

Fiscal Year 2011-2012

Capital Report

2-Year Renewal and Replacement (R&R) Capital Budget
5-Year Extension and Expansion (E&E) Capital Budget
10-Year Capital Improvements Plan



Planning for tomorrow, Today

General Information

Fiscal Year 2011-2012 Capital Report

Introduction

The Capital Improvement Plan or CIP is the Commission's ten-year roadmap for creating, maintaining and funding present and future infrastructure requirements. The CIP addresses the Commission's needs related to the acquisition, expansion, and rehabilitation of long-lived facilities and infrastructure. The CIP serves as a planning instrument to identify needed capital expenditures and to coordinate the financing and timing of improvements in a way that maximizes the return to the customers.

The underlying strategy of the CIP is to plan for design, acquisition, construction, and maintenance of facilities necessary for the safe and efficient provision of water and wastewater services in accordance with policies, goals and objectives adopted by the Commission. A critical element of a balanced CIP is the provision of funds to both preserve or enhance existing facilities and provide new assets to respond to changing service needs and growth of the community.

The CIP is not the same as the Capital Budget. The Capital Budget represents the projects and/or programs that once approved by the Commission, authorizes specific projects and appropriates, where applicable, specific funding for those projects.

Capital Improvements Program Goals

- ❖ Ensure that the Commissioner's approved Capital Budget(s) and 10-Year Capital Improvement Program is affordable and finances only necessary capital expenditures.
- ❖ Enable informed capital investment decisions according to a fair, open and objective process.
- ❖ Emphasize the requirement for long-term planning.
- ❖ Enhance the linkage between the Capital and Operating Budgets.
- ❖ To avoid the need to impose "crisis" rate increases.
- ❖ To focus customers attention on Commission goals, needs and priorities.
- ❖ To serve as an education tool for the community and the Commission.

Revenue Sources

The Capital Budget is funded in accordance with the latest Cost Recovery Policy, through three primary revenue sources; Operating Revenues, Growth Related Revenues and Grants.

- Growth Related Revenues – are funds collected through impact fees and used to fund direct costs of planning, designing, or constructing capital facilities that will be Extended & Expanded (E&E) for future customers.

Impact fees are charges assessed against new development to recover part of the capital costs of expanding the water and wastewater infrastructure to serve them. Considered as a capital-recovery charge, impact fees allow recovery of the capital costs of developing the new service directly from the customer who will benefit from the service.

Impact fees recover major capital costs associated with expanding water and wastewater service facilities, including but not limited to water treatment plants, storage facilities, pumps and distribution mains, wastewater collection, transmission, storage, treatment and disposal facilities, and other capital equipment.

- **Operating Revenues** – are funds collected through rates and used to fund capital expenditures for the Renewal & Replacement (R&R) of existing facilities and infrastructure, as well as routine capital outlays and capital maintenance.
- **Grants** – are funds obtained from other agencies through a competitive selection process. The funds are made available for specific project objectives. Awards may be for the entire project cost or matched with contributions from the Commission.

Capital Improvements Plan Structure

The Capital Improvements Plan (CIP) is broken down into three utilities: Administration; Wastewater (including Reuse); and Water. Within each utility, are asset classes. Projects are evaluated and grouped in accordance with their ability to support the asset class objective.

Utility and Asset Class Definitions

Administrative Projects listed under the “Administration Group” are projects that support all utilities (water and wastewater), and are therefore funded with both water and wastewater R&R and E&E dollars. Asset classes for Admin Projects include:

Facilities	The objective of this asset class is to maintain the MPW Operations Center, and to provide for adequate facilities for future staff, which will be required as MPW’s customer base and infrastructure continue to grow.
Information Technology (IT)	The objective of this asset class is to provide improvements to MPW’s Management Information Systems (including computer, telecommunications, office, web and SCADA/process control systems) to ensure best practices are being used and to place a priority on performance, reliability, security, efficiency, and accessibility.
Relocation	The objective of this asset class is to provide adequate funding for the relocation of existing water and wastewater lines located in road right-of-ways to accommodate road widening and storm drain improvement projects by the Town, County and SCDOT.
Study	The objective of this asset class is to provide “critical” organization direction, help determine the feasibility/importance of specific project/program, and to provide data for future decisions.

Wastewater - Projects listed under the “Wastewater Group” are projects that support only wastewater assets, and are funded with wastewater R&R and E&E funds. Asset classes for Wastewater Projects include:

Collections	The objective of this asset class is the continued removal of infiltration/inflow from the collection system, replace non-repairable, aged gravity wastewater sections and install new gravity wastewater to support growth.
Force Mains	The objective of this asset class is the replacement of non-repairable, aged wastewater force mains including those approaching capacity limitations, general improvement to system appurtenances and installation of new force mains to support growth.
Pump Stations	The objective of this asset class is to upgrade existing stations to support growth and to renew and replace existing stations including pumps, electrical, controls and SCADA systems to improve operational reliability, control and efficiency.
Study	The objective of this asset class is to meet ever changing regulatory requirements and to define facility additions and improvements needed due to new technology. To guide structuring the 10-year CIP; and to define facility needs to stay ahead of growth demands. Studies address both treatment and collection needs of the system, as well as evaluation of a variety of related issues.
Treatment/Disposal	The objective of this asset class is to ensure that our plants exceed permit limits by providing adequate funding for process; equipment repair and replacement; incorporation of new technology; and expansion to meet growth.

Water - Projects listed under the “Water Group” are projects that support only water assets, and are funded with water R&R and E&E dollars. Asset classes for Water Projects include:

Distribution System	The objective of this asset class is to support the ongoing rehabilitation of existing water lines; improvements related to optimizing system performance and reliability, e.g. looping, paralleling lines, replacing lines approaching capacity; and adding new transmission and distribution mains to support growth and service deficiencies in specific areas.
Storage	The objective of this asset class is to ensure that adequate storage capacity exists to meet SCDHEC regulations and to provide maximum operation efficiency for the purchased water supply.
Study	The objective of this asset class is to meet both regulatory requirements and to define facility additions, improvements or contract requirements to (1) guide structuring the annual CIP and (2) to define facility needs to stay ahead of growth demands. Studies address supply, treatment, water quality, and distribution needs.
Supply	The objective of this asset class is to ensure that an adequate volume of water of a treatable quality is available from redundant local groundwater supply systems and from treated wholesale sources to meet the current and future service demands of MPW
Treatment	The objective of this asset class is to ensure exceptional treatment facilities are being maintained to and produce water quality that exceeds drinking water standards.

Capital Expenditures

A capital expenditure is an expenditure used to 1) acquire or construct a new asset and/or, 2) to improve, restore, or renovate a current capital asset in a manner that extends the asset's current useful life. Within the respective asset classes, projects are further grouped by one of three types of capital expenditures: Capital Outlay, Capital Maintenance or Capital Project.

A capital expenditure is one of three types:

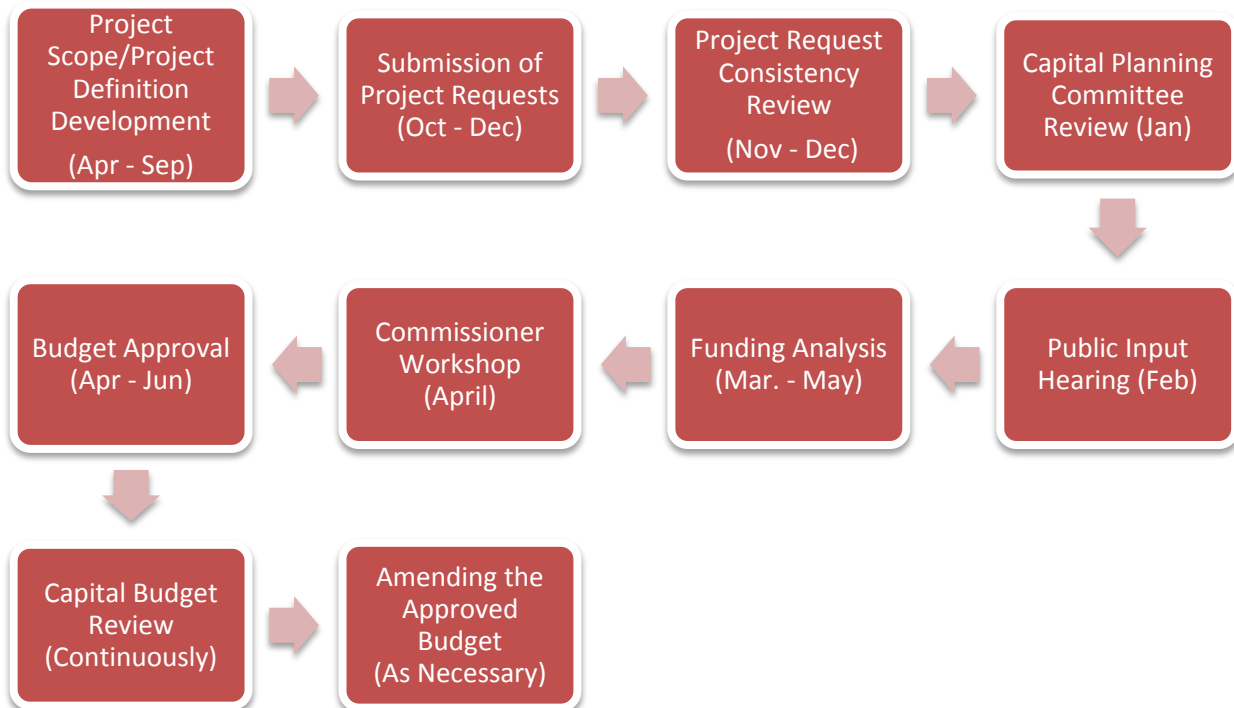
- Capital Maintenance: is defined as major expenditures for the preservation and/or repair of capital assets that protect the original life of the asset. Capital Maintenance projects by their nature are categorized as an O&M expense, but may generate capital assets, which are those greater than \$5,000 with a useful life greater than one year. In addition, the project will close out at the end of the fiscal year.
- Capital Outlay: Capital Outlay requests are annual appropriations required by a department to purchase a special asset to meet functional operations, has a useful life of at least one year, and has a purchase cost of at least \$5,000. Examples include the purchase of equipment, computers, and vehicles requiring little to no outside services for procurement or installation.
- Capital Project – is a planned process necessary to construct a new asset, improve an existing asset or study a current or anticipated future condition. It generally requires one or more of the following outside services: engineering study, engineering design, regulatory permitting/review, construction or specialized contract management. Capital Projects are split into two categories:

Multi-Year Projects: These types of projects are large scale projects usually recommended by one of MPW's Master Plans. Due to the size and complexity of the projects they are typically funded over several fiscal years by the issuance of debt.

Annual Projects: These are projects identified by the Operations staff and through MPW's Asset Management Program. They can typically be completed annually/bi-annually and are relatively easy to initiate. Funding for these projects will be approved on a 2-year year basis.

Capital Planning Process

The Capital Planning Process is intended to be a vehicle to meet specific goals and/or objectives of the Commission and/or department and be consistent with the strategic, business and master plans. The purpose of Capital Improvement Planning Process is to encourage the flow of ideas and allow for advanced planning. During this period of time, departments are reviewing maintenance records, performing master planning efforts, reviewing the conditions of assets and undertaking any other necessary planning efforts. From these activities, the departments should become familiar with overall condition of their assets and resulting problems/needs. If these needs/problems require the expenditure of capital dollars, each department will be responsible for completing the appropriate Capital Expenditure Request Form (Capital Outlay Request Form, Capital Maintenance Request Form, Capital Project Request Form or Business Case Request). These request forms will provide information such as: the desired project timing, a brief description and justification of the project, a rough estimate of the project cost, and resulting benefit. The procedures for the development of the Capital Improvement Plan budgets will generally follow the schedule below.



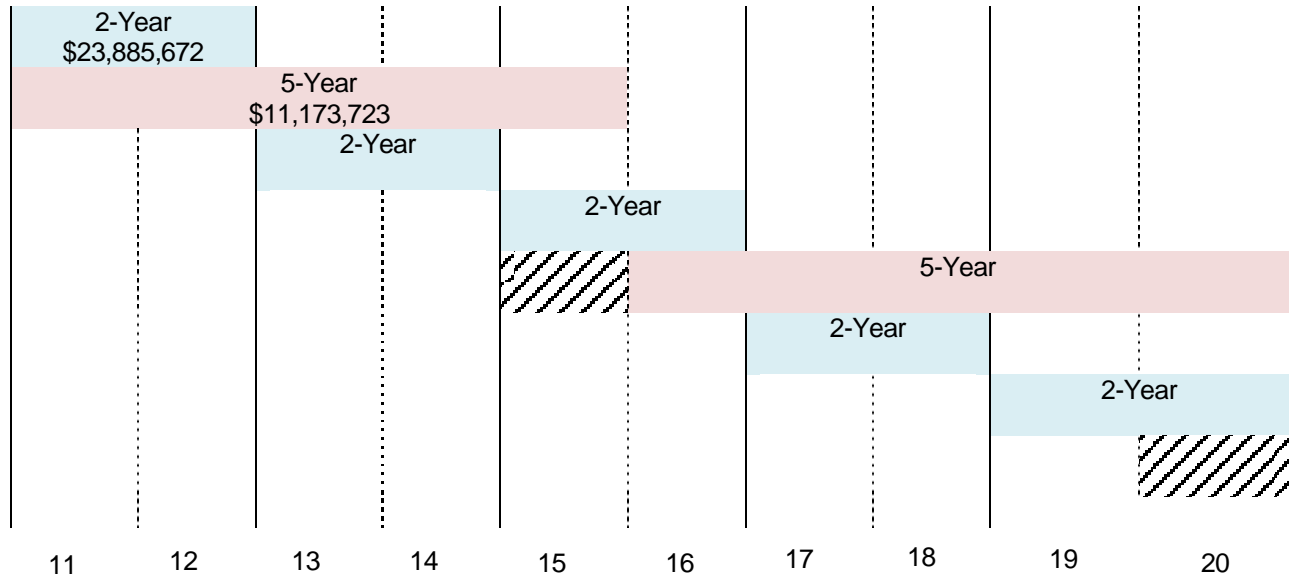
Planning Documents

The following list of planning documents has been assembled to facilitate the development of the capital request forms necessary for the Capital Planning Process:

Asset	Document Title	Date	Author
Facilities	Building Facilities Master Plan	Dec 2009	Gary Freeman Architect Inc.
Relocation	TOMP Transportation Plan		Roadwise/TOMP
Vehicles	Fleet Management	Dec 2009	MPW
Wastewater - Collection	• East Cooper Wastewater Management Study	Sept 2008	CDM
	• Utility Master Plan	Jan 2010	CDM
	• Sewer Rehabilitation Master Plan	Jan 2010	Frazier Engineering
Wastewater – Force Mains	• 10-Year Capital Program for Renewal and Replacement of Pump Stations and Force Mains	Dec 2009	MPW Eng & Maintenance
	• Utility Master Plan	Jan 2010	CDM
Wastewater - Pump Stations	• 10-Year Capital Program for Renewal and Replacement of Pump Stations and Force Mains	Dec 2009	MPW Eng & Maintenance
	• Utility Master Plan	Jan 2010	CDM
Wastewater – Treatment/Disposal	• Wastewater Treatment System Master Plan	Feb 2009	Black & Veatch
	• Utility Master Plan	Jan 2010	CDM
Water - Distribution	• Utility Master Plan	Jan 2010	CDM
	• Water Distribution Master Plan for the Old Village	2007	BP Barber
Water – ASR	Aquifer Storage and Recovery Master Plan	March 2008	CH2MHill
Water - Treatment	Utility Master Plan	Jan 2010	CDM
Reuse	• Reuse Study Update	Apr 2009	CDM
	• Utility Master Plan	Jan 2010	CDM
ICAM	Infrastructure Asset Management Program Final Report	May 2005	CH2MHill

Proposed Capital Budget Cycle

In an effort to facilitate the development of the Capital Program and particularly to evaluate individual projects in more detail, the following Capital Budget Cycle has been proposed.



2-Year

Annual Type Projects (R&R Funded). Annual Renewal and Replacement and Capital Outlay type projects will be reviewed every other year and presented for approval on a two-year basis. These will typically be R&R funded projects.



Master Planning is proposed once every 5 years and will coincide with the Town's and Comprehensive Plan Updates

5-Year

Multi-Year Master Plan Projects (E&E Funded). Projects identified through the master planning efforts will typically be E&E funded. These projects are generally larger multi-year projects. These projects will be presented and approved in a five-year period, to allow adequate time to plan and execute these projects and to help stabilize impact fees.

Fiscal Year 2011/2012 Capital Budget

Fiscal Year 2011-2012 Capital Report

Summary

Renewal and Replacement (R&R) Funded Projects:

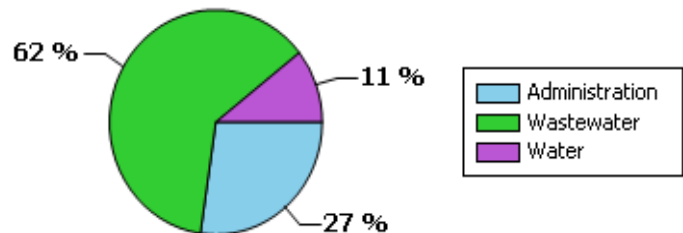
Each year the Departments prioritize problem areas that need to be corrected based on factors such as: water quality issues; low pressure concerns; wastewater backups and overflows; and recurring corrective maintenance. Engineering works closely with the Departments to ensure projects are well defined and are adequately funded.

In addition to input from the Departments, MPW has been working with CH2M Hill in the development of an Asset Management Plan. Over the past several years, MPW has been collecting data on its existing system, which was fed into the Infrastructure Capital Asset Management System (ICAM) model. The development of a more formal and quantitative asset management program will allow MPW to meet our Goal #4: Provide efficient infrastructure to meet our community's needs.

MPW has been responsibly managing its assets since its inception. However, in recent years our system has experienced unprecedented growth. This growth has occurred concurrently with aging infrastructure – both underground and aboveground (plants). A formalized asset management program continues to be implemented to accurately balance the useful life, capital spending and renewal and replacement of our current assets. Our program is directed primarily toward capital assets and will allow MPW to (1) continuously deliver desired level of service; (2) stabilize long-range capital investments for capital renewal; and (3) minimize life-cycle costs of owning, operating and maintaining infrastructure assets.

The Fiscal Year 2011/2012 total Renewal and Replacement Capital Budget is \$28,701,882, and is broken down as follows:

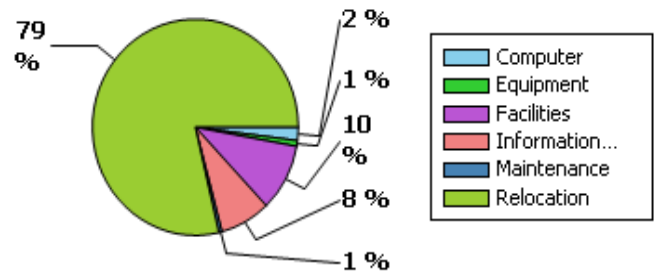
Projects by Utility	
Administration	\$6,524,842
Wastewater	\$14,825,910
Water	\$2,534,920
Total	<u>\$23,885,672</u>



Administration – Renewal and Replacement Projects

Fiscal Year 2011-2012 Summary

Projects by Asset Class	
Computer	\$129,226
Equipment	\$55,466
Facilities	\$658,250
Information Technology	\$516,488
Maintenance	\$32,940
Relocation	\$5,132,472
Total	<u>\$6,524,842</u>



Capital Outlay

Computer		FY 2011/2012 Budget Request		\$129,226
	Priority	FY 2011	FY 2012	
PC Lease Purchase	Medium	\$54,566	\$0	
PC Purchases (30 Replacements)	Medium	\$0	\$74,660	
	Total	\$54,566	\$74,660	

Equipment		FY 2011/2012 Budget Request		\$55,466
	Priority	FY 2011	FY 2012	
Department 730 - SCADA Repeater Relocation	High	\$18,000	\$0	
Department 730 - Antenna Upgrades	High	\$18,000	\$18,000	
Customer Service Conference Room Furniture	Low	\$1,466	\$0	
	Total	\$37,466	\$18,000	

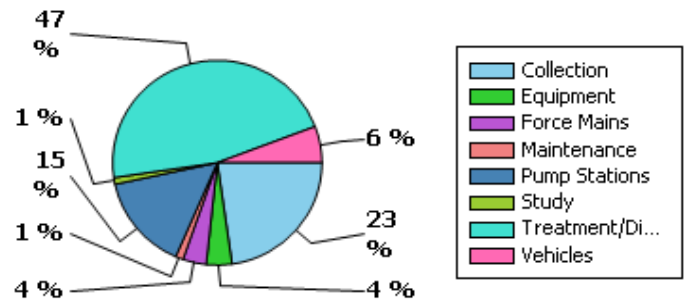
Capital Projects

Project Name	Asset Class Name	Origination	Goal	Priority	FY 2011	FY 2012	Total
North Operations Center - Phase 1	Facilities	O&M	4	76	\$398,250	\$250,000	\$648,250
Computerized Maintenance Management System	Information Technology	MIS Master Plan	2, 3	34	\$40,888	\$0	\$40,888
Department 710 - Maximo Implementation - Phase 2	Information Technology	MIS Master Plan	2, 3	24	\$15,600	\$0	\$15,600
CIS Infinity Upgrade	Information Technology	O&M	2	11	\$12,500	\$42,500	\$55,000
Department 510 - FIS Upgrade	Information Technology	O&M	4	11	\$60,000	\$0	\$60,000
Maximo Purchasing/Inventory Implementation/GP Integration	Information Technology	O&M	4	11	\$0	\$90,000	\$90,000
Department 710 - Maximo Mobile Implementation	Information Technology	O&M	2	11	\$75,000	\$0	\$75,000
Virtualization Server Project	Information Technology	O&M	2	11	\$80,000	\$0	\$80,000
Rate Model Upgrade	Information Technology	O&M	2	11	\$0	\$100,000	\$100,000
Children's Circle Fountain Repair	Maintenance	O&M	2	11	\$32,940	\$0	\$32,940
Bowman Road - Phase I	Relocation	Town/DOT	4	8	\$332,800	\$0	\$332,800
Hamlin/RRR Intersection	Relocation	Town/DOT	4	8	\$50,000	\$0	\$50,000
Six Mile	Relocation	Town/DOT	4	8	\$50,000	\$0	\$50,000
Hungryneck Phase 3 Utility Relocations	Relocation	Town/DOT		8	\$13,172	\$0	\$13,172
Bowman Road - Phase II	Relocation	Town/DOT	4	8	\$100,000	\$714,200	\$814,200
Johnnie Dodds Blvd	Relocation	Town/DOT	4	8	\$670,000	\$1,115,600	\$1,785,600
Hwy 17 N - Phase 1 and 2 (IOP Connector to Darrell Creek Trail) and I-526 and US 17 Interchange	Relocation	Town/DOT	4	8	\$350,000	\$1,696,700	\$2,046,700
Longpoint Subdivision Traffic Circle	Relocation	Town/DOT	4	8	\$15,000	\$0	\$15,000
Phillips Community Sidewalks/Drainage	Relocation	Town/DOT	4	8	\$25,000	\$0	\$25,000
Car Wash for Stormwater Compliance	Facilities	Compliance	4		\$0	\$10,000	\$10,000
Total					\$2,321,150	\$4,019,000	\$6,340,150

Wastewater – Renewal and Replacement Projects

Fiscal Year 2011-2012 Summary

Projects by Asset Class	
Collection	\$3,371,693
Equipment	\$586,143
Force Mains	\$536,439
Maintenance	\$178,500
Pump Stations	\$2,240,018
Study	\$156,676
Treatment/Disposal	\$6,901,441
Vehicles	\$855,000
Total	\$14,825,910



Capital Outlay/Maintenance

Equipment	FY 2011/2012 Budget Request		\$586,143
	Priority	FY 2011	FY 2012
Department 390 - Replacement Generator	High	\$0	\$50,000
Department 322 - RRRWWTP RAS Pump Replacement	High	\$30,000	\$0
Department 390 - Fiberglass Control Cabinets for Pump Stations	High	\$162,178	\$0
Department 322 - Replacement Forklift	High	\$25,000	\$0
Department 390 - Replace RRRWWTP Entrance Gate	High	\$5,500	\$0
Department 390 - Replacement Motors RRRWWTP	High	\$79,000	\$0
Department 321 - Spare Grundfos Reuse Pump at CSWWTP	High	\$0	\$6,000
Department 322 - Spare Recirculation Pump	High	\$22,000	\$0
Department 322 - Spare Grundfos Reuse Pump at RRRWWTP	High	\$6,000	\$0
Department 360 - New Pump Replacements	High	\$80,000	\$83,200
Department 322 - Spare Belt Press Feed Pump at RRRWWTP	Medium	\$0	\$6,000
Department 340 - Flow Meter	Medium	\$0	\$5,000
Department 730 - RRRWWTP Fiber Optic Network Loop	Low	\$0	\$26,265
Total		\$409,678	\$176,465

Maintenance	FY 2011/2012 Budget Request		\$178,500
	Priority	FY 2011	FY 2012
RRRWWTP - Pipe Expansion Joints	High	\$7,000	\$0
RRRWWTP - Grit Screw Conveyer Replacement	High	\$0	\$50,000
RRRWWTP Roof Repair/Replacement	High	\$15,000	\$0
Effluent Outfall Diffuser	Medium	\$15,000	\$45,000
RRRWWTP - Headworks Upgrade Project	Medium	\$0	\$34,500
RRRWWTP HVAC Line	Medium	\$12,000	\$0
Total		\$49,000	\$129,500

Vehicles	FY 2011/2012 Budget Request		\$855,000
	Priority	FY 2011	FY 2012
Department 350 - Replacement Pipehunter Truck - Vehicle No. 359	High	\$219,000	\$0
Department 320 - Replacement Truck CS Semi Jockey	High	\$0	\$60,000
Department 350 - Replacement Truck - Vehicle No. 351	High	\$36,000	\$0
Department 340 - Replacement Truck Combination Vacuum and Jetting - Vehicle No. 345	Medium	\$260,000	\$0
Department 340 - Replacement Truck Combination Vacuum and Jetting - Vehicle No. 342	Medium	\$0	\$280,000
	Total	\$515,000	\$340,000

Capital Projects

Project Name	Asset Class	Origination	Goal	Priority	FY 2011	FY 2012	Total
RRRWWTP - Rebuild Secondary Clarifier No. 1	Treatment/Disposal	O&M	4	92	\$30,000	\$0	\$30,000
CSWWTP - Electrical System Replacement	Treatment/Disposal	Wastewater Treatment Master Plan	4	79	\$225,000	\$0	\$225,000
CSWWTP Capacity Enhancement	Treatment/Disposal	Wastewater Treatment Master Plan	4	78	\$350,000	\$900,000	\$1,250,000
CSWWTP - Dewatering Facility	Treatment/Disposal	Wastewater Treatment Master Plan	4	75	\$3,050,957	\$1,803,000	\$4,853,957
CMOM	Collection	Frazier Master Plan	4	65	\$100,000	\$1,500,000	\$1,600,000
CSWWTP Annual Rehabilitation	Treatment/Disposal	Wastewater Treatment Master Plan	4	65	\$363,324	\$0	\$363,324
PS 51 Von Kolnitz Upgrade (VK2)	Pump Stations	Utility Master Plan	4	64	\$165,000	\$500,000	\$665,000
PS 30 Coleman Upgrade	Pump Stations	PS Rehab Plan	4	62	\$50,000	\$700,000	\$750,000
RRRWWTP Disinfection	Treatment/Disposal	Wastewater Treatment Master Plan	4	62	\$136,246	\$0	\$136,246
CMOM - Fishermen`s Bend	Collection	Frazier Master Plan	4	58	\$16,600	\$0	\$16,600
CMOM - Myrick at Chuck Dawley; S. Smokerise Way; Sea Gull Dr to Royal Tem	Collection	Frazier Master Plan	4	58	\$765	\$0	\$765
CMOM – North Smokerise Way; Myrick at Chuck Dawley	Collection	Frazier Master Plan	4	58	\$6,661	\$0	\$6,661
Upsize Lucas - CSWWTP Force Main (L2)	Force Mains	Utility Master Plan	4	56	\$0	\$0	\$0
In-House Rehab for Pump Stations 35, 44 and 54	Pump Stations	PS Rehab Plan	4	48	\$13,952	\$0	\$13,952
Trenchless Rehab - Based on Frazier Engineering Master Plan	Collection	Frazier Master Plan	4	40	\$100,000	\$1,200,000	\$1,300,000
In-House Rehab - PS 35 Thicket and PS 54 Wakendaw East	Pump Stations	PS Rehab Plan	4	40	\$211,000	\$0	\$211,000
In-House Rehab - PS 32 Patriots Point and PS 26 Creekside	Pump Stations	PS Rehab Plan	4	40	\$0	\$240,000	\$240,000
Pump Station Conversions	Pump Stations	PS Rehab Plan	4	38	\$360,066	\$0	\$360,066
Forcemain Structural Condition Assessment	Force Mains	Utility Master Plan	4	30	\$155,000	\$200,000	\$355,000
Highway 41 Service Area Pump Station Upgrades	Pump Stations	PS Rehab Plan	4	30	\$0	\$0	\$0
Gravity Extensions/Connections	Collection	Utility Master Plan	4		\$10,000	\$20,000	\$30,000
CCTV Implementation Program	Collection	Frazier Master Plan	4		\$25,000	\$0	\$25,000
Flow Monitoring Assistance	Collection	Frazier Master Plan	4		\$15,000	\$0	\$15,000
Long Point Road Emergency Repair	Force Mains	O&M	4		\$161,439	\$0	\$161,439
Replacement of Deteriorated Sewer Forcemains (West Coleman)	Force Mains	O&M	4		\$20,000	\$0	\$20,000
Septic Tank Program Development	Study	319 Grant Study	2		\$0	\$75,000	\$75,000
208 Expansion Study	Study	Commission Request	2		\$0	\$0	\$0
CSWWTP Landscaping	Treatment/Disposal	O&M	4		\$42,914	\$0	\$42,914
				Total	\$5,608,924	\$7,138,000	\$12,746,924

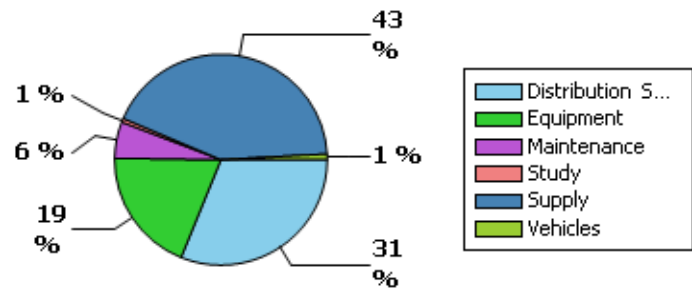
Projects Contingent on 100% Grant Funding

Project Name	Asset Class Name	Origination	Goal	Priority	FY 2011	FY 2012	Total
Snowden LMI Connections	Collection	Community Request	4	56	\$0	\$325,000	\$325,000
Marginal Road - Phase 2	Collection	Community Request	4	23	\$52,667	\$0	\$52,667
Septic Systems Management Demo Project	Study	Community Request	4	23	\$81,676	\$0	\$81,676
Total					\$134,343	\$325,000	\$459,343

Water - Renewal and Replacement Projects

Fiscal Year 2011-2012 Summary

Projects by Asset Class	
Distribution System	\$788,938
Equipment	\$484,200
Maintenance	\$142,060
Study	\$15,000
Supply	\$1,082,722
Vehicles	\$22,000
Total	\$2,534,920



Capital Outlay/Maintenance

Equipment		FY 2011/2012 Budget Request		\$484,200
	Priority	FY 2011	FY 2012	
Department 230 and 250 - Meter Improvements and New Installs	High	\$140,000	\$114,000	
Department 250 - Replace Trailer	Medium	\$10,000	\$0	
Department 250 - Mini Excavator	Medium	\$41,200	\$0	
Department 270 - Front End Loader	Medium	\$0	\$80,000	
Godwin Trailer Mounted Pump with Accessory Hoses	Medium	\$0	\$24,000	
Used Excavator - Caterpillar 311 or Similar	Medium	\$0	\$75,000	
	Total	\$191,200	\$293,000	

Maintenance		FY 2011/2012 Budget Request		\$142,060
	Priority	FY 2011	FY 2012	
Department 260 - RO Plant Rehab Work	High	\$67,060	\$75,000	
	Total	\$67,060	\$75,000	

Vehicles		FY 2011/2012 Budget Request		\$22,000
	Priority	FY 2011	FY 2012	
Department 220 - Replacement Truck - Vehicle No. 221	Medium	\$0	\$22,000	
	Total	\$0	\$22,000	

Capital Projects

Project Name	Asset Class	Origination	Goal	Priority	FY 2011	FY 2012	Total
CWS Annual Capital Outlay	Supply	Contract	4	72	\$454,146	\$493,576	\$947,722
Old Village Distribution System Rehab	Distribution	Old Village Master Plan	4	64	\$112,290	\$0	\$112,290
Replace Saddles and Bolts in Subdivision in the Hwy 41 Area	Distribution	O&M	4	61	\$200,000	\$200,000	\$400,000
Deep Well 5 Site Rehab	Supply	O&M	4	36	\$0	\$135,000	\$135,000
Darrell Creek to Paradise Island	Distribution	Utility Master Plan	4	14	\$6,648	\$0	\$6,648
Replace / Install Valves and Hydrants	Distribution	O&M	4	7	\$25,000	\$25,000	\$50,000
Groves Distribution System Rehab	Distribution	O&M	4		\$20,000	\$0	\$20,000
Sewee to Santee Governance Development	Study	Commission	2		\$0	\$15,000	\$15,000
Total					\$818,084	\$868,576	\$1,686,660

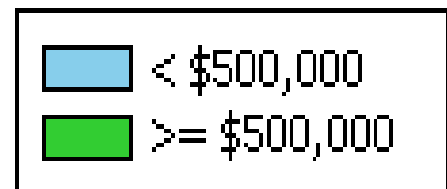
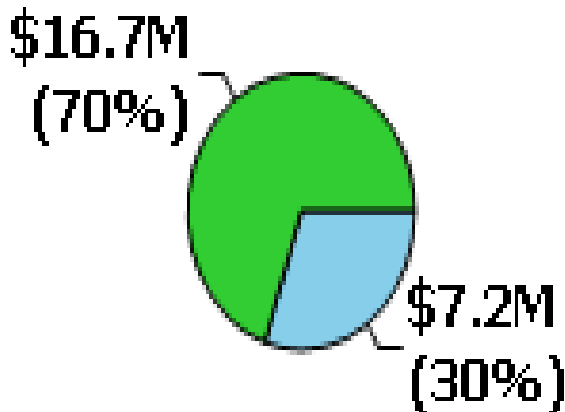
Projects Contingent on 100% Grant Funding

Project Name	Asset Class	Origination	Goal	Priority	FY 2011	FY 2012	Total
Awendaw Water System Connection	Distribution	Commission	4		\$0	\$200,000	\$200,000
Total					\$0	\$200,000	\$200,000

FY2011/12 Capital Projects over \$500,000

A review of the projects in the proposed 2-year Capital Budget, show's that most are small (<\$500k) in nature. The larger more significant projects from a financial, customer relation and implementation aspect are listed below.

CSWWTP - Dewatering Facility	\$4,853,957
Hwy 17 N - Phase 1 and 2 (IOP Connector to Darrell Creek Trail) and I-526 and US 17 Interchange	\$2,046,700
Johnnie Dodds Blvd	\$1,785,600
CMOM	\$1,600,000
Trenchless Rehab - Based on Frazier Engineering Master Plan	\$1,300,000
CSWWTP Capacity Enhancement	\$1,250,000
CWS Annual Capital Outlay	\$947,722
Bowman Road - Phase II	\$814,200
PS 30 Coleman Upgrade	\$750,000
PS 51 Von Kolnitz Upgrade (VK2)	\$665,000
North Operations Center - Phase 1	\$648,250



Fiscal Year 2011 - 2015 Capital Budget

Fiscal Year 2011-2012 Capital Report

Summary

Expansion and Extension (E&E) Funded Projects:

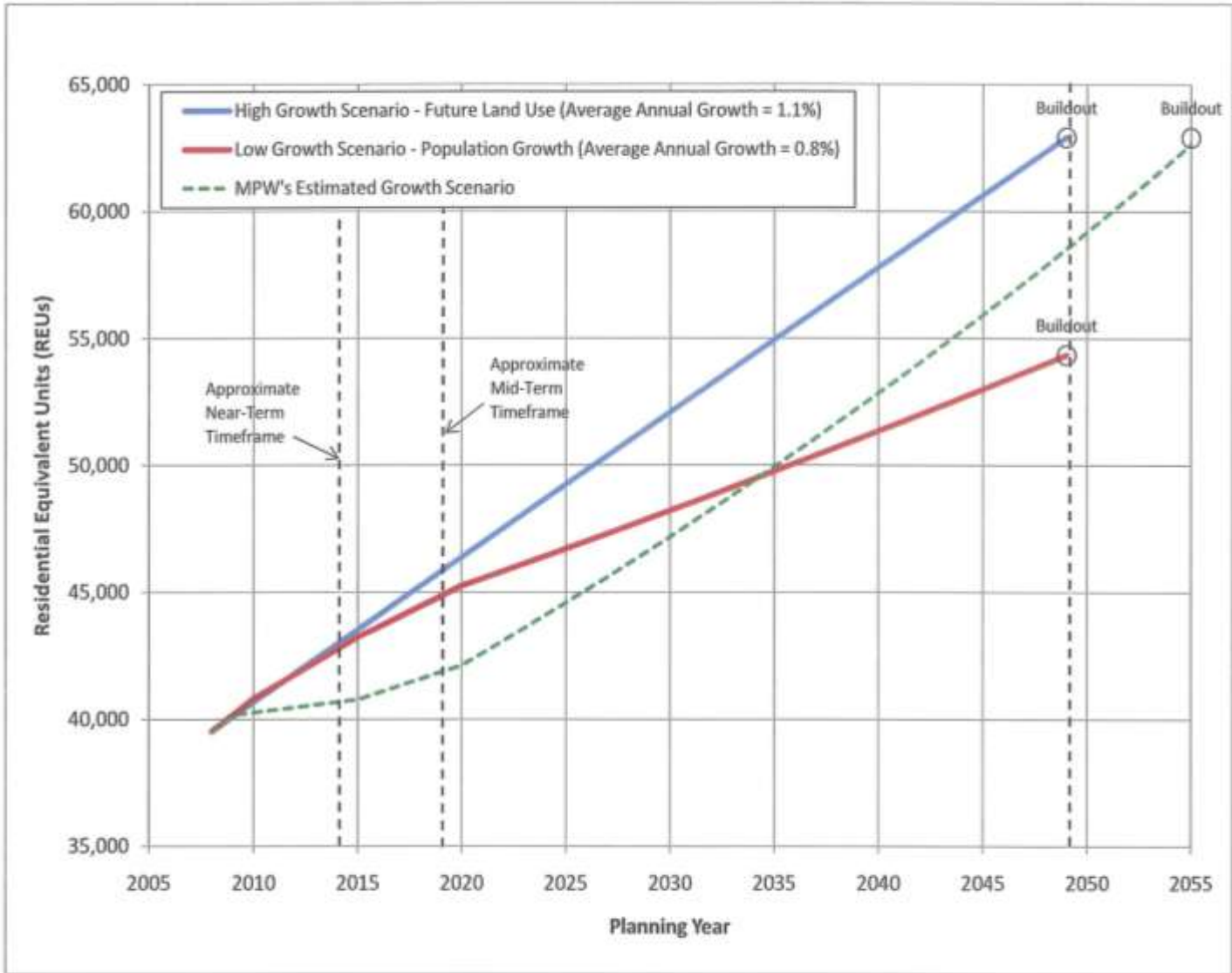
MPW relies on Master Plans to study and analyze our capacity requirements through build-out. These Master Plans provide recommended infrastructure extensions to support hydraulic demand and ensure adequate capacity is available. During this past planning period, a Comprehensive Utility Master Plan was developed. The objectives of the Plan were:

- ❖ Standardize the planning criteria and coordinate planning data with the Town of Mount Pleasant and Charleston County.
- ❖ Develop uniform design criteria to guide the facility planning
- ❖ Develop coordinated and comprehensive master plans for each asset class (including water source and treatment, water distribution and transmission, wastewater treatment, wastewater collection, and reuse).
- ❖ Develop recommendations for Near, Mid and Build-out planning periods needs.

The planning periods used for the Comprehensive Utility Master Plan were:

- ❖ Near term (approximately 5-years)
- ❖ Mid-term (approximately 10-years)
- ❖ Build-Out (approximately 40-years)

The following figures depict the projected growth rates used in the Plan and the anticipated Areas of Development in the planning area.



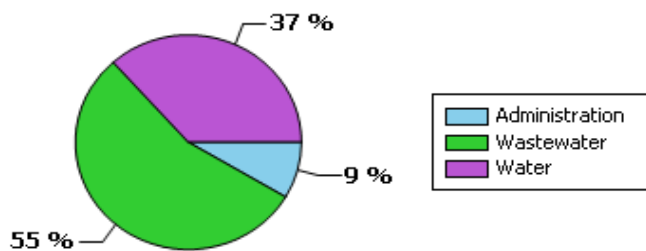
MPW Service Area Future REU Projections
MPW Comprehensive Utility Master Plan

Figure 2-4
CDM



The Fiscal Year 2011 - 2015 total Expansion and Extension Capital Budget is \$11,173,723, and is broken down as follows:

Projects by Utility	
Administration	\$952,232
Wastewater	\$6,132,319
Water	\$4,089,171
Total	<u>\$11,173,721</u>



Administration Expansion and Extension Projects

Projects listed under the “Administration Group” are projects that support all utilities (water and wastewater), and are therefore funded with both water and wastewater E&E dollars. Asset classes for Admin Projects include: Facilities and Studies.

Fiscal Year 2011-2015 Summary

Projects by Asset Class

Facilities	\$654,207
Study	\$298,025
Total	<u>\$952,232</u>

Wastewater – Expansion and Extension Projects

Projects listed under the “Wastewater Group” are projects that support only wastewater assets, and are funded with wastewater E&E funds. Asset classes for Wastewater Projects include Pump Stations; Force Mains; Study; and Treatment.

Fiscal Year 2011-2015 Summary

Projects by Asset Class

Collection	\$30,000
Force Mains	\$3,965,919
Pump Stations	\$2,111,400
Study	\$25,000
Total	<u>\$6,132,319</u>

Water

Projects listed under the “Water Group” are projects that support only water assets, and are funded with water E&E. Asset classes for Water Projects include Distribution System; Storage; Supply; Study; and Treatment.

Fiscal Year 2011-2015 Summary

Projects by Asset Class

Distribution System	\$4,089,171
Total	<u>\$4,089,171</u>

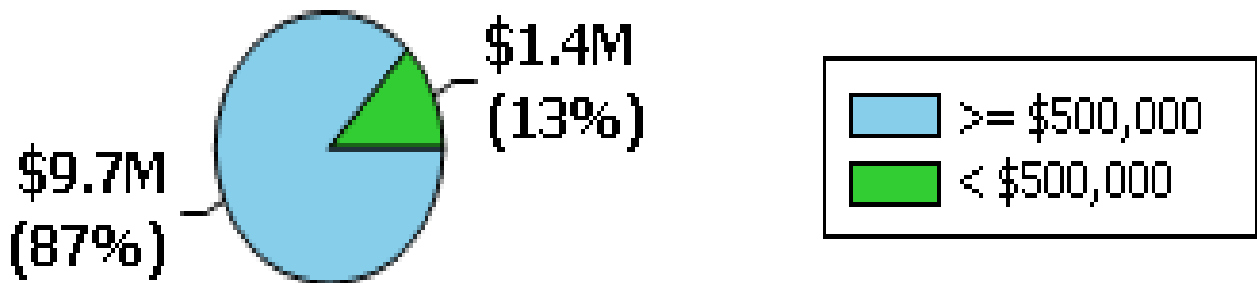
Fiscal Year 2011 – 2015 Expansion and Extension Projects

Prj Name	Utility	Asset Class	Origination	Goal	Priority	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Total
North Operations Center - Phase 1	Admin	Facilities	O&M	4	76	\$404,207	\$250,000	\$0	\$0	\$0	\$654,207
Rate Study	Admin	Study	Bon Ordinance	4	61	\$0	\$0	\$8,281	\$0	\$0	\$8,281
Impact Fee Study	Admin	Study	Bond Ordinance	4	58	\$0	\$0	\$16,562	\$0	\$0	\$16,562
Utility Master Planning Gravity Extensions/Connections	Admin	Study	Commission		68	\$0	\$0	\$0	\$0	\$273,182	\$273,182
Highway 41 Service Area Upgrades - Phase 1	Wastewater	Collection	Utility Master Plan			\$10,000	\$20,000	\$0	\$0	\$0	\$30,000
	Wastewater	Force Mains	Wastewater Collection System Master Plan	4	84	\$729,155	\$0	\$0	\$0	\$0	\$729,155
Upsize Lucas - CSWWTP Force Main (L2)	Wastewater	Force Mains	Utility Master Plan	4	56	\$0	\$53,600	\$515,000	\$2,121,800	\$0	\$2,690,400
Whipple at VonKolnitz to RRRWWTP Force Main (RRR1 and LC1)	Wastewater	Force Mains	Utility Master Plan	4	69	\$0	\$0	\$0	\$0	\$546,364	\$546,364
PS 30 Coleman Upgrade	Wastewater	Pump Stations	Utility Master Plan	4	62	\$50,000	\$646,400	\$0	\$0	\$0	\$696,400
Highway 41 Service Area Pump Station Upgrades	Wastewater	Pump Stations	Collection System Master Plan	4	30	\$750,000	\$0	\$0	\$0	\$0	\$750,000
PS 51 Von Kolnitz Upgrade (VK2)	Wastewater	Pump Stations	Utility Master Plan	4	64	\$165,000	\$500,000	\$0	\$0	\$0	\$665,000
208 Expansion Study	Wastewater	Study	Commission			\$0	\$25,000	\$0	\$0	\$0	\$25,000
Parker Island to Fiddler Court	Water	Distribution System	Utility Master Plan	4	14	\$400,000	\$0	\$0	\$0	\$0	\$400,000
New Water Main from Hwy 41 to Park West Blvd	Water	Distribution System	Utility Master Plan	4	60	\$272,750	\$0	\$0	\$0	\$0	\$272,750
Darrell Creek to Paradise Island	Water	Distribution System	Utility Master Plan	4	14	\$6,648	\$0	\$0	\$0	\$409,773	\$416,421
Johnnie Dodds Blvd 16" Water Transmission Line	Water	Distribution System	Utility Master Plan	4	60	\$870,000	\$2,130,000	\$0	\$0	\$0	\$3,000,000
Total						\$3,657,760	\$3,625,000	\$539,844	\$2,121,800	\$1,229,318	\$11,173,721

FY2011 thru 15 Capital Projects over \$500,000

Growth is projected at levels far below the recent past. As a result, expansion and extension needs have been pushed out into future planning periods. Those larger projects listed below are being recommended to either take advantage of an opportunity to reduce the overall costs by installing them while other construction activities are being conducted in the same area (road relocation) or that an asset is nearing the end of its useful life and repairs are needed and it is beneficial to include the future growth needs in the repair.

Projects over \$500,000	
US Hwy 17 (Johnnie Dodds Blvd) 16" Water Transmission Line	\$3,000,000
Upsize Lucas - CSWWTP Force Main (L2)	\$2,690,400
Highway 41 Service Area Pump Station Upgrades	\$750,000
Highway 41 Service Area Upgrades - Phase 1	\$729,155
PS 30 Coleman Upgrade	\$696,400
PS 51 Von Kolnitz Upgrade (VK2)	\$665,000
North Operations Center - Phase 1	\$654,207
Whipple at VonKolnitz to RRRWWTP Force Main (RRR1 and LC1)	\$546,364



FY2011-2020 Plan

Fiscal Year 2011-2012 Capital Report

Summary

The mission of MPW is to provide excellent quality water and wastewater services to its customers, while meeting all State and Federal regulations. All of the costs to provide these services must be fully recovered by MPW. In addition, rates must be equitable among customer classes, and between existing and future customers. Financial stability ensures that rates remain reasonable, and that the utility's borrowing ability is maintained.

MPW operates as a business enterprise independent of other revenue sources. The utility is managed as an enterprise fund, and prices will approximate those that would prevail in a competitive market. It is the intent to cash-fund renewal and replacement (R&R) whenever possible, while maintaining fund balances and rates, fees and charges at a reasonable level. However, for R&R of higher value, longer-life capital assets, the policy will provide for the use of debt financing if market conditions dictate that such funding would be a better solution for all customers.

Special Assessment

A part of the Fiscal Year 2011-2012, MPW has implemented a Special Assessment of \$3 per REU per month on all residential and commercial accounts, excluding irrigation accounts. The Special Assessment will fund the costs incurred for relocating water and wastewater lines necessitated by the Road Widening and Improvements Projects along Highway 17 between the Ravenel Bridge and Wando High School. The Special Assessment will be added to monthly bills for 36 months or until the relocation costs have been recovered, whichever comes first. When the costs have been recovered the Special Assessment will end. This Special Assessment began being charged on all bills rendered after July 1, 2010. The Special Assessment will be used to fund the following projects:

Bowman Road - Phase I	\$332,800
Bowman Road - Phase II	\$814,200
Hamlin/RRR Intersection	\$50,000
Hwy 17 N - Phase 1 and 2 and I-526 and US 17 Interchange	\$2,046,700
Johnnie Dodds Blvd	\$1,785,600
Longpoint Subdivision Traffic Circle	\$15,000
Phillips Community Sidewalks/Drainage	\$25,000
Six Mile	\$50,000

State Revolving Fund Loan Program

The State Water Pollution Control Revolving Fund (CWSRF), initiated in 1989, provides local communities with affordable financing in the form of long-term, low-interest loans for the construction of publicly owned wastewater treatment facilities. It is capitalized by the Environmental Protection Agency (EPA) under the Clean Water Act and a required state match. MPW has submitted CWSRF Project Questionnaires for funding consideration for the following projects:

- Center Street Wastewater Treatment Plant Modernization Project - \$20 Million
- Upgrade of Pump Station 51 (VonKonitz) Project - \$1.6M
- Trenchless Rehabilitation and Capacity Maintenance Operations Project - \$3.6M

The State Drinking Water Revolving Fund (DWSRF), initiated in 1997, provides long-term low-interest loans to assist public water systems finance the cost of facilities necessary to achieve or maintain compliance with the Safe Drinking Water Act (SDWA). It is capitalized by EPA under the SDWA and a required state match. MPW has submitted a DWSRF Project Questionnaire for funding consideration for the following project:

- Hwy 17 Johnnie Dodds Water Transmission Line - \$3 Million

Waterworks and Sewer System Revenue Bonds

Tax-exempt revenue bonds provide MPW the ability to finance assets having long useful lives with low cost funding over 20 to 30 years. They can be issued to fund capital projects that enlarge, extend or improve the water and wastewater infrastructure. These bonds traditionally have interest rates slightly higher than the rates for State Revolving Fund loans.

Projected Six Year Debt Funding Plan:

\$27,230,000	SRF Loans
\$40,144,035	Total retained earnings spent
\$ 7,667,217	Operating reserves spent
\$ 9,716,841	Impact Fees reserves spent

5 Long Range Capital Improvements Plan

FY2011-2020 Plan

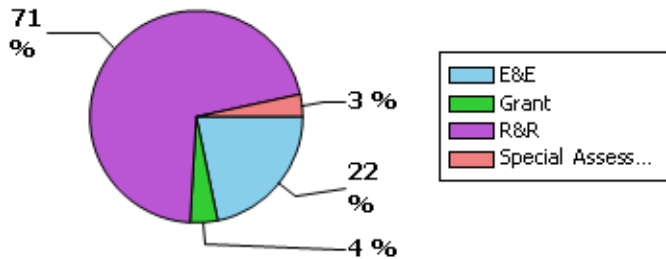
Fiscal Year 2011 Capital Report

Summary

The FY2011-2020 Capital Improvements Plan includes:

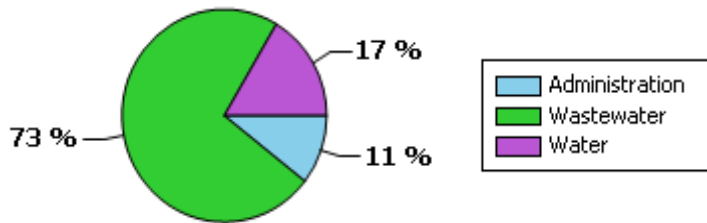
Projects by Utility

E&E	\$32,355,447
Grant	\$6,213,380
R&R	\$105,091,749
Special Assessment	\$5,079,300
Total	<u>\$148,739,875</u>



Projects by Utility

Administration	\$15,716,103
Wastewater	\$108,477,602
Water	\$24,546,170
Total	<u>\$148,739,875</u>



Cost Escalation Factor

In an effort to take into account the annual inflation rate related to construction projects, all dollars in the CIP have been adjusted to current year dollars, and a 3% annual inflation factor was added to projects scheduled in future years.

FY2011 thru 2020 Capital Projects over \$2,000,000

CSWWTP Capacity Enhancement	\$18,704,600
Old Village - CMOM Rehab	\$8,243,196
RRRWWTP Expansion	\$7,437,814
WWTP Rehabilitation - ICAM	\$7,026,804
Whipple at VonKolnitz to RRRWWTP Force Main (RRR1 and LC1)	\$6,258,321
CWS Annual Capital Outlay	\$5,869,821
Distribution System Rehabilitation - KANEW	\$5,037,508
CSWWTP - Dewatering Facility	\$4,853,957
Trenchless Rehab - Based on Frazier Engineering Master Plan Report	\$4,679,968
Pump Station Rehab Based on ICAM Analysis	\$4,056,391
US Hwy 17 (Johnnie Dodds Blvd) 16" Water Transmission Line	\$3,000,000
Vehicle Replacements - Admin, Wastewater, Water	\$2,967,560
Forcemain Rehabilitation Based on KANEW and Structural Condition Assessment	\$2,747,732
Capital Outlay - Wastewater	\$2,747,732
Hamlin Road Force Main (PD1)	\$2,740,350
Upsize Lucas - CSWWTP Force Main (L2)	\$2,690,400
Old Village - Service Lateral Rehab	\$2,682,605
Water Capital Outlay	\$2,261,366
Hwy 17 N - Phase 1 and 2 and I-526 and US 17 Interchange	\$2,046,700