

PURPOSE

The Utility Capital Improvements Program (CIP) Budget provides for the construction of wastewater systems and water transmission, distribution and supply facilities, to include the engineering and acquisition program for additional groundwater supplies. Other water and wastewater system improvements are financed by accumulated JCSA funds for rehabilitation, replacement, extensions, and expansions.

BUDGET SUMMARY

	FY 11 Adopted	FY 12 Plan	FY 12 Adopted
<u>Revenues:</u>			
Water Facility Charges	\$ 1,843,000	\$ 1,885,000	\$ 1,927,000
Sewer Facility Charges	<u>1,276,800</u>	<u>1,310,400</u>	<u>1,344,000</u>
Total Revenue	\$ <u>3,119,800</u>	\$ <u>3,195,400</u>	\$ <u>3,271,000</u>
<u>Expenditures:</u>			
Water Supply	\$ 1,646,000	\$ 1,645,000	\$ 1,645,000
Sewer System Improvements	983,800	1,550,400	1,466,000
Other Projects	<u>490,000</u>	<u>0</u>	<u>160,000</u>
Total Expenditures	\$ <u>3,119,800</u>	\$ <u>3,195,400</u>	<u>3,271,000</u>

BUDGET COMMENTS

This budget will continue our practice of directing facility charges (the initial connection fees when a new house or business connects to the system) towards financing CIP projects. The FY 2012 CIP revenues and expenses will increase 2.4 percent from the FY 2012 planned revenues and expenses.

The FY 2011-2015 CIP consists of six separate, but interrelated, segments of the utility program, all of which are important in keeping pace with County development. The proposed five-year plan defines an integrated program for the development of each of the six segments along parallel time frames, designed for adequate service to be provided in step with the County Comprehensive Plan and Strategic Management Plan. A brief description of the essential features of the six segments follows with a Summary on page E-12.

1. WATER SUPPLY (105-100)

Desalination Plant Membrane Replacement (1155) – This is a capital maintenance project request. The project consists of replacing reverse osmosis membranes at the Five Forks Water Treatment Plant (FFWTP). In order to maintain water quality and an appropriate output from FFWTP, membranes must be replaced before failure. There are 720 membranes at approximately \$600 each. The existing fund balance of \$451,293 is requested to be carried forward in FY 2012 CIP. A total of \$430,000 is requested in FY 2013 and FY 2014 to complete this project.

Project Development Agreement Debt Service (2008) – Debt Service Payments for the Project Development Agreement (PDA) with the City of Newport News are financed from connection fees collected in the Capital Improvement Fund. The funding level is \$1,645,000 annually.

2. SEWER SYSTEM IMPROVEMENTS (105-150)

Sewer System Overflow Report Preparation (2300) - This is a modified project request. State Department of Environmental Quality (DEQ) has placed localities in the Hampton Roads area under a Consent Order which was effective 9/26/07. The order requires modeling, flow monitoring, sewer system evaluations and other reports. Engineering services are required to supplement in-house efforts in responding to the consent order. The existing fund balance of \$977,474 is requested to be carried forward in the FY 2012 CIP with an additional \$590,000 requested over the next two years to initiate projects as they are identified. This is a rehabilitation project.

DEQ Consent Order Sewer System Improvements (2475) - This is a modified project request. The results of the Sewer System Overflow Report Preparation project will provide location of sanitary sewer system weaknesses and what construction improvements will be required to rehabilitate the system. These improvements would include rehabilitation of numerous manholes and gravity sewer pipe replacement and/or slip lining throughout 48 of 76 Sanitary Sewer Evaluation Survey (SSES) Basins. These 48 basins include approximately 76% of the system gravity sewer pipe. It is envisioned that these projects will require a significant investment and will take approximately 15 years to complete. The existing fund balance of \$1,058,495 is requested to be carried forward in the FY 2012 CIP with an additional \$7,028,400 requested over the next five years to initiate projects as they are identified. This is a rehabilitation project.

3. OTHER PROJECTS (105-160)

Tewning Road Revenue Sharing Funds (new account) – This is a dollar-for-dollar match of local fund with Virginia Department of Transportation (VDOT) for improvements of Tewning Road. Improvements will include shore up of existing roadway and improve drainage. This project will require \$100,000 in FY 2012.

Heavy Equipment/Trucks (3085) – This project consists of replacing a Ford F250 ¾-Ton Truck with a F450 1-Ton Truck. Field experience has shown that a heavy duty F450 type truck is required to better support the efforts of excavation crews when deploying with either the dump trailer or small excavator. The ¾-Ton Truck has proven to be inadequate as evidenced by the premature failures of its breaks, suspension, and transmission components. The drive train and suspension units of a ¾-Ton Truck cannot hold up to the present towing demands. The existing fund balance of \$85,576 is requested to be carried forward in the FY 2012 CIP with an additional \$60,000 requested to complete this project. This is a replacement project.