

**To the Honorable Members of the Board of Directors and the Valued Utility Customers of ONWASA:**

It is my pleasure to present this proposed budget for Fiscal Year 2019-2020 (FY20). This proposal is provided to you pursuant to Sections 159.11 and 162A.1-19 of the North Carolina General Statutes. The budget meets all requirements of the North Carolina Local Government Budget and Fiscal Control Act. It identifies revenue and expenditure estimates and enables the continued provision of necessary utility services to the customers of the utility.

This set of documents is the culmination of months of work by departments and the budget team. The budget process began on January 23<sup>rd</sup> at the department level with individual department heads and supervisors working to accurately forecast costs of business for the coming year. At the beginning of the process, the budget team met with key staff and went over goals and objectives of the budget. The strategic plan for the organization, the Board’s decisions on rates and fees, and the detailed capital improvement plan (CIP) served as guides for budget development.

This proposed budget places an emphasis on maintaining or reducing annual, recurring operational costs and investing in critical utility and cyber infrastructure.

In keeping with ONWASA’s effort to be as transparent as possible, sections within this message have been tied to adopted strategic plan goals by referencing the goal icon appearing before a specific budget initiative or expenditure. Strategic plan goals represent the most important issues that must be addressed to achieve the desired future. ONWASA’s goals were driven primarily by the factors that are most critical to the organization’s future success. The goals include:



**Workforce Development:** Attracting, developing, and retaining a professional, highly skilled, engaged, and versatile team.



**Enhanced Customer Experience:** Creating a culture that delivers an enhanced customer experience.



**Communication and Partnership:** Fostering an environment that encourages open communication and supports partnerships.



**Financial Stewardship:** Generating revenues sufficient to support operations and growth, while maintaining affordable rates.



**Reliable and Sufficient Infrastructure:** Planning, delivering, and maintaining dependable infrastructure necessary to address the changing needs of the service area.

An update on progress toward each strategic plan goal is included within this message.

## FY20 Budget Highlights



- The budget has been balanced with expenditures below revenues by approximately \$52,000, even after cash-paying for certain one-time cyber security upgrades.



- A concerted effort has been made to reduce costs where possible. Due to ether expenditure cuts or realignment of personnel and responsibilities, 9 of 18 budget departments are presenting a FY20 budget that is lower in operational cost than the FY19 budget. Some departmental budgets have increased due to the transfer of personnel following staffing reviews.



- Follow a best-practice learned from Hurricane Florence, a disaster contingency of \$1 million, consisting of funding sufficient to cover two disaster contracts which were bid in April 2019 and are included within this budget. Funds were reserved for the two contracts in FY19 through the use of a project budget ordinance. Contractors will only be activated through a notice-to-proceed on an as-needed basis following a natural disaster. The contracts would only be used in the event response and recovery efforts exceed the capabilities of ONWASA forces and our NC Water Agency Response Network partners. All applicable purchasing statutes have been included in the contract language to help ensure their eligibility for state and/or federal reimbursement following a presidentially-declared disaster. ONWASA has never previously maintained pre-bid emergency contracts for utility reconstruction.



- ONWASA anticipates entering two new markets for bulk water sales in FY20. An interconnection with the Maple Hill Water and Sewer District in Pender County Utilities should be completed by April 2020. In addition, specific bulk sale agreements with the City of Jacksonville are anticipated by August 2019 which will further enhance ONWASA's revenue stream. Once fully implemented, bulk sales should increase ONWASA revenues by well over \$100,000 per year.



- The budget is balanced at a total amount of approximately \$29.2 million.



- Estimated Unreserved Fund Balance is \$27.5 million, of which approximately \$13,613,260 continues to be set aside for anticipated "pay-go" construction projects within the adopted capital improvement program.



- The board-approved rate increase of 5.5% is instituted effective July 1, 2019 within this proposed budget. This is tied to the adopted 10-year capital improvement program. Impact to the average water customer is estimated to be \$1.55 per month.



- ONWASA's Capital Improvement Program (CIP) is critical to continued utility operations. Despite schedule impacts caused by Hurricane Florence and the subsequent cyber-attack, work on multiple projects is now underway:

Construction for the following CIP projects was initiated during FY19.

- Highway 50 Wells (D-10 & D-11)
- Highway 50 Wells Raw Water Transmission Main
- Local Read Meter Replacements (Contract 2)
- Permanent/Standby Power Upgrades with ATS
- Water Main Interconnections, Phase I

Planning and/or design for the following CIP projects was underway by the end of FY19.

- Hargett Street Pump Station Rehabilitation
- Holly Ridge and Summerhouse wastewater treatment plant (WWTP) Capacity Assessment
- Kenwood/Bishops Ridge Sewer Service Extension
- Laboratory Addition and Warehouse Renovations
- Shore Drive Pump Station Rehabilitation
- Southwest Service Area Upgrades, Project II
- Swansboro WWTP Infiltration Pond Flow Meters
- Swansboro WWTP Renovation or Replacement
- Union Chapel Area Raw Water Mains
- Water Main Interconnections, Phase II

Work on the following projects has not started but is anticipated in FY20.

- Building Roof Replacements
- Heather Loop Road Gravity Sewer Improvements
- Summerhouse WRF Infiltration Pond Capacity Assessment/Rehabilitation
- Summerhouse WRF Treatment Train 3 Rehabilitation
- Wastewater Pumping Station Assessment/Rehabilitation



- One new position is proposed. It is a seasonal customer service representative who would be employed during the peak period of the year from May/June to August/September and is estimated to cost approximately \$21,000 per year.



- In April 2019, the U.S. Bureau of Labor Statistics reported varying CPI increases in North Carolina's region over the past 12 months. Housing was up 2.6% over the prior year. Food was up 2.3%. The 2019 COLA to the Federal Civil Service Retirement System annuitants and social security benefits was 2.8%. A 3% cost of living adjustment is included for all employees within this proposed budget.



- An appropriation of \$45,000 is set aside for merit pay tied to employee performance.



- A \$50,000 appropriation to install additional fire hydrants in the service area in accordance with Fire Department priorities.



- A strong investment of \$391,000 in one-time capital expenditures using current revenues is being made to further enhance cyber-security.



- Fund balance of \$2,440,000 has been appropriated for funding one-time capital requests.

## ONWASA By-the-Numbers

ONWASA is the 3<sup>rd</sup> largest water authority in North Carolina. The following general information provides perspective on activities funded through the annual budget.

• 3,069,283,435	Gallons of Water Pumped Annually
• 496,411,038	Gallons of Wastewater Treated Annually
• 16,000,000	Gallons of Water Stored in Clear Wells and Tanks
• 13,539,308	Gallons of Water Stored in Underground Pipes
• 1,000,000	Miles Driven Annually
• 597,364	Meter Readings Annually
• 140,730	Estimated number of individual consumers
• 139,640	Main Office - Phone Calls Handled Annually
• 97,825	Transactions Processed Annually
• 61,812	Work and Service Orders Processed Annually
• 52,140	Number of metered accounts
• 63,873	Lab Analysis' Processed Annually
• 1,200	Miles of Water Mains
• 445	Square Miles of Service Area
• 178	Miles of Wastewater Mains
• 149	Facilities to Maintain
• 125	Full Time Positions

The remainder of the budget message provides useful information on the budget process, revenues, expenditures, specific major funds, and other data. The data is organized by header for ease of reference. This information is anticipated to meet the rigorous standards of the Local Government Finance Officers Association for complete and transparent budgetary reporting.

## Budget Process

As stated previously, the budget process for ONWASA began in January and is completed in accordance with North Carolina's General Statute Chapter 159, also known as *The Local Government Budget and Fiscal Control Act*. During the budget process ONWASA's staff worked together to develop a budget that supports ONWASA's adopted strategic plan, adopted capital improvement plan, and maintains all operating and maintenance needs and satisfies all debt service requirements.

This year the Budget Message and Budget are being delivered to the Board in May, followed by a formal presentation to the Board of Directors at the regular meeting on May 16<sup>th</sup>. Workshops shall be held as desired by the board. A public hearing will be set at a time acceptable to the Board, with the Budget Ordinance and Rate and Fee Schedule available for approval at any time thereafter.

## Cost and Financial Considerations in FY20

In formulating the budget for this year, many items were considered. Several more notable ones included the following:

- An increase in health insurance costs of 4% is included in the budget.
- An increase in vision and life insurance of 3% and dental insurance costs of 8% are included in the budget.
- The debt service coverage ratio for FY20 is projected to be 1.12 without fund balance and 1.44 with 20% of fund balance. The minimum required debt service coverage is 1.0 without fund balance and 1.2 with 20% of fund balance.
- A rate increase is included at 5.5% per the board of directors. This rate increase is anticipated to generate \$1,085,000 additional funding for ONWASA.
- Electric utility rate increases of 10% is expected within the coming year, which will result in approximately \$166,680 in additional cost to the organization.
- Gasoline and Diesel costs per gallon were estimated at \$2.50. As ONWASA is exempt from certain taxes, this appears to be sufficient even if the retail rate continues above \$2.50 per gallon.
- An investment of \$391,000 is being made within the IT budget to update security software and to provide funding for professional cyber-security contracted services.
- Chemical Treatment supplies for all endeavors are estimated to be \$998,610.

## Revenue Summary



ONWASA is a single-purpose utility authority under North Carolina law. This means that it functions substantially different than either county or municipal governments. In many ways, it must function like a private-sector business.

ONWASA is required to balance ongoing annual expenditures against ongoing annual revenues. The organization is barred from using accumulated fund balance as an “ongoing annual revenue” to create a balanced budget. This is primarily a function of the general indenture documents associated with ONWASA’s long-term debt. As a water utility, ONWASA primarily depends on user fees for operating revenue, versus one-time revenue such as system development fees.

System development fees are one-time sources of revenue. These fees fund capital improvements. System development fee revenue is budgeted at \$2,200,000, which is unchanged from the FY19 budget.

ONWASA’s primary revenue sources include:

**Fixed (Base) monthly charges** – Calculated to recover a portion of the costs of providing water and wastewater system facility capacity and repayment of annual debt service.

**Volumetric water charges** – Variable rate schedule calculated to recover the direct and indirect costs associated with water supply and treatment, water distribution and administration. This variable charge is applicable to all water accounts based on meter readings in thousand-gallon increments of water consumed. A volumetric charge is applied to the gallons used to distribute the charges more fairly to lower usage consumers.

**Fixed wastewater charges** – Fixed rate schedule calculated to recover the direct and indirect costs associated with wastewater treatment and collection. This charge is applicable to all wastewater accounts based on meter reading in thousands of gallons consumed.

**Service initiation fees** – The purpose of this charge is to defray the labor and administrative costs associated with the establishment of a water and/or wastewater account. This includes establishing service and account records for billing. Applicable to all accounts requiring field work, be it reconnecting service, reading the meter or setting a meter.

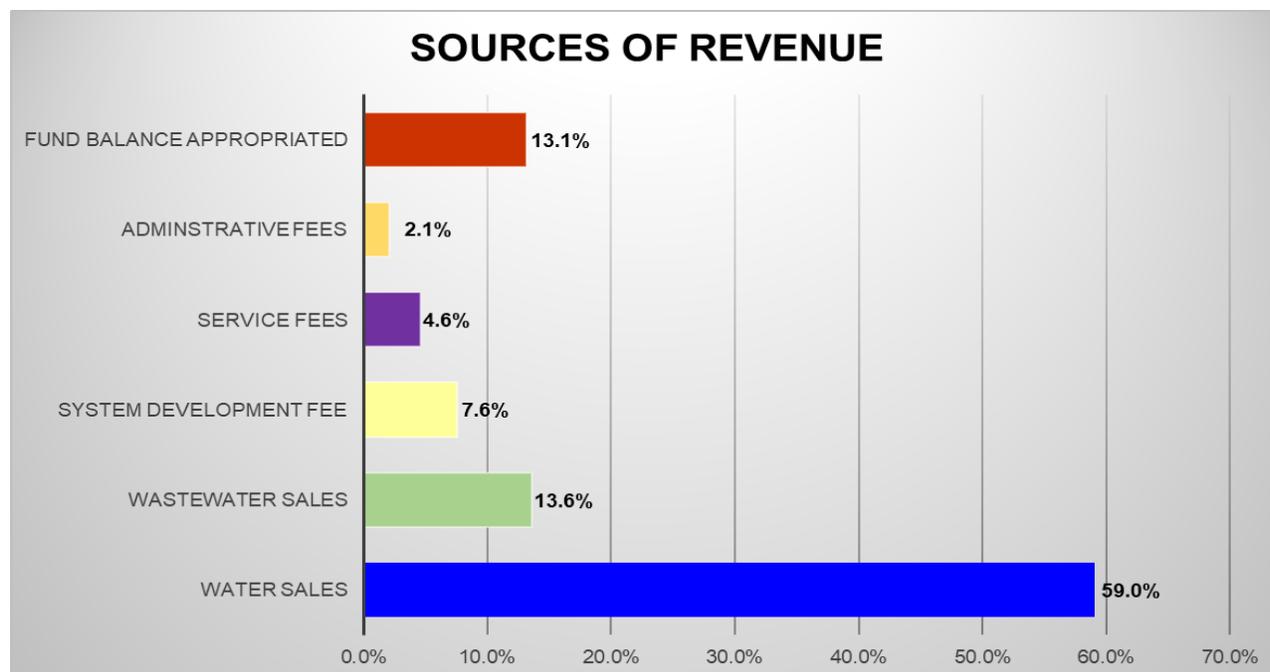
**Tap fees** – The purpose of this charge is for making a tap into water and/or waste water systems. The charge will recover the cost for time and equipment plus allowance for overhead.

**System development fees** – Calculated to recover the cost associated with the capital investments made by ONWASA to provide water and wastewater services to future users of the system.

Key assumptions in developing the budget relate to water and wastewater revenue projections. Revenue projections are calculated using educated assumptions in addition to considering the annual amounts of debt service required. Demand for new service continues to remain constant and the current month to month consumption levels mirror new services which provide stable revenue. Revenues for FY20 were conservatively forecast based on FY19 trend data. Revenues in FY19 were lower than forecast by Raffelis Financial Consultants due to Hurricane Florence. Hundreds, if not thousands of households were displaced by the hurricane. ONWASA also created a two-month “recovery period” in which most fees were forgiven. Leak adjustments after the storm were at historic levels. All of this combined to drastically affect FY19 revenues.

As depicted in **FIGURE 1**, in FY20, 59.0% of total revenue is anticipated from water services while wastewater services are expected to generate 13.6%. Service related fees comprise approximately 4.6% of total revenue. Fund balance appropriated is approximately 13.1% of total revenue and is used for non-recurring expenditures only (capital purchases). System development fees and administrative fees contribute to the remaining 9.7%.

**Figure 1. Sources of Revenue**



## Proposed Rate and Fee Schedule



In 2018, following extensive study by Raftelis Financial Consultants, the ONWASA Board of Directors was presented with four different new utility rate models which would create sufficiency of rates for ongoing operations and, more importantly, the capital construction necessary to serve a growing population. On March 15, 2018, the ONWASA Board of Directors approved a model of rate increases which “smoothed” rates over a 5-year period. This model requires a 5.5% increase FY20 as numerous construction projects were begun in FY19, with more starting in FY20. Therefore, a 5.5% rate increase is included within the budget. This is the only significant recommended change to the schedule of rates and fees.

A complete copy of the recommended rate and fee schedule is included within the budget book.

## Expenditure Summary

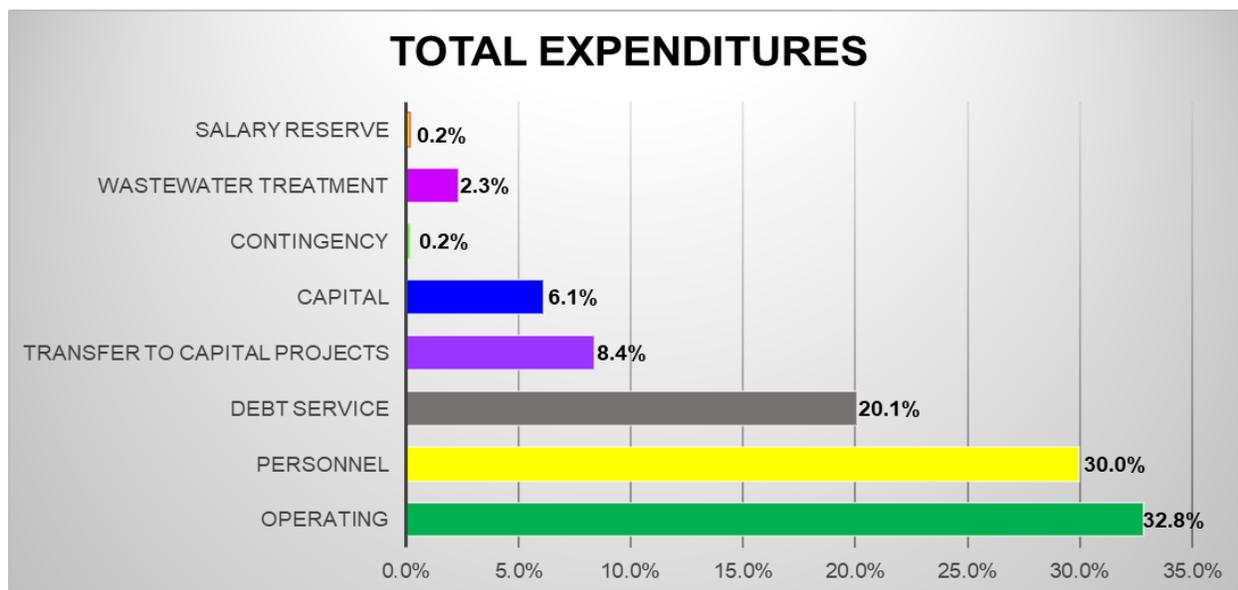
A concerted effort has been made to reduce costs in all departments. ONWASA’s focus is on building a robust infrastructure that will serve the needs of our rapidly growing service area.

Expenditures are classified in eight major categories. **TABLE 1** demonstrates the breakdown of these categories as well as the applicable organizational division. **FIGURE 2** depicts the planned personnel, operations, capital and debt service expenditures in total for ONWASA. The chart demonstrates the relative proportions of the total cost by major category of expense.

**Table 1. Major Categories of Expenditures**

Major Categories	Operation Division	Administration Division	Total FY 19-20 Budget
Operating	\$5,637,402	\$3,928,921	\$9,566,323
Personnel	4,351,836	4,380,336	8,732,172
Debt Service	0	0	5,846,717
Transfer to Capital Projects	0	0	2,440,000
Capital	1,221,291	561,500	1,782,791
Wastewater Treatment	0	0	685,000
Contingency	0	0	52,000
Salary Reserve	0	0	45,000
<b>Totals</b>	<b>\$11,210,529</b>	<b>\$8,870,757</b>	<b>\$29,150,003</b>

Figure 2. Total Expenditures



## Debt Service Summary

The annual debt service amount of \$5,846,717 is scheduled to be funded from operating. This amount has increased by \$838 from last year. Current loan amounts include:

- ARRA Loan \$12,403 (Dixon Wells)
- ARRA Loan \$12,102 (Dixon Waterline)
- CG&L Loan \$94,549 (Richlands I&I Project)
- CG&L Loan \$27,755 (Hudiberg and Hunter's Creek Projects)
- United States Department of Agriculture (USDA) Loans \$987,351 (NRWRF)
- CG&L Loan \$104,259 (Summerhouse WWTP)
- Public Drinking Water Loan \$273,523 (Dixon RO)
- 2016 Revenue Bond Refunding \$4,258,025
- Clean Water Loan \$76,750 (Western Onslow Trunk Sewer)

Debt in the form of Revenue Bonds is used to finance 80% to 85% of ONWASA's Capital Improvements. The remainder is funded with fund balance and replacement fund monies. ONWASA follows a 5-year financial planning model to forecast the need for borrowing. Portions of the following bond issues and loans are currently outstanding:

- CG&L Loan of \$.82 million
- CG&L Loan of \$.27 million
- ARRA Loan of \$.15 million
- ARRA Loan of \$.16 million
- USDA Loans of \$16.8 million
- CG&L Loan of \$1.7 million

- Public Drinking Water Loan of \$4.4 million
- DEQ Loan of \$1.1 million
- 2016 Refunding of \$36.8 million

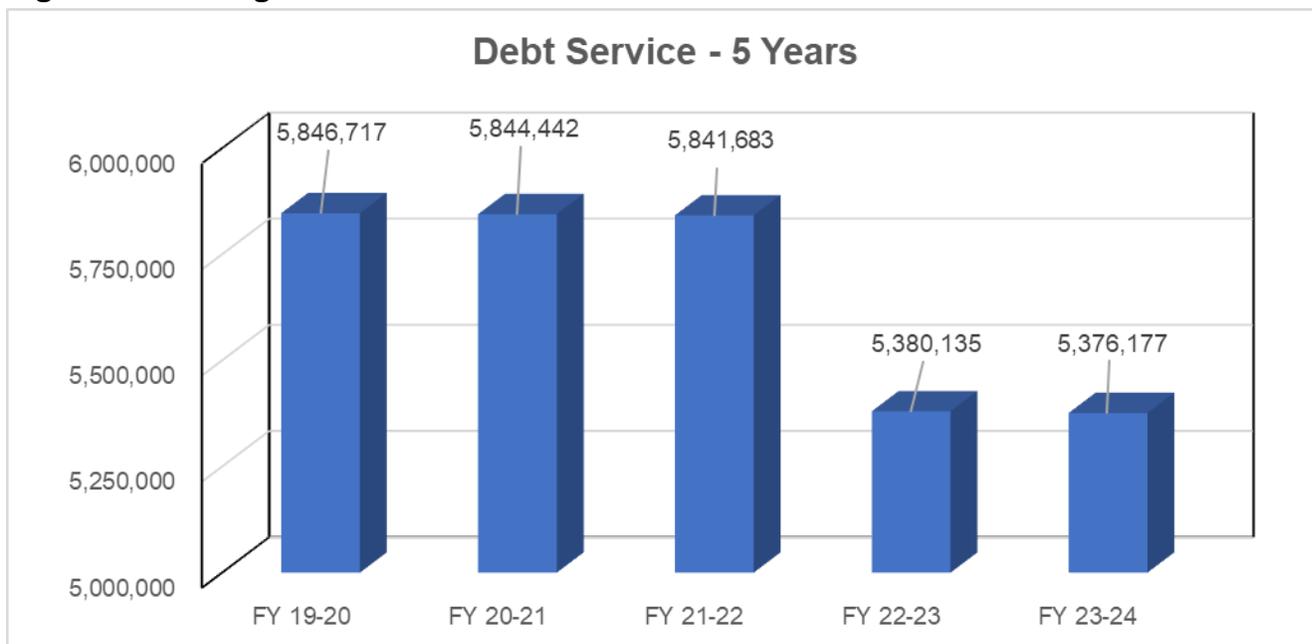
ONWASA’s financial strength is based on annual debt coverage ratios. Although above the requirement to meet those coverages, ONWASA typically conserves approximately 5% of the operating budget.

The ratio of debt coverage to net revenue is an important measure of ONWASA’s financial performance and helps monitor an appropriate level of debt. The ratio compares total net revenue, which is the excess of revenue over current expenses, for a given year with the total debt service required in that year. ONWASA’s bond order sets the minimum required debt coverage ratio at 1.0 without fund balance and 1.2 with fund balance. Below is the formula used to calculate the debt coverage ratio.

<p><i>Excluding 20% of Fund Balance</i></p> $\frac{\text{Net Revenue}}{\text{Debt Service Requirement}} = 1.0$	<p><i>Including 20% of Fund Balance</i></p> $\frac{\text{Net Revenue}}{\text{Debt Service Requirement}} = 1.2$
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Because ONWASA issues revenue bonds, there is no statutory limit on the amount of debt, but ONWASA applies sound financial management principles in financing decisions. The next five years of existing debt service is depicted in **FIGURE 3**. Please note that this does not include new debt that may be issued.

**Figure 3. Existing Debt Service**



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## Fund Summaries

### Operating Fund

The Operating Fund of \$29,150,003 provides for personnel cost, debt service and general operations of the water and wastewater utility functions of ONWASA. ONWASA's customer base has now grown to more than 50,000 meters. ONWASA's service population of approximately 141,448 people represent more than half of Onslow County's total population.

### Restricted Fund

As provided in ONWASA's bond sale documents, the Restricted Fund of \$2,572,773, was voluntarily established to ensure a specific amount of monies for contingencies and debt service payment in case of and/or emergencies. These funds are contained within and segmented from ONWASA's overall fund balance.

### Replacement Fund

The Replacement Fund of \$2,504,151 is established by ONWASA's Bond General Indenture. These funds are to be used to pay the cost of extensions, additions, capital improvements, any extraordinary maintenance and repair costs or any expense which is not currently budgeted. Monies from this fund can also be transferred to Debt Service. The replacement fund usage was anticipated as ONWASA began its startup of system wide operations of the mergers of individual systems without raising rates. In the future, the goal is for it to be replenished by annual deposits from the collections of water and wastewater system development fees, so as not to use these fees for annual operating costs but for renewal of the fund. These funds are contained within and segmented from ONWASA's overall fund balance.

## Anticipated System Growth

The ONWASA Engineering Department, which is responsible for review and approval of private development projects that connect to ONWASA water and/or sewer infrastructure, have approved 14 sets of plans for construction to-date in FY19. This combination of individual site plans and subdivision approvals includes 314 new service connections, which is less than half of the approvals granted in the prior year (872 new service connections).

As another indicator of activity, meters for new water services are released for installation as residential projects are platted or commercial projects are constructed and approved by ONWASA for use. To date, a total of 861 new meter releases have been processed in FY19 for future services, with a projected total of up to 176 additional meter releases to be completed by the end of this fiscal year. In comparison, 807 new meter releases were processed in the prior year.



As noted previously, Pender County Utilities is moving forward with engineering and construction of an interconnect to the ONWASA water system that will provide the sole source of water for approximately 150 customers of the Maple Hill Water and Sewer District. Based on their current schedule for permitting and construction, ONWASA

anticipates starting to sell water to Pender County Utilities as early as April 2020. Early estimates show a revenue increase of approximately \$95,000 per year following completion of the connection.

As the population of the service area continues to expand, the organization continues to rely on its staff and ongoing infrastructure enhancements to meet the needs of the community.

## Public Servants

The budget has been prepared with funding for 125 permanent positions. All permanent positions are in the budgetary departments shown in **TABLE 2**.

**Table 2. Positions by Department**

Administration	4	Laboratory	3
Information Technology	7	Northwest Regional WRF	4
Finance	9	Southeast Regional WWTP	3
Engineering	11	Swansboro WWTP	4
Meters	15	Human Resources	3
Customer Service	12	Dixon WTP	6
Buildings and Grounds	3	Hubert WTP	6
Collections	11	SCC	6
Distribution	18		
<b>Total Number of Positions - 125</b>			

### New Position Request

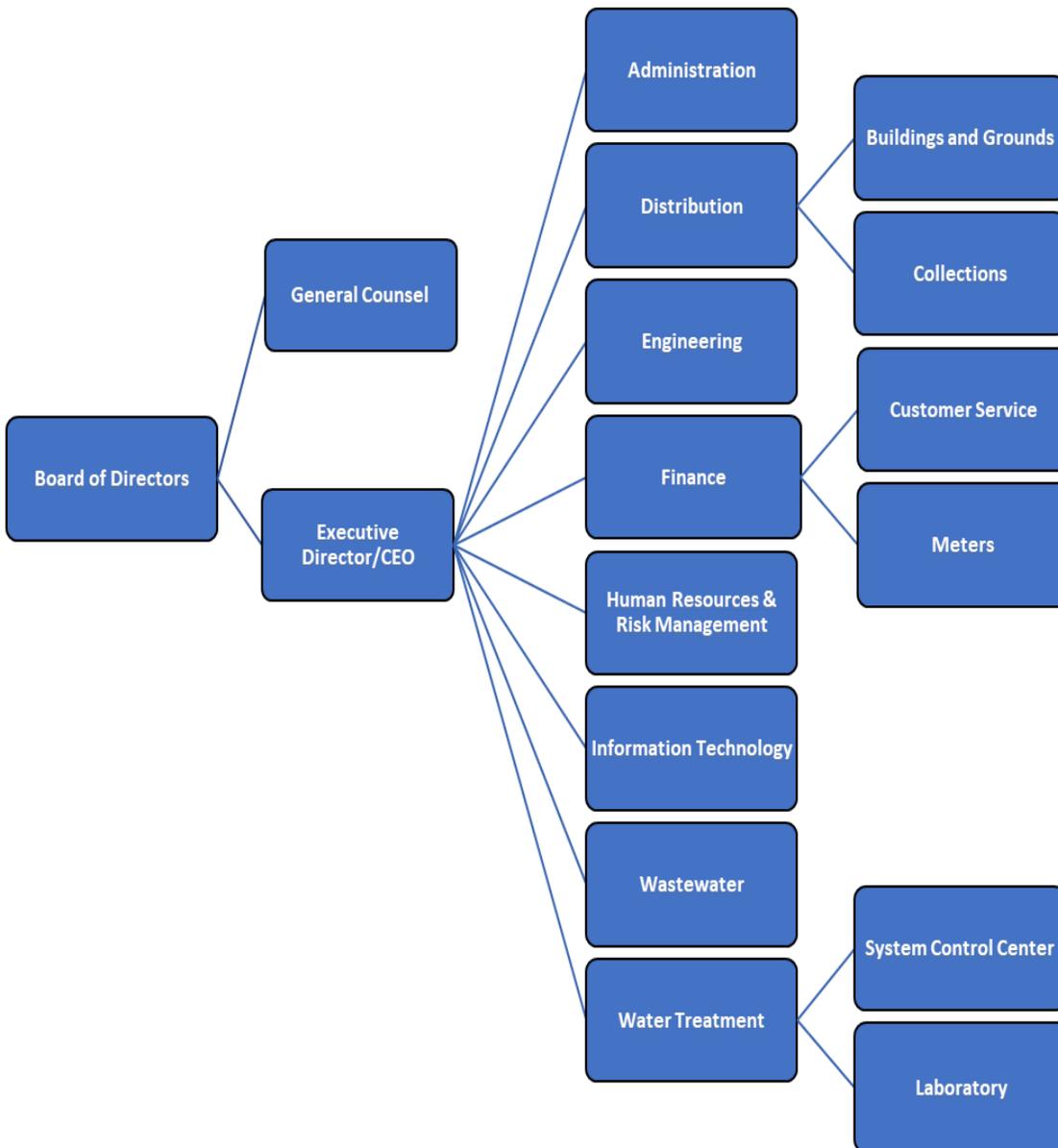


One seasonal (summertime) customer service position is being requested. The influx of summertime tourists coupled with military relocation schedules has increased pressure on customer services. The position is estimated to cost approximately \$21,000.

### Organizational Overview

A diagram depicting the structure of the organization is shown at **FIGURE 4**.

**Figure 4. Organizational Chart**



## Cost of Living Adjustments (COLAs) and One-Time Merit Bonus



In April 2019, the U.S. Bureau of Labor Statistics reported varying CPI increases in North Carolina's region over the past 12 months. Housing was up 2.6% over the prior year. Food was up 2.3%. The 2019 cost of living adjustment (COLA) to the Federal Civil Service Retirement System annuitants and social security benefits was 2.8%.

At time of publication, no information was immediately available about the COLA levels being considered by area units of local government. The North Carolina House's budget has proposed a wide range of pay adjustments for state employees, ranging from (the greater of) 1% or \$500 to up to 10% for some select educators. All state employees would receive 5 "bonus paid days off" under the House plan.

A 3% cost of living adjustment is recommended for all employees within this proposed ONWASA budget. If approved, the proposed COLA increase would take place in July 2019 for all employees.

In addition to the COLA, this budget proposal maintains the long-standing organizational practice of a \$45,000 pay-for-performance pot of funding. These funds are distributed to employees based on their annual performance evaluation final score. Funds are distributed as one-time bonuses and do not increase the base salary of the employee.

The new computerized performance appraisal system calculates employee performance scores to the tenth of a point, between 0.00 and 5.00, with the threshold of "meets expectations of the job" being at 3.00. As of the date of this writing, the average final overall score of all ONWASA employees in FY19 was 3.6. Under the proposed bonus plan, that score would yield a bonus amount of \$350 for the year.

The proposed pay-for-performance bonus levels for FY20 is shown in **Table 3**.

**Table 3. Annual Merit Bonus Program**

Bonus Amount	Final Overall Score
\$0	3.0
\$200	3.1
\$250	3.2
\$300	3.3 and 3.4
\$350	3.5 and 3.6
\$500	3.7 through 3.9
\$600	4.0 through 4.4
\$800	4.5 through 4.9
\$1,000	5.0

The Annual Merit Bonus Program will be evaluated annually during the budget process. The bonus amount may vary by fiscal year, based on the availability of funding.

## Capital Improvement Program (CIP)

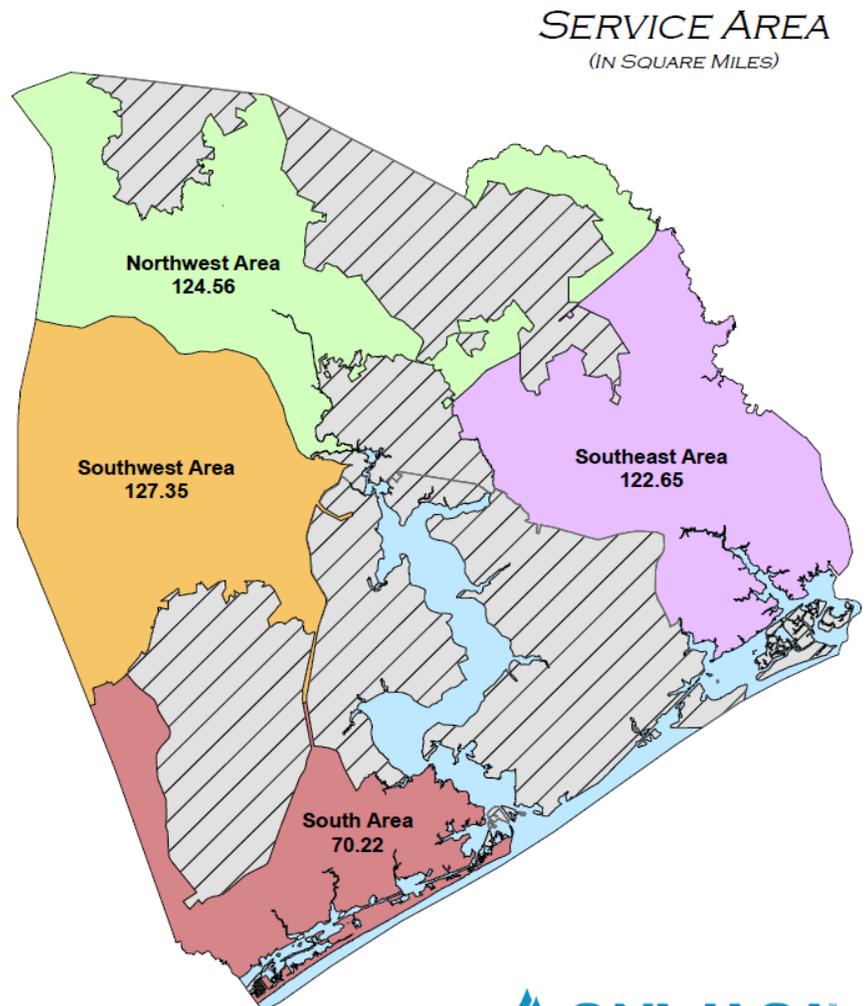
Figure 5. Service Areas



In March of 2018 the Board of Directors selected and adopted a capital improvement program. This program is proactive in nature, including large capital maintenance items and projects to correct known system deficiencies as well as system expansion projects.

As shown in FIGURE 5, ONWASA is divided into four “service areas” which total over 445 square miles. Capital improvement projects are planned in each of these service areas. These projects represent the majority of ONWASA’s annual expenditures and are accounted for in capital project funds. Upon completion of a project, the expenditures are recorded as capital assets and are depreciated over the-useful life of the asset.

A copy of the CIP is included as **APPENDIX 1**.



## Capital Projects Update



**Table 4** contains basic information on the capital improvement projects that will be underway (planning, design and/or construction) or scheduled to start in FY20. These projects may be funded through one or more of the following sources: fund balance, capital financing, state or federal grants and loans. Following the table, individual project scope and status information is provided.

It should be noted that these projects do not include smaller, annual one-time capital items which are funded as part of departmental operating budgets and do not rise to the level of the CIP.

**Table 4. FY20 Capital Projects**

Title	Service Area	Budget Amount
Union Chapel Wells Raw Water Mains	Northwest	\$4,285,830
Hargett Street Pump Station Rehabilitation	Northwest	195,000
Swansboro WWTP Renovation or Replacement	Southeast	28,000,000
Swansboro WWTP Infiltration Pond Flow Meters	Southeast	165,000
Piney Green Sewer Phase II – Hickory Grove Lagoon closure	Southeast	1,234,790
Shore Drive Pump Station Rehabilitation	Southeast	195,000
Heather Loop Road Gravity Sewer Improvements	Southeast	150,000
Highway 50 Wells & Raw Water Mains	Southwest	4,208,850
Kenwood/Bishop's Ridge Sewer Service Extension	Southwest	2,325,000
Southwest Service Area Upgrades Project II	Southwest	3,500,000
Holly Ridge WWTP and Summerhouse WRF Capacity Assessment*	South	150,000
Summerhouse WRF Infiltration Pond Capacity Assessment/Rehabilitation	South	650,000
Summerhouse WRF Treatment Train 3 Rehabilitation	South	250,000
Laboratory Addition and Warehouse Renovations	Central Office	2,100,000
Local Read Meter Replacements Phases II & III	Various	5,397,640
Permanent/Standby Power Upgrades**	Various	108,000
Building Roof Replacements	Various	770,000
Water Main Interconnections Phase II	Various	420,000
ORWRG Regional Aquifer Study	Various	300,000
Pumping Station Assessment/Rehabilitation	Various	150,000
Northwest Regional WRF Hurricane Florence***	Northwest	5,000,000
County Landfill Force Main Tie-In	Southwest	100,000
Disaster Recovery	Various	1,000,000
<b>Total FY20 Capital Projects</b>		<b>\$60,655,110</b>

\*Capacity assessment has been advanced due to capacity concerns

\*\*Funding anticipated from grant proceeds

\*\*\*Funding anticipated from insurance, federal and grant proceeds

### **Union Chapel Wells Raw Water Mains**

This project is the second of three phases of work to construct a new raw water supply and treatment facility in the Northwest Service Area, in response to the Central Coastal Plain Capacity Use Area Rule groundwater withdrawal restrictions (see *Regional Aquifer Study*). Phase 1 of the project, completed in late 2018, created two sites (UC-1 and UC-2) that provided a total of three (3) new raw water supply wells adjacent to the Martin Marietta Aggregates quarry. Output from these wells will be blended with water from existing Black Creek aquifer wells and treated at a new facility to be constructed at the UC-1 location before being discharged into the water distribution system.

The second phase of construction will consist of the installation of raw water main piping to connect the new wells to each other and the future full capacity water treatment facility, while the final phase of work will involve construction of the treatment plant and on-site finished water storage capacity.

Design of the second phase of work is approximately 75% complete and will be finalized for bidding and construction by October 2019. Design work for the treatment plant has not started but should be underway by the end of calendar year 2019.

*Estimated project completion timeline: Phase 2 Design - October 2019; Phase 2 Construction – December 2020; Phase 3 Design and Construction – To be determined (est. 2023).*

*Estimated operating budget impact: To be determined, based on treatment plant design and staffing requirements.*

### **Hargett Street Pump Station Rehabilitation**

This project will address ongoing problems with a wastewater pumping station that serves a significant portion of the Town of Richlands. The existing station is in very poor condition, has excessive groundwater infiltration and does not meet current ONWASA requirements. Work to be performed includes removal of the existing pump station and replacement with gravity sewer lines/manholes that will re-direct influent flow to a nearby pump station.

Design work on the project is 75% complete, with bidding and the start of construction before the end of calendar year 2019.

*Estimated project completion timeline: Design – September 2019; Construction – July 2020.*

*Estimated operating budget impact: Minimal reduction due to lesser maintenance/inspection requirements.*

### **Swansboro WWTP Renovation or Replacement**

Based on current influent flow and proposed new connections, the Swansboro WWTP will soon exceed 80% of its permitted capacity. Under State regulations (15A NCAC 02T .0118), ONWASA is required to initiate development of a plan for addressing future needs for additional capacity. This project will assess the condition and available capacity of the existing plant, prepare 20-year estimated future sewer flows from the local service area, then develop alternatives that will provide sufficient treatment capacity to meet the calculated future flow amount. Design, permitting and construction of the selected alternative would then be initiated.

An engineering consultant has performed the facility condition assessment, calculated future population growth and projected sewer flows from this data, and is preparing an analysis of alternatives to include plant expansion, replacement or alternative treatment facilities.

*Estimated project completion timeline: Capacity Assessment – July 2019. Timeline for construction of plant improvements or replacement is to be determined, based on the alternative selected.*

*Estimated operating budget impact: To be determined, based on the alternative selected.*

### **Swansboro WWTP Infiltration Pond Flow Meters**

This project consists of the installation of install water meters, control valves and telemetry equipment at each of the four wastewater infiltration ponds located on Parkertown Road that serve the Swansboro WWTP. This will allow the plant operator to better manage/distribute effluent flow, as well as record the actual volume of water put into each pond (as required under the plant's operating permit) without having to travel from the plant to the infiltration pond site.

Design work and bidding documents were completed for this project in FY18, however bid results exceeded available funding and the engineer is revising the project for the purpose of rebid.

*Estimated project completion timeline: Construction - December 2019.*

*Estimated operating budget impact: Minimal.*

### **Piney Green Sewer Phase II – Hickory Grove Lagoon Closure**

A project to address the remaining item of work on the Piney Green project, removal of sludge and formal closure of the active permit for the approximately 3-acre treatment lagoon at the Hickory Grove site, was bid in early 2015. The single bid received was almost three times the estimated cost, due to the site's physical limitations and dewatering issues. After a period without clear direction on how to proceed, an environmental engineering firm has been contracted to conduct additional water quality/sludge testing, meet with the applicable regulatory agency,

North Carolina Department of Environmental Quality (NCDEQ), prepare a revised Closure Plan and implement a more cost-effective option to close the lagoon site.

Based on recent test results and the effects of Hurricane Florence-related flooding at this site, a revised Closure Plan was submitted to NCDEQ in March 2019 that indicates no further sludge removal will be necessary to meet water quality goals and requesting concurrence with that finding.

*Estimated project completion timeline: To be determined, based on NCDEQ response to the revised Closure Plan.*

*Estimated operating budget impact: None anticipated if Closure Plan is accepted.*

### **Shore Drive Pump Station Rehabilitation**

The project will address ongoing problems with this wastewater pumping station, which serves a significant portion of the center of the Town of Swansboro. Based on preliminary investigations, work to be performed includes rehabilitation and protective coating of the interior of the existing masonry wet well and an adjacent brick manhole, along with replacement of deteriorated discharge piping and repairs or replacement of other pump station controls and equipment as necessary.

Design work is approximately 50% complete, however further work has been delayed pending a decision by the North Carolina Department of Transportation (NCDOT) on the construction method an adjacent culvert replacement project that will significantly impact the pump station site. An interim project (lining the brick manhole) may be attempted later in 2019 if the NCDOT project does not advance on a suitable timeline.

*Estimated project completion timeline: To be determined.*

*Estimated operating budget impact: None anticipated.*

### **Heather Loop Road Gravity Sewer Improvements**

This project will design and construct the replacement of approximately 500 linear feet of existing gravity sewer main along Heather Loop Road, within the Hunters Creek subdivision. This area consists of older truss-style sewer pipe and has been the location of an increasing number of pipe failures in the last few years.

While work on this project has not yet started due to other priorities, we anticipate issuing an engineering contract for design and permitting by the end of FY20.

*Estimated project completion timeline: To be determined.*

*Estimated operating budget impact: None anticipated.*

### **Highway 50 Wells and Raw Water Mains**

To address an estimated 20- 30% production wasting rate from the implementation of a reverse osmosis (RO) treatment process at the Dixon Water Treatment Plant, ONWASA initiated a project to construct two new wells (D10 and D11) in the Castle Hayne aquifer as additional sources of raw water supply. Phase 1, completed in 2015, consisted of well drilling and testing to determine design requirements for the production well heads. Phase 2, to be performed under two separate construction contracts, consists of completion of the above-ground portion of the well heads along with approximately 25,000 LF the raw water lines from the well sites on Highway 50 to an existing raw water line at Folkstone Road that serves the Dixon Water Treatment Plant.

Construction contracts for both Phase 2 construction contracts (well build-out and raw water main installation) have been executed and raw water main construction is underway.

*Estimated project completion timeline: Phase 2 Construction – February 2020.*

*Estimated operating budget impact: Minimal increase, to maintain new wells.*

### **Kenwood/Bishop's Ridge Sewer Service Extension**

As the first project in a new CIP initiative to extend sewer service within the County, funding will be used to construct a gravity sewer collection system that will provide sewer service connections to approximately 80 homes in the Kenwood and Bishop's Ridge developments within the Southwest Service Area. Work will include new gravity sewer mains and manholes, a new wastewater pumping station and a force main to convey wastewater to the Northwest Regional Water Reclamation Facility, via an existing pump station and force main within the Kenwood area.

An initial feasibility study and preliminary design work for this project have been completed, and we anticipate beginning design/permitting by the end of FY19.

*Estimated project completion timeline: Design – July 2020; Construction – September 2021.*

*Estimated operating budget impact: To be determined.*

### **Southwest Service Area Upgrades, Project 2**

As a result of water system modeling and analysis performed in 2009, it was determined that existing water mains along Highway 53 and other locations in the Southwest Service Area could not provide sufficient pressure to support fire flows or address future development demands in this region. Construction of the first of three planned phases of water main upgrades necessary to correct these issues, by increasing main sizes along Highway 53, was completed in early 2016 and is now in service. This project will complete design and construction for Phase 2, which includes a review of the earlier study and additional hydraulic modelling to

determine the scope of work given changes in demand and water system operation since the original 2009 study was completed.

A contract for professional services necessary to update the 2009 report was executed in early 2019. Work on an update to ONWASA's hydraulic model of the water distribution system, which will be utilized for this project, is now underway and should be completed in the next six months.

*Estimated project completion timeline: Modeling and report update – Spring 2020; design, permitting and construction – to be determined.*

*Estimated operating budget impact: None anticipated.*

### **Holly Ridge WWTP and Summerhouse WRF Capacity Assessment**

Based on current influent flow (especially in wet weather) and proposed new connections, the Holly Ridge WWTP often exceeds 80% of its permitted capacity. While a portion of that influent is pumped to the Summerhouse WRF and treated there, this serves as only a short-term solution as additional homes are built at Summerhouse and connected to that system. Similar to what is being done for the Swansboro WWTP, this project will assess the condition and available capacity of the existing facilities, prepare 20-year estimated future sewer flows from the local service areas, then develop alternatives that will provide sufficient treatment capacity to meet the calculated future flow amount.

An engineering consultant has performed facility condition assessments, calculated future population growth and projected sewer flows from this data, and is preparing an analysis of alternatives to include plant expansion, replacement or alternative treatment facilities.

*Estimated project completion timeline: Capacity Assessment – August 2019. Timeline for construction of plant improvements or replacement is to be determined, based on the alternative selected.*

*Estimated operating budget impact: To be determined, based on the alternative selected.*

### **Summerhouse WRF Infiltration Pond Capacity Assessment/Rehabilitation**

Two of the four treatment trains within the Summerhouse facility have been brought into full operation, accepting wastewater influent from the adjacent housing development along with a limited amount of flow diverted from the Holly Ridge WWTP. Further expansion of treatment capacity, however, is limited by the inability of one of the two infiltration ponds located within the Summerhouse development to accept discharge from the plant. Based on preliminary site investigations and testing performed by a hydrogeologist, this project will complete improvements targeted at excavating a layer of impermeable material from the bottom of the affected pond and restoring its ability to drain more freely.

An engineering contract for design, permitting and construction oversight of the project is being negotiated and will be executed by the end of FY19.

*Estimated project completion timeline: Design – October 2019; Construction - July 2020.*

*Estimated operating budget impact: None.*

### **Summerhouse WRF Treatment Train 3 Rehabilitation**

Two of the four treatment trains within the Summerhouse facility have been brought into full operation, accepting wastewater influent from the adjacent housing development along with a limited amount of flow diverted from the Holly Ridge WWTP. Repairs to two additional treatment trains at this site will be necessary to bring the plant up to its full permitted capacity of 400,000 gpd. Funding is being allocated within FY20 and FY22 to both purchase materials and for contracted work to perform the necessary repairs.

*Estimated project completion timeline: July 2021.*

*Estimated operating budget impact: To be determined.*

### **Laboratory Addition and Warehouse Renovations**

ONWASA operates a certified laboratory at our Central Office complex which performs the majority of water quality testing required by the State of North Carolina under various operating permits for our facilities. The lab is currently housed within a modular building that is experiencing structural issues, moisture problems and has exceeded its service life. This project will consist of the design, permitting and construction of a dedicated addition to the existing Central Office warehouse that will house a new laboratory, additional administrative office space, and a dedicated computer network room, as well as modifications to the remainder of the warehouse to make better use of the existing space and increase weather-protected storage capacity.

An architectural design firm has been selected for this project and a contract is being negotiated for site investigations and conceptual design documents.

*Estimated project completion timeline: Design – December 2019; Construction – December 2020.*

*Estimated operating budget impact: To be determined.*

### **Local Read Meter Replacements Phase II and III**

These are the final two phases of a multiple-year project to complete the transition from local read meters to Automatic Read Meter (AMR) units across the entire ONWASA system. This effort will have multiple benefits, including the replacement of aging or outdated meters, increased accuracy and efficiency in meter reading efforts, and increased safety for ONWASA personnel who read these meters. Replacements will be prioritized by the age of the existing meter and locations where access to the meter box is difficult.

Bids for the second phase of meter replacements, totaling approximately 10,000 units, were opened in August 2018 and a contract has been executed. Meter installation will begin in May 2019.

*Estimated project completion timeline: Phase II installation – September 2019. Phase III bidding/installation – To be determined.*

*Estimated operating budget impact: Minimal.*

### **Permanent/Standby Power Upgrades with ATS**

To provide enhanced capability to maintain water distribution system operations during power interruptions, work was started in FY19 on a four-year program to purchase and install on-site generators and automatic transfer switches (ATS's) at key facilities, primarily raw water wells and booster pumping stations. This will include the replacement of potable (trailer-mounted) generators with fixed units and the use of liquefied propane (LP)-fueled equipment where appropriate.

Work on the first round of improvements, including a permanent generator mounted at the Verona Booster Pump Station and LP gas generators at three water tank telemetry sites, will be completed by July 2019.

*Estimated project completion timeline: Sites designated for FY19 will be completed by July 2019. Schedule for sites designated in FY20 are to be determined.*

*Estimated operating budget impact: None anticipated.*

### **Building and Roof Replacements**

An independent field evaluation of existing conditions and materials at more than 30 different structures owned/maintained by ONWASA was completed in 2017; multiple sites have been identified where the existing roofing material has exceeded its expected service life and replacement is warranted. This project will initiate a multi-year roof replacement program that will begin with locations where active leaks are already occurring during significant rain events.. Addressing a leaking roof is critical to protect not only the contents of the building but also the underlying roof deck and structural members.

An architectural design firm with extensive roof experience was selected in late 2018 for this project and a contract is being developed. Design and construction

of the roof replacement for the Central Operations complex is being combined with the upcoming Laboratory Addition and Warehouse Renovations project.

*Estimated project completion timeline: To be determined.*

*Estimated operating budget impact: None.*

### **Water Main Interconnections, Phase II**

ONWASA's Distribution Department staff has identified several locations where existing water mains were intentionally severed some time ago to facilitate roadway culvert or bridge replacement projects. The dead-end lines created by this work have a negative impact on both water supply and pressure in those areas that would be aggravated during periods of high demand (fire flow) or if a break occurs nearby. Phase I of this project combined the four (4) highest priority locations into single construction contract that uses horizontal directional drilling technology to install a new high-density polyethylene water main below or around the culvert/bridge and restore flow. Phase II will include an additional culvert location and two aerial crossing sites damaged during Hurricane Florence.

Construction for Phase I is now underway and design work for Phase II is approximately 75% complete.

*Estimated project completion timeline: Phase I construction – July 2019; Phase II Design – June 2019; Phase II construction – February 2020.*

*Estimated operating budget impact: Minimal.*

### **Regional Aquifer Study**

The goal of the Regional Aquifer Study is to provide an improved understanding of the nature and dynamics of the aquifers beneath Onslow County, with a focus on the sustainable use and management of groundwater resources under North Carolina's Central Coastal Plain Capacity Use Area (CCPCUA) rules that restrict use of Cretaceous Aquifer groundwater sources. The Regional Aquifer Study project is currently underway and is supported by the three primary water users in the county: the City of Jacksonville (COJ), the Marine Corps Base Camp Lejeune (MCBCL), and ONWASA. This group forms a foundation for cooperative groundwater resource management among all 3 entities. Work is now underway on establishing a county-wide system of groundwater monitoring wells, to help determine the extent of saltwater intrusion into various aquifers and the need for future mandatory reductions. Funding will be used to assist in the completion of design and construction for additional monitoring well sites through cost-sharing agreements.

*Estimated project completion timeline: To be determined.*

*Estimated operating budget impact: None anticipated.*

### **Pumping Station Assessment / Rehabilitation**

ONWASA operates and maintains a total of more than 70 wastewater pumping stations, scattered throughout the collection system for each treatment plant. These vary widely in age, condition and configuration, but are all critical to the continued delivery of wastewater to treatment facilities. Under this project, funds will be used to systematically evaluate each station, including: documenting what is there now; it's expected remaining service life; the work necessary to bring it up to current standards; and a ranking of its criticality to the system. This information will be used to prioritize repairs and allocate future capital improvement funding, as well as providing data that can be a basis for a future asset management system.

*Estimated project completion timeline: To be determined - funding for this work is spread over three budget years (FY20, FY21 and FY22).*

*Estimated operating budget impact: None.*

## Progress Report

Some units of local government develop annual budgets with management messages that provide either a brief introduction to financial information or which restate or simply summarize proposed revenues, expenditures, and funds. While this meets the letter of the law, it does not take advantage of the opportunity that a budget message presents to provide readers with an update on the improvement of the organization.

A budget message is an opportunity to convey the positive story of an organization to those that likely care most about it. For this reason, ONWASA is pleased to expand its budget message to provide progress reports and information on major work initiatives. Staff is pleased to provide:

1. An Update on major FY19 initiatives, which were identified in last year's budget message
2. Progress toward the major goals identified within ONWASA's Strategic Plan
3. Identification of new major work initiatives for the FY20 year

## Update on Last Year's Key Initiatives

Last year, ONWASA's leadership team identified the following key improvements to be targeted during FY19. A status report follows each item.



**Resource Maximization:** Through additional staff training, maximize the use of existing information technology resources such as software applications.

**Status:** Ongoing. All staff have received training in Microsoft Office 365 following the "instant and complete" conversion to that software system after the October 2018 cyber-attack. In addition, select staff members have been sent to advanced training in Office 365. Staff have also received training in the organization's new human resources software system.



**Incentivize Voluntary Sewer Connections:** Identify necessary changes, then lobby for changes to state laws and regulations that would allow ONWASA to offer a reduced System Development Fee for those that tie-on to wastewater collection system expansions prior to (or shortly after) a project is given notice to proceed.

**Status:** This item is at the staff and attorney discussion level and will, therefore, be carried over into FY20. The next steps involve drafting a local bill which would grant incentive authority which does not place ONWASA in violation of its own rate covenants with bond holders.



**Commercial Septage Station:** Research ability to accept bulk septage from private contractors at the Northwest Regional Water Reclamation Facility. If acceptance of waste does not harm the plant, construct a dump station with payment center as soon as practicable.

**Status:** A study has been conducted and its findings are under review. Of concern to the researchers are the components of septic sludge and its impact on treatment processes. Local septic tank haulers are finding other avenues of disposal. There are unconfirmed reports of septic haulers illegally dumping into sewer manholes to avoid higher disposal costs. Law enforcement has been advised of this potential problem. The study should conclude before the end of FY19, however further work has been superseded by flood recovery efforts at the Northwest plant.



**Payment Kiosks:** Begin a pilot program, through a partnership with Jones Onslow Electric Membership Corporation (JOEMC) to accept payments by cash, card, or check at a 24-hour convenience store. This would allow customers a convenient way to pay their bill at any time of the week.

**Status:** Complete. Two kiosks are available to customers, one in Richlands and one in Swansboro.



**Customer Experience Training:** Begin in-house customer experience training for all employees. This training will reinforce ONWASA's emphasis on core values of integrity, caring, dedication, environmental stewardship and sense of community.

**Status:** Complete, with modifications. All ONWASA staff have received training.



**HR Modernization:** Institute an online employee application process and a new performance appraisal system.

**Status:** Complete. A new online employee application system and new performance appraisal system are fully operational. The system chosen is Civic Plus Human Resources Management System.



**Monthly Meetings:** Institute monthly staff meetings within the Customer Services Department for all employees. Meetings will include staff development, team building, and other necessary activities.

**Status:** Complete. Customer Services employees receive monthly training in an after-hours staff development meeting.



**Pender Water:** Receive the final executed agreement back from Pender County Utilities and begin selling water to Pender for the Maple Hill area.

**Status:** Pender County Utilities is proceeding with engineering and permitting of the necessary physical interconnection between the ONWASA and Maple Hill systems, with the intent of beginning the purchase of water by April 2020.

## Strategic Plan Progress

Within a strategic plan goals represent the most important issues that must be addressed to achieve the desired future. ONWASA's goals were formed to address the factors that are most critical to the organization's future success.

Following adoption of the ONWASA Strategic Plan, individual staff members were called to become "Goal Champions", tracking organizational progress toward individual goals and coordinating actions which could advance the goals.

A description of the goal is followed by an update on actions related to that goal that took place in FY19.



**Workforce Development.** A high performing workforce requires individuals who are skilled and dedicated. Accordingly, ONWASA will attract, retain, motivate, manage, and reward exceptional employees who make significant contributions to its success.

**Progress:** The commitment to attracting, developing, and retaining a professional, highly skilled engaged and versatile team is on-going.

### Review and enhance the hiring and onboarding processes

The hiring and onboarding processes has been revised and enhanced to provide prospective employees greater ease and confidentiality of applying for positions within ONWASA and being able to see the status of their employment applications by using the new computer software system.

The new computer software system allows Human Resources to disseminate qualified employment applications to hiring managers in a more timely manner, which shall decrease the average time from job post-to-offer date. Human Resources is currently reviewing benchmark data to determine the level of improvement achieved.

HR has modified the employee onboarding process from a form-processing and safety meeting to an organization-wide onboarding program. The program includes orientation, training, facility tours, departmental leadership personnel meeting with the new hire to provide expectations as well as a meeting with the CEO which includes customer service expectations, as well as an organizational values brief.

Develop a formal employee appreciation program to recognize excellent service

Employees are recognized for excellent service by the CEO via public recognition amongst their peers as well as a memo to their personnel file. The employee may also be awarded varying amounts of annual leave as appreciation for extraordinary service.

Formalize career paths and individual professional development plans

This initiative is in process but is not complete. ONWASA has career paths in place due to certification, education and training requirements for each position as indicated on the job description. The Human Resources Director in tandem with the Department Head's will be reviewing individualized professional development plans for employees.

Create opportunities for employees to participate in cross-functional teams

Cross-functional teams are an integral part of ONWASA's daily operations and opportunities for employees to participate in the teams is continually being reviewed for opportunities. For example, customer service employees are given the opportunity to ride along with metering employees to be able to understand what is entailed in the metering function. Cross-functional teams are also being offered in other areas, such as the system control center and the water treatment plants, human resources and finance, and collections and the wastewater treatment plants.



**Enhanced Customer Experience.** The ONWASA team recognizes the importance of communicating with customers and showing genuine interest in solving their problems. This is done with superior service that fulfills needs and provides lasting value.

**Progress:** A primary focus of the CEO over the past 12 months has been in the area of the customer's experience. Efforts to improve the customer's experience (and overall opinion of ONWASA and the utility's employees) revolves around three areas:

1. The value of a great customer experience has been impressed upon all employees
2. Employees have been encouraged and empowered to create single-contact solutions for customer problems
3. Unnecessary or burdensome policies and practices which have contributed to poor customer experiences and have damaged ONWASA's reputation have been modified or removed

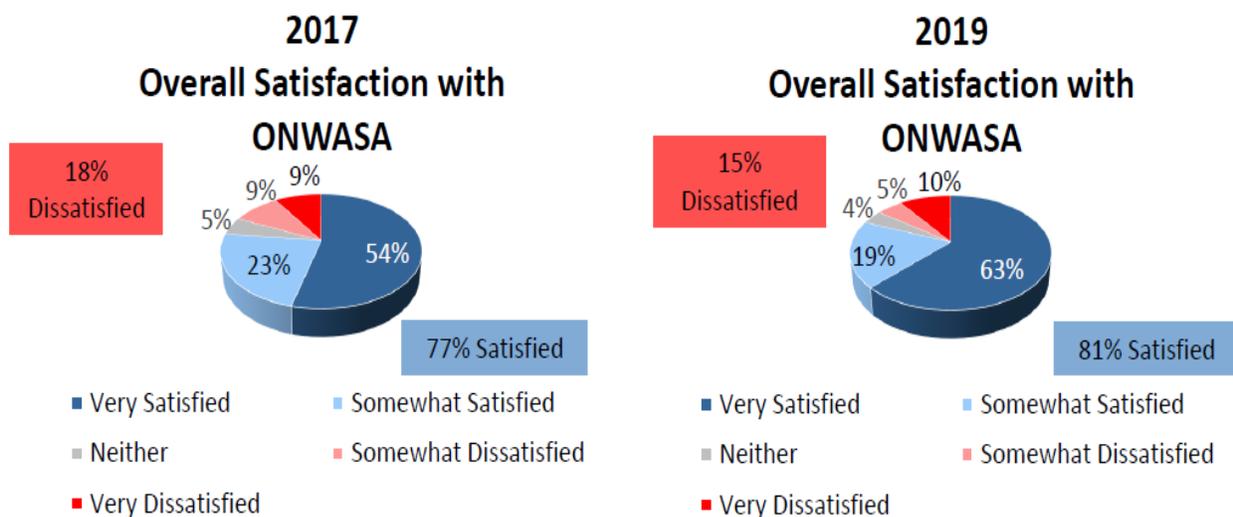
Supervisors continue to empower and train employees within the Customer Service Department to increase customer satisfaction. All employees attended enhanced

customer service training classes and are continuously encouraged to apply those skills. The department receives feedback from customers that complete an online survey after visiting the office and supervisors provide unedited feedback to front-line employees.

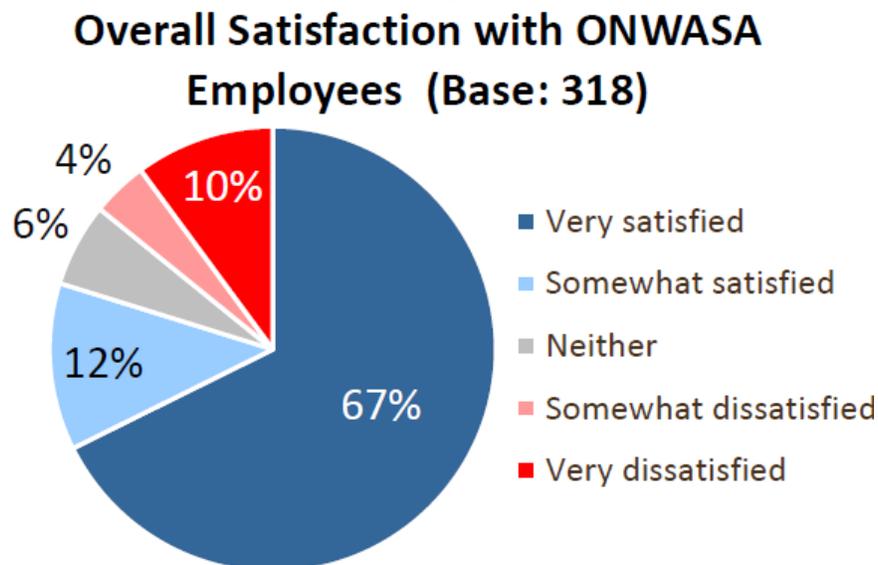
Given the importance of customer satisfaction, ONWASA employed a third-party, unbiased research group to perform a statistically-valid survey of customer satisfaction in 2019. The study measured improvement in various areas over an identical 2017 study that established a baseline of customer satisfaction.

While room for improvement continues to exist, ONWASA’s scores have improved in nearly every single category. The study has a 95% confidence level with a sampling error of  $\pm 3.6\%$ . Selected graphs from the study follow in **Figures 6,7,8 and 9**.

**Figure 6. Overall Customer Satisfaction**



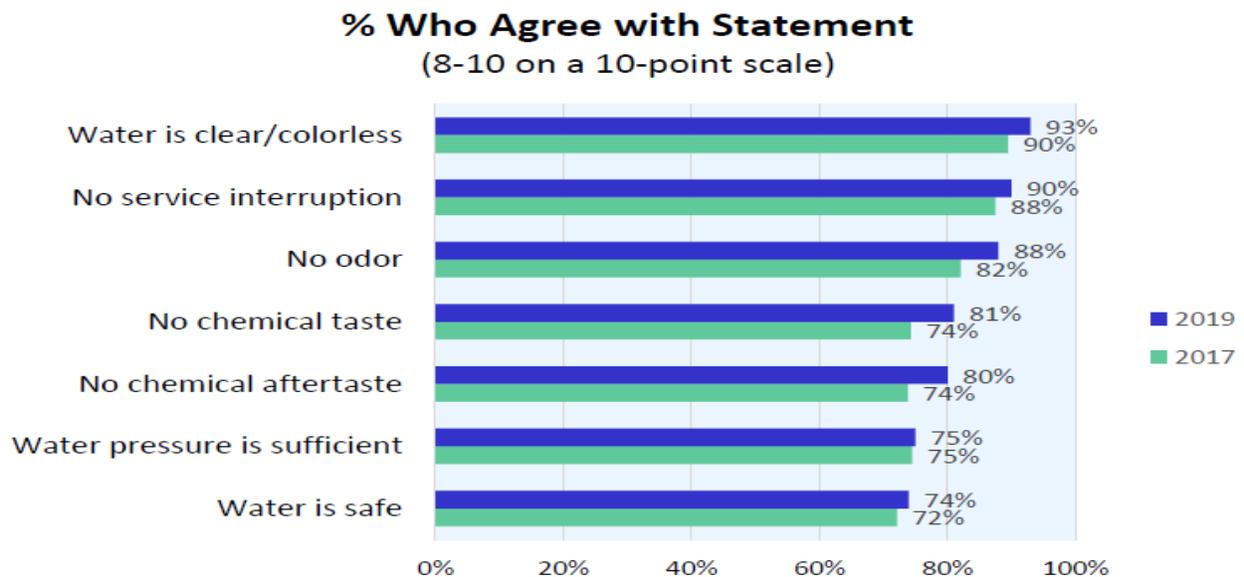
**Figure 7. Overall Satisfaction with Employees**



**Figure 8. Evaluation of Employee Attributes**

Agree with Statements Regarding ONWASA Employees				
Base: Interacted with employees in past year	2017 (n=196)		2019 (n=318)	
	Agree (8-10)	Do Not Agree (1-3)	Agree (8-10)	Do Not Agree (1-3)
Speak clearly/understandably	86%	5%	91%	<1%
Are polite/courteous	84%	8%	90%	<1%
Are professional	84%	7%	89%	1%
Are knowledgeable about my questions/problems	81%	8%	85%	2%
Listen to me explain my questions/problems	81%	5%	84%	1%
Are able to resolve my questions/problems satisfactorily	76%	10%	81%	2%

**Figure 9. Product Perception**



A complete copy of the 2019 Customer Satisfaction Survey may be found at **APPENDIX 2**.



**Communication and Partnership.** ONWASA has committed to maintaining effective internal and external partnerships in furtherance of its mission and vision. Ensuring the utility's success requires strong, consistent communication through a variety of mediums.

**Progress:** Communication has improved both internally between employees and externally with customers. Partnerships have also been enhanced over the past year.

#### Improve Internal Communications

Improvements to internal communications between the ONWASA Leadership Team and all ONWASA employees has centered around the migration to Microsoft Office 365.

As of December 2018, All ONWASA users have been fully migrated to the Office 365 environment. The migration to this product suite enables staff to collaborate in ways that were not previously possible. Employees can share documents, spreadsheets, presentations, and other formats of material without creating multiple copies of the same material. Employees are also able to create individual web-based SharePoint sites for each Department as deemed necessary, and a single web-based SharePoint site for all ONWASA employees to have access to needed information. These work similar to a traditional "intranet".

These sites are all permission-based, depending on who needs access and certain privileges to the information. Only ONWASA employees will have access to these sites. ONWASA employees will also have access to these SharePoint sites from anywhere that they have an internet connection. To-date several Department sites have already been created, including: Administration (Leadership Team, Strategic Plan), Finance, Customer Service, Engineering, Human Resources, IT, Water Production, and Wastewater Treatment. These Departments are in the early stages of mapping out their functionality and beginning to build their document libraries.

Here is an example of how this new platform and technologies are already being used as described by the water division:

- Implemented a Water Production OneDrive account. All water production assets, Dixon WTP Staff, Hubert WTP Staff and SCC Staff utilize this drive to collect and share data. In addition, we have shared this out to key partners such as the Lab and Engineering to better facilitate the sharing of information.
- We have started using tablets in conjunction with the Water Production OneDrive with individual log-ins. This insures the accountability and integrity of data collected.

#### External Communications

Continued efforts in improving communications with our ONWASA customer base include an increased social media and web-based presence. Administration, along with the Customer Service Department have greatly increased the ability and frequency of communicating directly with our customer base through Facebook, the ONWASA.com website, and Blackboard Connect. Blackboard Connect is a mass communication customer call out system for water outage, account payment and disconnect notices and other high priority communications with ONWASA customers.

Below is a sampling of statistics of progress on customer communication efforts.

<b>Contact Method</b>	<b>July 2018</b>	<b>August 2018</b>	<b>September 2018</b>	<b>January 2019</b>
Facebook Followers	509	560	1,458	1,479
Blackboard Connect-Total Phones Called	15,769	5,452	86,067	4,797
Blackboard Connect-Total Unique Messages	6	40	11	26
Website Visitors	21,513	20,586	23,473	18,383

In addition to social media, ONWASA continues to produce a monthly newsletter which is included in the organization's monthly bill.

#### Increase community involvement, stakeholder engagement, and partnerships

ONWASA staff have negotiated two new Intergovernmental Service Agreements with the Marine Corps for emergency water service to Camp Lejeune as well as emergency interconnection of wastewater lines should the need arise. Both agreements are anticipated to be placed before the Board of Directors for consideration in May 2019.

ONWASA staff continues to work with Pender County Utilities to finalize design of the Maple Hill water service interconnect, which will be built at Pender County Utilities expense. The interconnect is a win-win, allowing Pender to receive water while creating a new revenue stream for ONWASA.

Relationship with the City of Jacksonville continues to improve as ONWASA and the City are currently cooperating under a Master Services Agreement which allows the City to purchase bulk water from ONWASA at prevailing ONWASA rates. The City Manager's Office indicates that at least two subdivision/areas of the City will be ready for municipal purchase in the near future.

The North Carolina Water and Wastewater Response Network is a key partnership that ONWASA has joined. This network of sister water utilities across North Carolina came to ONWASA's assistance following Hurricane Florence. ONWASA's CEO has been asked to serve on the Board of Directors of the organization.

The North Carolina Water Utilities Director's Roundtable is an association of Director and CEO-level leaders of the state's largest water utilities. Prior to 2019 ONWASA had not been invited to join this group, though ONWASA is the state's 10<sup>th</sup> largest public water provider. ONWASA's CEO was invited to address to the organization following Hurricane Florence and the October 2018 cyber-attack. Following the presentation, the CEO was

informed that the group will be considering a formal invitation for ONWASA to join the organization.

ONWASA has partnered with the Swansboro and Jacksonville Chambers of Commerce as well as the Onslow County School System to make presentations to the community through business expos and job fairs about our water resources, the science of water, and the public services ONWASA provides. ONWASA took first place booth at the Jacksonville Business Expo in 2019.

ONWASA has partnered with local Volunteer Fire Departments to not only deploy new hydrant-marking rings within the service district, but also to determine where new fire hydrants should be located.

ONWASA continues to explore relationships with other area local governments with the goal of creating win-win situations for all concerned.



**Financial Stewardship.** Operating a utility is a resource-intensive endeavor, which depends on appropriate operating and capital funding. ONWASA is committed to utilizing its financial resources in a strategic and efficient manner.

**Progress:** The true measure of financial stewardship may be found in the budget itself. ONWASA completed and implemented recommendations from the 2018 Rate Study starting with the adoption of the FY19 budget. The Rate Study identified and communicated the revenue required for operations and the adopted capital improvement plan for the next five years.

ONWASA is proceeding with interlocal agreements to sell potable water. These will provide alternative revenue sources to ONWASA with minimal increases in operating costs.

Production processes are being reviewed to lower expenses. Examples include both electrical costs and chemical costs at all sites.

ONWASA will continuously review all sources of revenue as well key business processes to ensure we are maintaining affordable rates and our bond rating.



**Reliable and Sufficient Infrastructure.** ONWASA is proud of its work on existing infrastructure system and the new infrastructure under construction. A continued focus on developing and maintaining a sustainable infrastructure that will meet customer needs now and, in the future, will be critical to success.

**Progress:** Progress on this goal is measured primarily through the successful and timely completion of projects within the ONWASA Ten Year Capital Improvement Plan (CIP) adopted in May 2018. A total of thirteen (13) individual projects were identified for funding in FY19, the first year of the new CIP. Despite significant impacts to project schedules caused by Hurricane Florence and the ongoing recovery efforts at the Northwest Regional Water Reclamation Facility, ONWASA is currently on track to have four (4) projects under construction and eight (8) projects under contract for planning or preliminary design services by the end of the fiscal year.

Construction projects include the completion of two new water supply wells and transmission mains in the Holly Ridge area, restoration of disconnected water mains in selected locations within the distribution system, and the second phase of local read water meter replacements that will increase meter reading efficiency and accuracy. Planning and/or preliminary design work now underway includes assessing the future capacity and potential for expansion of the Swansboro WWTP, construction of a new water testing laboratory and renovations at the ONWASA Central Office facility, and the expansion of the sewage collection system within the Kenwood and Bishop Ridge areas.

In addition to implementation of the CIP, this goal is also measured through annual reductions in the amount of unaccounted-for (unbilled) potable water and the number of main breaks or leaks requiring emergency repairs.

While progress in this area was also impacted by the hurricane, as well as the extensive loss of data in the subsequent cyber-attack, efforts now underway include: review of all water production/usage data to better determine the actual volume of unbilled water each month; increased camera and smoke-testing in areas of the collection system where high infiltration rates and/or damaged mains are an issue; and developing a long-term program and possible external funding to address areas in the distribution system that are highly vulnerable to weather-related damage (with a focus on water main aerial crossings).

It is important to note that the above information is an overview of efforts being undertaken by the utility. Individual field departments continue to work on individual projects or activities which are essential to maintaining a reliable infrastructure. The following items are a few examples from the extensive work list maintained by the water division:

- Underway – hard mounting and increasing fuel storage capacity of the Verona booster pump station generator. This generator will have fuel supply for 5 days.
- PO in the system – for the hard mounting and increasing fuel storage capacity of generators at 3 key wells in the Black Creek Well Field. These generators will have fuel supply for 5 days.

- Project started in March 2019 – the refurbishment of 3 of the vessels in the Dixon WTP. These vessels have developed holes from years of service and will be getting repaired.
- Underway – well head protectors, to prevent the unauthorized access to our aquifer via the well head.
- Underway- Pulling and verify well installation records for 5 wells in the Black Creek aquifer, for getting our capacity use permit amended. This amendment could allow ONWASA to pump and additional 1 million gallons daily without incurring the costly expense of finding new water sources.
- Underway- Rehabbing Black Creek well #1. This well is 39 years old. The well has multiple leaks in the casing joints allowing the infiltration of other aquifers.

## **FY20 Major Work Initiatives**

**Continued Cyber-Security Enhancement.** A large portion of the IT budget increases for FY 19-20 are due to the increased cyber-security posture that the organization must maintain. This item represents the single greatest investment in expanded departmental operational costs in the coming fiscal year. Since that is the case, a more extensive explanation is provided:

- Enhanced Internet Connections – Increases in the speed to the utility’s current primary internet connection (Spectrum) and to greatly improve the speed to the backup internet connection (Century Link). These internet connections are vital to providing access to the new in-cloud data backup services as well as enhancing and providing redundancy to day-to-day customer services through online web payments and services, as well as phone based payments and services.
- Enhancements for connectivity from ONWASA Main Office to EOC. Staff is working with vendors and the City of Jacksonville on possibly extending fiber-optic connectivity from our ONWASA Main Office to the Onslow County EOC to provide redundant and more reliable communications with our utility operations telemetry system. A more reliable connection for this link is crucial, especially during times of bad weather.
- New firewall project – A new “next generation” technology firewall solution will enhance internal and external protections of all network connected devices.
- Additional Microsoft licensing costs – Increased licensing costs as a result of converting to Microsoft Office 365 as the organization-wide solution to provide in-cloud functionality and for enhanced security features providing additional layers of security scanning of email attachments and security scanning of emailed weblinks for security vulnerabilities.

- Increased Professional services costs – Increased vendor support to ensure that the utility is using best practices for all services to include building\replacing new IT infrastructure such as new network devices, server and software deployments, new firewall solution deployment, and better ways of automating the deployment of end-user hardware and software platforms.
- In-cloud data backup services to improve data security (Cloud Data Storage).
- Managed Security Services – Once contracted, these professionals will work to augment in-house IT staffing with around-the-clock monitoring, notification, and containment of any recognized system issues. The consultants will provide ongoing security consulting services to include cyber-security vulnerability assessment and penetration testing.
- Civic Plus Website and human resources module – Cost increases for added functionality within the website for Job Applicant tracking, and Employee Performance Appraisal modules. These modules are cloud based web services to provide better security and enhanced productivity for Management staff.

**Physical Security Enhancements.** ONWASA will complete enhancements, which are already under construction, to further protect essential assets.

**Recreate Non-Critical Databases.** ONWASA will work to recreate non-critical databases, such as the HR job description database.

**Robust Infrastructure.** ONWASA will work to improve its generator and fuel supply infrastructure, well infrastructure, creek-crossings, and connectivity to better prepare for future natural disasters.

**Hurricane Training.** ONWASA will hold a full-scale training exercise for a hurricane event every year prior to hurricane season.

**CIP Implementation.** Implement 100% of FY19 CIP Projects (which were delayed by Hurricane Florence and the cyber-attack) and implement 100% of FY20 CIP Projects.

**Financing Plan Completion.** Based on the adopted CIP and adopted rate study, complete a plan for financing necessary capital construction using DEC Financial Consultants.

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## Informing ONWASA's Customers

It is important that the customers of ONWASA be informed about the proposed budget. With proper information, the public can provide beneficial feedback to the Authority. For this reason, multiple opportunities for public input will be provided.

Paper copies of the budget are available at the following locations:

**ONWASA Main Office  
Holly Ridge Town Hall  
North Topsail Beach Town Hall  
Richlands Town Hall  
Swansboro Town Hall**

No later than Thursday, May 16<sup>th</sup> the proposed budget shall also be made available for public review on ONWASA's website at [www.onwasa.com](http://www.onwasa.com).

Customers may also submit comments by US Mail to the following address:

**Proposed FY20 Budget Comments  
c/o ONWASA Administration  
228 Georgetown Road  
Jacksonville, NC 28540**

The Board of Directors is required by North Carolina General Statutes to make no decision on the proposed budget until after a formal public hearing on the proposed budget. The public hearing will be advertised in accordance with state statutes. All comments on the proposed budget will be compiled and presented to the Board of Directors for their review prior to the public hearing.

## Conclusion

This proposed budget grants the resources needed to continue organization-wide improvements. It must be emphasized that the proposed budget was made possible through the efforts of staff at all levels of the organization. Special recognition should be given to the staff within Finance, Engineering, Human Resources, and our Superintendents.

Ms. Tiffany Riggs, Ms. Joetta Guist, Ms. Heather Norris, Mr. David Mohr, Mr. David Bergman, Ms. Dawn Taylor, Mr. Seth Brown, Mr. Matthew Padgett and Mr. Eddie Caron have provided significant necessary research to complete this proposed budget.

ONWASA staff members are ready to provide additional research and/or documentation on any aspect of this budget to the Board of Directors upon request. With this budget submittal to the Board of Directors, not only has full and complete budget information been provided on every department, but the board and public are provided with an update on all of the initiatives and progress of ONWASA.

**Respectfully Submitted,**



**Jeffrey Hudson  
CEO**

## **MESSAGE APPENDICES**

- **Appendix 1 - 10 Year CIP**
- **Appendix 2 - Customer Satisfaction Survey**

No.	Project Description	Type	Service Area	YEARS 1-5 CAPITAL IMPROVEMENT NEEDS					YEARS 6 - 10	Project Total
				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-28	
<b>Buildings/Miscellaneous Projects</b>										
1	Building Roof Replacements	R	Various	\$450,000	\$400,000				\$175,000	\$1,025,000
2	Local Read Meter Replacements	R	Various	2,100,000	2,100,000					4,200,000
3	Laboratory Addition and Warehouse Renovations	R	Central Office	2,100,000						2,100,000
<b>WATER SYSTEM</b>										
<b>Raw Water and Monitoring Wells</b>										
4	ORWRG Regional Aquifer Study (Cost Share)	E	Various	175,000					150,000	325,000
<b>Generators at Elevated Tanks &amp; Well Sites</b>										
5	Permanent/Standby Power Upgrades with ATS	E	Various	63,000	45,000	25,000	20,000			153,000
<b>Dixon WTP</b>										
6	Highway 50 Wells (D-10 & D-11) and Raw Water Mains	E	Stump Sound	1,075,000						1,075,000
<b>Union Chapel WTP</b>										
7	Union Chapel WTP / Storage Facility - Design & Permitting	E	Southwest						3,000,000	3,000,000
<b>Water Distribution System - Renovation</b>										
8	Water Main Interconnections - Phase 2	R	Various	150,000						150,000
9	SW Service Area Upgrades, Project 2	R	Southwest	400,000	3,100,000					3,500,000
10	Highway 24 Regional Trunk Main Replacement	R	Swansboro			2,000,000	13,000,000			15,000,000
11	Queens Creek Road Water Main Upgrades	R	Swansboro			350,000	3,750,000			4,100,000
12	Rocky Run Road Water Main Upgrades	R	White Oak			400,000	4,700,000			5,100,000
13	Bannermans Mill Road Water Main Upgrades	R	Richlands					250,000	2,250,000	2,500,000
14	SW Service Area Upgrades, Project 3	R	Southwest						2,900,000	2,900,000
<b>WASTEWATER SYSTEM</b>										
<b>Summerhouse WWTP</b>										
15	Infiltration Pond Capacity Assessment/Rehabilitation	R	Stump Sound	650,000						650,000
16	Treatment Train 3 Rehabilitation	E	Stump Sound		250,000					250,000
17	Treatment Train 4 Rehabilitation	E	Stump Sound				250,000			250,000
18	Plant Condition/Capacity Assessment	R	Stump Sound						150,000	150,000
<b>Swansboro WWTP</b>										
19	Infiltration Pond Flow Meters	R	Swansboro	75,000						75,000
20	Plant Renovation or Replacement	R	Swansboro	3,000,000	25,000,000					28,000,000
<b>New Southeast Regional WWTP</b>										
21	New WWTP - Design & Permitting	E	Regional						4,000,000	4,000,000

No.	Project Description	Type	Service Area	YEARS 1-5 CAPITAL IMPROVEMENT NEEDS					YEARS 6 - 10	Project Total
				FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-28	
	<b>WASTEWATER SYSTEM (cont.)</b>									
	<b>Wastewater Collection System - Renovation</b>									
22	Heather Loop Road Gravity Sewer Improvements	R	White Oak	50,000	100,000					150,000
23	County Landfill Force Main Tie-In	R	Southwest		100,000					100,000
24	Pumping Station Assessment/Rehabilitation	R	Various		150,000	100,000	100,000		500,000	850,000
	<b>Wastewater Collection System - Expansion</b>									
25	NW Plant - Kenwood/Bishops Ridge Service Extension	E	Southwest	325,000	2,000,000					2,325,000
26	NW Plant - Liberty Park Road Service Extension	E	Southwest			250,000	1,150,000			1,400,000
27	NW Plant - Hill Farms Service Extension	E	Richlands			240,000	1,260,000			1,500,000
28	NW Plant - Denise Dr/Greystone Dr Service Extension	E	Southwest			500,000	2,750,000			3,250,000
29	NW Plant - Plum Point Sewer Extension	E	Southwest						3,600,000	3,600,000
30	Piney Green FM - Birchwood Park Service Extension	E	White Oak						1,075,000	1,075,000
	<b>Totals</b>			\$10,613,000	\$33,245,000	\$3,865,000	\$26,980,000	\$250,000	\$17,800,000	\$92,753,000
							<b>Total: Years 1-5</b>	\$74,953,000		

Notes:

All cost estimates are based on 2018 dollars and project information available at the time this report was prepared.

Actual costs for individual projects will not be final until contracts are awarded; estimated costs are for planning purposes only.

Type E - System expansion project.

Type R - System rehabilitation/repair project.

# ONWASA CUSTOMER SATISFACTION SURVEY

(PAR #301019)

*Presented to:*



*Presented by:*



Product Acceptance & Research  
P.O. Box 3126 Evansville, IN 47731  
*Ph:(812) 867-8600*

April 12, 2019

# Background/Objectives

## Background

Onslow Water & Sewer Authority (ONWASA) is interested in measuring customer satisfaction. To accomplish this, a web survey was conducted with ONWASA customers. The baseline results were completed in 2017 and this report represents the first subsequent measure 24 months later.

## Objectives

Primary objectives of this research are as follows:

- How satisfied are customers with service received from ONWASA?
- How do customers prefer to receive communication from ONWASA?
- How do customers prefer to pay their bill?

## Action Criteria

Findings from this study will be used to determine marketing efforts going forward.

# Method/Sample

## Method

ONWASA sent email invitations to their customers with the link to the survey. PAR hosted the survey and collected responses.

## Sample Composition

A random sample of 8,171 customers (net received email) were given the opportunity to participate in the survey. Respondents were required to be responsible for paying their water/sewer bill or contacting ONWASA with issues regarding their bill or services. In total 736 customers completed the survey (735 residential and 1 commercial). Details are as follows:

Response Rate	April 2017	April 2019
Emails Sent	4,001	8,171
Responses	408	736
Response Rate	10.2%	9.0%

# Dates/Sampling Error

## Study Dates

Materials Development:	March 14 – 28, 2019
Data Collection:	March 29 – April 5, 2019
Analysis:	April 8 – 11, 2019
Final Report:	April 12, 2019

## Sampling Error

Given a sample of 736 respondents and measuring this group at the 95% confidence level, the sampling error would be approximately  $\pm 3.6\%$ .

The base for all charts/graphs shown in the report includes all respondents (736) unless noted.

# **KEY FINDINGS/ IMPLICATIONS**



# Key Findings

## Satisfaction with ONWASA is Slightly Higher than 2017

- Eight in ten are satisfied with ONWASA overall, and fifteen percent are dissatisfied. Sixty-three percent are very satisfied compared to 54% from the 2017 wave.
- Satisfaction with ONWASA *employees* is also slight higher – eight in ten are satisfied and fourteen percent are dissatisfied with ONWASA employees (among those who have interacted with employees in the past year).

## Strengths/Opportunities for Improvement

- Primary *company* strengths are the water's *safety, clearness, and being odor free*, while there appears to be an opportunity to reduce or eliminate the water's chemical taste/aftertaste.
- Key *employee* strengths appear to be *clear speech, professionalism, and politeness*. Problem resolution may still present an area to improve upon, but is improved from 2017.

# Key Findings

## **Communication Preferences are Similar to 2017**

- Regardless of the urgency of the message, ONWASA customers prefer to receive communication primarily via email and/or text message which is consistent with 2017.
- Interest in receiving general information news releases or more urgent alerts through ONWASA's website or social media sites is fairly low.

## **Knowledge About ONWASA's Services is Similar to 2017**

- One-quarter indicated that they know little about ONWASA's services – two in ten know *very little*.
- Two in ten indicated that they know a lot – five percent said they know *a great deal* about ONWASA's offering.

## **Bill Payment is Similar to 2017**

- The majority of customers pay their monthly bill online.
- Less than one in ten pay in person, and interest in doing so appears to be lukewarm, particularly at a store or bank.

# Implications

## This data implies the following

- If feasible/cost effective, ONWASA should determine what could be done to eliminate or *further* reduce chemicals or improve the taste of the water.
- Given the low interest in receiving communication from ONWASA via the website or social media sites, any communication/alerts should include other methods; primarily email and/or text.
- There appears to be an opportunity to educate customers on the services offered by ONWASA, perhaps via an email blast with a list of offerings.
  - Given that a fairly high percentage of customers have received service from ONWASA for less than five years, this information should be sent fairly often (perhaps every 2-3 years).

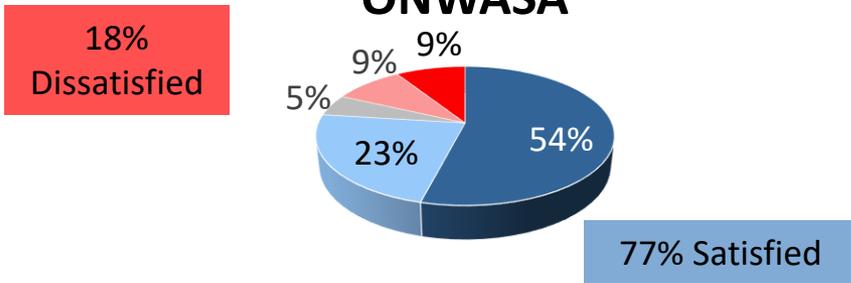
# **DETAILED FINDINGS**



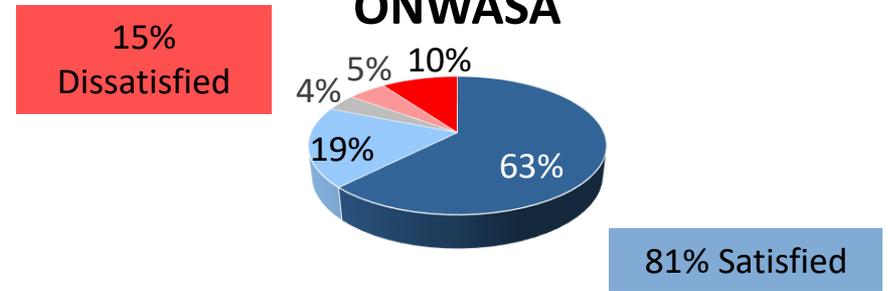
# Overall satisfaction is directionally higher than 2017

- 8 in 10 are satisfied with ONWASA.
- Those very satisfied increased from 54% in 2017 to 63%.
- Fifteen percent indicated overall dissatisfaction.

**2017**  
**Overall Satisfaction with ONWASA**



**2019**  
**Overall Satisfaction with ONWASA**



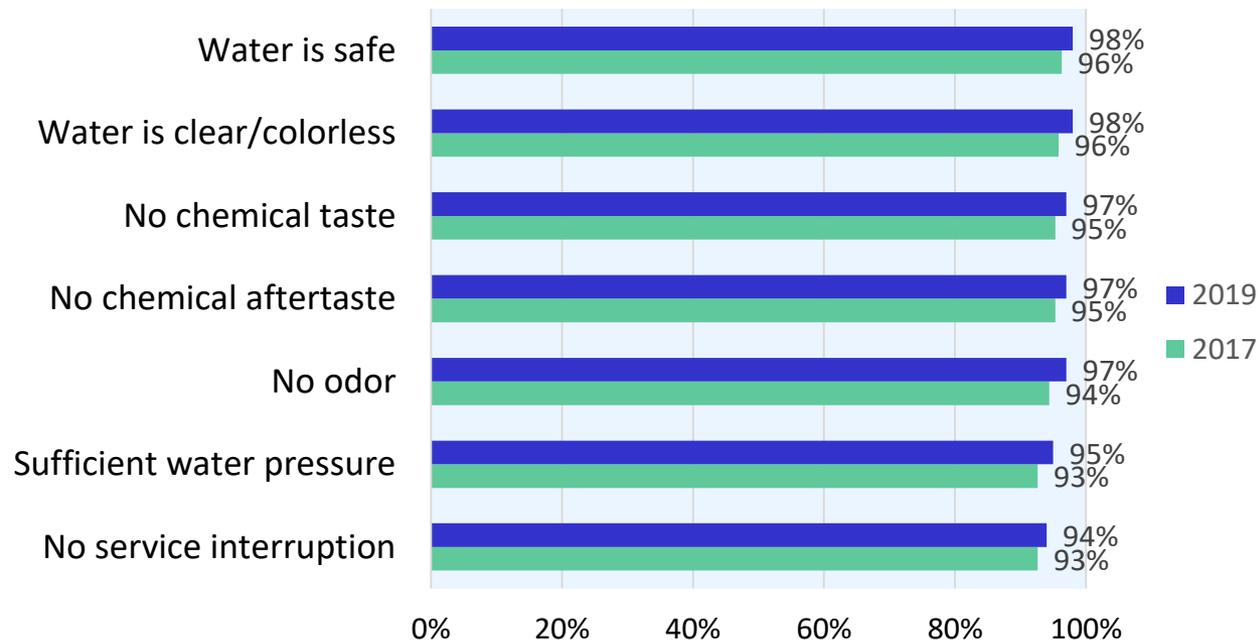
- Very Satisfied
- Somewhat Satisfied
- Neither
- Somewhat Dissatisfied
- Very Dissatisfied

- Very Satisfied
- Somewhat Satisfied
- Neither
- Somewhat Dissatisfied
- Very Dissatisfied

# Importance of attributes is similar to 2017

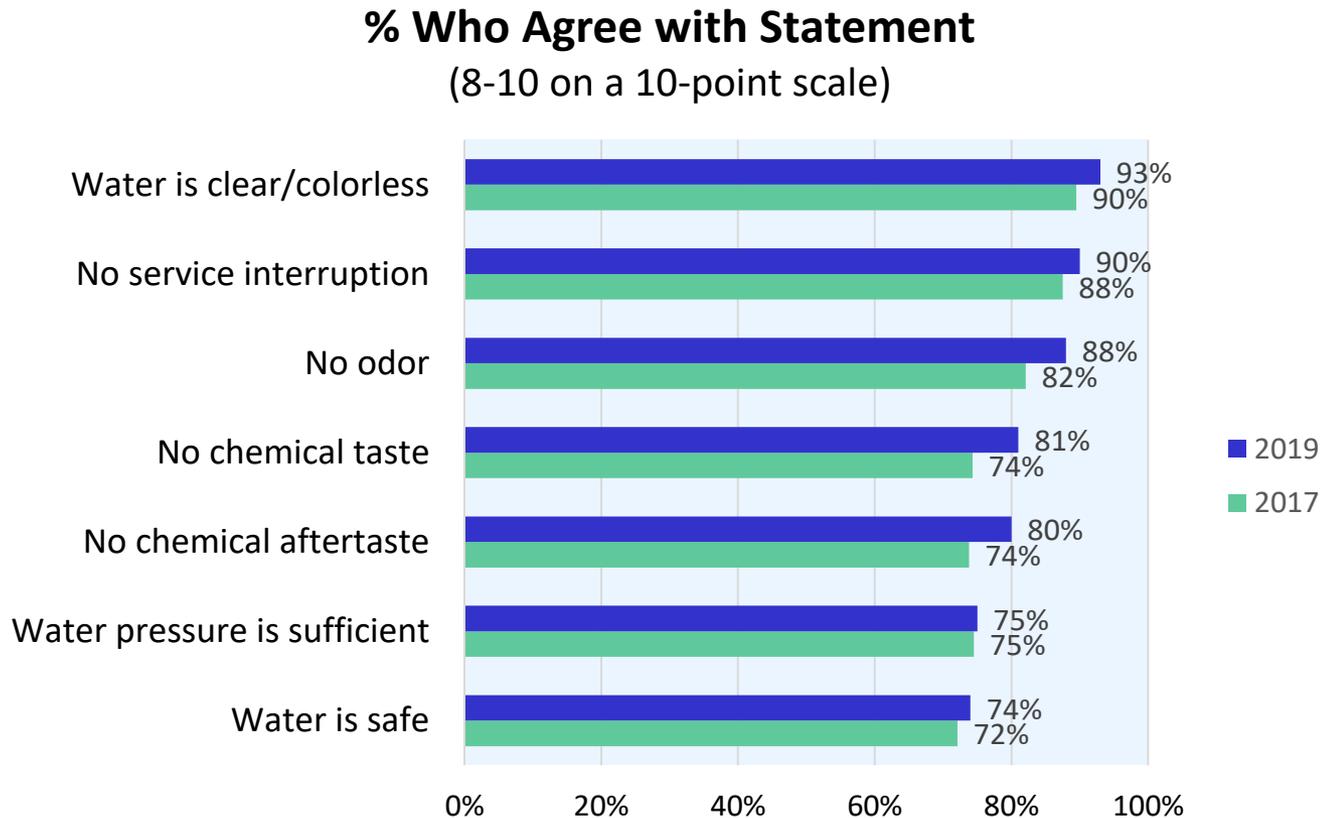
- *Water safety and clearness* are most important to customers, followed closely by the *absence of a chemical taste/aftertaste and/or odor*.
- Although highly important, *no service interruption and sufficient water pressure* are considered *somewhat* less important among the attributes included.

**% Believing Attribute is Important**  
(8-10 on a 10-point scale)



# ONWASA performance is slightly higher compared to 2017

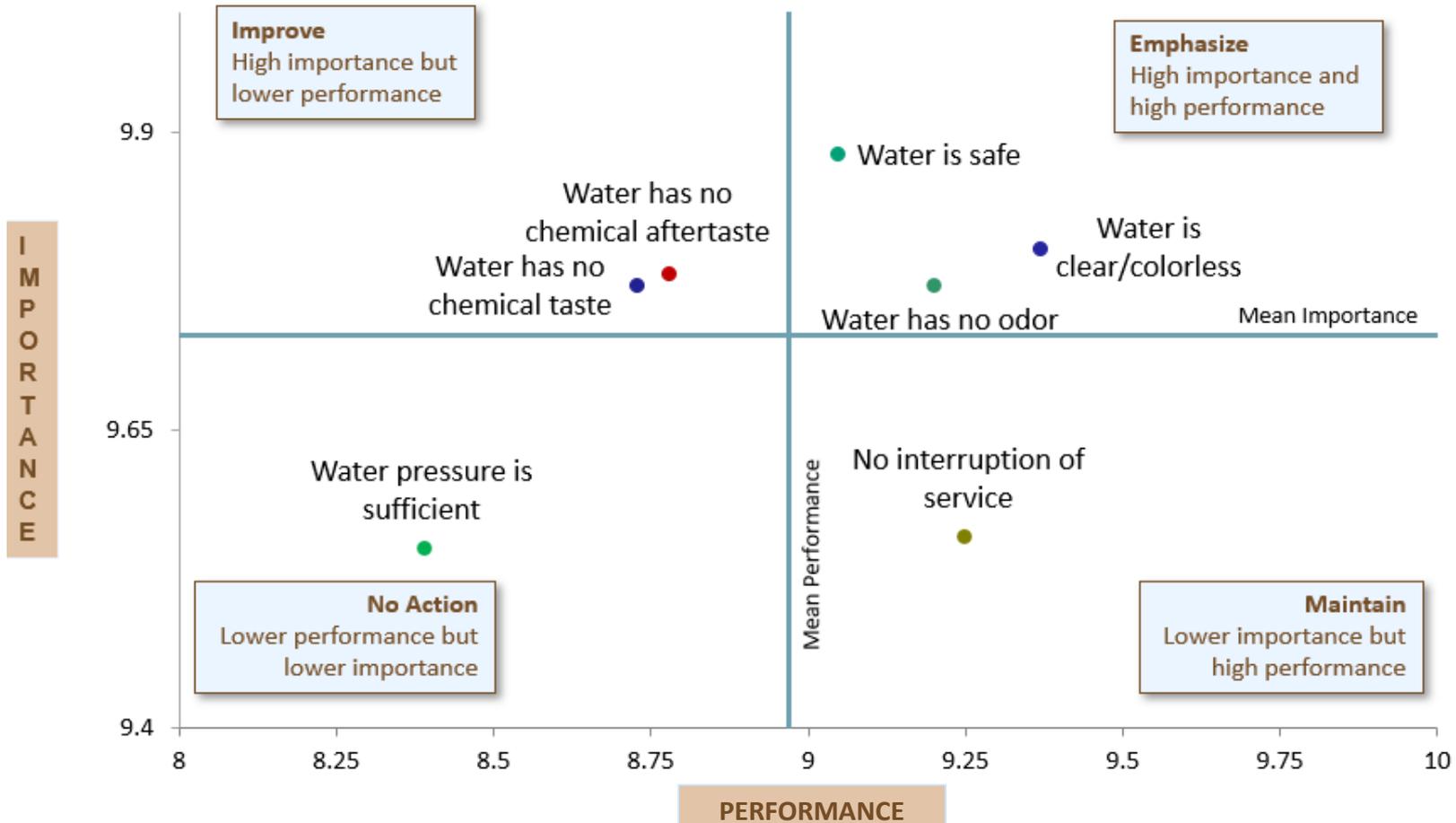
- Similar to 2017, 14% indicated they do not know if the water is safe or not.



Q.2 Please rate your level of agreement with each statement below regarding the ONWASA water system.  
(1 = "Do not agree at all;" 10 = "Agree completely")

# ONWASA's strengths are safety, clearness, & no odor

- Areas of *subtle improvement*\* would include further work to eliminate the chemical taste and aftertaste of the water.



\*Note that the axis lines on this perceptual map focus the reader's attention on the extreme upper right portion of a 10-point scale. "Importance" is calibrated to the top 6/10ths of a point while "performance" reflects 2 of 10 points.

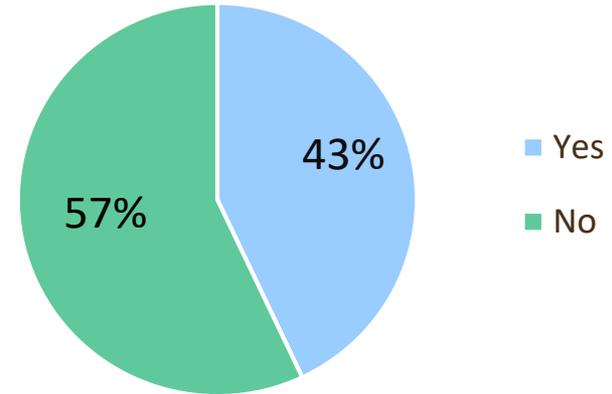
Q.1/Q.2 Importance/Performance



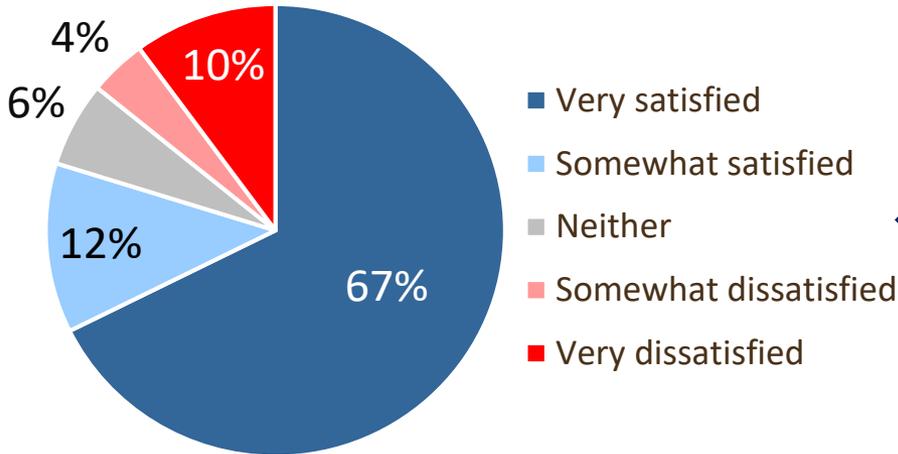
# Overall satisfaction with employees is fairly high

- Four in ten have interacted with ONWASA employees in the past year. This percentage is slightly lower than 2017 when 48% indicated interaction with employees.

Interacted with ONWASA Employees in Past Year



Overall Satisfaction with ONWASA Employees (Base: 318)



- Eight in ten of those who have interacted with ONWASA employees in the past year are satisfied with employees. This compares to 74% satisfied from the 2017 study.

## Agreement with ONWASA employee statements improved from 2017

- *Clear speech, professionalism, and politeness* again are key strengths of ONWASA employees.
- Just two percent or fewer respondents disagreed with any of the statements.

### Agree with Statements Regarding ONWASA Employees

Base: Interacted with employees in past year	2017 (n=196)		2019 (n=318)	
	Agree (8-10)	Do Not Agree (1-3)	Agree (8-10)	Do Not Agree (1-3)
Speak clearly/understandably	86%	5%	91%	<1%
Are polite/courteous	84%	8%	90%	<1%
Are professional	84%	7%	89%	1%
Are knowledgeable about my questions/problems	81%	8%	85%	2%
Listen to me explain my questions/problems	81%	5%	84%	1%
Are able to resolve my questions/problems satisfactorily	76%	10%	81%	2%

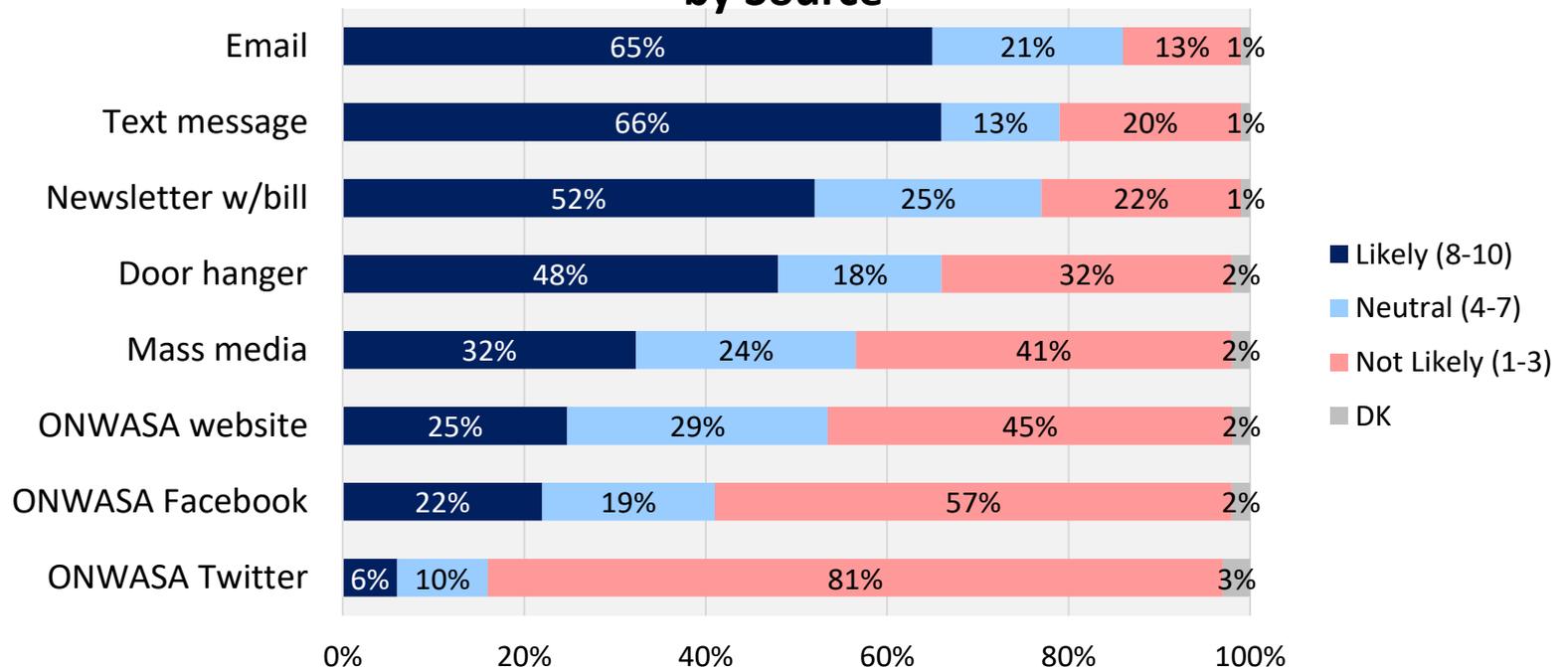


Q.12 Please indicate how much you disagree or agree with each statement below regarding ONWASA employees.  
(1 = "Do not agree at all;" 10 = "Agree completely")

# General news via email or text would be most read

- Two-thirds of respondents would read a general information news release in either of these formats a slight increase from the 6 in 10 observed for the 2017 survey.
- Customers would be least likely to refer to ONWASA's website and/or social media sites to obtain this information (among sources listed).

**2019 Likelihood to Read General Information News by Source**

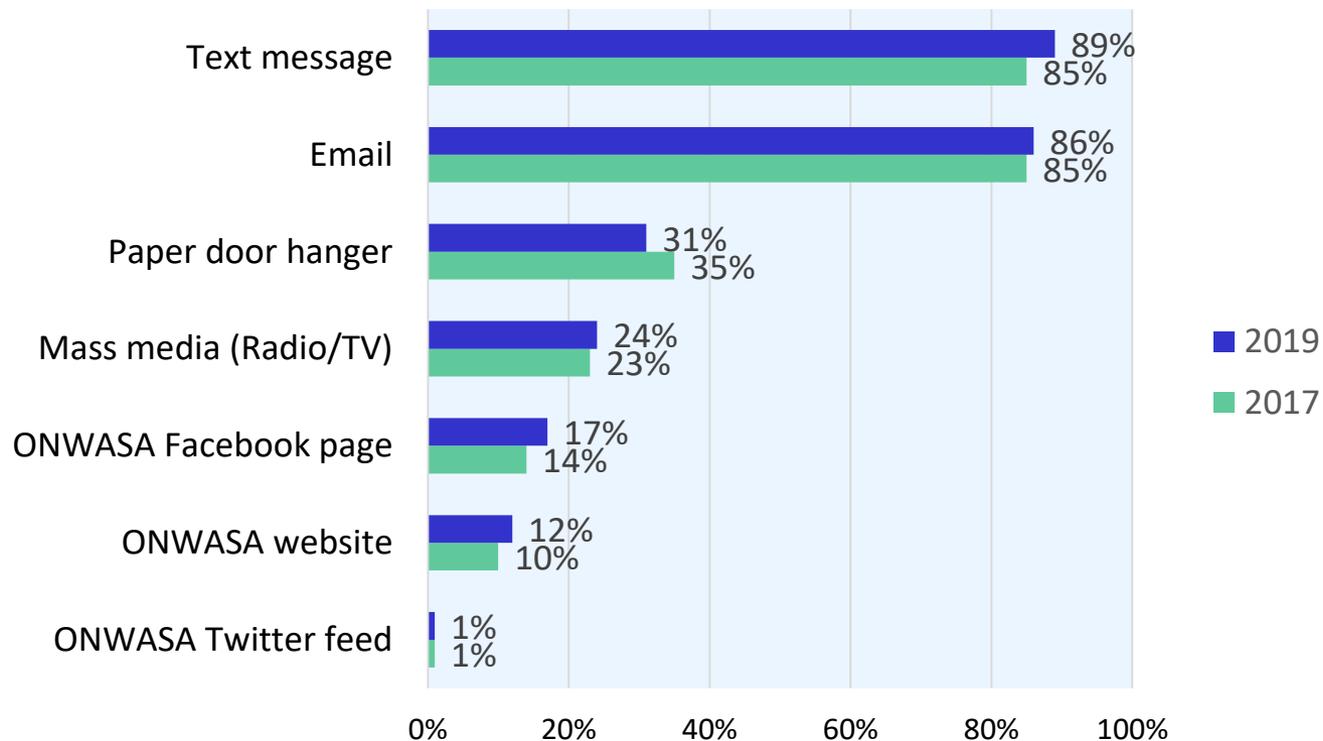


Q.4 How likely would you be to read a GENERAL INFORMATION news release from ONWASA if it appeared in each of the following forms?

# Texts and emails are still preferred for urgent messages

- Three-quarters would like to receive urgent messages via *both* channels, text and email (not shown). Again, this is consistent with findings from 2017.
- Additionally, about a third would like to receive urgent notifications via a paper door hanger.

## Communication Preferences for Urgent Messages

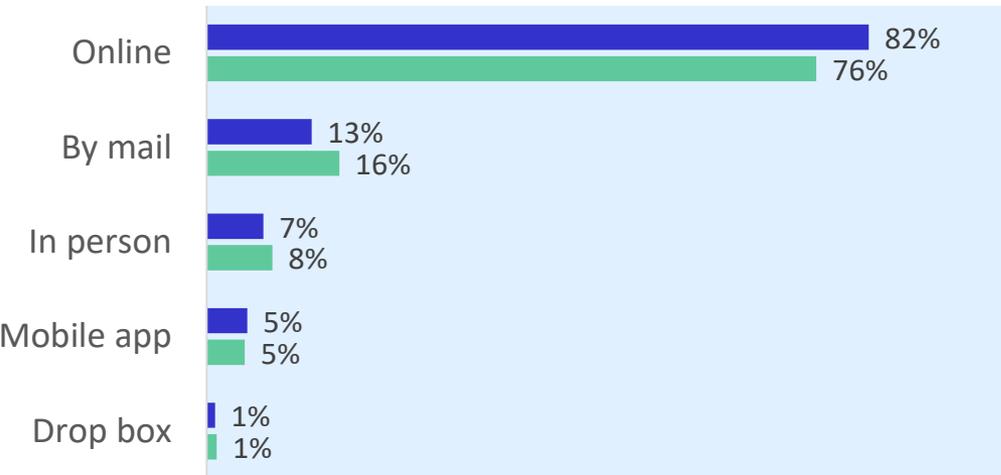


# 8 in 10 pay their water bill online

- And payments methods are similar to 2017 results.
- Paying via outdoor drop box or by mobile app are least popular.
- Among the 48 respondents who pay their bills in person, 21 do so at a nearby town hall, and 28 pay at ONWASA’s office. [Not shown]
- There is little interest in paying ONWASA bills at local stores or banks.

## Bill Payment Method

■ 2019 ■ 2017



## Q8. In-Person Payment Preferences

Base: (People who don't pay in person)	2017 (375)	2019 (688)
ONWASA's office	18%	19%
Nearby town hall	12%	8%
Local grocery store	7%	8%
Local retail store	6%	7%
Local bank	4%	4%
Don't know/Prefer not to pay in person	<b>59%</b>	<b>59%</b>



Q.6 How do you typically pay your/your company's monthly bill?

Q.7 At which of the following do you typically pay your/your company's bill?

Q.8 If you were to pay your/your company's bill in person where would you prefer to go?

# 2 in 10 know very little about ONWASA's offerings

- One-quarter indicated a little knowledge about ONWASA's services, and two in ten said they know a lot.
- So overall those polled in 2019 claimed about the same knowledge about ONWASA's services as those surveyed in 2017.

<b>Knowledge About ONWASA's Services</b>		
	<b>2017</b>	<b>2019</b>
<b>A Little (1-3)</b>	<b>29%</b>	<b>25%</b>
Very Little (1)	19%	16%
<b>Neutral (4-7)</b>	<b>54%</b>	<b>54%</b>
A great deal (10)	7%	5%
<b>A Lot (8-10)</b>	<b>17%</b>	<b>21%</b>
Mean	5.0	5.3

# Improving existing systems is most important

- Consistent with 2017, half of customers polled believe that improving the existing systems for customers is most important, and three in ten feel that maintaining these systems is most important.
- As may be expected, expanding the water system into new service areas is deemed least important.
- Five customers also mentioned lower bills or fees. [Not shown]

## Preferred Area of Focus Over Next Five Years

	2017	2019
<u>Improving</u> the existing water and sewer system for existing customers	47%	51%
<u>Maintaining</u> the existing water and sewer system for existing customers	36%	30%
Expanding the <u>sewer</u> system into new service areas	10%	13%
Expanding the <u>water</u> system into new service areas	4%	4%
Something else	3%	2%



# **SAMPLE COMPOSITION**

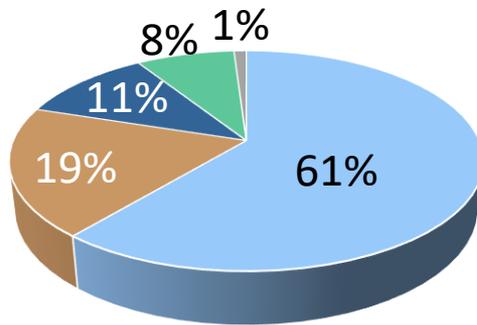


# 2019 respondents have been customers longer

- One third of respondents for the current wave have been customers for 10 or more years compared to two in ten from the 2017 wave.
- Additionally, six in ten from the 2017 wave had been customers for less than five years compared to five in ten for the current wave.

**2017**

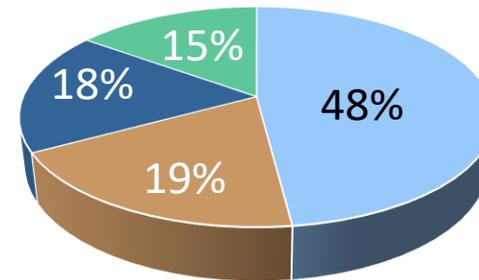
**Length of Time Customer of ONWASA (in Years)**



■ <5 ■ 5-<10 ■ 10-<20 ■ 20+ ■ Not sure

**2019**

**Length of Time Customer of ONWASA (in Years)**

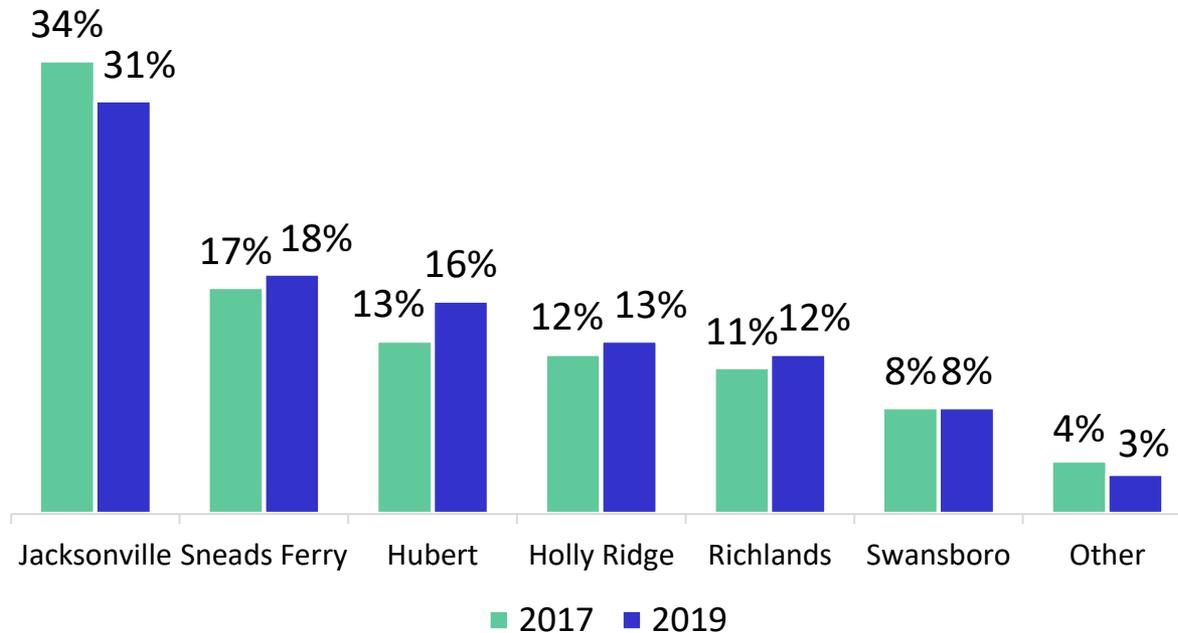


■ <5 ■ 5-<10 ■ 10-<20 ■ 20+ ■ Not sure

# About a third reside in Jacksonville

- Responses by city were very similar to 2017.

## City of Residence



# APPENDIX



# Perceptual Map

Perceptual mapping is a graphics technique used by marketers that attempts to visually display the perceptions of customers. In the perceptual map on Slide 13, the importance of each attribute is shown in relation to actual performance with ONWASA for each attribute. Results may be read as follows:

- High importance/High performance: “Strengths” – areas that are important to customers and in which ONWASA is doing well
- Low importance/High performance: “Less critical” – areas in which ONWASA is “overcompensating”
- High importance/Low performance: “Primary weaknesses” – attributes that need the greatest level of attention
- Low importance/Low performance: “Secondary weaknesses” – lower performance ratings but lower in importance as well

The four quadrants are divided by lines that indicate mean importance and mean performance for all attributes in total. **It is important to realize that the graphing explodes/illustrates a small portion of the total scale for each axis in this case.**

## **BUDGET DETAIL**

- **Summary of Revenue & Expenditures**
- **Revenue**
- **Expenditures by Department**
- **Annual Capital Requests**
- **Debt Service Requirements**

**ONWASA**  
**Proposed Budget FY 19-20**  
**Summary of Revenue & Expenditures**

Revenue	Operating	Annual Capital	Capital Projects	Total
Water/Sewer/Admin	\$22,933,212	\$1,391,791	\$2,440,000	\$26,765,003
System Development Fees - Water	1,400,000			1,400,000
Water Tap Fees	180,000			180,000
System Development Fees - Sewer	800,000			800,000
Sewer Tap Fees	5,000			5,000
<b>Total</b>	<b>\$25,318,212</b>	<b>\$1,391,791</b>	<b>\$2,440,000</b>	<b>\$29,150,003</b>

Expenditures	Operating	Capital	Capital Projects	Total
Administration	\$820,939	\$0		\$820,939
Information Technology	1,880,190	391,000		2,271,190
Finance	778,573	0		778,573
Engineering	1,017,893	48,500		1,066,393
Meters	1,351,497	32,000		1,383,497
Customer Service	1,451,830	0		1,451,830
Buildings & Grounds	903,159	122,000		1,025,159
Collections	1,591,479	195,000		1,786,479
Dixon WTP	1,458,793	90,016		1,548,809
Hubert WTP	1,722,683	535,300		2,257,983
Laboratory	412,358	43,000		455,358
Northwest Regional WRF	569,425	59,975		629,400
Southeast Regional WWTP	529,508	131,000		660,508
Swansboro WWTP	513,152	0		513,152
SCADA	396,796	0		396,796
Human Resources	336,877	0		336,877
Non-Departmental	723,000	0		723,000
Distribution	1,840,343	135,000		1,975,343
Wastewater Purchases	685,000	0		685,000
Debt Service	5,846,717	0		5,846,717
Salary Reserve	45,000	0		45,000
Contingency	52,000	0		52,000
Transfer to Capital Projects	0	0	2,440,000	2,440,000
<b>Total</b>	<b>\$24,927,212</b>	<b>\$1,782,791</b>	<b>\$2,440,000</b>	<b>\$29,150,003</b>

Revenue					
Revenue Line Item	FY 17-18 Actual	FY 18-19 Budget	FY 18-19 YTD June Estimated	FY 19-20 Budget Recommended	FY 19-20 Budget Approved
Water Revenue	\$15,778,795	\$16,485,000	\$16,212,023	\$17,104,000	\$0
Sprinkler	102,795	100,000	103,240	101,000	-
System Development Fees - Water	2,278,400	1,400,000	1,402,079	1,400,000	-
Tap Fees - Water	217,750	175,000	218,412	180,000	-
Sewer Revenue	3,381,030	3,450,000	3,544,086	3,739,000	-
System Development Fees - Sewer	1,022,436	800,000	800,733	800,000	-
Tap Fees - Wastewater	6,899	5,000	-	5,000	-
Sewer Reservation Fees	227,491	227,490	227,492	227,492	-
Connection/Suspension Fees	1,071,244	1,000,000	1,029,533	1,000,000	-
Meter Sales	189,645	160,000	178,306	140,000	-
After Hours Calls	21,073	18,000	9,635	9,600	-
Service Call Fee	8,880	8,000	4,000	4,000	-
Inspection Fees	15,334	12,000	12,585	12,000	-
Service Charge	4,965	3,000	2,220	2,220	-
Late Fees	366,978	360,000	222,185	225,000	-
Sewer Billing Fees	76,920	75,000	76,580	75,000	-
Property Leases	42,603	37,000	33,737	30,000	-
Bad Check Fees	15,325	14,000	12,300	12,000	-
Tampering Fees	6,693	8,000	3,300	3,000	-
Interest Earned on Investments	522,147	150,000	852,138	200,000	-
Sale of Surplus Property	23,765	20,000	10,468	20,000	-
Fireflow	1,200	1,000	1,200	1,000	-
Line Flushing	193	500	-	250	-
Plan Review Fees	2,150	1,500	1,450	1,450	-
Plat Review Fees	50	200	-	200	-
Landlord Transfer Fee	240	500	220	500	-
Miscellaneous	201,205	20,000	82,202	25,000	-
Collection of Written Off Accounts	2,241	500	544	500	-
Application Fees	1,670	-	-	-	-
Letter of Credit/Property Letters	95	-	65	-	-
Juror Fees	-	-	-	-	-
Fund Balance Approp-Capital Projects	-	7,482,037	-	2,440,000	-
Fund Balance Appropriated	-	1,604,280	-	1,391,791	-
Contributions	3,614,988	-	-	-	-
<b>Total Revenue</b>	<b>\$29,205,200</b>	<b>\$33,618,007</b>	<b>\$25,040,733</b>	<b>\$29,150,003</b>	<b>\$0</b>

**Expenditure Statement - Administration**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	412,588	394,296	315,571	378,685	370,418
LONGEVITY PAY	14,813	16,234	16,034	16,034	16,885
OVERTIME	231	-	-	-	-
FICA	29,663	33,261	23,390	28,068	29,577
HOSPITALIZATION	71,263	93,443	56,493	67,792	81,945
DENTAL	1,944	1,941	1,393	1,672	1,617
VISION	358	356	257	308	295
LIFE INSURANCE	255	243	192	230	239
RETIREMENT	37,161	38,643	29,421	35,305	38,748
RETIREMENT (401K)	11,017	12,927	9,445	11,334	11,419
UNIFORMS	215	900	-	-	1,000
BOARD STIPEND/MEETINGS	18,000	18,600	15,000	18,000	18,600
PROFESSIONAL SERVICES	179,265	229,000	66,954	80,345	83,000
PROFESSIONAL SERVICES-LEGAL	97,623	78,000	29,323	35,188	65,000
POSTAGE	134	500	114	137	250
TELEPHONE	621	700	460	552	750
TRAVEL	2,275	4,000	2,817	3,380	5,980
TRAINING	334	1,000	80	96	1,000
DUES	1,871	2,211	1,530	1,836	2,266
HURRICANE FLORENCE EXPENSE	-	26,450	26,230	31,476	-
MAINTENANCE AND REPAIR - AUTO	452	1,000	187	224	1,000
RENT - EQUIPMENT	15,760	21,500	10,202	12,242	22,000
ADVERTISING	-	200	-	-	-
OFFICE SUPPLIES	552	1,320	1,118	1,342	3,000
DEPARTMENTAL SUPPLIES	9,515	10,300	4,801	5,761	7,390
FUEL	727	1,200	686	823	1,400
CONTRACTED SERVICES	3,750	5,000	500	600	5,000
PROMOTION/PUBLIC RELATIONS	55,001	51,354	35,196	52,236	51,660
MISCELLANEOUS	471	500	-	-	500
<b>TOTALS</b>	<b>\$ 965,859</b>	<b>\$ 1,045,079</b>	<b>\$ 647,394</b>	<b>\$ 783,667</b>	<b>\$ 820,939</b>

Expenditure Statement - IT					
NAME	FY 17-18 Actual	FY 18-19 Budget	Activity YTD April 2019	Estimated FY 18-19	Requested FY 19-20 Budget
SALARIES	416,777	431,208	358,465	430,158	449,107
LONGEVITY PAY	9,002	9,997	9,997	9,997	10,271
OVERTIME	324	1,000	93	112	1,000
FICA	29,349	33,803	25,379	30,455	35,181
HOSPITALIZATION	41,217	44,796	34,569	41,483	44,468
DENTAL	2,722	2,858	2,171	2,605	2,830
VISION	502	527	400	480	517
LIFE INSURANCE	361	375	299	359	418
RETIREMENT	37,180	41,190	33,102	39,722	46,796
RETIREMENT (401K)	12,381	13,256	10,734	12,881	13,797
UNIFORMS	362	900	267	320	1,035
PROFESSIONAL SERVICES	40,804	70,000	32,613	64,673	180,000
POSTAGE	19	150	106	127	150
TELEPHONE	880	950	647	776	950
COMMUNICATIONS	56,500	67,500	41,298	73,558	111,200
TRAVEL	6,316	12,000	1,871	2,245	12,000
TRAINING	17,249	29,000	1,890	2,268	30,000
DUES	-	320	-	-	320
HURRICANE FLORENCE EXPENSE	-	9,000	5,432	9,343	
EQUIPMENT MAINTENANCE CONTRACTS	443,043	721,050	460,292	668,265	726,900
MAINTENANCE AND REPAIR - AUTO	1,461	2,000	605	726	2,600
OFFICE SUPPLIES	-	250	-	-	250
DEPARTMENTAL SUPPLIES	4,463	7,200	3,089	3,707	7,700
FUEL	692	1,200	774	929	1,500
NON-CAPITAL COMP/TECH EQUIPMENT	78,997	129,660	67,143	84,166	201,200
MISCELLANEOUS	-	4,600	4,311	5,173	-
COMPUTER/TECH EQUIPMENT	114,818	170,000	168,632	202,358	391,000
<b>TOTALS</b>	<b>\$ 1,315,419</b>	<b>\$ 1,804,790</b>	<b>\$ 1,264,179</b>	<b>\$ 1,686,886</b>	<b>\$ 2,271,190</b>

**Expenditure Statement - Finance**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	324,283	496,957	383,321	459,985	486,960
LONGEVITY PAY	8,708	11,899	11,899	11,899	9,712
OVERTIME	354	1,500	1,015	1,218	1,500
FICA	22,850	38,865	26,987	32,384	38,004
HOSPITALIZATION	29,441	76,557	41,690	50,028	57,173
DENTAL	1,944	3,674	2,657	3,188	3,639
VISION	358	677	478	574	664
LIFE INSURANCE	255	482	370	444	537
RETIREMENT	29,147	47,670	35,821	42,985	50,971
RETIREMENT (401K)	7,726	15,241	9,416	11,299	14,903
UNIFORMS	259	650	234	281	715
PROFESSIONAL SERVICES	43,935	65,000	47,250	56,700	82,000
POSTAGE	5,771	6,000	4,025	4,830	7,000
TELEPHONE	622	700	455	546	700
TRAVEL	1,654	2,950	258	310	5,450
TRAINING	550	2,275	225	270	2,775
DUES	100	370	100	120	370
HURRICANE FLORENCE	-	800	-	-	-
MAINTENANCE AND REPAIR - EQUIPMENT	4,935	-	-	-	-
RENT - EQUIPMENT	4,621	7,000	3,426	4,111	7,000
OFFICE SUPPLIES	337	1,750	269	323	1,750
DEPARTMENTAL SUPPLIES	2,827	5,250	2,054	2,465	5,250
FUEL	8	200	72	86	150
FUEL FOR EQUIPMENT	-	200	-	-	200
CONTRACTED SERVICES	112	250	153	184	250
MISCELLANEOUS	625	800	252	302	900
<b>TOTALS</b>	<b>\$ 491,422</b>	<b>\$ 787,717</b>	<b>\$ 572,427</b>	<b>\$ 684,533</b>	<b>\$ 778,573</b>

**Expenditure Statement - Engineering**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	523,888	590,122	482,413	578,896	599,941
LONGEVITY PAY	12,999	14,010	14,732	14,732	13,489
OVERTIME	882	2,000	814	977	2,000
FICA	36,428	46,333	33,500	40,200	47,031
HOSPITALIZATION	76,942	110,706	69,957	83,948	104,449
DENTAL	3,920	4,491	3,467	4,160	4,583
VISION	716	827	650	780	824
LIFE INSURANCE	475	589	454	545	667
RETIREMENT	47,803	57,008	45,314	54,377	63,136
RETIREMENT (401K)	10,595	18,170	8,306	9,967	18,443
UNIFORMS	3,496	5,200	1,986	2,383	5,980
PROFESSIONAL SERVICES	35,088	90,000	9,670	11,604	80,000
POSTAGE	1,954	3,000	1,060	1,272	2,000
TELEPHONE	623	700	455	546	700
TRAVEL	1,869	3,000	1,238	1,486	1,500
TRAINING	450	3,850	795	954	4,000
DUES	1,020	1,040	1,158	1,390	850
HURRICANE FLORENCE EXPENSE	-	5,300	5,034	6,041	-
MAINTENANCE AND REPAIR - EQUIPMENT	357	1,500	715	858	1,500
MAINTENANCE AND REPAIR - AUTO	7,823	12,650	6,462	7,754	12,650
OFFICE SUPPLIES	343	1,250	499	599	1,500
DEPARTMENTAL SUPPLIES	12,827	17,000	4,956	5,947	16,000
FUEL	16,346	30,720	13,770	16,524	27,000
CONTRACTED SERVICES	7,669	19,150	6,596	7,915	9,150
NON-CAPITAL EQUIPMENT	5,000	-	-	-	-
MISCELLANEOUS	242	500	-	-	500
OTHER IMPROVEMENTS	-	41,500	38,564	46,277	-
VEHICLES	26,279	64,000	49,164	58,997	48,500
<b>TOTALS</b>	<b>\$ 836,034</b>	<b>\$ 1,144,616</b>	<b>\$ 801,729</b>	<b>\$ 959,128</b>	<b>\$ 1,066,393</b>

Expenditure Statement - Meters					
NAME	FY 17-18 Actual	FY 18-19 Budget	Activity YTD April 2019	Estimated FY 18-19	Requested FY 19-20 Budget
SALARIES	534,258	549,695	460,685	552,822	576,462
LONGEVITY PAY	9,368	9,690	9,640	9,640	10,884
OVERTIME	30,185	30,000	21,180	25,416	30,000
FICA	40,075	45,055	34,209	41,051	47,178
HOSPITALIZATION	75,568	117,060	63,034	75,641	95,288
DENTAL	5,670	6,124	4,795	5,754	6,065
VISION	1,044	1,128	883	1,060	1,107
LIFE INSURANCE	748	803	667	800	895
RETIREMENT	50,637	55,485	44,591	53,509	63,396
RETIREMENT (401K)	12,314	17,669	10,037	12,044	18,502
UNIFORMS	8,250	10,500	5,238	6,286	12,075
POSTAGE	695	1,500	309	371	1,200
TELEPHONE	621	700	454	545	700
TRAVEL	-	930	926	1,111	300
TRAINING	2,040	2,870	1,030	1,236	2,845
DUES	180	600	180	216	600
MAINTENANCE AND REPAIR	296,597	330,000	258,464	310,157	350,000
HURRICANE FLORENCE EXPENSE	-	20,200	-	-	-
MAINTENANCE AND REPAIR - EQUIPMENT	234	4,000	1,033	1,240	4,000
MAINTENANCE AND REPAIR - AUTO	21,111	35,000	11,622	13,946	35,000
OFFICE SUPPLIES	109	200	61	73	200
DEPARTMENTAL SUPPLIES	14,539	25,000	6,267	7,520	25,000
FUEL	45,339	81,870	33,661	40,393	69,200
FUEL FOR EQUIPMENT	30	100	26	31	100
MISCELLANEOUS	131	500	-	-	500
VEHICLES	47,649	-	-	-	-
COMPUTER/TECH EQUIPMENT	8,511	30,000	29,583	35,500	32,000
<b>TOTALS</b>	<b>\$ 1,205,903</b>	<b>\$ 1,376,679</b>	<b>\$ 998,575</b>	<b>\$ 1,196,362</b>	<b>\$ 1,383,497</b>

**Expenditure Statement - Customer Service**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	580,990	440,140	364,651	437,581	452,871
LONGEVITY PAY	11,801	5,786	6,135	6,135	4,167
OVERTIME	1,554	3,000	1,194	1,433	3,000
FICA	41,002	34,316	25,309	30,371	35,154
HOSPITALIZATION	155,143	161,928	113,112	135,734	149,906
DENTAL	6,286	5,307	3,629	4,355	5,257
VISION	1,158	978	663	796	959
LIFE INSURANCE	825	696	519	623	776
RETIREMENT	52,734	42,277	33,750	40,500	47,254
RETIREMENT (401K)	14,520	13,457	9,144	10,973	13,786
PROFESSIONAL SERVICES	351,862	427,863	282,731	339,277	423,400
POSTAGE	209,471	275,000	169,037	202,844	275,000
TELEPHONE	1,458	1,600	1,081	1,297	1,600
TRAVEL	160	-	-	-	-
TRAINING	175	-	-	-	-
HURRICANE FLORENCE EXPENSE	-	1,960	-	-	-
RENT - EQUIPMENT	12,318	22,375	7,226	17,671	22,600
OFFICE SUPPLIES	1,374	3,300	600	720	3,000
DEPARTMENTAL SUPPLIES	9,968	9,300	3,531	4,237	9,800
FUEL	161	500	315	378	500
CONTRACTED SERVICES	549	2,300	534	641	2,300
NON-CAPITAL EQUIPMENT	-	1,600	1,481	1,777	-
MISCELLANEOUS	16	500	32	38	500
CASH-OVER/SHORT	91	-	(8)	(10)	-
<b>TOTALS</b>	<b>\$ 1,453,616</b>	<b>\$ 1,454,183</b>	<b>\$ 1,024,666</b>	<b>\$ 1,237,372</b>	<b>\$ 1,451,830</b>

**Expenditure Statement - Buildings and Grounds**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	-	-	-	-	115,436
LONGEVITY PAY	-	-	-	-	1,699
OVERTIME	-	-	-	-	2,000
FICA	-	-	-	-	9,104
HOSPITALIZATION	-	-	-	-	19,058
DENTAL	-	-	-	-	1,213
VISION	-	-	-	-	221
LIFE INSURANCE	-	-	-	-	179
RETIREMENT	-	-	-	-	12,146
RETIREMENT (401K)	-	-	-	-	3,570
UNIFORMS	-	-	-	-	3,450
POSTAGE	-	-	-	-	100
TELEPHONE	-	-	-	-	2,500
UTILITIES	-	-	-	-	60,000
TRAVEL	-	-	-	-	852
TRAINING	-	-	-	-	600
DUES	-	-	-	-	390
MAINTENANCE AND REPAIR	-	-	-	-	65,000
HURRICANE FLORENCE EXPENSE	-	-	-	-	
MAINTENANCE AND REPAIR - TANKS	-	-	-	-	226,116
MAINTENANCE AND REPAIR - EQUIPMENT	-	-	-	-	2,000
EQUIPMENT MAINTENANCE CONTRACTS	-	-	-	-	40,000
MAINTENANCE AND REPAIR - AUTO	-	-	-	-	7,750
OPERATING PERMITS	-	-	-	-	125
TREATMENT SUPPLIES	-	-	-	-	-
RENT - EQUIPMENT	-	-	-	-	-
OFFICE SUPPLIES	-	-	-	-	100
DEPARTMENTAL SUPPLIES	-	-	-	-	15,000
FUEL	-	-	-	-	6,500
FUEL FOR EQUIPMENT	-	-	-	-	8,000
CONTRACTED SERVICES	-	-	-	-	286,500
NON-CAPITAL EQUIPMENT	-	-	-	-	13,300
PENALTIES & ASSESSMENTS	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	250
OTHER IMPROVEMENTS	-	-	-	-	110,000
VEHICLES	-	-	-	-	-
EQUIPMENT	-	-	-	-	12,000
<b>TOTALS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,025,159</b>

**Expenditure Statement - Collections**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	541,258	678,124	462,133	554,560	452,697
LONGEVITY PAY	12,303	11,362	10,858	10,858	10,077
OVERTIME	9,063	15,000	12,588	15,106	13,000
FICA	38,985	53,976	33,548	40,258	36,359
HOSPITALIZATION	86,523	124,822	75,539	90,647	94,732
DENTAL	4,374	5,715	4,018	4,822	4,448
VISION	806	1,053	740	888	812
LIFE INSURANCE	570	750	556	667	657
RETIREMENT	43,912	56,854	41,829	50,195	48,800
RETIREMENT (401K)	12,106	18,107	10,580	12,696	14,258
UNIFORMS	6,109	12,000	4,383	5,260	12,650
POSTAGE	-	100	-	-	50
TELEPHONE	7,454	5,000	3,349	4,019	2,500
UTILITIES	210,577	270,000	157,499	188,999	210,000
TRAVEL	-	3,000	2,848	3,418	4,586
TRAINING	210	3,850	1,780	2,136	5,625
DUES	1,005	1,700	805	966	580
MAINTENANCE AND REPAIR	263,100	354,855	234,311	281,173	337,500
HURRICANE FLORENCE EXPENSE	-	199,265	153,627	184,352	
MAINTENANCE AND REPAIR - TANKS	177,798	199,130	148,998	178,798	-
MAINTENANCE AND REPAIR - EQUIPMENT	11,209	14,500	8,716	10,459	13,000
EQUIPMENT MAINTENANCE CONTRACTS	63,846	73,692	53,120	63,744	41,188
MAINTENANCE AND REPAIR - AUTO	29,711	47,900	25,198	30,238	40,500
OPERATING PERMITS	1,310	2,000	1,435	1,722	1,310
TREATMENT SUPPLIES	54,502	68,800	28,104	33,725	68,800
RENT - EQUIPMENT	-	53,039	-	-	77,500
OFFICE SUPPLIES	52	100	32	38	100
DEPARTMENTAL SUPPLIES	13,203	30,000	7,917	9,500	15,000
FUEL	27,961	45,000	24,137	28,964	32,700
FUEL FOR EQUIPMENT	12,402	18,600	5,359	6,431	15,300
CONTRACTED SERVICES	103,349	151,724	76,280	91,536	14,000
NON-CAPITAL EQUIPMENT	18,696	23,125	19,046	22,855	17,500
PENALTIES & ASSESSMENTS	-	5,000	-	-	5,000
MISCELLANEOUS	36	500	-	-	250
OTHER IMPROVEMENTS	68,089	169,888	155,284	186,341	142,000
VEHICLES	136,603	50,000	39,351	47,221	-
EQUIPMENT	-			-	53,000
<b>TOTALS</b>	<b>\$ 1,957,122</b>	<b>\$ 2,768,531</b>	<b>\$ 1,803,968</b>	<b>\$ 2,162,590</b>	<b>\$ 1,786,479</b>

**Expenditure Statement - Dixon Water Treatment Plant**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	247,472	248,307	195,931	235,117	274,287
LONGEVITY PAY	5,388	2,867	2,817	2,817	4,409
OVERTIME	8,941	13,200	10,339	12,407	11,000
FICA	18,403	19,966	14,485	17,382	22,139
HOSPITALIZATION	34,310	69,054	41,721	50,065	61,138
DENTAL	1,782	2,449	1,847	2,216	2,426
VISION	382	451	334	401	443
LIFE INSURANCE	293	321	252	302	358
RETIREMENT	23,092	24,551	18,936	22,723	29,590
RETIREMENT (401K)	7,288	7,830	5,384	6,461	8,682
UNIFORMS	3,591	4,800	2,365	2,838	5,520
PROFESSIONAL SERVICES	3,206	7,275	1,690	2,028	7,275
POSTAGE	288	250	12	14	100
TELEPHONE	1,138	1,200	839	1,007	1,200
UTILITIES	287,251	356,800	195,071	234,085	300,000
TRAVEL	-	9,000	2,703	3,244	13,000
TRAINING	50	3,365	1,558	1,870	4,070
DUES	380	835	560	672	940
MAINTENANCE AND REPAIR	105,929	164,323	110,081	132,097	179,040
HURRICANE FLORENCE EXPENSE	-	155,940	16,643	19,972	-
MAINTENANCE AND REPAIR - LAGOONS	167,377	10,000	6,472	7,766	10,000
MAINTENANCE AND REPAIR - TANKS	39,311	40,000	39,311	47,173	43,636
MAINTENANCE AND REPAIR - EQUIPMENT	1,298	2,000	874	1,049	2,000
EQUIPMENT MAINTENANCE CONTRACTS	-	1,000	-	-	2,750
MAINTENANCE AND REPAIR - AUTO	4,616	8,000	4,412	5,294	8,000
OPERATING PERMITS	860	2,000	860	1,032	2,000
TREATMENT SUPPLIES	324,931	350,005	232,228	278,674	425,000
LAB TREATMENT SUPPLIES	5,457	6,123	4,352	5,222	5,795
RENT - EQUIPMENT	-	1,000	-	-	1,000
OFFICE SUPPLIES	198	800	649	779	400
DEPARTMENTAL SUPPLIES	4,025	5,485	3,450	4,140	5,095
FUEL	6,970	15,500	4,752	5,702	14,400
FUEL FOR EQUIPMENT	78	5,000	89	107	5,000
CONTRACTED SERVICES	5,337	6,600	4,730	5,676	6,600
NON-CAPITAL EQUIPMENT	-	550	516	619	1,500
EQUIPMENT	-	-	-	-	5,298
OTHER IMPROVEMENTS	47,369	208,440	91,841	110,209	57,218
VEHICLES	23,939	-	-	-	27,500
<b>TOTALS</b>	<b>\$ 1,380,950</b>	<b>\$ 1,755,287</b>	<b>\$ 1,018,104</b>	<b>\$ 1,221,161</b>	<b>\$ 1,548,809</b>

**Expenditure Statement - Hubert Water Treatment Plant**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	241,286	269,301	216,962	260,354	277,054
LONGEVITY PAY	4,694	5,038	4,347	4,347	5,503
OVERTIME	10,112	13,300	11,400	13,680	11,000
FICA	17,982	21,813	15,989	19,187	22,435
HOSPITALIZATION	30,879	48,897	29,522	35,426	38,115
DENTAL	2,268	2,449	1,879	2,255	2,426
VISION	418	451	346	415	443
LIFE INSURANCE	297	321	260	312	358
RETIREMENT	22,560	26,835	21,085	25,302	30,112
RETIREMENT (401K)	6,518	8,554	6,164	7,397	8,798
UNIFORMS	1,950	4,300	1,790	2,148	4,945
PROFESSIONAL SERVICES	2,532	7,500	1,176	1,411	7,500
POSTAGE	189	300	46	55	300
TELEPHONE	880	950	647	776	950
UTILITIES	533,614	580,000	436,097	523,316	615,000
TRAVEL	814	2,000	-	-	2,000
TRAINING	447	930	775	930	865
DUES	380	685	380	456	520
EQUIPMENT MAINTENANCE CONTRACTS		-	-	-	4,700
MAINTENANCE AND REPAIR	144,589	315,800	97,459	116,951	225,000
HURRICANE FLORENCE EXPENSE	-	168,885	48,646	58,375	
MAINTENANCE AND REPAIR - LAGOONS	145,526	10,000	-	-	18,500
MAINTENANCE AND REPAIR - TANKS	39,311	40,000	39,311	47,173	43,636
MAINTENANCE AND REPAIR - EQUIPMENT	28	2,000	-	-	2,000
MAINTENANCE AND REPAIR - AUTO	7,075	12,500	2,386	2,863	12,500
OPERATING PERMITS	860	2,000	860	1,032	2,000
TREATMENT SUPPLIES	391,811	330,361	265,451	318,541	348,573
LAB TREATMENT SUPPLIES	2,564	6,700	2,966	3,559	6,550
RENT - EQUIPMENT	-	1,000	-	-	1,000
OFFICE SUPPLIES	60	300	-	-	300
DEPARTMENTAL SUPPLIES	2,774	3,500	1,036	1,243	3,500
FUEL	8,915	14,500	7,069	8,483	11,000
FUEL FOR EQUIPMENT	2,850	10,200	42	50	5,000
CONTRACTED SERVICES	4,234	6,600	4,633	5,560	6,600
NON-CAPITAL EQUIPMENT	-	-	-	-	3,500
OTHER IMPROVEMENTS	40,450	235,000	55,857	67,028	530,000
EQUIPMENT	-	-	-	-	5,300
VEHICLES	-	40,375	29,448	35,338	-
<b>TOTALS</b>	<b>\$ 1,668,867</b>	<b>\$ 2,193,345</b>	<b>\$ 1,304,029</b>	<b>\$ 1,563,965</b>	<b>\$ 2,257,983</b>

**Expenditure Statement - Laboratory**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	161,499	164,049	138,795	166,554	170,154
LONGEVITY PAY	2,673	3,339	3,338	3,338	3,727
FICA	11,621	12,795	10,053	12,064	13,288
HOSPITALIZATION	31,492	45,238	26,924	32,309	40,816
DENTAL	778	1,225	680	816	1,213
VISION	143	226	131	157	221
LIFE INSURANCE	153	161	134	161	179
RETIREMENT	14,318	15,579	12,752	15,302	17,537
RETIREMENT (401K)	4,813	5,017	4,157	4,988	5,210
PROFESSIONAL SERVICES	25,666	26,600	13,640	16,368	36,850
POSTAGE	326	650	298	358	650
TELEPHONE	621	700	454	545	700
TRAVEL	2,089	2,000	-	-	2,000
TRAINING	1,250	3,550	40	48	1,750
EQUIPMENT MAINTENANCE CONTRACTS	23,233	27,933	19,371	23,245	28,363
OPERATING PERMITS	3,404	3,700	2,941	3,529	3,700
TREATMENT SUPPLIES	18,982	36,000	24,715	29,658	42,000
LAB TREATMENT SUPPLIES	30,020	36,000	11,367	13,640	36,000
OFFICE SUPPLIES	152	100	4	5	200
DEPARTMENTAL SUPPLIES	2,830	3,000	2,336	2,803	3,000
FUEL	-	100	-	-	100
NON-CAPITAL EQUIPMENT	4,524	4,700	2,123	2,548	4,700
EQUIPMENT	6,794	-	-	-	43,000
<b>TOTALS</b>	<b>\$ 347,381</b>	<b>\$ 392,662</b>	<b>\$ 274,253</b>	<b>\$ 328,436</b>	<b>\$ 455,358</b>

**Expenditure Statement - Northwest Regional Water Reclamation Facility**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	123,231	163,642	141,889	170,267	169,270
LONGEVITY PAY	2,242	2,964	2,939	2,939	2,418
OVERTIME	4,151	5,000	2,827	3,392	6,000
FICA	8,951	13,118	10,305	12,366	13,579
HOSPITALIZATION	16,207	31,793	18,790	22,548	25,410
DENTAL	1,037	1,633	1,199	1,439	1,617
VISION	191	301	221	265	295
LIFE INSURANCE	136	214	165	198	239
RETIREMENT	11,268	16,091	13,346	16,015	18,177
RETIREMENT (401K)	3,339	5,144	3,707	4,448	5,326
UNIFORMS	1,878	2,800	1,009	1,211	3,220
POSTAGE	2	100	1	1	100
TELEPHONE	1,031	950	647	776	950
UTILITIES	130,899	145,000	100,220	120,264	145,000
TRAINING	266	1,040	265	318	1,055
DUES	100	200	150	180	200
MAINTENANCE AND REPAIR	109,733	82,900	22,991	27,589	42,500
HURRICANE FLORENCE EXPENSE	-	42,900	8,653	10,384	-
MAINTENANCE AND REPAIR - EQUIPMENT	1,039	2,840	534	641	2,100
EQUIPMENT MAINTENANCE CONTRACTS	3,000	7,000	770	924	4,192
MAINTENANCE AND REPAIR - AUTO	3,344	8,000	1,050	1,260	8,000
OPERATING PERMITS	1,410	1,410	1,410	1,692	1,410
TREATMENT SUPPLIES	10,150	40,360	15,091	18,109	39,827
LAB TREATMENT SUPPLIES	5,055	5,500	3,505	4,206	8,100
RENT - EQUIPMENT	4,000	4,200	-	-	2,500
OFFICE SUPPLIES	154	300	184	221	300
DEPARTMENTAL SUPPLIES	2,590	3,500	2,057	2,468	3,500
FUEL	2,614	6,100	1,403	1,684	3,300
FUEL FOR EQUIPMENT	2,609	5,000	366	439	6,300
CONTRACTED SERVICES	2,162	2,345	1,698	2,038	2,840
CONTRACTED SERVICES - SLUDGE	29,716	40,100	-	-	40,100
NON-CAPITAL EQUIPMENT	1,677	11,160	10,559	12,671	6,500
PENALTIES & ASSESSMENTS	639	5,000	1,879	2,255	5,000
MISCELLANEOUS	-	100	35	42	100
OTHER IMPROVEMENTS	-	157,100	-	-	-
EQUIPMENT	-	7,200	7,164	8,597	-
VEHICLES	-	-	-	-	59,975
<b>TOTALS</b>	<b>\$ 484,821</b>	<b>\$ 823,005</b>	<b>\$ 377,029</b>	<b>\$ 451,847</b>	<b>\$ 629,400</b>

**Expenditure Statement - Southeast Regional Wastewater Plants**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	77,947	109,768	77,536	93,043	111,390
LONGEVITY PAY	832	882	882	882	956
OVERTIME	2,351	3,000	1,527	1,832	3,000
FICA	5,785	8,688	5,595	6,714	8,814
HOSPITALIZATION	12,735	23,290	12,248	14,698	19,058
DENTAL	842	1,225	778	934	1,213
VISION	155	226	149	179	221
LIFE INSURANCE	111	161	113	136	179
RETIREMENT	7,287	10,732	7,275	8,730	11,879
RETIREMENT (401K)	2,010	3,405	1,915	2,298	3,457
UNIFORMS	722	2,100	969	1,163	2,415
PROFESSIONAL SERVICES	-	15,000	-	-	-
POSTAGE	-	50	-	-	50
TELEPHONE	987	1,300	839	1,007	1,300
UTILITIES	139,256	155,000	103,174	123,809	155,000
TRAVEL	1,309	2,000	-	-	2,000
TRAINING	1,120	1,070	255	306	1,100
DUES	103	156	-	-	156
MAINTENANCE AND REPAIR	97,807	75,000	58,317	69,980	66,600
HURRICANE FLORENCE EXPENSE	-	10,500	7,467	8,960	-
MAINTENANCE AND REPAIR - EQUIPMENT	9,656	10,000	2,051	2,461	10,000
EQUIPMENT MAINTENANCE CONTRACTS	685	1,000	525	630	1,000
MAINTENANCE AND REPAIR - AUTO	3,221	10,000	2,018	2,422	10,000
OPERATING PERMITS	2,620	2,620	2,620	3,144	2,620
TREATMENT SUPPLIES	26,750	55,241	31,245	37,494	56,855
LAB TREATMENT SUPPLIES	2,011	3,000	730	876	3,000
RENT - EQUIPMENT	490	5,000	-	-	2,900
OFFICE SUPPLIES	86	500	-	-	500
DEPARTMENTAL SUPPLIES	1,639	5,000	3,344	4,013	5,000
FUEL	3,771	6,600	2,204	2,645	4,900
FUEL FOR EQUIPMENT	2,328	3,500	2,053	2,464	4,200
CONTRACTED SERVICES	7,269	7,761	6,379	7,655	8,745
CONTRACTED SERVICES - SLUDGE	16,150	26,000	22,750	27,300	27,500
NON-CAPITAL EQUIPMENT	-	16,650	10,168	12,202	1,500
PENALTIES & ASSESSMENTS	-	1,500	-	-	1,500
MISCELLANEOUS	-	500	-	-	500
EQUIPMENT	-	15,000	12,885	15,462	-
VEHICLES	-	80,875	77,011	92,413	-
OTHER IMPROVEMENTS	36,543	20,000	-	-	131,000
<b>TOTALS</b>	<b>\$ 464,578</b>	<b>\$ 694,300</b>	<b>\$ 455,022</b>	<b>\$ 545,850</b>	<b>\$ 660,508</b>

**Expenditure Statement - Swansboro Wastewater Treatment Plant**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	123,183	134,959	112,969	135,563	168,422
LONGEVITY PAY	150	225	225	225	1,146
OVERTIME	1,881	2,000	1,296	1,555	2,000
FICA	8,882	10,181	8,026	9,631	13,111
HOSPITALIZATION	17,665	23,543	15,260	18,312	25,410
DENTAL	1,166	3,265	972	1,166	1,617
VISION	215	1,234	179	215	295
LIFE INSURANCE	153	1,181	134	161	239
RETIREMENT	10,947	12,713	10,328	12,394	17,546
RETIREMENT (401K)	3,717	4,242	3,405	4,086	5,142
UNIFORMS	1,325	2,200	752	902	3,381
POSTAGE	18	75	33	40	50
TELEPHONE	1,070	1,200	790	948	1,200
UTILITIES	56,741	70,000	45,491	54,589	70,000
TRAVEL	980	2,000	-	-	2,000
TRAINING	210	970	120	144	1,050
DUES	154	156	154	185	208
MAINTENANCE AND REPAIR	78,772	61,554	33,594	40,313	61,950
HURRICANE FLORENCE EXPENSE	-	12,000	-	-	-
MAINTENANCE AND REPAIR - EQUIPMENT	681	3,700	651	781	3,700
EQUIPMENT MAINTENANCE CONTRACTS	155	500	210	252	500
MAINTENANCE AND REPAIR - AUTO	4,099	8,000	1,420	1,704	10,000
OPERATING PERMITS	2,170	2,170	2,170	2,604	2,170
TREATMENT SUPPLIES	8,057	13,855	6,025	7,230	17,555
LAB TREATMENT SUPPLIES	1,352	3,000	798	958	3,000
RENT - EQUIPMENT	-	1,250	560	672	1,450
OFFICE SUPPLIES	163	400	55	66	400
DEPARTMENTAL SUPPLIES	2,189	4,000	881	1,057	5,000
FUEL	3,740	5,700	3,407	4,088	6,400
FUEL FOR EQUIPMENT	1,262	3,700	1,448	1,738	4,400
CONTRACTED SERVICES	2,152	2,512	1,595	1,914	2,560
CONTRACTED SERVICES - SLUDGE	44,200	60,000	29,900	35,880	80,000
NON-CAPITAL EQUIPMENT	5,550	3,000	-	-	-
PENALTIES & ASSESSMENTS	-	1,000	-	-	1,000
MISCELLANEOUS	23	250	-	-	250
OTHER IMPROVEMENTS	40,820	162,890	118,851	142,621	-
VEHICLES	-	72,375	52,422	62,906	-
EQUIPMENT	14,132	-	-	-	-
<b>TOTALS</b>	<b>\$ 437,974</b>	<b>\$ 692,000</b>	<b>\$ 454,121</b>	<b>\$ 544,900</b>	<b>\$ 513,152</b>

**Expenditure Statement - System Control Center**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	174,135	209,388	174,680	209,616	251,956
LONGEVITY PAY	2,449	3,782	3,782	3,782	3,193
OVERTIME	6,399	8,500	4,266	5,119	8,500
FICA	12,040	15,161	12,251	14,701	20,149
HOSPITALIZATION	28,961	38,686	27,986	33,583	64,655
DENTAL	1,879	2,141	1,750	2,100	2,496
VISION	352	396	322	386	455
LIFE INSURANCE	244	293	234	281	368
RETIREMENT	16,197	20,040	16,628	19,954	27,032
RETIREMENT (401K)	3,679	5,880	4,788	5,746	7,902
TELEPHONE	880	950	647	776	950
TRAVEL	-	-	-	-	6,000
TRAINING	-	-	-	-	2,340
HURRICANE FLORENCE EXPENSE	-	3,600	-	-	-
OFFICE SUPPLIES	120	150	21	25	150
DEPARTMENTAL SUPPLIES	230	650	106	127	650
<b>TOTALS</b>	<b>\$ 247,565</b>	<b>\$ 309,617</b>	<b>\$ 247,461</b>	<b>\$ 296,197</b>	<b>\$ 396,796</b>

**Expenditure Statement - Human Resources**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	190,577	193,788	167,331	200,797	193,844
LONGEVITY PAY	4,522	5,203	5,204	5,204	3,160
OVERTIME	93	500	231	277	1,000
FICA	13,668	15,249	11,979	14,375	15,131
HOSPITALIZATION	17,664	22,764	14,741	17,689	19,058
DENTAL	1,166	1,225	907	1,088	1,213
VISION	215	226	167	200	221
LIFE INSURANCE	153	161	125	150	179
RETIREMENT	17,170	18,724	15,631	18,757	20,268
RETIREMENT (401K)	5,687	5,980	4,507	5,408	5,933
MEDICINE & DRUGS/VACCINATIONS/SCREENING	6,764	8,543	4,475	5,370	6,533
POSTAGE	58	250	245	294	250
TELEPHONE	629	750	460	552	750
TRAVEL	1,442	2,624	557	668	4,724
TRAINING	1,318	7,220	6,592	7,910	7,599
DUES	1,716	3,202	1,170	1,404	1,740
MAINTENANCE AND REPAIR - AUTO	272	1,600	66	79	2,200
OPERATING PERMITS	-	200	-	-	500
ADVERTISING	-	2,000	-	-	2,000
OFFICE SUPPLIES	36	350	14	17	400
DEPARTMENTAL SUPPLIES	1,779	2,650	1,699	2,039	3,250
FUEL	258	600	160	192	400
CONTRACTED SERVICES	16,233	39,414	16,609	19,931	44,524
SAFETY PROGRAM	622	4,752	3,674	4,409	2,000
<b>TOTALS</b>	<b>\$ 282,042</b>	<b>\$ 337,975</b>	<b>\$ 256,544</b>	<b>\$ 306,812</b>	<b>\$ 336,877</b>

**Expenditure Statement - Non-Departmental**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
UNEMPLOYMENT	928	25,000	1,354	1,625	25,000
RESERVE INSURANCE DEDUCTIBLE	2,289	8,000	1,977	2,372	8,000
WORKMAN'S COMPENSATION INSURANCE	88,259	115,000	113,725	136,470	130,000
MAINTENANCE AND REPAIR - AUTO	9,152	15,000	6,600	7,920	15,000
RENT-REAL ESTATE	1,000	1,000	1,000	1,200	1,000
OFFICE SUPPLIES	189	-	-	-	-
AUTO INSURANCE	18,170	29,000	17,339	20,807	29,000
GENERAL INSURANCE	323,919	395,000	359,535	431,442	410,000
SATELLITE OFFICE EXPENSE - HOLLY RIDGE	35,000	35,000	29,167	35,000	35,000
SATELLITE OFFICE EXPENSE - RICHLANDS	35,000	35,000	29,167	35,000	35,000
SATELLITE OFFICE EXPENSE - SWANSBORO	35,000	35,000	29,167	35,000	35,000
<b>TOTALS</b>	<b>\$ 548,906</b>	<b>\$ 693,000</b>	<b>\$ 589,031</b>	<b>\$ 706,837</b>	<b>\$ 723,000</b>

**Expenditure Statement - Distribution**

<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 17-18 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
SALARIES	717,184	737,662	578,232	693,878	741,463
LONGEVITY PAY	13,090	16,383	12,063	12,063	14,121
OVERTIME	36,471	30,000	26,585	31,902	25,000
FICA	52,556	59,935	42,261	50,713	59,652
HOSPITALIZATION	102,173	168,082	78,184	93,821	114,346
DENTAL	6,836	7,348	5,249	6,299	7,278
VISION	1,260	1,354	985	1,182	1,328
LIFE INSURANCE	897	964	753	904	1,075
RETIREMENT	67,728	73,852	55,996	67,195	80,069
RETIREMENT (401K)	18,035	23,504	15,064	18,077	23,394
UNIFORMS	8,831	12,000	6,548	7,858	13,800
POSTAGE	11	100	15	18	100
TELEPHONE	682	700	454	545	700
UTILITIES	52,100	90,000	27,547	33,056	65,000
TRAVEL	3,470	5,804	5,519	6,623	8,157
TRAINING	3,135	9,770	4,070	4,884	9,690
DUES	735	1,660	460	552	1,590
MAINTENANCE AND REPAIR	248,068	358,500	249,935	299,922	350,000
HURRICANE FLORENCE EXPENSE	-	1,042,400	131,261	157,513	-
MAINTENANCE AND REPAIR - EQUIPMENT	26,102	70,000	23,478	28,174	70,000
MAINTENANCE AND REPAIR - AUTO	80,182	90,000	42,844	51,413	90,000
OPERATING PERMITS	5,250	5,300	5,250	6,300	5,300
RENT - EQUIPMENT	1,134	5,000	184	221	5,000
OFFICE SUPPLIES	53	600	65	78	600
DEPARTMENTAL SUPPLIES	13,828	25,000	12,402	14,882	33,000
FUEL	39,346	62,000	26,385	31,662	51,600
FUEL FOR EQUIPMENT	1,813	3,300	1,063	1,276	1,800
NON-CAPITAL EQUIPMENT	4,580	9,000	7,941	9,529	60,930
PENALTIES & ASSESSMENTS	-	5,000	-	-	5,000
MISCELLANEOUS	-	350	-	-	350
OTHER IMPROVEMENTS	24,951	128,649	14,079	16,895	75,000
EQUIPMENT	-	18,000	15,444	18,533	-
VEHICLES	-	57,000	56,263	67,516	60,000
<b>TOTALS</b>	<b>\$ 1,530,501</b>	<b>\$ 3,119,217</b>	<b>\$ 1,446,579</b>	<b>\$ 1,733,482</b>	<b>\$ 1,975,343</b>

<b>Expenditure Statement - Contingencies</b>					
<b>NAME</b>	<b>FY 17-18 Actual</b>	<b>FY 18-19 Budget</b>	<b>Activity YTD April 2019</b>	<b>Estimated FY 18-19</b>	<b>Requested FY 19-20 Budget</b>
Wastewater Purchases	615,982	675,000	466,329	559,595	685,000
Transfer to Capital Projects	1,995,505	5,660,125	-	5,660,125	-
Contingencies	-	-	-	-	52,000
Salary Reserve	-	45,000	-	-	45,000
Debt	5,850,371	5,845,879	4,871,580	5,845,879	5,846,717
<b>TOTALS</b>	<b>\$ 8,461,858</b>	<b>\$12,226,004</b>	<b>\$ 5,337,909</b>	<b>\$12,065,599</b>	<b>\$ 6,628,717</b>

<b>Annual Capital Requests for FY19-20</b>			
<b>Account</b>	<b>Description</b>	<b>Estimated Cost</b>	<b>Justification</b>
<b>Facilities</b>	Install Bypass and Automatic Actuator at NTSB High Rise Waterline	\$75,000	To allow SCC to safely valve off water remotely in the event of a hurricane.
	Office Remodel	110,000	Update Engineering, OPS Conference, Executive Conference, IT and Finance.
	Change out (2) single phase pumps with three phase pumps	42,000	Swansboro Food Lion and Dreadnaught Lift Stations
	County Landfill Force Main Tie-in	100,000	Tie-in for transport waste to the Northwest Regional Water Reclamation Facility
	Pavement Extension for Caustic Delivery	30,000	To allow chemical delivery trucks room to back up to the chemical storage tank
	Online Monitoring Equipment for RO System	18,224	Additional inline metering devices to include the price of hardware, install and integration with SCADA
	Permeate Flush Line for RO System	8,994	Addition of permeate flush line to include the price of hardware, install and integration with SCADA
	Rehab softners 3&6	320,000	Rust holes have developed on Softners 3&6 which are causing leaks.
	Pull Black Creek Well 10	100,000	This well has suspected casing issues and needs to be upgraded to meet the CCPCUA permit renewal requirements.
	Relocating Floor Drain Discharge	10,000	The existing drain is too close to the wastewater effluent and may cause sampling issues.
	Pull Black Creek Well 2	100,000	This well has suspected casing issues and needs to be repaired or replaced
	Upgrade panels for UV system, Summerhouse	76,000	Existing units are obsolete, over heat and fail.
	Bypass Connection for Holly Ridge Effluent Pump Station	10,000	To have the ability to connect a bypass pump in the event of an emergency or maintenance issue.
	Install Six Foot Wide Door in Chemical Room	15,000	To be able to fit large tanks/carboys for chemicals
Convert UV at Holly Ridge to Chlorine Tablet Feeder	30,000	UV system was damaged and want to replace it with chlorine system	
<b>Facilities Subtotal:</b>		<b>\$1,045,218</b>	
<b>Equipment</b>	Fueltec Mobile Fuel Polishing System	\$12,000	To Remove Water and Sediments from generator fuel tanks
	500 Gallon Vactron	\$38,000	To replace older 500 Gallon Vactron
	40" Flail Head Mower	\$15,000	To attach to Volvo Excavator for right-away-mowing
	DR3900 Analyzer	\$5,298	Replacement of DR5000 that is no longer supported by Hach
	Total Organic Carbon (TOC) Analyzer	\$43,000	Required for compliance monitoring and will replace existing one that is not compatible with Windows 10 and no longer supported by vendor.
	DR3900 Analyzer	\$5,300	Replacement of DR5000 that is no longer supported by Hach
<b>Equipment Subtotal:</b>		<b>\$118,598</b>	

<b>Annual Capital Requests for FY19-20</b>			
<b>Account</b>	<b>Description</b>	<b>Estimated Cost</b>	<b>Justification</b>
<b>Vehicles</b>	Replacement Midsize Pickup Truck (2WD)	\$21,000	The existing vehicle is a 2012 model with 168,000 miles on it.
	Replacement Midsize Pickup Truck (4WD)	27,500	The existing vehicle is a 2012 model with 165,000 miles on it.
	Crew Cab Truck	60,000	To replace 2012 Crew Truck that has had several repairs
	Midsize Truck (4WD)	27,500	Replace truck 836 with 200,000 miles on it.
	Midsize Pickup	27,500	Replace 869 with 140,000 miles on it.
	Halfton Pickup	32,475	Replace truck 829 with 170,000 miles on it.
<b>Vehicles Subtotal:</b>		<b>\$195,975</b>	
<b>Computer Technology</b>	Firewall Replacement	\$90,000	Replacement Firewall for Main Office and 11 remote sites
	SCC Room Whole Room UPS Solution	30,000	Whole Room UPS for SCC room
	Vehicle Laptop Mounts and Wireless Modem Project	35,000	Installation of (40) Laptop Mounts and (10) new vehicle wireless modem routers
	ATS Customized Software Changes	30,000	Improvements and Functionality
	VOIP Virtualization of Controller	15,000	Virtualization of VOIP Hardware Controller
	Network Switches (2)	18,000	(2)Network Switch for Redundancy
	10 GB Fiber Backbone Module for Cisco Switches	16,000	Network Switches for DataCenter for 10GB Backbone Upgrade
	SCADA Software Upgrades	60,000	Historian Architecture Rebuild for Water SCADA
	TerraSync GPS Software	7,000	Replacement Software for ESRI ArcPad GPS Software
	Fiber Optics Run from Main Office to HWY 17	40,000	Hurricane Preparedness-Redundancy Link for connection to EOC
	Swansboro SCADA Historian	50,000	Historian to back up the history of SCADA
MC 3 Lite AMR Unit (2)	32,000	To read AMR water meters	
<b>Computer/Technology Equipment Subtotal:</b>		<b>\$423,000</b>	
<b>Total Capital Requests:</b>		<b>\$1,782,791</b>	

**Debt Service Requirements**

Page 1 of 2

Year Ending June 30	CG&L - 01		CG&L - 02		Federal ARRA 1413	Federal ARRA 1416	CG&L (SHWRF)	Drinking Water (Dixon RO)	DEQ (WOTS P2)	
	Principal	Interest	Principal	Interest	Principal	Principal			Principal	Interest
2020	74,284	20,265	20,989	6,767	12,102	12,403	104,259	273,523	56,434	20,316
2021	74,284	18,422	20,989	6,246	12,102	12,403	104,259	273,523	56,434	19,188
2022	74,284	16,580	20,989	5,726	12,102	12,403	104,259	273,523	56,434	18,059
2023	74,284	14,738	20,989	5,205	12,102	12,403	104,259	273,523	56,434	16,930
2024	74,284	12,896	20,989	4,685	12,102	12,403	104,259	273,523	56,434	15,802
2025	74,284	11,053	20,989	4,164	12,102	12,403	104,259	273,523	56,434	14,673
2026	74,284	9,211	20,989	3,644	12,102	12,403	104,259	273,523	56,434	13,544
2027	74,284	7,369	20,989	3,123	12,102	12,403	104,259	273,523	56,434	12,416
2028	74,284	5,527	20,989	2,603	12,102	12,403	104,259	273,523	56,434	11,287
2029	74,284	3,684	20,989	2,082	12,102	12,403	104,259	273,523	56,434	10,158
2030	74,284	1,842	20,989	1,562	12,102	12,403	104,259	273,523	56,434	9,029
2031			20,989	1,041	12,102	12,403	104,259	273,523	56,434	7,901
2032			20,989	521		12,403	104,259	273,523	56,434	6,772
2033							104,259	273,523	56,434	5,643
2034							104,259	273,523	56,434	4,515
2035							104,259	273,523	56,434	3,386
2036									56,434	2,257
2037									56,434	1,129
Totals	817,124	121,588	272,853	47,367	145,228	161,233	1,668,144	4,376,364	1,072,247	214,449

**Debt Service Requirements**

**Page 2 of 2**

Year Ending June 30	USDA - 2014A		USDA - 2014B		USDA - 2014C		2016		Total		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	159,000	202,920	142,000	180,381	133,000	170,050	2,695,000	1,563,025	3,682,993	2,163,724	5,846,717
2021	163,000	199,144	145,000	177,009	137,000	166,891	2,800,000	1,458,550	3,798,993	2,045,450	5,844,444
2022	167,000	195,273	148,000	173,565	140,000	163,638	2,925,000	1,334,850	3,933,993	1,907,690	5,841,683
2023	171,000	191,306	152,000	170,050	143,000	160,313	2,605,000	1,196,600	3,624,993	1,755,142	5,380,135
2024	175,000	187,245	156,000	166,440	147,000	156,916	2,720,000	1,080,200	3,751,993	1,624,183	5,376,176
2025	179,000	183,089	159,000	162,735	150,000	153,425	2,840,000	957,925	3,881,993	1,487,064	5,369,057
2026	183,000	178,838	163,000	158,959	154,000	149,863	2,990,000	812,175	4,043,993	1,326,233	5,370,226
2027	188,000	174,491	167,000	155,088	157,000	146,205	3,140,000	658,925	4,205,993	1,157,616	5,363,610
2028	192,000	170,026	171,000	151,121	161,000	142,476	3,290,000	511,300	4,367,993	994,340	5,362,333
2029	197,000	165,466	175,000	147,060	165,000	138,653	3,080,000	365,175	4,170,993	832,278	5,003,272
2030	201,000	160,788	179,000	142,904	169,000	134,734	1,825,000	256,238	2,927,993	707,096	3,635,089
2031	206,000	156,014	183,000	138,653	173,000	130,720	1,900,000	186,300	2,941,709	620,628	3,562,337
2032	211,000	151,121	188,000	134,306	177,000	126,611	1,970,000	108,900	3,013,608	528,231	3,541,839
2033	216,000	146,110	192,000	129,841	181,000	122,408	2,050,000	34,750	3,073,216	438,752	3,511,968
2034	221,000	140,980	197,000	125,281	185,000	118,109			1,037,216	388,885	1,426,101
2035	226,000	135,731	201,000	120,603	190,000	113,715			1,051,216	373,435	1,424,651
2036	232,000	130,364	206,000	115,829	194,000	109,203			688,434	357,652	1,046,086
2037	237,000	124,854	211,000	110,936	199,000	104,595			703,434	341,514	1,044,948
2038	243,000	119,225	216,000	105,925	204,000	99,869			663,000	325,019	988,019
2039-2054	4,777,000	1,021,060	4,244,000	906,823	4,001,000	855,499			13,022,000	2,783,381	15,805,381
Totals	8,544,000	4,134,044	7,595,000	3,673,507	7,160,000	3,463,890	36,830,000	10,524,913	68,585,758	22,158,314	90,744,072

## **PROPOSED RATE & FEE SCHEDULE**

- **Proposed Rate & Fee Schedule**



# Fiscal Year 2019 - 2020 Proposed Rate and Fee Schedule

## Water

### I. Residential & Commercial Customers

Base Water Charges*		
Meter Size	Base Charge	Base Charge
3/4"	\$13.00	\$13.72
1"	\$32.47	\$34.26
1.5"	\$64.90	\$68.47
2"	\$103.79	\$109.50
2.5"	\$155.74	\$164.31
3"	\$207.63	\$219.05
4"	\$324.42	\$342.26
6"	\$648.85	\$684.54

\*For service through a Master Meter the fixed charges per unit shall assume a 3/4 inch meter; 3/4" meter charges apply to all residential meters.

**Note** - NC GS 2008-143 states all water to an irrigation system must be provided through an individually metered connection unless the requirements are met under NC GS 143-355.4.

### II. User Fees

Usage(Gallons)	<del>Water Meters</del> 1,000 Gallons	Water Meters 1,000 Gallons	<del>Irrigation Meters</del> 1,000 Gallons	Irrigation Meters 1,000 Gallons
First 3,000	\$3.00	\$3.17	\$4.50	\$4.75
Next 4,500	\$3.11	\$3.28	\$4.67	\$4.93
Next 7,500	\$4.02	\$4.24	\$6.05	\$6.38
Next 10,000	\$5.25	\$5.54	\$8.31	\$8.31
Over 25,000	\$6.16	\$6.50	\$9.27	\$9.78

**Bulk Meter** \$4.02 per 1,000 gallons \$4.24 per 1,000 gallons

**Master Meter (including Multi Users):** \$4.02 per 1,000 gallons \$4.24 per 1,000 gallons

**Sewer Bulk Fee** \$4.62 per 1,000 gallons

**Volunteer Fire & Rescue Squads Primary Operations Building (water & sewer each):**

0-20,000 gallons	\$1.00 Flat Rate
Over 20,000 gallons	Follow the applicable rates above

## Sewer

### III. Residential & Commercial Customers

User Fees		Base Sewer Charges**		
Rate per 1,000 Gallons	Rate per 1,000 Gallons	Meter Size	Base Charge	Base Charge
\$5.99	\$6.32	3/4"	\$21.13	\$22.29
\$5.99	\$6.32	1"	\$52.97	\$55.88
\$5.99	\$6.32	1.5"	\$105.66	\$111.47
\$5.99	\$6.32	2"	\$169.06	\$178.36
\$5.99	\$6.32	3"	\$337.32	\$355.87
\$5.99	\$6.32	4"	\$526.17	\$555.11

\*\*No sewer charges are billed for meters exclusively used for irrigation.

## Water & Sewer

### IV. Tap Installation Fees

Water	
Tap Size	Fee
3/4 x 5/8 tap	\$950.00
1"	\$1,165.00
1-1/2" & above	\$650 + Materials
Sewer	
Tap Size	Fee
4" Residential Only	\$1,000 + Materials

### V. System Development Fees

Meter Size	Water	Sewer
3/4"	\$2,032	\$4,103
1"	\$3,386	\$6,167
1.5"	\$6,773	\$12,333
2"	\$10,836	\$19,733
3"	\$21,672	\$39,467
4"	\$33,863	\$61,667
6"	\$67,725	\$123,333
8"	\$108,360	\$197,333
10"	\$162,540	\$283,667

### VI. Water or Sewer Tap Inspection Fees

On site less than 4 hours during a work day	\$150.00	Per Site Per Customer
On site more than 4 hours during a work day	\$300.00	Per Site Per Customer

### VII. Private Utility Billing (Water/Wastewater)

Administrative Set Up Fee	\$1,000.00
Per Account	\$3.00
Administrative Fee- Rate Changes & Mailings	\$250.00 Plus Cost

### VIII. Deposits

Meter Size	Deposit for Water	Deposit for Sewer
3/4"	\$100	\$100
1"	\$200	\$200
1.5"	\$340	\$340
2"	\$490	\$490
3"	\$1,080	\$1,080
4"	\$1,370	\$1,370
6"	\$2,740	\$2,740
8"	\$4,925	\$4,925
10"	\$7,685	\$7,685
12"	\$9,680	\$9,680

<del>3/4" Hydrant Meter</del>	<del>\$200.00</del>
Standing Deposits(Contractors & Realtors)	\$500.00
3/4" Hydrant Meter Assembly	\$500.00
3" Hydrant Meter Assembly	\$1,500.00

## Water & Sewer - Continued

<b>IX. Miscellaneous Charges</b>	
Administrative Service Fee	\$40.00
Service Call Fee	\$50.00 per account (1st visit per account per year is at no charge - Does not apply to reconnect after disconnection)
Credit Letters/Property	\$5.00
Connect Fee	\$35.00
Non-Payment Fee	\$60.00
Late Fee	\$6.00 up to \$120.00 balance due \$6.00 + 5% of balance due >\$120.00 assessed 25th day from statement date
Lock Replacement Fee	\$6.00
Meter Test	\$65.00
After Hours, Weekends and Holidays Service Call	
After 4:00 pm until 7:00 pm	\$55.00
After 7:00 pm	\$175.00
Landlord Transfer Fee	\$20.00
Inspection fee prior to start of service:	
1st Visit	No Charge (Residential & Commercial)
Every visit after the 1st	\$60.00
Plan Review Fee of Developer's Project Plans	
Plans with main extension(s)	\$100.00
Plans with no main extension(s)	\$50.00
Hydrant Flow Test Data	\$75.00 per test
Flush/Fill/Chlorinate	\$3.75 per 1,000 gallons
Plat Review Fee of Developer's Project Plans	
1st Review	No Charge
Every review after the 1st	\$50.00
Tampering Fees - Meters, Water and Sewer Lines, Backflow Devices, Cross Connections, Water and Sewer Mains, Hydrants, Manholes and Unauthorized Sewer Dumping	
Residential	\$150.00 per occurrence
Commercial	\$525.00 per occurrence
Mains, Hydrants & Unauthorized Dumping	\$1,050.00 per occurrence
Backflow Inspection Fee	
1st Visit	No Charge (Residential & Commercial)
Every visit after the 1st	\$60.00 (each time Residential & Commercial)
Hydrant Meter Test for damaged meters	\$100.00 plus cost of replacement parts
Meter Relocation Fee	
Relocation less than or equal to 10 feet	\$300.00
Relocation greater than 10 feet	\$300.00 plus cost

## Water & Sewer - Continued

### X. Administrative Fees

Returned Payment	\$25.00 each
Copies (8 1/2 x 11)	\$0.10 per page
Customer List	\$0.10 per name

### XI. Administrative Fees - Continued

#### Monthly Fire Connection Charge (Sprinkler Head)

1" sprinkler connection	\$40.00 per month
1 1/2" sprinkler connection	\$45.00 per month
2" sprinkler connection	\$50.00 per month
4" sprinkler connection	\$60.00 per month
6" sprinkler connection	\$80.00 per month
8" sprinkler connection	\$150.00 per month
10" sprinkler connection	\$300.00 per month
12" sprinkler connection	\$450.00 per month

### XII. Map Fees

Size	Color/Ortho	B/W/TOPO	Property Lines
8.5 x 11	\$5.00	\$3.00	\$2.00
11 x 17	\$8.00	\$5.00	\$2.00
24 x 36	\$20.00	\$10.00	\$6.00
36 x 48	\$25.00	\$15.00	\$8.00

### XIII. Service/Repair Fees

#### Materials:

Pipe and accessories will be charged out at the cost listed on the most current Onslow Water and Sewer Authority Inventory Sheet on file.

#### Equipment Cost Per Hour:

Excavator	\$34.20
Trailer Equipment	\$14.15
Dump Truck (325 HP) (320HP)	\$60.77
Trencher (>85 HP)	\$25.00
Backhoe (>95 HP)	\$38.60
Line Truck (210 HP)	\$30.00
Pickup (130 HP)	\$14.00
Pump (>60 HP)	\$27.10
Light Tower	\$18.75
Asphalt Roller	\$19.50
Sewer Vac-Tron	\$112.50
Sewer Jetter (>100 HP)	\$150.00
Sewer Jet/Vac Combo Truck	\$375.00
Main Line Camera Equipment	\$6.00 per foot
Sewer Lateral Camera Equipment	\$3.00 per foot

Surface restorations-gravel, soil/erosion control \$150.00

Sewer Boring Charge-based on contract price per foot

Rental charges for additional equipment (if needed) will be charged at the rate ONWASA is paying to rent the equipment plus a 2% administrative fee.

**Water & Sewer - Continued**

**XIV. Service/Repair Fees - Continued**

**Labor and Benefits:**

Hourly Rate  
Average hourly rate + 30%

Overtime Rate  
Average hourly rate by 1.5 + 30%

**Water Loss Charges:**

Water charges are based on the following formula:

$Q(\text{GPM}) \times \text{time} = \text{Total Gallons}$

$\text{TGL} \times \$\text{Bulk Rate} / 1,000 = \text{Total Water Loss Charges}$

\_\_\_\_\_  
Gregory Hines, Chairman

Adopted the \_\_\_\_ day of June 2019.

Attest:

\_\_\_\_\_  
Heather Norris, Clerk to the Board