

FY 12/13 Budget Summary

DEPARTMENT:

DIVISION:

DEPARTMENT CODE:

PENDER COUNTY UTILITIES - ROCKY POINT/TOPSAIL W & S DISTRICT

WATER - Fund 072

Description: The Rocky Point/Topsail Water & Sewer District was created in 1996 along with the passage of a \$30 million Bond Referendum to provide quality drinking water and sewer service to customers in the Rocky Point and Topsail township areas. The District currently serves approximately 175 square miles in Pender County. On average, approximately 860,000 gallons per day are purchased from the Town of Wallace to serve the District. Phases I and IB were completed in July 2001. Phase III (Project cost \$9,400,000) was completed in November of 2006. Phase IV (project cost \$2,653,000), serving the Village of St. Helena, New Road area and Old River Road was completed in April of 2007 and serves 500 customers. Phase V (project cost \$10,715,000) serving the Topsail area north and east of Hampstead was completed in 2009 and serves 600 customers. The final portion of Phase V was completed in February and began water service to approximately 500 new customers between March and June 2011. The District currently serves approximately 4,900 residential and commercial customers with the inclusion of the final Phase 5 area in Cedar Landing, Atkinson Loop Road, and a portion of Lanier's Campground.

FY 11/12 Program Highlights: Approximately 155 new water customers were connected in the first six months of the fiscal year. This total includes the addition of 103 customers with the Jensen's Coastal Plantation retirement community. The District increased the Usage Rate to bring the District into a self-sufficient position capable of expensing depreciation and initiating a Capital Reserve account and the overall cash flow of the District remains positive.

FY 12/13 Program Objectives: Design plans have been completed and permits applications submitted to install a 12" parallel watermain approximately 6,000 feet in length from the Town of Wallace to the Rocky Point/Topsail Water Booster Pump Station No. 1 located near North Chubb Road. This project, once completed, will allow the District to receive an additional 400,000 gallons per day from the Town of Wallace water supply to meet current and short-term water demands within the District. This project is scheduled for completion in December 2012.

REVENUES:

Revenue Source	Budget	Department Request	Manager Recommendation
	FY 11/12	FY 12/13	FY 12/13
Water Fees	\$2,676,072	\$2,660,000	2,660,000
Bad Check & Reconnect Fees	\$49,430	\$35,000	35,000
Connection Fees	\$75,000	\$57,000	57,000
Other Fees - Capacity	\$0	\$417,130	573,130
Other Fees – Scotts Hill Bulk Water Sales	\$56,000	\$156,000	
TOTAL	\$2,856,502	\$3,325,130	3,325,130

EXPENDITURES:

Budget	Budget	Department Request	Manager Recommendation
	FY 11/12	FY 12/13	FY 12/13
Salary/Benefits	\$497,734	\$540,130	594,358
Operating	\$494,222	\$593,319	573,319
Capital Outlay	\$20,000	\$5,000	5,000
Capital Outlay - Vehicle	\$138,000	\$45,000	45,000
Bond Principal	\$287,500	\$299,500	299,500
Bond Interest	\$929,000	\$915,660	915,660
Water Purchase	\$490,046	\$926,521	892,293
TOTAL	\$2,856,502	\$3,325,130	3,325,130

Authorized Positions	Budget	Department Request	Manager Recommendation
	FY 11/12	FY 12/13	FY 12/13
Full-Time	13	15	15
Part-Time			
Contracted			
Total:	13	15	15

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PENDER COUNTY UTILITIES – ROCKY POINT/TOPSAIL W & S DISTRICT

SEWER – Fund 70

Description: The Rocky Point/Topsail Water & Sewer District initiated sewer operations in 1999 to serve Del Labs manufacturing facility and three Pender County public schools. Wastewater is collected by PCU at the regional wastewater pump station and pumped via 6" force main under the Northeast Cape Fear River to a gravity collection system and treated at the Northside Wastewater Treatment Facility owned and operated by Cape Fear Public Utility Authority (CFPUA). The pump station was designed, permitted and constructed to flow up to 250,000 gallons per day to the CFPUA treatment plant. However, the original agreements with New Hanover County and the City of Wilmington limited sewer flow capacity from the Rocky Point/Topsail system to 75,000 gallons per day until the Northside WWTP upgrade was constructed and placed on-line. In February, 2009, the Northside WWTP was re-rated to 10 MGD and the sewer flow capacity available to PCU was increased to 125,000 gpd.

FY 11/12 Program Highlights: Pender County's initial sewer flow allocation of 75,000 was increased to 125,000 gpd by CFPUA on February 12, 2009 after the Northside WWTP was re-rated from 8 MGD to 10 MGD. From the additional allocation, 18,460 gpd were approved for the Rocky Point Primary School (5,000 gpd); Pender Packing (5,860 gpd); Rocky Point Medical Pavilion (1,500 gpd); Freddy's (4,500 gpd) and Paul's Place (1,600 gpd). To date there are 21 commercial wastewater customers served by the Rocky Point/Topsail system with approximately 84,833 gallons per day of State permitted sewer flow. Actual wastewater flow averages 40,000 gpd. An additional 125,000 gpd allocation can be requested when the Northside WWTP receives its final 16 MGD rating sometime this fiscal year. PCU and CFPUA began a joint venture to design and permit a 0.5 MGD Regional Wastewater Treatment Facility to serve the US Highway 421 corridor. Each entity contributed \$364,815 to hire McKim & Creed to update the existing Environmental Assessment and Engineering Alternatives Analysis, and to design and permit the 0.5 MGD facility. The 0.5 MGD SBR (Sequential Batch Reactor) WWTP is fully designed and permitting has begun.

FY 12/13 Program Objectives: PCU and CFPUA will continue the permitting process as the existing permit must be modified by November 2011 or it will expire. In addition, each entity will begin efforts to secure the necessary financing to begin construction of the facility. The proposed facility will be constructed on Pender County land in the Pender Commerce Park and use the 4 MGD NPDES discharge permit belonging to CFPUA.

REVENUES:

Revenue Source	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Commercial Sewer Fees	\$116,000	\$85,895	\$85,895
School Sewer Fees	\$30,421	\$31,000	31,000
TOTAL	\$146,421	\$116,895	\$116,895

EXPENDITURES:

Budget	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Salary/Benefits	\$39,247	\$31,595	\$31,595
Operating	\$43,174	\$40,500	40,5000
Contract – Sewer Treatment	\$64,000	\$44,800	44,800.00
TOTAL	\$146,411	\$116,895	\$116,895

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PENDER COUNTY UTILITIES – MAPLE HILL W & S DISTRICT

WATER – Fund 071

Description: The Maple Hill Water & Sewer District exists to provide quality drinking water to the community of Maple Hill. The water is purchased from the Chinquapin Water Association, Inc. The District currently provides water service to 355 residential and commercial customers.

FY 11/12 Program Highlights: The Water system remains fairly constant as Maple Hill is not a high growth area of the County. In FY 11-12, the District implemented a rate increase to recover sufficient revenue to cover depreciation and set aside Capital Reserves.

FY 12/13 Program Objectives: The rate increase and uniform rate schedule changes in FY 11-12 appear to have been satisfactory in providing financial self-sufficiency within the District. No changes are recommended this fiscal year.

REVENUES

Revenue Source	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Water Fees	\$147,584	\$138,000	138,000
Connection Fees	0	0	0
Other Fees	\$ 2,114	\$2,100	2,100
TOTAL	\$ 149,697	\$140,100	140,100

EXPENDITURES:

Expenditure	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Salaries/Benefits	\$ 48,801	\$48,801	\$48,008.06
Operating Expenses	\$ 35,896	\$26,299	27,091.94
Bond Principal	\$ 7,000	\$7,000	7,000.00
Bond Interest	\$ 15,000	\$15,000	15,000.00
Water Purchase	\$ 43,000	\$43,000	43,000.00
TOTAL	\$ 149,697	\$140,100	140,100.00

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PENDER COUNTY UTILITIES – MAPLE HILL W & S DISTRICT

SEWER – Fund 073

Description: Over 50% of the residential septic tank systems in the Maple Hill community have failed, contributing to public health risks and surface water pollution. The County was asked to provide assistance to the community while also working to enhance surrounding water quality. In 2006, Pender County received a grant commitment of \$2,774,614 from the North Carolina Rural Center and in 2009, a \$1.5 million grant from the North Carolina Clean Water Management Trust Fund for the project. The engineering firm of Hobbs, Upchurch & Associates designed and permitted the wastewater collection, treatment, and disposal system and there are currently 175 properties committed to the project. 0

FY 11/12 Program Highlights: On April 15, 2011, a groundbreaking ceremony was held at the Maple Hill treatment plant site, and construction began on the sewer pipeline shortly thereafter. To date, 175 STEP (septic tank effluent pumping) tanks have been installed as well as all sewer pipeline. The wastewater treatment plant is expected to be online by mid-May and after it is fully operational, the contractor will begin the process of connecting the new STEP tanks to the collection system. They will then convert the user to the new system, crush the existing septic tank onsite, and final grade and seed the lawns.

FY 12/13 Program Objectives: The project is completely grant funded, so the only expenditures required to be recovered from user rates is the cost to operate and maintain the system. Last year, the District requested and received funding for a Water/Sewer Maintenance Technician 1 position and a new service vehicle to effectively and efficiently provide quality customer service and to operate the wastewater treatment and disposal system. The cost of the position and vehicle was split equally between the Scotts Hill WSD and the Maple Hill Sewer Fund. The Maintenance Technician has been onsite during construction to observe and learn the locations of the system infrastructure.

REVENUES:

Revenue Source	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Sewer Fees	\$73,362	\$73,369	73,369
TOTAL	\$73,362	\$73,369	73,369

EXPENDITURES:

Expenditure	Budget FY11/12	Department Request FY12/13	Manager Recommendation FY 12/13
Salaries/Benefits	\$22,454	\$20,888	26,717
Operating Expenses	\$50,908	\$52,481	46,652
TOTAL	\$73,362	\$73,369	73,369

Authorized Positions	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Full-Time	0.5	0.5	0.5
Part-Time	0	0	0
Contracted			
Total:	0.5	0.5	0.5

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PENDER COUNTY UTILITIES – SCOTTS HILL W & S DISTRICT

WATER – Fund 76

Description: The Scotts Hill Water & Sewer District was formally created in 2006 along with the passage of a \$4 million Bond Referendum to provide quality drinking water to citizens in the Scotts Hill area. In 2008, the USDA-RD agreed to finance \$3,067,000 of the project costs. In 2010, the Scotts Hill Water Distribution system was bid and interim financing secured through the issuance of Bond Anticipation Notes. The entire project cost being financed is \$2,711,000. Upon the completion of the construction to install the water system, the USDA-RD purchased the \$2,711,000 in General Obligation Bonds.

FY 11/12 Program Highlights: Construction began on the water distribution system in October 2010 and water was available for connection on October 31, 2011. The District currently has over 560 properties signed up to receive water service. Bulk water for the District is purchased from the Rocky Point/Topsail Water & Sewer District until the 2 MGD Surface Water Treatment Plant comes on-line in FY 12-13. The District added a Water/Sewer Maintenance Technician I Position and a new service vehicle to provide customer service and meter reading services to this area. This position is shared equally with the Maple Hill Water and Sewer District.

FY 12/13 Program Objectives: The District will complete inspections and connections for over 500 customers. The District is negotiating with Cape Fear Public Utility Authority to provide an interconnection between the two public water systems for emergency situations.

REVENUES:

Revenue Source	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Water Fees	\$270,497	\$225,000	225,000
Bad Check & Reconnect Fees	\$7,500	\$2,000	2,000
Connection Fees	\$12,750	0	0
TOTAL	\$290,747	\$227,000	227,000

EXPENDITURES:

Budget	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Salary/Benefits	\$19,724	\$34,355	35,917
Operating	\$37,023	\$24,019	21,519
Capital Outlay - Vehicle	\$23,000	0	0
Bond Principal	\$26,000	0	0
Bond Interest	\$122,000	0	0
Water Purchase	\$45,000	\$156,000	156,000
Reserve for Future Expenditure	\$14,000	\$12,626	13,564
Depreciation Expense	\$4,000	0	0
TOTAL	\$290,747	\$227,000	227,000

Authorized Positions	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Full-Time	0.5	0.05	0.05
Part-Time			
Contracted			
Total:	0.5	0.5	0.05

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PENDER COUNTY UTILITIES WATER TREATMENT FACILITY

Fund - 77

Description: Pender County has experienced tremendous growth over the past 15 years. Population projections indicate that rapid growth will continue in the County for the near future, with a projected Year 2030 County population of approximately 104,000 residents. This growth has and will continue to place a burden on existing water facilities in the County and will continue to pose water infrastructure challenges in the future. Pender County recognized the need for providing public water infrastructure that meets current and future needs and is environmentally sound. Thus, the County chose to pursue construction of a conventional surface water treatment facility to serve present and future water demands.

FY 11/12 Program Highlights: Crowder Construction Company began work on the 2 million gallon per day Surface Water Treatment Plant in November 2010 at a cost of \$21.5 million. Construction also began on the installation of approximately 13 miles of 24-inch and 20-inch Finished Water Transmission Main by R. H. Moore Company at a cost of \$7.25 million. \$17.5 million in General Obligation Bond funding, \$5.0 million in Revenue Obligation funding, and \$7.5 million in Grant Funding was approved by the USDA-RD. Interim financing during the construction phase of the project was provided through the sale of Bond Anticipation Notes by the NCLGC. Construction is scheduled to take approximately 23 months with final completion by August 2012.

FY 12/13 Program Objectives: Staff will continue managing the construction of the Water Treatment Plant and Finished Water Transmission Main projects throughout FY 11-12. PCU is requesting funding for five full-time employees to effectively and efficiently operate the plant. In addition, there will be expenses for operations such as electricity, treatment chemicals, and lab analyses. The operational cost of operating the Water Treatment Plant will be recovered through bulk water sales to the Rocky Point/Topsail and Scotts Hill Water & Sewer Districts.

REVENUES:

Revenue Source	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Water Fees - Bulk	\$111,757	\$926,523	926,253
TOTAL	\$111,757	\$926,523	926,253

EXPENDITURES:

Budget	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Salary/Benefits	\$78,157	\$362,523	384,949
Operating	\$7,600	\$544,000	471,304
Capital Outlay			50,000
Capital Outlay - Vehicle	\$26,000	\$20,000	20,000
TOTAL	\$111,757	\$926,523	926,253

Authorized Positions	Budget FY 11/12	Department Request FY 12/13	Manager Recommendation FY 12/13
Full-Time	1	6	6
Part-Time	0		
Contracted			
Total:	1	6	6