear well rehabilitation 4 MG	$3,000,000						$250,000	$1,000,000	$1,750,000
6	Sweeney clear well rehabilitation 12 MG	$9,000,000					$750,000	$1,000,000	$5,750,000	$1,500,000
7	2 MG Southeast Elevated Tank @ College Rd & Bragg Dr	$6,000,000								$6,000,000
8	Downtown Water Line Rehabilitation	$3,500,000		$500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$500,000
9	30th Street Water Line Replacement	$1,750,000		$250,000	$1,500,000					
10	23rd Street (~ 2.3k LF, Airport to Castle Hayne Road, 12-inch @ $80/foot)	$250,000	$250,000							
11	Grathwol - Kings Grant Interconnect (~ 0.6k LF, 8-inch @ $60/foot)	$50,000	$50,000							
12	Greenview Ranches (~ 2k LF remaining unprog. Buildout, 12-inch @ $80/foot)	$220,000			$220,000					
13	North College Road (~ 12.4k LF remaining unprog. Buildout, 16-inch @ $90/foot)	$1,520,000			$1,520,000					
14	Foxwood Lane Interconnect (0.530k LF, 6-inch @ $50/foot)	$36,000	$36,000							
15	Groppo Cove to Haymarket Interconnect Bore (0.460k LF, 8-inch bore @ $200/foot)	$125,000	$125,000							
16	South College @ Hardees Interconnect w/road repair (0.460k LF, 8-inch @ $100/foot)	$65,000	$35,000	$30,000						
17	North Market Street (~ 13.5k LF remaining unprog. Buildout, 8-inch @ $60/foot)	$75,000		$75,000						
18	Kerr Avenue (~ 21.6k LF remaining unprog. Buildout, 16-inch @ $90/foot) 15k LF	$1,900,000		$1,900,000						
19	Carolina Beach Road (~ 72.7k LF remaining unprog. Buildout, 20-24-inch @ $240/foot)	$5,290,000		$520,000	$4,770,000					
20	Holland Drive (~ 7k LF remaining unprog. Buildout, 16-inch @ $90/foot)	$900,000								$900,000
21	Bald Eagle Lane (16,140 LF, mostly 12-inch @ $79/foot, 175 resid. serv.)	$1,270,000		$1,270,000						
22	Middle Sound N TC (2,450 LF @ $50/foot, 21 resid. Serv.)	$170,000			$170,000					
23	Old Oak to Yvonne Rd (2,560 LF @ $50/foot, 32 resid. serv.)	$171,000			$171,000					
24	Bayshore Area (40,750 LF @ $50/foot, 473 resid. serv.)	$2,720,000			$500,000	$2,220,000				
25	Edgewater Northeast (7690 LF @ $50/foot, 80 resid. serv.)	$520,000							$520,000	
26	Edgewater Northwest (5,410 LF @ $50/foot, 44 resid. serv.)	$360,000							$360,000	
27	Edgewater South (18,960 LF @ $50/foot, 182 resid. serv.)	$1,300,000							$1,300,000	
28	Middle Sound SE (9,660 LF @ $50/foot, 91 resid. serv.)	$643,000			$643,000					
29	Middle Sound South (5,510 LF @ $50/foot, 46 resid. serv.)	$367,000			$367,000					
30	Weaver Acres (7,760 LF @ $50/foot, 86 resid. serv.)	$550,000								$550,000
31	Middle Sound NE (12,530 LF @ $50/foot, 75 resid. serv., 3 comm.)	$835,000			$835,000					
32	Long Ridge Rd (870 LF @ $50/foot, 13 resid. serv., 1 comm.)	$60,000								$60,000
33	Mission Hills (3,430 LF @ $50/foot, 43 resid. serv.)	$250,000								$250,000
34	Middle Sound NW (28,070 LF @ $50/foot, 120 resid. serv.)	$1,870,000			$1,870,000					
35	Middle Sound South TC, 1,099 LF @ $50/foot, 5 resid. Serv.)	$73,000			$73,000					
36	Holland Drive Area (11,970 LF@ $50/foot, 181 resid. serv., 3 comm. serv.)	$800,000								$800,000
37	Heritage Park (9,170 LF @ $50/foot, 131 resid. serv.)	$620,000						$60,000	$560,000	
38	Water Emergency Repair	$700,000	$100,000	$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
39	Water Valve Replacement	$600,000		$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
40	SCADA Rehab or Replace	$600,000		$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
41	Water Laterals and Services	$600,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000	$75,000
42	AMR System Enhancement-(Meter Replacement)	$3,100,000		$500,000	$500,000	$500,000	$400,000	$400,000	$400,000	$400,000
43	GIS and AS-built Integration, Easement Survey/Mapping	$350,000		$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
44	Annexation 1995 and 1998 Water Lines	$670,000		$670,000						
	Water Subtotal	**$72,350,000**	**$1,671,000**	**$11,610,000**	**$22,564,000**	**$4,145,000**	**$2,500,000**	**$3,060,000**	**$11,240,000**	**$15,560,000**

Cape Fear Public Utility Authority
Water and Wastewater Capital Improvement Program
FY 2011 Capital Budget

ID	Wastewater Capital Projects	Project Cost	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
1	Southside WWTP Rehabilitation and Upgrade	$79,355,000		$750,000	$2,543,000	$12,665,000	$25,048,000	$25,325,000	$12,974,000	$50,000
2	Walnut Hills WWTP - Decommission	$8,000,000		$1,000,000	$7,000,000					
3	Thickened Alum Sludge Storage at NSWWTP	$538,000		$538,000						
4	30th St Sewer Replacement	$1,750,000		$250,000	$1,500,000					
5	Airport Line Repair/Replacement	$40,000			$40,000					
6	Kerr Avenue Clean Relining	$450,000			$450,000					
7	Greenfield Lake Outfall Rehabilitation	$2,250,000		$250,000	$2,000,000					
8	McCumber's Ditch Outfall Rehab	$1,250,000		$1,250,000						
9	Between the Creek SS Improvements	$387,000		$387,000						
10	Mimosa Sewer Replacement	$300,000				$300,000				
11	Bridgeport Gravity Repair	$100,000				$100,000				
12	13th Street/N. Lake Shore Blvd. Outfall Repair	$1,500,000			$750,000	$750,000				
13	Burnt Mill Sewer Rehab. (Hoggard Drive-Rosement Drive)	$750,000		$750,000						
14	Downtown Sewer Rehab & Sewer Assessment	$14,000,000		$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000
15	Marquis Hill Sewer Extension-(High Priority Septic)-gravity	$10,000,000		$1,000,000	$4,500,000	$4,500,000				
16	Wrightsboro Sewer Extension-(High Priority Septic)-w/conveyance	$4,500,000								$4,500,000
17	Prince George Estates Sewer Extension-(High Priority Septic)-w/conveyance	$3,300,000								$3,300,000
18	Heritage Park Sewer Extension-(High Priority Septic)-w/ conveyance	$6,700,000						$200,000	$3,500,000	$3,000,000
19	PS - Barnards Creek & Motts Creek	$5,800,000	$3,000,000	$2,800,000						
20	PS-21 (COW)	$720,000		$720,000						
21	Greenville Trailer Park PS Abandonment	$500,000		$500,000						
22	PS #37 Upgrade	$600,000		$600,000						
23	Marsh Landing Abandon LS	$75,000		$75,000						
24	Tangle Oaks #3 Abandon PS	$100,000		$100,000						
25	PS #17A Upgrade	$500,000			$500,000					
26	PS#26 Upgrade	$500,000			$500,000					
27	Quail Woods PS Upgrade	$125,000			$125,000					
28	Oak Landing PS Electrical FM Upgrade	$215,000			$215,000					
29	PS - COW #20 Force Main	$75,000			$75,000					
30	PS - COW #29 Upgrade	$850,000			$850,000					
31	PS - COW #36 Upgrade & Forcemain	$870,000			$870,000					
32	PS - COW #42/Rivers Edge Upgrade	$100,000							$100,000	
33	PS - COW #38 Force Main Improvements	$40,000							$40,000	
34	PS - Country Haven	$2,500,000		$2,500,000						
35	PS - 11 (Downtown Sewershed)	$1,660,000		$1,660,000						
36	NEI Rehab - including PS 35 Expansion	$2,400,000	$2,400,000							
37	Cambridge PS Upgrade	$45,000							$45,000	
38	Heatheridge PS Upgrade	$30,000							$30,000	
39	PS - 10 and 12 (Downtown Sewershed)	$3,500,000		$500,000	$3,000,000					
40	Sewer Emergency Repair	$10,281,500	$5,281,500	$1,000,000	$1,000,000	$1,000,000	$500,000	$500,000	$500,000	$500,000
41	Infiltration Inflow Investigation and Elimination Program	$1,700,000	$150,000	$250,000	$250,000	$250,000	$200,000	$200,000	$200,000	$200,000
42	Pump Renewal Project	$600,000		$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
43	Pump Station VFD Replacements	$600,000		$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
44	Manhole Rehabilitation	$450,000	$150,000		$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
45	ARV Replacement	$300,000			$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
46	Annual Pump Station Drive Replacement	$600,000		$100,000	$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
47	Pump Station Building Improvements-(un-programmed)	$500,000			$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
48	Annual Generator Replacement	$500,000			$100,000	$100,000	$75,000	$75,000	$75,000	$75,000
49	Collection System Rehabilitation and Find-it-Fix it	$27,500,000	$500,000	$5,000,000	$5,000,000	$5,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000
50	GIS As-built entry and mapping maintenance contract	$450,000	$100,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
51	Asset Management Implementation Study & CMMS	$1,000,000	$500,000	$500,000						
52	SCADA Telemetry Enhancement	$825,000		$275,000	$275,000	$275,000				
53	Telemetry Upgrade (Intrac Units)	$600,000			$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
54	Collection System Assessment	$2,000,000		$500,000	$500,000	$500,000	$500,000			
55	Pressure Pipe Assessment	$2,000,000		$500,000	$500,000	$500,000	$500,000			
56	Annexation 98 - Completion of Sewer Extensions	$2,690,000	$690,000	$2,000,000						
57	W&S Bore, PS Upgrade - Pt. Harbor Developer Agreement	$1,250,000		$750,000	$500,000					
58	Collection System-Developer Agreements	$2,500,000		$500,000	$500,000	$300,000	$300,000	$300,000	$300,000	$300,000
	Wastewater Subtotal	**$212,721,500**	**$12,771,500**	**$29,255,000**	**$36,193,000**	**$28,890,000**	**$32,673,000**	**$32,150,000**	**$23,314,000**	**$17,475,000**
	Total Capital Improvement Projects	**$285,071,500**	**$14,442,500**	**$40,865,000**	**$58,757,000**	**$33,035,000**	**$35,173,000**	**$35,210,000**	**$34,554,000**	**$33,035,000**

Following are brief descriptions of proposed FY 11 capital improvement projects with budgets of $500,000 and above. Descriptions of lower budget and future year projects are not included for clarity. Project ID numbers correspond with the Capital Improvement Program budget worksheets.

ID	*Water Projects*	*FY 11 Project Cost*	*Description*
3	Raw Water Transmission Main Rehabilitation	$1,000,000	The Authority's transmission main conveys raw water from Kings Bluff to the Sweeney water treatment plant. Certain areas need repairs to ensure this vital link in the water supply system continues without interruption.

ID	*Wastewater Projects*	*FY 11 Project Cost*	*Description*
19	Barnards Creek and Motts Creek Pump Stations	$3,000,000	These two pump stations serve a large portion of the southern county, and are important to the current City annexation and the River Lights development. Improvements include capacity upgrades and a new force main to the Southside Wastewater Treatment Plant.
36	Northeast Interceptor Rehabilitation and Pump Station 35 Expansion	$2,400,000	As part of the larger program for managing flows through the NEI system, these projects will rehabilitate the existing force main and provide additional capacity at Pump Station 35.
40	Sewer Emergency Repair	$5,281,500	This project will fund unanticipated repairs that may be needed.
49	Collection System Rehabilitation and Find-It Fix-It	$500,000	Recognizing that the collection system has many aging areas that are subject to deterioration, this program will address those problems through various types of lining and repair contracts.
51	Asset Management	$500,000	As the Asset Management program is rolled out, funding is needed for professional services, organizational development, implementation, and training.
56	Completion of 1998 Annexation Sewer	$690,000	Certain sections of collection system remain to be constructed in the previously annexed areas.

CAPE FEAR PUBLIC UTILITY AUTHORITY RATES AND FEE SCHEDULE

		Rates Effective 5/1/2010	Rates Proposed Effective 7/1/2010	Ordinance Reference
1 WATER RATES				
	Water rates include both a fixed fee based on meter size and consumption charge based on metered consumption, billed bi-monthly (every two months).			
Fixed Meter Charge by Size:		Bi-Monthly	Bi-Monthly	
	5/8"	$ 21.89	$ 21.89	4.2.a.(i)
	1"	$ 54.72	$ 54.72	4.2.a.(i)
	1 1/2"	$ 109.44	$ 109.44	4.2.a.(i)
	2"	$ 175.10	$ 175.10	4.2.a.(i)
	3"	$ 328.32	$ 328.32	4.2.a.(i)
	4"	$ 547.20	$ 547.20	4.2.a.(i)
	6"	$ 1,094.40	$ 1,094.40	4.2.a.(i)
	8"	$ 1,751.04	$ 1,751.04	4.2.a.(i)
	10"	$ 2,736.00	$ 2,736.00	4.2.a.(i)
	12"	$ 3,283.20	$ 3,283.20	4.2.a.(i)
Consumption Charges (per 1,000 gallons)				
	Residential			
	Level 1: 9,000 Gallons or less	$ 2.22	$ 2.22	4.2.a.(ii)
	Level 2: 9,000 to 18,000 gallons	$ 3.36	$ 3.36	4.2.a.(ii)
	Level 3: More than 18,000 gallons	$ 4.50	$ 4.50	4.2.a.(ii)
	Non-Residential	$ 3.36	$ 3.36	4.2.a.(ii)
	Irrigation Meters	$ 4.50	$ 4.50	4.2.a.(ii)
Wholesale or Bulk rates will be determined in accordance with applicable interlocal agreement		Individually Determined	Individually Determined	4.2.a.(iii)
2 SEWER RATES				
Fixed Meter Charge by Size:		Bi-Monthly	Bi-Monthly	
	5/8"	$ 23.37	$ 23.37	4.2.a.(i)
	1"	$ 58.43	$ 58.43	4.2.a.(i)
	1 1/2"	$ 116.85	$ 116.85	4.2.a.(i)
	2"	$ 186.96	$ 186.96	4.2.a.(i)
	3"	$ 350.55	$ 350.55	4.2.a.(i)
	4"	$ 584.25	$ 584.25	4.2.a.(i)
	6"	$ 1,168.50	$ 1,168.50	4.2.a.(i)
	8"	$ 1,869.60	$ 1,869.60	4.2.a.(i)
	10"	$ 2,921.25	$ 2,921.25	4.2.a.(i)
	12"	$ 3,505.50	$ 3,505.50	4.2.a.(i)
Consumption Charges (per 1,000 gallons):		$ 3.14	$ 3.14	3.5, 4.2.a.(ii)
Note 1	Residential metered consumption capped at 30,000 gallons per bi-monthly billing			
Note 2	Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing			
Note 3	No cap for non-residential metered consumption			
Collection Treatment Charge				
	Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD)	$ 23.00	$ 23.00	App. D 6ci; 4.2.a(v)
	Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD)	$ 23.00	$ 23.00	App. D 6ci; 4.2.a(v)
	Surcharge for TSS (per 100 lbs; when TSS >200mg/l)	$ 11.00	$ 11.00	App. D 6ci; 4.2.a(v)
	Note: Surcharge is assessed for BOD or COD, but not both.			
Bulk Charges for Septage Haulers				
	Per Gallon	$ 0.03	$ 0.080	4.2.a(iii)
	Utility Deposit	$ -	$ 500.00	1.6
Other Wholesale or Bulk rates will be determined in accordance with applicable interlocal agreement		Individually Determined	Individually Determined	4.2.a.(iii)
3 Fire Line Service				
Fixed Fire Line Charge by Size:		Bi-Monthly	Bi-Monthly	
	2"	$ 20.00	$ 20.00	4.2.a(vi)
	4"	$ 40.00	$ 40.00	4.2.a(vi)
	6"	$ 80.00	$ 80.00	4.2.a(vi)
	8"	$ 140.00	$ 140.00	4.2.a(vi)
	10"	$ 220.00	$ 220.00	4.2.a(vi)
	12"	$ 320.00	$ 320.00	4.2.a(vi)
4 Water Service Connection Fee				
Service Line Connection Fee by Service Size		Total	Total	
	Up to 1" Service (to 45' in length)	$ 1,600.00	$ 2,000.00	1.5c; 4.2.b(i)
	1 1/2" Service (to 45' in length)	$ 3,600.00	$ 3,600.00	1.5c; 4.2.b(i)

2" Service (to 45' in length)	$ 3,800.00	$ 3,800.00	1.5c; 4.2.b(i)
Services in excess of 45' based on actual cost	Individually Determined	Individually Determined	1.5c; 4.2.b(i)
Manifold	Individually Determined	Individually Determined	1.5c; 4.2.b(i)
Meter Set Fee by Size (includes materials and labor):			
5/8"	$ 179.00	$ 230.00	1.5c; 4.2.b(iii)
1"	$ 231.00	$ 290.00	1.5c; 4.2.b(iii)
1 1/2"	$ 383.00	$ 530.00	1.5c; 4.2.b(iii)
2"	$ 441.00	$ 670.00	1.5c; 4.2.b(iii)
Inspection Fee for Developer-Installed Connection	$ 50.00	$ 50.00	1.6a; 4.2.b(ii)
5 Sewer Service Connection Fee			
Installation Fee by Size:	Total	Total	
4" Service, actual cost or minimum	$ 2,200.00	$ 2,200.00	1.6a; 4.2.b(i)
6" Service, actual cost or minimum	$ 2,800.00	$ 2,800.00	1.6a; 4.2.b(i)
Greater than 45 Feet or over 8 Feet in depth	Individually determined	Individually determined	1.6a; 4.2.b(i)
Inspection Fee for Developer-Installed Connection	$ 50.00	$ 50.00	1.6a; 4.2.b(ii)
6 Special Use of Water			
Meter Fee by Size	Total	Total	
5/8"	$ 31.00	$ 31.00	4.2c(vi)
3/4"	$ 35.00	$ 35.00	4.2c(vi)
1"	$ 45.00	$ 45.00	4.2c(vi)
1 1/2"	$ 56.00	$ 56.00	4.2c(vi)
2"	$ 96.00	$ 96.00	4.2c(vi)
3"	$ 165.00	$ 165.00	4.2c(vi)
4"	$ 254.00	$ 254.00	4.2c(vi)
6"	$ 437.00	$ 437.00	4.2c(vi)
8"	$ 666.00	$ 666.00	4.2c(vi)
10"	$ 924.00	$ 924.00	4.2c(vi)
12"	$ 1,202.00	$ 1,202.00	4.2c(vi)
Lost or stolen special use sign	$ 50.00	$ 50.00	4.1
Consumption Charges (per 1,000 gallons):	$ 3.36	$ 3.36	4.2.a.(ii)
7 Water Quality Fees			
Inspection Fees Backflow Assembly	Total	Total	
Initial inspection	No Charge	No Charge	4.2.b(ii)
Second inspection	$ 50.00	$ 50.00	4.2.b(ii)
Third and subsequent inspection	$ 100.00	$ 100.00	4.2.b(ii)
8 Discharge Permit Fees			
Industrial Connection and Discharge Permit application and annual fee includes	$ 575.00	$ 750.00	Appendix D 6(d)
SIU, flows > 15,000 gpd, pretreatment			
Restoration of Revoked Industrial Permit (Each occurrence)	$ 1,150.00	$ 1,500.00	Appendix D 6(d)
Modification of Permit (Each occurrence)	$ 200.00	$ 200.00	Appendix D 6(d)
Other Wastewater Permits			
Flow Less than 1,000 Gallons/day	$ 100.00	$ 100.00	Appendix D 6(d)
Flow Between 1,001 and 7,500 Gallons/day	$ 200.00	$ 200.00	Appendix D 6(d)
Flow Between 7,501 and 15,000 Gallons/day	$ 300.00	$ 300.00	Appendix D 6(d)
Food Service Establishment Annual Inspection Fee for Commercial Grease Interceptors	$ 100.00	$ 100.00	Appendix D 6(d)
Monitoring Fee	Individually determined	Individually determined	Appendix D 6(d)
Restoration fee of Revoked Other Wastewater Permit (per occurrence)	2x permit fee	2x permit fee	Appendix D 6(d)
Grease Interceptor Variance (Each occurrence)	$ 220.00	$ 220.00	Appendix D 6(d)
9 System Development Charge			
Water by Meter Size	Total	Total	Appendix C 2.(a)
Note: No water SDC due on a 5/8" irrigation meter	$ -	$ -	4.2.b(iv)
5/8"	$ 2,000.00	$ 2,000.00	4.2.b(iv)
1"	$ 6,230.00	$ 6,230.00	4.2.b(iv)
1 1/2"	$ 12,460.00	$ 12,460.00	4.2.b(iv)
2"	$ 19,950.00	$ 19,950.00	4.2.b(iv)
3"	$ 39,890.00	$ 39,890.00	4.2.b(iv)
4"	$ 62,330.00	$ 62,330.00	4.2.b(iv)
6"	$ 124,680.00	$ 124,680.00	4.2.b(iv)
8"	$ 199,490.00	$ 199,490.00	4.2.b(iv)
10"	$ 311,720.00	$ 311,720.00	4.2.b(iv)

9 System Development Charge Continued			
Sewer by Meter Size	Total	Total	Appendix C 3(a)
5/8"	$ 2,500.00	$ 2,500.00	4.2.b(iv)
1"	$ 7,810.00	$ 7,810.00	4.2.b(iv)
1 1/2"	$ 15,620.00	$ 15,620.00	4.2.b(iv)
2"	$ 25,000.00	$ 25,000.00	4.2.b(iv)
3"	$ 50,000.00	$ 50,000.00	4.2.b(iv)
4"	$ 78,100.00	$ 78,100.00	4.2.b(iv)
6"	$ 156,000.00	$ 156,000.00	4.2.b(iv)
8"	$ 250,000.00	$ 250,000.00	4.2.b(iv)
10"	$ 390,400.00	$ 390,400.00	4.2.b(iv)
Unmetered service (sewer only)	$10/gallon projected flow	$10/gallon projected flow	4.2.b(iv)
10 Miscellaneous and Other			
Service/repair costs			
Contracted services at actual cost plus 10% administrative fee	Individually determined	Individually determined	1.9(b)
CFPUA staff and equipment at FEMA reimbursable cost	Individually determined	Individually determined	1.9(b)
Other Fees			
After Hours Service Call Fee	$ 50.00	$ 50.00	4.2.c(i)
After Hours Reconnection Fee	$ 100.00	$ 100.00	4.2.c(ii)
Delinquency Processing Fee	$ 50.00	$ 50.00	6.6(a)
Premise Visit Fee	$ 50.00	$ 50.00	1.15(a); 4.2.c(xii)
Application for Service Fee	$ 50.00	$ 50.00	1.6a; 4.2.c(iii)
Utility Deposit-Residential *	Up to $200*	Up to $200*	1.6
** May be adjusted by Customer Service Director based on services provided and prior payment history*			
Utility Deposit-Commercial	Determined by Policy	Determined by Policy	1.6
Illegal Connection or Turn-On/Tampering	$ 500.00	$ 500.00	4.2c(xiii); 6.6c
Meter Test	$ 50.00	$ 50.00	2.3; 6.1
Plan review Fee			App. C 1.a; 4.2.c(x)
500-999 Linear Feet	$ 600.00	$ 600.00	App. C 1.a; 4.2.c(x)
1,000-1,999 Linear Feet	$ 700.00	$ 700.00	App. C 1.a; 4.2.c(x)
2,000-5,000 Linear Feet	$ 1,100.00	$ 1,100.00	App. C 1.a; 4.2.c(x)
Over 5,000 Linear Feet	Individually determined	Individually determined	App. C 1.a; 4.2.c(x)
Hydrant meter deposit for festivals	$ 500.00	$ 500.00	4.1
Installation & removal of hydrant meters for festivals (per meter)	$ 50.00	$ 50.00	4.2.c(vi)
Civil Penalty			4.2.c(iv)
Failure to submit required cross connection control report	$ 200.00	$ 200.00	Appendix A10.d)
Submission of falsified cross connection control report	$ 200.00	$ 200.00	Appendix A10.d)
First violation of backflow installation requirements	$ 250.00	$ 250.00	Appendix A.10.b)
Subsequent violation of backflow installation requirements	$ 1,000.00	$ 1,000.00	Appendix A.10.b)
Violation of Extension Policy	$100, $200, $500	$100, $200, $500	Appendix C 5
Violation of Wastewater Discharge Permit	Up to $25,000	Up to $25,000	Appendix D 35d(i)
Violation of Sewer Use Ordinance	Up to $25,000	Up to $25,000	Appendix D 35d(i)
Violation of Cross Connection Control Ordinance	Up to $1,000/day	Up to $1,000/day	Appendix A 10f(vii)
Cut Lock Fee	$ 50.00	$ 50.00	4.2.c(v);6.6c
Late Fee	$25 maximum on residential services	$25 maximum on residential services	4.2.c(vii)
Returned Check Charge			
Returned Check (per event)	$ 25.00	$ 25.00	4.2.c(ix)
Dishonored Draft (per event)	$ 25.00	$ 25.00	4.2.c(ix)
Copy and Printing Fees (each)			
Public records request	$ -	Actual cost	4.2.c(ix)
8x11 first print of standard GIS inquiry	$ 1.00	$ 2.00	4.2.c(ix)
8x14 first print of standard GIS inquiry	$ 1.00	$ 2.00	4.2.c(ix)
11x17 first print of standard GIS inquiry	$ 2.00	$ 4.00	4.2.c(ix)
24x36 first print of standard GIS inquiry	$ 7.00	$ 14.00	4.2.c(ix)
34x44 first print of standard GIS inquiry	$ 12.00	$ 19.00	4.2.c(ix)
36x48 first print of standard GIS inquiry	$ 14.00	$ 24.00	4.2.c(ix)
8x11 or 8x14 copies after first print of standard GIS inquiry	$ 0.10	$ 0.20	4.2.c(ix)
11x17 copies after first print of standard GIS inquiry	$ 0.20	$ 0.40	4.2.c(ix)
24x36 copies after first print of standard GIS inquiry	$ 1.00	$ 1.40	4.2.c(ix)
34x44 copies after first print of standard GIS inquiry	$ 1.75	$ 1.90	4.2.c(ix)
36x48 copies after first print of standard GIS inquiry	$ 2.00	$ 2.40	4.2.c(ix)
Foam Core mounting per sq. foot	$ 3.00	$ 10.00	4.2.c(ix)
Data CD	$ 30.00	$ 30.00	4.2.c(ix)
Shipping for CD	$ 5.00	$ 5.00	4.2.c(ix)

Cape Fear Public Utility Authority
Stewardship. Sustainability. Service.

SCHEDULE OF DEBT SERVICE

Cape Fear Public Utility Authority Revenue Bonds	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Series 1999 Water & Sewer Revenue Bonds	$1,525,000	$0	$0	$0	$0	$0
Series 2003B Water & Sewer Refunding Revenue Bonds	4,603,686	531,758	531,758	531,758	531,758	531,758
Series 2005 Water & Sewer Refunding Revenue Bonds	61,080,000	4,862,128	4,871,603	4,868,040	4,865,790	4,865,915
Series 2008 Water & Sewer Revenue Bonds	187,765,000	10,051,500	13,453,138	13,454,175	12,241,775	11,224,963
Total Cape Fear Public Utility Authority Revenue Bonds	254,973,686	15,445,386	18,856,499	18,853,973	17,639,323	16,622,636
Principal portion of Cape Fear Public Utility Authority Revenue Bonds		3,329,579	6,919,113	7,179,182	6,249,806	5,476,005
Interest portion of Cape Fear Public Utility Authority Revenue Bonds		12,115,806	11,937,386	11,674,792	11,389,518	11,146,631
		15,445,386	18,856,499	18,853,973	17,639,323	16,622,636

Cape Fear Public Utility Authority Installment Debt	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
ARRA Federal Revolving Loan	1,358,178	0	67,909	67,909	67,909	67,909
Principal portion of Cape Fear Public Utility Authority Installment Debt		0	67,909	67,909	67,909	67,909
		0	67,909	67,909	67,909	67,909

City of Wilmington GO Debt	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Series 2002 GO Refunding Bonds-Variable Rate	19,870,000	3,617,112	3,411,708	3,257,830	3,100,478	2,444,843
Total City of Wilmington Bonded Debt	19,870,000	3,617,112	3,411,708	3,257,830	3,100,478	2,444,843
Principal portion of City of Wilmington Bonded Debt		3,025,000	2,985,000	2,945,000	2,900,000	2,355,000
Interest portion of City of Wilmington Bonded Debt		592,112	426,708	312,830	200,478	89,843
		3,617,112	3,411,708	3,257,830	3,100,478	2,444,843

City of Wilmington Installment Debt	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Series 2006A Refunding Certificates of Participation	17,135,000	1,608,320	1,609,320	1,613,920	1,616,920	1,618,495
Principal portion of City of Wilmington Installment Debt		850,000	885,000	925,000	965,000	1,010,000
Interest portion of City of Wilmington Installment Debt		758,320	724,320	688,920	651,920	608,495
		1,608,320	1,609,320	1,613,920	1,616,920	1,618,495

New Hanover County GO Debt	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Series 2003 GO Refunding Bonds	6,565,000	1,890,644	1,158,750	0	0	0
Principal portion of New Hanover County Bonded Debt		1,805,000	1,125,000	0	0	0
Interest portion of New Hanover County Bonded Debt		85,644	33,750	0	0	0
		1,890,644	1,158,750	0	0	0

New Hanover County Installment Debt	Original Par Amount	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Series 2003 Certificates of Participation	22,250,000	2,028,344	1,992,107	1,954,475	1,915,450	1,859,700
Series 2005A Certificates of Participation	6,996,600	912,074	910,949	914,115	912,750	913,380
New Hanover County Debt Payment Reduction	0	(1,900,000)	(1,900,000)	(1,900,000)	(1,577,000)	(1,254,000)
Total New Hanover County Installment Debt	29,246,600	1,040,418	1,003,056	968,590	1,251,200	1,519,080
Principal portion of New Hanover County Installment Debt		1,804,000	1,827,400	1,856,000	1,882,000	1,910,600
Interest portion of New Hanover County Installment Debt		1,136,418	1,075,656	1,012,590	946,200	862,480
New Hanover County Debt Payment Reduction		(1,900,000)	(1,900,000)	(1,900,000)	(1,577,000)	(1,254,000)
		1,040,418	1,003,056	968,590	1,251,200	1,519,080
Total Debt Service	**327,790,286**	**23,601,879**	**26,107,242**	**24,762,222**	**23,675,831**	**22,272,964**
Less: Capitalized Interest		**(3,502,925)**	**0**	**0**	**0**	**0**
Debt Related Fees		**205,480**	**211,644**	**217,994**	**224,534**	**231,270**
Net Debt Service		**$20,304,434**	**$26,318,886**	**$24,980,216**	**$23,900,364**	**$22,504,233**