Cape Fear Public Utility Authority

Stewardship. Sustainability. Service.

2010 Annual Report











Matthew W. Jordan, PE Chief Executive Officer November 10, 2010



FY2010 Project Highlights

- •Front Street Water and Sewer Replacement
- Northeast Interceptor
- Ogden Interceptor
- Northside WWTP
- Nano Water Treatment Plant
- •Sweeney Water Treatment Plant
- Porters Neck ~750 customers
- •Environmental and Safety Management Building
- Middle Sound Service Expansion



Success in Fiscal Year 2009 -2010

Proactively BALANCING operational and maintenance needs along with system growth as they compare to existing and projected available funds

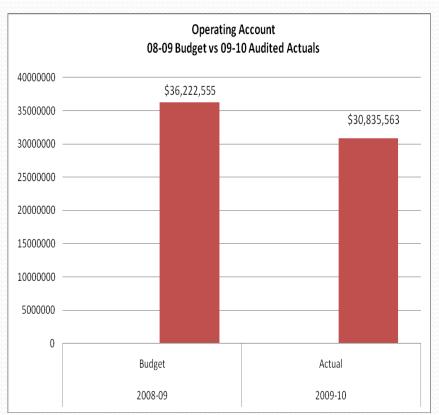


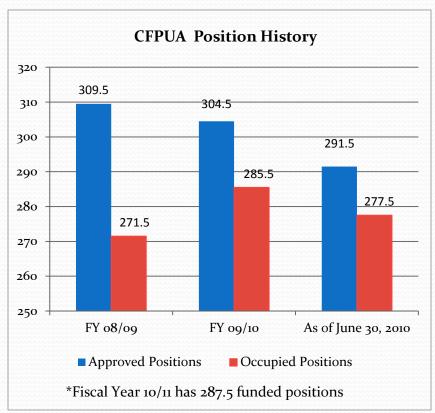






Achieving *BALANCE* through Controlling Operating Costs





Achieving *BALANCE* through Controlling Costs to the Customer

- Delaying projects through prioritization efforts
- Ability to delay planned Revenue Bonds
- Managing Rate Increases

Significant projects that have been delayed since July 1, 2008.

- Annexation 95 & 98 Water Lines (\$676,000)
- 2. Kerr Avenue Water Line (\$1,800,000)
- Pump Station 11 Upgrade (\$1,660,000)
- Greenfield Lake Outfall Rehabilitation (\$2,250,000)
- Annexation 98 Sewer Completion (\$3,190,000)
- 3 mg Elevated Storage Tank (\$5,650,000)
- 7. Heritage Park Water (\$755,000)
- Heritage Park Sewer (\$1,953,000)
- Pump Station 10 & 12 Improvements (\$2,977,000)
- Aquifer Sustainability and Monitoring (\$470,000)





2.10.10

STRATEGIC PLAN 2009-2010

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

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

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

Standardized Prioritization of Projects

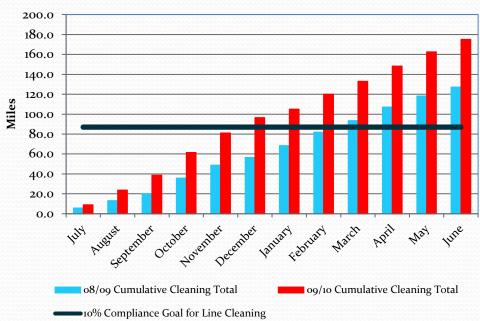
Criteria

- Public Health / Environmental
 Protection
- O&M Efficiency
- Risk Reduction
- Capacity Alignment
- Environmental Enhancement
- Customer Service
- Coordination w/other Projects
- Financial Performance
- Community Inputs /Public Acceptance

Controlling Costs through Collection System Improvements

- Decreased Main stops and Lateral service stops by ~50%
- Cleaned 171 miles of sewer lines
- Videoed ~66 miles of sewer lines
- ~11,700 collection system work orders performed on pump stations and sewer lines
- ~ 30 miles of water and sewer easements cleared/mowed
- ~100,000 linear feet received root control application

Collection System Line Maintenance Activities July 2008 through June 2010



^{*} Values obtained from Utility Services Monthly Operating Report and include internal and contractor cleaning footage

^{** 10%} goal based on 879 total miles of gravity sewer.

Controlling Costs through Water System Improvements

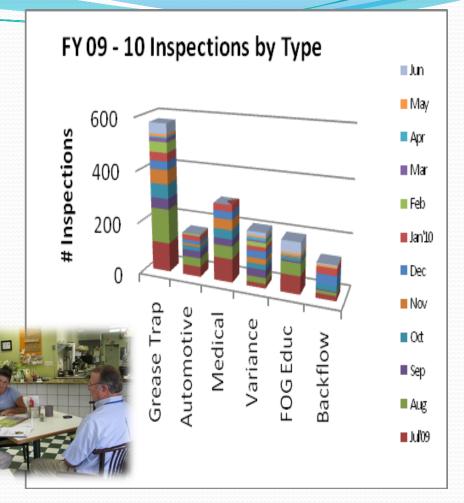
- Flushing the system improves water quality and minimizes customer calls
 - Routine flushing throughout the system
 - Nano Water Treatment Plant Startup in September/October 2009
 - Porters Neck
- In house Maintenance
 - Replaced ~26 air relief valves
 - Extensive maintenance on raw water line
 - Replaced ~ 8,000 linear feet of old galvanized lines
 - Replaced altitude valves on water tanks
 - Repaired /replaced 29 hydrants and serviced 352
- Set ~700 new meters and replaced ~1,340 existing meters





Controlling Costs through Proactive System Inspections

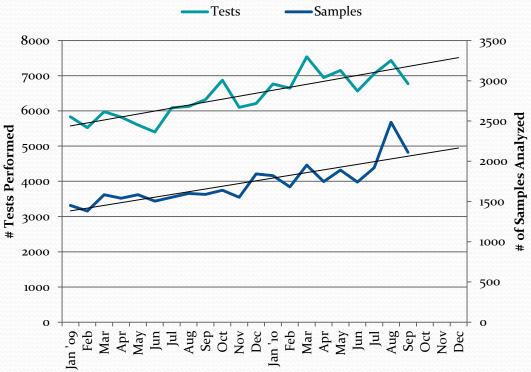
- Inspected 574 food service establishments
 - Includes grease trap inspection
 - Records review
- Performed 195 Fats, Oils and Grease (FOG) educational inspections
- Mailed ~2,660 educational pamphlets
- Due to strong compliance history and a reprioritization of NCDWQ resources an inspection was not required of the pretreatment program during this report period



Controlling Costs of Sampling as the number of required tests increase over time



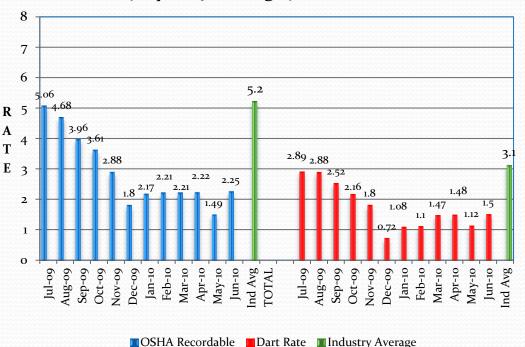
Samples Analyzed & Tests Performed



Controlling Costs through Improved Safety Compliance

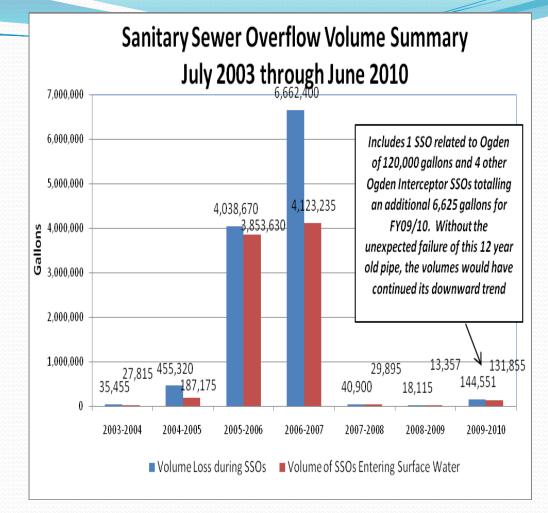
- CFPUA Received Department of Labor Safety Awards for 15 departments / divisions of the Authority
- OSHA Recordable and Days
 Away and Restricted Time
 (DART) Rates below industry average

Cape Fear Public Utility Authority OSHA Recordable and DART Rates July 2009 through June 2010



Controlling Costs through Improved Environmental Compliance

- Failure of 12 Year old Ogden Interceptor
 - Ogden interceptor accounts for 126,625 gallons of the 144,551 gallons spilled during 09/10
- All 3 Wastewater Treatment Plants achieved 100% compliance
- Both Water Treatment Plants achieved 100% compliance
- Sweeney Water Treatment Plant recognition
 - Area Wide Optimization Program
 - Partnership for Safe Water



Compliance Inspection Report Permit: WQCS00012 Effective: 07/01/08 Expiration: 08/30/16 Owner: Cape Fear Public Utility Authority County: New Hanover Facility: CFPUA Collection System Region: Wilmington PO Box 1810 Contact Person: James S Craig Directions to Facility: Title: Utility Services Superinten Phone: 910-332-6639 System Classifications; CS4. Primary ORC: Charles Boyd Adams Secondary ORC(s): Certification: 990247 Phone: 910-341-7885 ■000 On-Site Representative(s): Related Permits: ■ D D D NC0023965 Cape Fear Public Utility Authority - Wilmington Northside WWTP .000 NC0023973 Cape Fear Public Utility Authority - Wilmington Southside WWTP ■ D D D Inspection Date: 09/23/2009 00.0 Entry Time: 10:00 AM Primary Inspector: Lamont Allen Exit Time: 02:00 PM Secondary Inspector(s): Phone: 910-796-7333 ■ 0 0 n Reason for Inspection: Routine ■ D D D Permit Inspection Type: Collection system management and operation Inspection Type: Compliance Evaluation ■ D D D Facility Status: Compliant Not Compliant .000 ■ D D D Miscellaneous Questions Performance Standards Monitoring & Reting ■ D □ □ Operation & Maint Regmts Records Inspections Pump Station 000 000 (See attachment summary) 000 000 24-hour contact numbers If no, list deficient pump stations ■000 .000 ■ 0 0 0 n Page: 3

DWQ Compliance Inspection Report 2009

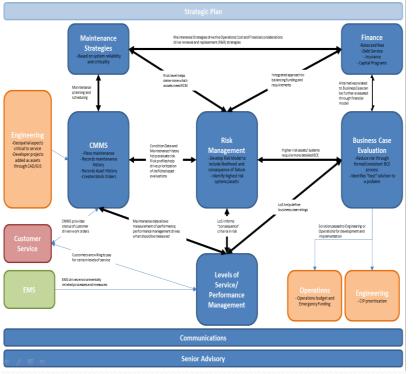
"Over all the Cape Fear Public Utility
Authority's collection system
personnel has done an exceptional job
of developing and implementing their
WWCS program.

The Division thanks the Cape Fear Public Utility Authority for their efforts in managing its collection system and for their part in safeguarding the natural resources of North Carolina for future generations."

Operating and Maintaining Existing Infrastructure

Enterprise wide Asset Management Program

• ISO 14001 Environmental Management System





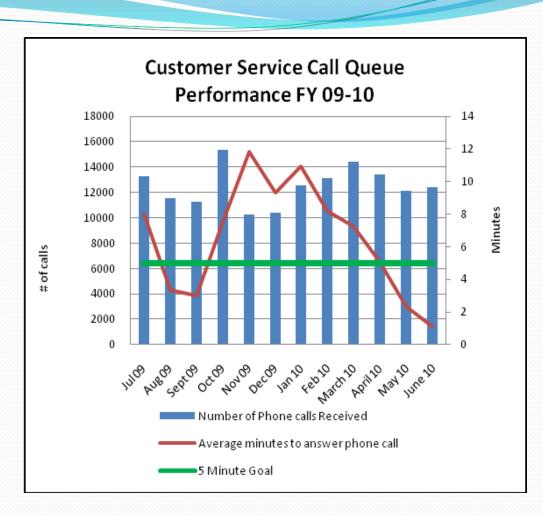
"ASSET MANAGEMENT IS A STRATEGIC DISCIPLINE WHICH GIVES RIGOR AND ACCOUNTABILITY TO THE WAY ORGANIZATIONS DECIDE"





Commitment to Customer Service results in achieving 5 minute goal in April 2010





Manage your account with CFPUA's ezBilling service

With our online bill management service, you can review account information and make payments online for your active CFPUA accounts.

Stay informed with Notify Me

And receive email and texts of alerts, advisories and emergency notices through our Notify Me feature.



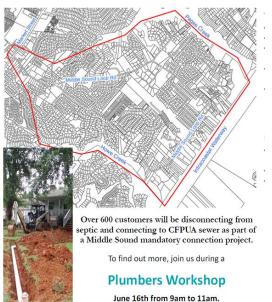


Improved Customer Service through

Increased Community Outreach







235 Government Center Dr. Upstairs Conference Room



- Stakeholders
- Regional governments
- Community organizations
- Media
- Customers and employees



Controlling Costs while Managing Growth

- Developer Agreements
- Partnerships
- •CIP Driven System Expansion

SECTION 5

Service Area Expansion

Suntainable growth and development has a variety of meanings that can vary widely depending on perspective. However, the common characteristic is the recognition that resources are firste and must be managed winely. Rapid service area expansion that is not planned and prioritized in an coderly manner could threaten the long-term sustainability of New Hanover County's natural resources and CPPUA's ability to provide rehable, cost-effective water and sever service into the future.

Sustainable development focuses on the relationship between economic growth and survivoumental responsibility. With this understanding, CFPUA does not have the authority to directly dictate growth and development within the jurisdiction of the City of Wilmington, or the unincorporated areas of New Hanover County. CFPUA is the primary water and sewer utility provider for both areas and can work in concert with the local municipalities and the County to ensure the long-term viability of the local and regional economy, as well as the integrity of the natural environment. Through e-paintion of the CPPUA service area and system intill within the existing service area boundary, many



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Positioned to move forward maintaining our commitment to continual improvement guided by Stewardship, Sustainability, and Service to our customers and this community

I am writing this letter to commend a member of your department for all the help and understanding they showed to me over the last few months. We were in contact with various people at your office. Among those who were especially thoughtful was Karen Durso . . .

~ Thomas, CFPUA customer

... Larry Alston was here to fix it. He did a great job and was professional, personable, and did an outstanding job. It was a messy job and he worked overtime to get water restored . . . ~ Steve, CFPUA customer

This letter is to thank you for your outstanding work today. Please pass along that your work and attitude was fantastic and we appreciate your rapid response and reassurance that you would get the job done. Danny Sullivan, you make paying our bill to CFPUA a pleasure . . .

~ Stan, CFPUA customer

I would like to take the opportunity to share my appreciation and gratefulness to Stephanie Floyd for her assistance in returning our service to its normal state. It is rare to encounter such kindness and understanding in an individual anymore.

~ Erika, CFPUA customer

Just wanted to say "thank you" to Rachel Shelton in Customer Service. She's a great CSR. Very understanding, professional yet courteous; all around great person for that job. I managed a power company office for 20 years and strived to have employees like her on my staff...

~ Kevin, CFPUA customer

This is a letter of appreciation for the prompt and mannerly service executed by your servicemen / technicians. They rendered excellent, proven, reliable and expedient service. The workmen under the leadership of Angelo Walker are to be commended for their quality workmanship . . .

~ Sandra, CFPUA customer

On behalf of the members of the Quest Club, I want to send a sincere thank you for the excellent and informative presentation and tour of your plant. Both John Malone and Anthony Colon were very responsive. After our visit to your plant, we are more than excited about our future connection to this advanced state of the art water supply.

~ Frank, CFPUA customer

I want to thank the crew, Jim McCrea, Jason Martin, Bill Arnau, James McDonald, Hersey Fennell, and Fred Altobellis for their diligent efforts. This kind of hard work shows what the money goes towards in keeping good quality staff. Once again, thank you for all of your hard work.

~ Kirk, CFPUA customer

Ken Vogt, thanks for all that you did to help make our 4-H Summer Enrichment Activities Program - "Dirty Jobs" a success. Your staff was kind and welcoming and gave the children a valuable learning experience. Thanks again for your time and patience.

~ Blair, CFPUA customer

Harry Coleman did a good job when he came to perform the work for a sewer stop. He did an excellent job and was very informative.

~ Margie, CFPUA Customer

Stephen Jordan was very helpful and professional. He set my mind at ease. I was very impressed with him. He answered all of my questions.

~ Mrs. Davies, CFPUA Customer

My husband and I came into the office today to pay our bill and needed to speak with a clerk. We were able to sit with Lorraine Furr. I just wanted to say she was great and extremely helpful. She took the time and explained everything to us . . . she is an excellent customer service employee.

~ Maureen, CFPUA Customer