ADOPTED BUDGET FOR FISCAL YEAR 2012 - 2013



Matthew W. Jordan Chief Executive Officer

Cheryl J. Spivey
Chief Financial Officer

235 Government Center Drive Wilmington, NC 28403



CAPE FEAR PUBLIC UTILITY AUTHORITY ADOPTED BUDGET

FISCAL YEAR 2012 - 2013

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Matthew W. Jordan, PE Chief Executive Officer

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June 13, 2012

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

Subject: FY12-13 Adopted Budget

Dear Members of the Authority Board,

I am pleased to present to you the FY 12-13 Annual Budget for the Cape Fear Public Utility Authority as adopted by the Authority Board on June 13, 2012. This document represents the Authority's comprehensive budget plans and policies for the upcoming fiscal year.

The FY 12-13 Recommended Budget was presented to the Authority Board on May 9, 2012 and included the Budget Message, which follows this letter. The Recommended Budget was made available for public inspection on the Authority's website and at 235 Government Center Drive. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a notice of public hearing was published in the *Star News* to encourage public input into the budget process. A public hearing was held on the Recommended Budget on May 16' 2012.

During the budget deliberations with the Authority Board very few changes were made to the Recommended Budget. The total net budget for the Operating Sub-Fund was adopted at \$71,089,069. This is a decrease of \$136,726 from the recommended total net budget of \$71,225,795. Listed below are the changes that comprised this decrease which have been incorporated in the appropriate sections of this document.

Cape Fear Public Utility Authority

Page 2

Expenditure Change: A 2% Salary Market Adjustment was recommended, funded at 1.8% or \$273,452. The Authority Board approved a 1% Salary Market Adjustment funded at .9% or \$136,726 resulting in a decrease in operating expenditures of \$136,726. The attached spreadsheet provide clarification of all of the approved salary and benefit adjustments.

<u>Revenue Change</u>: To offset the expenditure change noted above, the Transfer from the System Development Sub-Funds was decreased by \$136,726.

The total net budget for the System Development Sub-Funds was adopted at \$3,363,274. This is a decrease of \$136,726 from the recommended total net budget of \$3,500,000. The change that comprised this decrease was the revenue change noted above of a \$136,726 decrease in the Transfer to Operating Sub-Fund and the System Development Revenues .

The final changes and approval of the FY 2012-13 Adopted Budget were made on June 13, 2012. There were no further changes to the Recommended Budget.

Sincerely,

Matthew Woordan, PE Chief Executive Officer

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Attachment: Salary & Benefit Adjustments spreadsheet

Salary & Benefit Adjustments

		Salary & I (excludes fix	Salary & Benefits Budget (excludes fixed cost benefits)
Adjustment Type	Number of Employees Impacted (Total Employees 285)	\$ Change	% Change
Reclass Only	59 eligible for pay increase; 24 more eligible for title change only; avg of 6%	\$ 169,358	.8 1.1%
Market Adjustment up to 1% of employee's salary based on tenure with CFPUA	225 eligible for 1%; 8 eligible for .75%; 24 eligible for .5%; 24 eligible for .5%; 24 eligible for 0.25%	\$ 136,726	%6.0 9;
Merit Adjustment 2% of salary budget to be awarded based on employee appraisal appraisal	All non-probationary employees as of 6/30/2011 based on performance appraisals	\$ 314,352	.2 2.0%
Total		\$ 620,436	6 4.0%





May 9, 2012

Matthew W. Jordan, PE Chief Executive Officer 235 Government Center Drive Wilmington, NC 28403 (910) 332-6542 - Phone (910) 332-6413 - Fax matt.jordan@cfpua.org

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

Subject: FY 12-13

FY 12-13 Recommended Budget

Dear Members of the Authority Board:

I am pleased to present the Authority's recommended budget for Fiscal Year 2012–2013 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 wastewater services to our customers in an environmentally responsible manner.

The primary components of this budget include capital improvement project needs identified in the ten-year Capital Improvements Plan (CIP), forecasted water and wastewater demands, projected operating costs required to sustain service levels and debt obligations.

The Authority staff, with the support of the Authority Board, are committed to its mission "to provide high-quality water and sewer service in an environmentally responsible manner, while maintaining the lowest practicable cost", while focusing on our guiding principles of "Stewardship, Sustainability, and Service". The Authority is in the process of updating our Strategic Plan that will continue to provide additional guidance and focus for budget requests and the overall direction of the Authority within the budgetary constraints of this economic environment as we continue to look for efficiencies and cost reductions.

The Strategic Plan identifies and describes the Authority's broad goals over the next several years or even decades. Featuring the guiding principles of *Stewardship*, *Sustainability* and *Service*, the

Strategic Plan sets organizational priorities and establishes high-level vision for the Authority. Since other initiatives such as Asset Management, the Environmental Management System, Capital Improvement Program prioritization, the Integrated Water Resources Master Plan (IWRMP) and various other reports and studies are linked to its priorities, it is critical the Strategic Plan remain current. During FY 12, the Authority began a process of updating the Strategic Plan through a series of meetings and a workshop conducted by the Long Range Planning Committee. As discussion and review of the Plan continues, issues surrounding system growth, levels of service, fiscal priorities etc. will be considered within the context of organizational direction and the Authority's role in the community. Staff will continue to review and update the Strategic Plan to ensure it remains current with issues facing the Authority and with Board priorities. The Strategic Plan remains a relevant tool for guiding the organization.

A component of the IWRMP is a capital project ranking criteria, which establishes relative priorities for cataloging and prioritizing individual projects. Through a series of interactive workshops, the Board reviewed existing and future needs, developed a ten-year plan to allocate resources, and balanced rates with system needs that will ensure we are providing our customers with the same or better levels of service. In a March 26th workshop, the FY 13 CIP received preliminary approval from the Authority Board. The Authority Board approved the FY13 CIP on April 11th, 2012 to be included in the FY13 Budget.

As we prepare to enter our fifth year of operation, we continually review plans, projects and operating procedures to identify potential opportunities for improvement and ways to be more efficient and cost effective in the delivery of water and wastewater services as we maintain the Authority's assets in a sustainable manner. In April 2011, through a Request for Proposals (RFP) process, we entered into a contract with a consultant to perform an Efficiency and Competitiveness Study. The final report was presented in August 2011. The evaluation revealed that the Authority is operating at a high level of efficiency with a small efficiency gap of 4.8%. The consultant, Woolpert, concluded that, while there is marginal opportunity for further efficiency gains, the Authority was approaching "best of class" status and the organization achieved the 5th highest score of all the 80 plus organizations that Woolpert had assessed.

Each year since inception, Authority staff has identified and implemented reductions and / or maintained our departmental operating budget. This has been accomplished with the addition of new facilities, increased maintenance, and improved water quality in many of our service areas. Maintaining a balance between systems needs and fiscal sustainability is a daily challenge that the Authority faces. Some of the existing infrastructure, particularly in the older sections of the city, is in use outside of its expected useful life. Therefore, funds must be expended in order to maintain this infrastructure and to sustain acceptable levels of service in these areas. At times, infrastructure must be replaced or completely rehabilitated in order to protect the environment and public health. Maintaining this balance is a part of the Authority's enterprise-wide Asset Management program that has continued to progress during this report period. In fiscal year 2010, the Authority purchased a computerized maintenance management system (CMMS). This program is allowing for

improved tracking, planning and scheduling in these areas and will continue to be systematically expanded through the organization. We are simultaneously creating a Geographic Information System (GIS) based on real time data that will be used for a variety of general asset collection projects and will enhance our ability to link Customer Service, Operations, Engineering, Environment and Safety Management and other joint services collectively and seamlessly.

Our Sweeney Water Treatment facility expansion construction project is expected to be complete by September 2012.

An Environmental Management System (EMS) has been developed and is being implemented within the Authority. The Authority's EMS will ultimately include all areas of the organization. The Utility Services Collection System section is the first group to be incorporated into EMS. This group consists of preventative maintenance, video assessment, pump station maintenance and operations and outfall maintenance. This group achieved ISO 14001 third party certification in June, 2011. Since that time, staff has maintained the existing scope and is working on expanding the EMS into the Environmental and Safety Departments as well as the Engineering Department. In the most recent ISO audit the auditor stated in his executive summary: "The EMS is effectively managed and maintained at this time. No non-conformance's were noted. The following strengths were noted: 1) Record keeping is outstanding; 2) There are actually two comprehensive Management Reviews; 3) Compliance audits are conducted twice a year; 4) Comprehensive "Collection System Master Contractor List" in use; 5) Monthly CPAR meeting; 6) For Root Cause, the 5 why's are recorded on the CPAR form; 7) Excellent Environmental culture with all employees at all levels. The EMS is very well managed and maintained."

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 continue to work to meet our core missions and to focus on continual improvement in each area of the Authority.

OPERATING BUDGET

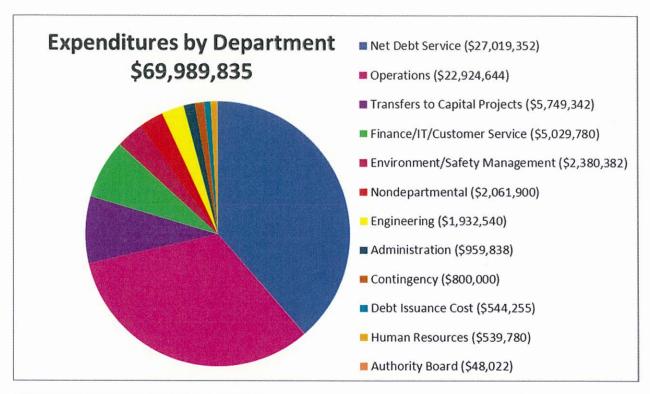
The total recommended FY 2013 budget is approximately \$71.2 million. The net budget, which excludes capitalized interest and excess debt proceeds transferred from capital projects, is \$69.99 million. The operating budget, excluding debt services is \$36.7 million as compared to \$37 million in FY 2012. These expenditures decreased despite salary and benefit increases of \$500,000 and other operating increases that are offset by reductions in other areas as listed below. The FY 2013 salary adjustments are the first to be budgeted since the Authority began operations in FY 2009.

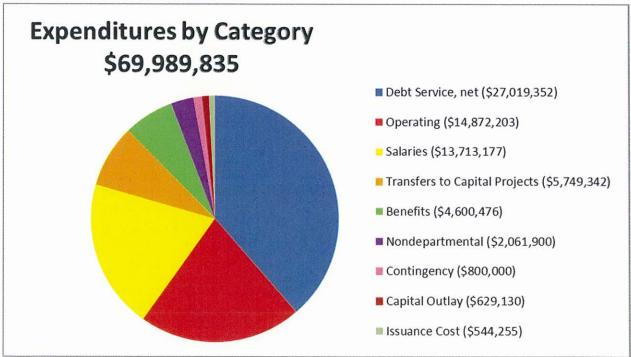
FY13 Operating Budget is Less than FY 12 Adopted Budget & includes the following additions of \$955,000:

- Salaries and Benefits (+\$500,000)
 - Reclassify positions identified by consultant as below market, incorporate salary adjustments up to 2% for all employees based on tenure with CFPUA, Budget 2% merit increase to be awarded based on employee appraisal (+\$760,000)
 - Salaries (-\$260,000) due to salaries of new employees/promotions being lower than previous person in position
- Requested positions
 - Internal Auditor reporting to Board ensure compliance with financial laws, regulations, standards, policies/procedures and efficient operations (\$+79,000)
 - Part-time Contract/Procurement Specialist cost offset by savings related to less consultant bidding (\$+19,000)
- Customer Service Interactive Voice Response System (+\$95,000 less 1 FTE -\$40,000 = \$55,000 in first year)
 - 2 ½ year pay back
- Property and Liability Insurance (+\$90,000)
- Project to scan hard copy files in Customer Service (+\$65,000) & Finance (+\$14,000)
- Operations efficiency study implementation (+\$50,000)
- Increase in fuel (+\$45,000)
- IT Budget absorbing license fee increases; primarily related to Maximo (+\$28,000)
- Ipads/tablets for Community Compliance (+\$8,400)
- Other Professional Services includes \$100,000 for Billing System/Financial Software needs assessment, reduced in other areas (net +\$2,000)

FY13 Operating Budget is Less than FY 12 Adopted Budget after the following reductions of \$1,264,000:

- Supplies and Materials (-\$319,000)
- Electricity (-\$193,000)
- Capital Outlay (-\$160,000)
- Repairs and Maintenance (-\$150,000)
- Maintenance and Service Contracts (-\$131,000)
- Lease Rental Payments related to expiration of IT equipment lease (-\$125,000)
- Postage & Bill Print Services (-\$111,000)
- Other (approximately -\$75,000)



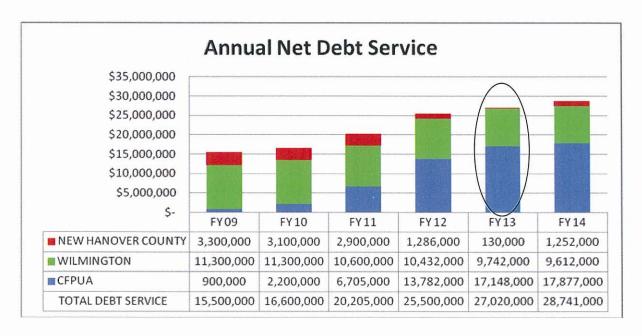


The Authority issued revenue bonds in 2008 and 2011. In addition, pursuant to the inter-local agreement transferring the City of Wilmington and New Hanover County water and sewer system to the Authority, the Authority is responsible for all of the related debt. Under the inter-local agreement, the County agreed to a reduction in the amount of the debt service payments made by the Authority for a period of 10 years beginning in FY 2009. In addition, for fiscal years 2011-2013,

portions of total New Hanover County debt payments are reduced by excess proceeds remaining after projects funded with 2003 Certificates of Participation (COPS) were complete. Beginning in FY 2014 the total debt service on 2003 New Hanover County COPS will be repaid with revenues generated that year.

Net debt service on bonds and other financings for the Authority will increase this year by approximately \$1.5 million primarily related to the \$44.1 million in revenue bonds issued in October 2011. FY 2013 net debt service is \$27 million compared to \$25.5 million in FY 2012. Total debt service on outstanding bonds of \$28.3 million is reduced by \$839,000 for interest that will be paid from remaining 2003 New Hanover County COPS proceeds and \$400,000 capitalized interest on revenue bonds expected to be issued during the year. The \$839,000 will be transferred from the Wastewater Capital Projects Sub-Fund. The FY 2013 bond sale is estimated at \$20 million. Estimated debt service on those bonds in FY 2013 is \$400,000, which is one semi-annual interest payment. Full year debt service of approximately \$2 million will begin in FY 2014

The following chart presents actual net debt service for fiscal years 2009-2011, and estimated debt service for fiscal years 2012 and 2013. Debt service is broken out by the original issuer.



The FY 2013 budget includes \$800,000 contingency. In previous years, contingency has been budgeted, but not used. As the budget has been reduced each year, the Authority is more likely to tap into contingency budget for unexpected needs and emergencies.

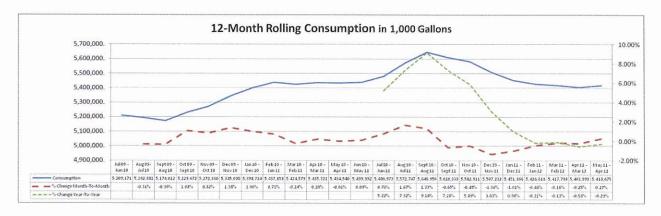
The budget will continue to be monitored closely and aligned with any significant changes in the Authority's revenue projections. In addition staff will continue to look for opportunities to improve the efficiency of our operations.

REVENUES

Total revenues (excluding bond proceeds and excess debt proceeds transferred from capital projects) for the Authority are projected at \$69.6 million in FY 2013 as compared to \$68.4 million in FY 2012, which is a 2% increase. The FY 2013 water and sewer rates are modeled using calendar 2011 customer billing data. Rates were increased effective May 1, 2012. The effect on an average residential customer using 10,000 of water bi-monthly is 4.7% or \$31.92 per year. Most of the increase relates to sewer. The rate increase was primarily required to fund the increased debt service expenditures, to meet the required 1.20 debt coverage ratio to issue additional bonds in FY 2013 to finance the Authority's ongoing capital improvement program, and to cover lower customer and consumption growth than estimated for FY 2012 budget.

Budgeted FY 2013 water revenues of \$30.6 million are projected to be \$600,000 lower than the FY 2012 budget, as the FY 2012 water revenue budget assumed more growth than is currently expected to be realized. Sewer revenues are projected at \$32.6 million or approximately \$1.3 million higher than the FY 2012 budget.

The FY 2013 rates assume no additional customer growth. As shown on the 12-month rolling average chart below, there has been no year over year growth in recent months. Due to an increase in FY 2012 System Development Charges (SDCs), which are paid at time of building permit, the Authority is not projecting declines in FY 2013.



System Development Charges (SDCs) are projected to be much higher than originally budgeted for FY 2012 due to an increase in construction activity. FY 2013 projections of \$3.5 million assume that SDCs will increase approximately \$1.1 million based on amounts expected to be realized in FY 2012.

Weather patterns and the general economy have significant impacts on water and sewer revenues. With close to 4 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.

Interest earnings continue 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.

Di mommi, rates emercine m	.uy m, mount.		
		% change	\$ change
Water Fixed Charge	\$25.81	3%	.82
Water Volume per 1,000 gals	5.		
Block 1	\$ 2.64	0%	.00
Block 2	\$ 3.96	0%	.00
Block 3	\$ 5.28	0%	.00
Irrigation	\$ 3.36	27%	.72
Sewer Fixed Charge	\$26.68	0%	.00
Sewer Volume per 1,000 gals		13%	.45
Annual Residential Bill – 10,	000 gallons bi-mon	<u>thly</u>	
Water:			
5/8 Fixed Meter Charge	\$25.81	3%	.82
10K gallons @ Block 1	\$26.40	0%	.00
<u>Sewer:</u>			
5/8 Fixed Meter Charge	\$26.68	0%	.00
Volume - 10K gallons	\$40.40	13%	4.50
Bi-Monthly Bill:	\$119.29	4.7%	5.32

CAPITAL IMPROVEMENT PROGRAM (CIP)

The proposed FY-2013 CIP Budget is approximately 28% lower than what was planned and incorporated into previous rate and bond feasibility studies. This amounts to \$23 million proposed versus the \$32 million projected during the FY-2012 budget cycle.

Numerical prioritization scoring and asset management risk scoring conducted in 2011 were used to evaluate projects further vetted by multiple CFPUA Board workshops. The following highlights the FY-2013 and Ten Year CIP:

<u>WATER</u>

- FY 2013;
 - o Continue the design and construction of multiple waterlines necessary to combine the Sweeney surface water and Nano ground water systems into one.

- o Continue design and construction of waterlines necessary to eliminate pressure and quality issues in the southern service area.
- o Initiate Comprehensive Meter Replacement Program.

Ten Year CIP

- Secure long-term raw water supply.
- Combine multiple distribution systems into one system reducing costs, enhancing quality, and providing redundancy for emergencies.
- Plan, design and construct infrastructure necessary to balance supply with demands and meet the needs of our customers.

WASTEWATER

• FY 2013:

- o Initiate design of project to decommission Walnut Hills Wastewater Treatment Plant, a facility past its lifecycle.
- o Eliminate Pump Station 11 downtown.
- Construct five Collection System Rehabilitation / Replacement projects slated for low interest loans from Clean Water State Revolving Funds (CWSRF).
- o Take incremental steps to repair or replace equipment infrastructure identified through asset management.
- Perform minor rehabilitation at Southside Wastewater Treatment Plant to defer the major upgrade until FY 2015.

• Ten Year CIP:

- Rehabilitate and replace linear assets and pump stations.
- o Decommission Walnut Hills Wastewater Treatment Plant.
- o Complete Upgrade of Southside Wastewater Treatment Plant.

The proposed FY-2013 CIP Budget and the proposed Ten Year Capital Improvements Plan are built around these initiatives. The proposed ten-year plan is re-evaluated each year and provides opportunities to revisit the priorities and progress of these initiatives.

IN CLOSING

This Budget represents the combined efforts and guidance of the Authority Board, its Committees and Staff who are focused on greater operational efficiencies, sustainable asset management and capital improvement priorities. We have been and continue to be committed to being good

stewards of these allocated resources and will strive to employ these funds to service the customers and community 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 STRATEGIC PLAN

MISSION STATEMENT

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

STRATEGIC VISION

Cape Fear Public Utility Authority is committed to excellence. The Authority effectively and efficiently manages operations, infrastructure, and investments to protect, restore, and enhance the natural environment; responsibly uses water and other natural resources; promotes economic vitality; supports public safety and health; and engenders overall community improvement and involvement on significant issues. The Authority continuously improves and not only meets but also strives 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 in the following way:

Stewardship

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

Sustainability

- Of the region through dependable water and wastewater utilities that support public health and economic prosperity
- Of the Authority's ability to meet the community's current and future water and wastewater needs and expectations

Service

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

GOALS & STRATEGIES

The Authority will hold paramount our responsibility to protect the environment, ensure public health and safety, and respond effectively to the needs of our customers.

Strategy 1.A – Optimize the protection and use of water and other natural resources, and recycle where cost effective. Utilize the Environmental Management System to ensure and monitor regulatory compliance. Maintain and enhance the natural environment.

Strategy 1.B – Provide a safe work environment for our staff, contractors, and customers.

Strategy 1.C- Understand, anticipate, and respond to our customers and our community's needs in a professional, prompt, and efficient manner.

Strategy 1.D-Identify partnerships, develop alliances, and encourage public participation with both public and private community stakeholders.

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 a responsible balance among the fee schedule, long-term debt, asset values, Capital Improvement Program needs, operating expenses, and revenues.

Strategy 2.B— Operate as a fiscally sound entity that identifies and implements cost-efficiencies, as well as exceeds benchmarks, targets, and measures comparable to similar utilities and consistent with industry standards.

Strategy 2.C – Build, operate, and maintain high quality and cost-effective collection, treatment, and distribution systems and maximize the life expectancy of physical assets.

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 systems and water distribution systems to areas with poor quality well water in an equitable manner to maximize public health and economic development.

Strategy 3.B – Establish a creative and forward thinking organizational culture that rewards integrity and innovation, and brings about efficiencies.

Strategy 3.C – Acquire and implement technologies and tools that allow for improved interdepartmental communication, enterprise-wide sharing of information, and operational efficiencies.

Strategy 3.D – Recruit and retain a well-qualified and motivated workforce. Provide opportunities for individual growth, and with that, organizational improvement.



James L. Quinn III Chairman



Patricia O. Kusek Vice Chair



Gene F. Renzaglia Secretary



Michael C. Brown III Treasurer

Cape Fear Public Utility Authority Board Members



Neil Anderson Councilman



James Brumit Member



Rick Catlin Commissioner



Charlie Rivenbark Councilman



C. Lawrence Sneeden, Jr. Member



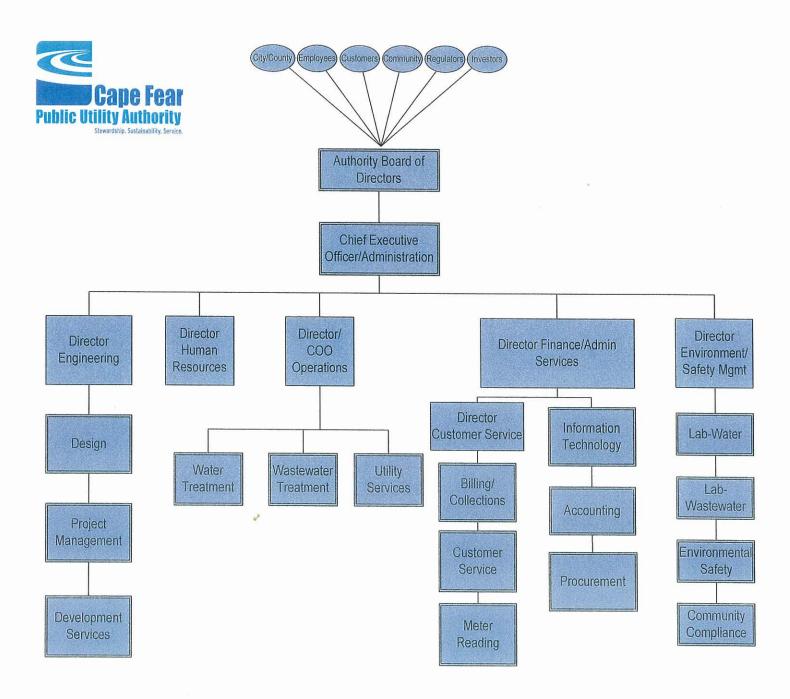
Jason Thompson Commissioner



Cindee Wolf Member

Other Principal Officials

Matthew W. Jordan, PE Chief Executive Officer James R. Flechtner, PE Chief Operations Officer Cheryl J. Spivey, CPA Chief Financial Officer





CAPE FEAR PUBLIC UTILITY AUTHORITY FINANCIAL POLICIES

The Authority's mission is to provide high quality water and wastewater services to customers of New Hanover County. The Authority is empowered to set rates, fees and charges without oversight, supervision, or direction from any other state or local entity or agency, therefore the Authority's operations, capital improvement program and debt payments are funded almost entirely through rates, fees and other charges for these water and wastewater services. The financial policies and statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing accounting and financial reporting principles. The more significant of the Authority's financial policies are described below.

Authority Credit Rating

The Authority maintained a credit rating of AA from Standard & Poor's and AA2 from Moody's.

Debt Service Coverage Ratio

The Debt Service Coverage Ratio for All Indebtedness increased from 1.44 in fiscal year 2010 to 1.65 in fiscal year 2011, remaining above the 1.0 ratio required by bond covenants. Debt Service Coverage Ratio for Parity Indebtedness was 2.8 in fiscal year 2011 compared to 3.2 in fiscal year 2010, remaining above the 1.2 ratio required by bond covenants.

Adopted Budget

The adopted budget and Budget Ordinance for the Authority shall be the basis for the financial plan for the fiscal year. The budget will be prepared and presented in conformity with the North Carolina Local Government Budget and Fiscal Control Act under NC General Statute 159-8. The Authority will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balances are equal to the authorized expenditures. Refer to the Budget Process for detailed information on the adopted budget.

Revenues

- The Authority shall set rates and charges in accordance with North Carolina General Statute 162A-9 and will annually set rates and charges at levels sufficient to; pay cost of maintaining, repairing and operating the system; pay principal and interest on all bond issues of the Authority; and, meet the rate covenant requirements with the Authority's Master Bond Indenture.
- The CFO shall develop a five-year revenue forecast for water and wastewater operations and shall be based on conservative estimates of growth in customers and usage.

Investments

• The Authority is empowered to invest in types of securities in accordance with North Carolina General Statute 159-30 (c).

- The CFO shall prepare a quarterly investment report for the Authority's Finance Committee to include the composition by investment type, amount invested and weighted average portfolio maturity and yield.
- The State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling method. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The Authority relies on the State Treasurer to monitor those financial institutions. The Authority analyzes the financial soundness of any other financial institution used by the Authority. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly collateralized.
- The Authority shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the Authority's name. The custodial agent shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the CFO.
- The investment portfolio shall be properly diversified in order to minimize risks brought on by economic and market changes. To achieve this diversification:
 - No more than 25% of the Authority's total investment portfolio shall be invested in a single security type.
 - The Authority will not invest in securities maturing more than five years from date of purchase and the weighted average maturity of the portfolio shall never exceed one year.

Procurement

• The Authority can engage in contracts for construction, repair work, purchase of apparatus, materials, equipment or professional services in accordance with North Carolina General Statute 143-129 and the Authority's Purchasing Policy.

Capital Assets and Capitalized Interest

- Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of one year.
- The Authority capitalizes interest on tax exempt debt issued to finance major construction activities under the Capital Improvements Program.

Capital Improvements Program

- The Authority will prepare and adopt a ten-year capital improvements program which will be updated annually.
- The purpose of the capital improvements program is to ensure that the Authority invests in its infrastructure in a logical and strategic manner and to serve as a central source of information on all planned construction for residents, agencies and other interest groups.

Debt Management

- The Authority issues debt under the guidance of the Local Government Commission, a division of the State of North Carolina. Debt is issued in accordance with North Carolina General Statutes 162A.
- The Authority shall integrate its debt issuance with its capital improvements program spending.
- The Authority will comply with all covenants and requirements of its Master Bond Indenture.
 - Maintain a reserve amount sufficient to pay the current expenses for two months of the fiscal year as shown in the annual budget.
 - Rate covenants: 1) Maintain debt service coverage ratio of 1.2 on the Authority's parity indebtedness, 2) Maintain debt service coverage ratio of 1.0 on the Authority's total indebtedness.
 - ❖ In order to issue additional bonds, the Authority must maintain debt service coverage ratio of 1.2 on the Authority's total indebtedness for 12 consecutive months of 18 months preceding the issuance of new bonded debt.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and
destruction of assets; errors and omissions; injuries to employees; and natural disasters. The
Authority has chosen to establish a risk financing fund for risks associated with the employee's
health insurance program and workers' compensation coverage. The Authority carries
commercial coverage for all other risks of loss including property and general liability coverage.

Corporate Governance

- The Authority expects management to adhere to the following guiding principles:
 - Transparency of financial conditions and operations;
 - Transparency of transactions with interested parties with no improper benefits at the expense of the organization; and
 - Access to sound counsel unaffected by conflict of interest.
- The external auditors must report to the Finance Committee:
 - All critical accounting policies and practices used by the Authority that have been discussed with management;
 - ❖ All alternative treatments of financial information, ramifications of such use and the treatment preferred by the certified public accounting firm;
 - Other material written communication between the certified public accounting firm and management, such as the management letter or schedule of unadjusted differences.



CAPE FEAR PUBLIC UTILITY AUTHORITY BUDGETARY FUND STRUCTURE

The Authority uses fund accounting to account for its financial resources and report the results of its operations. In fund accounting, accounts are organized on the basis of funds, each of which is considered an independent fiscal entity with a separate set of self-balancing accounts comprised of assets, liabilities, fund balance, revenues and expenditures. The establishment of discrete funds is beneficial in ensuring that public monies are only spent for approved and legitimate purposes.

The Authority accounts for its operations as a Proprietary Fund. The Proprietary Fund type is an Enterprise Fund which accounts for operations which are managed in a manner similar to private business, where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

ENTERPRISE FUND				
Operating Sub-Fund	Department/Divisions			
	Authority Board/Administration			
	Finance			
	Information Technology			
	Human Resources			
	Engineering			
	Operations - Administration			
	Operations - Water Treatment			
	Operations - Wastewater Treatment			
	Operations - Utility Services			
	Environment/Safety Management			
	Customer Service			
System Development Sub-Funds	Funds			
	Water			
	Wastewater			
Capital Projects Sub-Funds	Funds			
	Water			
	Wastewater			

The annual budget is prepared using the modified accrual basis of accounting as required by NC General Statute 159-26 (c). The annual budget is adopted as required by NC General Statute 159-8 for the Enterprise Fund (except for Capital Project Funds). Capital Projects Funds are established by the adoption of a project ordinance, which establishes the budget for the life of the capital project.

The Budget Ordinance reflects inflows and outflows of economic resources that ultimately represent activities related to the Operating Sub-Fund for the respective Department/Divisions of the Authority. Other sub-funds are presented because of the close relationship of these funds to the Operating Sub-Fund and are included in the Budget Ordinance and adopted as such. The System Development Sub-Funds account for the collection of the water and wastewater system development charges which is the upfront charge new customers will pay for service.

The Capital Projects Sub-Funds account for the water and wastewater capital projects that are approved under the Capital Improvement Plan. Annual appropriated budgets are adopted at the Function level within the Operating Sub-Fund and at the Fund level for the System Development Sub-Funds. Project

ordinances are adopted for Capital Projects Sub-Funds. All sub-funds are treated as a part of the Enterprise Fund in the Authority's audited financial statements and the Enterprise Fund uses the accrual basis of accounting for financial reporting. The primary differences between application of the accrual basis of accounting for reporting and the modified accrual basis of accounting for budgeting are illustrated below.

Transaction Type	Financial Reporting (Accrual)	Budgetary (Modified Accrual)
Depreciation expense	Included as an expense	Excluded as an expense
Principal portion of debt service	Excluded as an expense	Included as an expense
Compensated absences	Included as an expense	Excluded as an expense
Capital Outlay	Excluded as an expense	Included as an expense

BUDGET PROCESS

This section outlines the process and procedures that guide the preparation and management of the Authority's annual budget. The Authority follows guidelines established in the Board approved Standard Operating Procedures on Finance and Accounting Policies, Section 5.0, Budget Policy (SOP-FIN1000.442).

Preparation of the annual budget begins approximately eight months prior to the start of each fiscal year with the development of the budget calendar. The budget calendar provides the projected dates and items that must be completed to meet the mandatory budget adoption as required by NC General Statute 159-8. The calendar is updated and revised as the budget process moves forward and is a primary communication tool of the budget process. The Finance Department holds a Budget Kick-off Meeting in order to communicate with departments the instructions for each annual budget process, to help ensure the budget is prepared in a manner consistent with Authority policies and review restrictions that may be new to each budget year. The departments are provided with budget instructions, forms and training material vital to the current budget year.

A budget calendar is included in the NC General Statute 159-8 which prescribes the last day on which certain steps of the budget procedures are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed. The Authority's budget calendar is also presented.

- April 30 Each department head shall transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
- June 1 The budget together with the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 The governing board shall adopt a budget ordinance.

Other highlights of the Authority's Finance and Accounting Policies Budget Policy include:

- The Authority operates under an annual budget with a fiscal year period of July 1 through June 30.
- The Authority will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balances are equal to the authorized expenditures.
- The budget shall include only estimated revenues reasonably expected to be realized in the budget year.

- Legally available fund balance (Appropriated Fund Balance) can be used in balancing the annual budget when sufficient funds are available.
- Except as restricted by law, the Authority Board may amend the budget ordinance, according to the Budget Amendment and Transfer Policy of the Authority, at any time after the ordinance's adoption, so long as the ordinance continues to satisfy the requirements of North Carolina General Statutes 159-8 and 159-13.

The following procedures are used to amend the budget as provided in the approved Budget Amendment and Transfer Policy (SOP-FIN1100.442):

- May transfer funds between expenditure line items within the same department. Requires Department Head, or designee, approval.
- May make transfers between departments that do not alter the budget at the level shown in the budget ordinance. Requires CEO, or CEO's designee, approval.
- The Authority Board must approve all budget amendments that alter the budget at the level shown in the budget ordinance.



CAPE FEAR PUBLIC UTILITY AUTHORITY BUDGET CALENDAR FY 2012-2013

Date/Time	Event	Group
11/1/2011	Distribute new project request forms to departments	Engineering
11/28/2011	New project request forms submitted to Engineering	Engineering
1/16/2012	Draft FY 13 CIP Budget complete	Engineering
2/6/2012	Budget Kickoff Meeting	CFPUA Staff
2/10/2012	Budget Training Sessions as Needed	CFPUA Staff
2/10/2012	Budget Forms Available to Departments	CFPUA Staff
2/17/2012	Position Requests/Reclassifications due to HR	Human Resources
2/23/2012	CIP Review	Authority Board
2/28/2012	Performance Evaluations Due to HR	Human Resources
3/7/2012	First Rate Review	Finance Committee
3/9/2012	Departmental Budgets Submitted to Finance by 5:00 pm	CFPUA Staff
3/9/2012	Fee Schedule Review Submitted to Finance by 5:00 pm	CFPUA Staff
3/14/2012	Rate Review - Public Hearing CIP Recommended for Approval - Continued to March 26	Authority Board Authority Board
3/26/2011	CIP Work Session	Authority Board
3/26-28/2012	Departmental Budget Reviews	CFPUA Staff
4/4/2012	Second Rate Review	Finance Committee
4/11/2012	Preliminary Budget Review & Adopt Rates CIP Recommended for Approval - Board	Authority Board Authority Board
4/30/2012	Recommended Budget Completed	CFPUA Staff
5/2/2012	Budget Review	Finance Committee
5/9/2012	Budget Submitted	Authority Board
5/16/2012	Budget Workshop/Public Hearing	Authority Board/Public Hearing
6/13/2012	Budget Adoption	Authority Board



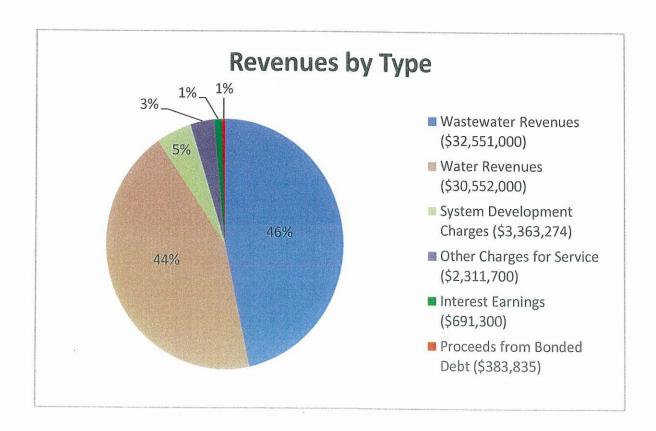
CAPE FEAR PUBLIC UTILITY AUTHORITY REVENUE SUMMARY

In providing essential water and wastewater services to New Hanover County, the Authority incurs substantial operating and capital costs. The Authority is empowered to set rates, fees and charges without oversight, supervision, or direction from any other state or local entity or agency. Therefore the Authority's operations, capital improvement program and debt payments are funded almost entirely through rates, fees and other charges for these water and wastewater services, with occasional grants from the state or federal governments.

Water and Wastewater Fees

The majority of the Authority's revenues are generated by the sale of drinking water and the collection and treatment of wastewater, and related services. The existing water rates consist of 1) fixed meter charges that designate the minimum amount a customer will pay regardless of the actual amount of commodity utilized and 2) consumption charges per 1,000 gallons based upon the amount of metered water flow. The fixed meter charges are incremented such that customers with larger water meter sizes will pay a higher fixed charge. The consumption charges for the residential customer class utilize a block rate structure such that the rate per 1,000 gallons increases at certain levels of flow. The purpose of this rate structure is to provide a pricing signal to promote water conservation efforts. For the other non-residential customer classes, the consumption charges utilize a uniform structure such that the rate per 1,000 gallons remains constant for all levels of flow. Similar to the water rates, the wastewater rates consist of 1) a fixed meter charge based on the size of the water meter and 2) a consumption charge per 1,000 gallons based upon the amount of metered water flow. The bi-monthly water and wastewater rates adopted for the FY 2013 are provided on the Rates and Fees Schedule on page 21.

As depicted in the following graph, in FY 2013, 44% of total budgeted revenue is anticipated from water services while wastewater services are expected to generate 46%.



System Development Charges

System Development Charges are calculated to cover the cost of capacity in the Authority's existing water and wastewater treatment plants and transmission facilities <u>and</u> the estimated cost of capacity in future water and wastewater treatment plants and transmission facilities that are included in the Authority's 10-year Capital Improvement Plan. The calculation assumes many of these treatment plants and transmission facilities will be funded with debt that will be repaid with revenues generated from customer water and wastewater charges for 25 years. The System Development Charge is the upfront charge a new customer will pay. The system development charges are applied based on the size of the water meter for the new connection and are incremented for larger connection sizes. For purposes of the calculation, the full cost of capacity is reduced by the present value of the principal portion of the debt service payments. Only projects (or portions thereof) that provide capacity are included in the System Development Charge calculation. Costs of repair and rehabilitation projects (or portions thereof) are not included in the calculation. As depicted in the graph above, in FY 2013, 5% of total budgeted revenue is anticipated from System Development Charges.

Other Charges for Service

Other charges for service account for 1% of total budgeted revenues. Other charges include penalties and late fees, application and premise visit fees, meter fees and tap fees.

Interest Earnings

Authority funds are invested to maximize the return between the time funds are collected and used. However, interest earnings continue to decline, budgeted at \$691,300 in FY 2013 which is a decrease of approximately \$131,000, or 16% from FY 2012. Staff continues to monitor interest rates and look for additional opportunities to increase yield on the Authority's investments, while maintaining safety and liquidity.

Proceeds from Bonded Debt

The proceeds from bonded debt represent funds received in conjunction with the issuance of revenue bonds. The Authority expects to issue revenue bonds in FY 2013 to cover the costs of various capital improvement projects, pay interest on a portion of the bonds, and pay other costs incurred in connection with the issuance and sale of the bonds.

Appropriated Fund Balance

In accordance with the Local Government Fiscal Control Act, the Authority may use some unexpended funds from previous years to balance the budget. This is similar to an individual using their savings account. Appropriated fund balance was not budgeted in FY 2013.

Financial Feasibility Report

Since July 1, 2008 with the merger of the City of Wilmington and New Hanover County's utility systems to create the Authority, and with the economic changes in the region, the Authority has focused a significant amount of attention and effort on strategic planning measures in all areas of the Authority operations to ensure that it remains prepared for the future. As part of the strategic planning measures, in FY 2011, the Authority commissioned a water and wastewater rate study designed to analyze the revenue sources and expenditures of the Authority and provide recommendations for rates and rate structures to meet the financial and administrative objectives of the Authority. The rate study results were finalized in March of 2011 and the recommended rates and rate structure for fiscal year ended June 30, 2012 were adopted by the Authority

Board. During FY12, estimated customer growth upon which those rates were developed was not actually realized.

During the FY 2013 budget process, Authority staff updated the rate model and recommended changes in the water and wastewater rates. The FY 2013 rates assume no additional customer growth, as there has been no year over year growth in recent months. Due to an increase in FY 2012 System Development Charges, which are paid at time of building permit, the Authority is not projecting declines in FY 2013.

These rate changes were adopted on April 11, 2012 effective May 1, 2012 and are provided on the Rates and Fees Schedule on page 21.

In conjunction with the issuance of the 2011 Revenue Bonds in October, 2011 a Financial Feasibility Report was prepared by Utility Advisors' Network, Inc. (UAN). Based on the financial projections developed, UAN stated that it anticipated the Authority will generate sufficient revenues to meet revenue bond requirements.

During the FY 2013 budget process, Authority staff projected 5-year operating results based on calendar 2011 customer billing data and estimated expenditures. The chart below shows the projections, including projected debt service coverage ratios and additional revenue needed from rates for the fiscal years ending June 30, 2013-17. These projections assume full funding of FY 2013-16 CIP projects with a combination of transfers from operating sub-fund (Pay Go) and debt funding, no customer growth for FY 2013-15 and 1% growth for FY2016-17, 3% labor inflation, and 2% other inflation. Certain of these assumptions may not materialize and unforeseen events and circumstances may occur. Therefore, there will usually be differences between the forecasted operating results and the actual operating results and these differences may be material. The Authority continues to review CIP projects, especially possible phasing of the Southside WWTP rehabilitation and upgrade project. Also, the Authority could chose to level any necessary rate increases to avoid significant variation between years.

	2013	2014	2015	2016	2017
	Adopted	Projected	Projected	Projected	Projected
Projected Operating Results	Budget	Budget	Budget	Budget	Budget
Water & Sewer Revenues Before Rate Increases/Adjustments	63,103,000	63,103,000	65,627,120	66,939,662	69,617,248
Other Revenues	6,366,274	6,503,000	6,503,000	6,503,000	6,503,000
Total Revenues Before Rate Increases/Adjustments	69,469,274	69,606,000	72,130,120	73,442,662	76,120,248
Additional Revenues From Customer Growth			1	669,397	696,172
Additional Revenues Due to Rate Increases/Adjustments	***	2,524,120	1,312,542	2,677,586	6,613,639
Total Revenues	69,469,274	72,130,120	73,442,662	76,789,645	83,430,059
Expenditures, before debt service	36,810,160	37,876,491	38,830,756	39,810,486	40,816,377
Revenues over Expenditures before Debt Service	32,659,114	34,253,629	34,611,906	36,979,159	42,613,682
Debt Service on Outstanding Debt & Estimated Debt Service on FY13 CIP	26,749,352	28,740,365	27,620,130	24,128,950	27,926,328
Estimated Debt Service on FY14 CIP	!		1,650,344	1,650,344	1,650,344
Estimated Debt Service on FY15 CIP		T. C.		5,357,293	5,357,293
Estimated Debt Service on FY16 CIP		: :		•	1,110,034
Total Estimated Debt Service	26,749,352	28,740,365	29,270,474	31,136,587	36,043,999
Revenue over Expenditures	5,909,762	5,513,264	5,341,432	5,842,572	6,569,683
Revenues	69,469,274	72,130,120	73,442,662	76,789,645	83,430,059
Expenditures Subject to Debt Coverage	36,181,030	37,234,778		39,142,848	40,135,385
Revenue over Expenditures Subject to Debt Coverage	33,288,244				43,294,674
Debt Coverage Ratio	1.24				
% Additional Revenue Needed from Rates		4.00%	2.00%		-

CAPE FEAR PUBLIC UTILITY AUTHORITY RATES AND FEES SCHEDULE FY 2013

WATER RAT		Rates and Fees		Rates and Fees	Ordinance
	FS	Effective 5/1/2012	Ef	fective 7/1/2012	Reference
A DESCRIPTION OF THE PARTY OF T	Water rates include both a fixed meter charge 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"	\$ 25.81	\$	25.81	4.2
	1" (single-family residential with fire sprinkler system)	\$ 25.81	\$	25.81	4.2
	1"	\$ 64.53		64.53	4.2
	1 1/2"	\$ 129.05		129.05	4.2
	2"	\$ 206.48		206.48	
	3"	\$ 387.15			4.2
	4"			387.15	4.2
	6"			645.25	4.2
	8"	\$ 1,290.50		1,290.50	4.2
	10"	\$ 2,064.80		2,064.80	4.2
	12"	\$ 3,226.25		3,226.25	4.2
	12	\$ 3,871.50	\$	3,871.50	4.2
* Fixed Met	er Charge is not applied to Irrigation Meters if a separate Water Meter exists.				
Consumptic	n Charges (per 1,000 gallons)				
	Residential				
	Level 1: 12,000 gallons or less	\$ 2.64	\$	2.64	4.2
	Level 2: 12,000 to 24,000 gallons	\$ 3.96		3.96	4.2
	Level 3: More than 24,000 gallons	\$ 5.28		5.28	4.2
	Mail 168 BOXT NAIL				
	Non-Residential	\$ 3.96	\$	3.96	4.2
	Irrigation Meters	\$ 3.36		3.36	4.2
	or Bulk rates will be individually determined in accordance with applicable interlocal	Individually		Individually	
agreement		Determined		Determined	4.2.
Availability (Charge for unconnected water service	\$ 25.81	\$	25.81	4.2
CELVICO DATI					
SEWER RATI	charge by Size	FEMORES NAME			
ixed ivieter	5/8"	Bi-Monthly		Bi-Monthly	
		\$ 26.68	\$	26.68	4.2
	1" (single-family residential with fire sprinkler system)	\$ 26.68	\$	26.68	4.2
	1"	\$ 66.70	\$	66.70	4.2
	1 1/2"	\$ 133.40	\$	133.40	4.2
	2"	\$ 213.44	\$	213.44	4.3
	3"			400.20	
		\$ 400.20	\$		4
	4"	\$ 400.20			
	4" 6"	\$ 667.00	\$	667.00	4.2
	6"	\$ 667.00 \$ 1,334.00	\$	667.00 1,334.00	4.3
	6" 8"	\$ 667.00 \$ 1,334.00 \$ 2,134.40	\$ \$	667.00 1,334.00 2,134.40	4.: 4.: 4.:
	6" 8" 10"	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00	\$ \$ \$	667.00 1,334.00 2,134.40 3,335.00	4. 4. 4.
	6" 8"	\$ 667.00 \$ 1,334.00 \$ 2,134.40	\$ \$ \$	667.00 1,334.00 2,134.40	4.: 4.: 4.: 4.:
Consumptio	6" 8" 10"	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.: 4.:
	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00	4.2 4.2 4.2 4.2 4.2 3.5, 4.2
Consumptio Note 1	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.:
Note 1	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.: 4.:
Note 1 Note 2	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.: 4.:
Note 1 Note 2 Note 3	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.: 4.:
Note 1 Note 2 Note 3	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00	\$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4 4 4 4 3.5, 4.2
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00	4.: 4.: 4.: 4.: 3.5, 4.2
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.3 4.3 4.3 3.5, 4.2
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD)	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.2 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD)	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.3 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l)	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.2 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability (6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD)	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.3 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" n Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both.	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04	\$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04	4.2 4.3 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both.	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4.2 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.4 App. D 6ci; 4.4
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both. for Septage Haulers Per Gallon	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00 \$ 0.080	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4.2 4.3 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.3
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both.	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4.2 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.4 App. D 6ci; 4.4
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both. for Septage Haulers Per Gallon	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00 \$ 0.080	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4.2 4.3 4.3 3.5, 4.2 4.3 App. D 6ci; 4.3 App. D 6ci; 4.4 App. D 6ci; 4.4
Note 1 Note 2 Note 3 Availability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both. for Septage Haulers Per Gallon	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00 \$ 0.080	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4 4 4 3.5, 4.2 4 App. D 6ci; 4. App. D 6ci; 4. App. D 6ci; 4.
Note 1 Note 2 Note 3 Evailability C	6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both. for Septage Haulers Per Gallon	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00 \$ 0.080	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4 4 4 3.5, 4.2 4 App. D 6ci; 4. App. D 6ci; 4. App. D 6ci; 4.
Jote 1 Jote 2 Jote 3 vailability (6" 8" 10" 12" Charges (per 1,000 gallons) See Notes 1,2,3 Residential metered consumption capped at 30,000 gallons per bi-monthly billing Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing No cap for non-residential metered consumption Charge for unconnected sewer service eatment Charge Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD) Surcharge for COD (per 100 lbs; when COD>600mg/L and >/=3xBOD) Surcharge for TSS (per 100 lbs; when TSS >200mg/l) Note: Surcharge is assessed for BOD or COD, but not both. for Septage Haulers Per Gallon	\$ 667.00 \$ 1,334.00 \$ 2,134.40 \$ 3,335.00 \$ 4,002.00 \$ 4.04 \$ 26.68 \$ 32.00 \$ 17.00 \$ 0.080	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	667.00 1,334.00 2,134.40 3,335.00 4,002.00 4.04 26.68 32.00 32.00 17.00	4. 4. 4. 3.5, 4.2 4. App. D 6ci; 4. App. D 6ci; 4. App. D 6ci; 4.

CAPE FEAR PUBLIC UTILITY AUTHORITY RATES AND FEES SCHEDULE FY 2013

Hauled and M	Aissallangous Washaushan Fa- / Ll		Rates and Fees fective 5/1/2012		Rates and Fees fective 7/1/2012	Ordinance Reference
	Aiscellaneous Wastewater Fee (subject to applicable surcharges) ermit (Per Gallon)			4		
Long-Term Pe	autopolitica and total	\$	0.030	\$	0.030	4.2.a
	Fixed Meter Charge by Size:	1	Di Manabi.		D1 84 - 11 1	
	5/8"	ė	Bi-Monthly	4	Bi-Monthly	
	1"	\$	26.68	\$	26.68	4.2.a
	1 1/2"	\$	66.70	\$	66.70	4.2.a
	2"	\$	133.40	\$	133.40	4.2.a
	3"	\$	213.44	\$	213.44	4.2.a
	4"	\$	400.20	\$	400.20	4.2.a
		\$	667.00	\$	667.00	4.2.a
	6"	\$	1,334.00	\$	1,334.00	4.2.a
	8"	\$	2,134.40	\$	2,134.40	4.2.a
	10"	\$	3,335.00	\$	3,335.00	4.2.a
	12"	\$	4,002.00	\$	4,002.00	4.2.a
	Consumption Charges (per 1,000 gallons):	\$	4.04	\$	4.04	4.2.a
	Long-Term Permit System Development Charge will be in accordance with Section 9 of this schedule and specified in permit.					4.2.b
		-				
Wholesale or	Bulk rates will be individually determined in accordance with applicable interlocal		Individually		Individually	42-
agreement			Determined		Determined	4.2.a.
Fire Line Servi		HE	20/20/55/048	CON		
Fixed Fire Line	e Charge by Size		Bi-Monthly		Bi-Monthly	
	2"	\$	20.00	\$	20.00	4.2.a
	4"	\$	40.00	\$	40.00	4.2.
	6"	\$	80.00	\$	80.00	4.2.
	8"	\$	140.00	\$	140.00	4.2.
	10"	\$	220.00	\$	220.00	4.2.
	12"	\$	320.00	\$	320.00	4.2.
Mater Service	Connection Fee					WAY TO SEE A SECTION AS A SECTI
TAXABLE PARTY OF THE PARTY OF T	Connection Fee by Service Size		Total		Total	
	Up to 1" Service (to 45' in length)	\$	2,000.00	d		45.40
	1 1/2" Service (to 45' in length)			from the	2,000.00	1.5c; 4.2
	2" Service (to 45' in length)	\$	3,600.00		3,600.00	1.5c; 4.2
	2 Service (to 45 intelligen)	\$	3,800.00	\$	3,800.00	1.5c; 4.2
			Individually		Individually	1.5c; 4.2
	Services in excess of 45' based on actual cost		Determined		Determined	1.30, 4.2
	Manifold		Individually		Individually	1.5c; 4.2
	Walliold		Determined		Determined	2.30, 7.2
Meter Set Fee	e by Size (includes materials and labor)					
	5/8"	\$	230.00	\$	230.00	1.5c; 4.2.
	1"	\$	290.00	\$	290.00	
	1 1/2"	(530.00			1.5c; 4.2.
	2"	\$			530.00	1.5c; 4.2
		2	670.00	\$	670.00	1.5c; 4.2
Inspection Fee	e for Developer-Installed Connection	\$	50.00	\$	50.00	1.6a; 4.2
Sewer Service	Connection Fee	5 10000	TOTAL OF THE STATE	NOSCHI .	Marian Maria Barana	MATERIAL PROPERTY AND ADDRESS OF THE PARTY AND
nstallation Fe	ee by Size		Total		Total	
	4" Service, actual cost or minimum	\$	2,200.00	\$	2,200.00	1.6a; 4.
	6" Service, actual cost or minimum	\$	2,800.00		2,800.00	1.6a; 4.
		,	Individually	2	Individually	1.04; 4.
	Greater than 45 Feet or over 8 Feet in depth		determined		determined	1.6a; 4.
	e for Developer-Installed Connection	1	E0.00	4		
nspection Fee	e for Developer-Installed Connection	\$	50.00	\$	50.00	1.6a; 4.2
nspection Fee	Water	\$		\$		1.6a; 4.2
nspection Fee Special Use of Meter Fee by S	Water Size		Total		Total	1.6a; 4.2
nspection Fee Special Use of Meter Fee by !	Water Size 5/8"	\$	Total 31.00	\$	Total 31.00	4.:
nspection Fee pecial Use of Meter Fee by S	Water Size 5/8" 3/4"	\$	Total	\$	Total	
nspection Fee Special Use of Meter Fee by S	Water Size 5/8" 3/4" 1"	\$	Total 31.00	\$ \$	Total 31.00	4
nspection Fee pecial Use of Meter Fee by !	Water Size 5/8" 3/4" 1" 1 1/2"	\$ \$ \$	Total 31.00 35.00 45.00	\$ \$	Total 31.00 35.00 45.00	4. 4. 4.
nspection Fee pecial Use of Meter Fee by !	Water Size 5/8" 3/4" 1"	\$ \$ \$ \$	Total 31.00 35.00 45.00 56.00	\$ \$ \$ \$	Total 31.00 35.00 45.00 56.00	4 4 4
nspection Fee Special Use of Meter Fee by	Water Size 5/8" 3/4" 1" 1 1/2"	\$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00	\$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00	4 4 4 4
nspection Fee pecial Use of Meter Fee by !	Water Size 5/8" 3/4" 1" 1 1/2" 2" 3"	\$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00	\$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00	4 4 4 4 4
nspection Fee Special Use of Meter Fee by	Water Size 5/8" 3/4" 1" 1 1/2" 2" 3" 4"	\$ \$ \$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00	\$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00	4 4 4 4 4 4
nspection Fee Special Use of Meter Fee by	Water Size 5/8" 3/4" 1" 1 1/2" 2" 3" 4" 6"	\$ \$ \$ \$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00 437.00	\$ \$ \$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00 437.00	4 4 4 4 4 4
nspection Fee Special Use of Meter Fee by	Water Size 5/8" 3/4" 1" 1 1/2" 2" 3" 4"	\$ \$ \$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00	\$ \$ \$ \$ \$ \$ \$ \$	Total 31.00 35.00 45.00 56.00 96.00 165.00 254.00	4. 4. 4. 4. 4. 4.

CAPE FEAR PUBLIC UTILITY AUTHORITY RATES AND FEES SCHEDULE FY 2013

	Rates and Fees	Rates and Fees	Ordinance
450		Effective 7/1/2012	Reference
12"	\$ 1,202.00	\$ 1,202.00	4.2
Lost or stolen special use sign	\$ 50.00	\$ 50.00	
Consumption Charges (per 1,000 gallons):	\$ 3.96	\$ 3.96	4.2.
Water Quality Fees		N SCHOOL SHOW SHOW SHOW SHOW SHOW	
nspection Fees Backflow Assembly	Total	Total	
Initial inspection	No Charge		4.3
Second inspection		No Charge	4.2
Third and subsequent inspection	\$ 50.00 \$ 100.00		4.2
This data subsequent inspection	\$ 100.00	\$ 100.00	4.2
Discharge Permit Fees	den errener		
ndustrial Connection and Discharge Permit application and annual fee includes	Series - Les		
	\$ 750.00	\$ 750.00	Appendix D
SIU, flows > 15,000 gpd, pretreatment			
Restoration of Revoked Industrial Permit (Each occurrence)	\$ 1,500.00	The second secon	Appendix D
Modification of Permit (Each occurrence)	\$ 200.00	\$ 200.00	Appendix D
Other Wastewater Permits			
Flow Less than 1,000 Gallons/day	\$ 100.00	\$ 100.00	Appendix D
Flow Between 1,001 and 7,500 Gallons/day	\$ 200.00	\$ 200.00	Appendix D
Flow Between 7,501 and 15,000 Gallons/day	\$ 300.00		Appendix D
ood Service Establishment Annual Inspection Fee for Commercial Grease Interceptors	\$ 100.00		Appendix D
	230.00	200.00	ppcnaix b
	Individually	Individually	
Monitoring Fee	determined	determined	Appendix D
Restoration fee of Revoked Other Wastewater Permit (per occurrence)			A 11 =
Grease Interceptor Variance (Each occurrence)	2x permit fee \$ 220.00	2x permit fee 220.00	Appendix D
AND THE RESIDENCE OF THE PROPERTY OF THE PROPE	220.00	\$ 220.00	Appendix D
Vater by Meter Size	Total	Total	Appendix C
Note: No water SDC due on a 5/8" irrigation meter	\$ -	\$	4.2
5/8" *	\$ 2,000.00	\$ 2,000.00	
1" (single-family residential with fire sprinkler system)	\$ 2,000.00		4.2
1"	4 7 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		4.2
1 1/2"			4.2
2"	\$ 12,460.00		4.2
	\$ 19,950.00		4.2
3"	\$ 39,890.00	\$ 39,890.00	4.2
4"	\$ 62,330.00	\$ 62,330.00	4.2
6"	\$ 124,680.00	\$ 124,680.00	4.2
8"	\$ 199,490.00	\$ 199,490.00	4.2
10"	\$ 311,720.00		4.2
No water SDC due on a 5/8" irrigation meter			
ystem Development Charge Continued			THE PERSON NAMED IN THE PE
hell Buildings Alternative Fee Calculation - former NHC Water & Sewer District			4.2
lote: Fees based on class of use & 15A NCAC 02T .0114 - Design Flow Rates			4.2
Water Development Fee (minimum \$1,348.00 = 400 gallons)	\$3.37 per gallon	\$3.37 per gallon	4.
ewer by Meter Size	Total	Total	Annendi
5/8"			Appendix
1" (single-family residential with fire sprinkler system)	\$ 2,500.00		4.2
1" (Single-ramily residential with fire sprinkler system)	\$ 2,500.00		4.2
	\$ 7,810.00		4.2
1 1/2"	\$ 15,620.00	\$ 15,620.00	4.2
2"	\$ 25,000.00	\$ 25,000.00	4.2
3"	\$ 50,000.00	\$ 50,000.00	4.2
4"	\$ 78,100.00	The second of th	4.2
6"	\$ 156,000.00		4.2
8"	\$ 250,000.00		4.2
10"	\$ 390,400.00	Control of the Contro	
			4.2
Unmetered service (sewer only)	\$10/gallon	\$10/gallon	4.2
nell Buildings Alternative Fee Calculation - former NHC Water & Sewer District	projected flow	projected flow	
ote: Fees based on class of use & 15A NCAC 02T .0114 - Design Flow Rates			
THE COMPANY OF COMPANY OF THE PARTY OF THE P			
	\$7.013 per gallon	\$7.013 per gallon	4.
Sewer Impact Fee (minimum \$2,103.90 = 300 gallons)		\$1.50 per gallon	4.
	\$1.50 per gallon	ATION DEL POLICIE	
Sewer Impact Fee (minimum \$2,103.90 = 300 gallons)	\$1.50 per gallon	92130 per ganon	
Sewer Impact Fee (minimum \$2,103.90 = 300 gallons)	\$1.50 per gallon	72130 pc. ganon	
Sewer Impact Fee (minimum \$2,103.90 = 300 gallons)	\$1.50 per gallon	\$2150 per ganon	

CAPE FEAR PUBLIC UTILITY AUTHORITY RATES AND FEES SCHEDULE FY 2013

		Rates and Fees	Rates and Fees	Ordinance
Miscellaneou	s and Other	Effective 5/1/2012	Effective 7/1/2012	Reference
Service/repai				
		Individually	Individually	
	Contracted services at actual cost plus 10% administrative fee	Individually	Individually	1.9
	Plan 2018 Administrative rec	determined	determined	
	CERTIA staff and assistant at EEAAA	Individually	Individually	1.9
	CFPUA staff and equipment at FEMA reimbursable cost	determined	determined	
0.1				
Other Fees	AND			
	After Hours Service Call Fee Late Day Reconnect Fee	\$ 50.00	\$ 55.00	4.2
	After Hours Reconnection Fee Emergency Reconnect Fee	\$ 100.00	\$ 110.00	4.2
	Delinquency Processing Fee Reconnect/Delinquency Fee	\$ 50.00	\$ 55.00	6.
	Premise Visit Fee	\$ 50.00	\$ 55.00	1.15(a); 4.2.
	Application for Service Fee New Service Charge	\$ 50.00	\$ 55.00	
	Loan Processing Fee	\$ 50.00		1.6a; 4.2.
	Utility Deposit-Residential *	φ -	Actual Cost to File	
		Up to \$200*	Up to \$200*	
	* May be adjusted by Customer Service Director based on services provided and prior			
	payment history			
		Determined by	Determined by	
	Utility Deposit-Commercial	Policy	Policy	
	Illegal Connection or Turn-On/Tampering	\$ 500.00	\$ 500.00	4.7.4
	Turn-On Fee (after disconnect)			4.2c(xiii);
	Cut Lock Fee	\$ -	\$ 55.00	
		\$ 50.00	\$ 75.00	4.2.c(v)
	Meter Obstruction Fee	\$ -	\$ 55.00	
	Meter Test	\$ 50.00	\$ 50.00	2.3
	Reread Fee (requested by Customer)			
	Correct Read	\$ -	\$ 55.00	1
	Incorrect Read (CFPUA error)	Š -	No Cost	
	Plan review Fee	Y	INO COSE	Ann C1
	500-999 Linear Feet	6		App. C 1.a; 4.2
		\$ 600.00	\$ 600.00	App. C 1.a; 4.2
	1,000-1,999 Linear Feet	\$ 700.00	\$ 700.00	App. C 1.a; 4.2
	2,000-5,000 Linear Feet	\$ 1,100.00	\$ 1,100.00	App. C 1.a; 4.2
		Individually	Individually	
	Over 5,000 Linear Feet	determined	determined	App. C 1.a; 4.2
	Hydrant meter deposit for festivals	\$ 500.00		
	Installation & removal of hydrant meters for festivals (per meter)	\$ 50.00	\$ 50.00	4.3
	Civil Penalty	20.00	30.00	4.2
	Failure to submit required cross connection control report	ć 200.00	ė	4.2
		\$ 200.00	\$ 200.00	Appendix A:
	Submission of falsified cross connection control report	\$ 200.00	\$ 200.00	Appendix A:
	First violation of backflow installation requirements	\$ 250.00	\$ 250.00	Appendix A.:
	Subsequent violation of backflow installation requirements	\$ 1,000.00	\$ 1,000.00	Appendix A.:
	Violation of Extension Policy	\$100, \$200, \$500	\$100, \$200, \$500	Appendi
	Violation of Wastewater Discharge Permit	Up to \$25,000	Up to \$25,000	Appendix D 3
	Violation of Sewer Use Ordinance	Up to \$25,000	Up to \$25,000	Appendix D 3
	Violation of Cross Connection Control Ordinance			
		Up to \$1,000/day	Up to \$1,000/day	Appendix A 10
		10% of balance;	10% of balance; \$25	
	Late Con	\$25 maximum on	maximum on	4.2.
	Late Fee	residential services	residential services	
eturned Che				
	Returned Check (per event)	\$ 25.00	\$ 25.00	4.2
	Dishonored Draft (per event)	\$ 25.00	\$ 25.00	4.2
		25.00	25.00	4.2
ony and Prin	ting Fees (each)			
	8x11 first print of standard GIS inquiry			
	Property of the property of th	\$ 2.00	\$ 2.00	4.2
	8x14 first print of standard GIS inquiry	\$ 2.00	\$ 2.00	4.2
	11x17 first print of standard GIS inquiry	\$ 4.00	\$ 4.00	4.2
	24x36 first print of standard GIS inquiry	\$ 14.00	\$ 14.00	4.2
	34x44 first print of standard GIS inquiry	\$ 19.00	\$ 19.00	4.2
	36x48 first print of standard GIS inquiry	\$ 24.00	\$ 24.00	
	8x11 or 8x14 copies after first print of standard GIS inquiry			
		\$ 0.20	\$ 0.20	4.2
	11x17 copies after first print of standard GIS inquiry	\$ 0.40	\$ 0.40	4.2
	24x36 copies after first print of standard GIS inquiry	\$ 1.40	\$ 1.40	4.2
	34x44 copies after first print of standard GIS inquiry	\$ 1.90	\$ 1.90	4.2
	36x48 copies after first print of standard GIS inquiry	\$ 2.40		4.2
	Data CD			
		Actual cost	Actual cost	4.2
	Data CD-Shipping	\$ 5.00	\$ 5.00	4.2
	Foam Core mounting per sq. foot	\$ 10.00	\$ 10.00	4.2
	Public records request	Actual cost	Actual cost	4.2



Operating and Capital Budget Summary

INCOME

FY 12-13 **Adopted Budget** 30 552 000

CFPUA

	Water Revenues Wastewater Revenues Other Charges for Service	\$	30,552,000 32,551,000 2,311,700
	Total Operating Income		65,414,700
	Interest Earnings System Development Charges	٠	691,300 3,363,274
	Total Non-Operating Income	·	4,054,574
	Total Income		69,469,274
EXPEN	SES		
	Operating Expenditures before Debt Service and Capital Outlay (Note 1)		36,181,030
	Net Income before Debt Service and Capital Outlay		33,288,244
	Long Term Debt Principal & Interest Payments (Note 2)		26,749,352
	Debt Service Coverage Ratio for All Indebtedness		1.24
	Other Expenditures, Debt Issuance Costs Not Financed-State Loan		160,420
	Total Expenditures		63,090,802
NET INC	COME		
	Income after Debt Service Available for Capital Expenditures		6,378,472
CAPITA	L EXPENDITURES		
	Capital Outlay Funded by Operations in Operating Sub-Fund	\$	629,130
	Transfers to Capital Projects Sub-Funds	\$	5,749,342
Note 1:	Operating Expenditures before Debt Service and Capital Outlay including debt se \$270,000.	rvice	fees of
Note 2:	Debt Service shown net of \$270,000 in debt service fees; \$396,485 in capitalized excess bond funds of \$839,475 transferred from capital projects fund.	inter	est; and



	S)	Statemer	Statement of Revenues	enn		and Expenditures	litur	se						
			(Bud)	geta	(Budgetary Basis)	s)								
		CFPUA FY 10-11	CFPUA FY 10-11	- ш	CFPUA FY11-12	CFPUA FY11-12		CFPUA FY11-12	OF	CFPUA FY11-12	CFPUA FY 12-13		CFPUA FY 12-13	13 A
REVENUE AND OTHER FINANCING SOURCES	Adju	Adjusted Budget	Actual	Adop	Adopted Budget	Admendments		Adjusted Budget	Projec	Projected (Note 3)	Recommended Budget		Adopted Budget	udget
Operating Revenues Water Revenues Wastewater Revenues Other Charges for Service	69	27,094,650 26,443,873 1,808,200	\$28,537,770 28,548,459 2,671,784	49	31,213,000 31,322,000 2,659,600	vs	υs 1 1 1	31,213,000 31,322,000 2,659,600	us.	30,479,657 30,721,687 2,538,126	\$ 30,552,000 32,551,000 2,311,700		\$ 30,552,000 32,551,000 2,311,700	2,000
Operating Grants and Contributions Total Operating Revenues		55,346,723	59,762,965		65,194,600			65,194,600		63,935,252	65,414,700	200	65,414,700	4,700
Non-Operating Revenues System Development Charges Interest Earnings Total Non-Operating Revenues		2,340,000 928,000 3,268,000	2,038,475		2,374,000 822,620 3.196,620			2,374,000 822,620 3,196,620		3,878,105 988,256 4,866,361	3,500,000 691,300 4,191,300	300	3,363	3,363,274 691,300 4,054,574
Total Revenues		58,614,723	62,697,637		68,391,220			68,391,220		68,801,613	000'909'69	000	69,469,274	9,274
Other Financing Sources Proceeds from Bonded Debt			36		6,188,767	(2,042,278)	(8)	4,146,489		466,431	383,835	835	383	383,835
ranser from Cuere Funds Appropriated Fund Balance - Capital Reserve Total Other Financing Sources		5,681,144			6,188,767	3,336,351	, <u>12</u> %	3,336,351		466,431	383,835	835	383	383,835
Total Revenues and Other Financing Sources	S	64,295,867	\$62,697,637	us.	74,579,987	\$ 1,294,073	33	75,874,060	S	69,268,044	\$ 69,989,835	11	\$ 69,853,109	3,109
EXPENDITURES AND OTHER FINANCING USES	Same of													
Operating Expenditures Authority Board	69	46,895	\$ 37,918	69	44,889	s	so .	44,889	S	40,767	\$ 48,		\$ 48	48,022
Administration Finance/IT/Customer Service		5,024,112	4,476,178		5,009,181	43,223	0 80	5,052,404		4,580,544	5,029,780	780	5,007	5,007,596
ruman Kesources Engineering		1,947,198	1,757,764		1,903,302	6		1,903,302		1,854,459	1,932,540	540	1,918,711	8,711
Operations - Administration Operations - Water Treatment		856,445 6,983,043	813,311		839,440 6,840,698	3,600	7	6,880,875		6,329,283	6,676,185	185	6,662,427	662,427
Operations - Wastewater Treatment Operations - Utility Services		5,168,785	4,531,693 9,324,622	8.	5,000,706	39,650	00 ~	5,040,356		4,691,295 9,562,835	4,928,952	108	10,343,126	3,126
Environment/Safety Management Nondepartmental Contingency		2,266,786 1,675,850 800,000	2,008,519		2,276,652 1,864,238 800,000		1 ac 1	2,276,652 1,864,238 800,000		2,176,992	2,380,382 2,061,900 800,000	382	2,366 2,061 800	2,366,212 2,061,900 800,000
Total Operating Expenditures Before Debt Service		37,600,008	31,960,203	.,	36,999,430	283,155	2	37,282,585	6	33,203,967	36,676,886	988	36,540,160	0,160
Net Debt Service (Note 1)		23,350,687	23,236,766	,4	25,501,623	2,216,074	4	27,717,697	7	25,425,304	27,019,352	352	27,019,352	3,352
Other Financing Uses Debt Issuance Cost		15	Title		639,994	(191,339)	(6	448,655		448,655	544,255	255	544	544,255
Reserve for Debt Service Transfers to Capital Project Funds		3,345,172	3,345,172		5,548,773	(5,548,773) 4,534,956	(6.0)	10,425,123		10,425,123	5,749,342	342	5,749,342	9,342
Total Other Financing Uses		3,345,172	3,345,172		12,078,934	(1,205,156)	(9	10,873,778	-	10,873,778	6,293,597	297	6,293,597	3,597
Total Expenditures and Other Financing Uses	s	64,295,867	\$58,542,141	2	74,579,987	\$ 1,294,073	8	75,874,060	s	69,503,049	\$ 69,989,835	0	\$ 69,853,109	3,109
Revenues and Other Sources Over (Under) Expenditures and Other Financing Uses	ss.	E	\$ 4,155,496	S	Ē	ss.	ss.		vs.	(235,005)	s	,	s	
Fund Balance Beginning Balance (Note 2)	s	16,398,090	\$16,398,090	\$	20,553,586	s	S	20,553,586	\$ 2	20,553,586	\$ 20,318,581		\$ 20,318,581	1,581
Fund Balance Ending Balance (Note 2)	s	16,398,090	\$20,553,586	\$	20,553,586	s	S	20,553,586	\$	20,318,581	\$ 20,318,581		\$ 20,318,581	1,581
Noto 1: Debt Service is shown net of \$3564.465 in capitalized interest and excess bond funds of \$533.475 transferred from Wastewater Capital Projects Sub-Fund. Noto 2: Post objects project and the schowing reaction is schowled not the modified accountal brain for the change of heis schowled with its schowled on the modified accountal brain for the pull accountal brain for the capital projects by GAAP.	nd exce: hedule o	sss bond funds of S on the modified acc adjustments that	839,475 transferrer mal basis. The vali are required to bring	d from W lues for fi	Vastewater Capita und balance will o a modified accrus	al Projects Sub-Fi differ from the cha at basis to the full	und. ange of n accrual t	et assets reported in pasis required by GA	the finan AP.	aiai statements u	sing the full acor	val basis f	jo	



	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
EXPENDITURES BY DEPARTMENT								
Authority Board	\$ 46,895	\$ 37,918	\$ 44,889	9	\$ 44,889	\$ 48,022	\$ 48,022	%2
Administration	923,234	732,537	857,236	32,788	890,024	959,838	956,583	12%
Finance/IT/Customer Service	5,024,112	4,476,178	5,009,181	43,223	5,052,404	5,029,780	5,007,596	%0
Human Resources	602,564	411,017	566,558	1010	266,558	539,780	536,672	%9-
Engineering	1,947,198	1,757,764	1,903,302	1	1,903,302	1,932,540	1,918,711	2%
Operations - Administration	856,445	813,311	839,440	3,600	843,040	935,399	929,137	11%
Operations - Water Treatment	6,983,043	6,238,707	6,840,698	40,177	6,880,875	6,676,185	6,662,427	-2%
Operations - Wastewater Treatment	5,168,785	4,531,693	5,000,706	39,650	5,040,356	4,928,952	4,909,774	-1%
Operations - Utility Services	11,305,096	9,324,622	10,996,530	123,717	11,120,247	10,384,108	10,343,126	%g-
Nandoneth Safety Management	7,200,780	2,008,519	7,270,032	,	7,07,0,032	2,300,362	2,360,212	11%
Nondepartmental	72 350 687	1,027,937	1,004,230	2 216 074	1,004,230	27 019 352	27 019 352	%9
Issuance Cost	100,000,00	001,002,02	639,020	(191 339)	448 655	544 255	544,255	-15%
Reserve for Debt Service	E 1		5 548 773	(5.548.773)	1			-100%
Contingency	800 000	1	800,000	()	800.000	800.000	800.000	%0
Transfers to Capital Projects	3,345,172	3,345,172	5,890,167	4,534,956	10,425,123	5,749,342	5,749,342	-5%
TOTAL	\$ 64,295,867	\$ 58,542,141	\$ 74,579,987	\$ 1,294,073	\$ 75,874,060	\$ 69,989,835	\$ 69,853,109	%9-
EXPENDITURES BY CATEGORY								
Salaries	\$ 13.331.184	\$ 12.791.419	\$ 13.174.349	\$ 27,080	\$ 13,201,429	\$ 13,713,177	\$ 13,610,340	4%
Benefits	4.440.82	3.899,746	4,557,532	3,284	4,560,816	4,600,476	4,566,587	1%
Operating	16,378,672	12,898,629	15,834,199	58,208	15,892,407	14,872,203	14,872,203	%9-
Capital Outlay	973,475	742,472	769,112	194,583	963,695	629,130	629,130	-18%
Nondepartmental	1.675,850	1.627,937	1,864,238	1	1,864,238	2,061,900	2,061,900	11%
Debt Service, net	23,350,687	23,236,766	25,501,623	2,216,074	27,717,697	27,019,352	27,019,352	%9
Issuance Cost		1	639,994	(191,339)	448,655	544,255	544,255	-15%
Reserve for Debt Service	•	•	5,548,773	(5,548,773))#	ì		-100%
Contingency	800,000	ı	800,000		800,000	800,000	800,000	%0
Transfers to Capital Projects	3,345,172	3,345,172	5,890,167	4,534,956	10,425,123	5,749,342	5,749,342	-2%
TOTAL	\$ 64,295,867	\$ 58,542,141	\$ 74,579,987	\$ 1,294,073	\$ 75,874,060	\$ 69,989,835	\$ 69,853,109	%9-



	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
EXPENDITURES BY DEPARTMENT	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Authority Board				ě				ò
Salaries Benefits	2,019	\$ 23,500 1,798	2,019	ı і Э	\$ 26,400 2,019	\$ 26,403 2,019	\$ 26,403 2,019	% 0 0
Operating Total Authority Board	18,473	12,620 37,918	16,470		16,470	19,600	19,600	7%
Administration Salaries	426 156	419 031	420 887	320	421 207	499 434	496 926	18%
Benefits	106,341	93,182	110,161	-	110,161	131,354	130,607	19%
Operating Total Administration	390,737	220,324 732,537	326,188 857,236	32,468	358,656	329,050 959,838	329,050 956,583	12%
Finance/IT/Customer Service								
Salaries	2,410,853	2,287,058	2,353,707	(8,759)	2,344,948	2,417,508	2,401,291	73%
Operating	1,777,727	1,467,380	1,800,128	(13,096)	1,787,032	1,581,802	1,581,802	-12%
Capital Outlay	12,000		11,872	64,300	76,172	202,970	202,970	100%
Total Finance/Administrative Services	5,024,112	4,476,178	5,009,181	43,223	5,052,404	5,029,780	5,007,596	%0
Human Resources	048 060	248 243	218 560		248 569	261 689	259 179	4%
Benefits	68.487	62,243	70.489		70.489	72,691	72.093	2%
Operating	286,008	100,261	247,500		247,500	205,400	205,400	-17%
Total Human Resources	602,564	411,017	566,558		566,558	539,780	536,672	-5%
Engineering Salaries	1.407.115	1,317,919	1.339.988	365	1,340,353	1,357,977	1,347,564	1%
Benefits	401,202	355,731	417,102	(J	417,102	415,653	412,237	-1%
Operating Canital Outlay	138,881	84,114	130,212	(365)	129,847	158,910	158,910	22%
Total Engineering	1,947,198	1,757,764	1,903,302		1,903,302	1,932,540	1,918,711	1%
Operations - Administration Salaries	640.063	633.198	627,572	3,900	631,472	690,578	685,796	%6
Benefits	184,381	158,766	181,760		181,760	192,893	191,413	2%
Operating	32,001	21,347	30,108	(300)	29,808	33,928	33,928	13%
Capital Outlay	. 856 AAE	813 311	839 440	3 600	843.040	935.399	929.137	11%
i otal Operations - Administration	030,443	115,510	023,440	000,0	010,010	,		
Operations - Water Treatment Salaries	1,293,877	1,285,524	1,301,247	28,601	1,329,848	1,370,800	1,360,375	2%
Benefits	451,973	402,187	458,158	1,129	459,287	471,072	467,739	5%
Operating	5,140,839	4,446,439	5,081,293	(49,331) 59,778	5,031,962	4,828,113 6,200	4,828,113	100%
Capital Outral Total Operations - Water Treatment	6,983,043	6,238,707	6,840,698	40,177	6,880,875	6,676,185	6,662,427	-3%



		EXP	EXPENDITURE	DETAIL	BY DEPARTMENT	MENT			
		CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
EXPENDITURES BY DEPARTMENT	Adju	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Operations - Wastewater Treatment	•								
Benefits	n	1,702,570	\$ 1,658,296	\$ 1,684,411	(406)	\$ 1,684,005	\$ 1,747,367	\$ 1,732,456	3%
Operating		2 649 486	2 245 330	2 520 050	406	603,711	603,340	599,073	-1%
Capital Outlay		231,500	100,773	182,940	27,930	2,541,70	2,376,585	2,376,585	%9-
Total Operations - Wastewater Treatment		5,168,785	4,531,693	5,000,706	39,650	5,040,356	4,928,952	4,909,774	-2%
Operations - Utility Services									
Salaries		3,903,139	3,688,694	3,870,990	(63)	3,870,927	3,999.645	3,969,093	%&
Benefits		1,369,635	1,196,807	1,419,878	389	1,420,267	1,410,438	1,400,008	%
Capital Outlan		5,398,701	3,901,979	5,147,362	100,191	5,247,553	4,773,725	4,773,725	-7%
Total Operations Hillity Services		633,621	537,142	558,300	23,200	581,500	200,300	200,300	-64%
oral Operations - Other Services		11,305,096	9,324,622	10,996,530	123,717	11,120,247	10,384,108	10,343,126	%9-
Environment/Safety Management									e Mana
Bonofie		1,272,939	1,229,956	1,300,578	3,122	1,303,700	1,341,776	1,331,257	2%
Operation		448,028	379,728	451,186	285	451,768	473,516	469,865	4%
Capital Outlay		545,819	398,835	524,888	(23,079)	501,809	265,090	565,090	8%
Total Environment/Safety Management		207 200 0	, 000 0		19,375	19,375			%0
out the control of th		4,266,786	2,008,519	2,276,652	•	2,276,652	2,380,382	2,366,212	4%
Nondepartmental		1,675,850	1,627,937	1,864,238	Ü	1,864,238	2,061,900	2,061,900	11%
Debt Service, net		23,350,687	23,236,766	25,501,623	2,216,074	27,717,697	27,019,352	27,019,352	%9
Issuance Cost		E	٠	639,994	(191,339)	448,655	544,255	544,255	-15%
Reserve for Debt Service		200	•	5,548,773	(5,548,773)	*	ā	31)	-100%
Contingency		800,000		800,000	Ċ	800,000	800,000	800,000	%0
Transfers to Capital Projects		3,345,172	3,345,172	5,890,167	4,534,956	10,425,123	5,749,342	5,749,342	-5%
TOTAL	s	64,295,867	\$58,542,141 \$	74,579,987	\$ 1,294,073	\$ 75,874,060	\$ 69,989,835	\$ 69,853,109	%9-
				THE REAL PROPERTY AND ADDRESS OF THE PERSON NAMED IN					



POSITIONS BY DEPARTMENT

The Authority has authorized a total of 292 positions. Staffing level (full-time equivalents) by department is as follows:

_	FY 11	FY 12	FY 13
Administration	4	5	6 *
Finance	8	8	8.5 *
Information Technology	7	6 **	6
Human Resources	4	4	4
Engineering	22	22	22
Operations - Administration	9	9	9
Operations - Water Treatment	31	30	30
Operations - Wastewater Treatment	40	40	40
Operations - Utility Services	96	96	96
Environment/Safety Management	29.5	29.5	29.5
Customer Service	41	42 **	41
Total	291.5	291.5	292

^{*}FY13 Administration includes requested internal auditor and Finance includes requested part-time contract specialist.

^{**}IT Analyst position was moved from IT to Customer Service during FY 12.

CAPE FEAR PUBLIC UTILITY AUTHORITY Approved Salary Scale FY 2013

GRADE	MINIMUM	1st QUARTILE	MIDPOINT	3rd QUARTILE	MAXIMUM
1	\$18,918.40	\$21,425.09	\$23,931.78	\$26,438.46	\$28,945.15
2	\$19,876.14	\$22,509.73	\$25,143.32	\$27,776.91	\$30,410.49
3	\$20,882.37	\$23,649.29	\$26,416.20	\$29,183.12	\$31,950.03
4	\$21,939.54	\$24,846.53	\$27,753.52	\$30,660.51	\$33,567.50
5	\$23,050.23	\$26,104.39	\$29,158.54	\$32,212.70	\$35,266.86
6	\$24,217.15	\$27,425.92	\$30,634.70	\$33,843.47	\$37,052.24
7	\$25,443.14	\$28,814.36	\$32,185.58	\$35,556.80	\$38,928.01
8	\$26,731.20	\$30,273.08	\$33,814.97	\$37,356.85	\$40,898.74
9	\$28,084.47	\$31,805.66	\$35,526.85	\$39,248.04	\$42,969.23
10	\$29,506.25	\$33,415.83	\$37,325.40	\$41,234.98	\$45,144.56
11	\$31,000.00	\$35,107.50	\$39,215.00	\$43,322.50	\$47,430.00
12	\$32,569.38	\$36,884.82	\$41,200.26	\$45,515.70	\$49,831.14
13	\$34,218.20	\$38,752.11	\$43,286.02	\$47,819.93	\$52,353.85
14	\$35,950.50	\$40,713.94	\$45,477.38	\$50,240.82	\$55,004.25
15	\$37,770.49	\$42,775.08	\$47,779.67	\$52,784.26	\$57,788.84
16	\$39,682.62	\$44,940.57	\$50,198.51	\$55,456.46	\$60,714.41
17	\$41,691.55	\$47,215.68	\$52,739.81	\$58,263.94	\$63,788.08
18	\$43,802.19	\$49,605.98	\$55,409.77	\$61,213.56	\$67,017.35
19	\$46,019.67	\$52,117.28	\$58,214.89	\$64,312.49	\$70,410.10
20	\$48,349.42	\$54,755.72	\$61,162.02	\$67,568.31	\$73,974.61
21	\$53,368.71	\$60,440.07	\$67,511.42	\$74,582.78	\$81,654.13
22	\$58,909.07	\$66,714.52	\$74,519.98	\$82,325.43	\$90,130.88
23	\$65,024.59	\$73,640.35	\$82,256.11	\$90,871.87	\$99,487.63
24	\$71,774.99	\$81,285.17	\$90,795.36	\$100,305.54	\$109,815.73
25	\$79,226.15	\$89,723.62	\$100,221.08	\$110,718.55	\$121,216.01
26	\$87,450.85	\$99,038.09	\$110,625.33	\$122,212.57	\$133,799.81
27	\$96,529.38	\$109,319.52	\$122,109.66	\$134,899.80	\$147,689.94

Source: Evergreen Solutions March 2012.

Form # HRDOC-004-442 Effective Date: 7/1/2012

Revision: 3

DEPT	Number	POSITION	GRADE	
	Positions	S		
CS	1	Customer Service Director/Deputy Finance Office	25	
CS	1	Administrative Support Specialist	12	Reclsd FY12-13
CS	11	Billings and Collections Manager	21	
CS	1	Customer Service Center Manager	19	
CS	_ 1	Fiscal Support Supervisor, Billing	16	
CS	1	Fiscal Support Supervisor, Collection	16	
CS	1	Meter Crew Supervisor	14	Reclsd FY12-13
CS	9	Fiscal Support Technician- B/C	10	
CS	14	Customer Service Representative	10	
CS	8	Meter Reader	9	
CS	2	Customer Service Supervisor	16	
CS	1	IT Analyst	20	Recisd FY12-13
	41			MARIN (11)
ENG	1	Director of Engineering	26	
ENG	4	Project Manager	22	
ENG	2	Project Engineer	21	100
ENG	1	Engineering Technician	16	
ENG	1	GIS Specialist	16	
ENG	4	Construction Inspector	15	
ENG	1	Office Administrator	13	Reclsd FY12-13
ENG	1	Customer Liaison	11	Reclsd FY12-13
ENG	1	Fiscal Contract Account Manager	21	
ENG	3	Engineering Manager	24	
ENG	1	Senior Project Engineer	23	
ENG	1	Property Acquisition Specialist	21	
ENG	1	Senior Project Manager	23	Recisd FY12-13
	22			
ESD	1	Environment and Safety Management Director	25	
ESD	1	Environmental Program Manager	21	
ESD	1	Safety Program Manager	21	
ESD	1	Laboratory Supervisor	21	
ESD	1	Comm. Compliance Assistance Supervisor	21	
ESD	2	Supervising Chemist- 1 Wtr, 1 WW	19	Reclsd FY12-13
ESD	1	Senior Environmental Compliance Assist. Officer		Recisd FY12-13
ESD	2	Chemist I- WW	13	Title Change
ESD	1	Chemist II- WTR	14	Reclsd FY12-13
ESD	1	Microbiology Technician	13	Recisd FY12-13

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ESD	1	ESMD Lead Auditor	13	
ESD	3	Environmental Compliance Assistance Officer		Reclsd FY12-13
ESD	7.5	Laboratory Technician-3ww, 4 wtr, .5qc(PT)	15	Reclsd FY12-13
ESD	1	Administrative Assistant	12	
ESD	2		12	(800)
ESD	1	Laboratory Assistant- 1 wtr, 1ww	9	
ESD	1	Administrative Support Technician	10	
ESD	1	Environmental & Services Superintendent	22	
LSD	29.5	Emergency Management/Strategic Coordinator	21	
FIN	1	CFO and Administrative Services Director	26	
FIN	1	Information Technology Manager	24	
FIN	1	Finance & Accounting Manager	22	Reclsd FY12-13
FIN	1	Procurement Manager	21	
FIN	0.5	Contract Specialist	12	New pos FY12-13
FIN	1	Help Desk Technician	13	Reclasd FY 12-13
FIN	1	Buyer	16	Reclasd FY 12-13
FIN	1	Fiscal Support Specialist	12	
FIN	1	Senior Accounting Technician	14	
FIN	1	Payroll Specialist	13	Reclasd FY 12-13
FIN	1	IT Network Administrator	21	Reclasd FY 12-13
FIN	1	SCADA Administrator/Project Manager	18	Reclasd FY 12-13
FIN	1	Senior GIS Specialist	18	7,03,030 / , 12 13
FIN	1	Server Administrator	18	
FIN	1	Accounting Manager(Job Share)	22	Reclsd FY 12-13
	14.5			
ADM	1	Chief Executive Officer	С	
ADM	1	Chief Communications Officer	23	Reclasd FY 12-13
ADM	1	Executive Secretary/ Clerk	17	
ADM	1	Assistant to Chief Executive Officer	17	
ADM	1	ublic Information/Community Outreach Specialis	17	Reclasd FY 12-13
ADM	6	Internal Auditor	22	New FY 12-13
HR	1	Human Resources Director	24	
HR	11	Employee Benefits Manager	19	
HR	1	Compensation Manager	19	
HR	1	Human Resources Technician	14	Reclsd FY 12-13
	4			
US	1	Chief Operations Officer	27	
US	1	Utility Services Superintendent	24	Reclsd FY12-13

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		F1 //1/2012-0/30/2013		
US	1	Project Manager-Operations	22	Reclsd FY12-13
US	1	Construction Supervisor- 1 dist	17	
US	1	Distribution/Construction Supervisor	21	Reclsd FY12-13
US	1	Collection System O&M Supervisor	19	
US	1	Pump Stations Supervisor	20	Reclsd FY12-13
US	1	Meter Services Supervisor	17	
US	1	Operations/Distribution Program Manager	18	Recisd FY12-13
US	6	Collections Maintenance Technician	11	Reclsd FY12-13
US	2	Meter Technician I	10	Reclsd FY12-13
US	2	Administrative Support Specialist	12	
US	1	Pump Station Operations Foreman	16	
US	1	Camera Crew Foreman	14	
US	10	Construction Crew Foreman- 3 dist, 7 coll	14	
US	2	Trades Specialist	14	
US	1	Warehouse Manager	14	
US	1	Senior Meter Technician	12	
US	3	Camera Operator-3 crews	12	
US	5	Pump Station Operator	12	
US	1	Administrative Assistant	12	
US	1	Water Quality Foreman	14	Reclsd FY12-13
US	2	Heavy Equipment Operator	11	To desire all according to the second
US	9	Senior Construction Worker	11	
US	8	Utility Maintenance Technician-pump stations	12	
US	3	Camera Assistant	9	
US	1	Meter Technician II	11	Reclsd FY 12-13
US	2	Water Quality Technician-Dist	11	Reclsd FY 12-13
US	17	Construction Worker	9	
US	2	Warehouse Technician	9	
US	1	Equipment Operator-Water	9	
US	1	Asset Manager	19	
US	1	Utilities Collection System Manager	22	
US	1	Office Assistant	10	
US	1	ROW/Heavy Construction Supervisor	19	
US	5	Pump Station Crew Foreman	14	the state of the s
US	1	Program Manager	21	
US	1	Meter Crew Foreman	14	
US	1	Outfall Crew Foreman	14	**************************************
US	1	Senior Program Manager	22	Reclsd FY12-13
US	2	Service Technician	12	Reclsd FY12-13
	105			
WT	1	Water Resources Manager	24	Reclsd FY12-13
WT	2	Water Treatment Supervisor	21	

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WT	1	Water Treatment Plant Maintenance Supervisor	19	
WT	2	Chief Water Treatment Operator	17	
WT	1	Utility Maintenance Foreman	15	Reclsd FY12-13
WT	2	Facilities Specialist	14	
WT	11	Water Control Operator	13	Reclsd FY12-13
WT	1	Utility Maintenance Technician	12	
WT	1	Administrative Support Specialist	12	
WT	5	Water Process Operator	12	Reclsd FY12-13
WT	1	Administrative Support Technician	10	// www.
WT	1	Facilities Assistant	9	
WT	1	Warehouse Technician	9	
	30			
WWT	1	Wastewater Superintendent	24	Reclsd FY12-13
WWT	2	Wastewater Treatment Plant Supervisor	21	
WWT	1	Wastewater Treatment Plant Maintenance Sup	19	Reclsd FY12-13
WWT	2	Chief WWT Operator	17	
WWT	2	Facilities Specialist	14	
WWT	7	Utility Maintenance Technician	12	
WWT	15	WWT Process Operator	12	Title Chg FY12-13
WWT	4	WWT Control Operator	13	Recisd FY 12-13
WWT	2	Administrative Support Specialist	12	
WWT	1	Housekeeper	6	
WWT	1	Facilities Assistant	9	
WWT	1	Warehouse Technician	9	
WWT	1	Electric & Instrument Technician	14	
	40			
	292			

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CAPE FEAR PUBLIC UTILITY AUTHORITY

AUTHORITY BOARD

Board Chairman, James L. Quinn. III

The Cape Fear Public Utility Authority Board consists of eleven members. The City of Wilmington and New Hanover County appoint five members each; two of those appointments come from their respective governing boards. The eleventh member is jointly appointed. The Board is responsible for the adoption of the annual budget, setting water and sewer rates, making policy decisions and appointing the Chief Executive Officer, Clerk to the Board and the Authority's Legal Counsel.

Accomplishments

- Approved a local preference policy.
- Continue to develop a growth policy.
- Encourage cooperation with other local government units.
- Explore creative opportunities for partnerships within the public and private sector.

Authority Board Notable GOALS for FY 13

- Continue to set policies and objectives for the organization.
- Provide direction for the Authority to meet its Mission to provide high-quality water and sewer service in an environmentally responsible manner, while maintaining the lowest practicable cost.

Authority Board Budget:

		CFPUA FY 10-11	CFPUA Y 10-11		CFPUA -Y11-12		FPUA /11-12		CFPUA FY11-12		CFPUA FY 12-13		CFPUA Y 12-13	% Change Adopted/
	Adju	sted Budget	Actual	Adop	oted Budget	Adme	endments	Adju	sted Budget		commended Budget	Adop	ted Budget	11-12 Adopted
Authority Board														
Salaries	\$	26,403	\$ 23,500	\$	26,400	\$		\$	26,400	\$	26,403	\$	26,403	0%
Benefits		2,019	1,798		2,019				2,019		2,019		2,019	0%
Operating	4	18,473	12,620		16,470				16,470		19,600		19,600	19%
Total Authority Board		46,895	37,918		44,889				44,889	Name and Address of the Owner, where the Owner, which is the	48,022	100000000000000000000000000000000000000	48,022	7%

ADMINISTRATION

OFFICE OF THE CHIEF EXECUTIVE OFFICER

Chief Executive Officer, Matthew W. Jordan, PE

The Chief Executive Officer is responsible for the overall management of the Cape Fear Public Authority. The Chief Executive Officer employs and manages the management staff, assigns responsibilities, and is responsible for carrying out the policies and directives of the Cape Fear Public Utility Authority Board. An Executive Assistant provides direct support to the Chief Executive Officer, as well as the Public Information / Public Relations staff.

Accomplishments

- Help develop and effectively implement Board policies
- Provide leadership to ensure that the organization's overall mission is accomplished.
- Promote and maintain outstanding service and communications with Cape Fear Public Utility Authority customers.
- Provide the Authority Board with timely support and information.
- Ensure that all water and wastewater facilities are operated in compliance with all applicable standards.
- Implement sound fiscal policies, budgets and controls.
- Implement and maintain effective long-term financial operational and environmental sustainability plans.
- Provide high-level direction and support for the sustainability and resource management activities throughout the Authority.
- Encourage teamwork within the Authority and with our City of Wilmington and New Hanover County partners.
- Promote training and development of all employees in order to improve services.
- Promote an environment of open communications within the Authority by meeting with employees on a regular basis

Office of the Chief Executive Officer GOALS for FY 13

- Stewardship Continue to maintain a stable financial position that balances rates, the environment and the Authority's long-term capital and operating needs.
- Sustainability Continue to build partnerships that encourage growth while optimizing the protection and use of water and sewer resources.
- Service Continue to strengthen relationships with customers, regulators, government officials, including the City of Wilmington and New Hanover County, and support staff by providing a competitive, safe, work environment that offers rewards for excellence.

Customer Service Quality Assurance

Manager, Karen Durso

Based on feedback received from the recent efficiency study a Customer Service Quality Assurance program was initiated by the Executive Assistant to the Chief Executive Officer in July 2011. A random selection of customers who previously contacted the Cape Fear Public Utility for various reasons such as water leaks, sewer stops, water quality or water pressure concerns, and more are contacted. These customers are asked a series of questions about their experience dealing with the Authority's Customer Service staff and Utility Services staff. Each customer has the opportunity to provide recommendations for better service.

This initiative has been very positive for the Authority. Ninety four percent of all customers called have been extremely happy with the service provided by the Authority staff. In most cases, customers state that Authority staff went "above and beyond". The six percent of customers that were not completely satisfied in most cases had minor concerns that were brought to management and were immediately addressed.

Accomplishments

Customer Quality Assurance calls offer benefits to the Authority and to our customers:

- The Authority has learned that most customers are generally happy with the service they receive from staff and will continue to provide excellent service.
- Customer concerns are addressed and corrected immediately.
- Customers are provided with an update on the issue and the resolution.
- Many customers have expressed their satisfaction that the Authority is taking the extra step to contact them to learn about their recent experience.
- Customers are pleased to hear directly from the office of the Chief Executive Officer.
- Customer contact information is updated.
- Customers have an opportunity to make additional inquiries about the Authority that they otherwise would not do if they had to initiate the call.
- Customers have a direct contact person for future questions or concerns.
- The Authority has another avenue for inquiries. An example of this is the monthly billing vs. bi-monthly question from Customer Service Department. This question was incorporated into the survey and results were given to the Customer Service Director.

Customer Service Quality Assurance Notable GOALS for FY13

- Increase the number of calls made to customers.
- Continue to encourage customers to provide recommendations.
- Continue to keep the lines of communication open between the Authority and its customers.
- Provide Customer Service with updated account information on customers.
- Evaluate the survey questions and refine them as necessary.
- Expand the program to include after service return postcards.

Public Relations / Public Information

Chief Communications Officer, Carey Ricks

Organizational communication and community outreach has played a key role in Authority progress as we wrap up our fourth fiscal year keeping our community informed of water system interruptions, wastewater spills, associated road closures, and community initiatives. We continue proactive work within the community by collaborating with various media outlets and organizations like the Food Bank of Central and Southeastern North Carolina, United Way, Salvation Army (CFPUA Assist), the Cape Fear River Watch, regional governments and more.

Accomplishments

- Performed outreach via various media outlets, reports, Board meeting presentations, and frequent appearances on the City of Wilmington and New Hanover County agenda including posting rate and services information on the web.
- Outreach on items such as mandatory connection, Capital Improvements Program, Capacity Management, rates, various planned and emergency projects
- Produced and distributed service guide brochure
- Speaking engagements with Rotary, River Watch and Public Administration Association
- Participation and successful community outreach with organizations like the American Society of Civil Engineers, Boys and Girls Scouts, United Way, and Food Bank of Central and SENC, the Council of Neighborhood Associations, Wilmington Downtown Inc., the Business Alliance for a Sound Economy, and the REALTORS Association
- Continued coordination of CFPUA Assist Neighbors Helping Neighbors program
- Continued comprehensive 'Community Partners' approach to facilities promotion
- Continued participation in events like community expos and Earth Day
- Managed and staffed Board PR Committee and PR employee Communications Team

Public Relations / Public Information Accomplishments Continued

- Coordinated Board outreach initiatives like Job Shadowing.
- Continued production and distribution of the Authority's Employee Newsletter
- Fostered continued relationship with environmental stakeholders like the New Hanover Soil
 Water Conservation District, the Green Building Alliance and the Cape Fear River Watch
- Continued monitoring and notification for projects, initiatives, and incidents such as inclement weather, water line breaks and sewer system repairs.
- Continued outreach via web Notifications and/or 'Notify Me' text and email alert
- Organized various media representatives as stakeholder group engaged group for feedback
- Continued contribution to / partnership with regional PR / PIO providers and stakeholder group
- Performed stakeholder and development coordination
- Outreach participation in conjunction with US Hwy 421 Cape Fear Public Utility Authority / Pender County joint initiative

Public Relations/ Public Information Notable GOALS for FY 13

- Facilitate organizational long range planning
 - Participate in short and long range planning initiatives to include the Strategic Planning and CIP process with the Board, management and various departmental staff
 - Assist various departments and Board with information / ordinance / policy compilation, stakeholder participation, adoption, education
 - Coordinate input and outreach with regional governments and development / environmental / economic development community stakeholders
- Continue and enhance community outreach
 - Provide permissible support and guidance regarding CFPUA Assist Neighbors Helping Neighbors and other community programs
 - Develop education and information outreach to be used by the schools, Scouts program etc.
 - Improve and enhance participation in and outreach to various civic, political, business groups

Administration Budget:

	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Administration								
Salaries	426,156	419,031	420,887	320	421,207	499,434	496,926	18%
Benefits	106,341	93,182	110,161		110,161	131,354	130,607	19%
Operating	390,737	220,324	326,188	32,468	358,656	329,050	329,050	1%
Total Administration	923,234	732,537	857,236	32,788	890,024	959,838	956,583	12%

OPERATIONS DEPARTMENT

Chief Operations Officer, Jim Flechtner, PE

The Operations Department remains focused on delivering high-quality water and wastewater services at the lowest practicable cost. Most elements of the water treatment, water distribution, wastewater collection and wastewater treatment operations are managed through the Department. The Water Treatment Division collects source water from the Cape Fear River and aquifers, and treats it prior to distribution. The Utility Services Division distributes safe, treated water to the Authority's 67,000 connections, and collects and transmits wastewater for treatment. The Wastewater Treatment Division removes contaminants from sewage before discharging it back to the Cape Fear River. Many specific Department functions such as distribution and collection maintenance, pump station and force main operations, right-of-way maintenance, inspections and cleaning, construction and repairs, water meter management, and such ensure our customers receive safe drinking water and that our activities do not harm the environment or waste resources.

As the Authority enters a new fiscal year, it is worthwhile to consider how the Department is positioned, and to set ambitious but achievable goals. With a backdrop of *Stewardship*, *Sustainability* and *Service* staff will work to accomplish the following as FY13 unfolds.

- Develop a two- and four-year plan for the Department as a whole considering organizational efficiencies, regulatory requirements, and the Authority's Strategic Plan.
- Continue reviewing the Strategic Plan to ensure it remains current with issues facing the Authority and with Board priorities, and it remains a relevant tool for guiding the organization.

Operations - Administration Budget:

	CFPUA FY 10-11 Adjusted Budget	CFPUA FY 10-11 Actual	CFPUA FY11-12 Adopted Budget	CFPUA FY11-12 Admendments	CFPUA FY11-12 Adjusted Budget	CFPUA FY 12-13 Recommended Budget	CFPUA FY 12-13 Adopted Budget	% Change Adopted/ 11-12 Adopted
Operations - Administration								
Salaries	640,063	633,198	627,572	3,900	631,472	690,578	685,796	9%
Benefits	184,381	158,766	181,760	17.1	181,760	192,893	191,413	5%
Operating	32,001	21,347	30,108	(300)	29,808	33,928	33,928	13%
Capital Outlay		•				18,000	18,000	100%
Total Operations - Administration	856,445	813,311	839,440	3,600	843,040	935,399	929,137	11%

Water Treatment Division

The Water Treatment Division processes and distributes clean, treated drinking water through four water systems within New Hanover County. A staff of state-certified treatment operators and a team of skilled maintenance technicians keep all facilities operational 24 hours per day, 7 days per week to ensure the supply of safe drinking water is available for the community and customers of the Authority.

Accomplishments

- The surface water and groundwater sections have pumped a combined 6.10 billion gallons of water to customers during the last calendar year and have achieved 100% compliance with state and federal water quality standards during the same period.
- The surface water plant continues to achieve 100% compliance while in the midst of major construction and renovations.
- The average flow from the surface water section was 13.6 million gallons per day (MGD) and from the groundwater section was 3.02 MGD.
- Peak flow day over the last twelve months for surface water was 23 million gallons per day
 and for groundwater 4.74 million gallons per day
- The successful completion of Phase 2 of the Sweeney Water Treatment Plant (WTP) construction has allowed the plant to continue to operate at its rated capacity of 25.0 MGD and has paved the way for the construction of Phase 3 work, which will give the plant a final capacity of 35.0 MGD. In addition to the increased capacity, upgrades to the chemical systems, a third electrical generator, the addition of UV to assist with disinfection and the construction of a new administration building are expected to be complete by September 2012.

Water Treatment Accomplishments Continued

- The Division has again met all requirements for safety training for staff during the past year.
 Additionally, all certified operators have achieved the required six hours of continuing education training needed to maintain their professional certifications.
- The Division continues to implement the Asset Management program and expects to have all facilities using the Maximo Work Order system by summer.
- The groundwater section has renovated the former Porters Neck ground storage and pumping facilities and will be adding these facilities to assist with meeting spring/summer water demands for water storage and pumping in the area.

Water Treatment Division Notable GOALS for FY 13

- Continue the water system interconnection efforts to ensure water quality and pressure are optimized.
- Complete the construction of Sweeney WTP and place all new equipment and treatment trains into operation with minimal disruption of treatment and no interruption of service.
- Begin the improvement plan to achieve compliance with Stage Two Disinfection By-Products at water treatment plants and in the distribution system.
- Evaluate an apprenticeship program for Water Treatment Operators for both surface and groundwater operation.
- Work to complete the construction of the Westbrook ASR site and begin the required testing and cycling of the well with delivery of water to the system by summer of 2013.

Performance Measures for Water Treatment as of March 31, 2012:

Water Treatment	
Volume treated	5.4 Billion Gallons
compliance rate	100%
Cost per million gallon Sweeney Water Treatment Plant	\$666
Cost per million gallon Nano Filtration Water Treatment	
Plant	\$1,247

Operations - Water Treatment Budget:

	CFPUA FY 10-11 Adjusted Budget	CFPUA FY 10-11 Actual	CFPUA FY11-12 Adopted Budget	CFPUA FY11-12 Admendments	CFPUA FY11-12 Adjusted Budget	CFPUA FY 12-13 Recommended Budget	CFPUA FY 12-13 Adopted Budget	% Change Adopted/ 11-12 Adopted
Operations - Water Treatment								
Salaries	1,293,877	1,285,524	1,301,247	28,601	1,329,848	1,370,800	1,360,375	5%
Benefits	451,973	402,187	458,158	1,129	459,287	471,072	467,739	2%
Operating	5,140,839	4,446,439	5,081,293	(49,331)	5,031,962	4,828,113	4,828,113	-5%
Capital Outlay	96,354	104,557	¥	59,778	59,778	6,200	6,200	100%
Total Operations - Water Treatment	6,983,043	6,238,707	6,840,698	40,177	6,880,875	6,676,185	6,662,427	-3%

Utility Services Division

Utility Services has effectively responded to the challenge of repairing the 40-plus percentage of the Cape Fear Public Authority system that exceeds the expected life of the assets (50 years for water and sewer systems). They are the front line in restoring the flow to the pipelines and continue to be vigilant while the capital projects in the out years will provide relief as the remaining system ages. This division, among other things, repairs both the distribution and collection systems, performs locates, maintains and monitors system water quality, maintains the outfalls, and operates and maintains pump stations.

For any wastewater collection system, sanitary sewer overflows (SSOs) are a challenge. Each day, the Authority safely collects and treats the vast majority of its wastewater. From time to time and under various circumstances, SSOs occur and wastewater is discharged before it is treated. Causes of SSOs include, among other things, grease, debris, pipe failure, power failure, and pump failure. Most SSOs are caused by pipe failures. The Authority's goal is to have no SSOs and works toward this on several fronts.

Almost all initiatives involving the wastewater collection and treatment systems help reduce the frequency and volume of SSOs. Public outreach concerning the effects of grease and wipes raises awareness, and allows concerned citizens to understand how their actions affect the system. Likewise, regular cleaning of gravity lines removes grit and debris, and restores capacity. Ongoing condition assessments coupled with Asset Management's risk criteria ensure replacement and rehabilitation efforts address the most pressing pipe, pump station and plant issues. These activities are funded through various operating and capital improvement budgets, and are managed by staff throughout the Authority.

Without question, reducing SSOs and their impacts is consistent with the Strategic Plan and is supported by the values and commitment of the Authority.

Accomplishments

- Completed more than 1,000 work orders, repaired or replaced 72 hydrants, repaired 206 water services, repaired 81 water mains, replaced 17 water valves, made 28 repairs on the raw water main or bents.
- Completed more than 1,000 work orders, installed or replaced 139 sewer services, 96 sewer service cleanouts, 28 sewer manholes and made 2,380 square yards of asphalt/concrete repairs.
- Completed 480 work orders responding to complaints, in addition to flushing, activating and testing of over 15,000 linear feet of new mains.
- Completed over 5,600 work orders, set 483 meters, tested 21 large meters and replaced 1,433 meters.
- Completed over 11,600 underground utility locates with in-house staff.
- Managed 19 contracted projects (34 total) using CIP emergency funds to repair 7784 feet of pipe lines, 22 manholes and 75 sewer services at a cost of \$2.5 million (total \$3.6 million) to address imminent failures.
- Inspected/cleaned approximately 17.3% (145.4 miles) of mainline collection system to date exceeding the minimum required 10%.
- Inspected/videoed 26.2 miles of gravity sewer mains, approximately 3.1% of the system.
- Responded to 3,349 sewer work orders.
- Installed six standby generator replacements with in-house staff.
- Maintained/cleared 26.5 miles of outfall easements.
- Performed inspection on 500 sanitary sewer manholes.
- Completed over 8,400 work orders by pump station maintenance section.
- Responded to 20 reportable SSOs, discharging a total of 62,700 gallons of sewage with the commitment of stewardship as the foremost concern.

Utility Services Division Notable GOALS for FY 13

- Continue affirmative efforts to address an aging sewer system that is subject to frequent failures.
- Fully evaluate whether a centralized maintenance group for plants and pump stations would reduce operating costs, improve service delivery, and/or increase service levels.
- Complete Maintenance Task Analyses on all pump stations.

Performance Measures for Utility Services as of March 31, 2012:

Utility Services

5.73	Water line breaks/leaking/100 miles of line
5.1	Collection System main/line breaks per 100 miles of line
2.0	Sanitary Sewer Overflows per 100 miles of line
4.1	WQ complaints per 1000 customers
21.2	Miles of line CCTV
120.5	Miles of line cleaned

Operations - Utility Services Budget:

	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Operations - Utility Services								
Salaries	3,903,139	3,688,694	3,870,990	(63)	3,870,927	3,999,645	3,969,093	3%
Benefits	1,369,635	1,196,807	1,419,878	389	1,420,267	1,410,438	1,400,008	-1%
Operating	5,398,701	3,901,979	5,147,362	100,191	5,247,553	4,773,725	4,773,725	-7%
Capital Outlay	633,621	537,142	558,300	23,200	581,500	200,300	200,300	-64%
Total Operations - Utility Services	11,305,096	9,324,622	10,996,530	123,717	11,120,247	10,384,108	10,343,126	-6%

Wastewater Treatment Division

The Wastewater Treatment Division manages, operates, and maintains the Authority's three wastewater treatment plants (WWTP) – Northside (NSWWTP), Southside (SSWWTP), and Walnut Hills (WHWWTP) – and has been working with Pender County on plans to develop a fourth – the U.S. 421 WWTP. These facilities have received diligent operation and maintenance attention, regulatory permit compliance has been exemplary, strict compliance with the approved budget has been observed, and staff has participated in many Cape Fear Public Utility Authority program initiatives, including Asset Management, and maintained high training and certification standards.

Accomplishments as of December 2011

- Maintained outstanding plant performance. Wastewater Treatment Plant (WWTP) Statistics:
 Overall (three WWTPs) Average Wastewater Flow = 15.628 million gallon per day (MGD); %
 National Pollutant Discharge Elimination System (NPDES) Compliance = 100.00.
- Northside Wastewater Treatment Plant (NSWWTP) Average Wastewater Flow = 7.452 MGD;
 Biochemical Oxygen Demand (BOD) Removed = 99.01;
 Total Suspended Solids (TSS) Removed = 99.97;
 NPDES Compliance = 100.00;
 Wastewater Residuals Produced = 4,186 CY.
- Southside Wastewater Treatment Plant (SSWWTP) Average Wastewater Flow = 8.123 MGD;
 BOD Removed = 87.64; % TSS Removed = 97.84; % NPDES Compliance = 100.00;
 Wastewater Residuals Production = 3,461 cubic yards (CY).
- Walnut Hills Wastewater Treatment Plant (WHWWTP) Average Wastewater Flow = 0.053 MGD; % NPDES Compliance = 100.00.
- The NSWWTP Expansion/Upgrade project, transforming the former 8 MGD secondary plant to the current 10 MGD advanced plant, is substantially complete. Rerating the plant for its design flow of 16 MGD awaits completion of the second effluent force main and modifications to the old anaerobic digester covers.
- The SSWWTP Expansion/Upgrade project, transforming the current 12 MGD secondary plant to a proposed 16 MGD advanced plant, continues within the design phase and plans, and specifications near completion; a plant condition assessment was conducted in order to better anticipate and project necessary repairs, replacements and associated costs throughout this period.
- In partnership with Pender County, the U.S. 421 WWTP has progressed to completion of plans and specifications for a 0.5 MGD Sequencing Batch Reactor (SBR) WWTP. Project planning is considered scalable insofar as smaller or larger alternatives can be considered if changing conditions so dictate.
- Annual wastewater and residuals management reports were prepared and submitted to the regulatory agencies.
- The Division currently includes 28 certified biological plant operators within its 40 member staff. All staff satisfactorily completed their annual continuing education obligations required to maintain certification.
- Staff remains involved on various levels with many environmentally active organizations, including the Cape Fear River Assembly (CFRA), the Lower Cape Fear River Program (LCFRP), and the North Carolina American Water Works Association – Water Environment Association (NC AWWA – WEA).

Wastewater Treatment Division Notable GOALS for FY 13

- Complete Maintenance Task Analyses at NSWWTP.
- Maintain WHWWTP performance and permit compliance at acceptable levels while plans are developed for its eventual decommissioning and conveyance of flow to the NSWWTP anticipated for 2012 – 2014. The plant has received various process and safety improvements; however, further safety improvements have been identified and occasional permit violations persist.

Performance Measures for Wastewater Treatment as of March 31, 2012:

Wastewater	FY 12
Volume treated	4.2 Billion Gallons
Cost per million gallons Northside	\$674
Cost per million gallons Southside	\$529
Cost per million gallons Walnut Hills	\$7,978
Compliance Rate Northside	_ 100%
Compliance Rate Southside	100%
Compliance Rate Walnut Hills	_ 99.40%

Operations – Wastewater Treatment Budget:

		CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12		CFPUA FY11-12	CFPUA FY11-12 Adjusted Budget		CFPUA FY 12-13 Recommended Budget		CFPUA FY 12-13 Adopted Budget		% Change Adopted/ 11-12 Adopted
	Adju	ısted Budget	Actual Adopt		opted Budget	Admendments							
Operations - Wastewater Treatment													
Salaries	\$	1,702,570	\$ 1,658,296	\$	1,684,411	(406)	\$	1,684,005	\$	1,747,367	\$	1,732,456	3%
Benefits		585,229	527,294		603,305	406		603,711		603,340		599,073	-1%
Operating		2,649,486	2,245,330		2,530,050	11,720		2,541,770		2,376,585		2,376,585	-6%
Capital Outlay		231,500	100,773		182,940	27,930		210,870		201,660		201,660	10%
Total Operations - Wastewater Treatment		5,168,785	4,531,693		5,000,706	39,650		5,040,356		4,928,952		4,909,774	-2%

Asset Management Division

The Asset Management program continues to grow and evolve into a powerful process and tool, helping the Authority automate aspects of maintenance operations including equipment history, scheduling, preventive maintenance, corrective maintenance, work orders and reporting. With a year of field data collected in Maximo software (CMMS), staff began turning the information into reports that help analyze and direct the course of operations.

Through the expanding use of the CMMS, the strengths and advantages in using the system are becoming evident. The growth of this program and the dedication of staff to advance the process, make obvious commitment to deliver and enhance the high level of service that we currently provide our customers.

Accomplishments

- Wastewater Collections is using Maximo for generating and tracking work orders, managing preventative maintenance, and generating certain management reports. They have the ability track cleaning of lines using GIS and Maximo. Moreover, a Risk Assessment for sewer shed ten is complete.
- Pump Stations has developed a protocol for preventative maintenance of 15 pump stations that will be applied to the remaining stations. They are also using Maximo for generating and tracking work orders, managing preventative maintenance, and generating certain management reports.
- Nano Plant is utilizing Maximo for work orders, scheduling, and tracking preventative maintenance. Initial efforts to include well sites are underway.
- Construction Services has completed basic computer and Maximo training. Asset Management will continue to be rolled out through this group.

Asset Management Division Notable GOALS for FY 13

- Incorporate the Maximo system into the overall Water Treatment Division and continue to support and encourage centralized maintenance.
- Upgrade Maximo 7.1 to 7.5 including upgrade of GIS.
- Integrate inventory between Maximo and HTE.
- Support use of Maximo across all of Operations to include training, enhancement of data quality, and monitoring of Key Performance Indicators (KPIs)
- Establish and implement a standard system-wide condition assessment scoring process for linear assets to be utilized in Maximo.

ENGINEERING DEPARTMENT

Director, Frank Styers, PE

The Engineering Department has many dedicated engineers and staff members who diligently plan, design and manage water and sewer infrastructure projects. The Department coordinates with the City of Wilmington, New Hanover County, the development community and other stakeholders to ensure projects are properly planned and executed. The Department ensures that water and sewer infrastructure projects, whether constructed by the Authority, other agencies or private developers, are in conformance with the Authority's Code of Regulations and Technical Standards. Significant achievements this year include advancing the Capital Improvement Program, completion of several in house design projects and coordinating with potential bulk water customers such as Figure Eight Island and Carolina Beach, in addition to negotiating developer agreements to expand the Authority service area. One example of this type of agreement under negotiation is the Holland Drive water Line extension that will ultimately serve the Rose Hill Plantation and General Electric. Overall, this Department ensures that the best interests of the Authority and the community are considered during the day-to-day and long-term operation of the Authority and considers the guiding principles of *Stewardship, Sustainability and Service* in its decisions. The Engineering Department is comprised of four divisions: Administration, Project Management, Development Services and Design.

Administration Division

The Administration Division is responsible for the overall management of the Engineering Department. This Division is responsible for ensuring that department functions are aligned to meet the Authority's strategic objectives.

Accomplishments

- Refining departmental programs such as the Capital Improvement Program, Capacity
 Management Program and Permit Acquisition and Assurance Program
- The completion of several ordinance revisions to promote consistency in applying fees, and provide clarifications to the mandatory connection program
- Continued refining and organizing of functions and procedures to promote efficiency and productivity
- Engineering staff members continue to provide support to internal and external customers.

Project Management Division

The Project Management Division is responsible for overseeing numerous capital improvement projects. Staff works closely with other engineering divisions, as well as Authority departments such as Administration, Finance (Purchasing and Budgeting) and Operations (Utility Services, Water Treatment and Wastewater Treatment). Staff helps program long-term CIP budgets, oversee planning and design work, and manage construction phase activities.

The 10-year CIP serves as a budgeting tool and strategic work plan for the Department. The CIP consists of two components: water improvements that address conveyance systems, treatment plants, storage facilities, and distribution systems; and, sewer improvements that address collection and pumping systems, and treatment plants.

Accomplishments

- Barnard's Creek and Mott's Creek Pump Stations Interim upgrades underway, new pump station design for Barnard's Creek complete
- Country Haven Pump Station Pump upgrades complete, new force main design complete, new pump station design underway
- Sweeney Water Treatment Plant Phase II construction complete, new chemical feed building and systems activated
- North 3rd St Streetscape Phase 1 construction underway
- Northside Effluent Force Main Construction underway
- Sewer Rehabilitation 153,156 feet of large diameter sewer mains have been cleaned and videoed since July 1, 2011

Project Management Division Notable GOALS for FY 13

- Continue to refine processes for managing, tracking and controlling capital projects through their various phases.
- Continue to recognize opportunities to combine capital projects to provide for efficiency in overall management and construction.
- Continue to recognize opportunities with other area stakeholders, such as the City, County,
 Ports Authority, NCDOT, etc., to coordinate projects and identify partnerships.
- Continue to support Board initiatives to improve employment in the local economy by working with local engineering firms.
- Continue to provide excellent customer service to internal and external customers.
- Work with Public Relations staff to provide outreach to customers regarding major capital projects' plans and updates, and to provide coordination with the development community regarding major infrastructure needs.

Development Services Division

The Development Services Division manages programs and assists other departments regarding community development related needs. This division reviews and approvals of developer installed water and sewer extensions and connection projects from plan approval to constructed infrastructure and plat and conveyance acceptance. This division is responsible for the management of the Authority's technical standards and details to ensure they meet the latest Authority requirements and comply with NCDENR regulations. They coordinate with City and County on overall development plan reviews and permit approvals, research of service availability and connection requirements. The Division provides inspection of sewer and water infrastructure, including developer installed extensions, service connections, service abandonments, and Authority managed sewer and water infrastructure projects as needed. In addition, the Division manages the Capacity Management Program, which includes capacity management of wastewater treatment plants and 141 pump stations. The Division also develops and recommends ordinance and policy revisions pertaining to connection and service extensions.

Accomplishments

- Refining the programs and processes administered by the Division
- Combining the City and County data regarding developer installed infrastructure into one Access database
- Worked with legal counsel to develop deed templates that are easier to prepare, allowing the division to increase the rate of preparing these documents
- Established a System-Wide Deferral Policy for mandatory connection
- Coordinated with local fire departments to allow for continual dialog regarding fire flow needs and constraints, as related to developer-needed infrastructure

Development Services Division Notable GOALS for FY 13

- Continue to recognize opportunities with other area stakeholders, such as the City, County, Ports Authority, NCDOT, etc., to coordinate projects and identify partnerships.
- Continue to support the Board's established policy to improve employment in the local economy by working with local engineering firms.
- Continue to work closely with the development community to facilitate infrastructure construction consistent with the Authority water and sewer master plans.
- Continue to work with our legal counsel to develop a process to effectively, expediently convey developer installed infrastructure, and refine the legal conveyance process for future infrastructure to be installed by developers to make it easier to complete.
- Continue to update and revise the Authority's Technical Specifications, Standards and Details to incorporate lessons learned and new technology.
- Continue to provide excellent customer service to internal and external customers.

- Identify and predict growth trends to bring to the Board's attention future needs within our service area.
- Continue to refine departmental programs such as the Capacity Management Program, and the Permit Acquisition and Assurance Programs.
- Continue to provide plan review and construction inspection to projects to ensure infrastructure is constructed in conformance with Authority standards.

Design Division

The Design Division provides critical support to the Authority including managing the NC Department of Transportation Encroachment (NCDOT) process, developing maps, managing the Geographical Information System (GIS) database, management of the Permit Acquisition Assurance Program (PAAP), and providing computer aided drafting (CAD) and hydraulic modeling to support engineering design, capacity management and system planning.

Accomplishments

- In house design and project management was completed for emergency projects and various capital projects. Most notable was the River Road Force Main repair and Porters Neck waterline Interconnection.
- Construction record drawings of the system infrastructure were reorganized and filed into a common filing system that promotes retrieval that is more efficient.
- GIS data is continually updated and currently includes approximately 95% of the utility water and sewer infrastructure.
- Numerous NCDOT Encroachment Agreements were processed to provide for construction of utilities within the DOT right of way.
- Technical support was provided to the Authority to assist with various policy and procedural decisions.
- Maps were quickly generated for many operational needs including maps necessary to conduct warranty inspections, camera inspections and minor emergency repairs.
- GIS supported Asset Management through refining the water and sewer layers and providing accurate water and sewer data.

Design Division Notable GOALS for FY 13

- Continue to recognize opportunities for in-house design and engineering analysis.
- Continue to recognize opportunities for in-house construction observation and administration.
- Continue to provide excellent customer service to internal and external customers.
- Continue to add existing and planned water and sewer infrastructure to the GIS database, and to support the Authority by providing accurate GIS information.
- Continue to digitize project information (Laserfishe) to archive and make data readily available to all users within the Authority.
- Begin development of a comprehensive database and tracking system to archive, manage and track permits, and system capacity.

Engineering Department Budget:

	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Engineering Engineering								
Salaries	1,407,115	1,317,919	1,339,988	365	1,340,353	1,357,977	1,347,564	1%
Benefits	401,202	355,731	417,102		417,102	415,653	412,237	-1%
Operating	138,881	84,114	130,212	(365)	129,847	158,910	158,910	22%
Capital Outlay		•	16,000		16,000			-100%
Total Engineering	1,947,198	1,757,764	1,903,302	•	1,903,302	1,932,540	1,918,711	1%

ENVIRONMENTAL AND SAFETY MANAGEMENT DEPARTMENT

Director: Beth Eckert

The Environmental and Safety Management Department is comprised of five sections: Community Compliance, Laboratory Services, Safety Management, Environmental Management, and Emergency Response. This Department serves in a support capacity to the Operations Department and other areas of the Authority to help ensure that they have proper data that meets regulatory requirements to make operational decisions that can affect public health and / or the environment. Staff also works to ensure that the water and sewer systems are protected from harmful discharges that could be discharged into the sewer system or via a backflow event siphoned into the drinking water distribution system. Outside of routine operations staff members are playing instrumental roles in the development of the Authority's asset management program, as this program will be enterprise wide it is vital for each area of the Authority to be involved as the program is developed and grows. This Department has been very active on employee safety and development of an ISO 14001 Environmental Management System, building a safety culture that is based on "Safety First".

Community Compliance Division

Community Compliance staff oversee industrial discharges to the collection system and ensures compliance with NPDES permit requirements for our Pretreatment Program. Staff inspects and samples all significant industrial users (SIUs) to determine compliance with their discharge permits. Staff reviewed industrial monitoring data and issued notices of violation and/or civil penalties for failure to meet requirements of pretreatment regulations and the Authority's Sewer Use Ordinance (SUO).

Community Compliance staff works closely with collection system personnel by responding to SSOs and sewer blockages that are related to debris or FOG (Fats, Oils, and Grease) or fibrous materials; conduct oil and grease samplings and inspections in affected areas and distributed literature for educational purposes.

In addition to grease trap inspections, other types of inspections are made of commercial establishments to ensure compliance with Authority ordinances. Compliance Officers audit compliance with both backflow prevention and waste disposal requirements during facility inspections to improve efficiency and customer service. Compliance Officers test back flow devices on an annual basis to ensure their proper operation and have assisted the North Carolina Raw Water Association (NC RWA) with the instruction of backflow tester certification and re-certification courses for local plumbers.

Accomplishments

- Completed intensive treatment plant monitoring and updated the headworks analysis used to determine allowable industrial loadings for Northside and Southside.
- Monitored and inspected all permitted industrial users ensuring protection of the wastewater plants, collection system workers, and compliance with State and Federal Pretreatment regulations.
- Developed and began implementation of an updated Fats, Oils, and Grease Control Policy including permitting food service establishments and Grease Interceptor design criteria.
- Completed over 1300 on-site inspections monitoring commercial user compliance with the Sewer Use Ordinance and Backflow Prevention Ordinance.
- Assisted 50 restaurant owners in reducing their annual grease interceptor waste disposal cost by over \$1,200 each through the pump-frequency variance program and FOG educational presentations.
- Ensured greater than 90% compliance with grease interceptor maintenance and pumping requirements.
- Promoted responsible Fats, Oils and Grease (FOG) and "disposable wipes" disposal through
 educational bill inserts, radio advertisements, on-air interviews, and Community outreach
 events like Touch-a-Truck Day, Earth Day, Lake-Fest, House Hold Hazardous Waste Collection
 Day, helping ensuring compliance with the Authority Collection System Permit
- Delivered over 500 letters and brochures to customers in areas where grease related SSOs or blockages occurred or where collection system lines were identified by Operations staff as having excessive grease accumulation.
- Ensured over 60% compliance with the annual testing requirements for 9,000 backflow prevention assemblies connected to our water distribution system. Compliance is beginning conversion of backflow prevention data records to MAXIMO that will improve data tracking capabilities, ensuring more effective follow-up with non-compliance.
- Responded promptly to all grease and paper related sanitary sewer overflows and blockages to investigate cause and recommend corrective action to contributory customers.
- Began implementation of the ISO 14001 Environmental Management System Certification process.

Community Compliance Division Notable GOALS for FY 13

- Respond to all grease related SSOs in a timely manner to facilitate effective investigations and educational outreach.
- Implement the new Fats Oils and Grease policy and permit all affected sewer system customers.
- Develop a Fats Oils and Grease training video to improve grease trap compliance.
- Train all staff to support succession planning.

- Ensure all commercial and industrial users are inspected as required by all federal, state and local regulations.
- Work with Operations staff to effectively protect the sewer and water systems from grease, debris, illicit discharges and potential backflow events.

Laboratory Division

The Environmental & Safety Management Department Laboratory program operates from the Environmental Services facility in the Ogden area of Wilmington. This laboratory supports Authority programs.

Accomplishments

- Successfully completed sampling and testing to meet regulatory requirements and operational process needs for all four of the Authority's water distribution systems, three wastewater treatment plants, two water treatment plants, and their associated distribution and collection systems. Approximately 77,000 tests were performed for compliance and quality control purposes. No monitoring violations occurred.
- Laboratory staff successfully completed all annual proficiency testing as required by the laboratory's drinking water and wastewater analytical certifications.
- The laboratory staff responded to five sanitary sewer overflows and conducted related environmental monitoring of affected waterways.
- Our laboratory gained certification in two new coliform methods. One allows faster reporting of results during line breaks and the other eliminates interference associated with ground water samples.
- Certification was also obtained for a wastewater microbiological method that allows for more efficient quantitation of fecal coliform.
- Laboratory staff continued to provide analytical data and reports in a timely fashion in support of all monitoring programs throughout the year.

Laboratory Division Notable GOALS for FY 13

- Ensure accurate sampling and analyses / Support Authority departments to ensure compliance with all environmental laws and requirements.
- Complete certification process for the ICP/MS and begin running samples for compliance in house.
- Evaluate a Laboratory Information Management System (LIMS) for the laboratory program.

Safety Management Division

The Safety Division of the Environmental & Safety Department has continued to monitor the Safety Policies and Procedures manual to include updating the policies and converting them to ISO format. The Safety and Health Policies and Procedures manual continues to be effective in guiding staff in safe work practices. The Safety Award and the Accident Review policies and procedures are monitored for areas of improvement as needed and to ensure it is fair and equitable for all staff. Safety training is conducted in each of the areas of the Authority.

The safety department continues to be a resource for the Authority staff in dealing with all types of issues regarding safety and health. It continues to promote safety and is focused on developing a mindset of "Safety First".

Accomplishments

- Completed Lockout/Tagout and Confined Space program audits of the departments.
- Completed an audit of training requirements and content for the departments.
- Completed seven facility audits and inspections.
- Completed six work zone/construction site inspections that included new Alum & Caustic processes at the Sweeney WTP.
- Continued a review and update of the Safety & Health Policies and Procedures. Also began converting them to ISO 14001 format. Completed 18 Chapters.
- Continued to lead the Monthly safety and accident review committee meetings, working to minimize the potential for future accidents through the identification of root cause, and implementing process to prevent re-occurrence.
- Continued to perform routine safety inspections in all areas of the Authority.
- Attended nine various safety training events.
- Have worked with new Insurance Company during the transition from Travelers to Glatfelter.
- Increased the role of "Risk Manager" duties for claims handling and processing for internal claims.

Safety Management Division Notable GOALS for FY 13

- Continue training reviews to ensure CFPUA is meeting all requirements.
- Review and update safety policies and procedures.
- Develop a power point orientation slide show for staff at 235 Government Center Drive to assist supervisors in meeting OSHA requirements.
- Continue facility and job site inspections throughout the next fiscal year.
- Develop OSHA task force for improved safety awareness throughout the Authority.
- Work to reduce overall accident rate.

Environmental Management Division

The Environmental Management Program continues to be the driving force towards a change in culture of our daily operation as we strive to focus on continual improvement and operating in a manner that minimizes our environmental impact. The Environmental Management section works closely with the Authority's Operations and Engineering staff on construction and emergency projects to ensure compliance. Environmental Management continually partners with N.C Sedimentation and Erosion Control and North Carolina Department of Environment and Natural Resources.

Accomplishments

- Obtained Third Party Certification for our ISO 14001 Environmental Management System within the Collection System, Pump Station, Right of Way, and Environmental Management Groups within the Authority.
- Conducted internal audits to support the EMS and to ensure the focus was on continual improvement.
- Coordinated permitting and/or authorizations from North Carolina Division of Water Quality (NCDWQ), Coastal Area Management Act (CAMA), and United States Army Corp of Engineers (USACE) on sewer repair projects such as Burnt Mill Creek, Pages Creek, McCumber's Ditch, and the final pieces of the Ogden
- Prepared monthly performance reports for the Board meetings to track compliance with over 30 parameters.
- Performed oversight of building maintenance and followed-up to ensure items were
- Began expansion of the EMS into the Engineering and ESMD areas of the Authority.

Environmental Management Division Notable GOALS for FY 13

- Provide immediate response to sanitary sewer overflows (SSOs) throughout the review period
- Gain ISO 14001 third party certification for ESMD and Engineering and maintain existing certification.
- Implement a CFPUA overall recycling program.

Emergency Response Division

The Cape Fear Public Utility Authority abides by state and federal emergency management regulations, for all-hazards mitigation, preparedness, response, and recovery. The program coordinator develops, maintains, and trains Authority employees on the Emergency Response Plan and its associated Incident Action Plans. Proactively working to meet the Environmental Protection Agency's (EPA's) seventeen National Incident Management System (NIMS) compliance objectives for the water sector; staff continues to refine emergency preparedness by planning, and implementing standardized response and industry best practice measures as recommended by EPA, Federal Emergency Management Agency (FEMA), and North Carolina regulatory agencies.

Accomplishments

- CFPUA is an active participant in the statewide NCWaterWARN Mutual Aid and Assistance Program. Emergency Management Coordinator serves as NCWaterWARN, Secretary.
- CFPUA serves on the New Hanover County Local Emergency Planning Committee, which
 plans for Hazardous Material (HAZMAT) response incidents within the community. We have
 also been active in planning and participating in community-wide drills and exercises with
 our state, county, and city emergency response partners.
- CFPUA voluntarily assumed the leadership role of desk coordinator for the Essential Support Function #3 (Public Works & Engineering) in the New Hanover County Emergency Operations Center. The Emergency Management Coordinator actively trained staff to support EOC activations (Hurricane IRENE); Engineering personnel staff the ESF #3 desk, coordinating public works and engineering assistance between county and municipal agencies.
- Categorized 23 separate AWWA-defined Response Teams. Consistent with the NIMS, these teams can be activated to respond to catastrophic damage to infrastructure resulting from major storm or other system-related events.
- Created fast-action emergency response binders for Sweeney and Nano water treatment facilities, and position binders for the Chief Operations Officer and Environmental & Safety Management Director positions. These binders enable a consistent, organized response for unplanned emergencies.
- The program has had many successes in real-world response execution and event planning. We used NIMS principles to establish contingency response plans for the River Road force main repair and the Sweeney WTP shut down for U/V tie-in. We also activated our Incident Command Post for Hurricane IRENE.
- Currently coordinating a comprehensive Business Continuity Plan ongoing.
- Conducted a ground water well-site security needs assessment for CIP purposes. A water storage assessment is ongoing.

Emergency Response Division Notable GOALS for FY 13

- Complete pump station and water tower basic security assessment needs.
- Hold at least two system or organization-level tabletop exercises.
- Continue to participate in local, county, and state drills and exercises.
- Complete resource typing of CFPUA emergency equipment per NIMS.

Performance Measures for Environmental and Safety Management:

Environmental and Safety Management

3.57	OSHA
1.98	DART
	Average Number of Inspections per Compliance Officer
31.7	per month
67%	Customer Compliance with Backflow Requirements
	Customer Compliance with Grease Interceptor
93%	Requirements
119.6	Average # of samples analyzed per employee
392.9	Average # of Tests per employee

Environmental and Safety Management Department Budget:

	CFPUA FY 10-11	CFPUA FY 10-11	CONTRACTOR		CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/	
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted	
Environment/Safety Management					经金融股份				
Salaries	1,272,939	1,229,956	1,300,578	3,122	1,303,700	1,341,776	1,331,257	2%	
Benefits	448,028	379,728	451,186	582	451,768	473,516	469,865	4%	
Operating	545,819	398,835	524,888	(23,079)	501,809	565,090	565,090	8%	
Capital Outlay	-	-	5	19,375	19,375	·*	:*!	0%	
Total Environment/Safety Management	2,266,786	2,008,519	2,276,652		2,276,652	2,380,382	2,366,212	4%	

FINANCE

Finance Department

Chief Financial Officer: Cheryl Spivey, CPA

In preparation of the FY13 budget Finance performed a detailed analysis of all expenditure accounts for each department/division in order to prepare the budget based on past actual expenditures The FY13 Budget plans to be adopted by the Board at the June 13, 2012 meeting.

Accomplishments

- Worked with the Board to update the rate model reflecting the Authority's mission.
- Created a policy to competitively bid all services, construction and purchases over \$100. Larger and specialized projects are advertised on the website. The goal of this policy is to reduce costs and receive high quality products and services. Authority-wide contracts for uniforms and fleet maintenance have been developed to reduce costs and realize efficiencies throughout the organization.
- Maintained the AA2 bond rating with Moody's and AA bond rating with Standard & Poor.
- Issued \$44.1 million revenue bonds on September 28, 2011. When compared to The Bond Buyer's Revenue Bond Index, the Authority's strong bond rating saved its customers over \$6.3 million in interest costs on the \$44 million revenue bond issue. The financing was comprised of \$41 million of new money bonds and \$3 million of refunding bonds.

The bonds sold at a net total interest cost of 3.79%, or 1.17% below The Bond Buyer's Revenue Bond Index ("RBI") of 4.96%. The RBI is an indicator of interest costs for municipal revenue bonds sold nationwide. The refunding bonds will save customers approximately \$22,000 per year (in today's dollars), for a total interest savings of \$175,000 over the life of the bonds.

- Prepared the Authority's 3rd Comprehensive Annual Financial Reports (CAFR) for Fiscal Year Ended June 30, 2011, obtained an unqualified opinion on the annual independent audit.
- Provided disclosure information to bondholders and bond rating agencies through timely disclosures to the Security and Exchange Commission (SEC) required on the County's outstanding debt.
- Won the Government Finance Officers Association's Certificate of Achievement for Excellence in Finance Reporting Program for the third consecutive year. The Certificate was awarded for the Comprehensive Annual Financial Reports for the fiscal year ended June 30, 2009 and 2010.
- Staffed Board Finance Committee
- Provided all required financial filings to the State of North Carolina State Treasurer's Office through the Local Government Commission related to the Authority's deposits and investments.
- Prepared the fiscal year 2012-13 budget.

Finance Accomplishments Continued

- Completed and adopted various Finance, Accounting and Purchasing policies including the Travel Policy, the Finance and Accounting Policy, Budget Amendment and Transfer Policy, the Time and Attendance Policy, Internal Controls for Equipment Policy, Local Preference Policy, Surplus Disposal Policy, Procurement Manual, Procurement Card Manual, Food Policy, Bond Post-Issuance Monitory for Tax Exempt Debt and the Uniform Policy.
- Conducted Purchasing and Finance Training for staff on new policies and procedures.
 Training will be held throughout the year to keep staff up to date.
- Continuously review vendor invoices for accuracy and potential savings.
- Began the process of scanning finance documents to provide staff the ability to electronically capture documents, which in turn provides redundancy of the data, is more secure & efficient, and conserves filing space.

Finance Department Notable GOALS for FY 13

- Manage the Authority's finances in the most costs efficient manner. Continue to look for expenditure efficiencies and ensure that all users of the Authority's water and sewer services are being billed for those services.
- Continued review, improvement, and cross training of finance, accounting & procurement processes.
- Issue bonds to fund the FY2013 CIP at the lowest possible interest costs.
- Submission of the Authority's Adopted FY 12-13 Budget to the Government Finance Officers
 Association's Distinguished Budget Presentation Awards Program. Preparation of the
 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012 in accordance
 with the Government Finance Officers Association's Certificate of Achievement for Excellence in
 Finance Reporting Program.
- Complete additional Finance policies including Inventory Policy.
- Continue the process of scanning finance documents to provide staff the ability to electronically capture documents that provide redundancy of the data, is more secure & efficient, and conserves filing space.
- Continue to review all services provided to Authority to ensure selection by competitive process and that contracts are in place.

Performance Measures for Finance:

Finance	FY11
Annual Debt Service coverage Ratio	1.65
Operating Revenue/Operating expenditures	2.03
Quick ratio	3.38
Days Cash on Hand	879
Cost Recovery - Operating ratio	1.36
Leverage - Debt to Equity Ratio	0.86
Asset Depreciation	5.68%

Information Technology

Manager, Cord Ellison

The Information Technology Division is responsible for the connectivity of eight facilities, as well as the SCADA network that consists of over 250 outlying sites. It also supports and maintains all Authority Servers, Personal Computers (PC's), Network Equipment, and Telephony systems. In addition to the above, the Information Technology Division is responsible for the Authority's Geographical Information Systems, Physical Security, CCTV, and Network Security across the Organization.

Accomplishments

- The relocation of Disaster Recovery equipment from the Greensboro Time Warner DR location to the new Peak10 Morrisville DR facility. This allowed for an increase in the amount of data that could be replicated as well as reduction of our overall costs.
- The addition of the new Utility Services building which required network infrastructure to be installed so that it could connect back to the rest of the Authority's technology resources. In addition to the above, technology assets had to be relocated from existing facilities to the new Utility Service building.
- The Authority's content management system (Laserfiche) was expanded to include Finance and Customer Service. This provides staff the ability to electronically capture documents that in turn provides redundancy of the data, is more secure, and efficient.
- Significant progress has been made on the Landfile cleanup project and staff is scheduled to complete this project on time.

IT Accomplishments Continued

- An Authority Customer Location layer has been created which is now available Authority wide. This layer not only provides spatial customer information but also is tied to Maximo (Authority Asset Management application) which now allows work orders to be written to a Customer Location.
- The latest aerials have been deployed and the ESRI GIS (Geographical Information Systems) desktop application "ArcDesktop 10" has been installed for Authority staff.
- The Information Technology Divisions helpdesk software "Trackit" now contains all hardware, software, and licensing to include the model, serial number, warranty information, user, location, department, and peripheral devices. This has allowed IT staff to better track technology items, trend helpdesk issues, and forecast upgrades that translate to more efficient support, as well as more cost effective procurement.
- Continued Operating System upgrades on servers, as well as application upgrades for both client and server machines throughout the Organization.
- Successfully resolved more than 4,600 help desk ticket

Information Technology Department Notable GOALS for FY 13

- Training for IT staff to support current and future applications.
- With the Landfile Cleanup project completed last year, evaluate all alternative solutions to the current Utility Billing/Financial system.
- Expansion of the Authority's SCADA infrastructure to include conversion/replacement of existing SCADA telemetry devices.
- Sweeney expansion project will require significant IT support for things such as network design, phone system support, CCTV, etc. This creates the opportunity for improved efficiencies and costs savings throughout the organization.
- Support of the Authority's Asset Management application Maximo.
- Disaster Recovery failover testing. This was originally planned for last year but due to an increase in the number of servers and the amount of data we were unable to replicate with existing equipment. This will be an all-inclusive periodic test that will enable up to 20 employees the ability to connect to and access critical applications and data used in the daily operations of the Authority, as well as the ability to handle calls from CFPUA critical telephone numbers.

Customer Service

Director, Nancy Johnson

The Customer Service Division currently bills nearly 64,000 customers for water and sewer services with a billing accuracy over 99%. There are two customer service locations and a call center staffed to address customer inquiries in an efficient and timely manner. The Division's objective is to meet our customers' needs through timely response, effective service and managed financial costs.

Accomplishments

- Continued to coordinate with the United Way and Salvation Army to assist in the payment of utility bills for customers in financial hardship through CFPUA Assist.
- Transitioned bill printing to a new vendor and redesigned the face of the bill to assist customers in understanding their consumption trends.
- Continued focus on cost improvements by analyzing merchant (credit card) fees, issuing an RFP for Merchant Fee processing to ensure competitive pricing, and contracted with a new lower priced vendor.
- Actively engage large consumption customers to ensure we are receiving payments in the most cost effective method possible.
- Augmented Disaster Preparedness Strategy by addition of Business Continuation and Building Evacuation Plans.
- Worked in conjunction with the Engineering Department to streamline the process of applying for new water and/or sewer service.
- Reduced average wait time for customers calling the Authority's Customer Service Department.
- Expanded performance measures to enhance management and accountability for meter reading, customer service, and billing divisions.
- Continued customer billing data clean up to ensure all accounts billed accurately.
- Continued to work with the Authority's Operations staff to uphold Ordinance regulations regarding illegal tampering with the water system.
- Continued implementation of skipped meter and high-low consumption checks to increase billing efficiencies.
- Enhanced revenues, in coordination with the Engineering Department, by identifying unlawful or unknown water and sewer line connections.
- Improved collections by collaborating with outside collections agency to collect non-active accounts delinquent more than 120 days.
- Developed on-going in-house training for all of Customer Service Division.

Customer Service Department Notable GOALS for FY 13

- To respond effectively to the needs of our customers by handling customer requests promptly and correctly:
 - Answer 95% of all calls in 5 minutes or less.
 - Respond to 98% of all voice, fax and email messages by the end of the next business day.
 - Complete 90% of all work orders within five business days.
 - Continue development of training program for Customer Service Department.
- To maintain stable financial position by effectively billing and collecting revenues:
 - Maintain 100% on-time billing.
 - Maintain 99% bill preparation accuracy.
 - Implement Board direction to Monthly Billing.
 - Look for continuous improvements in banking, collections and billing relationships and processes.

Performance Measures for Customer Service:

Custom	er Service	
	Calls answered< 5 minutes	94.9%
	Customer satisfaction	94.50%
	Abandoned calls	6.90%
	Billing Accuracy	99.40%

Finance, IT and Customer Service Departments Budget:

	CFPUA FY 10-11 Adjusted Budget	CFPUA FY 10-11 Actual	CFPUA FY11-12 Adopted Budget	CFPUA FY11-12 Admendments	CFPUA FY11-12 Adjusted Budget	CFPUA FY 12-13 Recommended Budget	CFPUA FY 12-13 Adopted Budget	% Change Adopted/ 11-12 Adopted
Finance/IT/Customer Service								
Salaries	2,410,853	2,287,058	2,353,707	(8,759)	2,344,948	2,417,508	2,401,291	2%
Benefits	823,532	721,740	843,474	778	844,252	827.500	821,533	-3%
Operating	1,777,727	1,467,380	1,800,128	(13,096)	1,787,032	1,581,802	1,581,802	-12%
Capital Outlay	12,000	- A	11,872	64,300	76,172	202,970	202,970	100%
Total Finance/Administrative Services	5,024,112	4,476,178	5,009,181	43,223	5,052,404	5,029,780	5,007,596	0%

HUMAN RESOURCES DEPARTMENT

Director, Tom Morgan

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

Accomplishments

Secured employee benefits renewal contracts consistent with the Authority's HR Committee recommendations for the fiscal year.

- Submitted monthly articles for publication in the employee newsletter covering topics such as, monthly training opportunities, employee benefit information, health and wellness information, announcements and HR news.
- Conducted twelve annual benefit enrollment meetings for employees at work locations.
- Conducted six meetings for employees with representatives from Prudential and ICMA-RA concerning the supplemental retirement plans (401K and 457).
- Conducted new employee orientation sessions for 28 employees.
- Maintained the employee health care clinic and scheduled seasonal flu vaccinations clinics.
- Scheduled and conducted organizational training classes throughout the period for over 823 employees that included over 1410 training contact hours.
- Conducted the fourth annual CFPUA United Way Campaign that resulted in increased employee contributions over the previous campaign.
- Conducted employee service awards ceremony honoring the Authority's 37 employees that achieved service milestones during FY11. These employees represented a combined 415 years of service.
- Conducted annual driver's license record checks for all employees that are required to have valid driver's license through NCDMV, and maintained the employee drug-testing program in accordance with the Authority's prescribed policies and procedures.
- Conducted retirement ceremonies for seven employees retiring with a combined total of 161 years of service.
- Completed annual compliance audit of personnel files.
- Processed in excess of 1800 employment applications.
- In conjunction with the NC Department of Labor, Journeyman Apprenticeship Program continued to work on a program for water treatment operators.
- Ongoing implementation of the Workplace Wellness Strategic Action Plan with programs that encouraged participation in wellness activities and distribution of wellness material.
- Maintained and updated performance benchmarking measurements for departments.
- Maintained and updated the compensation and classification plans.
- Renewed the Supervisory and Leadership Training program in partnership with the Cape Fear Community College with 2 sessions during this period.

Human Resources

Director, Tom Morgan

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HR Accomplishments Continued

- Continued with basic computer training in operations department.
- Conducted in-house customer service training.
- In conjunction with consultant, completed an organizational wide classification and compensation study.
- Coordinated Access database training for designated employees through the Cape Fear Community College for the asset management (Maximo) program.

Human Resources Department Notable GOALS for FY 13

- Continue with core HR function of filling vacant positions, maintaining personnel files, class & comp. system, and meeting all regulatory compliance, administering the employee benefit plans, along with development and interpretation of policy and promoting positive employee relations.
- Promote workforce education and training by conducting training assessments and providing training and development courses to meet the needs of the overall organization
- Implement the revised classification and compensation plan completed in March 2012 in order to maintain & attract qualified employees.
- Promote the workplace wellness plan to encourage voluntary health and wellness initiatives for the employees. The benefits achieved by the plan are a healthier, more active workforce and health care plan savings.
- Continue to update our desktop internal procedure manuals, cross-train personnel in the department

Performance Measures for Human Resources:

Workers Comp Claims 17 Average Vacancy rate 3.9 Average Turnover Rate 1.62 Average Training Hours per Employee per month 2.72

Human Resources Department Budget:

	CFPUA FY 10-11	CFPUA FY 10-11	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY11-12	CFPUA FY 12-13	CFPUA FY 12-13	% Change Adopted/
	Adjusted Budget	Actual	Adopted Budget	Admendments	Adjusted Budget	Recommended Budget	Adopted Budget	11-12 Adopted
Human Resources								
Salaries	248,069	248,243	248,569		248,569	261,689	259,179	4%
Benefits	68,487	62,513	70,489		70,489	72,691	72,093	2%
Operating	286,008	100,261	247,500		247,500	205,400	205,400	-17%
Total Human Resources	602,564	411,017	566,558		566,558	539,780	536,672	-5%

CAPE FEAR PUBLIC UTILITY AUTHORITY CAPITAL IMPROVEMENTS PROGRAM (CIP)

Capital improvements are necessary for rehabilitation, replacement and addition of infrastructure and to provide safe, reliable, high quality water and wastewater services to current and future customers. Capital improvement expenditures are recorded as capital assets and are depreciated over the economic useful life of the assets. A ten-year planning period is used to develop the CIP and is reviewed and updated annually.

EXECUTIVE SUMMARY

The proposed FY 2013 CIP Budget is approximately 28% lower than was planned and incorporated into rate and bond financial feasibility study completed in FY 2011. A CIP budget of \$23 million is proposed versus the \$32 million planned during the FY 2012 budget process. Numerical prioritization scoring and asset management risk scoring are conducted annually and used to evaluate projects which are further vetted by multiple Authority Board workshops. As presented in the budget ordinance for the Capital Projects Sub-funds the FY 2013 CIP budget will be financed with revenues from Proceeds from Revenue Bonds, Transfers from the Operating Sub-Fund, and Interest Earnings.

The following summarizes the FY 2013 and Ten-Year CIP:

WATER

<u>FY-2013</u>

- Continue the design and construction of multiple waterlines necessary to combine the
 Sweeney surface water and Nano ground water systems into one.
- Continue design and construction of waterlines necessary to eliminate pressure and quality issues in the southern service area.
- Initiate Comprehensive Meter Replacement Program.

<u>Ten-Year CIP</u>

- Secure long term raw water supply.
- Combine multiple distribution systems into one system reducing costs, enhancing quality, and providing redundancy for emergencies.
- Plan, design and construct infrastructure necessary to balance supply with demands and meet the needs of our customers.

WASTEWATER

FY-2013

- Initiate design of project to decommission Walnut Hills Wastewater Treatment Plant, a facility past its lifecycle and a compliance risk.
- Eliminate Pump Station 11 downtown, a facility beyond its lifecycle with high risk and consequence of failure.

- Construct five Collection System Rehab/Replacement Projects slated for low interest loans from Clean Water State Revolving Funds (CWSRF).
- Take incremental steps to repair or replace equipment infrastructure identified through asset management.
- Perform minor rehabilitation at Southside Wastewater Treatment Plant to defer the major upgrade until FY 2015.

Ten-Year CIP

- o Rehabilitate and replace linear assets and pump stations.
- o Decommission Walnut Hills Wastewater Treatment Plant.
- o Complete Upgrade of Southside Wastewater Treatment Plant.

CIP CONCLUSION

The largest capital initiatives that the Authority is expected to program over the next ten years are:

- Southside Wastewater Treatment Plant Upgrade
- Raw Water Supply Transmission Mains and Pumping Facilities
- Walnut Hills Decommission
- Rehabilitation of aging wastewater collection system
- Combining water distribution systems into one blended system

The proposed FY 2013 CIP Budget and the proposed Ten-Year Capital Improvements Program are built around these initiatives. The proposed ten-year program is reevaluated each year and provides opportunities to revisit the priorities and progress of these initiatives. Future decisions on the strategic planning related to system growth will greatly impact future year projections when the Ten-Year CIP is revisited in FY 2014.

NONRECURRING CAPITAL EXPENDITURES

The FY 2013 budget includes nonrecurring capital expenditures which are budgeted within the individual Department/Divisions of the Operating Sub-Fund. The total budgeted nonrecurring capital expenditures of \$629,130 are not significant to the total Operating Sub-Fund budget of \$71.2 million.

CAPE FEAR PUBLIC UTILITY AUTHORITY CAPITAL IMPROVEMENTS PROJECTS FUNDED IN FY 2013

Water Capital Improvements Projects	
Downtown Water Line Rehabilitation	\$100,000
Kerr Avenue Greater Loop *	\$3,083,000
Southern Transmission Mains	\$465,000
Fazio to Eagle Point Water Line Extension	\$140,000
Landfall to Summer Rest Water Line Extension	\$70,000
Market Street - Sweeney to Nano Interconnection (Military Cutoff vicinity)	\$115,000
Nano WTP to Market Street Feeder (Greenview) *	\$1,050,000
Monkey Junction Trunk Water Line	\$928,000
Comprehensive Meter Replacement Program	\$500,000
Well Site Security	\$100,000
Water Valve Replacement	\$100,000
Demolition of Obsolete Structures	\$75,000
SCADA Implementation	\$100,000
Water Distribution Monitoring Stations	\$200,000
Distribution System-Standard Developer Agreements	\$250,000
Facilities Management Plan	\$50,000
Information Technology Business Continuity Equipment	\$300,000
Laboratory Instrumentation to Allow Rapid Measurements	\$60,000
Sweeney clear well rehabilitation 12 MG	\$250,000
Mechanical Mixing for Disinfection Byproducts Reduction (DBP)	\$125,000
Water Capital Improvements Projects Subtotal	\$8,061,000
·	

^{*} These projects are included on the Description of Signficant Capital Improvements Projects Funded in FY 2013

CAPE FEAR PUBLIC UTILITY AUTHORITY CAPITAL IMPROVEMENTS PROJECTS FUNDED IN FY 2013

Wastewater Capital Improvements Projects	
Wastewater Planning to Serve Aqua Area	\$100,000
Walnut Hills WWTP - Decommission	\$700,000
Smith Creek 'Alandale' Improvements-Clean Water State Revolving Fund (CWSRF) *	\$2,125,000
Between the Creeks Improvements-Clean Water State Revolving Fund (CWSRF)	\$105,000
Dawson St. Interceptor Rehabilitation	\$250,000
Airport Line Repair/Replacement	\$100,000
13th Street/N. Lake Shore Blvd. Outfall Repair	\$750,000
ARV Improvements Pump Station 2, 10, 12, 13 and 14	\$400,000
PS - 001 Northchase SE Equipment Upgrade	\$75,000
PS - 003 Heatheridge PS Upgrade	\$40,000
PS - 004 Northchase NE Equipment Upgrade	\$50,000
Thickened Alum Sludge Storage at WWTP	\$540,000
PS - 010	\$500,000
PS - 011 Market St. Elimination	\$500,000
PS - 015 Madison Equipment Upgrade	\$75,000
PS - 018 Greenhow Woods Equipment Upgrade	\$75,000
PS - 022 Tangle Oaks #3 Improvements	\$50,000
PS - 024 Tangle Oaks 1 Equipment Upgrade	\$75,000
PS - 041 Towles Road Equipment Upgrade	\$75,000
PS - 048 Oak Landing PS Electrical FM Upgrade	\$215,000
PS - 089 Smith Creek Upgrade	\$150,000
PS - 090 Clarendon PS Upgrade	\$120,000
Southside WWTP Interim Improvements	\$500,000
PS - 104 Runny Meade 1 Equipment Upgrade	\$75,000
PS - 105 Runny Meade 2 Equipment Upgrade	\$100,000
PS - 119 Beasley Road Equipment Upgrade	\$150,000
PS - 136 Tangle Oaks 2 Upgrade	\$75,000
PS - 137 Quail Woods Upgrade	\$250,000
Sewer Emergency Repair *	\$2,000,000
Demolition of Obsolete Structures	\$75,000
SCADA Implementation	\$100,000
Pressure Pipe Assessment	\$500,000
30th St Sewer Replacement-Clean Water State Revolving Fund (CWSRF) *	\$1,500,000
Collection System-Standard Developer Agreements	\$250,000
Copier Replacement	\$110,000
Large Equipment Purchase (Operations)	\$150,000
Greenfield Lake Outfall Rehabilitation-Clean Water State Revolving Fund (CWSRF) *	\$2,000,000
Wastewater Capital Improvements Projects Subtota	\$14,905,000
Total Capital Improvements Projects Funded in FY 2013	\$22,966,000

 $^{^{}st}$ These projects are included on the Description of Signficant Capital Improvements Projects Funded in FY 2013

CAPE FEAR PUBLIC UTILITY AUTHORITY DESCRIPTION OF SIGNIFICANT CAPITAL IMPROVEMENTS PROJECTS FUNDED IN FY 2013

Water Capital Improvements Projects	FY 2013 Project Budget	Description
Kerr Avenue Greater Loop	\$3,083,000	These water mains connect the Sweeney surface water system to the Nano ground water system in north central NHC and complete portions of a key system loop.
Nano WTP to Market Street Feeder (Greenview)	\$1,050,000	This 16-inch water line is necessary to provide adequate pressure and flow in the Porters Neck vicinity. Currently, the largest pump at the Nano WTP must be operated to boost system pressure and overcome water line diameter flow restrictions. This water line will significantly improve system pressure operating levels.
Wastewater Capital Improvements Projects	FY 2013 Project Budget	Description
30 th St Sewer Replacement (CWSRF)	\$1,500,000	Replace approximately 5,000 feet of existing sanitary sewer along 30 th Street. This is a Clean Water State Revolving Fund (CWSRF) low interest loan project.
Greenfield Lake Outfall Rehabilitation (CWSRF)	\$2,000,000	Rehabilitate/replace approximately 7,500 feet of large diameter sanitary sewer outfall. This is a Clean Water State Revolving Fund (CWSRF) low interest loan project.
Smith Creek 'Alandale' Improvements (CWSRF)	\$2,125,000	Installation of approximately 5,000 feet of new sanitary sewer. This allows the abandonment approximately 6,000 feet of poor condition sanitary sewer, the majority of it inaccessible on piles through a marsh area. It also allows a simplex pump station to be abandoned. Approximately 74 new customers will be provided service along the new route.
Sewer Emergency Repair	\$2,000,000	Funds are for emergency repairs. These funds replenish an existing balance to provide approximately \$4.5MM to address emergency sewer failures.



CAPE FEAR PUBLIC UTILITY AUTHORITY TEN-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP)

FY 2013 to FY 2022 CIP	Current Project	Project Cost	FY 09 to FY 12	FY 13 Budgeted	FV 14 Planned	FV 15 Planned	EV 16 Planned	EV 17 Planned	EV 18 Planned	EV 10 Planned	EV 20 Planned	EV 21 Planned	EV 22 Planned
Water Capital Projects	#		Budgeted									1 1 21 Hanned	r i 22 i ianneu
Raw Water Improvements: Surface or Well Sources and Transmission				All do	llar amounts are s	shown in FY 201	2 dollars. No adj	ustments are mad	le for projected in	flation or deflation	n.		
Well Site Security		6100.000		2100.000									
Construction of new Raw Water Line		\$100,000		\$100,000									
Aquifer Sustainability & Monitoring		\$32,000,000							\$1,000,000	\$31,000,000			
Kings Bluff Pump Station		\$350,000					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Replacement of 24-inch Raw Water Line (s)		\$11,300,000						\$500,000	\$10,800,000				
Water Treatment Plant Improvements		\$6,500,000					\$6,500,000						
Nano Membrane Replacement													
Water Storage Improvements: Elevated, Ground and Aquifer Storage		\$500,000				Constant of the Constant of th			\$500,000				
Sweeney clear well rehabilitation 12 MG													
Mechanical Mixing for Disinfection By-Product Reduction (DBP)		\$8,000,000		\$250,000	\$7,750,000								
Water Mains: Rehabilitation or Replacement		\$125,000		\$125,000									
Downtown Water Line Rehabilitation													
	09W001	\$5,600,000	\$1,500,000	\$100,000	\$500,000		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Large Transmission Feeds from Sweeney through Downtown		\$7,000,000						\$2,000,000			\$2,000,000	\$2,000,000	\$1,000,000
Water Mains: Transmission Mains New Construction													
Kerr Avenue Greater Loop	09W008,09W01	Ø5 004 000	#2 021 000										
Southern Transmission Mains	1,11W124	\$5,904,000	\$2,821,000	\$3,083,000	62 245 000		-						
Fazio to Eagle Point Water Line Extension	12W132	\$5,310,000	\$500,000	\$465,000	\$2,345,000		\$1,000,000	\$1,000,000					
Landfall to Summer Rest: Water Line Extension		\$140,000		\$140,000					- N 111 5 F				
Market Street Sweeney to Nano Interconnection (Military Cutoff vicinity)		\$70,000		\$70,000	0776 000		ļ						
Nano WTP to Market Street Feeder (Greenview)	1111110	\$871,000		\$115,000	\$756,000								
Monkey Junction Trunk Water Line	11W129	\$1,114,000	\$64,000	\$1,050,000			1						
Distribution Expansion: Adjacent Infill Neighborhoods		\$928,000		\$928,000									
Abbey Glen										建造工业企业			
Bald Eagle Lane		\$135,000											\$135,000
Middle Sound		\$1,300,000						\$1,300,000					
Bayshore Area		\$5,000,000							\$5,000,000				
Edgewater		\$2,720,000									\$2,720,000		
Distribution Expansion: Remote Infill Neighborhoods		\$2,135,000			NOTE OF THE PARTY	1.							\$2,135,000
Heritage Park				经过来的区区									
Annual Programs: Asset Evals and Minor Rehab or Replacement		\$700,000									\$700,000		
Comprehensive Meter Replacement Program													
Water Valve Replacement	00111000	\$12,500,000		\$500,000			\$5,000,000			1			
Demolition of Obsolete Structures	09W002	\$1,200,000	\$300,000	\$100,000			\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
SCADA Implementation		\$150,000		\$75,000									
Water Laterals and Services		\$900,000		\$100,000			\$100,000				\$100,000	\$100,000	\$100,000
Water Emergency Repair	00177040	\$800,000			\$100,000		\$100,000			\$100,000	\$100,000	\$100,000	\$100,000
System Wide Studies/Assessment Management	09W013	\$4,193,000	\$2,193,000		\$250,000		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Water Distribution Monitoring Stations													
GIS and AS-built Integration, Easement Survey/Mapping		\$200,000		\$200,000									
Water Master Plan Update		\$350,000					\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
		\$150,000					\$75,000)				\$75,000	
Water System Audit and Water Revenue Recovery Implementation Plan Developer Agreements and Annexations		\$80,000			\$80,000								
Distribution System-Standard Developer Agreements		00.010.01											
Facilities and Support Functions		\$2,250,000		\$250,000	\$250,000		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Facilities Management Plan		FEEDER LEA											
Information Technology Business Continuity Equipment		\$50,000		\$50,000									
		\$300,000		\$300,000									
Laboratory Instrumentation to Allow Rapid Measurements		\$60,000		\$60,000									
TOTAL WATER CAPITAL IMPROVEMENTS PROJECT	S	\$120,985,000	\$7,378,000	\$8,061,000	\$15,306,000	\$	0 \$13,975,000	\$10,200,000	\$18,700,000	\$32,400,000	\$6,820,00	\$3,475,000	\$4,670,000

CAPE FEAR PUBLIC UTILITY AUTHORITY TEN-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP)

EV 2012 to EV 2022 CVD	Current		FY 09 to FY 12				T T						
FY 2013 to FY 2022 CIP	Project #	Project Cost	Budgeted	FY 13 Bugeted	FY 14 Planned	FY 15 Planned	FY 16 Planned	FY 17 Planned	FY 18 Planned	FY 19 Planned	FY 20 Planned	FY 21 Planned	FY 22 Planned
Wastewater Capital Projects				All	dollar amounts ar	re shown in 2012	2 dollars. No adju	stments are mad	le for projected in	flation or deflat	ion.		
Waste Water Treatment Plant Improvements													
Walnut Hills WWTP - Decommission	12S193	\$7,750,000	\$50,000	\$700,000	\$7,000,000		County part of the legal part at the part at the						
Thickened Alum Sludge Storage at WWTP		\$540,000		\$540,000									
Southside WWTP Interim Improvements		\$500,000		\$500,000									
Southside WWTP Rehabilitation and Upgrade		\$79,355,000				\$79,355,000							
Collection System Rehabilitation/Replacement						\$77,555,000		STORES THE STREET					
30th St Sewer ReplacementCWSRF	12S170	\$1,750,000	\$250,000	\$1,500,000			laksatus kus kus man sali			and the second			
Greenfield Lake Outfall RehabilitationCWSRF	12S171	\$2,250,000	\$250,000	\$2,000,000									
Smith Creek 'Alandale" ImprovementsCWSRF	12S182	\$2,425,000	\$300,000	\$2,125,000									
Between the Creeks ImprovementsCWSRF	11S163	\$500,000	\$395,000	\$105,000									
Dawson St. Interceptor Rehabilitation		\$250,000	\$575,000	\$250,000									
Airport Line Repair/Replacement		\$100,000		\$100,000				***************************************					
13th Street/N. Lake Shore Blvd. Outfall Repair		\$750,000		\$750,000			-						
Mimosa Sewer Replacement		\$300,000		\$750,000			0200 000	,		,			
Downtown Sewer Rehab & Sewer Assessment		\$12,500,000					\$300,000	00.000.000	00.000.000	M4 000 CC		00.000.000	00.000.000
Pump Station 13 Interceptor Improvements		\$360,000					\$1,500,000	\$2,000,000	\$2,000,000	\$1,000,000	\$2,000,000		\$2,000,000
Pump Station 37 Interceptor Improvements		\$585,000									\$40,000	-	
Pump Station 14 Interceptor Improvements		\$130,000										\$60,000	\$525,000
Collection System New Construction		\$130,000			February and the second	News Street, and					\$130,000		
Southern County Region RPS #4		\$4,000,000		ECELSIA SUCESA									
Southern County Region RPS # 1		\$4,000,000								- marketing the state of	\$4,000,000		
Southern Region PS #5		\$200,000										\$200,000	
Southern County Region RPS #3		\$1,500,000										\$1,500,000	
Southern Region PS #6		\$400,000											\$400,000
Collection System Expansion		\$1,100,000											\$1,100,000
Marquis Hill Sewer Extension-(High Priority Septic)-gravity		\$10,000,000											
Wrightsboro Sewer Extension-(High Priority Septic)-w/conveyance		\$10,000,000						\$10,000,000					
Prince George Estates Sewer Extension-(High Priority Septic)-w/conveyance		\$4,500,000							\$4,500,000				
Chair Rd/Rock Hill Sewer Extension-(High Priority Septic)-w/conveyance		\$3,300,000									\$3,300,000		
Parkwood/Weaver Sewer Extension-(High Priority Septic)-gravity	-	\$18,400,000										\$18,400,000	
Heritage Park Sewer Extension-(High Priority Septic)-w/ conveyance		\$2,900,000							\$2,900,000				
Prince George Creek Sewer Extension-(High Priority Septic)-gravity		\$6,700,000									\$6,700,000)	
Pump Station & Forcemain Improvements	STREET WAR THEFT	\$4,400,000									\$4,400,000)	
ARV Improvements Pump Station 2, 10, 12, 13 and 14													
PS - 001 Northchase SE Equipment Upgrade		\$400,000		\$400,000									
PS - 003 Heatheridge PS Upgrade		\$75,000		\$75,000									
PS - 004 Northchase NE Equipment Upgrade		\$40,000		\$40,000									
PS - 005 Lincoln Forest Replacement (CANTEX)		\$50,000		\$50,000									
PS - 005 Elifcom Forest Replacement (CANTEX) PS - 006 Newkirk Ave. Replacement (CANTEX)		\$750,000						\$750,000					
		\$750,000						\$750,000					
PS - 008 Shipyard & College Replacement (CANTEX)		\$750,000					4.5594-20		\$750,000				
PS - 010 Rennovation and Capacity Upgrade	20,000,000	\$3,500,000		\$500,000							AL SALE ALL MANAGEMENT AND ADMINISTRATION AND ADMIN		
PS - 011 Market St. Elimination (CANTEX)	12S173	\$4,168,000	\$3,668,000	\$500,000									
PS - 013 Dawson St. Replacement (CANTEX)		\$750,000						3200E 41 3200C = 0010	\$750,000				
PS - 015 Madison Equipment Upgrade		\$75,000		\$75,000									
PS - 016 Central Blvd. Replacement (CANTEX)		\$750,000							\$750,000				
PS - 018 Greenhow Woods Equipment Upgrade		\$75,000		\$75,000									
PS - 021 River Rd. Replacement (CANTEX)		\$750,000						\$750,000					
PS - 022 Tangle Oaks #3 Improvements													
		\$300,000		\$50,000	\$250,000								
PS - 024 Tangle Oaks 1 Equipment Upgrade PS - 029 New Centre Dr. Replacement (CANTEX)		\$300,000 \$75,000		\$50,000 \$75,000									

CAPE FEAR PUBLIC UTILITY AUTHORITY TEN-YEAR CAPITAL IMPROVEMENTS PROGRAM (CIP)

		T T		· T					1				
FY 2013 to FY 2022 CIP	Current Project#	Project Cost	FY 09 to FY 12 Budgeted	FY 13 Bugeted	FY 14 Planned	FY 15 Planned	FY 16 Planned	FY 17 Planned	FY 18 Planned	FY 19 Planned	FY 20 Planned	FY 21 Planned	FY 22 Planned
Wastewater Capital Projects				Alla	lollar amounts a	re shown in 2012	dollars. No adjus	stments are mad	e for projected in	nflation or deflati	on		
PS - 041 Towles Road Equipment Upgrade		\$75,000		\$75,000					e jos projecteu i	guitton or acjuin	074		
PS - 048 Oak Landing PS Electrical FM Upgrade		\$215,000		\$215,000									
PS - 089 Smith Creek Upgrade		\$150,000		\$150,000									
PS - 090 Clarendon PS Upgrade		\$120,000		\$120,000									
PS - 104 Runny Meade 1 Equipment Upgrade		\$75,000		\$75,000			·						
PS - 105 Runny Meade 2 Equipment Upgrade		\$100,000		\$100,000									
PS - 119 Beasley Road Equipment Upgrade		\$150,000		\$150,000			-						
PS - 136 Tangle Oaks 2 Upgrade		\$75,000		\$75,000							-		
PS - 137 Quail Woods Upgrade		\$250,000		\$250,000									
Annual Programs				Ψ230,000									Representation of the control of the
Sewer Emergency Repair	09S020	\$18,382,000	\$8,382,000	\$2,000,000	\$1,000,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Demolition of Obsolete Structures		\$150,000	\$0,502,000	\$75,000	\$75,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
SCADA Implementation		\$450,000		\$100,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Pump Station VFD Replacements	Ma = 100 100 100 100 100 100 100 100 100 1	\$350,000		\$100,000			\$50,000	\$50,000	\$50,000		\$50,000		
Collection System Rehabilitation		\$3,500,000					\$500,000	\$500,000	\$500,000		\$500,000		
Annual Generator Replacement		\$500,000					\$100,000	\$100,000	\$100,000		\$50,000		
ARV Replacement		\$300,000	17.000				\$100,000	\$100,000	\$100,000		\$30,000	\$30,000	330,000
Aerial Lines - Piling Assessment, Repair and Replacement: Sewer System		\$400,000			\$100,000		\$100,000	\$100,000	\$100,000				
Pump Renewal Project		\$700,000			φ100,000		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
System Wide Studies/Assessment Management	TE BUILDE	CHISKING !	THE CHILDREN			47,167,477,157,107	\$100,000	3100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Wastewater Planning to Serve Aqua Area		\$100,000		\$100,000				Alternation of March 1911					
Pressure Pipe Assessment	12S176	\$1,000,000	\$500,000	\$500,000									
GIS As-built entry and mapping maintenance contract		\$350,000	\$200,000	\$500,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sewer Master Plan Update		\$150,000					\$75,000	\$30,000	\$30,000	330,000	330,000	\$75,000	
Developer Agreements		2051-72-75-72-75			6075 - 100 BH B G		\$73,000					\$75,000	
Collection System-Standard Developer Agreements		\$2,250,000		\$250,000	\$250,000		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Facilities and Support Functions		THE STREET		\$20,000			Φ250,000	φ 2 30,000	9230,000	\$250,000	\$250,000	\$250,000	φ250,000
Copier Replacement		\$110,000		\$110,000						Bardines (Car mount standard	energy of the second		
Large Equipment Purchase (Operations)	11S161	\$714,000	\$564,000	\$150,000				Am weathers are					
TOTAL WASTEWATER CAPITAL IMPROVEMENTS PROJECTS		\$212,819,000	\$14,359,000	\$14,905,000		\$79,355,000	\$4,175,000	\$18,050,000	\$13,950,000	\$3,050,000	\$22,620,000	\$24,605,000	\$6,075,000
TOTAL CAPITAL IMPROVEMENTS PROJECTS		\$333,804,000	\$21,737,000	\$22,966,000			\$18,150,000	\$28,250,000	\$32,650,000				

CAPE FEAR PUBLIC UTILITY AUTHORITY DEBT MANAGEMENT

Debt in the form of revenue bonds has been issued to finance the Authority's capital improvements. Since the Authority issues revenue bonds, there is no statutory limit on the amount of debt; however, the Authority applies sound financial management principles in financing decisions. The Authority plans to issue debt in FY 2013 to finance a portion of the CIP FY 2013 budget.

Debt Policy

The Authority will comply with all covenants and requirements of its Master Bond Indenture.

- Maintain a reserve amount sufficient to pay the current expenses for two months of the fiscal year as shown in the annual budget.
- Rate covenants: 1) Maintain debt service coverage ratio of 1.2 on the Authority's parity indebtedness, 2) Maintain debt service coverage ratio of 1.0 on the Authority's total indebtedness.
- In order to issue additional bonds, the Authority must maintain debt service coverage ratio of 1.2 on the Authority's total indebtedness for 12 consecutive months of 18 months preceding the issuance of new bonded debt.

Debt Service Coverage Ratio

The Debt Service Coverage Ratio for All Indebtedness increased to 1.65 in FY 2011 from 1.44 in FY 2010, remaining above the 1.0 ratio required by bond rate covenants. The Debt Service Coverage Ratio for Parity Indebtedness was 2.8 in FY 2011 compared to 3.2 in FY 2010, remaining above the 1.2 ratio required by bond rate covenants. The Debt Service Coverage Ratio for All Indebtedness is projected to be 1.24 in FY 2013. Refer to the Operating and Capital Budget Summary on page 25.

Outstanding Debt

The outstanding balance of existing bonded debt and Certificates of Participation as of June 30, 2012 will be \$326,617,600 as shown in the table below:

OUTSTANDING BALANCE OF EXISTING DEBT						
June 30, 2012						
REVENUE BONDS						
Series 2005 Water & Sewer Refunding Revenue Bonds	\$ 54,690,000					
Series 2008 Water & Sewer Revenue Bonds	182,430,000					
Series 2011 Water & Sewer Revenue Bonds	44,100,000					
Sub-total	281,220,000					
GENERAL OBLIGATION BONDS-City of Wilmington	-					
Series 2002 GO Refunding Bonds-Variable Rate	8,200,000					
Sub-total	8,200,000					
INSTALLMENT OBLIGATIONS-City of Wilmington & New H	anover County					
Series 2006A Refunding Certificates of Participation	14,530,000					
Series 2003 Certificates of Participation	17,790,000					
Series 2005A Certificates of Participation	4,877,600					
Sub-total	37,197,600					
Total Outstanding Balance of Existing Debt	\$ 326,617,600					

The annual debt service for the existing outstanding and future debt issues are included on the Schedule of Debt Service for Fiscal Years 2013-2018 on page 84.

CAPE FEAR PUBLIC UTILITY AUTHORITY SCHEDULE OF DEBT SERVICE FOR FISCAL YEARS 2013-2018

5 12,241,775 11,224,963 9,927,4 3 3,312,113 3,308,863 3,312,113 3 3,312,113 3,308,863 3,312,113 3 3,312,113 3,308,863 3,312,113 3 22,337,528 2,062,975 2,065,00 3 22,337,528 21,462,716 20,166,43 6 67,909 7,780,000 7,725,000 6,200,0 6 67,909 14,237,716 13,966,4 20,166,4 8 2,2337,528 21,442,716 7,196,4 8 2,2337,528 21,442,716 7,196,4 8 2,300,000 2,20,644 220,6 8 2,300,000 2,344,843 2,444,843 3,100,478 2,444,843 2,444,843 1,616,920 1,616,920 1,618,495 1,612,99 1,616,920 1,618,495 1,612,99 1,616,920 1,618,495 1,612,99 1,616,920 1,618,495 1,612,99 1,616,920 1,6	13,454,175 12,241,775 11,224,963 3,308,363 3,312,113 3,308,865 3,308,363 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,462,716 22,027,063 22,337,528 21,442,716 22,027,063 22,337,528 21,442,716 22,027,063 22,330 22,444,443 22,442,443 23,307,830 3,100,478 2,444,443 23,307,830 3,100,478 2,444,443 2,444,443 2,244,445 2,444,445 2,244,444 2,244,445
Characteristics Continued	3,308,363 3,312,113 3,308,863 3,306,485 3,306,485 3,312,113 3,308,863 3,312,113 3,308,863 3,312,113 3,308,863 2,0062,975 22,337,528 21,462,716 22,027,063 14,547,528 14,537,716 12,020,000 20,000 1,010,000 1,1254,000 1,1257,
29,800,000 29,245,000 20,27,45,000 13,922,063 14,547,528 14,627,768 14,6	396,485
ST27.745,000 Z27,025,000 Z1,337,528 Z1,462,716 Z0	8,105,000
Original Par Amount FY 12-13 FY 13-14 FY 14-15 FY 14-16 FY 14-	8,105,000
Original Par	13,125,103
Original Par Amount Fy 12-13 Fy 13-14 Fy 14-15 Fy 1 1,386,176 67,909 F7,909 F	FY 12-13 FY 13-14 FY 14-15 FY 1 FY 12-13 FY 13-14 FY 14-15 FY 1 F 7,909 67,909 67,909 67,909 67,909 F 7,909 67,909 67,909 186,139 220,644 F 7,909 67,909 186,139 220,644 F 7,909 67,909 186,139 182,678 F 7,909 67,909 156,139 288,553 F 7,909 67,909 156,139 288,553 F 7,909 156,139 2,44,843 105,875 F 7,309 156,139 2,44,843 105,875 F 7,309 1,61,329 1,616,832 1,016,000 1,613,920 1,616,920 1,010,000 1,010,000 1,613,920 1,616,920 1,010,000 1,618,495 1,1 1,613,920 1,616,920 1,618,495 1,1 1,613,920 1,616,920 1,010,000 1,251,000 1,613,920 1,616,920 1,618,495 1,1 1,14,15 <t< td=""></t<>
Amount Amount Amount Amount Amount Amount Amount Amount Fy 12-13 FY 12-14 FY 14-15	FY 12-13 FY 13-14 FY 14-15
Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 1,366,170 67,909 67,909 67,909 67,909 2,026,992 2,026,992 2,026,992 2,026,992 2,026,992 2,026,992 2,026,992 2,026,992 2,026,993 2,026	FY 12-13 FY 13-14 FY 14-15 FY 14-15 67,309 67,309 67,309 67,309 67,309 156,139 220,644 67,309 67,909 182,678 67,309 67,909 182,678 67,909 67,909 182,678 67,909 67,909 182,678 67,909 156,139 288,553 67,909 156,139 288,553 67,909 156,139 288,553 67,909 156,139 238,500 2,945,000 2,900,000 2,355,000 3,307,830 3,100,478 2,444,843 3,307,830 3,100,478 2,444,843 1,613,920 1,616,920 1,010,000 925,000 965,000 1,010,000 1,68,435 1,1616,920 1,618,495 1,1 1,68,475 1,515,450 1,1518,080 1,1 1,1,616,920 1,1616,920 1,1616,920 1,519,080 1,1 1,885,000 1,251,200 1,519,08
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Original Par Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 Original Par Amount FY 12-13 FY 13-14 FY 14-15 Original Par Amount FY 12-13 FY 13-14 FY 14-15 Original Par Amount FY 12-13 FY 13-14 FY 14-15 Original Par Amount F	67,909 67,909 182,678 67,909 67,909 186,139 288,553 67,909 156,139 288,553 105,875 67,909 156,139 288,553 105,875 807,830 3,100,478 2,444,843 FY 14,148 80,807,830 3,100,478 2,444,843 FY 14,148 80,8280 2,900,000 2,355,000 8,8,843 3,307,830 3,100,478 2,444,843 FY 14,148 80,820 2,004,000 2,355,000 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,214,400 1,213,000 1 1,613,900 1,213,000 1,213,000 1
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Chighest	1,000,000 1,00
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Original Par Amount FY 12-13 FY 13-14 FY 14-15 FY 13-14 FY 14-15 FY 14-15 FY 14-15 FY 14-15 FY 14-15 FY 13-14 FY 14-15 FY 14-	1,00,000 1,00,000 1,000 1,000,000
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Original Par Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 Amount 1,613,920 1,616,920 1,618,495 1 Original Par Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 22,250,000 1,984,475 1,915,450 1,618,950 1 22,250,000 1,984,475 1,915,450 1,689,700 1 29,246,600 1,882,000 1,251,200 1,519,080 1 1,856,000 1,882,000 1,519,080 1 1,856,000 1,882,000 1,519,080 1 29,246,600 278,100 286,480 1 \$ 28,285,312 \$ 28,462,265 \$ 27,333,687 \$ 24,600 1 \$ 28,285,312 \$ 28,462,265 \$ 27,620,130 \$ 24,6443	FY 12-13 FY 13-14 FY 14-15 FY 1 1,613,920 1,616,920 1,010,000 1 925,000 965,000 1,010,000 1 688,920 651,920 608,495 1 1,613,920 1,616,920 1,618,495 1 1,613,920 1,616,920 1,618,495 1 1,954,475 1,915,450 1,859,700 1 914,115 1912,750 913,380 1 1,895,000 1,882,000 1,519,080 1 1,012,590 946,200 862,480 (1,554,000) 1 1,1900,000 (1,577,000) (1,254,000) 1
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Amount FY 12-13 FY 13-14 FY 14-15 FY 14-15 22,250,000 1,964,475 1,915,460 1,859,700 1 6,996,600 914,115 912,750 193,380 193,380 0 1,900,000 1,515,000 1,519,080 1 1,856,600 968,590 1,612,000 1,519,080 1 1,012,590 946,200 362,480 1,1910,600 1 1,900,000 1,517,000 1,519,080 1 968,590 1,251,200 1,519,080 1 968,590 1,251,200 1,519,080 1 968,590 1,251,200 1,519,080 1 5 27,885,312 28,462,265 27,333,687 23 270,000 278,100 286,443 22 200,000 278,010 286,443 24 200,000 278,013,65 27,620,130 5 24	FY 12-13 FY 13-14 FY 14-15 FY 14-15 1,964,475 1,915,450 1,859,700 1 914,115 912,750 913,380 1 968,590 (1,577,000) (1,54,000) 1 1,885,000 1,882,000 1,910,600 1 1,012,590 946,200 862,480 1 (1,900,000) (1,577,000) (1,554,000)
\$22,560,000	1,954,475 1,915,450 1,859,700 1 914,115 912,750 913,380 914,115 912,750 11,254,000 968,590 1,251,200 1,519,080 11,856,000 1,012,590 946,200 862,480 (1,900,000) (1,577,000) (1,554,000)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,620,130 \$ 29,78,000 \$ 29,246,600 \$ 68,590 \$ 1,251,200 \$ 1,519,080 \$ 1,012,590 \$ 946,200 \$ 1,910,600 \$ 1,012,590 \$ 946,200 \$ 862,480 \$ 1,900,000 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,251,200 \$ 1,519,080 \$ 1,519,0	(1,300,000) (1,577,000) (1,254,000) (1,590,000) (1,577,000) (1,54,000) (1,54,000) (1,54,000) (1,554,000) (1,900,000) (1,577,000) (1,54,000) (1,54,000) (1,54,000)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,533,687 \$ 24,600	1,856,000 1,882,000 1,910,600 1,012,590 946,200 862,480 (1,900,000) (1,577,000) (1,554,000)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,620,130 \$ 24,620 \$ 24	1,856,000 1,882,000 1,910,600 1 1,012,590 946,200 862,480 (1,900,000) (1,554,000)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,533,687 \$ 24,620,000	1,882,000 1,910,600 1 946,200 862,480 (1,577,000) (1,254,000)
$\frac{\$ 399,945,770}{\$ 27,985,312} \$ \frac{(1,900,000)}{968,590} \frac{(1,577,000)}{1,251,200} \frac{(1,577,000)}{1,519,080} (1,577,00$	(1,577,000) (1,254,000)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,333,687 \$ 23	(000,102,1)
\$ 399,945,770 \$ 27,985,312 \$ 28,462,265 \$ 27,333,687 \$ 23,833,91	1,251,200 1,519,080 1
\$ 399,945,770 \$ 27,985,312 \$ 26,462,800 \$ 27,535,981 \$ 295,335,87 \$ 28,285,312 \$ 28,740,365 \$ 27,620,130 \$ 24,128,95 \$ 10,000,4756 \$ 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	# # # # # # # # # # # # # # # # # # #
\$ 28,255,312 \$ 28,740,365 \$ 27,620,130 \$ 24,128,95	\$ 27,985,312 \$ 28,462,265 \$ 27,333,687 \$
(396,485) 0 0 0	28,255,312 \$ 28,740,365 \$ 27,620,130 \$ 24
(0.20, 475)	0 0
(674,650)	0 0
Net Debt Service 27,740,365 27,620,130 24,128,950	28,740,365 27,620,130

Operating Statistics For the Fiscal Year Ended June 30, 2011 *

Year Began Operations	2008
Water System	
Number of service connections	67,468
Number of treatment plants - surface water system	1
Treatment capacity (mgd) - surface water	27.5
Average production (mgd) - surface water	13.7
Number of groundwater systems	3
Number of treatment plants - groundwater system	1
Number of wells - groundwater system	36
Treatment capacity (mgd) - groundwater plant	6
Treatment capacity (mgd) - other groundwater systems	0.7
Average production (mgd) - groundwater	3.2
Miles of water mains	1,070
Wastewater System	
Number of service connections	65,032
Number of treatment plants	3
WPC plant permit (mgd)	22.1
Average annual daily flow (mgd)	15.8
Number of lift stations	141
Miles of sewer gravity mains	840
Miles of sewer force mains	104

Source: Cape Fear Public Utility Authority Records

Number of Manholes

20,300

^{*} Fiscal year 2012 data not available at the time this document was published.

Demographic Statistics Last Three Fiscal Years *

Fiscal Year Ended June 30	City of Wilmington Population (1)	New Hanover County Population (1)(2)	Median Age (1)	Public School Enrollment (3)	Local Unemployment Rate % (4)	Personal Income (5)	Per Capita Income (5)
2011	106,476	202,667	36.7	23,934	10.1%	N/A	N/A
2010	102,207	194,054	38.5	23,643	9.4%	N/A	N/A
2009	101,526	192,235	38	23,614	9.0%	\$ 44,719	\$ 29,148

Note: Fiscal year 2009 was the first year of operations for the Authority.

- (1) N. C. State Demograhics.
- (2) 2011 population information provided by US Census Bureau
- (3) Figures are provided by the NHC Public Schools.
- (4) North Carolina Employment Security Commission.
- (5) Provided by US Census Bureau; data provided for as many years as available.

^{*} Fiscal year 2012 data not available at the time this document was published.

Principal Customers For the Fiscal Year Ended June 30, 2011 *

	Thousand Gallons	% of System	Revenue (\$)	% of Revenue
Ten Largest Users of the Water System Annual Consumption	Ganons	System	Revenue (5)	Revenue
1 UNC Wilmington	183,400	3.34%	\$ 670,500	2.37%
2 New Hanover Regional Medical Center	60,103	1.10%	253,431	0.90%
3 New Hanover County Schools	51,773	0.94%	288,296	1.02%
4 Wilmington Housing Authority	37,520	0.68%	158,505	0.56%
5 New Hanover County	36,290	0.66%	195,927	0.69%
6 Lake Forest Apartments	33,107	0.60%	128,507	0.45%
7 College Manor Apartments	30,588	0.56%	123,732	0.44%
8 Mayfaire Complex	25,244	0.46%	163,222	0.58%
9 Tribute Properties	24,645	0.45%	174,715	0.62%
10 Wilmington Hilton	18,448	0.34%	71,652	0.25%
Total Consumption	501,118	9.13%	\$ 2,228,487	7.88%
Total system annual consumption	5,485,532	=	\$ 28,288,199	<u> </u>
Ten Largest Users of the Sewer System Annual Consumption				
Ten Largest Users of the Sewer System Annual Consumption 1 Town of Wrightsville Beach	242,837	4.79%	\$ 358,180	1.28%
	242,837 111,952		•	
1 Town of Wrightsville Beach	•	2.21%	399,691	1.429
1 Town of Wrightsville Beach 2 UNC Wilmington	111,952	2.21% 0.97%	399,691 272,876	1.42% 0.97%
1 Town of Wrightsville Beach 2 UNC Wilmington 3 New Hanover County Schools	111,952 49,331	2.21% 0.97% 1.17%	399,691 272,876 236,881	1.42% 0.97% 0.84%
1 Town of Wrightsville Beach2 UNC Wilmington3 New Hanover County Schools4 New Hanover Regional Medical Center	111,952 49,331 59,071	2.21% 0.97% 1.17% 0.67%	399,691 272,876 236,881 172,881	1.42% 0.97% 0.84% 0.62%
 1 Town of Wrightsville Beach 2 UNC Wilmington 3 New Hanover County Schools 4 New Hanover Regional Medical Center 5 New Hanover County 	111,952 49,331 59,071 34,159	2.21% 0.97% 1.17% 0.67% 0.74%	399,691 272,876 236,881 172,881 149,983	1.42% 0.97% 0.84% 0.62% 0.53%
1 Town of Wrightsville Beach 2 UNC Wilmington 3 New Hanover County Schools 4 New Hanover Regional Medical Center 5 New Hanover County 6 Wilmington Housing Authority	111,952 49,331 59,071 34,159 37,420	2.21% 0.97% 1.17% 0.667% 0.74% 0.60%	399,691 272,876 236,881 172,881 149,983	1.42% 0.97% 0.84% 0.62% 0.53% 0.42%
 2 UNC Wilmington 3 New Hanover County Schools 4 New Hanover Regional Medical Center 5 New Hanover County 6 Wilmington Housing Authority 7 College Manor Apartments 	111,952 49,331 59,071 34,159 37,420 30,588	2.21% 0.97% 1.17% 0.67% 0.74% 0.60% 7 0.65%	399,691 272,876 236,881 172,881 149,983 117,478 120,990	1.42% 0.97% 0.84% 0.62% 0.53% 0.42% 0.43%
1 Town of Wrightsville Beach 2 UNC Wilmington 3 New Hanover County Schools 4 New Hanover Regional Medical Center 5 New Hanover County 6 Wilmington Housing Authority 7 College Manor Apartments 8 Lake Forest Apartments	111,952 49,331 59,071 34,159 37,420 30,588 33,107	2.21% 0.97% 1.17% 0.667% 0.74% 0.665% 0.65% 0.49%	399,691 272,876 236,881 172,881 149,983 117,478 120,990	1.42% 0.97% 0.84% 0.62% 0.53% 0.42% 0.43% 0.57%
1 Town of Wrightsville Beach 2 UNC Wilmington 3 New Hanover County Schools 4 New Hanover Regional Medical Center 5 New Hanover County 6 Wilmington Housing Authority 7 College Manor Apartments 8 Lake Forest Apartments 9 Mayfaire Complex	111,952 49,331 59,071 34,159 37,420 30,588 33,107 25,012	2.21% 0.97% 1.17% 0.67% 0.74% 0.60% 7 0.65% 2 0.49% 2 0.48%	399,691 272,876 236,881 172,881 149,983 117,478 120,990 159,386 192,464	1.42% 0.97% 0.84% 0.62% 0.53% 0.42% 0.43% 0.43% 0.69%

^{*} Fiscal year 2012 data not available at the time this document was published.

Principal Employers For the Fiscal Year Ended June 30, 2011 *

Employer	Employee s (1)	Rank	Percentage of Total County Employmen
New Hanover Regional Medical Center	4,738	1	5.04%
New Hanover County Schools	3,666	2	3.90%
Wal-Mart Stores	2,592	3	2.76%
GE Wilmington	2,100	4	2.23%
The University of North Carolina at Wilmington	1,898	5	2.02%
PPD, Inc.	1,500	6	1.60%
New Hanover County	1,480	7	1.57%
Corning, Inc.	1,000	8	1.06%
City of Wilmington	981	9	1.04%
Cape Fear Community College	541	10	0.58%
			21.80%
Total # Employed June 30 of the respective FY			94,030

Note: Fiscal year 2009 was the first year of operations for the Authority.

^{*} Fiscal year 2012 data not available at the time this document was published.

⁽¹⁾ Source: Wilmington Chamber of Commerce, verified by CFPUA staff.

⁽²⁾ Source: North Carolina Employment Security Commission

CAPE FEAR PUBLIC UTILITY AUTHORITY

Water Production and Wastewater Treatment (thousands of gallons) Last Six Fiscal Years *

Fiscal Year Ended	Water Processed and	Wastewater Treated (1)
June 30	Pumped to System (1)	
2011	6,179,900	5,777,917
2010	5,989,700	6,122,662
2009	6,375,455	5,696,412
2008	6,590,075	5,429,210
2007	6,906,195	6,132,272
2006	6,940,475	6,004,330

Note: Fiscal year 2009 was the first year of operations for the Authority.

^{*} Fiscal year 2012 data not available at the time this document was published.

⁽¹⁾ Information for fiscal years ended June 30, 2006, 2007, 2008 provided by City of Wilmington and New Hanover County.



Glossary

Account A basic component of the accounting ledger used to classify financial

transactions that are similar in terms of a given frame of reference; such as

purpose, object or source.

Accrual Basis A basis of accounting in which transactions are recognized at the time they

are incurred as opposed to when cash is received or spent.

document sets forth authorized expenditures and the means of financing those expenditures. This term is used interchangeably with the term "Final

Budget".

Annualized Taking changes that occurred mid-year and calculating their cost for a full year

for the purpose of preparing an annual budget.

Appropriation A legal authorization to incur obligations and to make expenditures for

specific purposes.

Aquifer A wet underground layer of water-bearing permeable rock or unconsolidated

materials (gravel, sand, or silt) from which groundwater can be usefully

extracted using a water well.

Asset Resources owned that has monetary value.

Asset Management Asset management is a systematic process of operating, maintaining, and

upgrading assets cost-effectively,

Audit An examination of some or all of the following items: documents, records,

reports, systems of internal control, accounting procedures, and other evidence, or one or more of the following purposes: (a) determining the propriety, legality, and mathematical accuracy of proposed or completed transactions; (b) ascertaining whether all transactions have been recorded; and (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn there from in accordance with

accepted accounting practices.

Authorized Positions Employee positions that are authorized in the adopted budget to be filled

during the year.

Backflow A term in plumbing for an unwanted flow of water in the reverse direction. It

can be a serious health risk for the contamination of potable water supplies

with foul water.

Backflow Prevention Device A device used to protect water supplies from contamination or pollution.

Balance Sheet A formal statement of assets, liabilities and fund balance as of a specific date.

Benchmarking The process of comparing one's business processes and performance metrics

to industry bests and/or best practices from other industries. Benchmarking is often treated as a continuous process in which organizations continually seek

to improve their practices.

Benefits Contributions made by an employer to meet commitments or obligations for

employee fringe benefits. Included in the employer's share of costs for social

security, retirement, medical and life insurance plans.

Bond Rating Assesses the credit worthiness of a corporation's or government debt issues.

Bond A long term promise to pay. It is a promise to repay a specified amount of

money (the face amount of the bond)on a particular date (the maturity date).

Bonds are primarily used to finance capital projects.

Budget A financial plan and a list of all planned expenses and revenues. It is a plan for

saving, borrowing and spending.

Budget Calendar The schedule of key dates to follow in the preparation and adoption of the

budget.

Budget Ordinance An ordinance that appropriates revenues for specified purposes during the

fiscal year.

Budgetary Basis Refers to the basis of accounting used to estimate financing sources and uses

in the budget. This generally takes one of three forms, Generally Accepted

Accounting Principles (GAAP), cash, or modified accrual.

Budgetary Control The control or management of a government in accordance with the

approved budget for the purpose of keeping expenditures with the limitations

of available appropriations and resources.

Capital Improvement Plan (CIP)

A short-range plan which identifies capital projects and major equipment purchases, provides a planning schedule and identifies options for financing the plan. Essentially, the plan provides a link between a strategic plan and the

entity's annual budget.

Capital Outlay Fixed Assets that have a value of \$5,000 to \$30,000 and have a useful

economic lifetime of more than one year.

Capital Project Major Construction, acquisition or renovation activities that add value to the

Authority's physical assets, or significantly increase their useful life.

Capital Budget It is budget for major capital, or investment, expenditures.

Cash Basis A basis of accounting in which transactions are recognized only when cash is

increased or decreased.

Clean Water Act The primary federal law in the United States governing water pollution.

Comprehensive Annual Financial Report (CAFR)

The official annual financial report of the Authority. This report summarized

and discloses the financial activity of the Authority.

Computer Maintenance

A CMMS software package maintains a computer database of information Management System(CMMS) about an organization's maintenance operations. This information is intended

to help maintenance workers do their jobs more effectively and to help

management make informed decisions.

Contingency A budgetary reserve set aside for emergencies or unforeseen expenditures

not otherwise budgeted.

Debt Coverage Ratio The ratio of cash available for debt servicing to interest, principal and lease

> payments. It is a popular benchmark used in the measurement of an entity's ability to produce enough cash to cover its debt payments. The higher this

ratio is, the easier it is to obtain a loan.

Debt Management A formal agreement between you and your creditors.

Debt Service The cost of paying principal and interest on borrowed money according to a

pre-determined payment schedule.

Department A basic organizational unit that is functionally unique in its delivery of

services. The department have be subdivided into divisions.

Disbursement The expenditure of monies from an account.

Distinguished Budget **Presentation Awards**

Program

A voluntary awards program administered by the Government of Finance Officers Association to encourage governments to prepare effective budget

documents.

Division A functioning group of related activities within a department. The

department's unique function is further delineated into smaller functioning

units (divisions) that focus on delivery of specific services.

Effluent An outflowing of water or gas from a natural body of water, or from a human-

made structure.

Encumbrance A commitment of appropriated funds to purchase an item or service. To

encumber funds means to set aside or commit funds for a specified future

expenditure.

System

Environmental Management refers to the management of an organization's environmental programs in a comprehensive, systematic, planned and documented manner. It includes the

> organizational structure, planning and resources for developing, implementing and maintaining policy for environmental protection.

Environmental Protection

Agency (EPA)

is an agency of the federal government of the United States charged with protecting human health and the environment, by writing and enforcing

regulations based on laws passed by Congress

Expenditure The payment of funds against appropriations that reduce cash balance.

Expenditures are made for the purpose of acquiring an asset, service or

settling a loss.

Fiscal Year A 12-month period designated as the operating year for accounting and

budgeting purposes in an organization.

Fixed Assets Assets of long-term character that are intended to continue to be held or

used; such as land, buildings, machinery, furniture and other equipment.

Full Time Equivalent Positions (FTEs)	A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time position working for 20 hours per week would be the equivalent of .5 of a full-time position.
Fund	A fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.
Fund Balance	Difference between assets and liabilities reported in a governmental fund on the modified accrual basis of accounting.
Generally Accepted Accounting Principles (GAAP)	Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.
Goal	A statement of broad direction, purpose, or intent. A goal is general and timeless.
Ground Water	Water located beneath the ground surface in soil pore spaces and in the fractures of rock formations.
Infrastructure	The basic physical and organizational structures needed for the operation of a society or enterprise,[1] or the services and facilities necessary for an economy to function.[2] It can be generally defined as the set of interconnected structural elements that provide framework supporting an entire structure of development.
Interest	Cost of using money.
National Incident	An emergency management doctrine used nationwide to coordinate

National Incident	An emergency management doctrine used nationwide to coordinate
Management System (NIMS)	emergency preparedness and incident management and response among the
	public and private sectors

National Pollutant Discharge	Controls water pollution by regulating point sources that discharge pollutants
Elimination System (NPDES)	into waters of the United States.

Non-departmental accounts ltems of expenditure essential to the operation of the Authority that do not fall within the function of any department.

functional/sub functional categories and cost accounts. It contains estimates of the total value of resources required for the performance of the operation The operating budget is used to keep track of maintenance operations,

salaries, and interest payments.

The cost for personnel, materials and equipment required for a department

Operating Expenses to function.

Operating Revenue Funds received to pay for on-going operations. It includes rates and fees.

Operating revenues are used to pay for day-to-day services.

Ordinance A law made by a municipality or other local authority

Outfall The discharge point of a waste stream into a body of water; alternatively it

may be the outlet of a river, drain or a sewer where it discharges into the sea, a lake or the like. A wastewater treatment system discharges treated effluent

to a water body from an outfall.

Pay-As-You-Go Basis A term used to describe a financial policy by which capital outlays or capital

projects are financed from current revenues rather than through borrowing.

Performance Measure Defines data that documents how effectively or efficiently a program is

achieving it objectives.

Potable Water Drinking water.

Procurement The acquisition of goods or services. It is favorable that the goods/services are

appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location.

Resolution A formal decision of action or policy adopted by the Authority Board

members at a board meeting.

Revenue Income that a company receives from its normal business activities.

Revenues Sources of income financing the operations of the Authority.

SCADA (Supervisory control A computer system that monitors and controls industrial, infrastructure, or

and data acquisition) facility-based processes.

Septage Septage is the material pumped out of a septage tank or onsite sewage

facility.

Service Helping others with a specific need or want.

Stewardship An ethic that embodies responsible planning and management of resources.

Strategic Plan A process for determining where an organization is going over the next year

or—more typically—3 to 5 years (long term), although some extend their

vision to 20 years.

Strategic Vision Outlines what the organization wants to be, or how it wants the world in

which it operates to be . It is a long-term view and concentrates on the future.

Surface Water Water collecting on the ground or in a stream, river, lake, wetland, or ocean;

it is related to water collecting as groundwater or atmospheric water.

Sustainability The long-term maintenance of responsibility, which has environmental,

economic, and social dimensions, and encompasses the concept of

stewardship, the responsible management of resource use.



Acronyms

AMR Automatic Meter Reading

APWA American Public Works Association

ASR Aquifer Storage and Recovery

AWWA American Water Works Association

BOD Biochemical Oxgen Demand

CAFR Comprehensive Annual Financial Report

CAMA Coastal Area Management Act

CBOD Carbonaceous Biochemical Oxygen Demand

CFPUA Cape Fear Public Utility Authority

CIP Capital Improvement Program

CMMS Computer Maintenance Management System
CMOM Capacity Management, Operations & Maintenance

COD Chemical Oxygen Demand COPS Certificates of Participation

COW City of Wilmington

C-PAR Corrective/Preventative Action Report

CWM Clean Water Management

CWSRF Clean Water State Revolving Funds

CY Calendar Year

DART Days Away Restricted Transferred

DBP Disinfection Byproduct

DMR Discharge Monitoring Report

DO Dissolved Oxygen

DWQ Division of Water Quality

EEOC Equal Employment Opportunity Commission

EMS Environmental Management System

EOC Emergency Operations Center
EPA Environmental Protection Agency

FEMA Federal Emergency Management Agency

FOG Fats, Oils and Grease

FTE Full Time Equivalent Positions

FY Fiscal Year

GAAP Generally Accepted Accounting Principals
GFOA Government Finance Officers Association

GIS Geographic Information Systems

GPD Gallons per day

GPS Global Positioning System

GS General Statute
HAZMAT Hazardous Material
I/I Infiltration and Inflow

ICP-MS Inductively Coupled Plasma-Mass Spectrophotometer

ILA Interlocal Agreement

IRR Irrigation

ISO International Organization for Standardization (Greek)

IT Information Technology

IU Industrial User

KPI Key Performance Indicator

LCFWSA Lower Cape Fear Water & Sewer Authority

LCS Lab Control Samples

LIMS Laboratory Information Management System

LWSP Local Water Supply Plan
MDD Maximum Daily Demand
MDF Maximum Daily Flow
MGD Million gallons per day

MOU Memorandum of Understanding

MSDS Material Safety Data Sheet

NACWA National Association of Clean Water Agencies

NCDENR North Carolina Dept. of Environment & Natural Resources

NCDWQ North Carolina Division of Water Quality

NEI Northeast Interceptor NHC New Hanover County

NIMS National Incident Management System

NOV Notice of Violation

NPDES National Pollutant Discharge Elimination System

NTU Nephlometric Turbidity Units
O & M Operational & Maintenance
ORC Operator in Responsible Charge

OSHA Occupational Safety and Health Administration

PER Preliminary Engineering Report

pH Potential of Hydrogen

POTW Public Owned Treatment Works

ppm Parts per million PS Pump Station

PWS Public Water Supply
QA Quality Assurance
QC Quality Control

SBR Sequencing Batch Reactor

SCADA Supervisory control and data acquisition

SDC System Development Charge SIU Significant Industrial User SKN Soluble Kjeldahl Nitrogen SNC Significant Non-Compliant

SOI Standard Operating Instructions SOP Standard Operating Procedures

SSO Sanitary Sewer Overflow
SUO Sewer Use Ordinance
TDS Total Dissolved Solids
TKN Total Kjeldahl Nitrogen
TMDL Total Maximum Daily Loads

TOC Total Organic Carbon

TRC Technical Review Committee

TSS Total Suspended Solids

UNCW University of North Carolina at Wilmington USACE United States Army Corp. of Engineers

USEPA United States Environmental Protection Agency

WEA Water Environment Association
WEF Water Environment Federation

WERF Water Environment Research Foundation

WTP Water Treatment Plant

WWTP Wastewater Treatment Plant





Ordinance

Ordinance Making Appropriations for the Fiscal Year Beginning July 1, 2012

LEGISLATIVE INTENT/PURPOSE:

Appropriations to the Operating Sub-Fund for the Fiscal Year Beginning July 1, 2012.

THEREFORE, BE IT ORDAINED:

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

Operating Sub-Fund

Appropriations:		
Operating Expenditures		33,678,260
Non-Departmental		2,061,900
Contingency - Operating		800,000
Debt Service		28,255,312
Transfers to Capital Projects Sub-Funds		5,749,342
Bond Issuance Costs		544,255
Total Appropriations		71,089,069
Revenues:		
Water Revenues	\$	30,552,000
Wastewater Revenues		32,551,000
Interest Earnings		691,300
Other Charges for Services		2,311,700
Transfer from System Development Sub-Funds		3,363,274
Transfer from Capital Projects Sub-Funds-		
Excess Debt Proceeds		839,475
Proceeds from Revenue Bonds		780,320
Total Revenues		71,089,069

SECTION II: That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2012 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 Sub-Funds and that the following revenues are anticipated to be available during the fiscal year to meet these appropriations.

System Development Sub-Funds

Appropriations:

Transfer to Operating Sub-Fund \$ 3,363,274

Total Appropriations \$ 3,363,274

Revenues:

System Development Revenues \$ 3,363,274

Total Revenues \$ 3,363,274

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

Capital Projects Sub-Funds

Appropriations:

Water Capital Improvement Projects \$ 8,061,000
Wastewater Capital Improvement Projects 14,905,000
Transfer to Operating Sub-Fund 839,475
Total Appropriations \$23,805,475

Revenues:

Transfer from Operating Sub-Fund \$ 5,749,342
Proceeds from Revenue Bonds 18,015,133
Interest Earnings 41,000
Total Revenues \$23,805,475

Jim Quinn, Chair

Adopted at a Regular meeting on Jame 13 , 2012

ATTEST:

Clerk to the Board

ATTEST:

Clerk to the Board

This is a certified, true copy of the foregoing document.

This the 13 study of June, 2012.

Cape Fear Public Utility Authority