



Cape Fear
Public Utility Authority
Stewardship. Sustainability. Service.

Adopted June 11, 2014

**Adopted Budget for
Fiscal Year 2014 - 2015**

James R. Flechtner, PE
Executive Director

Cheryl J. Spivey, CPA
Chief Financial Officer

235 Government Center Drive
Wilmington, NC 28403



On the Cover: Left: Finished water line at Sweeney Water Treatment Plant. Right: Cape Fear Public Utility Authority workers cleaning out a sewer line. Bottom: Downtown Wilmington at night (*photo compliments of the City of Wilmington*).



**CAPE FEAR PUBLIC UTILITY AUTHORITY
ADOPTED BUDGET**

FISCAL YEAR 2014 - 2015

Board Members

James L. Quinn III, Chairman

Patricia O. Kusek, Vice Chair

Jim Brumit, Secretary

Michael C. Brown III, Treasurer

William A. Norris

Kevin O'Grady, City of Wilmington Councilman

Charles Rivenbark, City of Wilmington Councilman

C. Lawrence Sneed, Jr.

Cindee Wolf

Thomas Wolfe, County Commissioner

Woody White, New Hanover County Commissioner

James R. Flechtner, PE, Executive Director

Cheryl J. Spivey, CPA, Chief Financial Officer

235 Government Center Drive

Wilmington, NC 28403

www.cfpua.org

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June 11, 2014

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

Subject: FY 14-15 Adopted Budget

Dear Members of the Authority Board:

I am pleased to present the fiscal year 2014–2015 budget for Cape Fear Public Utility Authority as adopted June 11, 2014. This budget document represents the Authority's comprehensive budget plans and policies for the upcoming fiscal year.

The FY 14-15 recommended budget was presented to the Authority Board on May 14, 2014, 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 the Authority's Administrative office located 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. This public hearing was held on the recommended budget on May 21, 2014.

At the June 11 Authority Board meeting, no change was made to the recommended budget. The total net budget for the Operating Sub-Fund was adopted at \$78,007,111.

The staff of CFPUA looks forward to serving our community over the next year as we continue to build on our record of success.

Regards,

A handwritten signature in black ink, appearing to read 'Jim R. Flechtner'.

James R. Flechtner, P.E.
Executive Director

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May 14, 2014

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

Subject: FY 14-15 Recommended Budget

Dear Members of the Authority Board:

I am pleased to present the Authority's recommended budget for Fiscal Year 2014–2015 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 the necessary projects and operational funding to ensure that we continue providing high quality water and wastewater services to our customers in environmentally and fiscally responsible manners.

As we prepare to enter our seventh year of serving nearly 200,000 people in the City of Wilmington and New Hanover County, we continue to successfully operate under our guiding principles of Stewardship, Sustainability, and Service. These tenets have provided a strong base upon which we have built award-winning services. At the same time, they drive CFPUA to continually increase the value of the services we furnish customers.

As we know, successful organizations generate short-term results while focusing on long-term goals. Our Strategic Plan continues to provide guidance for the budget process, as well as the overall direction of the Authority. We will join together with you later this year to ensure it remains dynamic and captures the Authority's broad goals as our economic and social climates change.

We are pleased to report that deliberate investment in infrastructure and operations is consistently paying dividends, improving our resiliency and enhancing our services while reducing risk. The

primary components of this budget include capital improvement projects 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. With continued input from you and key stakeholders, our budgets will continue to accurately assess and meet community needs, both now and into the future.

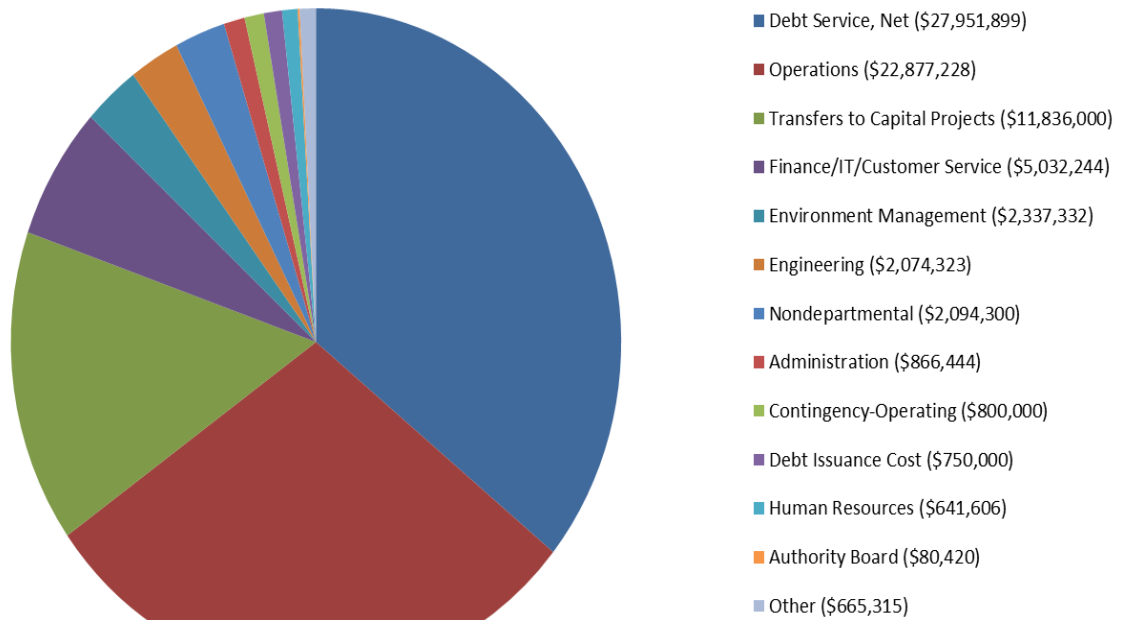
OPERATING BUDGET

The total recommended FY 14-15 budget is approximately \$78 million. The operating budget, excluding debt service and transfers is \$37.47 million as compared to \$37.52 million in FY 2014. Expenditures decreased by approximately \$47,000, which includes salary and benefit adjustments.

EXPENDITURES

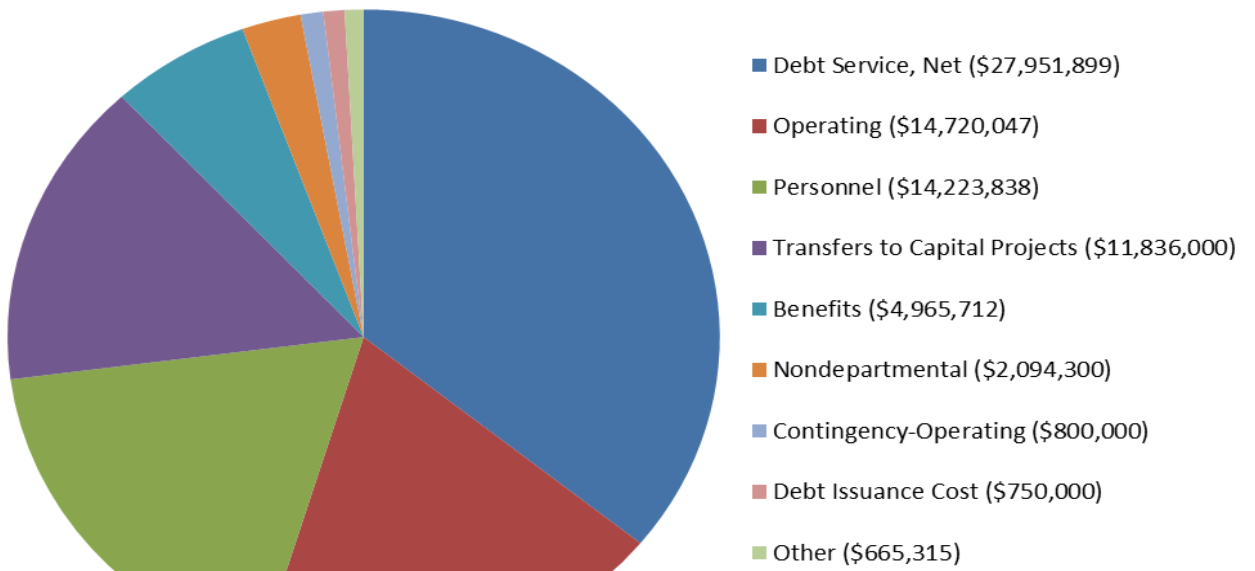
FY 14-15 Adopted Budget is less than FY 13-14 Adopted Budget and includes the following changes: • Salaries (+\$294,000) • 2.166% Merit Adjustment (+\$282,000) • Reclassification of positions based on job function changes and/or market analysis (+\$45,000) • Salaries decrease due to salaries of new employees/promotions being lower than previous person in position (-\$33,000) • Benefits (+\$136,000) • Benefits related to 2.166% Merit, New Positions, and Reclassifications (+\$90,000) • Health insurance costs projected to increase 2% (+\$46,000) • Operating Expenditures - Departmental (-\$526,000) • Electricity (-\$202,000) • Other Professional Services (-\$177,000) • Chemical Costs (-\$90,000) • Service Contracts (-\$55,000) • Rental-Equipment / Copier (-\$45,000) • Contracted Temporary Services (-\$38,000) • Sludge Disposal Services (+\$81,000)	• Operating Expenditures - Other (+\$40,000) • Computer Replacement Program (-\$75,000) • Damage Claims (-\$3,000) • Outside Partnerships (+\$4,500) • Non-Capital Construction (+\$255,000) • Fines & Penalties (-\$12,500) • Non-departmental (-\$129,000) • R&M costs on Administration building reduced and moved to Centralized Maintenance (-\$100,000) • Other Professional Services (-\$29,000) • Capital Outlay (+\$9,800) • Meter, pumps and valves
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Expenditures by Department



Total = \$78,007,111

Expenditures by Category

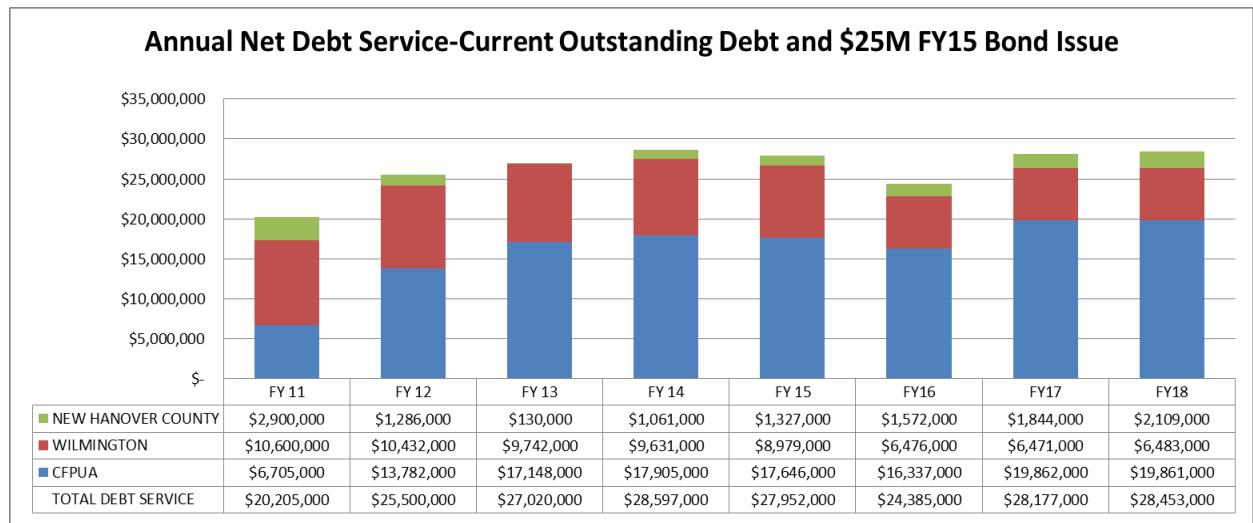


Total = \$78,007,111

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 systems to the Authority, the Authority is responsible for all of the debt related to those systems. Under the inter-local agreement, New Hanover County agreed to a reduction for payments made by the Authority for a period of 10 years beginning in FY 2009.

Net debt service on bonded and installment debt, including debt service fees and bond issuance costs, for the Authority will decrease in FY 15 by approximately \$645,000. This decrease is primarily due to reduced debt service payments on the 2008 Revenue Bonds in FY 15. FY 2015 net debt service is \$27.95 million compared to \$28.60 million in FY 2014. The FY 15 bond sale is estimated at \$25 million. Estimated debt service on those bonds in FY 2015 is \$2 million, which is one full year of debt service payment of principal and interest. Debt service fees of \$275,000 and Bond Issuance Costs of \$750,000 are also budgeted in FY 2015 for a total debt service of \$28,701,899.

The following chart presents annual net debt service for fiscal years 2011-2014, and estimated net debt service for fiscal years 2015-2018. Debt service is broken out by the original debt issuer.



The FY 14 budget includes an \$800,000 contingency. The contingency budget is for unexpected needs and emergencies, as well as unplanned opportunities.

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 appropriated fund balance) for the Authority are projected at \$70.9 million in FY 15 as compared to \$72 million in FY 14, which is a 1.6% decrease. The FY 15 water and wastewater rates are modeled using calendar year 2013 customer billing data. Water usage declined 7.3% and sewer usage declined 5% from calendar year 2012 to

2013. Rates were increased effective May 1, 2014. The effect on an average single-family residential customer using 9,000 gallons of water bi-monthly is 4.4% or \$32.40 annually. The rate increase was primarily required to cover the actual decline in water and sewer usage during 2013 and an assumed additional 4% decline for the fiscal year. No customer growth is planned for FY 15.

Bi-monthly rates effective May 1, 2014

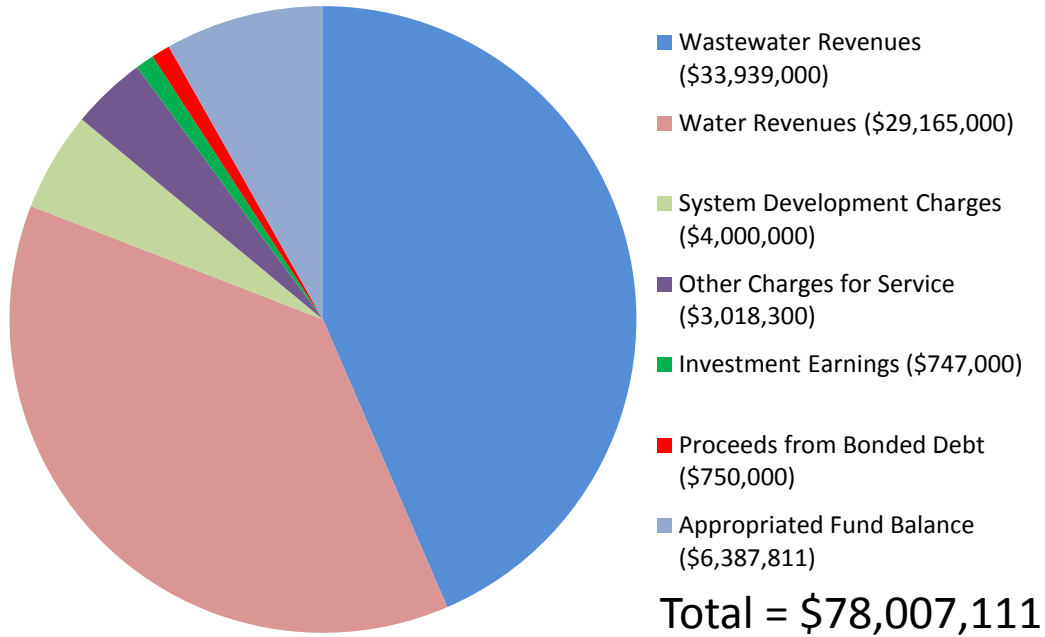
	<u>Rate</u>	<u>\$ Change</u>
Water Fixed Charge	\$25.81	\$.00
Water Volume per 1,000 gallons	\$ 3.67	\$.25
Wastewater Fixed Charge	\$29.10	\$.00
Wastewater Volume per 1,000 gallons	\$ 4.56	\$.35

Annual Residential Bill – 9,000 Gallons Bi-monthly

<u>Water:</u>	<u>Rate</u>	
5/8 Fixed Meter Charge	\$25.81	\$.00
Volume - 9K gallons	\$33.03	\$ 2.25
<u>Wastewater:</u>		
5/8 Fixed Meter Charge	\$29.10	\$.00
Volume - 9K gallons	\$41.04	\$ 3.15
 Total Bi-Monthly Bill	 \$128.98	 \$ 5.40
Annual	\$773.88	\$32.40

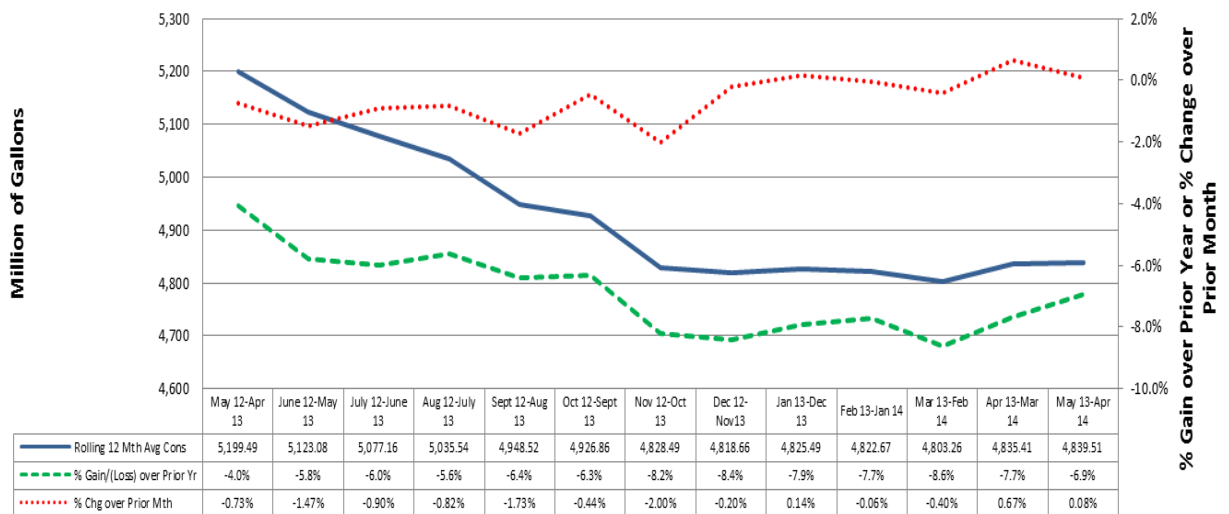
Budgeted FY 15 water revenues of \$29.2 million are projected to be \$1.5 million lower than the FY 14 budget of \$30.7 million, as the FY 2015 water revenue budget assumes no growth in customers and reductions in water usage. Wastewater revenues are projected at \$34 million or approximately \$1 million lower than the FY 2014 budget of \$35 million, as the FY 15 sewer revenue budget assumes reductions in sewer usage.

Revenues by Type



As shown on the 12-month rolling average chart below, water consumption declined in calendar year 2013. In recent months of FY 14, consumption has remained relatively stable month over month.

Total Rolling 12 Month Water/Irrigation Consumption (Million Gallons)



CAPITAL IMPROVEMENTS PROGRAM (CIP)

The proposed 10-Year Capital Improvement Program totals \$335.7 million. The total proposed FY 15 CIP Budget is \$11,836,000, divided into Non-Growth related and Growth related projects. Proposed Non-Growth related projects represent approximately 49% of the total proposed FY 15 CIP Budget and Growth related projects represent approximately 51% of the total.

All projects were required to meet the following criteria to qualify for consideration:

1. Maintain or improve operating efficiency to reduce long-term cost to our customers.
2. Address immediate requirements that cannot be deferred without unjustifiable risk.
3. Meet the terms of the EPA Consent Decree and our operating permit requirements.

The proposed FY 15 CIP Budget and the proposed 10-Year CIP are built around these initiatives. The ten-year plan is reevaluated each year and provides opportunities to revisit the priorities and progress of these initiatives.

Active capital project budgets were reduced during FY 14 in sufficient amounts to offset the full amount of the FY 15 CIP Budget. In addition, proceeds from future revenue bonds that were budgeted in prior years have been replaced with cash funding in this recommended FY 15 Budget to reduce future increases in debt service costs.

IN CLOSING

This budget represents the combined efforts, experience, and expertise of the Authority Board, its Committees, and CFPUA staff. This important work allows CFPUA to meet the short and long-term needs of the people we serve. A clear and transparent track record of responsibly employing our funding to the betterment of our customers and community has been established. I am confident CFPUA will continue on this path in FY 14-15.

Respectfully submitted,



James R. Flechtner, P.E.
Executive Director

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**CAPE FEAR PUBLIC UTILITY AUTHORITY
STRATEGIC PLAN
JULY 2014**

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

GOAL 1: 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. Implement a comprehensive public education program that will help customers understand the value of services we provide, and will improve the Authority's community profile.

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

Strategy 2.A– Establish and maintain 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.

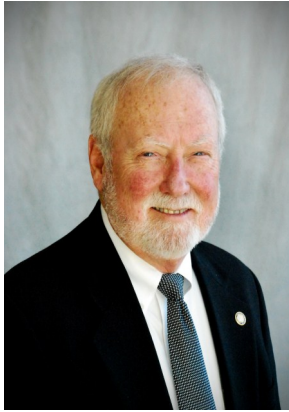
GOAL 3: The Authority will build, maintain and operate the enterprise, and all of its human and physical assets, in a manner that provides both new and existing customers with consistently high quality services.

Strategy 3.A – Implement the Authority's policy for system expansion by identifying areas that need service, as well as partners to assist with funding when appropriate. 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 inter-departmental 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



James Brumit
Secretary



Michael C. Brown III
Treasurer

Cape Fear Public Utility Authority Board Members



William A. Norris
Member



Kevin O'Grady
Councilman



Charlie Rivenbark
Councilman



C. Lawrence Sneed, Jr.
Member



Woody White
Commissioner



Cindee Wolf
Member



Thomas Wolfe
Commissioner

Other Principal Officials

James R. Flechtner, PE
Executive Director

Cheryl J. Spivey, CPA
Chief Financial Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Cape Fear Public Utility Authority
North Carolina**

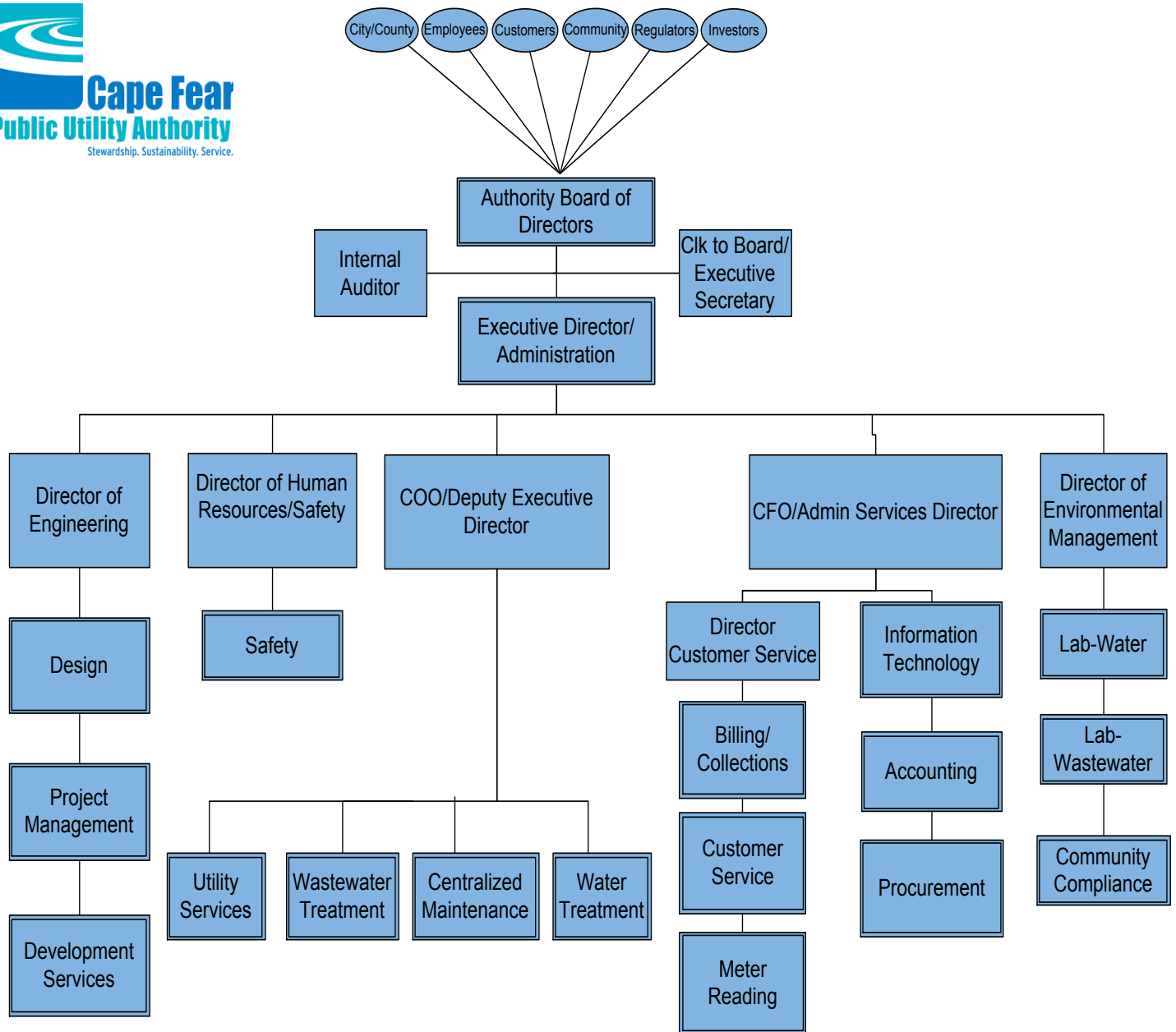
For the Fiscal Year Beginning

July 1, 2013

Executive Director

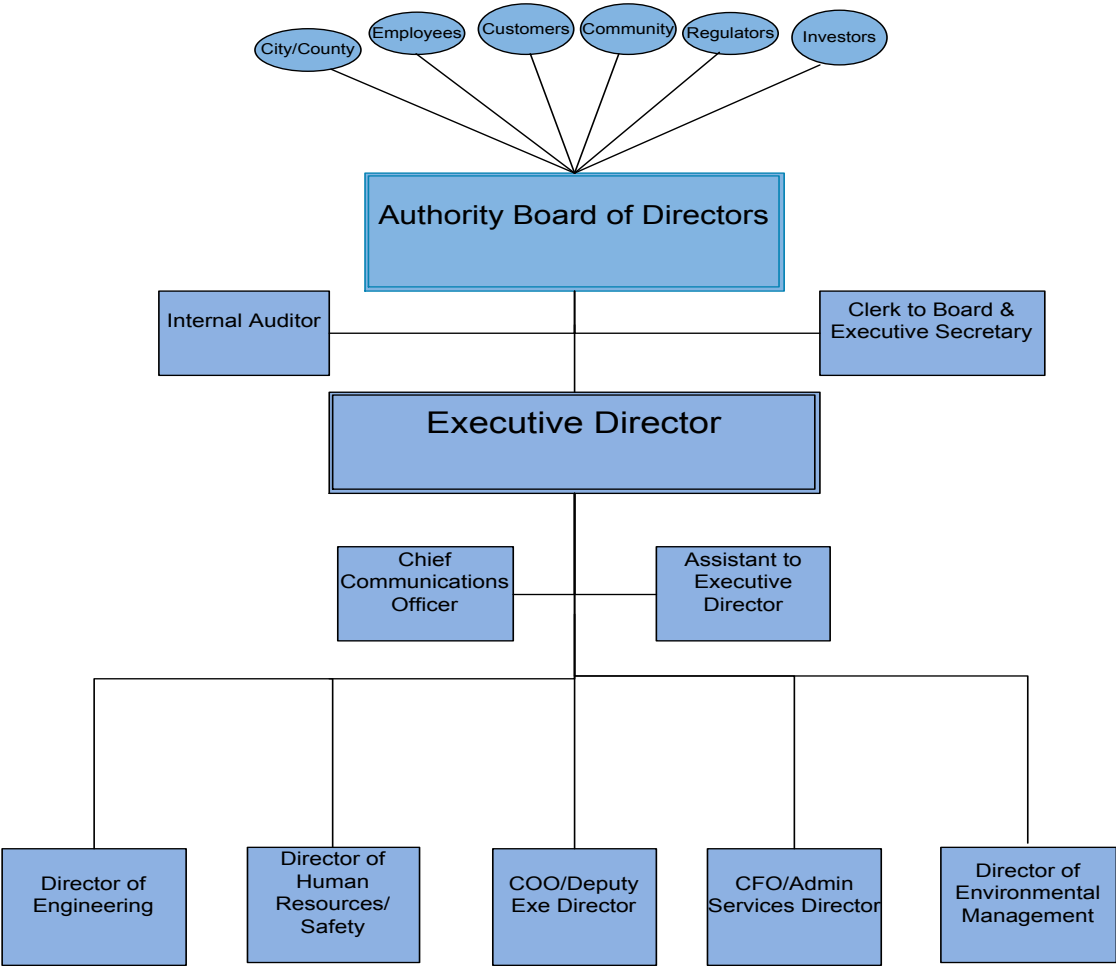
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Cape Fear Public Utility Authority, Wilmington, North Carolina for its annual budget for the fiscal year beginning July 1, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for one year only. We believe our current budget continues to conform to program requirements.



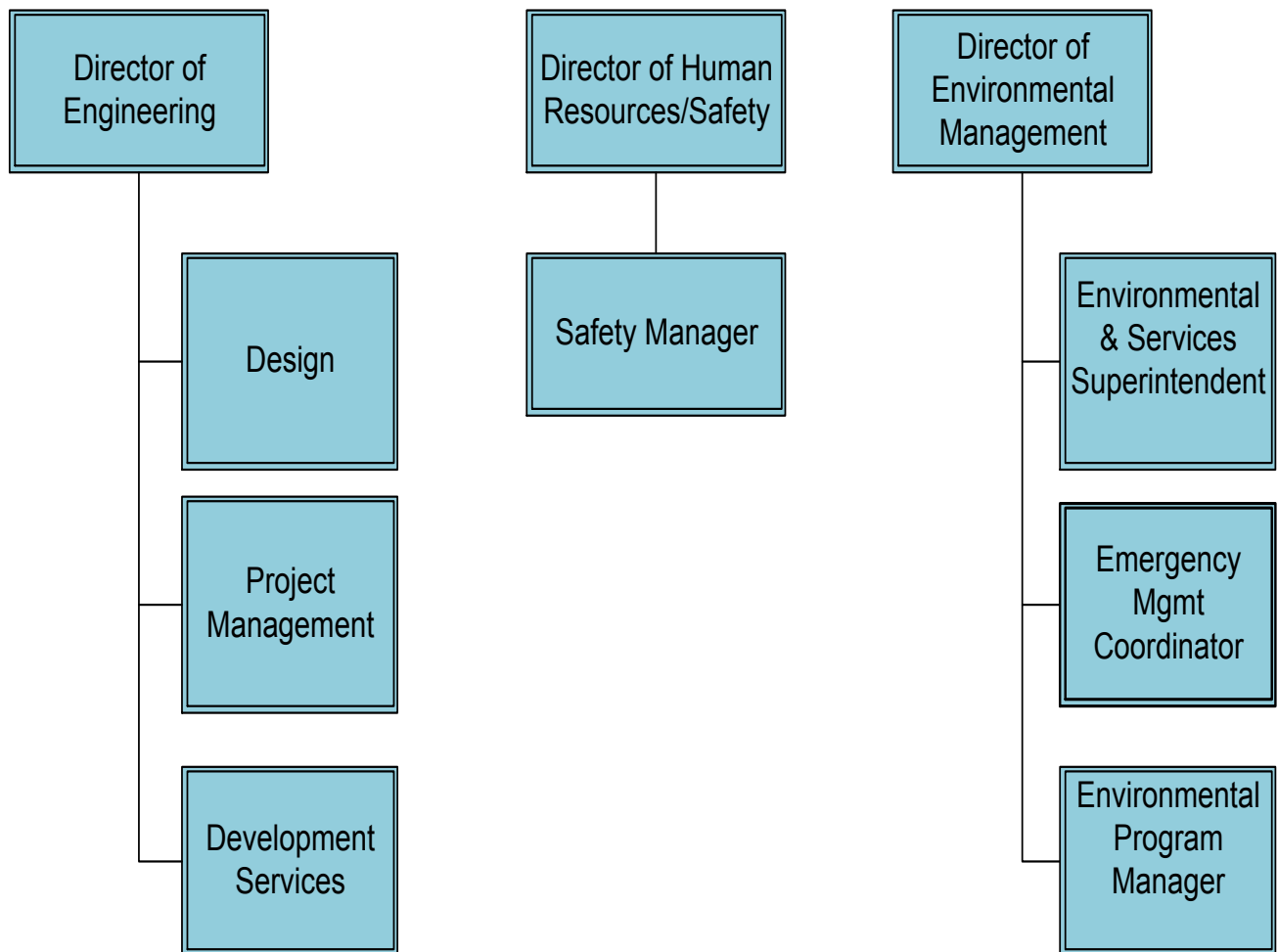


ADMINISTRATION
DIRECT REPORTS



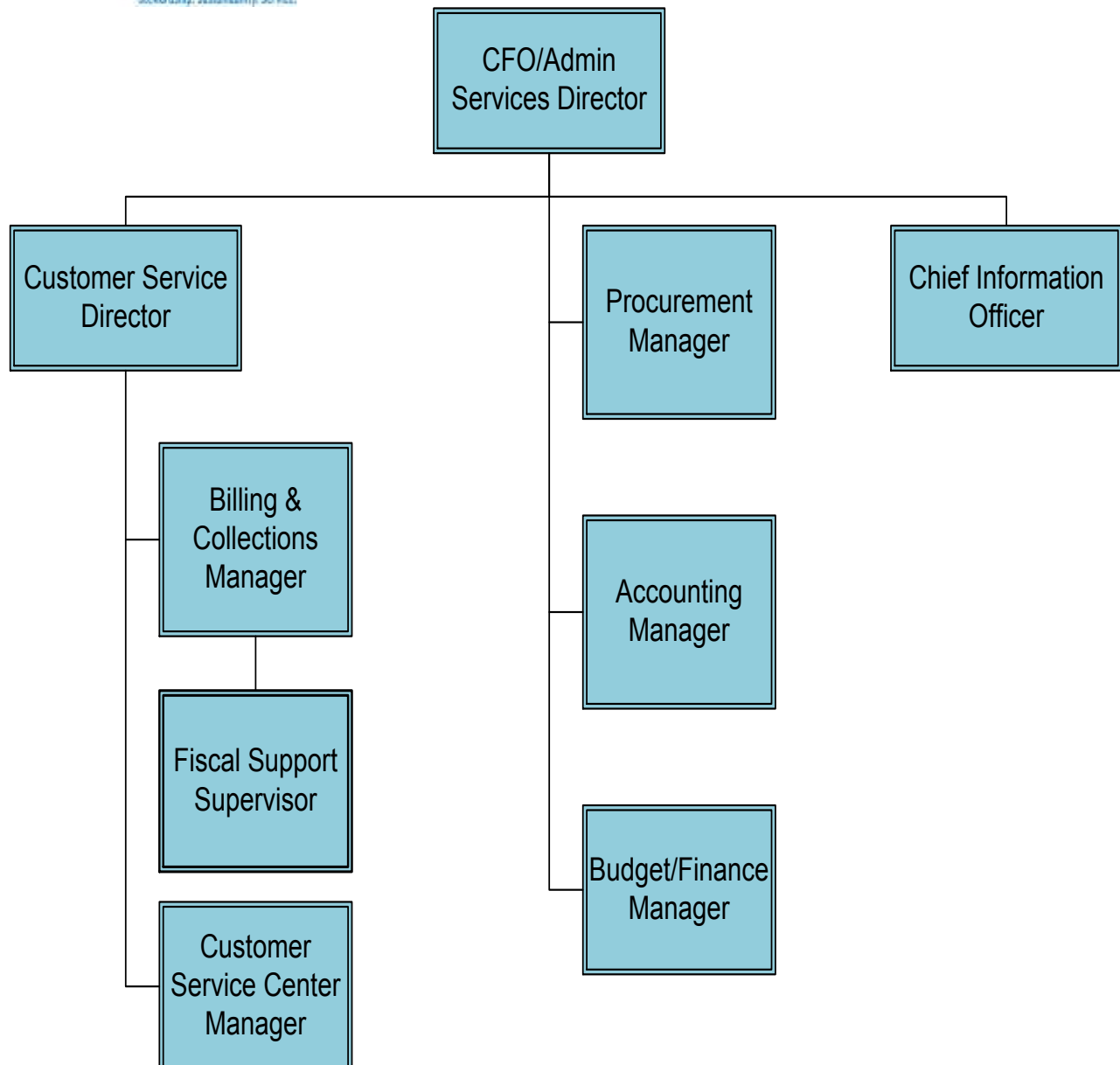


ENGINEERING, HUMAN RESOURCES/
SAFETY, ENVIRONMENTAL
MANAGEMENT
DIRECT REPORTS



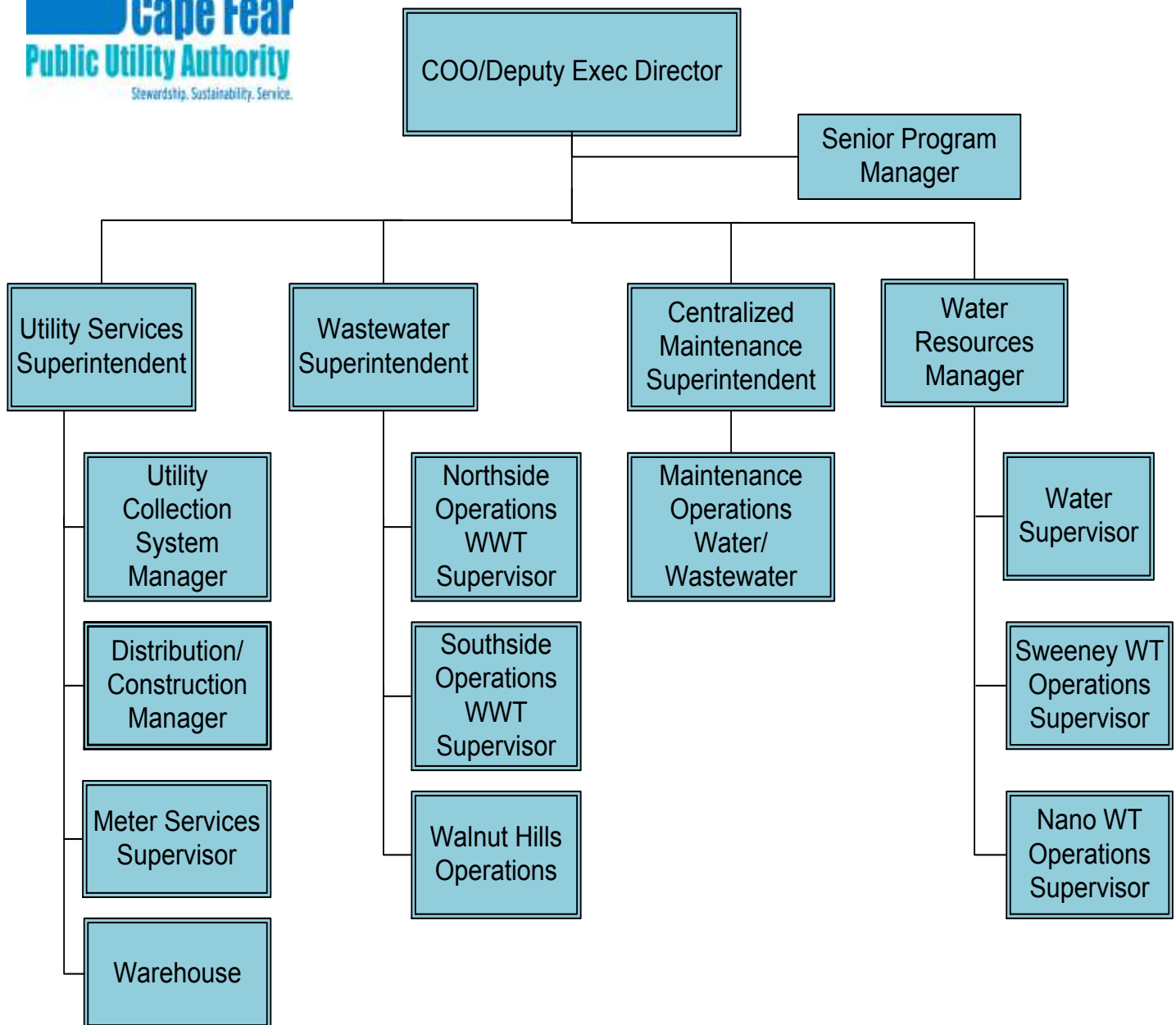


FINANCE, INFORMATION TECHNOLOGY,
CUSTOMER SERVICE
DIRECT REPORTS





OPERATIONS DIRECT REPORTS



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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. The Authority is in compliance with all financial policies.

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 decreased from 1.55 in fiscal year 2012 to 1.54 in fiscal year 2013, however, remained above the 1.0 ratio required by bond covenants. Debt Service Coverage Ratio for Parity Indebtedness was 2.08 in fiscal year 2012 compared to 1.89 in fiscal year 2013, which remained 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.

CAPE FEAR PUBLIC UTILITY AUTHORITY

FINANCIAL POLICIES

- 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.

CAPE FEAR PUBLIC UTILITY AUTHORITY

FINANCIAL POLICIES

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.

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**CAPE FEAR PUBLIC UTILITY AUTHORITY
BUDGETARY FUND STRUCTURE AND PROCESS**

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 Fund	Department/Divisions
	Authority Board
	Administration
	Finance
	Information Technology
	Human Resources/Safety
	Engineering
	Operations - Administration/Asset Management
	Operations - Centralized Maintenance
	Operations - Utility Services
	Operations - Wastewater Treatment
	Operations - Water Treatment
	Environment Management
	Customer Service
System Development Funds	Funds
	Wastewater
	Water
Capital Projects Funds	Funds
	System-Wide
	Wastewater
	Water

The Authority uses the modified accrual basis of accounting for budgetary purposes for the Operating and System Development Funds as required by NC General Statute 159-26 (c). The modified accrual basis is a budgetary basis of accounting in which revenues recorded when measurable and available and expenditures are recorded when the liability is incurred. The annual budget is adopted as required by NC General Statute 159-8 for the Enterprise Fund, except for the Capital Projects Funds. Capital Projects Funds are established by the adoption of a project ordinance, which establishes the budget for the life of the capital project.

**CAPE FEAR PUBLIC UTILITY AUTHORITY
BUDGETARY FUND STRUCTURE AND PROCESS**

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

The Capital Projects Funds account for the system-wide, wastewater and water capital projects that are approved under the Capital Improvement Program. Project ordinances are adopted for Capital Projects Funds.

All 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 purposes. On the accrual basis, revenue is recorded when earned and expenses are recorded when incurred. The primary differences between application of the accrual basis of accounting for financial reporting and the modified accrual budgetary basis of accounting are illustrated below.

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

**CAPE FEAR PUBLIC UTILITY AUTHORITY
BUDGETARY FUND STRUCTURE AND PROCESS**

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.

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**CAPE FEAR PUBLIC UTILITY AUTHORITY
BUDGET CALENDAR
FY 2014-2015**

Budget Calendar

Day/Date/Time	Event	Group
Thursday, October 31, 2013	Distribute new project request forms to departments	Engineering
Thursday, November 21, 2013	New project request forms submitted to Engineering	Engineering
Thursday, December 19, 2013	Pump Station Capacity and Growth Projects Presentation to Long Range Planning Committee (LRPC)	Engineering/LRPC
Thursday, January 23, 2014	FY15 CIP Draft Budget to LRPC	Engineering/LRPC
Monday, January 27, 2014	Budget Kickoff Meeting	CFPUA Staff
Monday, January 27, 2014	Budget Training Sessions as Needed - Budget Forms Available to Departments	CFPUA Staff
Wednesday, February 05, 2014	Regular Finance Committee Meeting - Preliminary Rate Review - Budget Calendar	Finance Committee
Wednesday, February 12, 2014	Regular Board Meeting	Authority Board
Wednesday, February 12, 2014	FY15 CIP Board Work Session	Engineering/Authority Board
Friday, February 14, 2014	Position Requests/Reclassifications due to HR	Human Resources
Thursday, February 27, 2014	Bi-monthly Finance Committee Meeting - Preliminary Rate Review Continued	Finance Committee
Thursday, February 27, 2014	FY15 CIP approval by LRPC	Engineering/LRPC
Friday, February 28, 2014	Performance Evaluations Due to HR	Human Resources
Monday, March 03, 2014	Departmental Budgets Submitted to Finance by 5:00 pm Fee Schedule Review Submitted to Finance by 5:00 pm	CFPUA Staff CFPUA Staff
Wednesday, March 05, 2014	Regular Finance Committee Meeting - First Rate Review	Finance Committee
Wednesday, March 12, 2014	Regular Board Meeting - Rate Review - Public Hearing - FY15 CIP Recommended for Approval	Authority Board
Friday, March 14, 2014	Departmental Budget Reviews	ED/Finance
Monday, March 17, 2014	Departmental Budget Reviews	ED/Finance
Tuesday, March 18, 2014	Departmental Budget Reviews	ED/Finance
Wednesday, April 02, 2014	Regular Finance Committee Meeting - Second Rate Review - Preliminary Budget Review	Finance Committee
Wednesday, April 09, 2014	Regular Board Meeting - Adopt Rates - Preliminary Budget Review	Authority Board
Thursday, April 17, 2014	Bi-monthly Finance Committee Meeting - Preliminary Budget Review	Finance Committee
Wednesday, April 30, 2014	Recommended Budget Completed	CFPUA Staff
Wednesday, May 07, 2014	Regular Finance Committee Meeting - Recommended Budget Submitted	Finance Committee
Wednesday, May 14, 2014	Regular Board Meeting - Recommended Budget Submitted	Authority Board
Wednesday, May 21, 2014	Budget Workshop/Public Hearing	Authority Board/Public Hearing
Wednesday, June 04, 2014	Regular Finance Committee Meeting - Budget Adoption Submitted	Finance Committee
Wednesday, June 11, 2014	Regular Board Meeting - Budget Adoption Submitted	Authority Board

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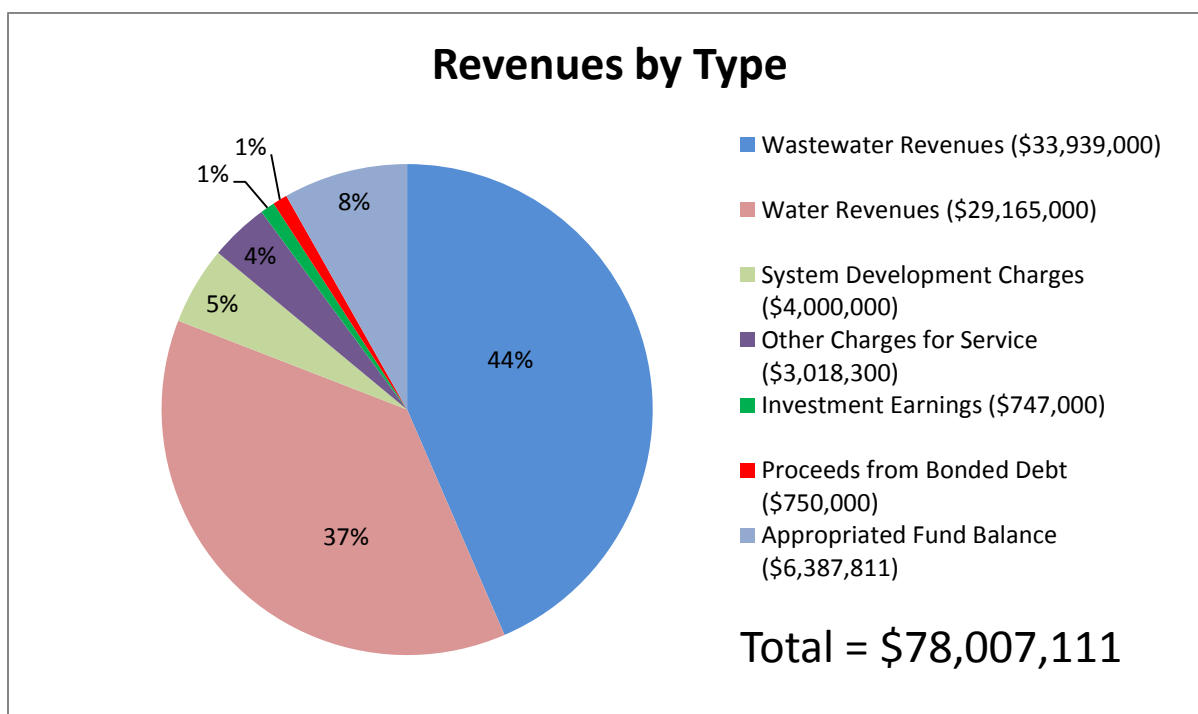
CAPE FEAR PUBLIC UTILITY AUTHORITY REVENUE SUMMARY

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 charge utilizes a uniform rate 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 FY 2015 are provided on the Rates and Fees Schedule which follows.

As depicted in the following graph, in FY 2015, 37% of total budgeted revenue is anticipated from water services and 44% of total budgeted revenue is anticipated from wastewater services.



**CAPE FEAR PUBLIC UTILITY AUTHORITY
REVENUE SUMMARY**

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 and the estimated cost of capacity in future water and wastewater treatment plants and transmission facilities that are included in the Authority's Ten-Year Capital Improvement Program. 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 2015, 5% of total budgeted revenue is anticipated from System Development Charges.

Other Charges for Service

Other charges for service account for 4% 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. Interest earnings remain stable, budgeted at \$747,000 in FY 2015 which is an increase of approximately \$63,000, or 10% from FY 2014. 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 2015 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 of approximately \$6.4 million is budgeted in FY 2015 to help cover the Transfers to Capital Projects Fund.

**CAPE FEAR PUBLIC UTILITY AUTHORITY
REVENUE SUMMARY**

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. Each fiscal year the rate model is updated and recommendations made for changes in the water and wastewater rates and rate structure.

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 2015 budget process, Authority staff updated the rate model and recommended changes in the water and wastewater rates and rate structure. The FY 2015 rates assume a 4% decline in water and sewer usage. These rate changes were adopted on April 9, 2014, effective May 1, 2014, and are provided on the Rates and Fees Schedule which follows.

CAPE FEAR PUBLIC UTILITY AUTHORITY
REVENUE SUMMARY

Five-Year Projections 2016-2020

During the FY 2015 budget process, Authority staff projected 5-year operating results based on calendar 2013 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, 2016-20. These projections assume full funding of FY 2016-19 CIP projects with a combination of transfers from operating sub-fund (Pay Go) and debt funding, no customer growth for FY 2016-2020, 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. Also, the Authority could chose to level any necessary rate increases to avoid significant variation between years.

	- Recommended Budget	2016 Projected Budget	2017 Projected Budget	2018 Projected Budget	2019 Projected Budget	2020 Projected Budget
Water & Sewer Revenues	\$ 63,104,000	\$ 63,419,520	\$ 64,053,715	\$ 67,282,023	\$ 69,973,304	\$ 74,125,511
Other Revenues	7,765,300	7,765,300	7,765,300	7,765,300	7,765,300	7,765,300
Total Revenues Before Rate Increases/Adjustments	70,869,300	71,184,820	71,819,015	75,047,323	77,738,604	81,890,811
Additional Revenues Due to Rate Increases/Adjustments		-	2,562,149	2,691,281	1,399,466	7,783,179
Total Revenues	70,869,300	71,184,820	74,381,164	77,738,604	79,138,070	89,673,990
Expenditures, before debt service	37,580,000	38,534,856	39,510,341	40,511,927	41,540,392	42,596,427
Revenues over Expenditures before Debt Service	33,289,300	32,649,964	34,870,823	37,226,677	37,597,678	47,077,563
Debt Service on Outstanding Debt & Estimated 2014 Bonds	27,680,000	24,101,439	27,885,554	28,152,098	27,195,987	25,607,125
Estimated Debt Service on FY15 CIP (100% cash funded)		-	-	-	-	-
Estimated Debt Service on FY16 CIP			1,290,100	1,290,100	1,290,100	1,290,100
Estimated Debt Service on FY17 CIP				1,560,020	1,560,020	1,560,020
Estimated Debt Service on FY18 CIP					1,117,900	1,117,900
Estimated Debt Service on FY19 CIP						9,706,200
Total Estimated Debt Service	27,680,000	24,101,439	29,175,654	31,002,218	31,164,007	39,281,345
Revenue over Expenditures	\$ 5,609,300	\$ 8,548,525	\$ 5,695,169	\$ 6,224,459	\$ 6,433,671	\$ 7,796,218
Debt Coverage Ratio	1.20	1.35	1.20	1.20	1.21	1.20
% Additional Revenue Needed from Rates		0%	4%	4%	2%	10.5%

**CAPE FEAR PUBLIC UTILITY AUTHORITY
RATES AND FEES SCHEDULE FY 14-15
(Changes Denoted in RED)**

		Rates and Fees Effective 5/1/14	Rates and Fees Effective 7/1/14	Ordinance Reference
1 WATER RATES				
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.a(vi)
	1" (Single-Family Residential with fire sprinkler system)	\$ 25.81	\$ 25.81	4.2.a(vi)
	1"	\$ 64.53	\$ 64.53	4.2.a(vi)
	1 1/2"	\$ 129.05	\$ 129.05	4.2.a(vi)
	2"	\$ 206.48	\$ 206.48	4.2.a(vi)
	3"	\$ 387.15	\$ 387.15	4.2.a(vi)
	4"	\$ 645.25	\$ 645.25	4.2.a(vi)
	6"	\$ 1,290.50	\$ 1,290.50	4.2.a(vi)
	8"	\$ 2,064.80	\$ 2,064.80	4.2.a(vi)
	10"	\$ 3,226.25	\$ 3,226.25	4.2.a(vi)
	12"	\$ 3,871.50	\$ 3,871.50	4.2.a(vi)
* Fixed Meter Charge is not applied to Irrigation Meters if a separate Water Meter exists.				
Consumption Charge (per 1,000 gallons) See Note 1		\$ 3.67	\$ 3.67	4.2.a(iii)
Note 1	Single-Family Residential is serviced by one domestic meter			
Unauthorized non-metered use of water (greater of 30,000 gallons consumption or the highest billed consumption in the past 24 months)		\$110.10 minimum	\$110.10 minimum	4.2c(xiii); 6.6c
Mandatory Connection Water Penalty		\$ -	\$ 250.00	1.13.g
Availability Charge for unconnected 5/8" water service; Availability Charge for larger meters based on meter size		\$ 25.81	\$ 25.81	4.2.a(i)
Wholesale or Bulk rates will be individually determined in accordance with applicable interlocal agreement		Individually Determined	Individually Determined	4.2.a(ii)
2 SEWER RATES				
Sewer 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"	\$ 29.10	\$ 29.10	3.5; 4.2.a(vi)
	1" (Single-Family Residential with fire sprinkler system)	\$ 29.10	\$ 29.10	3.5; 4.2.a(vi)
	1"	\$ 72.75	\$ 72.75	3.5; 4.2.a(vi)
	1 1/2"	\$ 145.50	\$ 145.50	3.5; 4.2.a(vi)
	2"	\$ 232.80	\$ 232.80	3.5; 4.2.a(vi)
	3"	\$ 436.50	\$ 436.50	3.5; 4.2.a(vi)
	4"	\$ 727.50	\$ 727.50	3.5; 4.2.a(vi)
	6"	\$ 1,455.00	\$ 1,455.00	3.5; 4.2.a(vi)
	8"	\$ 2,328.00	\$ 2,328.00	3.5; 4.2.a(vi)
	10"	\$ 3,637.50	\$ 3,637.50	3.5; 4.2.a(vi)
	12"	\$ 4,365.00	\$ 4,365.00	3.5; 4.2.a(vi)
Consumption Charge (per 1,000 gallons) See Notes 1,2,3,4		\$ 4.56	\$ 4.56	3.5; 4.2.a(iii)
Note 1	Single-Family Residential metered consumption capped at 30,000 gallons per bi-monthly billing			3.5; 4.2.a(iii)
Note 2	Single-Family Residential non-metered consumption capped at 24,000 gallons per bi-monthly billing			3.5; 4.2.a(vii)
Note 3	No cap for non-residential metered consumption			3.5; 4.2.a(iii)
Note 4	Single-Family Residential is serviced by one domestic meter			
Unauthorized non-metered use of sewer (capped at 30,000 gallons consumption)		\$ 136.80	\$ 136.80	4.2c(xiii); 6.6c
Mandatory Connection Sewer Penalty		\$ -	\$ 250.00	1.13.g
Availability Charge for unconnected 5/8" sewer service, Availability Charge for larger meters based on meter size		\$ 29.10	\$ 29.10	4.2.a(i)
Collection Treatment Charge				
	Surcharge for BOD (per 100 lbs; when BOD>200mg/L and COD < 3x BOD)	\$ 32.00	\$ 36.00	Appendix D 6; 4.2.a(iv)
	Surcharge for COD (per 100 lbs; when COD>600mg/L and >=3xBOD)	\$ 32.00	\$ 36.00	Appendix D 6; 4.2.a(iv)
	Surcharge for TSS (per 100 lbs; when TSS >200mg/l)	\$ 17.00	\$ 21.00	Appendix D 6; 4.2.a(iv)
Note: Surcharge is assessed for either BOD or COD, but not both.				
Bulk Charges for Septage Haulers				
	Per Gallon	\$ 0.080	\$ 0.130	4.2.a(ii)
	Utility Deposit	\$ 500.00	\$ 500.00	1.6

**CAPE FEAR PUBLIC UTILITY AUTHORITY
RATES AND FEES SCHEDULE FY 14-15
(Changes Denoted in RED)**

		Rates and Fees Effective 5/1/14	Rates and Fees Effective 7/1/14	Ordinance Reference
Bulk Processing Charges for Haulers of In-CFPUA Service Area Non-Hazardous Wastewater Treatment Plant (WWTP) Residuals as delivered to a designated CFPUA WWTP:				
	Unstabilized/Less Than Class B Residuals *	\$ 0.80	\$ 0.80	4.2.a(ii)
	Stabilized/Equal to or Better Than Class B Residuals *	\$ 0.60	\$ 0.60	4.2.a(ii)
	* Per Pound Total Solids (TS) Dry Weight Basis (DWB) as delivered/received			
Hauled and Miscellaneous Wastewater Fee (subject to applicable surcharges)				
	Short-Term Permit (Per Gallon) inside service area	\$ 0.030	\$ 0.030	4.2.a(iii); Appendix D 3.4
	Short-Term Permit (Per Gallon) outside service area	\$ 0.060	\$ 0.060	4.2.a(iii); Appendix D 3.4
	Long-Term Permit *			
	Fixed Meter Charge by Size:	Bi-Monthly	Bi-Monthly	
	5/8"	\$ 29.10	\$ 29.10	4.2.a.(vi); Appendix D 3.4
	1"	\$ 72.75	\$ 72.75	4.2.a.(vi); Appendix D 3.4
	1 1/2"	\$ 145.50	\$ 145.50	4.2.a.(vi); Appendix D 3.4
	2"	\$ 232.80	\$ 232.80	4.2.a.(vi); Appendix D 3.4
	3"	\$ 436.50	\$ 436.50	4.2.a.(vi); Appendix D 3.4
	4"	\$ 727.50	\$ 727.50	4.2.a.(vi); Appendix D 3.4
	6"	\$ 1,455.00	\$ 1,455.00	4.2.a.(vi); Appendix D 3.4
	8"	\$ 2,328.00	\$ 2,328.00	4.2.a.(vi); Appendix D 3.4
	10"	\$ 3,637.50	\$ 3,637.50	4.2.a.(vi); Appendix D 3.4
	12"	\$ 4,365.00	\$ 4,365.00	4.2.a.(vi); Appendix D 3.4
	Consumption Charge (per 1,000 gallons)	\$ 4.56	\$ 4.56	4.2.a.(iii); Appendix D 3.4
	* Long-Term Permit System Development Charge in accordance with Section 9 of this schedule and specified in permit.			4.2.b(iv); Appendix D 3.4
	Wholesale or Bulk rates will be individually determined in accordance with applicable interlocal agreement	Individually Determined	Individually Determined	4.2.a(ii)
3 Fire Line Service				
	Fixed Fire Line Charge by Size	Bi-Monthly	Bi-Monthly	
	2"	\$ 20.00	\$ 20.00	4.2.a(v)
	4"	\$ 40.00	\$ 40.00	4.2.a(v)
	6"	\$ 80.00	\$ 80.00	4.2.a(v)
	8"	\$ 140.00	\$ 140.00	4.2.a(v)
	10"	\$ 220.00	\$ 220.00	4.2.a(v)
	12"	\$ 320.00	\$ 320.00	4.2.a(v)
4 Water Service Connection Fee				
	Service Line Connection Fee by Service Size	Total	Total	
	Up to 1" Service (to 45' in length) *	\$ 2,100.00	\$ 2,100.00	1.5c; 4.2b(i)
	1 1/2" Service (to 45' in length) *	\$ 3,900.00	\$ 3,900.00	1.5c; 4.2b(i)
	2" Service (to 45' in length) *	\$ 4,100.00	\$ 4,100.00	1.5c; 4.2b(i)
	Services in excess of 45' based on actual cost	Individually Determined	Individually Determined	1.5c; 4.2b(i)
	Manifold	Individually Determined	Individually Determined	1.5c; 4.2b(i)
	* 2" Service and under connection fees include meter set.			
	Meter Set Fee by Size (includes materials and labor)			
	5/8"	\$ 250.00	\$ 250.00	1.5c; 4.2b(iii)
	5/8" Split Service	\$ -	\$ 375.00	1.5c; 4.2b(iii)
	1"	\$ 320.00	\$ 350.00	1.5c; 4.2b(iii)
	1 1/2"	\$ 600.00	\$ 1,400.00	1.5c; 4.2b(iii)
	2"	\$ 750.00	\$ 1,700.00	1.5c; 4.2b(iii)
	Inspection Fee for Developer-Installed Connection	\$ 50.00	\$ 55.00	1.6a; 4.2b(ii)
5 Sewer Service Connection Fee				
	Installation Fee by Size	Total	Total	
	4" Service, actual cost or minimum	\$ 2,200.00	\$ 2,200.00	1.5c; 4.2b(i)
	6" Service, actual cost or minimum	\$ 2,800.00	\$ 2,800.00	1.5c; 4.2b(i)
	Greater than 45 Feet or over 8 Feet in depth	Individually determined	Individually determined	1.5c; 4.2b(i)
	Inspection Fee for Developer-Installed Connection	\$ 50.00	\$ 55.00	1.5c; 4.2b(ii)
6 Special Use of Water				
	Meter Fee by Size (In Addition to Water Rates - Fixed Meter Charge Based on Meter Size and Consumption Charge)	Total	Total	
	5/8"	\$ 31.00	\$ 31.00	4.2c(vii)
	3/4"	\$ 35.00	\$ 35.00	4.2c(vii)

CAPE FEAR PUBLIC UTILITY AUTHORITY
 RATES AND FEES SCHEDULE FY 14-15
 (Changes Denoted in RED)

		Rates and Fees Effective 5/1/14	Rates and Fees Effective 7/1/14	Ordinance Reference
	1"	\$ 45.00	\$ 45.00	4.2c(vii)
	1 1/2"	\$ 56.00	\$ 56.00	4.2c(vii)
	2"	\$ 96.00	\$ 96.00	4.2c(vii)
	3"	\$ 165.00	\$ 165.00	4.2c(vii)
	4"	\$ 254.00	\$ 254.00	4.2c(vii)
	6"	\$ 427.00	\$ -	4.2c(vii)
	8"	\$ 666.00	\$ -	4.2c(vii)
	10"	\$ 924.00	\$ -	4.2c(vii)
	12"	\$ 1,202.00	\$ -	4.2c(vii)
	Lost or stolen special use sign	\$ 50.00	\$ 50.00	4.2c(vii)
	Consumption Charge (per 1,000 gallons)	\$ 3.67	\$ 3.67	4.2.a(iii)
	7 Water Quality Fees			
	Inspection Fees Backflow Assembly	Total	Total	
	Initial inspection	No Charge	No Charge	4.2.b(ii)
	Subsequent inspections	\$ 50.00	\$ 55.00	4.2.b(ii)
	Third and subsequent inspection	\$ 100.00	\$ -	4.2.b(ii)
	8 Discharge Permit Fees			
	Industrial Connection and Discharge Permit application and annual fee includes			
	SIU, flows > 15,000 gpd, pretreatment	\$ 750.00	\$ 750.00	Appendix D 3.4
	Restoration of Revoked Industrial Permit (Each occurrence)	\$ 1,500.00	\$ 1,500.00	Appendix D 3.4
	Modification of Permit (Each occurrence)	\$ 200.00	\$ 200.00	Appendix D 3.4
	Other Wastewater Permits			
	Flow Less than 1,000 Gallons/day	\$ 100.00	\$ 100.00	Appendix D 3.4
	Flow Between 1,001 and 7,500 Gallons/day	\$ 200.00	\$ 200.00	Appendix D 3.4
	Flow Between 7,501 and 15,000 Gallons/day	\$ 300.00	\$ 300.00	Appendix D 3.4
	Food Service Establishment Application and Annual Inspection Fee	\$ 100.00	\$ 100.00	Appendix D 3.4
	Enforcement Cost Recovery	\$ -	Individually determined	4.2.c(x);Appendix D 3.4
	Monitoring Fee	Individually determined	Individually determined	Appendix D 3.4
	Restoration Fee of Revoked Other Wastewater Permit (per occurrence)	2x permit fee	2x permit fee	Appendix D 3.4
	Grease Interceptor Variance (Each occurrence)	\$ 220.00	\$ 220.00	Appendix D 3.4
	9 System Development Charges			
	Water by Meter Size	Total	Total	Appendix C 2(a)
	5/8" *	\$ 1,920.00	\$ 1,920.00	4.2.b(iv)
	1" (Single-Family Residential with fire sprinkler system)	\$ 1,920.00	\$ 1,920.00	4.2.b(iv)
	1"	\$ 4,800.00	\$ 4,800.00	4.2.b(iv)
	1 1/2"	\$ 9,600.00	\$ 9,600.00	4.2.b(iv)
	2"	\$ 15,360.00	\$ 15,360.00	4.2.b(iv)
	3"	\$ 28,800.00	\$ 28,800.00	4.2.b(iv)
	4"	\$ 48,000.00	\$ 48,000.00	4.2.b(iv)
	6"	\$ 96,000.00	\$ 96,000.00	4.2.b(iv)
	8"	\$ 153,600.00	\$ 153,600.00	4.2.b(iv)
	10"	\$ 240,000.00	\$ 240,000.00	4.2.b(iv)
	* No water SDC due on a 5/8" irrigation meter			
	Shell Buildings Alternative Fee Calculation - former NHC Water & Sewer District. Fees base on class of use & 15A NCAC O2T.0114 - Design Flow Rates			4.2b(iv)(4)
	Water Development Charge (minimum \$1,348.00 = 400 gallons)	\$3.37 per gallon	\$3.37 per gallon	4.2b(iv)(4)
	Sewer by Meter Size	Total	Total	Appendix C 3(a)
	5/8"	\$ 2,460.00	\$ 2,460.00	4.2b(iv)
	1" (Single-Family Residential with fire sprinkler system)	\$ 2,460.00	\$ 2,460.00	4.2b(iv)
	1"	\$ 6,150.00	\$ 6,150.00	4.2b(iv)
	1 1/2"	\$ 12,300.00	\$ 12,300.00	4.2b(iv)
	2"	\$ 19,680.00	\$ 19,680.00	4.2b(iv)
	3"	\$ 36,900.00	\$ 36,900.00	4.2b(iv)
	4"	\$ 61,500.00	\$ 61,500.00	4.2b(iv)
	6"	\$ 123,000.00	\$ 123,000.00	4.2b(iv)
	8"	\$ 196,800.00	\$ 196,800.00	4.2b(iv)
	10"	\$ 307,500.00	\$ 307,500.00	4.2b(iv)
	Unmetered service (sewer only)	\$10/gallon projected flow	\$10/gallon projected flow	4.2b(iv)

CAPE FEAR PUBLIC UTILITY AUTHORITY
RATES AND FEES SCHEDULE FY 14-15
(Changes Denoted in **RED**)

		Rates and Fees Effective 5/1/14	Rates and Fees Effective 7/1/14	Ordinance Reference
Shell Buildings Alternative Fee Calculation - former NHC Water & Sewer District. Fees base on class of use & 15A NCAC O2T.0114 - Design Flow Rates				
	Sewer Impact Fee (minimum \$2,103.90 = 300 gallons)	\$7.013 per gallon	\$7.013 per gallon	4.2b(iv)(4)
	Sewer Development Charge	\$1.50 per gallon	\$1.50 per gallon	4.2b(iv)(4)
10 Miscellaneous and Other				
Service/repair costs				
	Contracted services at actual cost plus 10% administrative fee	Individually determined	Individually determined	1.9(e)
	CFPUA staff and equipment at FEMA reimbursable cost	Individually determined	Individually determined	1.9(e)
Other Fees				
	Cut Lock Fee	\$ 75.00	\$ 75.00	6.6c; 4.2c(vi)
	Emergency Reconnect Fee	\$ 110.00	\$ 110.00	4.2c(iii)
	Late Day Reconnect Fee	\$ 55.00	\$ 55.00	4.2c(ii)
	Late Fee	10% of balance; \$25 maximum on Single-Family Residential services	10% of balance; \$25 maximum on Single-Family Residential services	4.2c(viii)
	Loan Processing Fee	Actual Cost to File	Actual Cost to File	4.2c(xi)
	Meter Obstruction Fee	\$ 55.00	\$ 55.00	4.2c(xvii)
	Meter Test	\$ 50.00	\$ 55.00	2.3; 6.1; 4.2c(ix)
	New Service Charge	\$ 55.00	\$ 55.00	1.6a; 4.2c(iv)
	Premise Visit Fee	\$ 55.00	\$ 55.00	1.15(a); 4.2c(xvi)
	Reconnect/Delinquency Fee	\$ 55.00	\$ 55.00	6.6(a); 4.2c(xiii)
	Reread Fee (requested by Customer)			
	Correct Read	\$ 55.00	\$ 55.00	4.2c(xv)
	Incorrect Read (CFPUA error)	No Cost	No Cost	4.2c(xv)
	System Tampering Civil Action Violation, in accordance with N.C.G.S. 14-151(e)	Triple the amount of losses and damages sustained by the Authority or \$5000, whichever is greater	Triple the amount of losses and damages sustained by the Authority or \$5000, whichever is greater	4.2c(xxvi)
	Turn-On Fee (after disconnect)	\$ 55.00	\$ 55.00	4.2c(xiv)
	Utility Deposit-Single-Family Residential ***	Up to \$200*	Up to \$200*	1.6
	*** May be adjusted by Customer Service Director based on services provided and prior payment history			
	Utility Deposit-Commercial	Determined by Policy	Determined by Policy	1.6
	Civil Penalties:			4.2c(v)
	Failure to submit required cross connection control report	\$ 200.00	\$ 200.00	Appendix A 10(d)
	Submission of falsified cross connection control report	\$ 200.00	\$ 200.00	Appendix A 10(d)
	First violation of backflow installation requirements	\$ 250.00	\$ 250.00	Appendix A 10(b)
	Subsequent violation of backflow installation requirements	\$ 1,000.00	\$ 1,000.00	Appendix A 10(b)
	Violation of Extension Policy	\$100, \$200, \$500	\$100, \$200, \$500	Appendix C 5
	Violation of Wastewater Discharge Permit	Up to \$25,000	Up to \$25,000	Appendix D 8.2
	Violation of Sewer Use Ordinance	Up to \$25,000	Up to \$25,000	Appendix D 35d(i)
	Violation of Cross Connection Control Ordinance	Up to \$1,000/day	Up to \$1,000/day	Appendix A 10(f)(vii)
	Hydrant Meter Deposit for festivals (for up to 1 1/2" meter size)	\$ 500.00	\$ 500.00	4.2c(vii)
	Hydrant Meter Deposit for festivals (for 2" and higher meter size)	\$ -	Actual Cost	4.2c(vii)
	Hydrant Meter Installation & Removal for festivals (per meter)	\$ 50.00	\$ 55.00	4.2.c(vii)
	Plan Review Fees:			
	Minor Subdivisions - no required NCDENR water or sewer permits	\$ 120.00	\$ 120.00	Appendix C.1(a); 4.2c(xii)
	Commercial Plans (multi-family residential/commercial) - no required NCDENR water and sewer permits	\$ 120.00	\$ 120.00	Appendix C.1(a); 4.2c(xii)
	Main Extensions less than 500 Linear Feet	\$ 240.00	\$ 240.00	Appendix C.1(a); 4.2c(xii)
	Main Extensions 500-999 Linear Feet	\$ 300.00	\$ 300.00	Appendix C.1(a); 4.2c(xii)
	Main Extensions 1,000-4,999 linear feet	\$ 600.00	\$ 600.00	Appendix C.1(a); 4.2c(xii)
	Main Extensions 5,000-9,999 linear feet	\$ 850.00	\$ 850.00	Appendix C.1(a); 4.2c(xii)
	Main Extensions 10,000 linear feet and greater	\$ 1,400.00	\$ 1,400.00	Appendix C.1(a); 4.2c(xii)
	Pump Station Review (plus the main extensions fee above)	\$ 350.00	\$ 350.00	Appendix C.1(a); 4.2c(xii)
	Re-review Fee	\$ 50.00	\$ 50.00	Appendix C.1(a); 4.2c(xii)
Miscellaneous Administrative Fees				
	Returned Check Fee (Per event; Closed Account, NSF, Stop Payment of Customer/Vendor issued Check)	\$ 25.00	\$ 25.00	4.2c(x)
	Dishonored Bank Draft Fee (Per event; Closed Account, NSF, Stop Payment of Customer/Vendor Draft)	\$ 25.00	\$ 25.00	4.2c(x)
	Check Stop Payment Fee (Stop Payment of CFPUA issued Check requested by Customer/Vendor)	\$ 5.00	\$ 5.00	4.2c(x)
Copy and Printing Fees, including Public Records Request		Actual cost	Actual cost	

Operating and Capital Budget Summary Debt Service Coverage

CFPUA
FY 14-15

Adopted Budget

REVENUES

Water Revenues	\$ 29,165,000
Wastewater Revenues	33,939,000
Other Charges for Service	3,018,300
Total Operating Revenues	66,122,300
System Development Charges	4,000,000
Investment Earnings	747,000
Total Nonoperating Revenues	4,747,000
Total Revenues	70,869,300

EXPENSES

Operating Expenses before Debt Service and Capital Outlay (Note 1)	37,542,512
Net Income before Debt Service and Capital Outlay	33,326,788
Debt Service (Principal & Interest Payments - Note 2)	27,676,899
Debt Service Coverage Ratio for All Indebtedness	1.20
Other Expenses, Debt Issuance Costs Not Financed-State Loan	-
Total Expenses	65,219,411

NET INCOME

Net Income after Debt Service, Available for Capital Outlay	5,649,889
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CAPITAL OUTLAY

Capital Outlay Funded by Operations in Operating Fund	\$ 201,700
Available for Transfers to Capital Projects Funds	\$ 5,448,189

Note 1: Operating Expenditures before Debt Service and Capital Outlay including debt service fees of \$275,000.

Note 2: Debt Service shown net of \$275,000 in debt service fees.

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Budgetary Basis)

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY13-14 Projected (Note 1)	CFPUA FY 14-15 Adopted Budget
REVENUES AND OTHER FINANCING SOURCES									
Operating Revenues									
Water Revenues	\$ 31,213,000	\$ 29,993,331	\$ 30,552,000	\$ 29,970,000	\$ 30,694,000	\$ (900,000)	\$ 29,794,000	\$ 30,190,565	\$ 29,165,000
Wastewater Revenues	31,322,000	31,121,905	32,551,000	33,091,316	35,039,000	(300,000)	34,739,000	34,702,746	33,939,000
Other Charges for Service	2,659,600	2,976,106	2,311,700	3,111,105	2,608,200	-	2,608,200	3,093,043	3,018,300
Operating Grants and Contributions	-	268,127	-	-	-	-	-	13,596	-
Total Operating Revenues	65,194,600	64,359,469	65,414,700	66,172,421	68,341,200	(1,200,000)	67,141,200	67,999,950	66,122,300
Non-Operating Revenues									
System Development Charges	3,563,699	3,737,630	3,363,274	3,833,199	3,000,000	1,131,000	4,131,000	4,394,998	4,000,000
Investment Earnings	822,620	786,528	691,300	782,882	684,000	-	684,000	863,728	747,000
Total Non-Operating Revenues	4,386,319	4,524,158	4,054,574	4,616,081	3,684,000	1,131,000	4,815,000	5,258,726	4,747,000
Total Revenues	69,580,919	68,883,627	69,469,274	70,788,502	72,025,200	(69,000)	71,956,200	73,258,676	70,869,300
Other Financing Sources									
Sale of Capital Assets	0	0	0	0	0	73,780	73,780	73,780	-
Proceeds from Bonded Debt and Premium	4,146,489	4,138,241	18,650,645	17,870,325	750,000	-	750,000	-	750,000
Transfers from Other Funds	-	420,436	297,011	1,136,485	-	-	-	-	-
Appropriated Fund Balance	2,146,652	-	568,098	-	-	490,224	490,224	-	6,387,811
Total Other Financing Sources	6,293,141	4,558,677	19,515,754	19,006,810	750,000	564,004	1,314,004	73,780	7,137,811
Total Revenues and Other Financing Sources	\$ 75,874,060	\$ 73,442,304	\$ 88,985,028	\$ 89,795,312	\$ 72,775,200	\$ 495,004	\$ 73,270,204	\$ 73,332,456	\$ 78,007,111
EXPENDITURES AND OTHER FINANCING USES									
Operating Expenditures									
Authority Board	\$ 44,889	\$ 41,059	\$ 48,022	\$ 44,483	\$ 83,669	\$ 38,713	\$ 122,382	\$ 72,371	\$ 80,420
Administration	890,024	745,890	864,213	715,199	893,347	(43,734)	849,613	713,843	866,444
Finance/IT/Customer Service	5,052,404	4,388,926	4,848,970	4,478,073	5,118,829	(229,306)	4,889,523	4,632,254	5,032,244
Human Resources	566,558	528,357	550,141	526,370	626,895	(25,376)	601,519	590,013	641,606
Engineering	1,903,302	1,712,992	1,832,855	1,747,813	2,026,721	(89,408)	1,937,313	1,909,332	2,074,323
Operations - Centralized Maintenance	-	-	-	-	1,967,478	80,026	2,047,504	1,978,894	2,170,309
Operations - Administration	843,040	806,372	1,071,874	959,001	725,551	(122,594)	602,957	562,427	554,755
Operations - Water Treatment	6,865,498	6,382,814	6,536,586	6,162,788	6,293,855	(201,363)	6,092,492	6,092,492	6,035,440
Operations - Wastewater Treatment	5,055,733	4,714,911	4,731,301	4,442,362	4,130,340	(267,332)	3,863,008	3,863,008	4,062,980
Operations - Utility Services	11,120,247	9,467,717	9,623,582	8,328,807	9,878,791	(255,868)	9,622,923	8,915,299	10,053,744
Environment Management	2,276,652	1,992,684	2,149,933	2,015,622	2,260,829	(80,563)	2,180,266	2,180,266	2,337,332
Computer Replacement Program	-	-	-	-	175,210	-	175,210	171,281	100,000

Statement of Revenues, Expenditures and Changes in Fund Balance

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (Budgetary Basis)

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY13-14 Projected (Note 1)	CFPUA FY 14-15 Adopted Budget
Damage Claims	-	-	-	-	17,500	-	17,500	17,500	14,500
Outside Partnerships	-	-	-	-	70,500	-	70,500	70,500	75,015
Non-capital Construction	-	-	-	-	-	-	-	-	255,000
Fines and Penalties	-	-	-	-	31,600	-	31,600	1,216	19,100
Capital Outlay	-	-	-	-	191,899	-	191,899	172,326	201,700
Nondepartmental	1,864,238	1,887,476	2,030,710	1,763,704	2,223,000	(88,920)	2,134,080	2,067,668	2,094,300
Contingency-Operating	800,000	-	529,000	-	800,000	(161,694)	638,306	-	800,000
Contingency-Budget Reserve	-	-	1,804,009	-	-	268,643	268,643	-	-
Total Operating Expenditures Before Debt Service	37,282,585	32,669,198	36,621,196	31,184,222	37,516,014	(1,178,776)	36,337,238	34,010,690	37,469,212
Debt Service, Net	27,717,697	29,396,246	45,362,321	45,446,200	28,596,752	-	28,596,752	26,555,983	27,951,899
Other Financing Uses									
Debt Issuance Cost	448,655	448,655	765,158	220,902	750,000	-	750,000	-	750,000
Transfers to Capital Project Funds	10,425,123	10,425,123	6,236,353	6,236,352	5,912,434	1,673,780	7,586,214	7,586,214	11,836,000
Total Other Financing Uses	10,873,778	10,873,778	7,001,511	6,457,254	6,662,434	1,673,780	8,336,214	7,586,214	12,586,000
Total Expenditures and Other Financing Uses	\$ 75,874,060	\$ 72,939,222	\$ 88,985,028	\$ 83,087,676	\$ 72,775,200	\$ 495,004	\$ 73,270,204	\$ 68,152,887	\$ 78,007,111
Revenues and Other Sources Over									
Expenditures and Other Financing Uses	\$ -	\$ 503,082	\$ -	\$ 6,707,636	\$ -	-	\$ -	\$ 5,179,569	\$ -
Fund Balance Beginning Balance (Note 2)	\$ 20,553,586	\$ 20,553,586	\$ 21,056,668	\$ 21,056,668	\$ 27,764,304	-	\$ 27,764,304	\$ 27,764,304	\$ 32,943,873
Fund Balance Ending Balance (Note 2)	\$ 20,553,586	\$ 21,056,668	\$ 21,056,668	\$ 27,764,304	\$ 27,764,304	\$ -	\$ 27,764,304	\$ 32,943,873	\$ 32,943,873
Percent Change in Fund Balance	0.00%	2.45%	0.00%	31.86%	0.00%	0.00%	0.00%	18.66%	0.00%

Note 1: FY 2014 Projected is based on estimates by the Finance Department using actual financial data as of June 30, 2014.

Note 2: For budgetary purposes, the Enterprise Fund is shown in this schedule on the modified accrual basis. The values for fund balance will differ from the change of net assets reported in the financial statements using the full accrual basis for Generally Accepted Accounting Principles (GAAP) purposes due to accounting adjustments that are required to bring it from a modified accrual basis to the full accrual basis required by GAAP.

Note 3: Fund Balance increases resulted from 1) FY11-12, Actual Operating Expenditures under adjusted budget; 2) FY12-13, Actual Operating Revenues greater than adjusted budget and Actual Operating Expenditures under adjusted budget.

Statement of Revenues, Expenditures and Changes in Fund Balance

EXPENDITURES SUMMARY BY DEPARTMENT AND CATEGORY

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
EXPENDITURES BY DEPARTMENT									
Authority Board	\$ 44,889	\$ 41,059	\$ 48,022	\$ 44,483	\$ 83,669	\$ 38,713	\$ 122,382	\$ 80,420	-3.88%
Administration	890,024	745,890	864,213	715,199	893,347	(43,734)	849,613	866,444	-3.01%
Finance/IT/Customer Service	5,052,404	4,388,926	4,848,970	4,478,073	5,118,829	(229,306)	4,889,523	5,032,244	-1.69%
Human Resources	566,558	528,357	550,141	526,370	626,895	(25,376)	601,519	641,606	2.35%
Engineering	1,903,302	1,712,992	1,832,855	1,747,813	2,026,721	(89,408)	1,937,313	2,074,323	2.35%
Operations - Centralized Maintenance	-	-	-	-	1,967,478	80,026	2,047,504	2,170,309	10.31%
Operations - Administration	843,040	806,372	1,071,874	959,001	725,551	(122,594)	602,957	554,755	-23.54%
Operations - Water Treatment	6,865,498	6,382,814	6,536,586	6,162,788	6,293,855	(201,363)	6,092,492	6,035,440	-4.11%
Operations - Wastewater Treatment	5,055,733	4,714,911	4,731,301	4,442,362	4,130,340	(267,332)	3,863,008	4,062,980	-1.63%
Operations - Utility Services	11,120,247	9,467,717	9,623,582	8,328,807	9,878,791	(255,868)	9,622,923	10,053,744	1.77%
Environment Management	2,276,652	1,992,684	2,149,933	2,015,622	2,260,829	(80,563)	2,180,266	2,337,332	3.38%
Computer Replacement Program	-	-	-	-	175,210	-	175,210	100,000	-42.93%
Damage Claims	-	-	-	-	17,500	-	17,500	14,500	-17.14%
Outside Partnerships	-	-	-	-	70,500	-	70,500	75,015	6.40%
Non-capital Construction	-	-	-	-	-	-	-	255,000	0.00%
Fines and Penalties	-	-	-	-	31,600	-	31,600	19,100	-39.56%
Capital Outlay	-	-	-	-	191,899	-	191,899	201,700	5.11%
Nondepartmental	1,864,238	1,887,476	2,030,710	1,763,704	2,223,000	(88,920)	2,134,080	2,094,300	-5.79%
Debt Service, Net	27,717,697	29,396,246	45,362,321	45,446,200	28,596,752	-	28,596,752	27,951,899	-2.25%
Debt Issuance Cost	448,655	448,655	765,158	220,902	750,000	-	750,000	750,000	0.00%
Contingency-Operating	800,000	-	529,000	-	800,000	(161,694)	638,306	800,000	0.00%
Contingency-Budget Reserve	-	-	1,804,009	-	-	268,643	268,643	-	0.00%
Transfers to Capital Projects	10,425,123	10,425,123	6,236,353	6,236,352	5,912,434	1,673,780	7,586,214	11,836,000	100.19%
TOTAL	\$ 75,874,060	\$ 72,939,222	\$ 88,985,028	\$ 83,087,676	\$ 72,775,200	\$ 495,004	\$ 73,270,204	\$ 78,007,111	7.19%
EXPENDITURES BY CATEGORY									
Personnel	\$ 13,219,829	\$ 12,632,603	\$ 13,436,344	\$ 12,789,943	\$ 13,983,890	\$ (153,085)	\$ 13,830,805	\$ 14,223,838	1.72%
Benefits	4,565,725	4,103,249	4,570,450	3,957,723	4,830,052	(4,053)	4,825,999	4,965,712	2.81%
Operating	15,850,367	13,216,464	13,662,637	12,159,344	15,192,363	(1,214,204)	13,978,159	14,720,047	-3.11%
Computer Replacement Program	-	-	-	-	175,210	-	175,210	100,000	0.00%
Damage Claims	-	-	-	-	17,500	-	17,500	14,500	0.00%
Outside Partnerships	-	-	-	-	70,500	-	70,500	75,015	0.00%
Non-capital Construction	-	-	-	-	-	-	-	255,000	0.00%
Fines and Penalties	-	-	-	-	31,600	-	31,600	19,100	0.00%
Capital Outlay	982,426	829,406	588,046	513,508	191,899	174,537	366,436	201,700	5.11%
Nondepartmental	1,864,238	1,887,476	2,030,710	1,763,704	2,223,000	(88,920)	2,134,080	2,094,300	-5.79%
Debt Service, Net	27,717,697	29,396,246	45,362,321	45,446,200	28,596,752	-	28,596,752	27,951,899	-2.25%
Debt Issuance Cost	448,655	448,655	765,158	220,902	750,000	-	750,000	750,000	0.00%
Contingency-Operating	800,000	-	529,000	-	800,000	(161,694)	638,306	800,000	0.00%
Contingency-Budget Reserve	-	-	1,804,009	-	-	268,643	268,643	-	0.00%
Transfers to Capital Projects	10,425,123	10,425,123	6,236,353	6,236,352	5,912,434	1,673,780	7,586,214	11,836,000	100.19%
TOTAL	\$ 75,874,060	\$ 72,939,222	\$ 88,985,028	\$ 83,087,676	\$ 72,775,200	\$ 495,004	\$ 73,270,204	\$ 78,007,111	7.19%

EXPENDITURES DETAIL BY DEPARTMENT

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Admendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Recommended Budget	% Change Recommended/ FY 13-14 Adopted
EXPENDITURES BY DEPARTMENT									
Authority Board									
Personnel	\$ 26,400	\$ 26,200	\$ 26,403	\$ 26,200	\$ 26,400	\$ -	\$ 26,400	\$ 39,603	50.01%
Benefits	2,019	2,004	2,019	2,004	2,019	-	2,019	3,029	50.02%
Operating	16,470	12,855	19,600	16,279	55,250	21,013	76,263	37,788	-31.61%
Total Authority Board	44,889	41,059	48,022	44,483	83,669	21,013	104,682	80,420	-3.88%
Administration									
Personnel	421,207	421,695	443,882	420,415	464,096	(51,139)	412,957	450,877	-2.85%
Benefits	110,161	98,734	110,631	92,827	118,401	(2,895)	115,506	115,547	-2.41%
Operating	358,656	225,461	309,700	201,957	310,850	12,000	322,850	300,020	-3.48%
Total Administration	890,024	745,890	864,213	715,199	893,347	(42,034)	851,313	866,444	-3.01%
Finance/IT/Customer Service									
Personnel	2,344,948	2,269,592	2,390,911	2,321,281	2,528,426	(16,267)	2,512,159	2,589,558	2.42%
Benefits	844,252	750,310	843,816	731,350	947,732	(3,154)	944,578	990,162	4.48%
Operating	1,787,032	1,304,736	1,443,285	1,259,084	1,642,671	(181,232)	1,461,439	1,452,524	-11.58%
Capital Outlay	76,172	64,288	170,958	166,358	-	-	-	-	0.00%
Total Finance/IT/Customer Service	5,052,404	4,388,926	4,848,970	4,478,073	5,118,829	(200,653)	4,918,176	5,032,244	-1.69%
Human Resources									
Personnel	248,569	308,269	320,806	319,861	334,637	2,156	336,793	352,696	5.40%
Benefits	70,489	83,967	92,784	86,760	102,863	440	103,303	107,110	4.13%
Operating	247,500	136,121	136,551	119,749	189,395	(27,872)	161,523	181,800	-4.01%
Total Human Resources	566,558	528,357	550,141	526,370	626,895	(25,276)	601,619	641,606	2.35%
Engineering									
Personnel	1,340,353	1,247,143	1,286,012	1,274,285	1,450,247	(82,763)	1,367,484	1,490,637	2.79%
Benefits	417,102	361,249	399,139	364,668	455,089	-	455,089	462,206	1.56%
Operating	129,847	89,222	147,704	108,860	121,385	(6,600)	114,785	121,480	0.08%
Capital Outlay	16,000	15,378	-	-	-	-	-	-	0.00%
Total Engineering	1,903,302	1,712,992	1,832,855	1,747,813	2,026,721	(89,363)	1,937,358	2,074,323	2.35%
Operations - Centralized Maintenance									
Personnel	-	-	-	-	827,535	(250)	827,285	846,705	2.32%
Benefits	-	-	-	-	289,234	-	289,234	298,413	3.17%
Operating	-	-	-	-	850,709	67,076	917,785	1,025,191	20.51%
Capital Outlay	-	-	-	-	-	7,600	7,600	-	0.00%
Total Operations - Centralized Maintenance	-	-	-	-	1,967,478	74,426	2,041,904	2,170,309	10.31%
Operations - Administration									
Personnel	631,472	618,843	800,057	728,832	502,897	(47,390)	455,507	428,076	-14.88%
Benefits	181,760	164,912	224,829	189,804	136,296	(17,167)	119,129	108,781	-20.19%
Operating	29,808	22,617	28,988	22,861	86,358	(35,737)	50,621	17,898	-79.27%
Capital Outlay	-	-	18,000	17,504	-	-	-	-	0.00%
Total Operations - Administration	843,040	806,372	1,071,874	959,001	725,551	(100,294)	625,257	554,755	-23.54%
Operations - Water Treatment									
Personnel	1,343,948	1,279,461	1,356,859	1,334,595	1,140,178	(13,166)	1,127,012	1,168,610	2.49%
Benefits	462,609	423,016	472,510	407,781	389,051	926	389,977	390,149	0.28%
Operating	4,986,332	4,608,599	4,707,217	4,420,412	4,764,626	(236,266)	4,528,360	4,476,681	-6.04%
Capital Outlay	72,609	71,738	-	-	-	-	-	-	0.00%
Total Operations - Water Treatment	6,865,498	6,382,814	6,536,586	6,162,788	6,293,855	(248,506)	6,045,349	6,035,440	-4.11%

EXPENDITURES DETAIL BY DEPARTMENT

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY 12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Admndments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Recommended Budget	% Change Recommended/ FY 13-14 Adopted
EXPENDITURES BY DEPARTMENT									
Operations - Wastewater Treatment									
Personnel	\$ 1,688,305	\$ 1,637,865	\$ 1,720,483	\$ 1,639,678	\$ 1,335,988	\$ -	\$ 1,335,988	\$ 1,362,240	1.96%
Benefits	605,298	549,322	602,175	531,759	474,198	-	474,198	490,525	3.44%
Operating	2,545,360	2,317,039	2,250,432	2,151,997	2,320,154	(272,192)	2,047,962	2,210,215	-4.74%
Capital Outlay	216,770	210,685	158,211	118,928	-	-	-	-	0.00%
Total Operations - Wastewater Treatment	5,055,733	4,714,911	4,731,301	4,442,362	4,130,340	(272,192)	3,858,148	4,062,980	-1.63%
Operations - Utility Services									
Personnel	3,870,927	3,659,501	3,854,220	3,519,474	4,052,734	44,464	4,097,198	4,135,099	2.03%
Benefits	1,420,267	1,267,578	1,378,474	1,163,301	1,455,827	19,136	1,474,963	1,523,025	4.62%
Operating	5,247,553	4,092,679	4,157,533	3,442,819	4,370,230	(512,658)	3,857,572	4,395,620	0.58%
Capital Outlay	581,500	447,959	233,355	203,213	-	99,760	99,760	-	0.00%
Total Operations - Utility Services	11,120,247	9,467,717	9,623,582	8,328,807	9,878,791	(349,298)	9,529,493	10,053,744	1.77%
Environment Management									
Personnel	1,303,700	1,164,034	1,236,711	1,205,322	1,320,752	(29,224)	1,291,528	1,359,737	2.95%
Benefits	451,768	402,157	444,073	387,469	459,342	(9,162)	450,180	476,765	3.79%
Operating	501,809	407,135	461,627	415,326	480,735	(50,936)	429,799	500,830	4.18%
Capital Outlay	19,375	19,358	7,522	7,505	-	-	-	-	0.00%
Total Environment Management	2,276,652	1,992,684	2,149,933	2,015,622	2,260,829	(89,322)	2,171,507	2,337,332	3.38%
Computer Replacement Program	-	-	-	-	175,210	-	175,210	100,000	0.00%
Damage Claims	-	-	-	-	17,500	-	17,500	14,500	0.00%
Outside Partnerships	-	-	-	-	70,500	-	70,500	75,015	0.00%
Non-Capital Construction	-	-	-	-	-	-	-	255,000	0.00%
Fine and Penalties	-	-	-	-	31,600	-	31,600	19,100	0.00%
Capital Outlay	-	-	-	-	191,899	-	191,899	201,700	0.00%
TOTAL OPERATING EXPENDITURES	34,618,347	30,781,722	32,257,477	29,420,518	34,493,014	(1,321,499)	33,171,515	34,574,912	0.24%
Nondepartmental	1,864,238	1,887,476	2,030,710	1,763,704	2,223,000	(88,920)	2,134,080	2,094,300	-5.79%
Debt Service, Net	27,717,697	29,396,246	45,362,321	45,446,200	28,596,752	-	28,596,752	27,951,899	-2.25%
Debt Issuance Cost	448,655	448,655	765,158	220,902	750,000	-	750,000	750,000	0.00%
Contingency-Operating	800,000	-	529,000	-	800,000	(37,000)	763,000	800,000	0.00%
Contingency-Budget Reserve	-	-	1,804,009	-	-	268,643	268,643	-	0.00%
Transfers to Capital Projects	10,425,123	10,425,123	6,236,353	6,236,352	5,912,434	-	5,912,434	11,836,000	100.19%
TOTAL EXPENDITURES	\$ 75,874,060	\$ 72,939,222	\$ 88,985,028	\$ 83,087,676	\$ 72,775,200	\$ (1,178,776)	\$ 71,596,424	\$ 78,007,111	7.19%

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CAPE FEAR PUBLIC UTILITY AUTHORITY
Positions By Department
FY15

The budget authorizes a total of 294.5 positions.
Full-Time Equivalents (FTEs) by department is as follows:

	<u>FY 13</u>	<u>FY14</u>	<u>FY15</u>	<u>Note</u>
Administration	6	5	5	
Finance	8.5	9	9	
Information Technology	6	6	6	
Human Resources/Safety	4	5	5	
Engineering	22	24	24	
Operations - Administration	9	9	10	(1)
Operations - Centralized Maintenance	-	-	14	(1)
Operations - Utility Services	96	96	97	(1)
Operations - Wastewater Treatment	40	40	30	(1)
Operations - Water Treatment	30	30	24	(1)
Environmental Management	29.5	28.5	28.5	
Customer Service	41	42	42	
Total	<u>292</u>	<u>294.5</u>	<u>294.5</u>	

Note

(1) In FY14 the Operations Divisions was reorganized to create a new Centralized Maintenance Division.

CAPE FEAR PUBLIC UTILITY AUTHORITY
Approved Salary Scale
FY14-15

GRADE	MINIMUM	1st QUARTILE	MIDPOINT	3rd QUARTILE	MAXIMUM
1	\$19,107.58	\$21,639.34	\$24,171.09	\$26,702.85	\$29,234.60
2	\$20,074.90	\$22,734.83	\$25,394.75	\$28,054.67	\$30,714.60
3	\$21,091.19	\$23,885.78	\$26,680.36	\$29,474.95	\$32,269.53
4	\$22,158.94	\$25,094.99	\$28,031.05	\$30,967.11	\$33,903.17
5	\$23,280.73	\$26,365.43	\$29,450.13	\$32,534.83	\$35,619.53
6	\$24,459.32	\$27,700.18	\$30,941.04	\$34,181.91	\$37,422.77
7	\$25,697.57	\$29,102.50	\$32,507.43	\$35,912.36	\$39,317.29
8	\$26,998.51	\$30,575.81	\$34,153.12	\$37,730.42	\$41,307.72
9	\$28,365.31	\$32,123.72	\$35,882.12	\$39,640.52	\$43,398.93
10	\$29,801.31	\$33,749.99	\$37,698.66	\$41,647.33	\$45,596.00
11	\$31,310.00	\$35,458.58	\$39,607.15	\$43,755.73	\$47,904.30
12	\$32,895.07	\$37,253.67	\$41,612.26	\$45,970.86	\$50,329.45
13	\$34,560.38	\$39,139.63	\$43,718.88	\$48,298.13	\$52,877.38
14	\$36,310.01	\$41,121.08	\$45,932.15	\$50,743.22	\$55,554.30
15	\$38,148.19	\$43,202.83	\$48,257.46	\$53,312.10	\$58,366.73
16	\$40,079.45	\$45,389.97	\$50,700.50	\$56,011.03	\$61,321.55
17	\$42,108.47	\$47,687.84	\$53,267.21	\$58,846.58	\$64,425.96
18	\$44,240.21	\$50,102.04	\$55,963.87	\$61,825.69	\$67,687.52
19	\$46,479.87	\$52,638.45	\$58,797.03	\$64,955.62	\$71,114.20
20	\$48,832.91	\$55,303.28	\$61,773.64	\$68,244.00	\$74,714.36
21	\$53,902.40	\$61,044.47	\$68,186.53	\$75,328.60	\$82,470.67
22	\$59,498.16	\$67,381.67	\$75,265.18	\$83,148.68	\$91,032.19
23	\$65,674.84	\$74,376.75	\$83,078.67	\$91,780.59	\$100,482.50
24	\$72,492.74	\$82,098.03	\$91,703.31	\$101,308.60	\$110,913.89
25	\$80,018.41	\$90,620.85	\$101,223.29	\$111,825.73	\$122,428.17
26	\$88,325.36	\$100,028.47	\$111,731.58	\$123,434.69	\$135,137.80
27	\$97,494.67	\$110,412.72	\$123,330.76	\$136,248.80	\$149,166.84

Source: CFPUA Human Resources April 2014-0% Market Adjustment

CAPE FEAR PUBLIC UTILITY AUTHORITY *Position/Grade by Department*

Position/Grade by Department

FY14-15

DEPT	Number	POSITION	GRADE
	Positions		
ADM	1	Executive Director	C
ADM	1	Chief Communications Officer	23
ADM	1	Executive Secretary/ Clerk	18
ADM	1	Assistant to Executive Director	18
ADM	1	Internal Auditor	22
	5		
FIN	1	CFO and Administrative Services Director	27
FIN	1	Chief Information Officer	24
FIN	1	Budget/Finance Manager	22
FIN	1	Procurement Manager	22
FIN	0.5	Contract Specialist (PT)	12
FIN	1	Help Desk Technician	13
FIN	1	Buyer	16
FIN	1	Fiscal Support Specialist	12
FIN	1	Senior Accounting Technician	14
FIN	1	Payroll Specialist	13
FIN	1	IT Network Administrator	21
FIN	1	SCADA Administrator/Project Manager	18
FIN	1	GIS Administrator	21
FIN	1	Server Administrator	18
FIN	1	Accounting Manager	22
FIN	0.5	Financial Systems Analyst (PT)	22
	15		
CS	1	Customer Service Director/Deputy Finance Officer	25
CS	1	Administrative Support Specialist	12
CS	1	Billings and Collections Manager	21
CS	1	Customer Service Center Manager	21
CS	1	Fiscal Support Supervisor, Billing	16
CS	1	Fiscal Support Supervisor, Collection	16
CS	1	Meter Reader Supervisor	15
CS	1	Quality Assurance Specialist	14
CS	4	Billing Specialist	11
CS	3	Collections Specialist	12
CS	13	Customer Service Representative	10
CS	9	Meter Reader	9
CS	2	Customer Service Supervisor	16
CS	1	IT Analyst	20
CS	1	Cash Applications Technician	10
CS	1	Cash Applications Specialist	12
	42		
HR	1	Human Resources Director/Safety	25
HR	1	Employee Benefits Manager	21
HR	1	Compensation Manager	22

CAPE FEAR PUBLIC UTILITY AUTHORITY *Position/Grade by Department*

Position/Grade by Department

FY14-15

DEPT	Number	POSITION	GRADE
	Positions		
HR	1	Safety Program Manager	21
HR	1	Human Resources Technician	14
	5		
ENG	1	Director of Engineering	26
ENG	4	Project Manager	22
ENG	1	Project Engineer	21
ENG	2	Engineering Technician	16
ENG	1	GIS Specialist	16
ENG	4	Construction Inspector	15
ENG	1	Office Administrator	13
ENG	1	Customer Liaison	11
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	2	Senior Project Manager	23
ENG	1	Capacity Manager	19
	24		
EMD	1	Environment Management Director	25
EMD	1	Environmental Program Manager	21
EMD	1	Laboratory Manager	21
EMD	1	Comm. Compliance Assistance Supervisor	21
EMD	2	Supervising Chemist- 1 Wtr, 1 WW	19
EMD	1	EMD Information System Manager	19
EMD	1	Senior Environmental Compliance Assist. Officer	16
EMD	2	Chemist I- 1WW & 1 WTR	14
EMD	1	Chemist II- WTR	15
EMD	1	Microbiology Technician	14
EMD	1	ESMD Lead Auditor	15
EMD	3	Environmental Compliance Assistance Officer	15
EMD	6.5	Laboratory Technician-3ww, 4 wtr, .5qc(PT)	13
EMD	1	Administrative Assistant	12
EMD	2	Laboratory Assistant- 1 wtr, 1ww	11
EMD	1	Administrative Support Technician	10
EMD	1	Environmental & Services Superintendent	22
EMD	1	Emergency Management/Strategic Coordinator	21
	28.5		
US-ADM	1	COO/Deputy Executive Director	27
US-ADM	1	Utility Services Superintendent	24
US-ADM	1	Administrative Assistant	12
US-ADM	1	Program Manager	21
US-ADM	1	Senior Program Manager	22
US-CM	1	Maintenance Superintendent (Wtr/WW)	21

CAPE FEAR PUBLIC UTILITY AUTHORITY *Position/Grade by Department*

Position/Grade by Department

FY14-15

DEPT	Number	POSITION	GRADE
	Positions		
US-CM	1	Administrative Support Technician	10
US-CM	1	Facilities/Inventory Technician	12
US-CM	1	Asset Manager	19
US-CM	1	Water Treatment Plant Maintenance Supervisor	19
US-CM	2	Utility Maintenance Technician	12
US-CM	1	Utility Maintenance Foreman	15
US-CM	2	Facilities Specialist-wtr	14
US-CM	2	Facilities Specialist-ww	14
US-CM	1	Electric & Instrument Technician	14
US-CM	5	Utility Maintenance Technician	12
US-CM	1	Wastewater Treatment Plant Maintenance Sup	19
US-COLL	1	Collection System O&M Supervisor	19
US-COLL	1	Pump Stations Supervisor	19
US-COLL	6	Collections Maintenance Technician	11
US-COLL	1	Pump Station Operations Foreman	16
US-COLL	1	Camera Crew Foreman	14
US-COLL	2	Trades Specialist	14
US-COLL	3	Camera Operator-3 crews	12
US-COLL	5	Pump Station Operator	12
US-COLL	2	Heavy Equipment Operator	12
US-COLL	6	Utility Maintenance Technician-pump stations	12
US-COLL	3	Camera Assistant	9
US-COLL	1	Warehouse Technician	9
US-COLL	1	Utilities Collection System Manager	22
US-COLL	1	ROW/Heavy Construction Supervisor	19
US-COLL	5	Pump Station Crew Foreman	14
US-COLL	1	Outfall Crew Foreman	14
US-COLL	2	Service Technician	12
US-DIS	1	Project Coordinator-Operations	21
US-DIS	1	Construction Supervisor- 1 dist	17
US-DIS	1	Distribution/Construction Supervisor	22
US-DIS	1	Meter Services Supervisor	17
US-DIS	4	Meter Technician I	10
US-DIS	1	Administrative Support Specialist	12
US-DIS	1	Warehouse Supervisor	14
US-DIS	1	Senior Meter Technician	12
US-DIS	1	Water Quality Foreman	14
US-DIS	4	Meter Technician II	11
US-DIS	3	Water Quality Technician-Dist	11
US-DIS	1	Office Assistant	10
US-D & C	2	Planner/Scheduler	17
US-D & C	11	Construction Crew Foreman- 7 dist, 4 coll	14
US-D & C	5	Senior Construction Worker	11
US-D & C	17	Construction Worker	9
	121		
WT	1	Water Resources Manager	24
WT	1	Water Treatment Supervisor	21

CAPE FEAR PUBLIC UTILITY AUTHORITY *Position/Grade by Department*

Position/Grade by Department

FY14-15

DEPT	Number	POSITION	GRADE
	Positions		
WT	2	Water Treatment Operations Supervisor	19
WT	10	Water Control Operator	13
WT	1	Water Res/Communications Administrative Specialist	14
WT	5	Water Process Operator	12
WT	1	Administrative Support Technician	10
WT	1	Facilities Assistant	9
WT	2	Senior Water Control Operator	15
	24		
WWT	1	Wastewater Superintendent	24
WWT	2	Wastewater Treatment Plant Supervisor	21
WWT	2	Chief WWT Operator	17
WWT	2	Utility Maintenance Technician	12
WWT	16	WWT Process Operator	12
WWT	4	WWT Control Operator	13
WWT	2	Administrative Support Specialist	12
WWT	1	Custodian	6
	30		
	294.5		

CAPE FEAR PUBLIC UTILITY 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 Executive Director, Clerk/Executive Secretary to the Board, Internal Auditor, and the Authority's Legal Counsel.

Key Accomplishments

- Supported regional, cooperative solutions to water and sewer needs through partnerships in the public and private sectors
- Adopted a system expansion policy
- Provided North Carolina legislators with the Authority's goals
- Selected a new Executive Director to lead the organization into the future

CFPUA Board Goals for FY 15

- 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.*

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Authority Board									
Personnel	\$ 26,400	\$ 26,200	\$ 26,403	\$ 26,200	\$ 26,400	\$ 1,700	\$ 28,100	\$ 39,603	50.01%
Benefits	2,019	2,004	2,019	2,004	2,019	-	2,019	3,029	50.02%
Operating	16,470	12,855	19,600	16,279	55,250	37,013	92,263	37,788	-31.61%
Total Authority Board	44,889	41,059	48,022	44,483	83,669	38,713	122,382	80,420	-3.88%

ADMINISTRATION

OFFICE OF THE EXECUTIVE DIRECTOR

Executive Director, James R. Flechtner, P.E.

The Executive Director is responsible for the overall management of Cape Fear Public Authority. The Executive Director employs and manages the management staff, designates assignments, and is responsible for carrying out the policies and directives of the Cape Fear Public Utility Authority Board. The Authority's Administration Department includes an Executive Assistant who provides direct support to the Executive Director, and the Chief Communications Officer.

Key Accomplishments

- 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
- Endorse and encourage a safe working environment

Office of the Executive Director Goals for FY 15

- The Office of the Executive Director carries out the Authority's mission to provide high quality water and sewer service in an environmentally responsible manner, while maintaining the lowest practicable cost. This is accomplished through the Authority's Guiding Principles:
 - *Stewardship* – Maintain a stable financial position that balances rates, the environment and the Authority's long-term capital and operating needs.
 - *Sustainability* –Build partnerships that encourage growth while optimizing the protection and use of water and sewer resources.
 - *Service* –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.

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Administration									
Personnel	421,207	421,695	443,882	420,415	464,096	(52,839)	411,257	450,877	-2.85%
Benefits	110,161	98,734	110,631	92,827	118,401	(2,895)	115,506	115,547	-2.41%
Operating	358,656	225,461	309,700	201,957	310,850	12,000	322,850	300,020	-3.48%
Total Administration	890,024	745,890	864,213	715,199	893,347	(43,734)	849,613	866,444	-3.01%



Photographer: Sam Yarboro, Sweeney Water Treatment Plant

Communications

Chief Communications Officer, Mike McGill

The Communications Division within the Administration Department is responsible for keeping the organization and its key stakeholders, including its customers and the news media, informed about the Authority's role within the City of Wilmington and New Hanover County. The division also supports various departments within CFPWA outreach to customers affected by scheduled or emergency CFPWA construction work.

FY 14 Accomplishments

Communications' number one charge was to continue to build positive working relationships with the media. The effort continues to place the Authority in a position where, even during negative incidents, we are able to get out messages through at least neutral, and in many cases, positive coverage. Highlights included: 1) coverage of Hewlett's Creek, where the stories moved from the natural negative to neutral to positive. References to the incident quickly faded; 2) coverage of a bout of water main breaks, which explained that CFPWA was not to blame for the fact these breaks were occurring but instead aging infrastructure was contributing; 3) coverage of our agreement with Duke Energy to construct a pipeline to the Flemington community, which highlighted our diligence for our customers; and 4) front-page coverage to demonstrate to the public that their drinking water was safe in the aftermath of Duke Energy's Cape Fear River incidents.

Emergency communications was another area of emphasis. Today, we now use six different communications methods to communicate information about emergencies or items of interest to our customers. Use of the New Hanover County Emergency Notification System and our Customer Advisory line has now been fully integrated into our efforts to detail all significant events to the people we serve.

Use of social media has been phased into our communications game plan as well. We conducted a soft rollout of our handle (@CFPWA) and use our Facebook page, with a formal launch to entire customer base come later in the spring of 2014. So far, the use of Twitter has resulted in faster and more consistent pickup with the press than our successful use of media releases.

Communications has worked closely with the Engineering Department to improve project communications for the public through a set system of communications and information flow. As a result, complaints have been fewer and escalation to the press was reduced. As we head into the new fiscal year with high-profile projects like Marquis Hill and Heritage Park on tap, this process should continue to pay dividends for the Authority.

Six new brochures touching upon key topics for the organization and our customers received positive feedback. They focused on key education areas of need for our departments, as well as our customers. Customer Service was assisted with a detailed breakdown of our bills, as well as information on how to

avoid wasting water and money by checking for leaks. Engineering was aided with a brochure about proper use of easements while Operations was assisted with a piece about the need to invest in our aging infrastructure. The Authority as a whole benefitted from a clear breakdown of the services CFPUA provides for our customers.

Communications collaborated in the development of a new Annual Report format for the calendar year ending 2013. Managing assistance from all departments, the product became clear and concise printed material for relaying key messages about CFPUA to our stakeholders.

In addition to overseeing the public launch of our FatTrapper campaign for Community Compliance, which led to more than 3,000 of the bins being given away in just two months, Communications also worked with CC to create lower-cost lids that would also “cease the grease” in even larger amounts. As a result of the campaign, more than 5,000 lids were handed out in three months. Moving forward, Communications took funding it had remaining in FY 14 to purchase 10,000 more lids for Community Compliance to help continue their strong efforts.

Communications Division Notable Goals for FY 15

- Build upon the progress made with the media over the last 18 months by continuing regular proactive, or rapid reactive, contact with those who cover the organization. Expand use of briefings to cover controversial or complex topics.
- Address emergency communications gaps by updating CFPUA Public Information Emergency Procedures.
- Improve overall response time for the use of all six communications methods.
- Revamp after-hours emergency staff with proper response materials, messaging to address considerable communications issues with customers.
- Continue to improve upon direct communication with customers on non-account-related issues via efficient phone and email response.
- Update and upgrade printed and online materials while saving funds through the use of inserts that extend the use of previously-paid-for brochures.
- Institute social media processes, launch public campaign to develop a constant, beneficial presence on Facebook and Twitter.
- Investigate the costs associated with redesigning CFPUA.org. Develop a plan for possible conversion to a new Web design for FY 16.

OPERATIONS DEPARTMENT

Chief Operations Officer, Frank C. Styers, P.E.

The Operations Department has continued to deliver exceptional water and wastewater services to our customers while continuing the effort to keep costs as low as practicable. Divisions include water treatment, water distribution, wastewater collection, wastewater treatment, and all associated repairs, sampling, testing, and overall systems compliance. The department is responsible to deliver water and collect wastewater from approximately 67,000 customers.

The Operations Department continues to evaluate system short-term and long-term needs in order to renovate and construct the necessary assets to serve the needs of our customers. The department continues its efforts to minimize sanitary sewer overflows (SSOs), to improve water quality in the distribution system, and to respond as rapidly as possible in order to minimize damages to infrastructure and the environment.

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Operations - Administration									
Personnel	631,472	618,843	800,057	728,832	502,897	(63,390)	439,507	428,076	-14.88%
Benefits	181,760	164,912	224,829	189,804	136,296	(22,467)	113,829	108,781	-20.19%
Operating	29,808	22,617	28,988	22,861	86,358	(36,737)	49,621	17,898	-79.27%
Capital Outlay	-	-	18,000	17,504	-	-	-	-	0.00%
Total Operations - Administration	843,040	806,372	1,071,874	959,001	725,551	(122,594)	602,957	554,755	-23.54%



Photographer: Sam Yarboro, Sweeney Water Treatment Plant

Asset Management

The Asset Management program continues to expand within the organization. Through asset management principles and practices, divisions are finding easier means to manage workload, reduce costs, increase communication, and come to better decisions. Staff can more readily manage their workload, have historical information easily accessible to be able to trend practices, and understand where there are common areas of concern.

Key Accomplishments

- All water and wastewater plants are utilizing our Computer Maintenance Management System (CMMS), Maximo, to track and manage their work.
- Right-of-Way/Easement Division has been tracking work orders in Maximo since July, identifying more than 450 rights-of-way that are now represented in GIS.
- Community Compliance is overseeing more than 5,500 backflow prevention assemblies in Maximo, which is streamlining their management of these assets.
- Community Compliance is managing more than 500 grease interceptors, mostly at food service establishments, which are inspected on an annual basis.
- Risk Analyses continue to aid in our understanding of the criticality and consequence of impact to our infrastructure. Force mains and gravity mains in the collection system are being assessed for those that are most critical from a likelihood and consequence of failure perspective.
- Business Case Evaluations are being utilized across various departments as a valuable tool to help make major decisions, especially ones that have serious impacts to budgets, infrastructure, and work practices.
- Integration of Maximo with Sewer Collection System CCTV software, gaining efficiency for camera operators and increasing data integrity

Asset Management Notable Goals for FY 15 include:

- Increase knowledge and use of CMMS for all users to best manage asset life cycle.
- Continued risk assessments on areas of infrastructure including water distribution network and water treatment plants.
- Expand Maximo to the Engineering Department for greater understanding of life-cycle analysis and costs
- Support Meter Services Division in managing water meters, through work orders and life cycle analysis
- Transition to track inventory in Maximo to better manage inventory as well as have better control/understanding of life-cycle costs

Summary of Expenditures

Expenditures for Asset Management fall under the Operations Administration budget.

Centralized Maintenance Division

Maintenance Superintendent, Kevin Boyett

The Centralized Maintenance Division was created in FY 14 to provide internal service for maintenance and repairs to both the water treatment plants and the wastewater treatment plants. This effort to consolidate the existing maintenance resources has reduced some of the duplicated efforts at the plants while sharing knowledge and expertise. In addition, the Centralized Maintenance Division is responsible for fleet management and maintenance. This includes over 200 vehicles and large equipment owned by the Authority. This program includes establishing a replacement schedule, maintenance, and service of all vehicles, and the future potential reduction of fleet size through sharing of assets among all divisions and sections.

Key Accomplishments

- Completed over 1,200 corrective work orders at our wastewater and water plants and other facilities
- Averaging over 150 work orders per month
- Fleet Maintenance has produced over 1200 work orders
- Entering and tracking inventory in Maximo for better efficiency
- Replaced ten vehicles
- Reduced maintenance contracts
- Cross training and scheduling staff to work at all Authority facilities
- Essential in advancing the asset tagging process at all the plants

Centralized Maintenance Notable Goals for FY 15

- Manage all inventory through Maximo
- Achieve an 8% reduction in fleet
- Create a more Predictive Maintenance methodology.
- Transition the pump station section into Centralized Maintenance.
- Develop a stronger relationship with customers

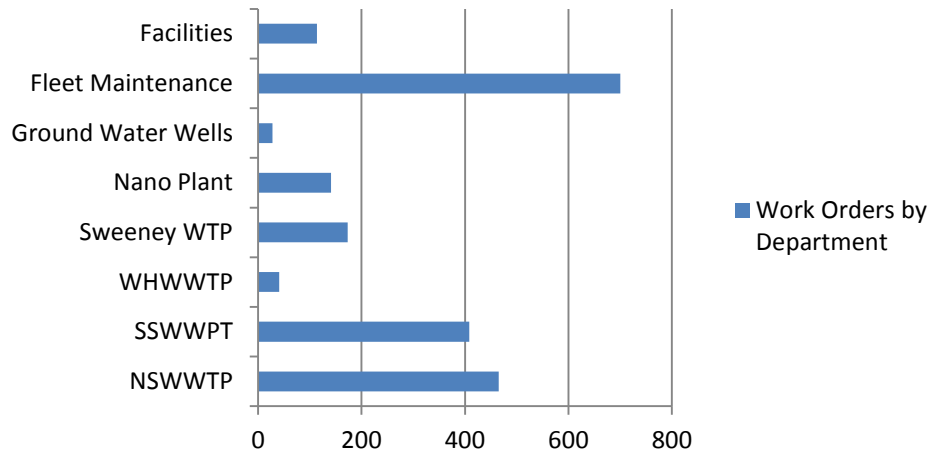
Centralized Maintenance Performance Measures:

July 2013 to present *

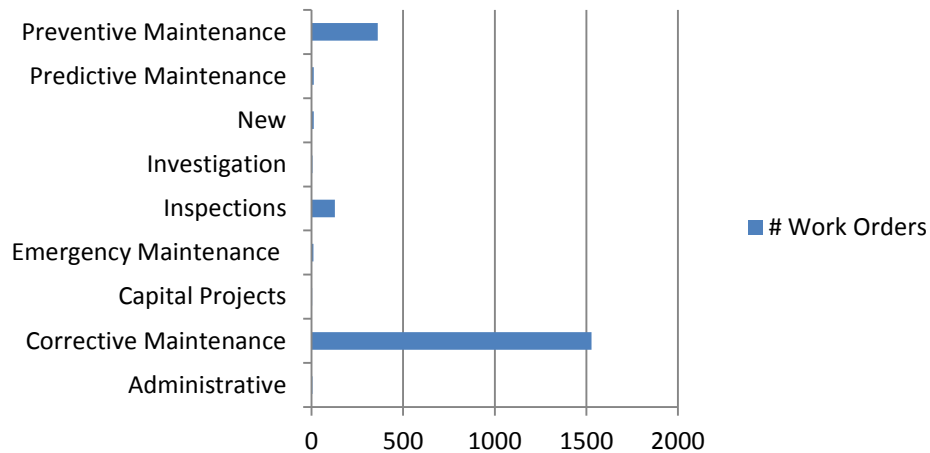
Total Work Orders	2,070
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**This division was created in July 2013*

Work Orders by Department



Work Orders



Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Operations - Centralized Maintenance									
Personnel	-	-	-	-	827,535	250	827,785	846,705	2.32%
Benefits	-	-	-	-	289,234	-	289,234	298,413	3.17%
Operating	-	-	-	-	850,709	72,176	922,885	1,025,191	20.51%
Capital Outlay	-	-	-	-	-	7,600	7,600	-	0.00%
Total Operations - Centralized Maintenance	-	-	-	-	1,967,478	80,026	2,047,504	2,170,309	10.31%

Wastewater Treatment

Wastewater Treatment Superintendent, Kenneth L. Vogt, Jr., PE, BCEE

The Wastewater Treatment Division manages the operation and maintenance of 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, and strict compliance with the approved budget has been observed. Staff has participated in many Cape Fear Public Utility Authority program initiatives including asset management and centralized maintenance and has maintained high training and certification standards.

Key Accomplishments

- The period 01/2013 – 12/2013 was characterized by outstanding plant performance. WWT Statistics: Overall (3 WWTPs) – Average Wastewater Flow = 16.656 MGD; % NPDES Compliance = 99.89.
 - NSWWTP – Average Wastewater Flow = 7.938 MGD; % BOD Removed = 99.61; % TSS Removed = 100.00; % NPDES Compliance = 100.00; Wastewater Residuals Produced = 11,549 CY.
 - SSWWTP – Average Wastewater Flow = 8.666 MGD; % CBOD Removed = 96.00; % TSS Removed = 96.95; % NPDES Compliance = 99.72; Wastewater Residuals Production = 9,317 CY.
 - WHWWTP – Average Wastewater Flow = 0.052 MGD; % NPDES Compliance = 100.00; Wastewater Residuals Production = 87 CY.
- The NSWWTP Expansion/Upgrade project, transforming the former 8 MGD secondary plant to the current 10 MGD advanced plant was completed in 2009. Rerating the plant for its design flow of 16 MGD awaits the installation of the second effluent force main. The NSWWTP continues planning for the replacement of its digester gas storage cover and the recoating of all five 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. In accordance with a September 2013 Finding of No Significant Impact (FNSI) issued pursuant to the project's Environmental Assessment (EA), the SSWWTP has been authorized to expand from 12 MGD to as much as 24 MGD. Well-maintained, the SSWWTP awaits its 2019 – 2023 Expansion/Upgrade project construction to begin; plant condition assessments performed by both a consultant and CFPUA staff enable better anticipation and projection of necessary repairs, replacements and associated costs throughout this period. In conjunction with these condition assessments, the SSWWTP continues development of plans to paint its two primary clarifiers and two secondary clarifiers and rehabilitate its residuals storage containment area.

- The WHWWTP continued receiving various process and safety improvements. WHWWTP exhibits high unit operating costs. Our goal, consistent with the Authority's Integrated Water Resources Master Plan, has been to maintain plant performance and permit compliance at acceptable levels while plans are developed for its eventual decommissioning and conveyance of flow to the NSWWTP anticipated for 2013 – 2015.
- In partnership with Pender County, the U.S. 421 WWTP has progressed to completion of plans and specifications for a 0.5 MGD SBR WWTP. Project planning is considered to be scalable insofar as smaller or larger alternatives can be considered if changing conditions so dictate.
- WWTD staff have continued to participate upon various CFPWA initiatives, including safety committees, centralized maintenance implementation, capacity management, wastewater force main and gravity collection system assessment (risk management), capital improvement program development, asset management (representation on most if not all committees), computerized maintenance management software (CMMS) and work order implementation, emergency preparedness (including exercises), reclaim/reuse water, Endocrine Disrupting Compounds and Pharmaceuticals and Personal Care Products (EDCs/PPCPs), acceptance and processing of non-connected wastes (septage; grease; residuals; non-hazardous liquid wastes), recovery and use of excess anaerobic digester gas, evaluation of participation in Duke Energy Progress' Demand Response Automation (DRA) Program
- 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).
- Work continues on several regulatory programs affecting our NPDES permits including Total Maximum Daily Loads (TMDLs) and water quality pollutant credit trading programs. CFPWA staff and its consultant continue investigating cause(s) and corrective action(s) for whole effluent toxicity (WET) testing irregularities at the SSWWTP. The NSWWTP and the SSWWTP have completed development of Spill Prevention Control and Countermeasure (SPCC) Plans, Storm Water Pollution Prevention Plan (SWPPP), and Process Safety Management (PSM)/ Risk Management Plan (RMP). Air permits governing CFPWA emergency generator operation are being affected by recent revisions to clean air standards for stationary engines.

Wastewater Treatment Division Notable GOALS for FY 15

- Continue identification, assessment and possible implementation of creative revenue generation strategies, particularly the utilization/marketing of excess digester gas production at the NSWWTP and the SSWWTP.
- Continue the production of Type 1 reclaim water at the NSWWTP with a goal of securing a permit for its distribution.
- Complete the SSWWTP Expansion/Upgrade/Renovation plans and specifications while continuing diligent maintenance and capital investment in the existing plant as its condition-based improvements are deferred until 2019 – 2023.

- Maintain WHWWTP performance and permit compliance at acceptable levels as plans continue for its eventual decommissioning and conveyance of flow to the NSWWTP consistent with the Integrated Water Resources Master Plan.

Wastewater Treatment Division Performance Measures

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
Volume Treated (gallons)	5,777,917,000	5,525,894,000	5,900,239,000
Cost per million gallons - NSWWTP	\$916	\$709	\$708
Cost per million gallons - SSWWTP	\$636	\$561	\$529
Cost per million gallons - WHWWTP	\$10,963	\$8,410	\$7,654
NPDES Permit Compliance (%) – NSWWTP	100.00	100.00	100.00
NPDES Permit Compliance (%) – SSWWTP	100.00	100.00	99.45
NPDES Permit Compliance (%) – WHWWTP	99.30	99.54	100.00

Summary of Expenditures

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Operations - Wastewater Treatment									
Personnel	\$ 1,688,305	\$ 1,637,865	\$ 1,720,483	\$ 1,639,678	\$ 1,335,988	\$ 1,850	\$ 1,337,838	\$ 1,362,240	1.96%
Benefits	605,298	549,322	602,175	531,759	474,198	-	474,198	490,525	3.44%
Operating	2,545,360	2,317,039	2,250,432	2,151,997	2,320,154	(269,182)	2,050,972	2,210,215	-4.74%
Capital Outlay	216,770	210,685	158,211	118,928	-	-	-	-	0.00%
Total Operations - Wastewater Treatment	5,055,733	4,714,911	4,731,301	4,442,362	4,130,340	(267,332)	3,863,008	4,062,980	-1.63%

Northside Wastewater Treatment Plant



Water Treatment Division

Water Resources Manager, Mike E. Richardson

The Water Treatment Division processes source water from the Cape Fear River and ground water aquifers and distributes clean treated drinking water through four different 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 citizens and customers of the Authority.

Key Accomplishments

- Met regulatory standards and goals for water quality set forth by state and federal standards through the implementation of recommendations and directions from consultants hired to investigate disinfection byproducts to improve and meet the standards.
- Continued the effort of interconnecting water systems to allow for blending of water and to improve operating control through the improved SCADA and management of all division water facilities into a single point of supervision and control
- Maintained, trained, and supported a full complement of certified water operators at all facilities and met the requirement for 6.0 hours of continued education credit per year per licensed operator
- Integrated the full requirements of laboratory testing and record keeping as mandated by the Public Water Supply Section
- Finalizing the completion of the cycle testing program to develop and operate the Aquifer Storage and Recovery (ASR) system and fully incorporate it into the daily operation of the water system through flow management, and as a tool to reduce system Disinfectants and Disinfection Byproducts (D/DBP) formation.
- Continued implementation and maintenance of the Maximo Computer Maintenance Management System (CMMS) into all facilities of the division to allow for the efficient operation of the new Centralized Maintenance Division
- Managed source water flows between Lower Cape Fear Water and Sewer Authority (LCFWSA) and our own Kings Bluff Pump Station to provide the supply of raw water to meet demand at the most efficient and lowest practicable cost. Managed the overall ground water source water as needed to meet demand while attaining a balance within the ground water aquifers and the communities
- Maintained all facilities to the highest degree of operational efficiency in order to meet the demands for water supply, to ensure adequate storage for fire protection, adequate staffing 24/7 of well qualified and trained operators, and provide full coverage and operation during emergencies.

Water Treatment Goals for FY 15

- Maintain the effort to interconnect the surface water and ground water systems to form one large water system to supply potable drinking water to all customers of the Authority.
- Incorporate improvements as needed and recommended by consultants to achieve compliance with Stage Two Disinfection Byproduct at the water treatment plants and the distribution systems.
- Incorporate the operation of Westbrook ASR facilities into the water system.
- Continue the consolidation of the surface and ground water operations into a single control and operation point at Sweeney Water Treatment Plant to allow for more efficient and reliable decision making and operational strategy for the Division.
- Incorporate changes into the Water Treatment SCADA systems and CFPWA network infrastructure to facilitate increased operational efficiencies of Water Treatment Facilities.
- Implement an Apprenticeship Program for both surface and ground water operators through continued cooperation with the NC Department of Labor.
- Institute and maintain a reliable network of distribution monitoring instruments to allow for real-time data gathering from distribution systems.

Water Treatment Performance Measures

	As of March 2012	As of March 2013	As of March 2014
Volume Treated - Surface and Ground Water	6.1 Billion Gallons	6.0 Billion Gallons	6.5 Billion Gallons
Compliance with all federal and state drinking water regulations	100%	100%	100%
Maintain operating costs at Sweeney WTP per one million gallons	\$623.00	\$666.00	\$806.00
Maintain operating costs at Nano per one million gallons	\$1,230.00	\$1,247.00	\$1,530.00
Operating cost per 1000 gallons (electrical, chemical & O&M costs)	\$0.93	\$0.80	\$0.93
Continue to meet AWOP* and partnership turbidity goals	0.1 ntu** in 98% in filtered water readings	0.1 ntu** in 95% in filtered water readings	0.1 ntu** in 95% in filtered water readings
Finish water Total Organic Carbon levels:			
Nano Filtration Plant	1.0 mg/L or less	1.0 mg/L or less	1.0 mg/L or less
Sweeney Water Treatment Plant	2.3 mg/L or less	2.0 mg/L or less	2.0 mg/L or less
* Area Wide Optimization Program, ** nephelometric turbidity units			

Summary of Expenditures

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Operations - Water Treatment									
Personnel	1,343,948	1,279,461	1,356,859	1,334,595	1,140,178	10,804	1,150,982	1,168,610	2.49%
Benefits	462,609	423,016	472,510	407,781	389,051	926	389,977	390,149	0.28%
Operating	4,986,332	4,608,599	4,707,217	4,420,412	4,764,626	(222,782)	4,541,844	4,476,681	-6.04%
Capital Outlay	72,609	71,738	-	-	-	9,689	9,689	-	0.00%
Total Operations - Water Treatment	6,865,498	6,382,814	6,536,586	6,162,788	6,293,855	(201,363)	6,092,492	6,035,440	-4.11%



Photographer: Sam Yarboro, Sweeney Water Treatment Plant

Utility Services Division

Superintendent, James Craig, P.E.

Utility Services has effectively responded to the challenge of repairing over 40% of the Cape Fear Public Utility Authority system that exceeds the expected life of the assets (50 years for water and sewer systems). They are the front line in maintaining the flow to the pipelines and continue to be vigilant while 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 outfalls, and operates and maintains pump stations. As of December 2013, the Authority is under the review of the EPA through the executed consent decree, placing additional stringent recording and response requirements on the division.

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 being treated. Causes of SSOs include, among other things, grease, debris, pipe failure, power failure, and pump failure. Although most SSOs are typically caused by Fats, Oils and Grease (FOG), the largest SSO volumes are typically the result of 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.

Key Accomplishments

- Completed more than 970 work orders, repaired or replaced 145 hydrants, repaired 169 water services, repaired 74 water mains, replaced 22 water valves, made 7 repairs on the raw water main or bents and made 1,264 SY asphalt/concrete repairs.
- Completed more than 626 work orders, repaired 147 sewer mains, installed or replaced 39 sewer services, 159 sewer service cleanouts, 86 sewer manholes and made 1,499 SY of asphalt/concrete repairs.
- Completed 421 work orders responding to complaints, in addition to flushing, activating and testing of over 32,208 LF of new water mains.
- Completed over 5,731 work orders, set 1,180 meters, tested 34 large meters and replaced 1,011 meters.

- Completed over 21,567 underground utility locates with in-house staff.
- Managed 6 contracted projects using CIP emergency funds to repair 1,400 feet of pipe lines, 6 manholes and 18 sewer services at a cost of \$1 million to address imminent failures.
- Inspected/cleaned approximately 12.5% (105 miles) of mainline collection system to date exceeding the minimum required 10%.
- Inspected/videoed 25.6 miles of gravity sewer mains, approximately 3% of the system.
- Inspected and/or maintained/cleared 57 miles of outfall easements.
- Performed inspection on 1,663 sanitary sewer manholes.
- Completed over 12,880 work orders by pump station maintenance section.
- Responded to 13 reportable SSOs, discharging a total of 48,000 gallons of sewage with the commitment of stewardship as the foremost concern.
- Managed OCCP and root control programs.

Utility Services Notable Goals for FY 15

- Continue affirmative efforts to address an aging sewer system that is subject to frequent failures.
- Implement Centralized Maintenance to include plants, buildings and vehicles.
- Roll out Maximo, Asset Management to remaining Operations divisions.
- Manage inventory through Maximo.

Performance Measures for Utility Services:

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
Water line breaks/leaks per 100 miles of line*		7.09	7.09
Collection system main/line breaks per 100 miles of line*		5.68	5.68
Sanitary sewer overflows per 100 miles of line*		2.21	1.37
Water quality complaints per 1000 customers*		9.60	6.48
Miles of line CCTV	26.20	29.00	25.60
Miles of line cleaned	145.40	188.70	105.00

*data available beginning FY 12

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Operations - Utility Services									
Personnel	3,870,927	3,659,501	3,854,220	3,519,474	4,052,734	72,296	4,125,030	4,135,099	2.03%
Benefits	1,420,267	1,267,578	1,378,474	1,163,301	1,455,827	38,578	1,494,405	1,523,025	4.62%
Operating	5,247,553	4,092,679	4,157,533	3,442,819	4,370,230	(523,990)	3,846,240	4,395,620	0.58%
Capital Outlay	581,500	447,959	233,355	203,213	-	157,248	157,248	-	0.00%
Total Operations - Utility Services	11,120,247	9,467,717	9,623,582	8,328,807	9,878,791	(255,868)	9,622,923	10,053,744	1.77%

ENGINEERING DEPARTMENT

Director of Engineering, Carel Vandermeiden, P.E.

The Administration Division is responsible for the overall management of the Engineering Department and for ensuring that department functions are aligned to meet the Authority's strategic objectives. The department is comprised of four divisions: Administration, Planning and Design, Project Management and Development Services.

Key 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.
- The department continued to refine and organize functions and procedures to promote efficiency and productivity.

Engineering Administration Overall Goal for FY 15

- The overall goal of the Administration Division of the Engineering Department is to ensure that engineering staff is provided adequate resources to successfully fulfill the department's goals, which includes maintaining an environment that promotes safety, flexibility, and professional and personal development.

Summary of Expenditures

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Engineering									
Personnel	1,340,353	1,247,143	1,286,012	1,274,285	1,450,247	(81,913)	1,368,334	1,490,637	2.79%
Benefits	417,102	361,249	399,139	364,668	455,089	-	455,089	462,206	1.56%
Operating	129,847	89,222	147,704	108,860	121,385	(7,495)	113,890	121,480	0.08%
Capital Outlay	16,000	15,378	-	-	-	-	-	-	0.00%
Total Engineering	1,903,302	1,712,992	1,832,855	1,747,813	2,026,721	(89,408)	1,937,313	2,074,323	2.35%

Planning and Design Services

The Planning and Design Division contributes to the Authority's success by master planning, capital planning, analyzing and managing system capacity, establishing and maintaining technical standards and specifications, engineering design and maintaining the Geographical Information System (GIS) database. In addition, the division develops maps and provides computer aided drafting that include CAD and hydraulic modeling to support engineering design, capacity management, and system planning. The Division provides support as needed by directly managing several projects, programs, and asset management teams.

Key Accomplishments

- Implemented a more solutions-driven Water and Sewer Capacity Management Program focused on how to provide needed capacity for new customers including new development.
- Performed master planning as needed to accomplish incremental system growth in light of Authority and developer funding constraints.
- Routinely coordinated with city, county and regional planning staff to ensure adequate capacity and facilities for near-term, mid-term, and long-term planning horizons.
- Successfully facilitated and prepared a \$12 million Capital Improvements Plan designed to improve operating efficiency, address needs driven by risk, and meet the terms of the EPA Consent Decree and operating permit requirements.
- In-house design completed for Bald Eagle Lane Water Line, Gravity Sewer Find-it-Fix-it projects (ILM, Walnut Hills, and Waltmoor Road), valves on Filters 1-4 at Sweeney WTP and other smaller projects.
- Developed a private well policy, a service tap policy, drafted inter-local agreements and provided supporting work product for the Engineering Director.
- Updated and coordinated GIS with asset management.
- Prepared maps and contracts in support of mandatory connection initiatives in the 1995 and 1998 Annexation Areas.
- Provided professional technical assistance on numerous groundwater related issues, including Flemington, the Nano Well Field, and the Aquifer Storage and Recovery Program.
- Developed a process for continual improvement of Authority technical standards, details and specifications

Planning and Design Division Notable Goal for FY 15

- Continue to provide a solutions-driven Water and Sewer Capacity Management Program focused on how to provide needed capacity for new customers, including new development.
- Continue to perform master planning as needed to accomplish incremental system growth in light of both Authority and developer funding constraints.
- Continue to coordinate routinely with city, county and regional planning staff on comprehensive plans and to ensure adequate capacity and facilities for near-term, mid-term and long-term planning horizons.

- Manage preparation of the FY 16 Capital Improvements Plan
- Complete in-house design and permitting for Quail Woods, Military Cutoff Water Line Interconnector and the FY 15 Find-it-Fix-it gravity sewer and Find-it-Fix-it waterline rehabilitation programs.
- Develop strategies to support, utilizing technology to improve efficiency, effectively targeting capital funds, and system growth into existing neighborhoods.
- Continually improve of Authority technical standards, details, and specifications.



Photographer: David Selke, Engineering

Project Management Division

The Project Management Division is responsible for overseeing numerous capital improvement projects. Staff assists with programming long-term CIP budgets, oversee planning and design work, and manage construction phase activities. The primary role of the Project Management Division is executing the Capital Improvement Program.

Key Accomplishments

Project Management Division staff managed many on-going projects and initiated new projects. Notable projects include:

WASTEWATER PROJECTS

- **PS 11 (Downtown)** – Re-scoped to include design and installation of gravity mains that will eliminate PS 11
- **Walnut Hills Wastewater Treatment Decommissioning** – In design
- **Country Haven PS** – Design and permitting complete, construction anticipated Spring 2014
- **Barnard's Creek PS** – Design and permitting complete, construction anticipated Spring 2014
- **Marquis Hills Area Sewer Extension** – Design complete, permitting & easement acquisitions near completion, construction anticipation beginning Summer 2014
- **Heritage Park Area Sewer Extension** – Design complete, permitting & easement acquisitions near completion, construction anticipation beginning Summer 2014
- **NEI Rehabilitation Phase 2** – Advertised for bids
- **Force Main Air Release Valve Replacement** – Design complete, permitting & easement acquisition near completion, construction anticipated to begin Summer 2014
- **Masonboro Sound Sewer Extension (South)** – Under construction
- **NEI Northside Force Main** – Under construction, on time, projected completion ahead of schedule
- **River Road 24" FM** – Under construction
- **Five 2013 Clean Water State Revolving Fund Projects** – Construction near completion
- **Kirkland Capacity Expansion** – Force main phase complete
- **Burnt Mill Creek Manhole Rehabilitation** – Complete and under budget
- **ILM Sewer Rehabilitation** – Complete
- **Walnut Hills & Waltmoor Ph 1 Sewer Rehabilitation** - Complete
- **Country Haven Force Main** – Complete
- **Whiskey Creek PS** – Final upgrades complete
- **Burnt Mill Creek Outfall and Smith Creek Outfall Rehabilitations** – Complete

WATER PROJECTS

- **Raw Water System Improvements** – Complete
- **Sweeney Clearwell Rehabilitation** – Evaluation and assessment complete, in design
- **Bald Eagle Ln Water Extension** – Advertised for bids
- **SCADA System Improvements** – Consultant design and evaluation underway
- **Comprehensive Meter Replacement Program** – Under construction
- **Kerr Avenue Greater Water Loop** – Under construction
- **Nano to Market St Water Main Improvement** – Under construction
- **Sweeney Water Treatment Plant Filter 1-4 Valves Replacement** – Complete

Project Management Division Notable Goals for FY 15:

- Continual management of on-going projects to completion
- Continue to recognize opportunities to combine capital projects to provide for efficiency in overall management and construction.
- Continue to recognize opportunities to coordinate projects and identify partnerships with other area stakeholders, such as the City of Wilmington, New Hanover County, Ports Authority, NCDOT, etc.
- Continue to provide excellent customer service to internal and external customers.
- Work closely with Communications 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.

Project Management Division Performance Measures:

	2011	2012	2013
Active CIP Projects	67	85	78
Number of new Pump Stations placed on Line through CIP	0	0	1
Feet of Force Main placed on Line through CIP*			17,100
Feet of Sewer Main lined through CIP	0	0	25,340
Misc. Upgrade Projects at Treatment Plants*			3

**began tracking in 2013*

Development Services Division

The Development Services Division (DSD) has a key role in new development, redevelopment, commercial construction and new home construction. DSD is usually the first Engineering Division contacted by the public. The division provides information regarding service availability, service connection requirements, and service connection fees. The division works closely with the New Hanover County Building Inspections, Planning, and Health Departments as well as the City of Wilmington Development Services Department. The DSD manages the plan review and construction inspection process for developer installed public water and sewer systems. To facilitate this process, staff participates in the City of Wilmington and New Hanover County Technical Review Committees, and regularly meets with individual developers to review projects and explain Authority standards. The DSD manages the implementation of Authority's mandatory connection requirements. The division assists developers and the Customer Service Department through the Request for Information (RFI) process by documenting service availability, connection requirements, and fees.

Key Accomplishments

- Plan submittals for new subdivisions and commercial projects surged. Residential construction, permitting, and RFI's increased again this year.
- Mandatory connection efforts reached a new level, focusing on the 1995 and 1998 annexation areas. The 1995 area mandatory connection period was completed. Mandatory connection notices were sent to the property owners within the 1998 area.
- Key process improvements have made the building permit approval process more efficient.
- Developer agreement execution and activity increased.
- Key policies and ordinances were created or revised by DSD to create efficiency for the Development Community and the Authority.

Development Services Division Notable Goals for FY 15

- Efficiency will be added to plan review and mandatory connection efforts.
- It is anticipated that development activity will continue to increase. With resources and procedures in place, the Authority will be able to serve and partner with the Development Community with benefits to the public.

Development Services Division Performance Measures:

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Number of Requests for Information	778	869	1503
Number of Development Plans Reviewed & Approved	59	77	163
Sewer Service Locations	57	221	242
Sewer Tap Inspections	29	21	44
Water Tap Inspections	59	71	64
Demolition Inspections	25	30	65
Clean out Inspections Performed	351	584	776
Value of Infrastructure Conveyed	\$38,332	\$1,451,793	\$2,722,723



Photographer: David Selke, Engineering

ENVIRONMENTAL MANAGEMENT DEPARTMENT

Environmental Management Director, Beth Eckert

The Environmental Management Department is composed of four sections: Community Compliance, Laboratory Services, Environmental Management, and Emergency Planning and Response. This Department supports the Operations Department and other areas of the Authority by providing data that meets regulatory requirements for making 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 released into the sewer system or siphoned into the drinking water distribution system. In addition to routine operations, staff members play instrumental roles with development of the Authority's asset management program, environmental management system, emergency response plan, aquifer storage and recovery, and the discussions with EPA. Each division has made significant progress towards established goals and continues to work to support the strategic plan and guiding principles of the Authority.

Performance Measures for Environmental Management Department

	Jul-Dec, 2011	Jul-Dec, 2012	Jul-Dec, 2013
Average Number of Inspections per Compliance Officer per month	31.7	30.1	15
Customer Compliance with Grease Interceptor Requirements	93%	96%	90%
Average # of samples analyzed per employee	119.6	138.8	123
Average # of Tests per employee	392.9	455.6	365

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted/ FY 13-14 Adopted
Environment Management									
Personnel	1,303,700	1,164,034	1,236,711	1,205,322	1,320,752	(24,943)	1,295,809	1,359,737	2.95%
Benefits	451,768	402,157	444,073	387,469	459,342	(97)	459,245	476,765	3.79%
Operating	501,809	407,135	461,627	415,326	480,735	(55,523)	425,212	500,830	4.18%
Capital Outlay	19,375	19,358	7,522	7,505	-	-	-	-	0.00%
Total Environment Management	2,276,652	1,992,684	2,149,933	2,015,622	2,260,829	(80,563)	2,180,266	2,337,332	3.38%

Community Compliance Division

The Community Compliance Assistance Division is responsible for administering the Pretreatment, Fats, Oil and Grease (FOG) and Backflow Prevention (Cross Connection Control) Programs.

The Pretreatment and FOG programs include regulation of discharge of non-domestic wastewater. These federal and state regulated programs ensure protection of the Authority's publicly owned treatment works, employees, bio-solids, receiving stream, and other surface waters as well as compliance with National Pollutant Discharge Elimination System (NPDES) and collection system permits. Community Compliance staff works closely with collection system personnel by responding to Sanitary Sewer Overflows and sewer blockages that are related to debris, FOG, or fibrous materials. Inspections are conducted in affected areas and literature is distributed for educational purposes.

The Backflow Prevention Program ensures the quality of potable water in the distribution system. Backflow prevention assemblies safeguard the distribution system by preventing contaminants within a customer's plumbing, industrial, fire, or irrigation water system from flowing back into the distribution system. New or expanding water services are reviewed for compliance in cooperation with the Engineering Department's Development Services Division's plan review process. Facilities with existing services are inspected to ensure compliance with backflow prevention requirements.

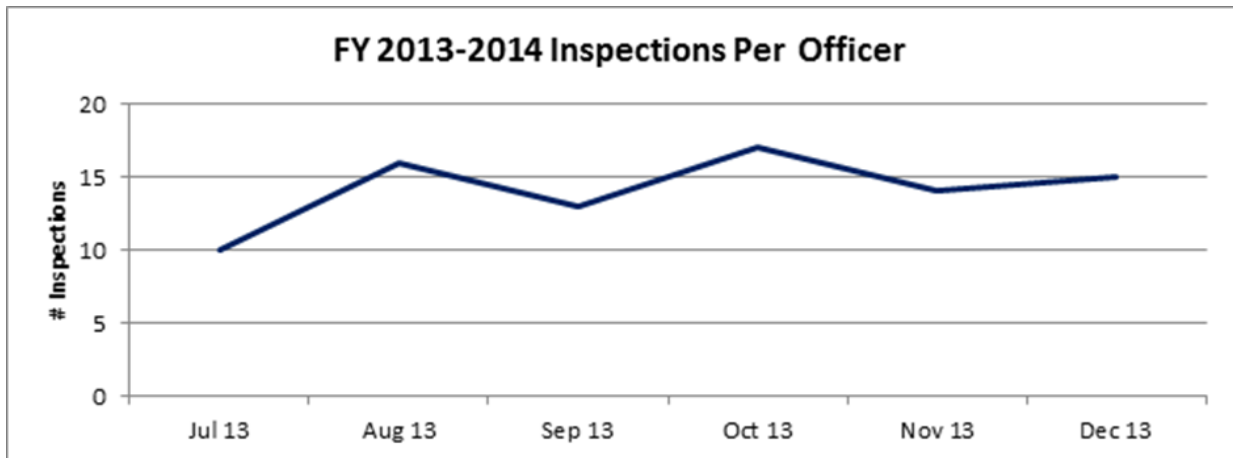
Key Accomplishments

- Monitored and inspected over 600 discharges of non-domestic wastewater including food service establishments (FSE), industrial dischargers, and other commercial facilities ensuring compliance with the Sewer Use Ordinance
- Provided compliance assistance to FSEs helping reduce their waste disposal costs through the grease interceptor pumping frequency variance program.
- Investigated FOG related SSOs and blockages in the collection system, providing educational resources and compliance assistance to over 2,200 residential and commercial customers.
- Completed 70 meter tampering investigations recovering over \$6,000 in lost revenue.
- Began implementation of Maximo within the division to better track inspections and time.
- Implemented the use of mobile computer (Surface Pros) and printing technology to enhance efficiencies.
- Developed and implemented an automated process of transferring data from FSE inspections from field report to Maximo using Laserfiche.
- Partnered with the NC Rural Water Association conducting training events that ensure competent backflow prevention assembly testers.
- Updated Standard Operating Procedures (SOPs) and began training to conform to ISO 14001 requirements.
- Performed multiple outreach efforts that included: can lid campaign, two FOG billing inserts, radio interviews in November and December, and aired radio spots for the *Cease the Grease*

campaign in December, participated in Earth Day, Lake Fest, UNCW's STEM program, and gave FOG and water quality presentations at multiple schools.

Community Compliance Notable Goals for FY 15

- Track the accumulation and re-accumulation of FOG in the collection system. Evaluate trends and adjust education outreach and enforcement.
- Ensure all applicable backflow records are moved from Access to Maximo and test due notices are sent out within the schedule.
- Inspect all FSEs within the year.
- Meet all pretreatment requirements of monitoring, inspecting, and enforcement per permit requirements and sewer use ordinance.
- Ensure all charges are provided to Finance by the end of each month for miscellaneous invoicing.
- Work to support the Authority's mission by completing compliance tasks in a timely manner and by promptly responding and assisting other areas of the Authority.
- Update the Enforcement Response Plan.
- Successfully complete the ISO 14001 certification audit.
- Update the Cross Connection and Backflow Prevention Ordinance.



Laboratory Division

The Environmental Laboratory program operates from the Environmental Management facility in Ogden. Our laboratory supports Authority water and wastewater plants, aquifer storage, sanitary sewer overflow response, and distribution system monitoring.

Key Accomplishments

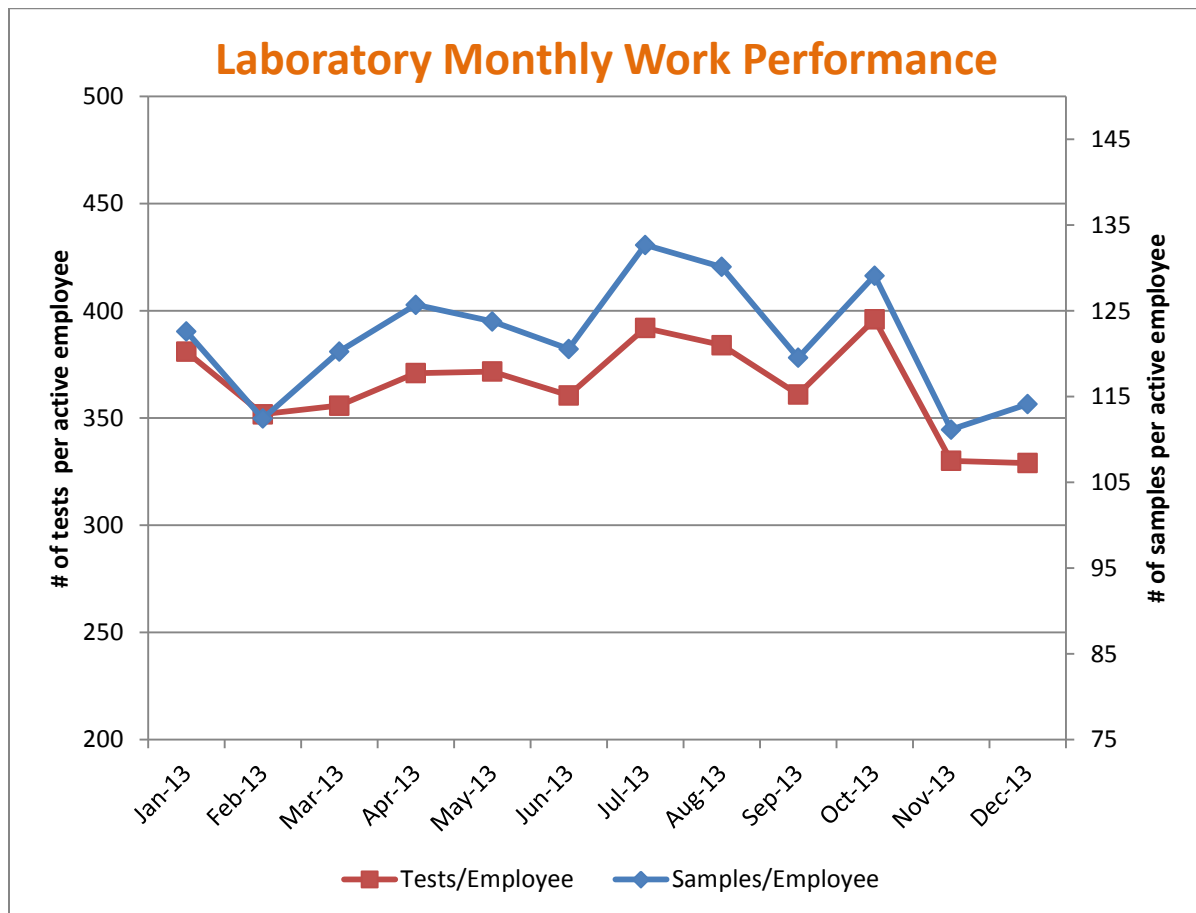
- Completed regulatory and operational sampling and testing for the Authority's four water distribution systems, three wastewater treatment plants, two water treatment plants and all associated distribution and collection systems. Approximately 76,000 tests were performed on more than 24,000 samples with no monitoring violations.
- Annual proficiency testing was completed as required by the laboratory's analytical certifications.
- Inductively Coupled Plasma Mass Spectrometry (ICP/MS) qualified and operating procedures were developed. Certification has been gained for both drinking water and wastewater testing on this instrument.
- Gas Chromatograph Mass Spectrometry (GC/MS) has been brought online, qualified and operating procedures developed. Process control total trihalomethanes (TTHMs) are handled in-house on this instrument.
- Utility Cloud software was purchased and implementation begun with sample location input and testing of the field processes to ensure accurate and dependable use for data entry , routing, and notification of samples outside tolerances.
- The laboratory successfully completed an audit by the NCDENR laboratory certification office.
- Completed the development and implementation of all laboratory SOPs per the Environmental Management System (EMS) requirements and prepared for an external certification audit in 2014.
- Developed and implemented a method for testing root control chemicals to evaluate potential interferences with collection system and wastewater treatment processes such that chemicals can be prequalified and the process competitively bid.
- Successfully completed lead and copper and aquifer storage and recovery sampling as required to support the water systems.

Laboratory Division Notable Goals for FY 15

- Complete all required sampling and testing accurately and efficiently.
- Support Authority programs to ensure compliance with all environmental laws and requirements.
- Gain certification for the GC/MS on the TTHM analysis.

- Maximize use of the Utility Cloud software to gain efficiencies in water sampling.
- Evaluate NCDWQ's Electronic Discharge Monitoring Report process and move forward with implementation of this process for all Discharge Monitoring Reports.
- To support succession planning, rotate job tasks among chemists and microbiologists to cross train and gain efficiencies. Further, look for ways to continue professional development of lab staff and cross training opportunities.

Performance Measures:



Environmental Management Division (EMD)

The major focus of this group is to further develop and implement the ISO 14001 environmental management system to formalize operating criteria and the system of plan-do-check-act to drive continual improvement. The division also works closely with the Authority's operations and engineering staff on construction and emergency projects to ensure compliance. Environmental Management staff continually collaborates with N.C. Sedimentation and Erosion Control and North Carolina Department of Environment and Natural Resources (NCDENR) as well as the U.S. Army Corps of Engineers (USACE) and N.C. Coastal Area Management (CAMA) on various projects.

Key Accomplishments

- Maintained Third Party Certification for our ISO 14001 Environmental Management System (EMS) within the Collection System, Pump Station, Right of Way and Environmental Management groups
- Prepared Community Compliance and Laboratory groups for ISO 14001 third party certification audits in 2014 with the development of 138 SOPs and training of staff on all affected processes and procedures. Conducted compliance audits of the wastewater plants, drinking water plants, and laboratory and community compliance groups
- Served as the liaison between CFPWA, N.C. Division of Water Quality (NCDWQ) and City of Wilmington during sanitary sewer overflow (SSO) events to ensure all reporting was done according to permit and SOP requirements.
- Coordinated permitting and /or authorizations from NCDWQ, CAMA, N.C. Sedimentation and Erosion Control and USACE on sewer repair projects such as Burnt Mill Creek, 23rd Street Outfall, Barnard's Creek, Rogersville and Eastwood Road, and other projects such as 23rd Street outfall and Hampton Road rehabilitation
- Recycled over 2 tons of material such as paper, plastic, cardboard, aluminum, fluorescent bulbs, and batteries
- Assisted with updating the Authority's Capacity, Management, Operations and Maintenance Project (CMOM) Report.
- Represented CFPWA as a member of the New Hanover County Water Quality Roundtable, Lower Cape Fear River Program, and Cape Fear River Partnership

Environment Management Division Notable Goals for FY 15

- Provide immediate response to SSOs throughout the review period
- Gain ISO 14001 third party certification for EMD and maintain existing certification.
- Begin implementation of the EMS in the construction services and wastewater areas of the Authority.
- Implement an overall recycling program in each area of the Authority.

Emergency Planning and Response Division

The division manager works to ensure the Authority abides by relevant regulations for all-hazards mitigation, preparedness, response, and recovery. The manager works to develop, maintain, and train employees on the Emergency Response Plan and associated Incident Action Plans and works to meet EPA's seventeen National Incident Management System (NIMS) water sector compliance objectives. Authority departmental staff continues to refine emergency preparedness by planning, and implementing standardized response and industry best practice measures as recommended by EPA, FEMA, and North Carolina regulatory agencies.

Key Accomplishments

- Continued active participation as Secretary of the NCWaterWARN Mutual Aid and Assistance Program for North Carolina
- Continued to represent Cape Fear Public Utility Authority on the New Hanover County Local Emergency Planning Committee, which plans for Hazardous Materials (HAZMAT) response incidents within the community. Staff has also been active in planning and participating in community-wide drills and exercises with our state, county, and city emergency response partners.
- Planned and held three tabletop exercises for CFPWA water and wastewater systems: wastewater contamination event, catastrophic water loss, and hurricane exercises.
- Received the NC AWWA–WEA Disaster Preparedness award for the second time in three years
- Coordinated the EPA/Department of Homeland Security (DHS) Protective Security Advisor (PSA) Enhanced Critical Infrastructure Protection Survey of Drinking Water Facilities at Sweeney. This is an interactive program that we can use moving forward to assess and prioritize potential improvements.
- Worked with the local National Weather Service office to obtain storm inundation GIS layer files for our infrastructure. These files will give CFPWA the opportunity to create real-time maps based on forecasted predictions, and help with mitigation, response, and recovery prioritization.
- Served as a panelist at three separate emergency response planning workshops around the State, which further projects CFPWA as a leader in its field.
- Investigated and mitigated encroachments in Smith Creek Estates, Hampton/Barksdale project, and Kirkland force main project. Further worked with diverse group of staff to formalize the easement/encroachment process.
- Provided an educational presentation on easements and encroachments to the public and Authority Board.

Emergency Planning and Response Division Notable Goals for FY 15:

- Conduct Wastewater Facility Vulnerability Assessments
- Coordinate DHS PSA Enhanced Critical Infrastructure Protection Survey of Drinking Water Facilities at other facilities
- Hold three Table Top exercises
- Lead an internal team to identify and address potential hazards upstream of our source water above Lock and Dam #1.
- Expand the use of the new easement / encroachment process with staff through training and standardization among departments.
- Continue training and working with staff to further expand the use of NIMS.



Photographer: Billy Roy, Environmental Management / Compliance Division

FINANCE, INFORMATION TECHNOLOGY AND CUSTOMER SERVICE DEPARTMENTS

Chief Financial Officer, Cheryl J. Spivey, CPA

Finance

The Finance Department is responsible for managing the Authority's finances in the most cost efficient manner in accordance with generally accepted accounting principles and statutory requirements. The major responsibilities of the Finance Department are preparing the annual Budget and Comprehensive Annual Financial Report, making timely payments to vendor, processing payroll and managing the bidding and contract process.

Key Accomplishments

- Performed a detailed analysis of all revenue and expenditure accounts for each department/division to prepare the FY 15 budget
- Worked with the Authority Board to update the rate model reflecting the Authority's mission
- Maintained the AA2 bond rating with Moody's and AA bond rating with stable outlook with Standard & Poor's
- Prepared the Authority's fifth Comprehensive Annual Financial Reports (CAFR) for Fiscal Year ended June 30, 2013, obtaining an unqualified opinion on the annual independent audit. The Authority has continued to implement cost efficiencies with Operating Expenditures (total expenditures less debt service) coming in at 85% of budget.
- Awarded the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2012, for the fourth consecutive year
- Awarded the Government Finance Officers Association Distinguished Budget Presentation Award for the FY 13-14 Budget for the second consecutive year.
- Provided disclosure information to bondholders and bond rating agencies for timely disclosures to the Security and Exchange Commission (SEC) on the Authority's outstanding debt. Provided all required financial filings to the State of North Carolina State Treasurer's Office through the Local Government Commission for the Authority's deposits and investments.
- Continued the refinement and adoption of various finance, accounting, and purchasing policies including the Construction Bidding Policy and System Development Charges Policy
- Encourage vendors to utilize Electronic Funds Transfer (EFT), increasing efficiencies and reducing the number of checks printed and mailed.
- Began emailing direct deposit slips to employees instead of individual printing and distribution
- Placed various services such as electric motors, tree cutting, and emergency fuel under contract to improve efficiencies.

Finance Department Notable Goals for FY 15

- 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 properly billed.
- Select and begin implementation of a new Enterprise Resource Planning (ERP) solution.
- Continued review, improvement, and cross training of finance, accounting, & procurement processes.
- Issue bonds to fund the Authority's capital program at the lowest possible interest costs, and possibly refund a portion of the Authority's outstanding debt for savings.
- Preparation of the Authority's Adopted FY 14-15 Budget to meet the Government Finance Officers Association's Distinguished Budget Presentation Awards Program criteria
- Preparation of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 in accordance with the Government Finance Officers Association's Certificate of Achievement for Excellence in Finance Reporting Program.
- Continue to review all services provided to the Authority to ensure selection by competitive process and that contracts are in place.

Performance Measures for Finance:

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>
Annual Debt Service Coverage	1.65	1.53	1.54
Operating Revenue/Operating Expenses	2.03	2.16	2.21
Quick Ratio	3.38	3.92	4.60
Days Cash on Hand	879	1,065	1,161
Cost Recovery – Operating Ratio	1.36	1.40	1.39
Leverage – Debt to Equity Ratio	0.86	0.90	0.84
Asset Depreciation	5.68%	8.56%	11.07%

Summary of Expenditures for Finance, IT and Customer Service Departments

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted FY 13-14 Adopted
Finance/IT/Customer Service									
Personnel	2,344,948	2,269,592	2,390,911	2,321,281	2,528,426	(19,556)	2,508,870	2,589,558	2.42%
Benefits	844,252	750,310	843,816	731,350	947,732	(18,538)	929,194	990,162	4.48%
Operating	1,787,032	1,304,736	1,443,285	1,259,084	1,642,671	(191,212)	1,451,459	1,452,524	-11.58%
Capital Outlay	76,172	64,288	170,958	166,358	-	-	-	-	0.00%
Total Finance/IT/Customer Service	5,052,404	4,388,926	4,848,970	4,478,073	5,118,829	(229,306)	4,889,523	5,032,244	-1.69%

Information Technology

IT Manager, Cord Ellison, CGCIO

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, the Information Technology Division is responsible for the Authority's Geographical Information Systems (GIS), physical security, website, closed-circuit television (CCTV), and network security across the organization.

Key Accomplishments

- Successfully replaced critical Authority infrastructure equipment, including equipment for disaster recovery, without interruption. This equipment runs all (excluding the billing/financial system) Authority applications and their data.
- Interactive Voice Response (IVR) server installation for customer service to assist with taking payments
- Oversaw Sweeney Water Treatment Plant SCADA fiber cleanup to correct issues that occurred during plant expansion. This eliminated the potential communication failure for the plant SCADA.
- Verizon cell repeater at Sweeney to eliminate cellular dead spots throughout the facility. Negotiated and received equipment valued at \$23,000 at no cost to the Authority.
- Installation of a SCADA cabinet at the Southside Wastewater Treatment facility for remote monitoring of old City of Wilmington stations.
- Managed the GPS project - GPS devices were installed in 140 Authority vehicles. IT staff configured cloud software for monitoring/reporting.
- Multiple fiber relocation/repair projects without any facility network connectivity disruption
- Domain name service migration new provider - Domain name (SunGard, CFPUA website, Online payments, etc.) resolution occurs between the Authority servers/pc's and non-Authority external services.
- Operator 10 upgrade. This application is used for SCADA trending, along with querying information from the database for mandatory state reporting.
- Replaced alarm software for alerting critical Pump Station SCADA. This upgrade provides a much newer and better-supported application for the Authority's critical SCADA sites.
- Upgraded primary and secondary Pump Station SCADA servers to include hardware and software
- Replaced SCADA backhaul network switches with intelligent switches so that automated routing can occur, and allow one side of the triangle link to go down without a loss of communication.
- Needs Assessment for Enterprise Resource Planning (ERP). Phases 1 & 2 (data cleanup) were done in previous years, with the needs assessment scheduled and completed this fiscal year.

Information Technology Department Notable Goals for FY 15

- SCADA Master Plan Phase 2 – compiling all SCADA data into one comprehensive document and working with the consultant to formulate a migration path for upgrades of equipment, hardware, software, and the standardization of parts where applicable.
- Automated Agenda solution – to electronically automate the agenda process and tie this electronic agenda with pre-recorded video.
- Verizon cell repeater at the maintenance building to eliminate cellular dead spots throughout the facility to include equipment valued at \$23,000 at no cost to the Authority.
- Pipeline Observation System Management (POSM) – replace CCTV pipe camera software with a new application that will integrate with Maximo and allow browser based project reporting against the linear asset so that from one link you can see all asset history including the actual video from within the pipe.
- Global Positioning System (GPS) ROI – Working with Finance to measure the return on investment for this project
- Automated Meter Reading project – Work with integrator to assist with the installation of Encoder Receiver Transmitters (ERTs) and related software/hardware
- SCADA pump station replacement project – replacing pump station equipment and standardizing/converting to Ethernet. Moving the monitoring and configuring with new Human Machine Interface (HMI) software and alarming software. Once complete, Southside SCADA hardware/software will be upgraded.
- Continued replacement of antiquated pump station remote terminal units (RTU's) located throughout the service area across the SCADA wireless Ethernet network.
- Virtual Desktop Implementation will begin with Operations. This pilot project will eliminate the reentering of data for field staff that rely on Maximo, due to existing drops in cellular coverage. These drops not only disrupt internet access, but also close the virtual private network (VPN) tunnel back to the CFPUA network and include ending the user's Maximo session. This will greatly enhance the users experience and increase productivity from within the Maximo application.
- Installation and running parallel with new the Enterprise Resource Planning (ERP) system. After the ERP RFP is complete, and selection occurs, phase 5 will require the installation /implementation of the new ERP solution and running parallel for a time to ensure data accuracy.
- Failover of all critical data servers and voice services to disaster recovery (DR) site. This will simulate a main site failure, preparing staff for an actual emergency.

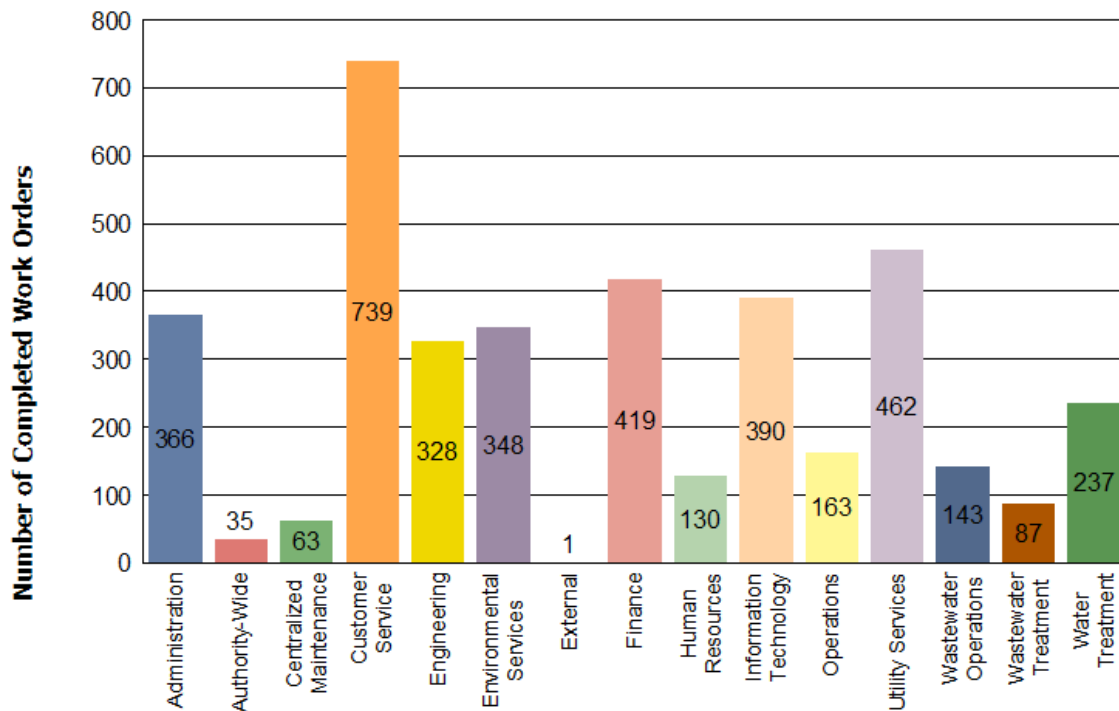
Performance Measures for Help Desk Tickets:

Completed Work Orders by Department

Dates displayed in
Eastern Standard Time

From 1/1/2013
To 1/1/2014

3/6/2014 3:10:55PM



Total Helpdesk Tickets

Calendar Year 12

4,600

Calendar Year 13

4,000

Calendar Year 14

3,911



Photographer: Sam Yarboro, Sweeney Water Treatment Plant

Customer Service

Customer Service Director, Kristi Irick

The Customer Service Division is responsible for servicing nearly 67,000 customers for water and sewer services. This division reads meters and bills customers for 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.

Key Accomplishments

- Point of contact for all customer service related inquiries that include payments, service set ups, answering questions and concerns, etc. Staff assists over 15,000 customers per month.
- Lockbox and Bank Conversion – Completed on schedule with minimal to no impact to our customers. Staff handles approximately 10,000 payments per month
- Interactive Voice Response (IVR) implementation – Completed in July, IVR payments represent 6.79% of all payments processed
- Implementing a Meter Replacement Program- a more extensive automated method of meter reading that will increase service levels in the meter reading section
- Debt Setoff – To date, collected \$78,357.36 in FY 14. In the 2013 calendar year \$147,158.70 was collected. Accounts sent to debt set off are 120 days past due active customers, loans and final accounts
- Instituted a reconciliation process on collection accounts to ensure proper and timely receipting of payments
- Implemented additional safety training and notification – no safety violations in seven (7) months
- Collaborated with Engineering and Operations departments to develop policies and procedures that support Authority goals and customers' needs, including community outreach and continued improvement of the Mandatory Connection process

Customer Service Department Notable Goals for FY 15

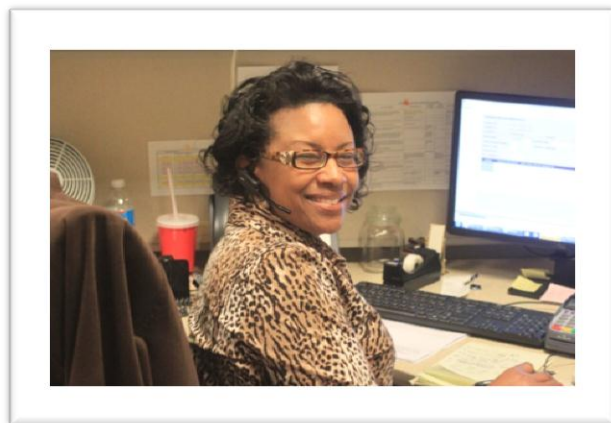
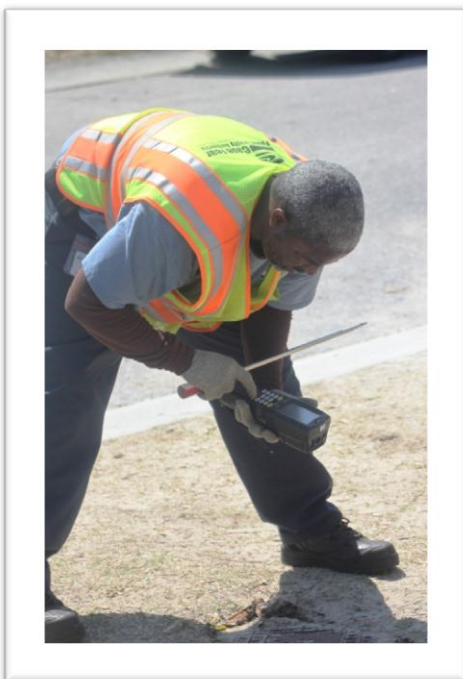
- Call Center Service Level results for 2013 – Service level of 97% of all calls handled in less than 5 minutes, measured monthly
- Assist in the assessment and implementation of proposed new billing system per the project timeline with minimal impact to customers
- Initiate an outbound process to collect on delinquent payment plans and monitor compliance.
- Continue development of a training program for Customer Service staff to include customer service skills, leadership, administrative, computer skills, safety, and cross training to provide the highest quality of customer service

- Continue to actively contact delinquent customers to increase the collection of revenue and to provide an increased level of customer service
- Review and implement meter reader route changes to improve efficiency and productivity in meter reading activity
- To maintain stable financial position by effectively billing and collecting revenues:
 - Maintain 100% on-time billing
 - Maintain 99% bill preparation accuracy
 - Maintain 99% meter reading accuracy
- Look for continuous improvements in banking, collections and billing relationships and processes
- Participate in Automated Agenda implementation by electronically automating the monthly financial reports

Performance Measures for Customer Service:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Target</u>
Calls answered in less than 5 minutes:	94.9%	97.1%	97.6%	95%
Average Speed of Answer (in seconds):	80	70	68	180
Abandoned Calls	6.9%	5.9%	5.4%	< 7%
Billing Accuracy	99.4%	99.3%	99.1%	99%
Work Order Completion within Service Levels*		96%	96%	95%

**Began tracking in 2013*



HUMAN RESOURCES DEPARTMENT

Director of Human Resources and Safety, Tom Morgan

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

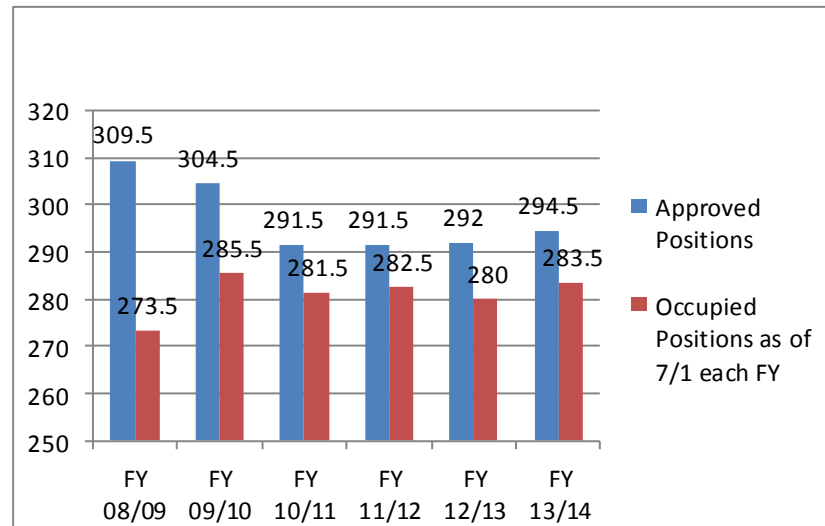
Key Accomplishments

- Secured employee benefit renewal contracts consistent with the Authority's HR Committee recommendations for the fiscal year.
- Maintained the employee health care clinic and scheduled seasonal flu vaccinations clinics.
- Scheduled and conducted Human Resources and Safety training classes totaling over 1,450 training hours.
- Maintained monthly tracking of Authority personnel training hours for Level of Service reporting; logged over 6,981.75 hours of training organization wide
- Managed the annual CFPUA United Way Campaign
- Organized the employee service awards ceremony honoring 41 employees who achieved service milestones. These employees represented a combined 505 years of service.
- Conducted annual drivers license record checks for all employees who are required to have a valid driver's license through NC DMV, and maintained the employee drug-testing program in accordance with the Authority's prescribed policies and procedures.
- Completed end of fiscal year annual compliance audit of personnel files and I-9 forms
- Processed in excess of 2,200 employment applications
- Maintained and updated the compensation and job classification plans.
- Held the training programs through Cape Fear Community College - Supervisory and Leadership Training and Stress Management Training
- Maintained the organizational wide classification and compensation plan
- Implemented employee merit increases based on employee performance evaluations.
- Completed revision of the CFPUA Employee Personnel Policies and Procedures Manual
- Attended Job Fair at Cape Fear Community College to promote CFPUA
- Began the draft review and policy writing of an Succession Planning Program

Human Resources Department Notable Goals for FY 15

- Continue the core HR function of filling vacant positions, maintaining personnel files, administering the classification and compensation plan, complying with regulatory guidelines, administering the employee benefit plans, development and interpretation of policy and promoting positive employee relations.
- Promote enhanced health and wellness initiatives for employees.
- Continue and expand the conversion of personnel files to electronic format.

- Promote cost-effective organizational training and workforce education to enhance employee's skills to meet the workforce needs of the Authority in the present and future.
- Continue with the development and implementation of formalized programs to promote effective workforce succession management.
- Continue with the oversight, effectiveness and monitoring of the Risk Management Program of the Authority.



Performance Measures for Human Resources:

	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
• No. of Worker Comp. Claims-	25	13	12**
• Average Vacancy Rate-	3.80%	5.1%	4.2%**
• Average Turnover Rate-	7.51%	1.3%	1.1%**
• Average Training Hrs./Employee*		7.75	2.75**

*Organizational training sponsored by HR Dept.

** Estimated thru end of FY 14

Summary of Expenditures

	CFPUA FY 11-12 Adjusted Budget	CFPUA FY 11-12 Actual	CFPUA FY12-13 Adjusted Budget	CFPUA FY 12-13 Actual	CFPUA FY 13-14 Adopted Budget	CFPUA FY 13-14 Amendments	CFPUA FY 13-14 Adjusted Budget	CFPUA FY 14-15 Adopted Budget	% Change Adopted FY 13-14 Adopted
Human Resources									
Personnel	248,569	308,269	320,806	319,861	334,637	2,656	337,293	352,696	5.40%
Benefits	70,489	83,967	92,784	86,760	102,863	440	103,303	107,110	4.13%
Operating	247,500	136,121	136,551	119,749	189,395	(28,472)	160,923	181,800	-4.01%
Total Human Resources	566,558	528,357	550,141	526,370	626,895	(25,376)	601,519	641,606	2.35%

Safety Management

The Cape Fear Public Utility Authority's safety program requires the input and participation of all Authority employees. It is a comprehensive program that encompasses all areas of employee safety and health. The function of the Safety Management Division is to promote safety in the workplace, ensure that standards, laws, and regulations are incorporated into the Authority safety program to provide the most up to date information regarding safety compliance as well as offering assistance for resolving safety concerns, conducting facility & job site inspections, and handling claims.

Key Accomplishments

- Increased the role of Risk Manager for claims handling and processing for internal claims; worked with New Hanover County Risk Management to develop a procedure for claims reporting.
- Completed all required Occupational Safety and Health Administration (OSHA) reports and postings.
- Completed and submitted NC Department of Labor Safety Award applications, with Authority winning 14 NC Department of Labor Safety Awards.
- Submitted all CFPUA sites for the NC Department of Labor Safety and Health Awards Recognition Program (S.H.A.R.P.) designation; inspections are in process with NC OSHA.
- Continued a review and update of the Safety & Health Policies and Procedures, converting them to ISO 14001 format.
- Continue to chair the monthly safety and accident review committee meetings and working to minimize the potential for future accidents through the identification of root cause and implementing process to prevent re-occurrence.
- Facilitated all Authority accident review appeals
- Scheduled and facilitated the following training:
 - Electrical Safety, Heat Stress, Crane Operator, Safety Orientations, Powered Industrial Truck Operator, Global Harmonization System/Hazard Communication Standard, and Electrical Safety/Lockout-Tagout Standards.

OSHA Incident Rate – The OSHA Incident Rate is a metric used to compare a company's safety performance against a national or state average. This comparison is a safety benchmark to gauge performance with other organizations in the same business group. In working with OSHA on the S.H.A.R.P. Recognition, CFPUA's Industry average recordable rate was changed from 5.2 to 7.04 and the D.A.R.T rate was changed from 3.1 to 4.21.

The OSHA Recordable Incident Rate includes all accidents that meet the reporting criteria for the OSHA 300 log. The OSHA Recordable Rate through January 2014 for the Authority is 2.72 compared to an industry average of 7.04.

The D.A.R.T. Incident Rate includes all accidents that not only qualify as a recordable but also result in Days Away from work, replaced on Restricted duty, or Transferred to another position because of injury. The D.A.R.T. Rate through January 2014 for the Authority is 2.33 compared to an industry average of 4.21.

Performance Measures for Safety

	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14 TD</u>
# of Accidents	25	41	27	16
# of OSHA Recordables	15	13	8	5
# of D.A.R.T Cases	13	8	7	4
OSHA Recordable Rate	6.02	5.05	3.14	1.94
D.A.R.T. Rate	5.21	3.1	2.75	1.55

Safety Management Division Notable Goals for FY 15

- Continue review and update safety policies and procedures.
- Continue facility and job site inspections throughout the next fiscal year.
- Work to reduce overall accident rate.
- Complete the S.H.A.R.P. designation application process
- Coordinate with Fleet Management to enhance visibility markings on CFPUA trucks and equipment.



Photographer: Sam Yarboro, Sweeney Water Treatment Plant

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**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 improvements expenditures are recorded as capital assets and are depreciated over the economic useful life of the assets. A 10 year planning period is used to develop the CIP and is reviewed and updated annually.

ENGINEERING EXECUTIVE SUMMARY

The approved 10 Year Capital Improvements Program is \$335.7 million. The FY15 Capital Improvement Budget totals \$11,836,000 and is divided into Non-Growth related and Growth related projects. Non-Growth related projects represent 49% of the total FY15 Capital Improvement Budget and Growth related projects represent 51% of the total FY15 Capital Improvement Budget. During FY14 Engineering staff reviewed all active capital improvements projects approved in prior years and identified water and wastewater projects that were complete or nearing completion with remaining budget that could supplement other capital improvements projects that needed additional funds. On November 13, 2013, the Board approved using approximately \$12 million of these funds to fund the FY15 Capital Improvement Budget. Therefore, no additional revenue source funding is needed in the FY15 Capital Improvement Budget. In addition, proceeds from future revenue bonds that were budgeted in prior years have been reduced with cash funding which will reduce future increases in debt service costs.

The proposed FY15 Capital Improvement Budget and the proposed 10 Year CIP were built around the following initiatives. The proposed 10 Year plan is reevaluated each year and provides opportunities to revisit the priorities and progress of these initiatives. Answers to the strategic questions related to system growth will greatly impact future year projections when the 10 Year CIP is revisited for FY16.

All projects were required to meet the following criteria to qualify for consideration:

1. Maintain or improve operating efficiency to reduce long term cost to our customers.
2. Address immediate requirements that cannot be deferred without unjustifiable risk.
3. Meet the terms of the EPA Consent Decree and our operating permit requirements.

A description of the FY15 capital improvement projects and the impact of those projects showing the effects on the current and future operating costs or anticipated savings or revenues follow.

NONRECURRING CAPITAL OUTLAY EXPENDITURES

The FY15 budget includes nonrecurring capital outlay expenditures budgeted in an individual Department of the Operating Fund. The total budgeted nonrecurring capital outlay expenditures of \$201,700 are not significant to the total Operating Fund budget of \$78 million.

CAPE FEAR PUBLIC UTILITY AUTHORITY
CAPITAL IMPROVEMENTS PROGRAM
PROJECTS FUNDED IN FY14-15

Capital Projects	FY15 Budget
Raw Water Meter Valve Modifications	\$140,000
Generator Replacement (Water)	\$50,000
DBP Reduction Infrastructure	\$1,000,000
Sweeney Water Plant SCADA Connection to Wireless Canopy	\$300,000
Nano Water Plant SCADA Improvements	\$156,000
Sweeney Clear Well Rehabilitations	\$2,600,000
Water Treatment Facilities Rehabilitation	\$120,000
Find It, Fix It Methodology Water Replace and Rehab	\$200,000
Distribution System - Standard Developer Agreements	\$100,000
North Water Street Sewer Replacement	\$250,000
Find It, Fix It Methodology Gravity Sewer Rehabilitation	\$2,500,000
PS-012 Force Main	\$350,000
Sewer Pump Station Asset Rehab and Upgrade	\$300,000
Force Main Assessment and Rehabilitation	\$100,000
Generator Replacement (Sewer)	\$210,000
PS - 069 Motts Creek Pump Station Upgrade	\$400,000
Collection System - Standard Developer Agreements	\$100,000
Enterprise Software Replacement Project	\$2,000,000
Information Technology Networking Infrastructure Replacement	\$100,000
Virtual Desktop IT Migration	\$120,000
Maximo Asset Management Software Licenses	\$140,000
Motor Fleet Capital	\$600,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$11,836,000
Total Water Capital Improvement Projects	\$4,666,000
Total Wastewater Capital Improvement Projects	\$4,210,000
Total System-Wide Capital Improvement Projects	\$2,960,000
	\$11,836,000
Savings Achieved in Capital Improvement Projects Approved in Prior Years	(\$11,836,000)
Capital Projects Funds Budget Ordinance	\$0

CAPE FEAR PUBLIC UTILITY AUTHORITY
Ten Year Capital Improvements Program
FY14-15
PROJECTED OPERATING BUDGET IMPACTS

FY 15 Ten Year Capital Improvements Program- OPERATING BUDGET IMPACTS

Capital Project	Current Project #	FY 09 to FY 14 Budgeted	FY-2015 Budget	FY-2016 to FY-2024 Planned	Total Cumulative Project Cost Planned	Estimated Completion Fiscal Year	Approximate Annual Operating Budget Impact Expected	Annual Operating Budget Impact Comments
All dollar amounts are shown in 2014 dollars. No adjustments are made for projected inflation or deflation.								
Raw Water Meter Valve Modifications	14W184	\$53,404	\$ 140,000	\$ -	\$193,404	2016	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Generator Replacement (Water)			\$ 50,000	\$ 450,000	\$500,000	2025	\$0	This project replaces existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
DBP Reduction Infrastructure	14W165	\$400,000	\$ 1,000,000	\$ 900,000	\$2,300,000	2017	\$0	This project enables system improvements for drinking water quality and change to the operating budget is not known.
Sweeney Water Plant SCADA Connection to Wireless Canopy			\$ 300,000	\$ -	\$300,000	2016	\$25,000	This project reduces the annual manpower necessary to operate the Nano Water Treatment Plant when completed if improvements are also made at Nano.
Nano Water Plant SCADA Improvements			\$ 156,000	\$ -	\$156,000	2016	\$25,000	This project reduces the annual manpower necessary to operate the Nano Water Treatment Plant when completed if improvements are also made at Nano.
Sweeney Clear Well Rehabilitations	13W155	\$300,000	\$ 2,600,000	\$ 150,000	\$3,050,000	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Water Treatment Facilities Rehabilitation			\$ 120,000	\$ 450,000	\$570,000	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Find It, Fix It Methodology Water Replace and Rehab	14W180	\$73,827	\$ 200,000	\$ 1,800,000	\$2,073,827	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Distribution System - Standard Developer Agreements	13W145	\$166,000	\$ 100,000	\$ 900,000	\$1,166,000	2025	\$0	Revenues from any new customers expected to be offset by increased operating cost of new infrastructure.
North Water Street Sewer Replacement			\$ 250,000	\$ 2,000,000	\$2,250,000	2017	\$0	This project replaces existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Find It, Fix It Methodology Gravity Sewer Rehabilitation	10S125	\$2,845,251	\$ 2,500,000	\$ 22,500,000	\$27,845,251	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
PS-012 Force Main			\$ 350,000	\$ 1,000,000	\$1,350,000	2017	\$0	This project replaces existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Sewer Pump Station Asset Rehab and Upgrade			\$ 300,000	\$ 900,000	\$1,200,000	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Force Main Assessment and Rehabilitation			\$ 100,000	\$ 900,000	\$1,000,000	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Generator Replacement (Sewer)			\$ 210,000	\$ 850,000	\$1,060,000	2025	\$0	This project replaces existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
PS - 069 Motts Creek Pump Station Upgrade			\$ 400,000	\$ 1,850,000	\$2,250,000	2017	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
Collection System - Standard Developer Agreements	13S217	\$500,000	\$ 100,000	\$ 900,000	\$1,500,000	2025	\$0	Revenues from any new customers expected to be offset by increased operating cost of new infrastructure.
Enterprise Software Replacement Project			\$ 2,000,000	\$ -	\$2,000,000	2016	\$0	This project replaces existing software that is at the end of its lifecycle, therefore no change in operating budget.
Information Technology Networking Infrastructure Replacement			\$ 100,000	\$ 260,000	\$360,000	2019	\$0	This project replaces existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget.
Virtual Desktop IT Migration			\$ 120,000	\$ 520,000	\$640,000	2020	\$0	The project enables process improvements that lead to efficiencies that cannot be quantified without implementation.
Maximo Asset Management Software Licenses			\$ 140,000	\$ -	\$140,000	2016	\$0	The project enables process improvements that lead to efficiencies that cannot be quantified without implementation.
Motor Fleet Capital			\$ 600,000	\$ 5,400,000	\$6,000,000	2025	\$0	This project rehabilitates existing infrastructure that is at the end of its lifecycle, therefore no change in operating budget is expected.
TOTAL CAPITAL IMPROVEMENT PROJECTS		\$4,338,482	\$11,836,000	\$41,730,000	\$57,904,482		\$50,000	

FY 2015 to FY 2024 CIP	Current Project #	Project Cost	FY 09 to FY 14 Budgeted	FY 15 Planned	FY 16 Planned	FY 17 Planned	FY 18 Planned	FY 19 Planned	FY 20 Planned	FY 21 Planned	FY 22 Planned	FY 23 Planned	FY 24 Planned
Water Capital Projects		All dollar amounts are shown in FY 2014 dollars. No adjustments are made for projected inflation or deflation.											
Raw Water Improvements: Surface or Well Sources and Transmission													
Replace Castle Hayne Aquifer Source Water in Well Field		\$1,700,000			\$300,000	\$700,000	\$700,000						
Construction of new Raw Water Line with LCFWSA ILA		\$32,000,000							\$1,000,000	\$31,000,000			
Kings Bluff Pump Station Pump Replacement		\$500,000					\$500,000						
Replacement of 24-inch Raw Water Lines		\$6,500,000							\$6,500,000				
Raw Water Meter Valve Modifications	14W184	\$193,404	\$53,404	\$140,000									
Generator Replacement (Water)		\$500,000		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Find it, Fix it Methodology Raw Water Line Rehabilitation		\$450,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Water Treatment Plant Improvements													
Automated Weir Cleaning System at Sweeney Clarifier		\$40,000										\$40,000	
Nano Membrane Replacement		\$500,000					\$500,000						
DBP Reduction Infrastructure	14W165	\$1,800,000	\$400,000	\$1,000,000	\$400,000								
Sweeney Water Plant SCADA Connection to Wireless Canopy		\$300,000		\$300,000									
Nano Water Plant SCADA Improvements		\$156,000		\$156,000									
Sweeney Clear Well Rehabilitations	13W155	\$3,050,000	\$300,000	\$2,600,000			\$50,000			\$50,000			\$50,000
Water Treatment Facilities Rehabilitation		\$570,000		\$120,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Water Storage Improvements: Elevated, Ground and Aquifer Storage													
Aquifer Storage and Recovery Southern Area		\$3,000,000									\$500,000		\$2,500,000
Bragg Drive Elevated Storage Tank		\$6,000,000											\$6,000,000
Flemington Elevated Storage Tank (Relocate Arrowhead Tank)		\$1,150,000			\$150,000	\$1,000,000							
Distribution System Upgrades and Rehabilitation													
Comprehensive Meter Replacement Program	13W143	\$22,800,000	\$2,000,000		\$5,200,000	\$5,200,000	\$5,200,000	\$5,200,000					
Water Emergency Repair	09W013	\$3,300,000	\$1,300,000		\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
Interconnect Monterey Heights Water System to Surface Water		\$6,000,000			\$500,000		\$5,500,000						
Find It, Fix It Methodology Water Replace and Rehab	14W180	\$2,073,827	\$73,827	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Growth Projects													
Water Distribution Expansion to New Customers in Existing Developments		\$9,000,000			\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Distribution System - Standard Developer Agreements	13W145	\$1,166,000	\$166,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
TOTAL WATER CAPITAL IMPROVEMENT PROJECTS		\$102,749,231		\$4,666,000	\$8,250,000	\$8,600,000	\$14,150,000	\$6,900,000	\$9,200,000	\$32,750,000	\$2,200,000	\$1,740,000	\$10,000,000
TOTAL WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$223,858,000		\$4,210,000	\$12,750,000	\$16,796,000	\$5,100,000	\$135,100,000	\$5,800,000	\$5,100,000	\$5,850,000	\$8,200,000	\$5,391,000
TOTAL SYSTEM WIDE CAPITAL IMPROVEMENT PROJECTS		\$9,140,000		\$2,960,000	\$1,570,000	\$820,000	\$800,000	\$740,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
TOTAL WATER AND WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$335,747,231		\$11,836,000	\$22,570,000	\$26,216,000	\$20,050,000	\$142,740,000	\$15,600,000	\$38,450,000	\$8,650,000	\$10,540,000	\$15,991,000

CAPE FEAR PUBLIC UTILITY AUTHORITY
Ten Year Capital Improvements Program
FY14-15

FY 15 Ten Year Capital Improvements Program- WASTEWATER

FY 2015 to FY 2024 CIP	Current Project #	Project Cost	FY 09 to FY 14 Budgeted	FY 15 Planned	FY 16 Planned	FY 17 Planned	FY 18 Planned	FY 19 Planned	FY 20 Planned	FY 21 Planned	FY 22 Planned	FY 23 Planned	FY 24 Planned
Wastewater Capital Projects		All dollar amounts are shown in 2014 dollars. No adjustments are made for projected inflation or deflation.											
Waste Water Treatment Plant Improvements													
Northside WWTP - Aeration Basin Isolation Valves		\$96,000				\$96,000							
Northside WWTP - SCADA for Digester Building		\$291,000											\$291,000
Northside WWTP - Bulk Reclaim Water Supplemental Inline Sidestream UV Reactor		\$100,000										\$100,000	
Northside WWTP - Thickened Alum Sludge Storage	13S240	\$1,540,000	\$540,000		\$1,000,000								
CFPUA Portable Emergency Generator Connection Systems		\$700,000							\$700,000				
Wastewater Treatment Facilities Rehabilitation		\$450,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Southside WWTP Rehabilitation and Upgrade	09S016	\$141,580,000	\$8,680,000		\$1,300,000	\$1,600,000		\$130,000,000					
Collection System Rehabilitation/Replacement													
Sewer Emergency Repair	09S020	\$20,090,000	\$6,590,000		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
North Water Street Sewer Replacement		\$2,250,000		\$250,000	\$2,000,000								
Find It, Fix It Methodology Gravity Sewer Rehabilitation	10S125	\$27,845,000	\$2,845,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Pump Station & Forcemain Improvements													
PS-012 Force Main		\$1,350,000		\$350,000	\$1,000,000								
Sewer Pump Station Asset Rehab and Upgrade		\$1,200,000		\$300,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Force Main Assessment and Rehabilitation		\$4,600,000		\$100,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Generator Replacement (Sewer)		\$660,000		\$210,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
PS - 005 Lincoln Forest Replacement (CANTEX)		\$750,000										\$750,000	
PS - 006 Newkirk Ave. Replacement (CANTEX)		\$750,000									\$750,000		
PS - 010 Renovation and Capacity Upgrade	13S224	\$9,500,000	\$500,000		\$500,000	\$8,500,000							
PS - 013 Dawson St. Replacement (CANTEX)		\$750,000										\$750,000	
PS - 016 Central Blvd. Replacement (CANTEX)		\$750,000										\$750,000	
PS - 021 River Rd. Replacement (CANTEX)		\$750,000										\$750,000	
PS - 029 New Centre Dr. Replacement (CANTEX)		\$1,500,000				\$1,500,000							
PS - 069 Motts Creek Pump Station Upgrade		\$2,250,000		\$400,000	\$1,850,000								
Growth Projects													
Sewer Collection Expansion to New Customers in Existing Developments		\$2,700,000			\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Collection System - Standard Developer Agreements	13S217	\$1,406,000	\$406,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
TOTAL WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$223,858,000		\$4,210,000	\$12,750,000	\$16,796,000	\$5,100,000	\$135,100,000	\$5,800,000	\$5,100,000	\$5,850,000	\$8,200,000	\$5,391,000
TOTAL WATER CAPITAL IMPROVEMENT PROJECTS		\$102,749,231		\$4,666,000	\$8,250,000	\$8,600,000	\$14,150,000	\$6,900,000	\$9,200,000	\$32,750,000	\$2,200,000	\$1,740,000	\$10,000,000
TOTAL SYSTEM WIDE CAPITAL IMPROVEMENT PROJECTS		\$9,140,000		\$2,960,000	\$1,570,000	\$820,000	\$800,000	\$740,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
TOTAL WATER AND WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$335,747,231		\$11,836,000	\$22,570,000	\$26,216,000	\$20,050,000	\$142,740,000	\$15,600,000	\$38,450,000	\$8,650,000	\$10,540,000	\$15,991,000

FY 2015 to FY 2024 CIP	Current Project #	Project Cost	FY 09 to FY 14 Budgeted	FY 15 Planned	FY 16 Planned	FY 17 Planned	FY 18 Planned	FY 19 Planned	FY 20 Planned	FY 21 Planned	FY 22 Planned	FY 23 Planned	FY 24 Planned
System Wide Capital Projects		All dollar amounts are shown in FY 2012 dollars. No adjustments are made for projected inflation or deflation.											
Systemwide projects for both Water and Wastewater													
Enterprise Software Replacement Project		\$2,000,000		\$2,000,000									
Information Technology Networking Infrastructure Replacement		\$360,000		\$100,000	\$100,000	\$100,000	\$60,000						
Virtual Desktop IT Migration		\$640,000		\$120,000	\$120,000	\$120,000	\$140,000	\$140,000					
Maximo Asset Management Software Licenses		\$140,000		\$140,000									
Motor Fleet Capital		\$6,000,000		\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Construct Utility Services Operations Center		\$750,000			\$750,000								
TOTAL SYSTEM WIDE CAPITAL IMPROVEMENT PROJECTS		\$9,140,000		\$2,960,000	\$1,570,000	\$820,000	\$800,000	\$740,000	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
TOTAL WATER CAPITAL IMPROVEMENT PROJECTS		\$102,749,231		\$4,666,000	\$8,250,000	\$8,600,000	\$14,150,000	\$6,900,000	\$9,200,000	\$32,750,000	\$2,200,000	\$1,740,000	\$10,000,000
TOTAL WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$223,858,000		\$4,210,000	\$12,750,000	\$16,796,000	\$5,100,000	\$135,100,000	\$5,800,000	\$5,100,000	\$5,850,000	\$8,200,000	\$5,391,000
TOTAL WATER AND WASTEWATER CAPITAL IMPROVEMENT PROJECTS		\$335,747,231		\$11,836,000	\$22,570,000	\$26,216,000	\$20,050,000	\$142,740,000	\$15,600,000	\$38,450,000	\$8,650,000	\$10,540,000	\$15,991,000

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 2015 to finance a portion of the Capital Improvements Plan Budgets approved in FY13-14 and FY12-13 of \$25 million.

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 decreased to 1.54 in FY 2013 from 1.55 in FY 2012, remaining above the 1.0 ratio required by bond rate covenants. The Debt Service Coverage Ratio for Parity Indebtedness decreased to 1.89 in FY 2013 compared to 2.08 in FY 2012, remaining above the 1.2 ratio required by bond rate covenants. The Debt Service Coverage Ratio for All Indebtedness is budgeted at 1.20 in FY 2015 and 1.22 in FY 2014. Refer to the Operating and Capital Budget Summary. We believe actual debt coverage will be higher due to actual expenditures being lower than budgeted.

Debt Service Coverage Ratios	
Fiscal Year Ended June 30	Debt Coverage Ratio
2013	
Parity Debt Coverage Ratio	1.89
Total Debt Coverage Ratio	1.54
2012	
Parity Debt Coverage Ratio	2.08
Total Debt Coverage Ratio	1.55
2011	
Parity Debt Coverage Ratio	2.80
Total Debt Coverage Ratio	1.65
2010	
Parity Debt Coverage Ratio	3.20
Total Debt Coverage Ratio	1.44
2009	
Parity Debt Coverage Ratio	2.59
Total Debt Coverage Ratio	1.05

Outstanding Debt

The outstanding balance of existing bonded debt and installment obligations as of June 30, 2014 will be \$311,466,600 as shown in the table below:

OUTSTANDING BALANCE OF EXISTING DEBT	
June 30, 2014	
REVENUE BONDS	
Series 2005 Water & Sewer Refunding Revenue Bonds	\$ 50,245,000
Series 2008 Water & Sewer Revenue Bonds	174,310,000
Series 2011 Water & Sewer Revenue Bonds	41,350,000
Sub-total	265,905,000
GENERAL OBLIGATION BONDS	
Series 2002 GO Refunding Bonds-Variable Rate	2,355,000
Sub-total	2,355,000
INSTALLMENT OBLIGATIONS	
Series 2006A Refunding Certificates of Participation	12,640,000
Series 2005A Certificates of Participation	3,369,600
Series 2012 Limited Obligation Bonds	14,175,000
ARRA Federal Revolving Loan	1,279,029
Clean Water State Revolving Loans	10,472,159
Sub-total	41,935,788
Total Outstanding Balance of Existing Debt	\$ 310,195,788

Schedule of Debt Service

The annual debt service for existing outstanding and future debt issues are included on the Schedule of Debt Service for Fiscal Years 2015-2019 which follows.

CAPE FEAR PUBLIC UTILITY AUTHORITY
SCHEDULE OF DEBT SERVICE FOR FISCAL YEARS 2015-2019

Cape Fear Public Utility Authority Revenue Bonds		Original Par Amount	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Series 2005 Water & Sewer Refunding Revenue Bonds		\$ 61,080,000	\$ 4,865,915	\$ 4,861,715	\$ 4,861,165	\$ 4,869,565	\$ 4,864,785
Series 2008 Water & Sewer Revenue Bonds		187,765,000	11,224,963	9,927,413	13,453,725	13,452,725	13,453,350
Series 2011 Water & Sewer Revenue Bonds		44,100,000	3,308,863	3,312,113	3,312,013	3,313,563	3,045,463
Series 2014 Water & Sewer Revenue Bonds-Estimate		25,000,000	2,006,065	2,006,065	2,006,065	2,006,065	2,006,065
Total Cape Fear Public Utility Authority Revenue Bonds		317,945,000	21,405,805	20,107,305	23,632,967	23,641,917	23,369,662
Principal portion of Cape Fear Public Utility Authority Revenue Bonds			7,236,065	6,223,868	10,123,561	10,610,239	10,844,001
Interest portion of Cape Fear Public Utility Authority Revenue Bonds			14,169,740	13,883,437	13,509,406	13,031,678	12,525,661
			21,405,805	20,107,305	23,632,967	23,641,917	23,369,662
Cape Fear Public Utility Authority Installment Debt		Original Par Amount	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
ARRA Federal Revolving Loan (Aquifer Storage & Retrieval)		1,335,605	66,781	66,781	66,781	66,781	66,781
Clean Water State Revolving Loan (Burnt Mill Creek Phase II)		3,025,992	221,873	218,159	214,444	210,730	207,016
Clean Water State Revolving Loan (Greenfield Lake Outfall)		2,201,480	151,932	151,902	149,701	147,499	145,298
Clean Water State Revolving Loan (McCumber's Ditch Sewer Rehab)		1,250,000	92,123	86,250	85,000	83,750	82,500
Clean Water State Revolving Loan (Between the Creeks PS#28)		429,000	32,533	29,601	29,172	28,743	28,314
Clean Water State Revolving Loan (30th Street Sewer Rehab)		1,151,607	86,197	79,461	78,309	77,158	76,006
Clean Water State Revolving Loan (Smith Creek Alandale PS Removal)		2,565,380	179,436	177,011	174,446	171,880	169,315
		11,959,064	830,876	809,165	797,853	786,541	775,230
Principal portion of Cape Fear Public Utility Authority Installment Debt			597,954	597,954	597,954	597,954	597,954
Interest portion of Cape Fear Public Utility Authority Installment Debt			232,922	211,211	199,899	188,587	177,276
			830,876	809,165	797,853	786,541	775,230
City of Wilmington Bonded Debt		Original Par Amount	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Series 2002 GO Refunding Bonds-Variable Rate		19,870,000	2,494,843	0	0	0	0
Principal portion of City of Wilmington Bonded Debt			2,355,000	0	0	0	0
Interest portion of City of Wilmington Bonded Debt			139,843	0	0	0	0
			2,494,843	0	0	0	0
City of Wilmington Installment Debt		Original Par Amount	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Series 2006A Refunding Certificates of Participation		17,135,000	1,618,495	1,612,995	1,610,245	1,614,995	1,611,745
Principal portion of City of Wilmington Installment Debt			1,010,000	1,055,000	1,105,000	1,165,000	1,220,000
Interest portion of City of Wilmington Installment Debt			608,495	557,995	505,245	449,995	391,745
			1,618,495	1,612,995	1,610,245	1,614,995	1,611,745
New Hanover County Installment Debt		Original Par Amount	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Series 2005A Certificates of Participation		6,996,600	913,380	911,924	913,689	911,869	0
Series 2012 Limited Obligation Bonds Refunding		16,005,000	1,667,500	1,610,050	1,557,800	1,500,775	1,439,350
New Hanover County Debt Payment Reduction		0	(1,254,000)	(950,000)	(627,000)	(304,000)	0
Total New Hanover County Installment Debt		23,001,600	1,326,880	1,571,974	1,844,489	2,108,644	1,439,350
Principal portion of New Hanover County Installment Debt			1,935,600	1,929,200	1,938,000	1,946,800	1,030,000
Interest portion of New Hanover County Installment Debt			645,280	592,774	533,489	465,844	409,350
New Hanover County Debt Payment Reduction			(1,254,000)	(950,000)	(627,000)	(304,000)	0
			1,326,880	1,571,974	1,844,489	2,108,644	1,439,350
Total Debt Service		\$ 396,475,664	\$ 27,676,899	\$ 24,101,439	\$ 27,885,554	\$ 28,152,098	\$ 27,195,987
Debt Service Fees			275,000	283,250	291,748	300,500	309,515
Total Debt Service and Fees			\$ 27,951,899	\$ 24,384,689	\$ 28,177,302	\$ 28,452,597	\$ 27,505,502
Bond Issuance Costs (Proceeds from Revenue Bonds)			\$ 750,000	\$ -	\$ -	\$ -	\$ -

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Service Area Profile

New Hanover County, a coastal county in southeastern North Carolina, is one of 100 counties located in North Carolina. Though second smallest in area, it is one of the most populous as its county seat, Wilmington, is one of the state's largest cities.

The county is included in the Wilmington Metropolitan Statistical Area, which also includes neighboring Brunswick and Pender counties.

History

The county was formed in 1729 as New Hanover Precinct of Bath County, from Craven Precinct. It was named for the House of Hanover, which was then ruling Great Britain.

In 1734 parts of New Hanover Precinct became Bladen Precinct and Onslow Precinct. With the abolition of Bath County in 1739, all of its constituent precincts became counties. When New Hanover County was originally established, it encompassed the current counties of Bladen, Onslow, Duplin, Brunswick and Pender. From 1734 through 1764, New Hanover County's land was divided to create Bladen, Onslow, Duplin and Brunswick counties. The last division occurred in 1875 to form Pender County. The county has retained the same boundaries since 1875.

Geography

According to the U.S. Census Bureau, the county has a total area of 328 square miles (849 km²), of which, 199 square miles (515 km²) of it is land and 129 square miles (334 km²) of it (39.33%) is water. Of all 100 counties in North Carolina, only Chowan County is smaller.

From Wikipedia

City of Wilmington, located in New Hanover County, is a coastal town situated in southeastern North Carolina. The Port City of Wilmington is bordered by the Cape Fear River to the west and the Atlantic Ocean to the east.

History

Wilmington was named in honor of Spencer Compton, the Earl of Wilmington, who was Prime Minister under George II. Incorporated in 1739, Wilmington became a city in 1866. In 1840 it was the largest town in the state and remained so through the early 1900s, thanks to the thriving ports along the Cape Fear River and the arrival of the Wilmington & Raleigh Railroad (renamed the Wilmington & Weldon Railroad in 1854). When the railroad was completed in 1840, it was the largest continuous railroad track in the world.

The Port City is home to the WWII Battleship USS North Carolina (BB-55) and was the site of the commissioning of the Virginia Class USS North Carolina (777) submarine in May 2008 and the missile-guided destroyer USS Gravelly in November 2010.

Service Area Profile



New Hanover County Courthouse



W. Allen Cobb Judicial Annex



USS North Carolina



Bellamy Mansion



Cape Fear Museum



Greenfield Lake

Service Area Profile



Wrightsville Beach



Serving southeast North Carolina, the Wilmington International Airport (ILM) provides flight options through Delta and US Airways. ILM offers many non-stop flights to popular destinations within the US such as Philadelphia and New York City and is only one stop away from the world. With non-stop flights to New York City, Atlanta, and Washington DC, the ease of international travel is unparalleled. Serving over 3/4 million passengers per year, ILM prides itself on its convenient flight options, ease of use, and extremely friendly staff.

Service Area Profile



UNIVERSITY of NORTH CAROLINA WILMINGTON



McNeill School of Nursing at UNC Wilmington

The University of North Carolina Wilmington, the state's coastal university, is dedicated to learning through the integration of teaching and mentoring with research and service. Our powerful academic experience stimulates creative inquiry, critical thinking, thoughtful expression and responsible citizenship in an array of high-quality programs at the baccalaureate and master's levels, and in our doctoral programs in marine biology and educational leadership. Substantial research activity, combined with our hallmark teaching excellence and moderate size, advances distinctive student involvement in faculty scholarship. We are committed to diversity and inclusion, affordable access, global perspectives, and enriching the quality of life through scholarly community engagement in such areas as health, education, the economy, the environment, marine and coastal issues, and the arts.

Service Area Profile



Cape Fear Community College Downtown Campus

With over 28,000 students enrolling in classes every year, Cape Fear Community College is the sixth largest community college in the state and is a major economic development partner in southeastern North Carolina.

Students can train for a new career in one of CFCC's technical programs or earn a two-year college transfer degree to continue their education at a four-year institution. CFCC also offers a wide variety of adult education and continuing education classes for lifelong learning.



New Hanover Regional Medical Center

New Hanover Regional Medical Center is a not-for-profit health care system serving southeastern North Carolina and northeastern South Carolina. A teaching hospital, regional referral center, and Level 2 Trauma Center, NHRMC is dedicated to providing a wide range of health care services.

Service Area Profile



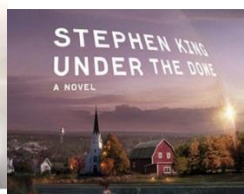
EUE / Screen Gems Studios



Since 1985, more than 350 film, television, and commercial projects have shot on the 50-acre sound stage lot here in Wilmington, NC. Recent films include *Iron Man 3*, *The Conjuring* and *We're the Millers*. Recent television projects include *Under the Dome*, *Eastbound and Down*, and *Sleepy Hollow*.

This full service studio lot offers 10 stages with 150,000 square feet of column-free shooting space.

**Source: EUE/Screen Gems website*



Cape Fear Public Utility Authority
Demographic Statistics
Last Five Fiscal Years

Fiscal Year Ended June 30	City of Wilmington Population (1)	New Hanover County Population (1)	Median Age (1)	Public		Local		Personal Income (4)	Per Capita Income (4)
				School Enrollment (2)	Unemployment Rate % (3)	Unemployment Rate % (3)	Income (4)		
2013 *	109,922	209,234	38	25,364	9.1%		N/A	N/A	N/A
2012	108,297	206,189	37.54	25,253	9.3%		N/A	N/A	N/A
2011	106,476	202,667	36.7	23,934	10.1%		\$45,890	\$36,108	
2010	102,207	194,054	38.5	23,643	9.4%		\$46,129	\$34,692	
2009	101,526	192,235	38	23,614	9.0%		\$44,719	\$34,578	

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

* Fiscal year 2014 data not available at the time this document was published.

(1) US Census Bureau.

(2) Provided by the NHC Public Schools.

(3) North Carolina Department of Commerce

(4) Provided by www.ncworks.gov; data provided for as many years as available.

Cape Fear Public Utility Authority
Principal Water Customers
Current Fiscal Year and Four Years Ago

2013 *

Ten Largest Users of the Water System Annual Consumption	Thousands of Gallons	% of System	Revenues (\$)	% of Revenues
1 UNC Wilmington	148,310	2.94%	\$ 616,844	2.07%
2 New Hanover Regional Medical Center	55,933	1.11%	\$ 264,990	0.89%
3 New Hanover County Schools	43,103	0.85%	\$ 286,412	0.96%
4 New Hanover County	38,793	0.77%	\$ 230,450	0.77%
5 Wilmington Housing Authority	38,697	0.77%	\$ 183,127	0.62%
6 Tribute Properties	33,355	0.66%	\$ 268,137	0.90%
7 Lake Forest Apartments	28,826	0.57%	\$ 126,128	0.42%
8 Mayfaire Complex	27,630	0.55%	\$ 196,995	0.66%
9 College Manor Apartments	26,527	0.53%	\$ 123,189	0.41%
10 City of Wilmington	20,366	0.40%	\$ 179,006	0.60%
Total Net Consumption / Net Revenue	461,539	9.15%	\$ 2,475,277	8.31%
Total Annual System Net Consumption / Net Revenue	5,042,733		\$ 29,770,387	

2009*

Ten Largest Users of the Water System Annual Consumption	Thousands of Gallons	% of System	Revenues (\$)	% of Revenues
1 UNC Wilmington	136,483	2.34%	\$ 430,613	1.89%
2 New Hanover County	63,232	1.08%	\$ 232,431	1.02%
3 New Hanover Regional Medical Center	61,473	1.05%	\$ 211,318	0.93%
4 New Hanover County Schools	47,862	0.82%	\$ 208,756	0.92%
5 Wilmington Housing Authority	40,956	0.70%	\$ 137,433	0.60%
6 Lake Forest Apartments	30,088	0.52%	\$ 97,305	0.43%
7 College Manor Apartments	23,411	0.40%	\$ 80,985	0.36%
8 Mayfaire Complex	22,955	0.39%	\$ 119,091	0.52%
9 Tribute Properties	21,463	0.37%	\$ 114,526	0.50%
10 Elementis Chromium	18,971	0.33%	\$ 58,243	0.26%
Total Net Consumption / Net Revenue	466,893	8.00%	\$ 1,690,699	7.42%
Total Annual System Net Consumption / Net Revenue	5,834,129		\$ 22,781,177	

**Restated 2009 Top 10 Users to reflect "Net Consumption" and "Net Revenue"*

Source: Cape Fear Public Utility Authority Customer Service Department.

* Fiscal year 2014 data not available at the time this document was published.

Cape Fear Public Utility Authority
Principal Sewer Customers
Current Fiscal Year and Four Years Ago

2013 *

Ten Largest Users of the Sewer System Annual Consumption	Thousands of Gallons	% of System	Revenues (\$)	% of Revenues
1 Town of Wrightsville Beach	203,370	4.29%	\$ 357,931	1.09%
2 UNC Wilmington	88,768	1.87%	\$ 378,962	1.16%
3 New Hanover Regional Medical Center	55,078	1.16%	\$ 275,525	0.84%
4 New Hanover County Schools	42,756	0.90%	\$ 299,665	0.91%
5 Wilmington Housing Authority	38,599	0.81%	\$ 191,869	0.58%
6 New Hanover County	36,870	0.78%	\$ 227,115	0.69%
7 Tribute Properties	32,532	0.69%	\$ 304,049	0.93%
8 Lake Forest Apartments	28,826	0.61%	\$ 132,614	0.40%
9 Mayfaire Complex	27,006	0.57%	\$ 203,378	0.62%
10 College Manor Apartments	26,527	0.56%	\$ 129,447	0.39%
Total Net Consumption / Net Revenue	580,333	12.25%	\$ 2,500,555	7.62%
Total Annual System Net Consumption / Net Revenue	4,737,719		\$ 32,802,745	

2009

Ten Largest Users of the Sewer System Annual Consumption	Thousands of Gallons	% of System	Revenues (\$)	% of Revenues
1 Town of Wrightsville Beach	214,743	4.42%	\$ 220,364	1.00%
2 UNC Wilmington	87,800	1.81%	\$ 269,249	1.22%
3 New Hanover Regional Medical Center	54,042	1.11%	\$ 176,741	0.80%
4 New Hanover County Schools	45,665	0.94%	\$ 199,592	0.90%
5 Wilmington Housing Authority	40,652	0.84%	\$ 129,175	0.58%
6 New Hanover County	34,744	0.72%	\$ 132,783	0.60%
7 Lake Forest Apartments	30,080	0.62%	\$ 92,040	0.42%
8 Mayfaire Complex	25,303	0.52%	\$ 125,124	0.57%
9 Tribute Properties	24,536	0.51%	\$ 154,676	0.70%
10 College Manor Apartments	23,411	0.48%	\$ 77,352	0.35%
Total Net Consumption / Net Revenue	580,975	11.96%	\$ 1,577,096	7.14%
Total Annual System Net Consumption / Net Revenue	4,856,146		\$ 22,089,335	

**Restated 2009 Top 10 Users to reflect "Net Consumption" and "Net Revenue"*

Source: Cape Fear Public Utility Authority Customer Service Department.

* Fiscal year 2014 data not available at the time this document was published.

**Cape Fear Public Utility Authority
Principal Employers
Current Fiscal Year and Four Years Ago**

Employer	2013*		
	Employees (1)	Rank	Percentage of Total County Employment
New Hanover Regional Medical Center	4,917	1	4.93%
New Hanover County Schools	3,900	2	3.91%
GE Wilmington	2,250	3	2.26%
Wal-Mart Stores	2,000	4	2.01%
University of North Carolina at Wilmington	1,843	5	1.85%
New Hanover County	1,571	6	1.58%
PPD, Inc.	1,500	7	1.50%
Verizon Wireless	1,244	8	1.25%
Corning, Inc.	1,000	9	1.00%
City of Wilmington	975	10	0.98%
			21.27%
Total # Employed at June 30 of the respective FY (2)			99,683

Employer	2009		
	Employees (3)	Rank	Percentage of Total County Employment
New Hanover Regional Medical Center	4,890	1	5.10%
New Hanover County Schools	4,130	2	4.30%
GE Wilmington	3,000	3	3.13%
University of North Carolina at Wilmington	1,810	4	1.89%
New Hanover County	1,670	5	1.74%
PPD, Inc.	1,420	6	1.48%
Cape Fear Community College	1,260	7	1.31%
City of Wilmington	1,200	8	1.25%
Verizon Wireless	1,200	9	1.25%
Corning, Inc.	1,000	10	1.04%
			22.49%
Total # Employed at June 30 of the respective FY (2)			95,964

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

* Fiscal year 2014 data not available at the time this document was published.

(1) Source: Greater Wilmington Business Journal, Fall 2012 Book of Lists

(2) Source: North Carolina Employment Security Commission (2009) and www.ncworks.gov (2013)

(3) Source: New Hanover County CAFR for Fiscal Year Ended June 30, 2009 using the Wilmington Industrial Development, Inc. and NC State Demographics Website.

Cape Fear Public Utility Authority
Operating Statistics
Last Five Fiscal Years

	Fiscal Year				
	2013*	2012	2011	2010	2009
Water System					
Number of available service connections	70,496	67,489	66,600	64,925	63,535
Number of treatment plants - surface water system	1	1	1	1	1
Treatment capacity (mgd) - surface water	35.00	35.00	27.50	27.50	27.50
Average production (mgd) - surface water	13.20	13.50	13.70	13.30	14.30
Number of groundwater systems	3	3	3	3	3
Number of treatment plants - groundwater system (1)	1	1	1	1	-
Number of wells - groundwater system	36	36	36	36	36
Treatment capacity (mgd) - groundwater plant	6	6	6	6	-
Treatment capacity (mgd) - other groundwater systems	0.70	0.70	0.70	0.70	0.70
Average production (mgd) - groundwater	2.95	2.95	3.20	3.30	3.10
Miles of water mains	1,078	1,072	1070 (3)	1,129	1,103
Wastewater System					
Number of available service connections	66,059	64,529	64,330	63,793	62,296
Number of treatment plants	3	3	3	3	3
WPC plant permit (mgd)	22.10	22.10	22.10	22.10	22.10
Average annual daily flow (mgd)	16.17	15.10	15.80	16.80	15.60
Number of lift stations	141	141	141	142	142
Miles of sewer gravity mains	850	840	840	881	877
Miles of sewer force mains (2)	110	104	104	100	100
Number of Manholes	20,300	20,300	20,300	N/A	N/A

Source: Cape Fear Public Utility Authority Records

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

* Fiscal year 2014 data not available at the time this document was published.

- (1) During FY 2010, a groundwater treatment plant began operations providing advanced treatment for the largest of the three groundwater systems and resulted in a .3 mgd reduction in total treatment capacity.
- (2) Prior years restated based on more accurate data from the Authority's Operations Division.
- (3) Current year number is based on more accurate information as a result of implementing an asset management system.

Cape Fear Public Utility Authority
Consumption by Customer Group
Last Five Fiscal Years

	2013 *		2012		2011		2010 (1)		2009 (1)	
	Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of	Thousand	% of
Water Customers	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption
Residential	3,522,531	69.85%	3,806,074	70.45%	3,887,894	70.88%	3,652,988	70.13%	4,152,536	71.17%
Commercial	1,026,039	20.35%	1,059,983	19.62%	1,075,703	19.61%	1,032,322	19.82%	1,094,936	18.77%
Industrial	59,116	1.17%	62,267	1.15%	62,278	1.14%	57,719	1.11%	102,707	1.76%
Institutional & Governmental	435,048	8.63%	474,130	8.78%	459,656	8.38%	465,940	8.94%	483,950	8.30%
Total	5,042,734	100.00%	5,402,454	100.00%	5,485,531	100.00%	5,208,969	100.00%	5,834,129	100.00%
Sewer Customers	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption	Gallons	Consumption
Residential	3,246,521	68.52%	3,424,127	68.94%	3,497,483	68.98%	3,329,608	69.30%	3,543,624	72.98%
Commercial	923,952	19.50%	941,927	18.97%	957,062	18.88%	842,782	17.54%	869,266	17.90%
Town of Wrightsville Beach	203,370	4.29%	207,561	4.18%	214,479	4.23%	234,303	4.88%	214,743	4.42%
Pender County	10,473	0.22%	11,550	0.23%	16,224	0.32%	13,550	0.28%	14,139	0.29%
Industrial	16,296	0.34%	16,197	0.33%	18,219	0.36%	23,060	0.48%	24,964	0.51%
Institutional & Governmental	337,107	7.12%	365,297	7.35%	366,618	7.23%	361,467	7.52%	189,410	3.90%
Total	4,737,719	100.00%	4,966,659	100.00%	5,070,085	100.00%	4,804,770	100.00%	4,856,146	100.00%

Source: Cape Fear Public Utility Authority Customer Service Department.

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

* Fiscal year 2014 data not available at the time this document was published.

(1) Prior year data has been updated to reflect adjustments made in the current year.

Water includes domestic and irrigation connections.

Acronyms

AMR	Automatic Meter Reading
APWA	American Public Works Association
ARRA	American Recovery and Reinvestment Act
ASR	Aquifer Storage and Recovery
AWOP	Area Wide Optimization Program
AWWA	American Water Works Association
BOD	Biochemical Oxygen 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
DHS	Department of Homeland Security
DMR	Discharge Monitoring Report
DO	Dissolved Oxygen
DR	Disaster Recovery
DWQ	Division of Water Quality
EDC	Endocrine Disrupting Compounds
EDMR	Electronic Discharge Monitoring Report
EEOC	Equal Employment Opportunity Commission
EMS	Environmental Management System
EOC	Emergency Operations Center
EFT	Electronic Funds Transfer
EPA	Environmental Protection Agency
ERT	Encoder Receiver Transmitter
ERP	Enterprise Resource Planning

FEMA	Federal Emergency Management Agency
FOG	Fats, Oils and Grease
FSE	Food Service Establishment
FTE	Full Time Equivalent Positions
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principals
GASB	Government Accounting Standards Board
GC	Gas Chromatograph
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
GPD	Gallons per day
GPS	Global Positioning System
GS	General Statute
HAZMAT	Hazardous Material
HMI	Human Machine Interface
HVAC	Heating, ventilation and air conditioning
I/I	Infiltration and Inflow
ICP-MS	Inductively Coupled Plasma-Mass Spectrometry
ICS	Incident Command System
ILA	Interlocal Agreement
IRR	Irrigation
ISO	International Organization for Standardization (Greek)
IT	Information Technology
IU	Industrial User
IVR	Interactive Voice Response
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
NCRWA	North Carolina Rural Water Association
NEI	Northeast Interceptor
NHC	New Hanover County
NIMS	National Incident Management System
NOAA	National Oceanic and Atmospheric Administration

NOV	Notice of Violation
NPDES	National Pollutant Discharge Elimination System
NTU	Nephelometric 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
POSM	Pipeline Observation System Management
POTW	Public Owned Treatment Works
PPCP	Pharmaceuticals and Personal Care Products
ppm	Parts per million
PS	Pump Station
PSA	Protective Security Advisor
PWS	Public Water Supply
QA	Quality Assurance
QC	Quality Control
RFP	Request for Proposal
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
TTHM	Total trihalomethanes
UNCW	University of North Carolina at Wilmington
USACE	United States Army Corp. of Engineers
USEPA	United States Environmental Protection Agency
VPN	Virtual Private Network
WEA	Water Environment Association
WEF	Water Environment Federation
WERF	Water Environment Research Foundation
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

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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.
Adopted Budget	The budget document formally approved by the Authority Board. This 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.
Bonded Debt	The total debt that the Authority has issued in bonds.
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 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 Assets	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.
Capital Budget	It is budget for major capital, or investment, expenditures.
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.
Capitalized Interest	Interest that is not immediately expensed but is considered an asset and is then amortized through the income statement over time.
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.

Collateral	Property acceptable as security for a loan or other obligation; guaranteed by a security pledged against the performance of an obligation.
Collateralize	To secure (a loan) through the use of collateral
Compensated Absences	Refers to employees' time off with pay for vacations, holidays and sick days.
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
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Corporate Governance	Processes, customers, policies, laws, and institutions affecting the way a corporation is directed, administered or controlled.
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 the Authority and their 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.
Depreciation	drop in value; a method of allocating the cost of a tangible asset over its useful life.
Disbursement	The expenditure of monies from an account.
Distinguished Budget	A voluntary awards program administered by the Government of Finance
Effluent	An outflowing of water or gas from a natural body of water, or from a human-made structure.
Encoder Receiver Transmitter (ERT)	Communications modules that fit on electric, gas, or water meters. ERTs encode consumption and tamper information from the meters and communicate the data to Itron data collection systems including handheld devices, mobile automatic reading devices and networks.
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.
Enterprise Fund	A government owned fund that sells goods and services to the general public. Enterprise funds are common in local government.
Environmental Management System	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.
Feasibility Report	An evaluation and analysis of the potential of a proposed project which is based on extensive investigation and research to support the process of decision making.
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	A position converted to the decimal equivalent of a full-time position based
Fund Accounting	System used by non profit organizations, particularly governments.
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.
Government Accounting Standards Board	The accepted standard-setting body for establishing accounting and financial reporting principals
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
Interest Earnings	Interest earned on cash held in interest bearing deposits and accounts
National Incident Management System (NIMS)	An emergency management doctrine used nationwide to coordinate emergency preparedness and incident management and response among the public and private sectors.
National Pollutant Discharge Elimination System (NPDES)	Controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

Non-departmental accounts	Items of expenditure essential to the operation of the Authority that do not fall within the function of any department.
Operating Budget	The annual budget of an activity stated in terms of Budget Classification Code, 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.
Operating Expenses	The cost for personnel, materials and equipment required for a department 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 its 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.
Proprietary Fund	An account in which certain (government) transactions are handled. Services that fit into a proprietary fund are grouped by similarities to evaluate their performance.
Revenues	Sources of income financing the operations of the Authority.
Risk Management	The process of identifying, assessing, and controlling risks arising from operational factors and making decisions that balance risk costs with mission benefits.
SCADA (Supervisory control and data acquisition)	A computer system that monitors and controls industrial, infrastructure, or 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.
System Development Charges	Calculated charges to cover the cost of capacity in the Authority's existing water and wastewater plants and transmission facilities, and the estimated cost of capacity in future treatment plants and facilities that are covered in the 10-year Capital Improvement Plan.

Budget Ordinance

Ordinance Making Revenues and Appropriations for the Fiscal Year Beginning July 1, 2014

LEGISLATIVE INTENT/PURPOSE:

Revenues and Appropriations to the Operating Fund for the Fiscal Year Beginning July 1, 2014.

THEREFORE, BE IT ORDAINED:

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

Operating Fund

Appropriations

Operating Expenditures	\$34,574,912
Non-Departmental	2,094,300
Contingency - Operating	800,000
Debt Service	27,951,899
Bond Issuance Costs	750,000
Transfer to Capital Projects Funds	11,836,000
Total Appropriations	<u>\$ 78,007,111</u>

Revenues

Water Revenues	\$29,165,000
Wastewater Revenues	33,939,000
Investment Earnings	747,000
Other Charges for Service	3,018,300
Transfer from System Development Funds	4,000,000
Proceeds from Revenue Bonds (to pay Bond Issuance Costs)	750,000
Appropriated Fund Balance	6,387,811
Total Revenues	<u>\$78,007,111</u>

SECTION II: That appropriations herein authorized shall have the amount of outstanding purchase orders as of June 30, 2014 added to each appropriation as it appears in order to account for the payment against the fiscal year in which it is paid.

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

System Development Funds

Appropriations

Transfer to Operating Fund	\$ 4,000,000
Total Appropriations	\$ 4,000,000

Revenues

System Development Charges	\$ 4,000,000
Total Revenues	\$ 4,000,000

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

Capital Projects Funds

Appropriations

System-Wide Capital Improvement Projects	\$2,960,000
Wastewater Capital Improvement Projects	(2,960,000)
Total Appropriations	\$ 0

Revenues

Transfer from Operating Fund	\$11,836,000
Proceeds from Revenue Bonds	(11,836,000)
Total Revenues	\$ 0

PO Kusek

Patricia O. Kusek, Vice-Chair

Adopted at a regular meeting
on June 11, 2014.

ATTEST:

Donna S. Pope

Donna S. Pope, Clerk to the Board

