

**AGENDA**  
**Lower Cape Fear Water & Sewer Authority**  
**1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina**  
**8:30 a.m. – Finance Committee Meeting**  
**May 9th, 2022**

**MEETING CALL TO ORDER:** Chairman Rivenbark

**PRESENTATION:** Preliminary Draft of Fiscal 2022-2023 Budget

**DISCUSSION:** Directors' Comments and Questions

**ACTION/DIRECTION:** Recommend to the full Board for Consideration at Regular Meeting to follow and for approval at the June 6<sup>th</sup>, 2022, meeting.

**ADJOURNMENT**



## **AGENDA**

**Lower Cape Fear Water & Sewer Authority  
1107 New Pointe Boulevard, Suite # 17, Leland, North Carolina  
9:00 a.m. – Regular Monthly Board Meeting  
May 9, 2022**

**MEETING CALL TO ORDER:** Chairman Rivenbark

**INVOCATION**

**PLEDGE OF ALLEGIANCE**

### **APPROVAL OF CONSENT AGENDA**

- C1 - Minutes of April 11, 2022, Regular Board Meeting**
- C2 - Kings Bluff Monthly Operations and Maintenance Report**
- C3 - Bladen Bluffs Monthly Operations and Maintenance Reports**
- C4 - Retainer for Engineering Services Agreement: McKim & Creed in the amount of \$21,000 for Fiscal Year 2022-2023**
- C5 - Retainer for General Counsel Services Agreement: Matthew Nichols, Attorney at Law in the amount of \$195 per hour for FY 2022-23**
- C6 - Line-Item Adjustment for March 31, 2022**

### **PUBLIC HEARING: PRESENTED DRAFT BUDGET FOR FISCAL YEAR 2021-2022 BUDGET AND BUDGET ORDINANCE**

- A. Public Hearing:**
  - Motion to open Public Hearing in accordance with North Carolina General Statute Section 159-12
  - Motion to close Public Hearing
- B. Review of the Fiscal Year 2022-2023 Budget and Budget Ordinance for Consideration of Approval On June 6, 2022.**
  - Motion to close Public Hearing

### **NEW BUSINESS**

- NB1- Finance Committee Comments and Review of Draft Recommended Budget for the Fiscal Year 2022-2023 (Finance Committee Chairman Charlie Rivenbark)**
- NB2- No Cost Solutions Audit Proposal regarding Electric Utilities for LCFWASA**

### **ENGINEER'S COMMENTS**

## **ATTORNEY COMMENTS**

## **EXECUTIVE DIRECTOR REPORT**

**EDR1**—Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date  
Ending April 30, 2022

**EDR2**—Operating Budget Status, Ending March 31, 2022

**EDR3**—Summary of Activities

## **DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS**

## **PUBLIC COMMENT**

## **ADJOURNMENT**

*The next board meeting of the Lower Cape Fear Water & Sewer Authority is scheduled for Monday, June 6th at 9:00 a.m. in the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.*

## **AGENDA ITEM**

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: May 9, 2022

Re: Consent Agenda

Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

---

Please find enclosed the items of a routine nature for consideration and approval by the Board of Directors with one motion. However, that does not preclude a board member from selecting an item to be voted on individually, if so desired.

**C1-** Minutes of April 11, 2022, Regular Board Meeting

**C2-** Kings Bluff Monthly Operations and Maintenance Report

**C3-** Bladen Bluffs Monthly Operations and Maintenance Report

**C4-** Retainer for Engineering Services Agreement: McKim & Creed in the amount of \$21,000 for Fiscal Year 2022-2023

**C5-** Retainer for General Counsel Services Agreement: Matthew Nichols, Attorney at Law in the amount of \$195 per hour for FY 2022-23

**C6-** Line-Item Adjustment for March 31, 2022

**Action Requested:** Motion to approve/disapprove Consent Agenda.

Lower Cape Fear Water & Sewer Authority  
Regular Board Meeting Minutes  
April 11<sup>th</sup>, 2022

Chairman Rivenbark called to order the Authority meeting scheduled on April 11<sup>th</sup>, 2022, at 9:00 a.m. and welcomed everyone present. The meeting was held at the Authority's office located at 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina. Director Sue gave the invocation.

**Roll Call by Chairman Rivenbark:**

**Present:** Norwood Blanchard, Patrick DeVane, Wayne Edge, Harry Knight, Al Leonard, Jackie Newton, Phil Norris, Scott Phillips, Charlie Rivenbark, Chris Smith, Bill Sue, Frank Williams, and Rob Zapple

**Present by Virtual Attendance:** Bill Saffo

**Absent:** None

**Staff:** Tim H. Holloman, Executive Director; Matthew Nichols, General Counsel; Tony Boahn P.E., McKim & Creed, Patrick Flanagan, COG; and Danielle Hertzog, Financial Administration Assistant

**Guests Present:** Glenn Walker, Brunswick County Water Resources Manager, and Heidi Cox, NC DEQ Regional Engineering Supervisor, Division of Water Infrastructure

**Guests Virtual Attendance:** Ken Waldroup, Cape Fear Public Utility Authority Executive Director; Matt Hourihan, Cape Fear Public Utility Authority Assistant Operations Director; and Shirley Lawler

**PLEDGE OF ALLEGIANCE:** Chairman Rivenbark led the Pledge of Allegiance.

**APPROVAL OF CONSENT AGENDA**

**C1 - Minutes of March 14, 2022, Regular Board Meeting**

**C2 - Minutes of March 14, 2022, Finance Committee Meeting**

**C3 - Minutes of February 14, 2022, Regular Board Meeting**

**C4 - Kings Bluff Monthly Operations and Maintenance Report**

**C5 - Bladen Bluffs Monthly Operations and Maintenance Reports**

**C6 - Line-Item Adjustment for February 28, 2022**

**C7 - Resolution Adopting the Lower Cape Fear Water & Sewer Authority's Local Water Supply Plan for Kings Bluff Raw Water Pump Station, PWSID 50-09-013, for the calendar year 2021**

**C8 - Resolution Adopting the Lower Cape Fear Water & Sewer Authority's Local Water Supply Plan for Bladen Bluff's Regional Surface Water System, PWSID 50-09-013, for the calendar year 2021**

**C9 - Resolution by Governing Body of Applicant for the 48" Parallel Raw Water Main Preliminary Engineering Report & Rate Study Project**

**C10 - Resolution by Governing Body of Applicant for the Generators at King's Bluff Raw Water Pump Station Project**

**Motion:** Director Zapple **MOVED**; seconded by Director DeVane, approval of the Consent Agenda Items C1-C10 as presented. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris				X
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	13	0	0	1

## NEW BUSINESS

### **A Resolution of the Board of Directors of Lower Cape Fear Water & Sewer Authority Approving an Exception from the Formal Bidding Process Pursuant to G.S. 143-129(E)(6) – Variable Frequency Drive, VFD critical spare parts for onsite stock, and revenue update**

Executive Director Holloman advised the Authority would need the board to approve exception 143-129(E)(6) to bypass bidding for the Variable Frequency Drive and spare parts; therefore, all three VFDs will have interchangeable parts.

**Motion:** Director DeVane **MOVED**; seconded by Director Blanchard, Exception from the Formal Bidding Process Pursuant to G.S. 143-129(E)(6) for VFD and VFD spare parts. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	For	Against	Abstained	Absent
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	0

### **NB1 – Variable Frequency Drive, VFD critical spare parts for onsite stock, and revenue update**

Director Phillips wanted to confirm the VFD is on-site and ready for installation. Executive Director Holloman advised yes, it is on-site. Director Zapple questioned where the \$103,000 was coming from. Executive Director Holloman reported from the Enterprise Fund, which would take that account down to \$280,800.

**Motion:** Director Phillips **MOVED**; seconded by Director Knight, approval of the VFD, VFD parts, and revenue update. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	0

### **NB2 – Budget Amendment #2 for the Variable Frequency Drive**

**Motion:** Director Norris **MOVED**; seconded by Director Edge, approval of Budget Amendment #2 for VFD. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	12	0	0	0

### **NB3 - Replacement of Mitsubishi 24k btu mini split wall mount at Kings Bluff Plant.**

Executive Director Holloman advised we are trying to get all areas of the Kings Bluff plant up to speed; however, the former office at the plant needs additional maintenance repair, including the heating and air wall unit. Executive Director Holloman has two quotes, and he recommends approval of the lower bid.

**Motion:** Director Sue **MOVED**; seconded by Director Williams, approval of Replacement of Mitsubishi 24k BTU mini-split wall mount at Kings Bluff Plant. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	0

**NB4 - Resolution Recognizing National Drinking Water Week.**

**Motion:** Director Williams **MOVED**; seconded by Director Norris, approval of Resolution Recognizing National Drinking Water Week. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	

Director Zapple made a motion to reaffirm that the Executive Director could spend up to \$10,000 on essential maintenance repair items if they are already in the budget. He will list the item in his Executive Director's monthly report.

**Motion:** Director Zapple **MOVED**; seconded by Director Blanchard, Executive Director could spend up to \$10,000 on basic maintenance repair. Upon vote, the **MOTION CARRIED UNANIMOUSLY.**



	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	

#### ENGINEER'S COMMENTS

Tony Boahn gave an update on the 54-inch parallel raw water main. The last phase is the interconnections, and we are down to the last interconnection. Two pressure reducing valves have been installed, one between our system and the Cape Fear System and the second on the old 48-inch line. These pressure-reducing valves will keep us from over pressurizing both pipelines. Both pipelines have pressure limits that we do not want to exceed. Mr. Boahn did advise a leak was discovered. It was the coupling adapters that joined the double iron to the PCP. The coupling had worked themselves loose just slightly, the contractor was able to tighten them, and the leak has been repaired. Director Zapple wanted to know if Mr. Boahn had any update on the possibility of open cutting into the Cape Fear River instead of boring? Tony advised we are not at that point yet, but we will need some design and permit applications.

#### ATTORNEY COMMENTS

No comments

#### EXECUTIVE DIRECTOR REPORT

##### **EDR1 – Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending March 31, 2022**

Executive Director Holloman reported that during the month of March 2022, Brunswick County, CFPUA, and Pender County were above projections. Monthly revenue was slightly up last month.

#### **Closed Session**

Chairman Rivenbark requested a motion to go into a closed session to discuss Attorney-Client Privilege and Personnel Matters.

**Motion:** Director Leonard **MOVED**; seconded by Director Williams, to go into closed session in accordance with N.C.G.S. §143-318.11(a)(3) and (6) to preserve Authority's Attorney-Client Privilege and for Personnel Matters. Upon vote, the **MOTION CARRIED UNANIMOUSLY**.

	<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
Norwood Blanchard	X			
Patrick DeVane	X			
Wayne Edge	X			
Harry Knight	X			
Al Leonard	X			
Jackie Newton	X			
Phil Norris	X			
Scott Phillips	X			
Charlie Rivenbark	X			
Bill Saffo	X			
Chris Smith	X			
Bill Sue	X			
Frank Williams	X			
Rob Zapple	X			
	14	0	0	

At 9:37 a.m. the board went into closed session. At 9:57 a.m. the board returned to open session. Discussion only; no action required.

#### **DIRECTOR'S COMMENTS AND/OR FUTURE AGENDA ITEMS**

No comments

#### **PUBLIC COMMENT**

No comments

#### **ADJOURNMENT**

There being no further business, Chairman Rivenbark adjourned the meeting at 9:57 a.m.

Respectfully Submitted:

\_\_\_\_\_  
Harry Knight, Secretary

---

COUNTY OF BRUNSWICK  
PUBLIC UTILITIES DEPARTMENT  
Kings Bluff Pump Station



246 Private Road  
Riegelwood, NC 28456  
(910) 655-4799 Office  
(910) 655-4798 FAX

---

**TO:** Tim Holloman

**FROM:** Jack Hogan

**DATE:** 5/2/2022

**SUBJECT:** Monthly maintenance report for April 2022

---

Mr. Holloman,

The Maintenance and Operations of the king's bluff facility for the month of April were performed as prescribed in the station SOP'S and other items are as follows.

The diesel drive booster pumps along with the standby SCADA generator located at the raw tank and the SCADA generator located at INVISTA / CFPUA vaults off HWY 421 were run and tested weekly and verified standby ready.

KB personnel completed all locates issued by the 811 system.

KB personnel are currently painting the entry doors on the new side of station.

KB personnel poured 2" of flow fill concrete in the CFPUA vault floor to stop ground water intrusion from the outside where wall and floor meet.

KB personnel worked with Garney on pipe off loading at the Authority farm property.

KB personnel completed PM on cooling water system on 1,4 & 5 GE vertical turbine motors.

KB personnel completed testing of the (Reduced Pressure Valves) on the 54" to 48" discharge lines and 48" to 30" CFPUA line.

KB personnel completed service on the 2021 GMC 3500 Truck A-4 with oil and filter, fuel filter change and tire rotation.

KB personnel closed all open blowoffs on the 48" discharge line and put it back in service along with the 54" discharge line.

**Contractors:**

Carolina Crane and Hoist completed yearly testing on both Detroit 10-ton hoist located in the old and new side of KBPS.

Thank you,  
Jack Hogan



To: Tim Holloman - LCFWASA

From: James Kern – Bladen Bluffs SWTP ORC

Date: 5/3/22

Subject: April 2022 Operations

During the month of April, Bladen Bluffs SWTP operated a total of 19 days, treating 46.70 million gallons of water.

We used:

34,383 lbs. of aluminum sulfate (Alum)

9,074 lbs. of sodium hydroxide (Caustic)

1,095 lbs. of sodium hypochlorite (2,199 gallons of 6% Chlorine Bleach)

**James Kern**  
**Water Treatment Plant**  
**Supervisor**

**Smithfield**  
*Good food. Responsibly.®*

(910) 862-3114  
(910) 862-3146  
(910) 733-0016 mobile  
[jkern@smithfield.com](mailto:jkern@smithfield.com)

Bladen Bluffs Surface Water Treatment  
Plant  
17014 Highway 87 West  
Tar Heel, NC 28392  
[www.smithfieldfoods.com](http://www.smithfieldfoods.com)

# Monthly Operating Reports (MORs) Summary

(No user data entry – all values are auto-populated.)

Year: 2022 PWS Name: Bladen Bluffs Water System PWSID#: NC5009012  
 Month: April Facility Name: Bladen Bluff

## Combined Filter Effluent (CFE) Turbidity

Samples exceeding 1 NTU (count):	<u>0</u>	Number of samples required:	<u>100</u>
Samples exceeding .3 NTU (count):	<u>0</u>	Number of samples taken:	<u>100</u>
Samples exceeding .3 NTU (pct):	<u>0.0%</u>	Highest single turbidity reading NTU:	<u>0.111</u>
		Monthly average turbidity NTU:	<u>0.069</u>

## Individual Filter Effluent (IFE) Turbidity

1) Was each filter <u>continuously</u> monitored for turbidity?	Yes	<u>X</u>	No	<u>          </u>
2) Was each filter's monitoring results <u>recorded every 15 minutes</u> ?	Yes	<u>X</u>	No	<u>          </u>
3) Was there a failure of the continuous turbidity monitoring equipment?	Yes	<u>          </u>	No	<u>X</u>
4) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements ?	Yes	<u>          </u>	No	<u>X</u>
5) Was any individual filter turbidity level > 0.5 NTU in two consecutive measurements at the end of 4 hours of operation after the filter has been backwashed or otherwise taken offline ?	Yes	<u>          </u>	No	<u>X</u>
6) Was any individual filter turbidity level > 1.0 NTU in two consecutive measurements in each 3 consecutive months ?	Yes	<u>          </u>	No	<u>X</u>
7) Was any individual filter turbidity level > 2.0 NTU in two consecutive measurements in 2 consecutive months ?	Yes	<u>          </u>	No	<u>X</u>

## Entry Point Residual Disinfectant Concentration (EPRD)

Disinfectant Used	<u>Chlorine</u>	Number of samples required	<u>100</u>
Minimum EPRD concentration	<u>0.7700</u>	Number of samples taken	<u>100</u>

## Distribution Residual Disinfectant Concentration

Number of samples under 0.010 mg/L (without any detectable) excluding where HPC is ≤ 500/mL	<u>0</u>
---	----------

## Contact Time (CT) Ratio

Lowest CT ratio reading	<u>19.53</u>	Number of CT ratios required	<u>19</u>
Number of CT ratios below 1.0	<u>0</u>	Number of CT ratios calculated	<u>19</u>

## Remarks From General Info Worksheet



By checking this box, the ORC certifies that the requirements of 15A NCAC 18C .1301 "General Requirements", .1302 "Tests, Forms, and Reporting", and .1303 "Facility Oversight" have been met for the month of April, 2022 and that records documenting compliance with this rule are maintained on the premises and available for inspection upon request.

## Bladen Bluffs SWTP Maintenance Report

Date: 5/3/2022

### ISSUE:

### PLAN OF ACTION:

Air on finished water line (from GAC)	Installed trial valves – currently testing
Running spare cl2 lines to settled/finished	Work Scheduled
Sump pump check valve needs replacement	Scheduled repair
All PLC need updated	Getting quotes
Ordering backup drives for all pumps	Ordered
Found small leak in lagoon liner	Contractor has inspected
CL2 leaks	Preparing to repair plumbing
Clearwells Inspection	Inspection COMPLETE, awaiting recommendations
Clearwell Drain line leaks	Lines Inspected, determined issue is ditch
Keep losing radio signal in finished building	Getting quote
Lost signal to three cameras at river	Repairing fiber
Flash Mixer #1 Failing	Contacted Electrician
Truck needs oil change	Scheduled
Fire System Battery need replacement	COMPLETE
LED lights in booster pump room	COMPLETE



ENGINEERS

SURVEYORS

PLANNERS

April 13, 2022

221101

Mr. Tim Holloman, Executive Director  
 Lower Cape Fear Water & Sewer Authority  
 1107 New Pointe Blvd Suite 17  
 Leland, NC 28451

**Re: Proposal for Professional Consulting Engineering Services  
 Lower Cape Fear Water & Sewer Authority  
 FY 2023-2024 Annual Retainer Services**

Dear Mr. Holloman:

McKim & Creed appreciates the opportunity to provide this proposal for professional consulting services for the fiscal year 2023-2024. This proposal is based on the project tasks as outlined below.

#### **Task 1 – Monthly Authority Meetings**

McKim & Creed will attend the Monthly meetings of the Authority and assist the Executive Director and Board of Directors by providing technical guidance and responding to general questions with respect to the Authority's facilities during the meetings. The standard service for this item will be \$250 per month (lump sum).

#### **Task 2 – Technical Evaluations & On-Call Services**

Frequently, the Authority receives requests for technical evaluations concerning their capabilities and capacity to meet the needs of its members or public and private entities within the five-county area (Bladen, Columbus, New Hanover, Pender, and Brunswick). At the request and direction of the Executive Director and the Board of Directors, McKim & Creed will provide technical evaluations or assistance for specific issues concerning the Authority's facilities and customers.

Based on recent year's activities we recommend a not to exceed ceiling of \$4,000 for the 12-month period of service. We will provide such assistance to the Authority on an hourly not to exceed basis or fixed fee basis at the discretion of

K:\Water\Lower Cape Fear Water Sewer Authority (LCFWSA)\221101\_LCFWSA 2023-2024 Annual Services Agreement\\_Fee  
 Proposal\Proposal FY 2023-2024.doc

243 North Front Street

Wilmington, NC 28401

910.343.1048

Fax 910.251.8282

www.mckimcreed.com

Mr. Tim Holloman, Executive Director  
 Lower Cape Fear Water and Sewer Authority  
 April 13, 2022  
 Page 2

the Executive Director and the Board of Directors. McKim & Creed will obtain approval from the Executive Director prior to commencing work on an item.

### **Task 3 – Kings Bluff Raw Water Facilities Annual Inspection Report**

The consultant will review the activities related to the Authority's raw water pumping facilities for the Kings Bluff system and meet with the O&M Contractor's staff to prepare a summary report concerning current conditions and O&M conducted over the past fiscal year. This summary will constitute the Annual Inspection Report for the Authority for the Kings Bluff Raw Water Facilities.

### **Task 4 – Bladen Bluffs Water Treatment Facilities Annual Inspection Report**

The consultant will review the activities related to the Authority's Bladen Bluffs Surface Water Treatment Facility, located in Tar Heel, NC. We will meet with plant operations staff to prepare a summary report concerning current conditions and O&M conducted at the facility over the past fiscal year. This summary will constitute the Annual Inspection Report for the Authority for the Bladen Bluffs Water Treatment Facilities.

### **Task 5 – Annual Capital Improvements Plan Update**

The consultant will prepare an update to the Fiscal Year 2019-2044 Capital Improvements Plan (CIP). Primary tasks will include:

- Review current CIP projects and update year of occurrence and opinion of probable project costs.
- Remove/edit current CIP projects based on current needs of the Authority.
- Add additional CIP projects based on current needs of the Authority.
- Update CIP document for review and comment by Authority staff and Board of Directors
- Prepare Draft and Final CIP document in hard copy and electronic (PDF) format.
- Present updated CIP to the Authority's Board of Directors.



Mr. Tim Holloman, Executive Director  
 Lower Cape Fear Water and Sewer Authority  
 April 13, 2022  
 Page 3

### Fee Summary

The following summarizes the fees proposed for this project.

Task	Fee Type	Annual Cost
1 - Monthly Assistance	\$250 Per Month	\$3,000
2 – Technical Evaluations	Hourly NTE	\$4,000
3 – Kings Bluff Annual Inspection	Fixed Fee	\$4,000
4 – Bladen Bluffs Annual Inspection	Fixed Fee	\$5,000
5 - Annual Capital Improvements Plan Update	Fixed Fee	\$5,000
<b>Total Estimated Fees</b>		<b>\$21,000</b>

### Miscellaneous Conditions

- 1.5% per month on overdue invoices.
- Either party may terminate with a 30-day notice.

### ACCEPTANCE AND AUTHORIZATION

If this proposal is acceptable, please sign below as indicated and return one executed copy to our office. Upon receipt, McKim & Creed will consider this as the authorization to proceed.

We appreciate the opportunity to provide these services and look forward to our continuing work with the Authority. If you have any questions, please do not hesitate to contact me.

Sincerely,

McKIM & CREED, Inc.



Tony Boahn, PE  
 Vice-President

Enclosure: McKim & Creed, Inc. Engineering Division General Conditions  
 (01/2011-01)

Mr. Tim Holloman, Executive Director  
 Lower Cape Fear Water and Sewer Authority  
 April 13, 2022  
 Page 4

Accepted by:

**LOWER CAPE FEAR WATER & SEWER AUTHORITY**

NAME: Charlie Rivenbark

SIGNATURE: \_\_\_\_\_

TITLE: Chairman, Board of Directors

DATE: \_\_\_\_\_

**E-Verify Requirement.** As a condition of payment for services rendered under this agreement, Engineer shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (requirement that employers use E-Verify). Further, if Engineer provides the services to the Client utilizing a subcontractor, Engineer shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes as well. Engineer shall verify by affidavit compliance with the terms of this section upon request of Client.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act, this the \_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
 Finance Officer, Lower Cape Fear Water and Sewer Authority

**McKim & Creed, Inc.  
Engineering Division  
General Conditions  
(01/2011-1)**

**Billing and Payment.** Invoices will be submitted by McKim & Creed, Inc. (the "Engineer") to the Client monthly for services performed and expenses incurred pursuant to this Agreement. Payment of each such invoice will be due upon receipt and considered past due if not paid within thirty (30) days of the date of the invoice. Any retainers shall be credited on the final invoice.

**a) Interest.** A service charge will be added to delinquent accounts at 18 percent per annum (1.5 percent per month).

**b) Suspension of Services.** If the Client fails to make any payment due the Engineer for services and expenses within thirty (30) days of the invoice date on the project(s) covered by this agreement or any other project(s) being performed by Engineer for Client, the Engineer may suspend services under this Agreement until it has been paid in full for all past due amounts owed by Client for services and expenses. The Engineer shall have no liability whatsoever to the Client for any costs or damages occurring as a result of such suspension caused by any such breach of this Agreement by Client.

**c) Collection Costs.** In the event legal action is necessary to enforce the payment provisions of this Agreement, the Engineer shall be entitled to collect from the Client any judgment or settlement sums due, reasonable attorneys' fees, court costs.

**d) Termination Of Services.** The failure of the Client to make payment to the Engineer in accordance with the payment terms set forth herein shall constitute a material breach of this Agreement and shall entitle the Engineer, at its option, to terminate the Agreement. Any material breach of this Agreement by the Client shall, at the Engineer's option and in its sole discretion, constitute a breach of and default under any and/or all other agreements between the Client and Engineer.

**Confidentiality.** The Engineer agrees to keep confidential and not to disclose to any person or entity, other than the Engineer's employees, sub-consultants and the general contractor and subcontractors, if appropriate, any data and information not previously known to and generated by the Engineer or furnished to the Engineer and marked CONFIDENTIAL by the Client. These provisions shall not apply to information in whatever form that comes into the public domain, nor shall it restrict the Engineer from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other authority with proper jurisdiction, or if it is reasonably necessary for the Engineer to defend itself from any suit or claim.

~~The Client agrees that the technical methods, techniques and pricing information contained in any proposal submitted by the Engineer pertaining to this project or in this Agreement or any addendum thereto, are to be considered confidential and proprietary, and shall not be released or otherwise made available to any third party without the express written consent of the Engineer.~~

**Consequential Damages.** Notwithstanding any other provision of the Agreement, neither party shall be liable to the other for any consequential damages incurred due to the fault of the other party, regardless of the nature of the fault or whether it was committed by the Client or the Engineer, their employees, agents, sub-consultants or subcontractors. Consequential damages include, but are not limited to, loss of use and lost profit.

**Non-Contingency.** The Client acknowledges and agrees that the payment for services rendered and expenses incurred by the Engineer pursuant to this Agreement is not subject to any contingency unless the same is expressly set forth in this Agreement. Payments to the Engineer shall not be withheld, postponed or made contingent on the financing, construction, completion or success of the project or upon receipt by the Client of offsetting reimbursement or credit from other parties causing Additional Services or expenses. No withholdings, deductions or offsets shall be made from the Engineer's compensation for any reason.

**Opinions of Cost.**

(a) Since the Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, any and all opinions as to costs rendered hereunder, including but not limited to opinions as to the costs of construction and materials, are estimates only and shall be made on the basis of its experience and qualifications and represent its best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but the Engineer cannot and does not guarantee that proposals, bids or actual costs will not vary from opinions of probable cost prepared by it and the Engineer shall have no liability whatsoever if the actual cost differs from the Engineer's estimate. If at any time the Client wishes greater assurance as to the amount of any cost, Client shall employ an independent cost estimator to make such determination. Engineering services required to bring costs within any limitation established by the Client will be paid for as additional services hereunder by the Client.

**Termination.** The obligation to provide further services under this Agreement may be terminated by either party upon seven (7) days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of any termination, the Engineer shall provide a final statement of charges due and will be paid for all services rendered to the date of termination, all expenses subject to reimbursement hereunder, and other reasonable expenses incurred by the Engineer as a result of such termination. In the event the Engineer's compensation under this Agreement is a fixed fee, upon such termination the amount payable to the Engineer for services rendered will be determined using a proportional amount of the total fee based on a ratio of the amount of the work done, as reasonably determined by the Engineer, to the total amount of work which was to have been performed, less prior partial payments, if any, which have been made.

**Reuse of Documents.** All documents, including but not limited to drawings and specifications, prepared by the Engineer pursuant to this Agreement are related exclusively to the services described herein. They are not intended or represented to be suitable for reuse by the Client or others on extensions of this project or on any other project. Any reuse without written verification or adaptation by the Engineer for specific purposes intended will be at the Client's sole risk and without liability or legal exposure to the Engineer. The Client releases the Engineer harmless from all claims that the Client may have against the Engineer and arising out of any unauthorized reuse.

**McKim & Creed, Inc.  
Engineering Division  
General Conditions  
(01/2011-1)**

**Limitation of Liability.** In performing its professional services hereunder, the Engineer will use that degree of care and skill ordinarily exercised, under similar circumstances, by reputable members of its profession practicing in the same or similar locality. No other warranty, express or implied, is made or intended by the Engineer's undertaking herein or its performance of services hereunder. THE CLIENT UNDERSTANDS AND AGREES THAT THE ENGINEER HAS NOT MADE AND IS NOT MAKING ANY PROMISE, WARRANTY OR REPRESENTATION EXCEPT THE WARRANTIES EXPRESSLY MADE HEREIN, AND THE ENGINEER EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER IMPLIED WARRANTIES. Under no circumstances shall the Engineer be liable for extra costs or other consequences due to changed conditions or for costs related to the failure of the contractor or material men to install work in accordance with the plans and specifications. The Engineer shall not be liable for errors in judgment or for any loss or damage, which occurs for any reason beyond the control of the Engineer. ~~No action may be instituted hereunder more than one year after the cause of action accrued or should have been discovered by reasonable diligence.~~ The provisions of this paragraph shall survive the termination of this Agreement.

**Controlling Law.** This Agreement is to be governed by the law of the State of North Carolina. ~~The parties agree that any suit or action related to this Agreement shall be instituted and prosecuted in the courts of the County of Wake, State of North Carolina, and each party waives any right or defense relating to such jurisdiction or venue.~~

**Binding Effect.** This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors and permitted assigns.

**Merger; Amendment.** This Agreement constitutes the entire agreement between the Engineer and the Client with respect to its subject matter, and all negotiations and oral understandings between the parties are merged herein. This Agreement can be supplemented and/or amended only by a written document executed by both the Engineer and the Client.

**Ownership Of Instruments Of Service.** All reports, plans, specifications, field data, notes and other documents, including all documents on electronic media, prepared by the Engineer as instruments of service shall become the property of the Owner. The Owner shall retain all common law, statutory and other reserved rights, including the copyright thereto. If the Owner uses any reports, plans, specification, field data, notes or other documents ("documents") for any project other than the specific project for which the documents were intended, then Owner waives any claims for damages related to these other projects.

**Photographs.** Photographs of any completed project embodying the services of the Engineer provided hereunder may be made by the Engineer and shall be considered as its property, and may be used by it for publication.

**Assignment.** Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement, including but not limited to fees that are due or fees that may be due, without the prior written consent of the other party.

**Archiving of Project Documentation.** Engineer shall maintain copies of printed project documentation for a period of three years from substantial completion of Engineer's services. Engineer shall maintain copies of all electronic media related to the project for a period of one year from substantial completion of Engineer's services. Requests for reproduction of project documentation after these periods have expired will be considered additional services and will be invoiced at the Engineer's prevailing hourly rates at the time of the request, plus expenses.

**Betterment.** If, due to the Engineer's error, any required item or component of the project is omitted from the Engineer's construction documents, the Engineer shall not be responsible for paying the cost to add such item or component to the extent that such item or component would have been otherwise necessary to the project or otherwise adds value or betterment to the project. In no event will the Engineer be responsible for any cost or expense that provides betterment, upgrade or enhancement of the project.

**Electronic Files.** Because data stored on electronic media can deteriorate undetected or be modified without the Engineer's knowledge, the Client agrees that it will accept responsibility for the completeness, correctness, or readability of any electronic media delivered to the Client after an acceptance period of 30 days after delivery of the electronic files, and that upon the expiration of this acceptance period, Client will release, indemnify and save harmless the Engineer from any and all claims, losses, costs, damages, awards or judgments arising from use of the electronic media files or output generated from them. The Engineer agrees that it is responsible only for the printed and sealed drawings and documents, and if there is a conflict between these printed documents and the electronic media, the sealed documents will govern. Engineer makes no warranties, express or implied, under this agreement or otherwise, in connection with the Engineer's delivery of electronic files.

**Certifications, Guarantees and Warranties.** The Engineer shall not be required to sign any documents, no matter by whom they may be requested, that would result in the Engineer's having to certify, guarantee or warrant the existence of conditions which the Engineer cannot ascertain. The Client also agrees that it has no right to make the resolution of any dispute with the Engineer or the payment of any amounts due to the Engineer in any way contingent upon the Engineer's signing any such certification.

**Corporate Protection.** It is intended by the parties to this Agreement that the Engineer's services in connection with the project shall not subject the Engineer's individual employees, officers or directors to any personal legal exposure for the risks associated with this project. Therefore, and notwithstanding anything to the contrary contained herein, the Client agrees that as the Client's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the Engineer, a North Carolina corporation, and not against any of the Engineer's employees, shareholders, officers or directors.

**Job-Site Safety.** Neither the professional activities of the Engineer, nor the presence of the Engineer or its employees and sub-consultants at a construction site, shall relieve the General Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the Work of construction in accordance with the contract documents and any health or safety precautions required by any regulatory

**McKim & Creed, Inc.**  
**Engineering Division**  
**General Conditions**  
**(01/2011-1)**

agencies. The Engineer and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions. The Client agrees that the General Contractor is solely responsible for job-site safety, and warrants that this intent shall be made evident in the Client's agreement with the General Contractor. ~~The Client also agrees that the Client, the Engineer and the Engineer's consultants shall be indemnified and shall be made additional insured under the General Contractor's general liability insurance policy.~~ The Client, upon written request of the Engineer, agrees to use its best efforts to add the Engineer as an additional insured on the contractor's general liability and auto liability policies.

**Scope of Services.** Services not set forth as Basic Services or Additional Services and listed in this Agreement are excluded from the scope of the Engineer's services and the Engineer assumes no responsibility to perform such services.

**Severability And Survival.** Any provision of this Agreement later held to be unenforceable for any reason shall be deemed void, and all remaining provisions shall continue in full force and effect. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the Client and the Engineer shall survive the completion of the services hereunder and the termination of this Agreement.

**Shop Drawing Review.** If included in the scope of services to be provided, the Engineer shall review and approve Contractor submittals, such as shop drawings, product data, samples and other data, as required by the Engineer, but only for the limited purpose of checking for conformance with the design concept and the information expressed in the contract documents. This review shall not include review of the accuracy or completeness of details, such as quantities, dimensions, weights or gauges, fabrication processes, construction means or methods, coordination of the work with other trades or construction safety precautions, all of which are the sole responsibility of the Contractor. The Engineer's review shall be conducted with reasonable promptness while allowing sufficient time in the Engineer's judgment to permit adequate review. Review of a specific item shall not indicate that the Engineer has reviewed the entire assembly of which the item is a component. The Engineer shall not be responsible for any deviations from the contract documents not brought to the attention of the Engineer in writing by the Contractor and approved by the Engineer. The Engineer shall not be required to review partial submissions or those for which submissions of correlated items have not been received.

**Specification Of Materials.** The Client understands and agrees that products or building materials, which are permissible under current building codes or ordinances may, at some future date, be banned or limited in use in the construction industry because of presently unknown hazardous characteristics. The Client agrees that if the Client directs the Engineer to specify any product or material, after the Engineer has informed the Client that such product or material may not be suitable or may embody characteristics that are suspected of causing or may cause the product or material to be considered a hazardous substance in the future, the Client waives all claims as a result thereof against the Engineer. ~~The Client further agrees that if any product or material specified for this project by the Engineer shall, at any future date be suspected or discovered to be a health or safety hazard, the Client hereby releases the Engineer from any and all~~

~~liabilities and waives all claims against the Engineer relating thereto.~~

**Standard Of Care.** Services provided by the Engineer under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the same geographic area.

**Suspension Of Services.** If the project is suspended for more than thirty (30) calendar days in the aggregate, the Engineer shall be compensated for services performed and charges incurred prior to such suspension and, upon resumption of services, the Engineer shall be entitled to an equitable adjustment in fees to accommodate the resulting demobilization and re-mobilization costs. In addition, there shall be an equitable adjustment in the project schedule based on the delay caused by the suspension. If the project is suspended for more than ninety (90) calendar days in the aggregate, the Engineer may, at its option, terminate this Agreement upon giving notice in writing to the Client.

**Unauthorized Changes To Documents.** In the event the Client consents to, allows, authorizes or approves of changes to any plans, specifications, construction documents or electronic media, and these changes are not approved in writing by the Engineer, the Client recognizes that such changes and the results thereof are not the responsibility of the Engineer. Therefore, the Client releases the Engineer from any liability arising from the construction, use or result of such changes. ~~In addition, the Client agrees, to the fullest extent permitted by law, to indemnify and hold the Engineer harmless from any damage, liability or cost (including reasonable attorneys' fees and costs of defense) arising from such changes.~~

**Compensation for Additional Services.** The undertaking of the Engineer to perform professional services under this Agreement extends only to those services specifically described herein. If upon the request of the Client, the Engineer agrees to perform additional services hereunder, the Client and the Engineer shall negotiate and agree upon an additional fee to be paid to the Engineer for completion of the agreed upon Additional Services. The Engineer will be under no obligation to begin or complete requested Additional Services until the additional fee has been negotiated and agreed upon in writing by the Client and the Engineer.

**Hourly Billing Rates.** All services to be billed on an hourly basis under this agreement will be billed using the Engineer's prevailing billing rate schedule at the time services are provided. If a specific rate schedule is to be used for this Agreement, it shall expire no later than one year from the date of this Agreement and will be replaced with the prevailing rate schedule in effect at that time.

**Priority Over Form Agreements.** The parties agree that the provisions of this Agreement shall control and govern over any Work Orders, Purchase Orders or other documents, which the Client may issue to Engineer in regard to the project(s) which is (are) the subject of this Agreement. The Client may issue such documents to Engineer for its convenience for accounting or other purposes, but any such Orders will not alter the terms of this Agreement, regardless of any contrary language appearing therein.

**McKim & Creed, Inc.**  
**Engineering Division**  
**General Conditions**  
**(01/2011-1)**

**Paragraph Headings.** The paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**Third Parties.** Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity other than the parties to this Agreement and their respective successors and permitted assigns, any right, remedy or claim under or in respect of this Agreement or any of its provisions.

**Default.** The Client shall be in default under this Agreement if (i) it fails to pay in full any invoice from the Engineer on the due date or fails to make any other payment due to the Engineer under this Agreement, (ii) it fails to observe or perform any other term, condition or covenant under this Agreement, (iii) it breaches any warranty or representation made under this Agreement, (iv) it dissolves, terminates or liquidates its business, or its business fails or its legal existence is terminated or suspended, (v) any voluntary or involuntary bankruptcy, reorganization, insolvency, receivership, or other similar proceeding is commenced by or against the Client, or (vi) it becomes insolvent, makes an assignment for the benefit of creditors, or conveys substantially all of its assets.

**Design Without Construction Phase Services.** If the services to be provided by Engineer hereunder do not include construction observation and/or construction administration services, or if such services are included in Engineers contracted services and Client later decides to perform these services itself or decides to retain other consultants or individuals to perform these services, Engineer assumes no responsibility for interpretations of the Engineer's services or for any construction observation, construction administration and/or supervision performed by Client or other parties and Client waives any and all claims against Engineer for any losses, claims, costs or damages of any kind whatsoever that may be in any way connected thereto.

~~In addition Client agrees, to the fullest extent permitted by law, to indemnify and hold Engineer harmless from any loss, claim, damage or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of construction observation, construction administration and/or supervision by Client, its employees, agents or consultants, and including any and all claims arising from the modification or adjustment of, or any clarifications or interpretations of, the Engineer's Work by others.~~

~~Unless, in the Engineer's sole opinion, appropriate levels of construction observation and construction administration services are contracted for and performed by Engineer, Engineer will not be responsible to provide any engineering or other certifications related to the construction or installation of any improvements.~~

**Reliance on Data Provided by Others.** Engineer shall be entitled to reasonably rely on the accuracy of information provided to it by Client or any of Client's other consultants or sub-consultants. Engineer shall not be responsible to extensively review the information provided to insure the accuracy thereof. Client agrees to not hold Engineer responsible for errors or omissions in Engineer's work that are directly attributable to errors or incorrect data provided to Engineer by Client or Client's other consultants. Client further acknowledges that any redesign or corrective efforts required by Engineer resulting from incorrect information provided by Client or Client's other consultants will be paid for by the Client as additional services.

**Credit and Financial Obligations.** Prior to commencement of the work, Engineer may require that Client provide reasonable credit information and other documentation to confirm that the Client has made financial arrangements to fulfill the Client's payment obligations under this Agreement. Engineer may also require such information at any time during the performance of Engineer's services should the Client fail to make payments per this Agreement, a change in the scope materially changes the contract sum, or Engineer identifies in writing a reasonable concern regarding the Client's ability to make payment when payment is due. The Client may be required to furnish this information prior to further commencement or continuation of services by Engineer and Engineer shall not be responsible for the cost of any delay occurring as a result of such a request.

**Markup on Expenses.** Unless specified otherwise in our proposal, all sub consultant costs and other project related costs incurred by Engineer will be billed with a 15% markup. Company vehicle mileage and internal reproduction costs will be billed at the Engineer's prevailing rate for those items. Personal vehicle mileage costs incurred on the project by employees of Engineer will be billed at the prevailing IRS mileage rate in effect at the time of travel.

**SUE Technical Standards.** Quality Level A information obtained by direct exposure of the existing utilities can greatly increase the level of confidence with respect to the location of underground utilities at a particular jobsite. Utility exposure (Quality Level A) permits three-dimensional measurements to be taken on utilities for accurate location at each test hole. The overall level of confidence with respect to the location of site utilities can be raised by increasing the number of test holes examined; however, Engineer provides no guarantee of the location of utilities on the site other than at the locations where test holes have been established.

Quality Level B services include the horizontal, above ground detection, marking and mapping of underground utilities. Geophysical prospecting methods are used to indicate the presence and surface position of buried utilities. Utilities are identified and marked in the field in order to be surveyed and mapped. Quality Level B information should not be used for construction purposes, or where exact horizontal and vertical measurements are required.

The accuracy of Quality Level B designating information and depth of cover readings obtained by utilizing Geophysical and Ground Penetrating Radar equipment and techniques are subject to field and soil conditions beyond our control. Engineer will make reasonable efforts to provide comprehensive and correct positional utility marks to the limits obtainable by the instrumentation used and the existing ground conditions; however, Engineer provides no guarantee that all existing utilities on a particular site will be properly located using these methods.

Utilizing Engineer's SUE services does not relieve any party from their obligation to contact the utility damage prevention system before digging begins. Utility marks placed on the ground by Engineer are not to be used for construction purposes.

**McKim & Creed, Inc.  
Engineering Division  
General Conditions  
(01/2011-1)**

**INSURANCE.** Engineer shall take out and maintain during the life of this Contract the following insurance:

- a. Statutory Workers Compensation insurance;
- b. Comprehensive General Liability insurance in an amount of \$1,000,000.00 for each occurrence and \$2,000,000.00 aggregate;
- c. Automobile Insurance in an amount of \$1,000,000.00

Client shall be named as an additional Insured on the Comprehensive General Liability and Automobile insurance policies. Prior to commencing work, Engineer shall provide evidence that the required insurance is in place. Each policy shall provide that Client shall receive not less than thirty days prior written notice of any cancellation, non-renewal or reduction of coverage of any of the policies.

**LAW OFFICE OF  
MATTHEW A. NICHOLS**

3205 Randall Parkway, Suite 104  
Wilmington, NC 28403

Ph: (910) 508-7476  
Email: matt@mattnicholslaw.com

April 13, 2022

Via email: director@lcfwasa.gov

Mr. Tim Holloman, Executive Director  
Lower Cape Fear Water and Sewer Authority  
1107 New Pointe Blvd., Suite 17  
Leland, NC 28451

Dear Tim:

This letter is written in response to your request regarding my representation of Lower Cape Fear Water and Sewer Authority (the "Authority") in fiscal year 2022-2023 and the anticipated cost of doing so.

I will be pleased to serve as general counsel for the Authority for fiscal year 2022-2023 if the Board of Directors wishes for me to continue in that capacity. I will do so at my existing hourly rate of \$195.00 per hour, and my paralegal's hourly rate will remain at \$75.00 per hour.

I anticipate the total charges for fiscal year 2022-2023 will be approximately \$15,000. This total estimated fee assumes only limited additional work with Authority easement matters. If additional work is required, the annual fee will be higher. If you need additional information, please contact me.

Respectfully submitted,



Matthew A. Nichols

MN/nc



**CONSENT AGENDA (CA-6)****Lower Cape Fear Water & Sewer Authority**

**CONSENT ITEM-** Background: Line-Item adjustments are made to more closely align revenues and expenditures to actuals without exceeding or decreasing the approved or amended budget

**LINE-ITEM ADJUSTMENTS FOR 03/31/2022**

<b>Operating Fund:</b>	<b>Line-Item Budget Amount prior to Adjustment</b>	<b>Decrease</b>	<b>Increase</b>	<b>Budget Amount as of 03/31/2022</b>
<b>REVENUE</b>				
<b>EXPENSES</b>				
4062-01 Office Equipment	\$ 10,000		\$ 2,500	\$ 12,500
4070-01 Travel and Training	\$ 21,800		\$ 3,000	\$ 24,800
4029-01 Retirement Employer's	\$ 18,379		\$ 500	\$ 18,879
4035-01 401K Employer PD Contribution	\$ 4,758		\$ 500	\$ 5,258
4520-01 Utilities-Energy Pump Station	\$ 753,167	\$ (6,500)		\$ 746,667
<b>Total</b>	<b>\$ 7,095,776</b>	<b>\$(6,500)</b>	<b>\$6,500</b>	<b>\$ 7,095,776</b>

## AGENDA ITEM

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM HOLLOMAN, EXECUTIVE DIRECTOR

Date: May 9, 2022

Re: Public Hearing Prior to Approval of the Fiscal Year 2022 – 2023 Budget and Budget Ordinance

---

Please find enclosed for consideration of approval, appropriations for the listed funds for the operation of the Authority for the Fiscal Year beginning July 1, 2022, and ending June 30, 2023.

**Public Hearing:** In accordance with North Carolina General Statute Section 159-12 (b), prior to adopting the budget ordinance, the Board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear. Legal notice of the public hearing on the budget was published on April 20<sup>th</sup> and 27<sup>th</sup>, 2022, in Star-News and on the Authority's web page.

Written public comment regarding the Fiscal Year 2022-2023 Budget may be submitted to Executive Director Holloman at [director@lcfwasa.gov](mailto:director@lcfwasa.gov) until 4:30 p.m. on June 3<sup>rd</sup>.

- A. Operating Fund Appropriations in the Amount of \$6,680,305
- B. Operating General Fund Appropriations in the Amount of \$1,754,018
- C. Enterprise Fund/Capital Project Fund Appropriations in the Amount of \$280,425
- D. Renewal and Replacement Appropriations Fund in the Amount of \$331,804
- E. Right of Way Fund Appropriations in the Amount of \$281,420

### Motions to Open Public Hearing

1. A motion is made by \_\_\_\_\_ to open a public hearing on the FY 2022-2023 Budget.
2. The motion is seconded by \_\_\_\_\_.

### Motions to Close Public Hearing

1. A motion is made by \_\_\_\_\_ to close the public hearing.
2. The motion is seconded by \_\_\_\_\_.

Executive Director Holloman will briefly review the recommended budget as recommended by the Finance Committee

**Action Requested:** No action is required at this time. The Budget is being presented for consideration of approval/disapproval on June 6, 2022, at 9:00 a.m.

## **AGENDA ITEM**

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: May 9, 2022

Re: FY 2022-2023 Draft Fiscal Year Budget

Reviewed and Approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

---

Background: The Finance Committee has met and reviewed drafts since March and recommend the FY 2022-2023 Budget as presented during the Public Hearing for adoption on June 6<sup>th</sup>, 2022.

**Action Requested:** Motion to Approve or Disapprove

# ANNUAL BUDGET

**Fiscal Year 2022 - 2023**



**LOWER CAPE FEAR WATER & SEWER AUTHORITY  
1107 NEW POINTE BLVD., SUITE 17  
LELAND, NORTH CAROLINA 28451**

## **AUTHORITY BOARD OF DIRECTORS**

**CHARILE RIVENBARK, CHAIRMAN**

**NORWOOD BLANCHARD, VICE CHAIRMAN**

**HARRY KNIGHT, SECRETARY**

**PATRICK DEVANE, TREASURER**

**PHIL NORRIS, ASSISTANT TREASURER**

**WAYNE EDGE**

**ROB ZAPPLE**

**SCOTT PHILLIPS**

**JACKIE NEWTON**

**BILL SAFFO**

**CHRIS SMITH**

**WILLIAM SUE**

**FRANK WILLIAMS**

**AL LEONARD**

**CITY OF WILMINGTON**

**PENDER COUNTY**

**NEW HANOVER COUNTY**

**BLADEN COUNTY**

**BRUNSWICK COUNTY**

**BLADEN COUNTY**

**NEW HANOVER COUNTY**

**BRUNSWICK COUNTY**

**PENDER COUNTY**

**CITY OF WILMINGTON**

**COLUMBUS COUNTY**

**BRUNSWICK COUNTY**

**BRUNSWICK COUNTY**

**COLUMBUS COUNTY**

**TIM HOLLOMAN, EXECUTIVE DIRECTOR**

**DANIELLE HERTZOG, ADMINISTRATIVE ASSISTANT**

June 6, 2022

Chairman Rivenbark and Directors:

I am pleased to present the FY 2022-2023 Budget for the Lower Cape Fear Water and Sewer Authority for your review and consideration. The enclosed FY 22-23 Budget has been prepared in accordance with the North Carolina General Statute 159 Article 3 entitled "*The Local Government Budget and Fiscal Control Act.*"

The Public Hearing on the annual budget was held during the regularly scheduled monthly meeting of the Authority Board at 9:00 AM on Monday, May 9, 2022, in the conference room of the Authority's offices located 1107 New Pointe Boulevard, Suite 17, Leland, North Carolina.

Legal notice of the public hearing on the budget was published on April 20, April 27, May 20, and May 26, 2022, in accordance with the General Statutes.

The Authority's annual budget outlines the revenues that the Authority expects to receive during the fiscal year and outlines the expenditures expected to be made during the fiscal year. The core business of the Authority is providing raw water from the Cape Fear River to the Authority's customers. The Authority also continues to work with Smithfield Foods in the operation of the Bladen Bluffs Regional Water Treatment Plant.

The region served by the Authority continues to be one of the fastest-growing regions in the nation. The counties served by the Authority have increased in population from 456,941 in 2010 to an estimated population of 545,634 in 2022. This represents a 20% increase in the population served by the Authority's customers.

## **FY 20-21 ACCOMPLISHMENTS**

### **54" PARALLEL RAW WATER TRANSMISSION MAIN**

The cost of the project is being funded by Brunswick County and CFPWA based upon the requirements contained in the MOU. Construction began in FY 19-20, and the pipeline is currently scheduled to be in service by May of 2022. valves. The budgetary estimate for the final project cost is \$32.9 MM.

When completed, the project will increase the available capacity in the Kings Bluff Raw Water Transmission System from 45 million gallons per day (mgd) to 62 mgd without any improvements to the Kings Bluff Pump Station.

### **CAPITAL IMPROVEMENT PLAN ALIGNED WITH RATES**

The Authority continues to align the CIP to be supported by adequate rates to stabilize various funds and levels to anticipate unexpected emergencies and long-term needs. A Long-Range Planning Committee was established to make recommendations to the full Board on what needs to be included in Capital Planning and when the rates should be adjusted to support the need for construction, refurbishment, or expansion. A cost-of-service study is expected to be completed in the FY 2022-23 Fiscal Year

### **LEAK ON 48" LINE TO CFPWA AND PENDER COUNTY**

This leak occurred on November 4, 2022, and all work was completed by February 9, 2022. This has spurred a renewed and concerted effort by all LCFWASA partners to seek funding to expedite the design and construction of a second parallel line for the remainder of the 10-mile section to have the Authority completely redundant and to allow for maintenance of the existing 48" line.

### **US ARMY CORPS OF ENGINEERS CAPE FEAR LOCK AND DAM DISPOSITION STUDY**

In January 2020, the U. S. Army Corps of Engineers completed their study of the Cape Fear River Locks and Dams and determined that they were no longer needed for commercial navigation, which was their federally mandated purpose. As a part of their study, the Corps of Engineers developed three options for the future of the Cape Fear River Locks and Dams. These options are; Corps of Engineers to retain ownership but perform no maintenance; transfer ownership to an interested third party; or transfer ownership to a responsible state agency. As the Authority relies on Lock and Dam No. 1 to create a pool of water that results in a safe yield of 106 mgd for potable water usage, the Authority has determined that of the alternatives, transfer to a third party was the best long term option for the Authority and its customers. Negotiations among the utilities and the NC DEQ continue as to which entity would be the best option for ownership of the Cape Fear River Locks and Dams. After a meeting with the local Army Corps office, there has been no incremental or final decision on dispensing of the locks and dams. This year, there was a project to realign the fish dam at Lock and Dam #1

## **FISCAL YEAR 2021-2022 FUND DESCRIPTION**

The Authority maintains five has five funds that it maintains. The funds and their purposes are as follows:

### **BLADEN BLUFFS OPERATING FUND**

While the Authority owns the Bladen Bluffs Regional Water Treatment Plant and is responsible for the debt associated with the plant's construction, Smithfield Foods operates the facilities and pays all costs related to the facility's operation, including the debt service. The Authority receives the bills related to the facility's operation, pays the vendors, then submits a consolidated statement to Smithfield Foods monthly per the December 19, 2009, Agreement.

The debt service principal for the Bladen Bluffs Regional Water Treatment Plant for FY 22-23 is \$850,000, to be paid in December 2022. The interest rate on the remaining principal is variable, and it is estimated that \$297,500 in interest will be paid based on current interest rates.

In FY 22-23, expenditures by Smithfield on the operation of the Bladen Bluffs Regional Water Treatment Plant are expected to be \$3,304,318.

The Authority charges approximately 30% of some of the personnel costs and direct costs to Smithfield in recognition of personnel's work performed on Bladen Bluffs Regional Water Treatment Plant related issues such as accounts payable, accounting of expenditures, and management of capital projects. Smithfield pays its proportionate share of other direct costs such as insurance and audits.

### **KINGS BLUFF OPERATING FUND**

#### **REVENUES**

In FY 22-23, the projected water revenues reflect an increase of 2% in demand over the FY 21-22 projections. The projected water demand for FY 21-22 is 10.12 billion gallons or 25.67 million gallons per day (mgd). By Board approval, the raw water rate increases to FY 22-23 at \$0.3600 per 1,000 gallons. This rate and the projected flow will generate \$3,276,239 in operating revenue.

#### **EXPENDITURES**

The Authority owns the Kings Bluff Raw Water Pump Station and associated transmission system. While the Authority contracts with Brunswick County for the daily operation of the station, the Authority is responsible for paying for several

direct costs associated with station operation, such as electric charges from Duke Energy, fuel costs related to the main generators, debt service on capital improvements, and significant capital expenditures for repairs of station equipment.

In FY 21-22, costs associated with the administration of the Authority is recommended to increase from \$442,652 to \$510,822. The increase is not due to any one major area, just general operating costs across the board.

In FY 22-23, cost for operating the Kings Bluff Pump Station, and the debt service on the improvements that have been constructed at the facility are expected to increase from \$3,108,396 to \$3,375,987. This year, the Operating Fund will transfer \$150,000 to Renewal and Replacement and \$100,000 to the Enterprise Fund. \$911,000 in capital funds will be expended for various projects.

Debt service payment to New Hanover County started in FY 20-21. The final payment of \$258,834 will be made in FY 22-23.

### **RENEWAL AND REPLACEMENT FUND**

The purpose of this fund is to pay the cost of equipment that needs to be replaced at the Kings Bluff Pump Station. In FY 22-23, there will be no appropriations from this fund because the balance is \$117,000. An anticipated transfer from the Operational Fund of \$150,000 will bring the R & R fund up to \$267,000 by the end of FY 22-23. Over a ten-year period, the projected balance should be \$3,000,000.00 at a minimum. This needs to be adjusted to a smaller window to arrive at this amount in five years instead of the projected 10-year window.

### **ENTERPRISE FUND**

The Enterprise Fund is the main source of funds for capital projects and major repairs. There are no projects that are budgeted for this fund in FY 22-23. A Capital Project Ordinance would be approved if the need for an additional project arises in FY 22-23. \$391,253.25 was transferred from this fund to purchase a VFD ahead of schedule and for approximately a \$103,000 in spare parts for the VFDs.

### **RIGHT OF WAY FUND**

The Right of Way Maintenance Fund was funded by a developer and will be used to repair the roadway constructed with the Authority's easement in Brunswick County. We do not anticipate any expenditures from this fund in FY 22-23.



## CONCLUSION

I would like to thank the Finance Committee and the Board for their support and recognition of what resources are needed to keep the Authority moving forward. I would also like to express special appreciation to our Financial Administrative Assistant for her attention to detail with Authority funds. Emergency preparedness is a focal point for our Board of Directors, who are working to make sure the entire length of the raw water pipeline is redundant, allowing customers peace of mind regarding supply. Furthermore, planning to accommodate future growth and promoting business retention and recruitment to the Cape Fear Region is a top concern for the Board.

Respectfully Submitted,

Tim H. Holloman  
Executive Director



# BUDGET ORDINANCE

## FY 2022-2023

### Lower Cape Fear Water & Sewer Authority

**BE IT ORDAINED** by the Governing Board of the Lower Cape Fear Water & Sewer Authority:

Section 1: The following amounts are hereby appropriated in the **Operating Fund** for the operation of the Authority and its activities for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

#### APPROPRIATIONS

<b>Administration</b>	\$832,304
<b>Operating Expenses</b>	
Sales Tax Expense	100,000
Operating Capital Expense	911,000
Bladen Bluffs Expense	1,891,086
Utilities/Energy – Kings Bluff Pump Station	778,758
O&M Expense – Kings Bluff	510,822
Transfer to R&R - Kings Bluff R&R Expense	150,000
Transfer to Enterprise	100,000
Series 2012 Revenue Bond-Principal Expense (ST)	
Series 2012 Revenue Bond-Interest Expense (ST)	
Series 2010 Revenue Bond-Principal Expense (BB)	850,000
Series 2010 Revenue Bond-Interest Expense (BB)	297,500
421 Relocation New Hanover County Loan Principal	258,835
<b>TOTAL APPROPRIATIONS</b>	<b>\$6,680,305</b>

Section 2: It is estimated the following revenues will be available in the **Operating General Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

#### REVENUES

##### Operating Revenues

Brunswick County	\$ 1,566,597
Cape Fear Public Utility Authority	1,428,403
Pender County	199,518
Hwy 421	79,618
Praxair	2,095
Bladen Bluffs Revenue	3,204,318
Bladen Bluffs Admin Reimbursement	99,256
Sales Tax Refund	100,000

##### Non-Operating Revenues

Interest	500
Other Revenue	0
Bladen Bluffs FEMA Admin Reimbursement	0
Renewal and Replacement Fund Appropriated	0

<b>TOTAL REVENUES</b>	<b>\$ 6,680,305</b>
-----------------------	---------------------

Section 3: The Board of Directors of the Lower Cape Fear Water & Sewer Authority hereby establishes a raw water rate of \$0.3600 per 1,000 gallons as of July 1, 2022, for raising the necessary revenue to balance the appropriations noted in Section 1.

Section 4: The following amount is hereby appropriated in the **Operating General Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**APPROPRIATIONS**

Operating General Fund – Appropriated for Future Expenditures	\$ 1,754,018
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 1,754,018</b>

Section 5: It is estimated the following revenue will be available in the **Operating General Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**REVENUES**

Operating General Fund - Fund Balance	\$ 1,754,018
<b>TOTAL ESTIMATED REVENUES</b>	<b>\$ 1,754,018</b>

Section 6: The following amount is hereby appropriated in the **Enterprise Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**APPROPRIATIONS**

Enterprise Fund - Reserve for Future Expenditures	\$ 280,425
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 280,425</b>

Section 7: It is estimated the following revenue will be available in the **Enterprise Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**REVENUES**

Enterprise Fund - Fund Balance Appropriated	\$ 280,425
<b>TOTAL ESTIMATED REVENUES</b>	<b>\$ 280,425</b>

Section 8: The following amounts are hereby appropriated in the **Renewal and Replacement Fund (R&R)** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**APPROPRIATIONS**

R&R - Reserve for Future Expenditures	\$ 181,804
R&R - Kings Bluff R&R Expense	150,000
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 331,804</b>

Section 9: It is estimated the following revenues will be available in the **Renewal and Replacement Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**REVENUES**

R&R - Fund Balance Appropriated	\$ 181,804
Transfer In From Operating Fund	150,000

**TOTAL ESTIMATED REVENUES**

\$	331,804
----	---------

Section 10: The following amount is hereby appropriated in the **Right of Way Maintenance Fund** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**APPROPRIATIONS**

Right of Way Fund - Reserve for Future Expenditures	\$	281,420
---	----	---------

**TOTAL APPROPRIATIONS**

\$	281,420
----	---------

Section 11: It is estimated the following revenue will be available in the **Right of Way Maintenance Fund (ROW)** for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

**REVENUES**

ROW - Fund Balance Appropriated	\$	281,420
---------------------------------	----	---------

**TOTAL ESTIMATED REVENUES**

\$	281,420
----	---------

**Section 10:** Copies of this Budget Ordinance shall be furnished to the Finance Officer to be kept on file for direction in the disbursement of funds. This budget acknowledges and approves any transfers between funds expected as revenue from one fund or account specifically in reference to the Bladen Bluffs Administrative transfers as reflected in this budget and any funds in associated Kings Bluff Funds including the Revenue and Replacement Fund, Enterprise Fund, and Right of Way Fund.

**Adopted this 6<sup>th</sup> day of June 2022**

\_\_\_\_\_  
Charlie Rivenbark, Chairman

ATTEST:

\_\_\_\_\_  
Harry Knight, Secretary

**TABLE OF CONTENTS**

<b>SECTION</b>	<b>PAGE</b>
REVENUES	2
EXPENDITURES	3
WATER REVENUE ESTIMATES AND RATE CALCULATION	4
WATER USAGE PROJECTIONS	5-7
PERSONNEL COSTS	8-9
BLADEN BLUFFS ADMINISTRATIVE COST CALCULATION	10-11
BOARD MEMBER SALARY CALCULATION	12
RENEWAL AND REPLACEMENT FUND	13
LONG TERM DEBT SCHEDULE	14
BRUNSWICK COUNTY KINGS BLUFF O&M BUDGET	15-16
NEW HAONVER COUNTY 421 RELOCATION LOAN	17

**LOWER CAPE FEAR WATER AND SEWER AUTHORITY  
FISCAL YEAR 2022-2023 BUDGET**

ACCOUNT NO.	REVENUES	FY 20-21 APPROVED BUDGET	FY 20-21 ACTUALS	FY 21-22 AMENDED BUDGET	FY 21-22 ACTUAL 12/31/21	PROPOSED FY 22-23 BUDGET			FY 22-23 TOTAL COMBINED BUDGET
						KINGS BLUFFS	BLADEN BLUFFS		
	<b>OPERATING</b>								
3001-01	Brunswick County	\$ 1,303,072	\$ 1,425,384	\$ 1,491,553	\$ 968,076	\$ 1,566,597	\$ -	\$ -	\$ 1,566,597
3002-01	Cape Fear Public Utility Authority	\$ 1,162,726	\$ 1,102,675	\$ 1,296,405	\$ 519,628	\$ 1,428,403	\$ -	\$ -	\$ 1,428,403
3003-03	Pender County	\$ 175,975	\$ 157,838	\$ 179,822	\$ 98,269	\$ 199,518	\$ -	\$ -	\$ 199,518
3004-01	Stehphan/Invista	\$ 70,642	\$ 32,488	\$ 40,000	\$ 44,634	\$ 79,618	\$ -	\$ -	\$ 79,618
3005-01	Praxair, Inc	\$ 2,989	\$ 2,088	\$ 4,314	\$ 1,107	\$ 2,095	\$ -	\$ -	\$ 2,095
3006-01	Bladen Bluffs Reimbursement for Plant Operation Costs	\$ 2,454,409	\$ 2,484,174	\$ 3,194,127	\$ 2,179,908	\$ -	\$ 3,204,318	\$ -	\$ 3,204,318
3006-02	Bladen Bluffs Administrative Reimbursement	\$ 81,972	\$ 90,888	\$ 94,302	\$ 63,501	\$ 99,256	\$ -	\$ -	\$ 99,256
3007-01	Sales Tax Refund	\$ 56,000	\$ 67,220	\$ 70,000	\$ 55,833	\$ -	\$ 100,000	\$ -	\$ 100,000
	<b>Subtotal</b>	<b>\$ 5,307,784</b>	<b>\$ 5,362,755</b>	<b>\$ 6,370,523</b>	<b>\$ 3,930,956</b>	<b>\$ 3,375,487</b>	<b>\$ 3,304,318</b>	<b>\$ -</b>	<b>\$ 6,679,805</b>
	<b>Non-Operating</b>								
3105-01	Interest	\$ 25,321	\$ 2,352	\$ 2,000	\$ 228	\$ 500	\$ -	\$ -	\$ 500
3120-01	Other Revenue (Insurance Proceeds/FEMA)	\$ 25,000	\$ 260,063		\$ 600	\$ -	\$ -	\$ -	\$ -
3125-01	Federal Tax Subsidy	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -
3156-00	Rental House Income				\$ 8,007				
3170-01	Transfer In	\$ -	\$ 60,000			\$ -	\$ -	\$ -	\$ -
3900-01	Renewal and Replacement Fund Appropriated	\$ 178,290	\$ 192,190		\$ -	\$ -	\$ -	\$ -	\$ -
2900-00	Fund Balance Appropriated		\$ 14,500		\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Subtotal</b>	<b>\$ 228,611</b>	<b>\$ 529,105</b>	<b>\$ 2,000</b>	<b>\$ 8,835</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>
	<b>TOTAL REVENUES</b>	<b>\$ 5,536,395</b>	<b>\$ 5,891,860</b>	<b>\$ 6,372,523</b>	<b>\$ 3,939,791</b>	<b>\$ 3,375,987</b>	<b>\$ 3,304,318</b>	<b>\$ -</b>	<b>\$ 6,680,305</b>

LOWER CAPE FEAR WATER AND SEWER AUTHORITY  
FISCAL YEAR 2022-2023 BUDGET

ACCOUNT NO.	EXPENDITURES	FY 20-21 APPROVED BUDGET	FY 20-21 ACTUALS	FY 21-22 AMENDED BUDGET	FY 21-22 ACTUAL 12/31/21	PROPOSED FY 22-23 BUDGET		FY 22-23 TOTAL COMBINED BUDGET
						KINGS BLUFFS	BLADEN BLUFFS	
	Administration							
4001-01	Salaries	\$ 163,206	\$ 170,224	\$ 168,510	\$ 83,200	\$ 128,100	\$ 54,900	\$ 183,000
4010-01	Per Diem and Mileage Board Members	\$ 58,600	\$ 51,812	\$ 62,500	\$ 26,411	\$ 43,750	\$ 18,750	\$ 62,500
4012-01	Vehicle Allowance	\$ 5,200	\$ 5,000	\$ 5,200	\$ 2,600	\$ 3,640	\$ 1,560	\$ 5,200
4019-01 & 4024-01	FICA Taxes	\$ 16,002	\$ 17,425	\$ 17,967	\$ 8,451	\$ 13,438	\$ 5,759	\$ 19,197
4029-01	Retirement	\$ 17,790	\$ 17,191	\$ 18,379	\$ 9,265	\$ 15,385	\$ 6,593	\$ 21,978
4035-01	401K Plan	\$ 4,925	\$ 4,560	\$ 4,758	\$ 2,379	\$ 3,633	\$ 1,557	\$ 5,190
4035-01	Miscellaneous Payroll Expenses	\$ 2,900	\$ 2,367	\$ 2,900	\$ 1,056	\$ 2,900	\$ -	\$ 2,900
4036-01	Group Insurance	\$ 36,260	\$ 33,224	\$ 40,910	\$ 17,081	\$ 26,652	\$ 11,422	\$ 38,074
4039-01	Property and Liability Insurance	\$ 120,000	\$ 105,167	\$ 87,000	\$ 87,279	\$ 66,011	\$ 28,290	\$ 94,301
4045-00	Professional Services General			\$ 15,000	\$ -			
4046-01	Attorney	\$ 40,000	\$ 32,980	\$ 27,900	\$ 10,559	\$ 21,000	\$ 9,000	\$ 30,000
4047-01	Auditor	\$ 7,000	\$ 8,200	\$ 9,000	\$ 6,200	\$ 6,300	\$ 2,700	\$ 9,000
4048-01	Engineer	\$ 50,000	\$ 30,179	\$ 50,000	\$ 10,766	\$ 232,041	\$ 21,000	\$ 253,041
4049-01	Information Technology		\$ 4,098	\$ 13,800	\$ 5,830	\$ 9,800	\$ 4,200	\$ 14,000
4055-01	Office Maintenance/Repair/Common Charge	\$ 14,000	\$ 18,017	\$ 22,000	\$ 6,133	\$ 23,903	\$ -	\$ 23,903
4058-01	Office Utilities	\$ 3,000	\$ 5,408	\$ 3,000	\$ 994	\$ 5,000	\$ -	\$ 5,000
4059-01	Office Expenses (telephone, Printing, Adv)	\$ 9,100	\$ 39,567	\$ 26,300	\$ 7,454	\$ 14,000	\$ -	\$ 14,000
4062-01	Office Equipment			\$ 10,000	\$ 5,575	\$ 10,000	\$ -	\$ 10,000
4064-01	Printing and Advertising			\$ 2,000	\$ 688	\$ 2,500	\$ -	\$ 2,500
4064-01	Telephone and Internet			\$ 3,200	\$ 1,108	\$ 3,500	\$ -	\$ 3,500
4070-01	Travel and Training	\$ 15,000	\$ 14,863	\$ 19,300	\$ 11,562	\$ 19,500	\$ -	\$ 19,500
	Phone Allowance			\$ 520	\$ 260	\$ 520	\$ -	\$ 520
4075-01	Vehicle Expense			\$ -	\$ -	\$ -	\$ -	\$ -
4080-01	Miscellaneous Expense	\$ 17,000	\$ 18,262	\$ 23,000	\$ 12,225	\$ 15,000	\$ -	\$ 15,000
	<b>Subtotal</b>	<b>\$ 579,983</b>	<b>\$ 578,544</b>	<b>\$ 633,244</b>	<b>\$ 317,076</b>	<b>\$ 666,572</b>	<b>\$ 165,732</b>	<b>\$ 832,304</b>
	Operating							
4501-01	Sales Tax Expense	\$ 56,000	\$ 55,832	\$ 70,000	\$ 57,341	\$ -	\$ 100,000	\$ 100,000
4510-01	Bladen Bluffs O & M	\$ 1,257,430	\$ 1,809,867	\$ 1,889,330	\$ 1,129,648	\$ -	\$ 1,891,086	\$ 1,891,086
4515-01	Bladen Bluffs Hurricane Florence							
4520-01	Utilities/Energy/Kings Bluff	\$ 925,000	\$ 718,272	\$ 775,667	\$ 296,229	\$ 778,758	\$ -	\$ 778,758
4530-01	Contract O & M Kings Bluff	\$ 453,609	\$ 375,620	\$ 453,609	\$ 187,361	\$ 510,822	\$ -	\$ 510,822
4537-01	O&M Kings Booster Pump Bluff Pump Station							
4541-01	Combined Enterprise Funded Series 2010 Principal	\$ -		\$ -		\$ -	\$ -	\$ -
4542-01	Combined Enterprise Funded Series 2010 Interest	\$ -		\$ -		\$ -	\$ -	\$ -
4543-01	Combined Enterprise System Ref Series 2012 Principal	\$ 589,940	\$ 589,940	\$ 601,443		\$ -	\$ -	\$ -
4544-01	Combined Enterprise System Ref Series 2012 Interest	\$ 23,232	\$ 25,076	\$ 11,730	\$ 5,864	\$ -	\$ -	\$ -
4545-01	Bladen Bluffs Debt Service Principal	\$ 790,000	\$ 790,000	\$ 850,000	\$ 850,000	\$ -	\$ 850,000	\$ 850,000
4546-01	Bladen Bluffs Debt Service Interest	\$ 275,000	\$ 25,526	\$ 297,500	\$ 7,102	\$ -	\$ 297,500	\$ 297,500
	Operating Capital Expense		\$ 55,664	\$ 325,000	\$ 250,000	\$ 911,000	\$ -	\$ 911,000
4998-05	Transfer to R&R - Kings Bluff R&R Expense	\$ 196,201		\$ 75,000		\$ 150,000	\$ -	\$ 150,000
4998-06	Transfer to Enterprise Fund					\$ 100,000	\$ -	\$ 100,000
2041-01	421 Relocation New Hanover County Loan Principal	\$ 390,000	\$ 390,000	\$ 390,000	\$ 390,000	\$ 258,835	\$ -	\$ 258,835
	<b>Subtotal</b>	<b>\$ 4,956,412</b>	<b>\$ 4,835,797</b>	<b>\$ 5,739,279</b>	<b>\$ 3,173,545</b>	<b>\$ 2,709,415</b>	<b>\$ 3,138,586</b>	<b>\$ 5,848,001</b>
	<b>TOTAL EXPENDITURES</b>	<b>\$ 5,536,395</b>	<b>\$ 5,414,341</b>	<b>\$ 6,372,523</b>	<b>\$ 3,490,621</b>	<b>\$ 3,375,987</b>	<b>\$ 3,304,318</b>	<b>\$ 6,680,305</b>

## WATER REVENUE ESTIMATES AND WATER RATE CALCULATION

Raw Water Customer	FLOWS			
	FY 20-21 Actual	FY 21-22 Projected	FY 21-22 Actual (as of 12-31-2021)	FY 22-23 Projected
Brunswick County	5,246,138	4,662,657	2,993,565	4,486,246
CFPUA	4,058,429	4,050,000	1,574,629	4,090,500
Pender County	580,928	561,770	298,336	571,360
Stephan	119,574	121,212	135,254	228,000
Praxair	11,000	11,000	3,355	6,000
	10,016,069	9,406,639	5,005,139	9,382,106
Raw Water Customer	REVENUES			
	FY 20-21 Actual	FY 21-22 Projected	FY 21-22 Actual (as of 12-31-2021)	FY 22-23 Projected
RATE PER 1,000 GALLONS	\$ 0.2717	\$ 0.3300	\$ 0.3300	\$ 0.360
Brunswick County	\$ 1,425,376	\$ 1,491,553	\$ 968,076	\$ 1,566,597
CFPUA	\$ 1,102,675	\$ 1,296,405	\$ 519,628	\$ 1,428,403
Pender County	\$ 157,838	\$ 185,384	\$ 98,451	\$ 199,518
Stepan	\$ 32,488	\$ 40,000	\$ 44,634	\$ 79,618
Praxair	\$ 2,088	\$ 3,614	\$ 1,107	\$ 2,095
	\$ 2,720,465	\$ 3,016,956	\$ 1,631,896	\$ 3,276,231
<b>KINGS BLUFF EXPENSES</b>				
ADMINISTRATION	\$	\$ 666,572		
OPERATING INCLUDING DEBT SERVICE	\$	\$ 2,709,415		
TOTAL EXPENSES	\$	\$ 3,375,987		
<b>KINGS BLUFF REVENUES</b>				
WATER SALES BASED ON CURRENT RATE	\$	\$ 3,276,231		
OTHER REVENUES	\$	\$ 99,485		
TOTAL REVENUES	\$	\$ 3,375,716		



**BRUNSWICK COUNTY**  
**PROJECTED WATER USE**  
**FOR JULY 1, 2022 THROUGH JUNE 30, 2023**  
**WATER RATE OF \$0.33 / 1,000 GALLONS**

Month	Estimated Usage	Cumulative Total
July 2022	547,884,030.00	547,884,030.00
August	509,390,260.00	1,057,274,290.00
September	482,421,953.84	1,539,696,243.84
October	435,378,850.00	1,975,075,093.84
November	289,796,766.00	2,264,871,859.84
December	244,971,792.00	2,509,843,651.84
January 2023	221,715,016.00	2,731,558,667.84
February	221,170,392.00	2,952,729,059.84
March	259,331,360.00	3,212,060,419.84
April	378,720,570.00	3,590,780,989.84
May	423,428,561.20	4,014,209,551.04
June	472,036,162.00	4,486,245,713.04
<b>TOTAL</b>	<b>4,486,245,713.04</b>	
<b>Annual Daily Average:</b>		<b>Annual Revenue</b> \$ 1,480,461.09

**CAPE FEAR PUBLIC UTILITY AUTHORITY**  
**PROJECTED WATER USE**  
**FOR JULY 1, 2022 THROUGH JUNE 30, 2023**  
**WATER RATE OF \$0.33 / 1,000 GALLONS**

<b>Month</b>	<b>Estimated Usage</b>	<b>Cumulative Total</b>
July 2022	290,880,000.00	290,880,000.00
August	300,980,000.00	591,860,000.00
September	324,210,000.00	916,070,000.00
October	319,160,000.00	1,235,230,000.00
November	248,460,000.00	1,483,690,000.00
December	364,610,000.00	1,848,300,000.00
January 2023	419,150,000.00	2,267,450,000.00
February	375,720,000.00	2,643,170,000.00
March	435,310,000.00	3,078,480,000.00
April	406,020,000.00	3,484,500,000.00
May	319,160,000.00	3,803,660,000.00
June	286,840,000.00	4,090,500,000.00
<b>TOTAL</b>	<b>4,090,500,000.00</b>	
<b>Annual Daily Average:</b>	<b>11,206,849.32</b>	<b>Annual Revenue</b>
		<b>\$ 1,349,865.00</b>

**PENDER COUNTY**  
**PROJECTED WATER USE**  
**FOR JULY 1, 2022 THROUGH JUNE 30, 2023**  
**WATER RATE OF \$0.33 / 1,000 GALLONS**

Month	Estimated Usage	Cumulative Total
July 2022	52,040,000.00	52,040,000.00
August	51,810,000.00	103,850,000.00
September	50,970,000.00	154,820,000.00
October	48,900,000.00	203,720,000.00
November	44,080,000.00	247,800,000.00
December	45,990,000.00	293,790,000.00
January 2023	46,560,000.00	340,350,000.00
February	42,150,000.00	382,500,000.00
March	41,480,000.00	423,980,000.00
April	46,400,000.00	470,380,000.00
May	49,720,000.00	520,100,000.00
June	51,260,000.00	571,360,000.00
<b>TOTAL</b>	<b>571,360,000.00</b>	
<b>Annual Daily Average:</b>	<b>1,565,369.86</b>	<b>\$ 188,548.80</b>

Employee	PERSONNEL COST			Notes
	Adopted FY 21-22	Salary	Proposed FY 22-23	
Executive Director	\$ 112,200.00	\$ 120,615.00	7.5% COLA	
Administrative Assistant	\$ 48,730.50	\$ 52,385.00	7.5% COLA	
Part-Time	\$ -	\$ 10,000.00		
	\$ 160,930.50	\$ 183,000.00		
Board Per Diem and Mileage				
	\$ 62,500.00	\$ 62,500.00		
Executive Director	\$ 9,593.10	\$ 10,312.58	8.55 % of Salary	
Administrative Assistant	\$ 4,166.46	\$ 4,478.92	8.55 % of Salary	
Part-Time	\$ -	\$ 855.00	8.55% of Salary	
Board Members	\$ 3,515.85	\$ 3,550.95	8.55% of Salary	
	\$ 17,275.41	\$ 19,197.45		
Executive Director	\$ 12,734.70	\$ 14,485.86	12.01%	
Part-Time	\$ -	\$ 1,201.00		
Administrative Assistant	\$ 5,530.91	\$ 6,291.44	12.01%	
	\$ 18,265.61	\$ 21,978.30		
Executive Director	\$ 19,037.00	\$ 19,037.00	Assumes Coverage of Employee	
Administrative Assistant	\$ 19,037.00	\$ 19,037.00	Assumes Coverage of Employee	
	\$ 38,074.00	\$ 38,074.00		
Executive Director	\$ 3,366.00	\$ 3,618.45	3.0% of the salary	
Administrative Assistant	\$ 1,461.92	\$ 1,571.55	3.0% of the salary	
	\$ 4,827.92	\$ 5,190.00		

**BOARD MEMBER COST**

## Board Member Salaries and Mileage Reimbursement

Salary for Board Member per meeting	\$	300	
Salary for Chairman Per Board Meeting	\$	330	
Total Salary Costs	\$	50,760.00	Based upon 12 meetings per year
Current Board Total Mileage		875	
Current IRS Mileage Rate	\$	0.585	per mile
Total Mileage Cost Per Year	\$	6,142.50	
<b>Total for Budget</b>	\$	56,902.5	
Round to \$50,000 increase of committee meetings outside of normal meetings			
Social Security	\$	3,883	
Breakfast	\$	174.65 per month	2,095.80
	\$		62,881.4

## BLADEN BLUFFS ADMINISTRATIVE COST CALCULATION

Employee	Allocation		Bladen Bluffs Allocation
	<b>SALARY</b>		
Executive Director	\$	120,615.00	
Administrative Assistant	\$	52,385.00	
Part Time	\$	10,000.00	
	\$	<u>179,781.68</u>	<b>\$53,934.50</b>
Board Per Diem, Mileage and Expense		\$62,500.00	<b>\$18,750.00</b>
	<b>VEHICLE ALLOWANCE</b>		
Executive Director		\$5,200.00	
		<u>\$520.00</u>	
		\$5,720.00	<b>\$1,716.00</b>
	<b>FICA</b>		
Executive Director		\$10,312.58	
Administrative Assistant		\$4,478.92	
Part Time		\$855.00	
Board Members		<u>\$3,550.95</u>	
		\$19,197.45	<b>\$5,759.24</b>
	<b>RETIREMENT</b>		
Executive Director		\$14,216.36	
Administrative Assistant		<u>\$6,174.42</u>	
		\$20,390.78	<b>\$6,117.23</b>
	<b>401K</b>		
Executive Director		\$3,618.00	
Administrative Assistant		<u>\$1,572.00</u>	
		\$5,190.00	<b>\$1,557.00</b>
	<b>HEALTH INSURANCE</b>		
Executive Director		\$19,037.00	
Administrative Assistant		<u>\$19,037.00</u>	
		\$38,074.00	<b>\$11,422.20</b>
	\$	330,853.91	<b>\$99,256.17</b>

BLADEN BLUFFS ADMINISTRATIVE COST CALCULATION CONTINUED

ATTORNEY	\$	9,000
ENGINEER	\$	21,000
AUDITOR	\$	2,700
INFORMATION TECHNOLOGY		<u>\$4,200.00</u>
ADMINISTRATIVE COST FROM FIRST SHEET	\$	99,256
	\$	136,156
<b>INSURANCE PROPERTY &amp; LIABILITY</b>		
Total cost of Property and Liability Insurance is \$86,278.00		
Bladen Bluffs share is		
based upon percent		
	\$	<u>26,100</u>
<b>Total Annual Admin Cost</b>	\$	162,256

Department Name: LCFWSA - Reimburseable  
 Department Code: 617150  
 Budget Manager: Director of Public Utilities

COUNTY OF BRUNSWICK  
 Fiscal Year 2023 Budget

Dept.#	Item #	Description	Prior Years Actuals 2020	2021	2022 Amended Budget	2022 Original Budget @ 7/1/21	2022 Actual @ 12/31/2021	% Received/ Expended @ 12/31/2021	Input Column 2023 Department Requested	2023 Increase (Decrease) Requested
617150	383927	LCFWSA O and M Reimbursement	426,163	345,879	3,321,377	435,377	141,417	4%	564,822	129,445
		Add New Revenue Line Item In Space Below:								
617150		Administration	-	-	-	-	-	0%	24,000	24,000
617150			-	-	-	-	-	0%	-	-
		Total Revenues	426,163	345,879	3,321,377	435,377	141,417	4%	588,822	153,445
617150	412100	Salary & Wages - Regular	98,286	106,447	103,662	103,662	63,840	62%	146,787	43,125
617150	412200	Salaries & Wages - Overtime	5,735	6,647	1,000	1,000	7,290	729%	7,000	6,000
617150	412203	Salaries & Wages - Pager on Call	9,856	10,851	9,317	9,317	5,308	57%	10,287	970
617150	412204	Salary & Wages - Call Back	474	961	6,000	6,000	960	16%	-	(6,000)
617150	412600	Salaries & Wages - Temp / Part	-	-	27,000	27,000	-	0%	27,000	-
617150	412700	Salary & Wages - Longevity	1,325	3,490	2,187	2,187	-	0%	2,271	84
617150	412990	Salary and Wages Reimbursements	12,756	13,808	10,000	-	8,854	89%	10,000	10,000
617150	418100	FICA	8,808	10,123	11,411	11,411	5,920	52%	14,791	3,380
617150	418200	Retirement	16,100	19,195	19,925	19,925	12,866	65%	28,794	8,869
617150	418300	Health Insurance	15,111	16,281	16,290	16,290	8,140	50%	21,383	5,093
617150	418303	Workers Compensation Insurance	5,124	5,464	6,010	6,010	5,068	84%	-	(6,010)
617150	418306	Life Insurance	82	94	200	200	38	19%	250	50
617150	418310	Dental Insurance	537	573	766	766	305	40%	1,150	384
617150	418400	Disability & Long - Term Ins	304	338	341	341	168	49%	484	143
617150	418900	Fringe Benefits Reimbursements	5,040	5,377	5,400	-	4,003	74%	-	-
617150	419900	Prof Ser - Other	2,991	2,991	-	-	-	0%	-	-
617150	421200	Uniforms	402	-	1,200	1,200	-	0%	1,200	-
617150	425101	Fuel - Emergency Generator	-	-	14,625	14,625	-	0%	14,625	-
617150	426000	Supplies and Materials	998	462	675	500	485	72%	500	-
617150	426002	Departmental Supplies	1,651	2,920	3,200	2,000	2,941	92%	2,000	-
617150	426010	Computer Software	-	-	500	500	-	0%	500	-
617150	426200	Operating Equip \$500 - \$4,999	-	1,250	-	-	-	0%	-	-
617150	426205	Computers \$500 - \$4,999	-	-	-	-	-	0%	-	-
617150	431100	Travel - Mileage	999	1,034	2,000	2,000	2,142	107%	2,000	-



617150	431200	Travel - Subsistence	1,874	-	250	250	0%	250	-
617150	431500	Travel - Registrations	5,200	-	1,000	1,000	0%	1,000	-
617150	432100	Telephone	-	356	662	-	50%	700	700
617150	432150	Cell Phone Reimbursement	1,213	975	1,300	1,300	40%	1,300	-
617150	432500	Postage	24	24	50	50	20%	50	-
617150	435100	Repair and Maint - Building	-	575	6,000	8,500	1%	8,500	-
617150	435102	Repair and Maint - Grounds	-	-	343	343	0%	1,000	657
617150	435200	Repair and Maint - Equipment	134,120	41,065	73,062	63,000	21%	69,000	6,000
617150	435203	Repair and Maint - Instrument	3,349	23,078	26,000	30,000	21%	30,000	-
617150	435208	Repair and Maint - Roadways	-	-	2,000	2,000	0%	2,000	-
617150	435217	R and M - Transmission Mains	-	-	2,886,000	-	0%	-	-
617150	439900	Contract Services	50,184	37,501	19,000	19,000	80%	21,000	2,000
617150	441400	Rent of Equipment	4,210	2,486	2,000	2,000	45%	2,000	-
617150	444000	Service and Maint Contracts	38,883	31,516	74,161	83,000	7%	83,000	-
617150	449913	CY FEMA Event 1	526	-	-	-	0%	-	-
617150	451000	Furniture/Office Equipment	-	-	-	-	0%	-	-
617150	454000	Vehicles On Road	-	-	-	-	0%	-	-
617150	455000	Equipment	-	-	18,750	-	0%	-	-
617150	458000	Buildings	-	-	-	-	0%	-	-
617150	459000	Improvements	-	-	-	-	0%	-	-
Add New Expenditure Line Item In Space Below:									
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
617150			-	-	-	-	0%	-	-
Total Expenditures			426,163	345,879	3,352,287	435,377	5%	510,822	75,445
Revenues Over(Under) Expenditures			(0)	-	(30,910)	-		78,000	78,000

## Summary

Salaries and Wages	204,109
Operating Expenditures	231,268
Repair and Maint	103,843
Capital Outlay	-

270,197  
240,625  
110,500  
-

**OPERATING FUND CAPITAL EXPENDITURES AND TRANSFERS**

<b>EQUIPMENT TO BE REPLACED</b>	<b>REPLACEMENT COST</b>
FORKLIFT	\$ 30,000
VFD COMPONENT REPLACEMENT	\$ 266,000
VTR PUMP	\$ 200,000
ANTI VORTEXING	\$ 50,000
ELEVATED WALKWAY	
INDEPENDENT RATE STUDY	\$ 100,000
ROW ACQUISITION	\$ 100,000
MATCHING SRF FUNDING	\$ 150,000
TRANSFER TO RENEWAL AND REPLACEMENT	\$ 150,000
TRANSFER TO ENTERPRISE FUND	\$100,000
MISCELLANEOUS	<u>\$ 15,000</u>
TOTAL	\$ 1,161,000

LOWER CAPE FEAR DEBT SERVICE SCHEDULE

KINGS BLUFFS RAW WATER PUMP STATION

FY 22-23	Date of Payment	Interest Rates	Old Balance	Principal Payment	Interest Payment	Total Series Payment	Total Bi-Annual Payment	Total Annual Payment
NHC CONTRACT 19-0343	5/1/2023	2.0000%	239,634.63	239,634.63	19,200.00	258,834.63	258,834.63	258,834.63

BLADEN BLUFFS REGIONAL SURFACE WATER TREATMENT SYSTEM  
VARIABLE RATE SPECIAL FACILITY REVENUE BONDS (BLADEN BLUFFS PROJECT SERIES 2010)

**NEW HANOVER COUNTY HWY 421 WATER MAIN RELOCATION LOAN  
REQUESTS FOR FUNDING FROM NEW HANOVER COUNTY**

Period Ending	County Interest Owed	LCFWSA Interest Payment	County Principal Owed	LCFWSA Principal Payment	LCFWSA Total Payment	Fiscal Yr Totals
8/1/2020	\$25,666.66	\$25,666.66	\$0.00	\$0.00	\$25,666.66	
2/1/2021	\$26,400.00	\$26,400.00	\$480,000.00	\$337,933.34	\$364,333.34	390,000.00
8/1/2021	\$19,200.00	\$19,200.00	\$0.00	\$0.00	\$19,200.00	
2/1/2022	\$19,200.00	\$19,200.00	\$480,000.00	\$351,600.00	\$370,800.00	390,000.00
8/1/2022	\$9,600.00	\$9,600.00	\$0.00	\$0.00	\$9,600.00	
2/1/2023	\$9,600.00	\$9,600.00	\$480,000.00	239,634.63	\$249,234.63	258,834.63
<b>6 Payments</b>	<b>109,666.66</b>	<b>\$109,666.66</b>	<b>1,440,000.00</b>	<b>\$929,167.97</b>	<b>\$1,038,834.63</b>	<b>\$1,038,834.63</b>

Proceeds Distributed to LCFW:	915,346.00
Closing Costs Paid from Proceeds	13,821.97
Total Loan Distributed for LCFV	929,167.97
Total Par Amount	1,440,000.00
Remaining Proceeds	510,832.03
Total Principal & Interest Paid	1,549,666.66
Less: Remaining Proceeds	510,832.03
Amount of repayment required	1,038,834.63

**LOWER CAPE FEAR WATER AND SEWER AUTHORITY  
5 YEAR CAPITAL IMPROVEMENT PLAN**

KINGS BLUFF CIP PROJECTS	0.33		0.35		FY 2025	FY 2026	PROJECT TOTALS
	FY2022	FY2023	FY2024	FY2025			
INTERMEDIATE BOOSTER PUMP STATION SHELTER							
SURVEYING				\$700,000.00			\$700,000.00
VFD	\$250,000.00	\$266,000.00					\$0.00
V,TRW PUMP		\$200,000.00		\$200,000.00			\$516,000.00
ROW MAINTENANCE		\$35,000.00		\$35,000.00	\$35,000.00		\$400,000.00
ROW CLEARING			\$225,000.00	\$225,000.00			\$140,000.00
SCADA UPGRADE				\$125,000.00			\$450,000.00
REBUILD EXISTING HIGH SERVICE PUMP MOTORS							\$125,000.00
48" PARALLEL LINE LAST 10 MILE SECTION	\$10,000,000.00	\$15,000,000.00	\$17,500,000.00	\$17,500,000.00			\$60,000,000.00
TRANSFER TO RENEWAL AND REPLACEMENT	\$75,000.00	\$150,000.00	\$350,000.00	\$350,000.00			\$1,245,000.00
TRANSFER TO ENTERPRISE FUND		\$200,000.00					
ANTI VORTEXING		\$50,000.00	\$50,000.00	\$50,000.00			\$200,000.00
INDEPENDENT RATE STUDY		\$100,000.00					\$100,000.00
ROW ACQUISITIONS		\$100,000.00	\$100,000.00	\$100,000.00	\$0.00		\$300,000.00
4TH PUMP			\$800,000.00	\$2,000,000.00	\$800,000.00		\$3,600,000.00
REPLACE GENERATOR RADIATORS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
WALKWAY REPLACEMENT AND AIR BACKWASH BUILDING			\$250,000.00	\$1,350,000.00	\$0.00		\$1,600,000.00
VEHICLE REPLACEMENT/ARGO/FORKLIFT	\$60,000.00	\$30,000.00	\$100,000.00	\$0.00	\$0.00		\$190,000.00
PIG 48" WATER MAIN TO CFPUA/PENDER					\$2,000,000.00		\$2,000,000.00
TOTALS KINGS BLUFF PROJECTS	\$10,385,000.00	\$16,131,000.00	\$19,410,000.00	\$22,635,000.00	\$3,205,000.00		\$71,566,000.00
KINGS BLUFF CIP-SOURCES	FY 2022	FY2022	FY 2024	FY 2025	Source Totals		
OPERATING CAPITAL	\$385,000.00	\$881,000.00	\$1,110,000.00	\$435,000.00	\$405,000.00		\$3,216,000.00
CAPITAL RESERVES							
DEBT PROCEEDS				\$2,000,000.00			\$2,000,000.00
GRANT		\$15,000,000.00		\$15,000,000.00			\$30,000,000.00
OTHER SOURCE	\$10,000,000.00		\$18,300,000.00	\$5,200,000.00	\$2,800,000.00		\$36,300,000.00
TOTAL KINGS BLUFF SOURCES	\$10,385,000.00	\$15,881,000.00	\$19,410,000.00	\$22,635,000.00	\$3,205,000.00		\$71,516,000.00

## **AGENDA ITEM**

To: CHAIRMAN RIVENBARK AND BOARD MEMBERS

From: TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

Date: May 9, 2022

Re: Electric Utilities Audit

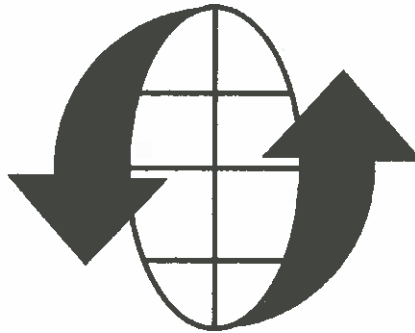
Reviewed and approved as to form: MATTHEW A. NICHOLS, AUTHORITY ATTORNEY

---

Background: No Cost Solutions performs audits on electrical usage to see if any savings can be garnered. They receive half of the savings they find for three years monthly once the savings is realized. There is no cost if they do not find any savings.

There is no effect on our current Demand Automation Response program.

**Action Requested:** Motion to Approve or Disapprove



# **No Cost Solutions**

**Costs Down, Profits Up**

**Audit Proposal For  
LCFWASA**

**April 25, 2022**

## **Audit Proposal**

### **Background Information:**

No Cost Solutions is a subsidiary of LD Audit Solutions. LDAS was founded in 2019 by Randy Lewis, Zachary Daughtry, and Mitchell Lewis. Randy Lewis started his career in Utility and Telecom Auditing in 1991. Randy founded Carolina Auditing Services, Cost Analysts, and co-founded P3 Cost Analysts. Over the past 30 years, Randy has worked with thousands of organizations in the United States, Canada, and Internationally adding millions of dollars back to their bottom lines. Zach and Mitchell have been helping clients verify their utility and telecom invoices since 2019.

### **Statement of Work:**

No Cost Solutions (NCS) will provide the following to the Lower Cape Fear Water and Sewer Authority (LCFWASA):

- NCS will audit the past 36 months utility invoices to determine any erroneous charges billed by LCFWASA's utility vendors.
- NCS will obtain billing histories, Customer Service Records, and other required information directly from the vendors.
- NCS will notify utility vendor of any billing error and work with the vendor to ensure proper credit and correction of past billing mistake(s).
- NCS will analyze LCFWASA's utility invoices to identify all cost inefficiencies.
- NCS will prepare written documentation detailing cost inefficiencies and potential cost savings.
- Cost Saving Findings can only be implemented by NCS upon written approval from LCFWASA.
- NCS will work with the vendor to ensure the Cost Savings Findings are implemented correctly and completely.
- Cost Savings Findings are defined as:
  - Reduction in unit cost
  - Removal of charges
  - Reduction in fees, taxes, or other vendor charges
- NCS will update LCFWASA periodically during the audit.
- NCS will prepare a final audit report detailing all audit findings.
- All NCS invoices will be based on actual refunds and approved cost savings. NCS does not invoice based on projections or estimations.

NCS will perform an annual audit to ensure LCFWASA's costs remain correct and cost efficient.



LCFWASA will need to provide the following:

- \*Already received- Electric Bills – 12 months invoices (full bill copy) for each account number
- Local Telephone – most current invoice (full bill copy) for each account number
- Wireless – 3 to 6 months invoices for each account number (summary pages only)
- Long Distance -3 to 6 months invoices for each account number (summary pages only)
- Data/Internet - most current invoice (full bill copy) for each account number
- A copy of vendor contract for any of the above

It may be possible to obtain LCFWASA's invoices directly from the vendor web portal. If available, LCFWASA will need to provide NCS with its username/password for NCS to obtain invoice copies. If LCFWASA does not have online access, NCS will work with LCFWASA to establish online access.

### **Compensation:**

There is no cost for NCS to audit the invoices for LCFWASA. If no errors or cost reductions are found, no fee or compensation will be due to NCS. NCS' compensation is based entirely on the audit findings.

If NCS obtains a refund/credit due to past erroneous charges, NCS will receive fifty percent (50%) of the refund/credit upon receipt by LCFWASA.

If LCFWASA implements the Cost Savings Findings, NCS will receive fifty percent (50%) of the first thirty-six (36) months of actual savings. Invoices will be determined monthly based on the actual LCFWASA's vendor invoice savings.

## AUDIT AGREEMENT

State: North Carolina  
 Date of Agreement: \_\_\_\_\_  
 Client: \_\_\_\_\_

County: \_\_\_\_\_

Consultant: LD Audit Solutions dba No Cost Solutions

**Purpose and Duration**

The purpose of Agreement is to state the terms and conditions under which Consultant is to provide Client with consulting services designed to obtain refunds and cost reductions in the areas of Utilities and Telecom Expenses. The duration of this Agreement shall be for one year. After the initial term, either party may terminate this agreement with a 30-day written notice however, any fees due Consultant will continue to be paid after expiration of this period as stated below. Should the implementation of any item be delayed for any reason, Consultant will receive payment upon the implantation of said item(s) based on the schedule below.

In consideration of the mutual promises contained within this Agreement, the parties agree to the following:

**Audit Services**

Consultant will:

- Analyze Client current and prior vendor invoices to identify errors and over charges
- Work with applicable vendor(s) to correct all errors identified and obtain credit/refund for the full amount of erroneous charges (within the state Statute of Limitations)
- Present to Client documentation detailing all cost reduction opportunities identified by Consultant.
- Work with applicable vendor(s) to implement all Client authorized cost reduction items. Consultant cannot implement any item without written authorization from Client.
- Prepare and present to Client a 'Final Audit Report' that will detail all billing issues identified, corrected, and implemented
- Obtain each month, vendor invoices to calculate actual cost savings (if applicable). If Client bills cannot be obtained via vendor portal, Client will provide Consultant the applicable invoice copies within 10 days of receipt by client from Vendor.
- Perform an annual audit of Client vendor invoice to identify new errors and over charges billed by Client vendor for the term of the cost reduction compensation.

**Client agrees to compensate Consultant as follows:**

**Refund/Credits:** Consultant will receive a fifty percent (50%) share of all the refund/credits received because of Consultant's efforts payable upon receipt of the Client from vendor.

**Cost Reductions:** Consultant will receive a percentage share of all the savings which are created by Consultant's efforts based on the following schedule:

50% of the first thirty-six (36) months of actual savings payable monthly

All invoices are due upon receipt. Invoices paid over 30 days will be subject to a 1.5% late fee. Client agrees that its utility and telecom services are currently not under cost reduction evaluation by Client or any Third Party. Any item that is to be excluded from Consultant's efforts will be identified by Client as an attachment to this agreement prior to the start of the audit. If an item is not excluded in writing prior to the audit and savings are obtained by Client on that item, full compensation will be due Consultant as stated within the terms of this Agreement.

**Other**

- A. Nothing in the Agreement shall be deemed to limit or abridge the right of Client to change its business operations in such a manner as it shall, in its sole discretion, deem necessary or appropriate to the conduct of its business, regardless of the effect such change shall have on its consumption or cost of operations.
- B. Parties to be bound: The parties hereto and their respective heirs, successors, and assigns.
- C. Amendments and Modifications of this Agreement shall be in writing and signed by both parties hereto.
- D. Consultant is hereby authorized to act as Client's agent in obtaining billing information from Utility and Telecom Companies, Taxing Agencies, and other sources as required.

**Signatures:**

Client: \_\_\_\_\_

Consultant: LDAS dba No Cost Solutions

By: \_\_\_\_\_

By: Mitchell Reed

Title: \_\_\_\_\_

Title: Partner

## CLIENT AUDIT INFORMATION

NCS Representative: Mitchell Lewis

Date: \_\_\_\_\_

Business Name:
Business Address:
Business Main Phone #:
Business Federal ID #
Business URL:

Client Authorized Personnel (Company personnel who can make changes to your accounts)

Name:	Title:	Phone #:	Email:

Do you or anyone in your company currently have any items under review or investigation that you would like to exclude from this audit? (Circle One)

Yes

No

If 'Yes', please complete the attached Exclusion Sheet

Do you currently have on-line user names and passwords to access your accounts via your vendor on-line portal (Circle One)

Yes

No

If 'Yes', please complete the attached On Line Access Sheet

CLIENT AUDIT INFORMATION
--------------------------

Items to be excluded from the audit:

Vendor	Account Number	Provide Exclusion Details

On-line Username & Password:

Vendor	Account Number	Username	Password

Information supplied by:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

## CLIENT AUDIT INFORMATION

Please provide the following documents to No Cost Solutions

- Copy of signed Audit Agreement
- Letter of Agency – printed on company letterhead and signed. One LOA per vendor per Federal Tax ID #
- Completed Client Audit Information Sheet
- Completed Exclusion Sheet (if applicable)
- Completed On-Line Username/Password Sheet
- Tax Exempt Certificates (if applicable)

Your audit will begin once No Cost Solutions receives all applicable documents notated above. The audit will take between 4 to 6 weeks. Thank you for your business!

April 25, 2022

**Duke Energy**

To Whom It May Concern:

We are granting permission to LD Audit Solutions, Inc. dba No Cost Solutions to act as our agent with the following:

- Access to our billing records, Customer Service Records, customer contracts
- Billing histories
- On-Line access
- Implementation of billing changes/corrections (with our written authorization)
- Other – as necessary or applicable

No Cost Solution's agents include:

Randy Lewis    Zach Daughtry    Mitchell Lewis    Toni Lewis

This authorization will remain in effect for thirty-six months (36). I maintain that I have the authority to sign on behalf of the referenced business.

Sincerely,

Tim Holloman  
Lower Cape Fear Water and Sewer Authority  
Executive Director

Federal Tax ID #:  
Client Email: director@lcfwasa.gov

**Account number**

9100 8262 7006

## **AGENDA ITEM**

**To:** CHAIRMAN RIVENBARK AND BOARD MEMBERS

**From:** TIM H. HOLLOMAN, EXECUTIVE DIRECTOR

**Date:** May 9, 2022

**Re:** Executive Director's Report

---

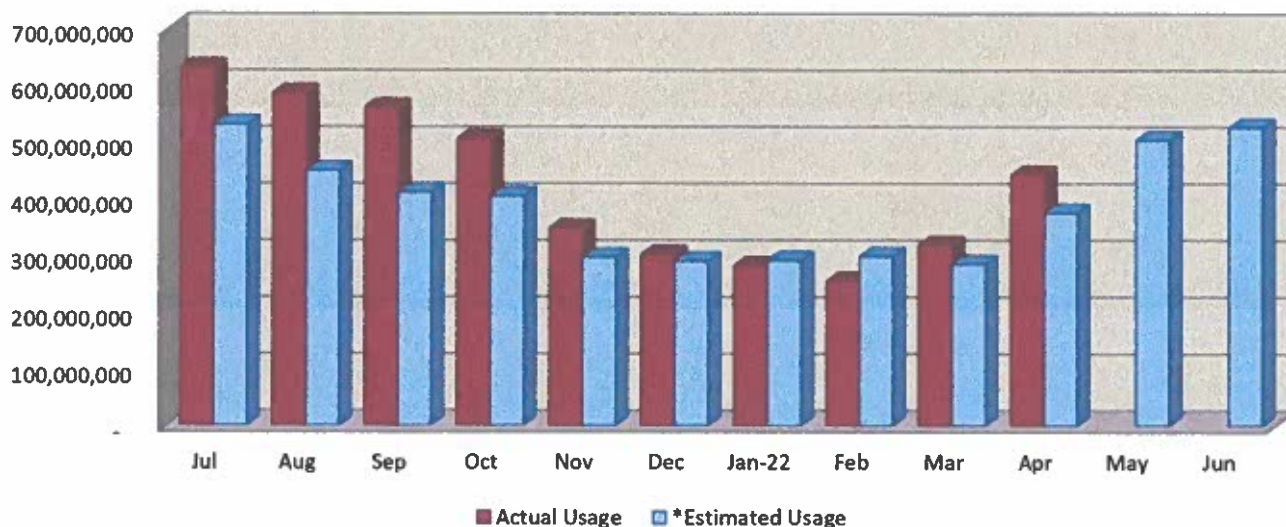
**EDR1** - Comments on Customers' Water Usage and Raw Water Revenue for Fiscal Year to Date Ending April 30, 2022

**EDR2** - Operating Budget Status, Ending March 31, 2022.

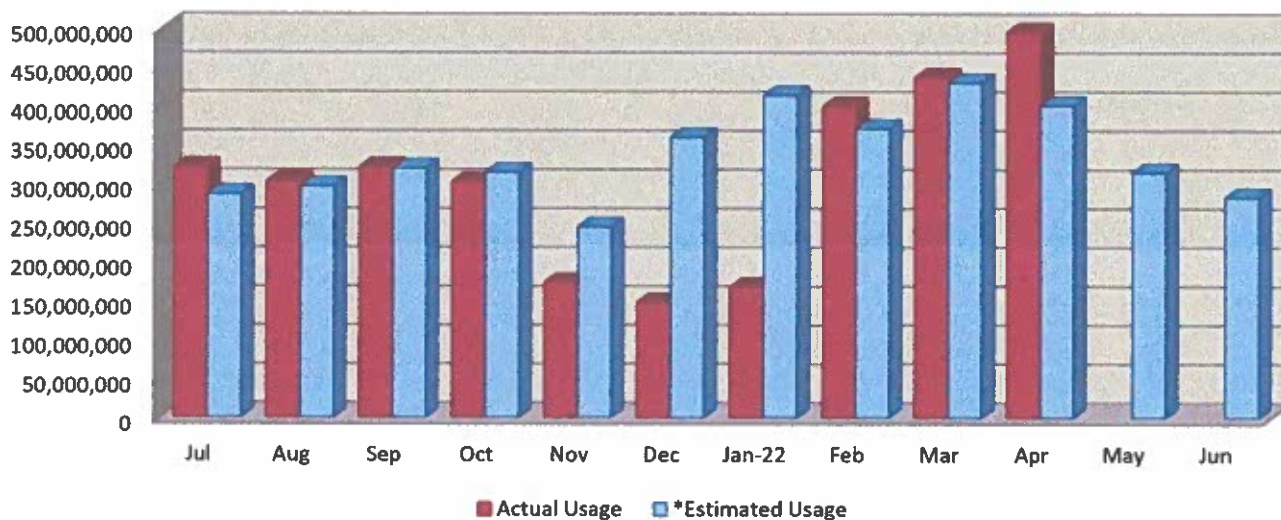
**EDR3** - Summary of Activities.

**Action Requested:** For information purposes

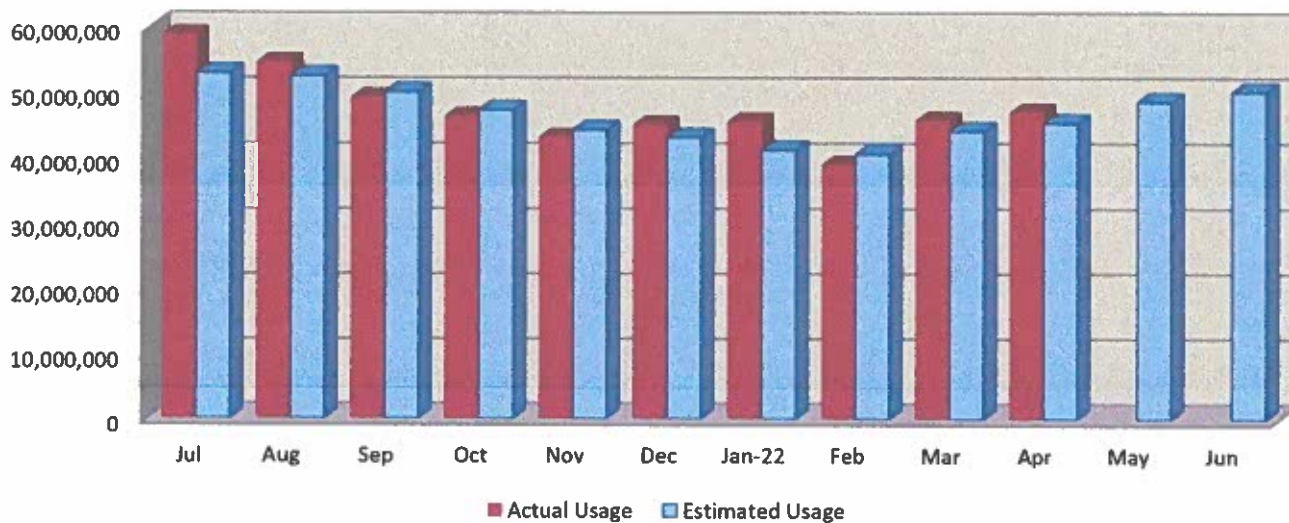
### Brunswick County Water Usage FY 21-22



### CFPUA Water Usage FY 21-22



### Pender County Water Usage FY 21-22





## OPERATING FUND BUDGET PERFORMANCE

Jul-1 through Mar-31

Income	Approved Annual Budget	Adjust/Amended Annual Budget	Jul 1- Mar 31 Kings Bluff	Jul 1- Mar 31 Bladen Bluffs	Jul 1- Mar 31 OF BUDGET	Budget As of 03/31/2022
<b>3000-01 - OPERATING REVENUE</b>						
3001-01 - 01 Bruns County Public Utility	1,491,553	1,491,553	1,250,005		1,250,005	84%
3002-01 - 01 CFPUA	1,296,405	1,296,405	851,768		851,768	66%
3003-01 - 01 Pender County	179,822	179,822	141,431		141,431	79%
3004-01 - 01 HWY 421 - Invista	40,000	70,000	70,537		70,537	101%
3005-01 - 01 Praxair, Inc	4,314	4,314	1,785		1,785	41%
3006-01 - 01 Bladen Bluffs Revenue	3,194,127	3,444,127		2,939,732	2,939,732	85%
Bladen Admin Reimb	94,302	126,302		95,252	95,252	75%
3007-01 - Sales Tax Refund Revenue	70,000	90,000		55,833	55,833	62%
<b>Total 3000-01 - OPERATING REVENUE</b>	<b>6,370,523</b>	<b>6,702,523</b>	<b>2,315,526</b>	<b>3,090,817</b>	<b>5,406,343</b>	<b>81%</b>
<b>3100-00 - OF NONOPERATING REVENUE</b>						
3120-00 - Revenue-Other						
Interest & Investment Revenue	2,000	2,000	270		270	14%
FEMA Reimbursement	0	0	2,378		2,378	
Refunds / Insurance Proceeds/ Other	0	0	600		600	
3156-00 - Rental Income	0	0	11,848		11,848	
3900-01 R&R Fund Appropriated	0	0	0		0	
2900-00 Fund Balance	0	391,253	0		0	
<b>Total 3100-00 - OF NONOPERATING REVENUE</b>	<b>2,000</b>	<b>393,253</b>	<b>15,096</b>	<b>0</b>	<b>15,096</b>	<b>4%</b>
<b>Total Income</b>	<b>6,372,523</b>	<b>7,095,776</b>	<b>2,330,622</b>	<b>3,090,817</b>	<b>5,421,440</b>	<b>76%</b>
<b>Expense</b>						
<b>4000-01 - ADMINISTRATION EXPENDITURES</b>						
4001-01 - Salary - gross	168,610	168,610	83,690	37,937	121,627	72%
4010-01 - Per Diem= mileage+per diem pay	62,500	62,500	25,424	14,089	39,513	63%
4012-01 - Vehicle Allowance	5,200	5,200	2,630	1,170	3,800	73%
4070-02 - Phone Allowance	520	520	263	117	380	73%
4015-01 - Payroll Taxes	17,967	17,967	8,413	4,049	12,463	69%
4029-01 - Retirement Employer's Part	18,379	18,379	9,825	4,135	13,960	76%
4035-01 - 401K Employer PD Contribution	4,758	4,758	2,504	1,071	3,575	75%
4036-01 - Payroll Processing Exp	2,900	2,900	2,006		2,006	69%
4038-01 - Insurance Group	40,910	40,910	17,463	8,159	25,621	63%
4039-01 - Insurance, Property	87,000	87,000	67,842	19,575	87,417	100%
4046-00 Professional Services General	15,000	15,000	0	0	0	0%
4046-01 - Attorney	30,000	27,900	12,488		12,488	45%
4046-02 - Auditor	9,000	9,000	5,400	2,800	8,200	91%
4046-03 - Engineer	55,000	50,000	13,227	0	13,227	26%
4049-01 Information Technology	10,000	13,800	5,830	0	5,830	42%
4055-01 - Office Maint/Repair	17,000	22,000	10,066		10,066	46%
4058-01 Office Utilities	7,000	3,000	1,471		1,471	49%
4059-01 Office Expense	35,000	26,300	11,296		11,296	43%
4062-01 Office Equipment	0	10,000	8,009		8,009	80%
4064-01 Printing & Advertising	0	2,000	688		688	34%
4065-01 Telephone and Internet	0	3,200	1,684		1,684	53%
4070-01 Travel & Training	17,500	21,800	18,525		18,525	85%
4080-01 Miscellaneous Expenses	15,000	23,000	14,283		14,283	62%
<b>Total 4000-01 - ADMINISTRATION EXPENDITURES</b>	<b>619,244</b>	<b>635,744</b>	<b>323,026</b>	<b>93,102</b>	<b>416,128</b>	<b>65%</b>
<b>4500-01 - OPERATING EXPENDITURES</b>						
4501-00 - Sales Tax Expense - Other	70,000	110,000		81,321	81,321	74%
4510-01 - Bladen Bluffs Expenses	1,889,330	2,139,330		1,819,485	1,819,485	85%
4520-01 - Utilities-Energy Pump Station	789,667	753,167	410,062		410,062	54%
4530-01 - Kings Bluff O&M Expenses	453,609	453,609	296,772		296,772	65%
4535-01 Kings Bluff Hurricane Other FEMA			0		0	0%
4543-01 - Series 2012 Bond Principal (ST)	601,443	601,443	0		0	0%
4544-01 - Series 2012 Bond Interest (ST)	11,730	11,730	5,864		5,864	50%
4545-01 - Series 2010 Bond Principal (BB)	850,000	850,000		850,000	850,000	100%
4546-01 - Series 2010 Bond Interest (BB)	297,500	297,500		16,357	16,357	5%
7400-01 - Operating Capital Expense	325,000	716,253	313,120		313,120	44%
4998-05- Transfer to R&R- KB R&R Expense	75,000	137,000		0	0	0%
2041-01- 421 Relocation NHC Loan Principal	390,000	390,000		390,000	390,000	100%
<b>Total 4500-01 - OPERATING EXPENDITURES</b>	<b>5,753,279</b>	<b>6,460,032</b>	<b>712,696</b>	<b>3,157,163</b>	<b>4,182,981</b>	<b>65%</b>
<b>Total Expense</b>	<b>6,372,523</b>	<b>7,095,776</b>	<b>1,035,724</b>	<b>3,250,265</b>	<b>4,599,109</b>	<b>65%</b>

## Executive Director Highlighted Activities:

- Visited the Bladen Bluffs plant, reviewed ongoing preventative maintenance, and checked on the bank stabilization project, and the natural growth is taking hold well. There is a slightly eroded section near the water line that is not presenting any hazard currently.
- Finalized with McKim and Creed the documents necessary to complete and submit the SRF applications.
- Met with partners to continue planning for the May 20, 2022, dedication.
- Contacted legislative delegation and presented all resolutions requesting funding for the next 10-mile section to parallel the existing 48" line.
- Met with partners to evaluate and create Standard operating procedures for the new 54" inch line, which is now in operation.
- First meeting with Source Water Protection Team initiated by CFPUA
- Discussed with Mick Noland concerns over Fuquay-Varina's ongoing efforts to secure a withdrawal by interbasin transfer from the Cape Fear River.
- Attended City Vision 2022 in Wilmington.
- LED lighting project for office completed this month.