



CFPUA Board Approves Fiscal Year 2018 Budget

During a special meeting on June 23, the Board of the Cape Fear Public Utility Authority (CFPUA) voted to uphold its approval of CFPUA's budget for Fiscal Year 2018. The Board originally approved the budget during its June 14 meeting. Some members of the board called for another vote to address the 2.05 percent rate increase in light of the GenX water issue; however, the majority of the board voted to uphold the budget in order to address aging infrastructure and promote environmental protection.

Under the FY'18 rates, the average residential bill will increase by \$62.85 per month to \$64.14 per month, or \$15.48 per year. The uniform rate for water will increase from \$3.67 per 1,000 gallons to \$3.85 per 1,000 gallons. The wastewater usage rate will increase from \$4.56 per 1,000 gallons to \$4.58 per 1,000 gallons. CFPUA's fixed charges for water will increase from \$25.81 to \$26.67 per bi-monthly bill, while the fixed charges for wastewater will stay the same.

Passage of the FY'18 budget followed several presentations at CFPUA's board meetings, in addition to a public hearing held on June 14.

CFPUA's FY'18 water and wastewater charges remain below the median FY'17 bills for North Carolina water and wastewater utilities, as published in the University of North Carolina Environmental Finance Center's [*2017 Water and Wastewater Rates and Rate Structures in North Carolina*](#).

The CFPUA Board recently approved changes to financial policies that limit when, and how much, debt can be issued to fund water and wastewater infrastructure improvements.

As a result, CFPUA's capital program must rely more on rate payer dollars each year to fund critical infrastructure projects.

These changes will save rate payers in the long term by avoiding debt and by maintaining the organization's credit rating, which lowers borrowing costs on the debt CFPUA does issue. CFPUA's wastewater system has nearly 870 miles of gravity wastewater and a significant portion is over 40 years old. CFPUA's water and wastewater systems need continuous maintenance, as well as investments in capacity and technological upgrades, to ensure that they can meet demand safely and efficiently. Aging wastewater systems are more likely to have problems, and can cause costly sewer system overflows that hurt our local economy and the region's precious coastal environment.

CFPUA will continue to evaluate expenditure needs, revenue requirements and rates each year during the annual budget process.