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Frequently asked questions about the FY2020-2029 Capital Improvement Plan

What is the 10-year capital improvement plan?

The 10-year capital improvement plan (CIP) outlines CFPUA's anticipated expenditures to maintain, improve, or expand the treatment plants, networks of pipes and pump stations, and other infrastructure that provide water and wastewater services to our customers.

Two characteristics about the plan are important to note. First, the years are *fiscal years*, which start July 1 and run through June 30. Second, the amounts in each year represent the total anticipated expenditures for projects expected to begin in that year, even if those projects and their associated expenditures may last multiple years.

For example, fiscal year 2020 includes \$44.3 million to add eight deep-bed granular activated carbon filters at Sweeney Water Treatment Plant to reduce PFAS in raw water drawn from the Cape Fear River. Construction on those upgrades is expected to begin in November and last until early 2022, but the total amount is in the FY 2020 CIP.

What is included in the FY 2020 CIP?

The FY 2020 CIP comprises 27 projects and amounts to \$84.9 million, CFPUA's largest ever. Of that amount, \$69.3 million or 81.6 percent will be spent on two projects: the Sweeney upgrades and CFPUA's contribution to construct an additional raw water main to provide water from the Cape Fear River, which is a joint effort with Brunswick and Pender counties and the Lower Cape Fear Water and Sewer Authority.

Other projects of note include \$4 million to extend a water main into northern New Hanover County and \$3.95 million for upgrades and other work at the Northside Wastewater Treatment Plant.

How will the projects in FY 2020 be funded?

The \$69.3 million for the Sweeney upgrades and CFPUA's portion of the raw water main will be financed through the sale of revenue bonds. Normal operating revenues will pay for the remaining \$15.6 million.

What's in the longer-range 10-year plan and how much will it cost?

The plan calls for investing a total of \$257.5 million in our community's water and wastewater system from FY 2020 through FY 2029. Excluding the amount for FY 2020, the plan calls for average fiscal year expenditures of \$19.2 million. About 69 percent of that is to repair or replace aging infrastructure.

How does CFPUA decide what to include in the plan and when those items are scheduled?

Each year, CFPUA staff identify and evaluate potential projects using a data-driven process designed to rank candidates based on factors such as risk, benefits, costs and growth-driven needs. In 2010, we implemented an enterprise-wide asset management system tracking detailed information – from the condition and maintenance history to geographic location – on more than 300,000 assets. This information helps identify potential risks such as older infrastructure that may need replacement or where growth or other factors may point toward the need for upgrades or expansion.

Other considerations include regulatory compliance, opportunities for long-term savings, and consideration of the benefits of a project versus its cost.

CFPUA staff weigh all these factors to identify those projects that go into each year's CIP.

Finally, the prioritized list of CIP projects must fit within CFPUA's overall financial goals.