

BUDGET ORDINANCE

BE IT ORDAINED by the Southeastern Catawba County SECC Water & Sewer District Board:

SECTION I

Budget Adoption, 2021/22

The following budget with anticipated fund revenues of \$6,138,163 and expenditures of \$6,138,163 is hereby adopted in accordance with Chapter 162A of the North Carolina General Statutes by the Southeastern Catawba County (SECC) Water & Sewer District for the fiscal year beginning July 1, 2021, and ending June 30, 2022, and the same is adopted by fund.

The following procedures, controls, and authorities shall apply to transfers and adjustments within the budget.

- A. **Transfers within the District:** The District Director may transfer line item appropriations between and within activities with the approval of the Budget Director or his designee.
- B. **Transfers of Capital Projects Appropriations:** Transfers of appropriations up to \$50,000 between projects within the capital project fund may be approved by the Budget Officer or his designee. All transfers between projects are reported to the District Board by its next regular meeting following the date of the transfer.

SECTION II

Capital Projects and Grants

Project Managers will be designated on a project-by-project basis for all County construction projects, and the procedures set forth in Chapter 8 of the Catawba County Code of Ordinances shall be used to coordinate the efforts of all parties involved in a project. Any changes in the cost estimate, as a result of bids or otherwise, shall be reported by the Project Manager, along with his or her recommendation of approval to the District Board. When compiled and approved by user agencies, all projects must conform to the Catawba County Design and Construction Specifications.

Appropriations made for the specific projects or grants in the SECC Water & Sewer Capital Fund are hereby appropriated until the project is completed. Balances remaining as of June 30, 2021, in previously appropriated water and sewer capital projects located within the SECC Water and Sewer District Service Area become part of the District Capital Fund with the adoption of the Catawba County and SECC Water & Sewer District Fiscal Year 2021/22 Budgets.

SECTION III

Fiscal Control Act

The Budget and Management Director and the Chief Financial Officer are hereby directed to make any changes in the budget of fiscal practices that are required by the Local Government and Fiscal Control Act. This shall extend to permitted consolidations of funds and "Single Tax Levies" permitted in the Fiscal Control Act.

- A. As provided by G.S. 159-25 (b), the Board has authorized dual signatures for each check or draft that is made on County funds. The signatures of the County Manager, Chief Financial Officer, Deputy County Manager, Assistant County Manager, and Assistant Chief Financial Officer shall be authorized signatures of the County.
- B. Operating funds encumbered on the financial records of the SECC Water & Sewer District as of June 30, 2021, are hereby re-appropriated to this budget.
- C. The Board also authorizes (as is the practice) one principal account as depository for all funds received by the Chief Financial Officer from any source. Current accounting techniques shall be used to assure that all funds will be properly accounted for in the financial records of the County.

SECTION IV

Authorization to Contract

The Budget Officer or his designee is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the SECC Water & Sewer District Board, for the following purposes: 1) Form grant agreements to public and non-profit organizations; 2) Leases of routine business equipment; 3) Consultant, professional, or maintenance service agreements; 4) Purchase of supplies, materials, or equipment where formal bids are not required by law; 5) Applications for and agreements for acceptance of grant funds from Federal, State, public, and non-profit organization sources, and other funds from other government units, for services to be rendered which have been previously approved by the Board; 6) Construction or repair projects; 7) Liability, health, life, disability, casualty, property, or other insurance or performance bonds; and 8) Other administrative contracts which include agreements adopted in accordance with the directives of the SECC Water & Sewer District Board.

SECTION V

Authorization to Award and Reject Bids

Pursuant to General Statute 143-129, the Budget Officer is hereby authorized to award formal bids received in amounts less than \$250,000 within the following guidelines: 1) bid is awarded to the lowest responsible bidder; 2) sufficient funding is available within the departmental budget; and 3) purchase is consistent with the goals and/or outcomes of the department. The Budget Officer shall further be authorized to reject any and/or all bids received if it is in the best interest of the SECC Water & Sewer District. A report shall be made to the SECC Water & Sewer District Board of all bids awarded or rejected under this section and entered in the minutes of its formal sessions.

This ordinance is adopted this 21st day of June 2021.



Randy Isenhower, Chair



Mick W. Berry, Budget Officer

Message from the SECC Budget Officer

May 17, 2021

To the SECC Water & Sewer District Board and Citizens:

I am pleased to present to you the recommended SECC Water & Sewer District budget for Fiscal Year 2021/22 in the amount of \$6,183,163. The budget is balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act and Generally Accepted Accounting Principles.

The attached budget provides the revenue and expense details for the district operating and capital funds. A 5-year capital improvement plan is also included.

Sincerely,

A handwritten signature in black ink, reading "Mick w Berry". The signature is fluid and cursive, with a large, stylized "B" at the end.

Mick Berry
County Manager

SECC WATER & SEWER DISTRICT FUND

In 2016, in support of the Board of Commissioners' Strategic Plan, Utilities and Engineering undertook a comprehensive planning process focused on the Southeast Catawba County (SECC) section of Catawba County. Through the planning process, the BOC established three primary policy objectives:

1. Establish a policy framework rooted in fairness and shared risk;
2. Move the Water and Sewer Fund towards financial solvency / self-sufficiency and away from General Fund transfers; and
3. Codify a framework supporting shared participation with developers and citizens alike.

In 2020, the Board accepted the [Southeast Catawba County \(SECC\) Water and Sewer Master Plan](#). One of the financial and governance recommendations from the plan was the creation of a County Water & Sewer District, as a method to continue to better align costs with beneficiaries in the long-term. Staff worked over the course of the next year to complete the necessary steps to establish a new water and sewer district under NCGS 162A. A required public process including notices to property owners and public hearings took place between March and May 2021, with adoption of a resolution by the Board of Commissioner to establish the district on April 5, 2021 and district effective date of May 9, 2021.

The SECC Water and Sewer District Fund is an enterprise fund established to account for operating expenses of the district

BUDGET HIGHLIGHTS

SECC WATER & SEWER DISTRICT

Fund 550

	2019/20 Actual	2020/21 Current	2021/22 Requested	2021/22 Adopted	Percent Change
Revenues					
Sales Tax	\$0	\$0	\$0	\$0	N/A
Local	0	0	484,000	484,000	N/A
Permits & Fees	0	0	0	0	N/A
From W&S Oper. Fund (515)	0	0	195,163	195,163	N/A
Total	\$0	\$0	\$679,163	\$679,163	N/A
Expenses					
Supplies & Operations	\$0	\$0	\$614,717	\$614,717	N/A
Transfers	0	0	64,446	64,446	N/A
Total	\$0	\$0	\$679,163	\$679,163	N/A

The budget establishes a new enterprise fund to account for operating expenditures of the SECC Water and Sewer District Fund, including a chargeback to the district for its share of Catawba County staff dedicated to water and sewer.

SECC WATER & SEWER DISTRICT CAPITAL FUND

In 2016, in support of the Board of Commissioners' Strategic Plan, Utilities and Engineering undertook a comprehensive planning process focused on the Southeast Catawba County (SECC) section of Catawba County. Through the planning process, the BOC established three primary policy objectives:

1. Establish a policy framework rooted in fairness and shared risk;
2. Move the Water and Sewer Fund towards financial solvency / self-sufficiency and away from General Fund transfers; and
3. Codify a framework supporting shared participation with developers and citizens alike.

In 2020, the Board accepted the [Southeast Catawba County \(SECC\) Water and Sewer Master Plan](#). One of the financial and governance recommendations from the plan was the creation of a County Water & Sewer District, as a method to continue to better align costs with beneficiaries in the long-term. Staff worked over the course of the next year to complete the necessary steps to establish a new water and sewer district under NCGS 162A. A required public process including notices to property owners and public hearings took place between March and May 2021, with adoption of a resolution by the Board of Commissioner to establish the district on April 5, 2021 and district effective date of May 9, 2021.

The SECC Water and Sewer District Capital Fund is an enterprise fund established to account for capital project expenses of the district.

BUDGET HIGHLIGHTS

SECC WATER & SEWER DISTRICT CAPITAL FUND

Fund 450

	2019/20 Actual	2020/21 Current	2021/22 Requested	2021/22 Adopted	Percent Change
Revenues					
Sales Tax	\$0	\$0	\$1,004,500	\$0	N/A
Transfer from General Fund	0	0	504,287	0	N/A
Transfer from ARP Fund (291)	0	0	0	5,209,000	N/A
Transfer from Water & Sewer Oper (515)	0	0	3,950,213	250,000	N/A
Total	\$0	\$0	\$5,459,000	\$5,459,000	N/A
Expenses					
Hickory-Catawba WWTP Future Exp.	\$0	\$0	\$250,000	\$250,000	N/A
S NC 16 Water	0	0	2,500,000	2,500,000	N/A
Village Center PS Upgrade	0	0	2,709,000	2,709,000	N/A
Total	\$0	\$0	\$5,459,000	\$5,459,000	N/A

The budget establishes the SECC Water and Sewer District Capital Fund to account for capital project expenses within the boundaries of the district. The budget includes just under \$5.5 million in projects.

Funded projects are as follows:

Hickory-Catawba WWTP Future Expansion - This project builds funds for future upgrades/expansion to the WWTP.

S NC Business Water - This project will complete a water loop along South NC Business 16 from Anderson Mountain Road to the intersection at Hwy 150 and improve water hydraulics and water quality.

Village Center PS Upgrade - Pump station improvements to increase capacity needs due to new development.

WATER AND SEWER CIP Summary	Funding in FY 2021/22	Funding in FY 2022/23	Funding in FY 2023/24	Funding in FY 2024/25	Funding in FY 2025/26	Total
SECC CAPITAL PROJECTS						
Hickory-Catawba WWTP Future Expansion	250,000	250,000	250,000	250,000	3,250,000	4,250,000
S NC 16 Water (8,000 LF of 12")	2,500,000	0	0	0	0	2,500,000
Buffalo Shoals Road Water (15,000 LF of 16")	0	0	0	0	500,000	500,000
Sherrills Ford Rd 1.0 MG Storage Tank	0	0	0	2,900,000	0	2,900,000
New Booster Pump Station for SF/150	0	0	0	1,580,000	0	1,580,000
Sherrills Ford Rd Water Main Replacement (16" and 24")	0	0	0	0	0	0
Village Center PS Upgrade (pumps, elect, wet well)	2,709,000	0	0	0	0	2,709,000
Village Center FM Upgrade (19,500 LF of 12")	0	500,000	2,830,000	0	0	3,330,000
Sherrills Ford PS Upgrade (3rd Pump)	0	0	265,000	0	0	265,000
Lake Norman Marina PS Upgrade (pumps and elect)	0	0	0	0	609,000	609,000
Old Hwy 16 PS Upgrade (pumps and elect)	0	0	0	0	0	0
Old Hwy 16 GS Upgrade	0	0	0	0	0	0
Terrapin Creek PS Upgrade (3rd pump, valves, elect)	0	0	0	0	0	0
Balls Creek PS Upgrade (3rd pump, valves, elect)	0	0	0	0	0	0
Total SECC Capital Projects (Fund 450)	5,459,000	750,000	3,345,000	4,730,000	4,359,000	18,643,000
SECC DISTRICT OPERATING EXPENSES						
Personal Services - Chargeback for 1/2 of cost	64,446	66,379	68,370	70,421	72,534	342,150
General Operating	204,717	208,811	212,987	217,247	221,592	1,065,354
Hickory-Catawba Wastewater Treatment Plant Expansion Contract Payment and Operations	410,000	410,000	551,220	551,220	551,220	2,473,660
Contingency	0	0	0	0	0	0
Total SECC Operating (Fund 550)	679,163	685,190	832,577	838,888	845,346	3,881,164
COUNTY OPERATING EXPENSES						
Personal Services	128,891	132,758	136,741	140,843	145,068	684,301
General Operating	81,797	83,433	85,102	86,804	88,540	425,676
Hickory-Catawba Wastewater Treatment Plant Expansion Debt Payment and Operations	391,220	391,220	551,220	551,220	551,220	2,436,100
Blackburn-Plateau Water Loop Debt Payment	75,000	75,000	75,000	75,000	75,000	375,000
Highway 150 Sewer Debt Payment	747,677	747,677	747,677	747,677	0	2,990,708
Wastewater Collection Debt Payment	513,411	494,491	453,123	453,123	453,123	2,367,271
To SECC Water & Sewer Operating Fund	195,163	0	0	0	0	195,163
To SECC Water & Sewer Capital Fund	250,000	0	1,956,785	3,280,033	2,098,532	7,585,350
Total County Operating (Fund 515)	2,383,159	1,924,579	4,005,648	5,334,700	3,411,483	17,059,569
TOTAL EXPENSES ALL FUNDS	8,521,322	3,359,769	8,183,225	10,903,588	8,615,829	39,583,733
SECC CAPITAL REVENUE						
From County General Fund	0	0	343,133	383,983	1,173,164	1,900,280
From ARP Fund	5,209,000					
County 1/4 cent Sales Tax	0	1,024,590	1,045,082	1,065,984	1,087,304	4,222,960
From County Water & Sewer Fund	250,000	7 0	1,956,785	3,280,033	2,098,532	7,585,350
Fund Balance Applied	0	(274,590)	0	0	0	(274,590)

WATER AND SEWER CIP Summary	Funding in FY 2021/22	Funding in FY 2022/23	Funding in FY 2023/24	Funding in FY 2024/25	Funding in FY 2025/26	Total
Total SECC District Capital (Fund 450)	5,459,000	750,000	3,345,000	4,730,000	4,359,000	13,434,000
SECC DISTRICT OPERATING REVENUE						
From County General Fund	0	196,350	338,849	340,223	341,694	1,217,116
1/4 cent Sales Tax (2%)	0	0	0	0	0	0
System Development Fees (1%)	0	0	0	0	0	0
Revenue Sharing Contracts	484,000	488,840	493,728	498,665	503,652	2,468,885
From County Water & Sewer Fund	195,163	0	0	0	0	195,163
Fund Balance Applied	0	0	0	0	0	0
Total SECC District (Fund 550)	679,163	685,190	832,577	838,888	845,346	3,881,164
COUNTY WATER & SEWER OPERATING REVENUE						
From County General Fund	0	1,700,850	1,253,162	1,249,641	498,466	4,702,119
System Development Fees	210,000	212,100	214,221	216,363	218,527	1,071,211
Revenue Sharing Contracts	503,000	508,030	513,110	518,241	523,423	2,565,804
From SECC Water & Sewer Fund	64,446	66,379	68,370	70,421	72,534	342,150
Fund Balance Applied	1,605,713	(562,780)	1,956,785	3,280,034	2,098,533	8,378,285
Total County Revenue (Fund 515)	2,383,159	1,924,579	4,005,648	5,334,700	3,411,483	17,059,569
TOTAL REVENUE						
From County General Fund	0	1,897,200	1,935,144	1,973,847	2,013,324	7,819,515
From ARP Fund	5,209,000	0	0	0	0	5,209,000
County 1/4 cent Sales Tax	0	1,024,590	1,045,082	1,065,984	1,087,304	4,222,960
System Development Fees	210,000	212,100	214,221	216,363	218,527	1,071,211
Revenue Sharing Contracts	987,000	996,870	1,006,838	1,016,906	1,027,075	5,034,689
Transfers	509,609	66,379	2,025,155	3,350,454	2,171,066	8,122,663
Fund Balance Applied	1,605,713	(837,370)	1,956,785	3,280,034	2,098,533	8,103,695
TOTAL REVENUE ALL FUNDS	8,521,322	3,359,769	8,183,225	10,903,588	8,615,829	39,583,733

Water & Sewer Projects Descriptions	Funding in FY 2021/22	Funding in FY 2022/23	Funding in FY 2023/24	Funding in FY 2024/25	Funding in FY 2025/26	Total	Funding Notes	Operating Impacts
SECC CAPITAL PROJECTS								
Hickory-Catawba WWTP Future Expansion - This project builds funds for future upgrades/expansion to the WWTP.	250,000	250,000	250,000	250,000	3,250,000	4,250,000		
S NC Business Water - This project will complete a water loop along South NC Business 16 from Anderson Mountain Road to the intersection at Hwy 150 and improve water hydraulics and water quality.	2,500,000	0	0	0	0	2,500,000		
Buffalo Shoals Rd Water Loop - This project will create a water loop within the SECC service system and connect the 2 water storage tanks; thereby, improving system efficiency.	0	0	0	0	500,000	500,000		
Sherrills Ford Rd 1.0 MG Storage Tank	0	0	0	2,900,000	0	2,900,000		
New Booster Pump Station for SF/150	0	0	0	1,580,000	0	1,580,000		
Sherrills Ford Rd Water Main Replacement (16" and 24")	0	0	0	0	0	0		
Village Center PS Upgrade - Pump station improvements to increase capacity needs as a result of new development.	2,709,000	0	0	0	0	2,709,000		
Village Center FM Upgrade (19,500 LF of 12")	0	500,000	2,830,000	0	0	3,330,000		
Sherrills Ford PS Upgrade (3rd Pump)	0	0	265,000	0	0	265,000		
Lake Norman Marina PS Upgrade (pumps and elect)	0	0	0	0	609,000	609,000		
Total SECC Capital Projects	5,459,000	750,000	3,345,000	4,730,000	4,359,000	18,643,000		
SECC DISTRICT DEBT SERVICE & OPERATING COSTS								
Personal Services - Chargeback for 1/2 of cost of county staff providing services to the district	64,446	66,379	68,370	70,421	72,534	342,150		
General Operating - Includes professional services for engineering reports on planned projects.	204,717	208,811	212,987	217,247	221,592	1,065,354		

Water & Sewer Projects Descriptions	Funding in FY 2021/22	Funding in FY 2022/23	Funding in FY 2023/24	Funding in FY 2024/25	Funding in FY 2025/26	Total	Funding Notes	Operating Impacts
Hickory-Catawba Wastewater Treatment Plant Expansion - SECC portion of payments to the City of Hickory debt service & operating expenses.	410,000	410,000	551,220	551,220	551,220	2,473,660	per contract with City of Hickory	debt service and annual operating costs
Total SECC Operating	679,163	685,190	832,577	838,888	845,346	3,881,164		
COUNTY DEBT SERVICE & OPERATING								
Personal Services - 1 FTE dedicated to water & sewer.	128,891	132,758	136,741	140,843	145,068	684,301		
General Operating - Includes professional services for engineering reports on planned projects.	81,797	83,433	85,102	86,804	88,540	425,676		
Hickory-Catawba Wastewater Treatment Plant Expansion - County's portion of debt service & operating expenses to the City of Hickory.	391,220	391,220	551,220	551,220	551,220	2,436,100		debt service and annual operating costs
Blackburn-Plateau Water Loop - Debt repayment for project approved in prior years.	75,000	75,000	75,000	75,000	75,000	375,000	\$3 million from Economic Stimulus funds. \$1.5 million principal forgiveness loan for 20 years, payments are \$75,000 annually, \$1.5 million grant. (ends 29-30)	annual debt service
Highway 150 Sewer - Debt repayment for project approved in prior years.	747,677	747,677	747,677	747,677	0	2,990,708	Project funding from Water and Sewer Fund and installment purchase obligations issued over 15yrs @ 2.5 percent interest. (ends 24-25)	annual per year debt service
Southeastern Catawba County (SECC) Waste Water Collection - Debt repayment for project approved in prior years.	513,411	494,491	453,123	453,123	453,123	2,367,271	Funding from installment purchase obligations issued over 20 yrs @ 4.19 percent interest. Final debt payment is in 2028. Debt repaid from property tax and/or portion of the 1/4 cent sales tax devoted to water and sewer. (ends 27-28)	annual debt service per year
Transfer to SECC Water & Sewer Capital Fund	250,000	0	1,956,785	3,280,033	2,098,532	7,585,350		
Total County Operating	2,187,996	1,924,579	4,005,648	5,334,700	3,411,483	16,864,406		
TOTAL PROJECT AND OPERATING EXPENSES	8,326,159	3,359,769	8,183,225	10,903,588	8,615,829	39,388,570		