

April 21, 2023

Utility Projects Update

Below please find a brief update related to several utility projects:

Liberty Hill Pump Station – The project is scheduled to be complete by June 15, 2023. Delays have occurred due to contractor errors that had to be resolved. Duke Energy is coordinating transformer delivery to connect the facilities to power with the contractor (NJR Group).

West Stanly Wastewater Treatment Plant Expansion – The final Engineering Services Agreement has been submitted by the County and Wooten for the USDA's approval.

Negotiations are on-going with the landowners adjacent to the existing plant site. Progress has been made and staff anticipates a productive outcome in the next 45-60 days.

Phase 4 Water & Sewer Authority Project – Slightly over 40% of the 110 easements required for the project have been secured, and good progress is being made.

Once 75% of the easements are secured the project will need to be bid so the actual project cost can be established and USDA can make their final grant to loan ratio decision.

Badin Inn Water Main Extension – Project is complete.

Stony Gap and Meadow Creek Water Main Extensions – The design for the Stony Gap project is approximately 80% completed at this time, and the Meadow Creek Church Road project design is complete. The Meadow Creek project will be submitted to NC DEQ by late April/early May for their review and approval.

There are a significant number of easements that will need to be secured for both projects before they can commence.

Airport Hangar Extension – DR Reynolds will be extending water and sewer to serve the new Culp hangar at the Airport facility. Work should commence in the next 30 days.

Expenditure and Revenue Summary

As of March 31, 2023, revenues during the nine (9) month period from July-March were trending above the target percentage. The County's actual revenues through March were at 82.46% of budget. At this same time last year, the County had received and booked 81.87% of its amended budget revenue. As of March 2021, the County had received 94.99% of its amended budget revenue. However, the County's refinancing of debt and receipt of debt proceeds skewed the 2021 revenue figure.

The County's expenditures through March are trending below the target percentage at 70.87%. At this same time last fiscal year, the County had expended 72.03% of its amended budget. In FY 20-21, the County had expended 85.13% of the amended budget. However, this figure is skewed by the debt refinancing.

The County's fund balance available for appropriation as of March 31 was at 66.4% of expenditures. Fund balance at this same time last fiscal year was at 59.7%. In FY 20-21, the fund balance as a percentage of expenditures as of March was at 51.4%.

The County's General Fund cash position as of March 2023 was \$58.86 million. This figure is \$9.55 million (19%) higher than March 2022 and \$17.70 million (43%) higher than March 2021.

The County's group health insurance fund continues to trend below the budget target. As of March 31, revenues exceeded expenses by approximately \$280,000.

The majority of the County's utility Enterprise Funds (e.g. water and sewer) are trending positively after nine (9) months of the fiscal year. The coding error corrected the issue in the Greater Badin Water & Sewer District which was operating \$135,000 to the positive at the end of March.

However, reconciling the error placed more of a financial burden (shifting expenses to the correct Fund) on the general Utilities Fund. On a positive note the Utilities Fund is still performing much better than last fiscal year.