

advertisement

Utilities Information Web site: [www.utilities.cityofws.org](http://www.utilities.cityofws.org)



# City Page



## DID YOU KNOW?

- Last year the Utilities Division produced **13.4 billion gallons** of treated water and treated **12.3 billion gallons** of wastewater.
- City/County Utilities serves a population of 312,900 with a water system that includes **2,201 miles of water pipes**, 14 tanks and seven pumping stations.
- When the City agreed in 1959 to help finance the cost of the **W. Scott Kerr Reservoir**, the Utility Commission gained the right to the top 30 feet of water should it be needed.
- Last year, Utilities employees made **726,000 meter readings**.
- Approximately **700 miles** of water distribution pipes in the Utilities system are more than **50 years old**, which was their designed lifetime.

The City/County Utilities Division operates under the guidance of the Winston-Salem/Forsyth County Utility Commission, whose members are appointed by the Winston-Salem City Council and the Forsyth County Commissioners. For more information about Utilities Division operations, go to [www.utilities.cityofws.org](http://www.utilities.cityofws.org). Produced by the Winston-Salem/Forsyth County Utility Commission, 101 N. Main St., Suite 357, Winston-Salem, N.C. 27102.

Water Treatment Supervisor Bill Brewer stands next to a massive pump that can move 25 million gallons per day at the Swann Water Treatment Plant. The pump – most of which is below floor level – measures 78 feet from bottom of pump to the top of motor.

## Stewardship for the Future

Since its formation in 1976, the City-County Utility Commission has been guided by its duty to ensure that residents and businesses in Winston-Salem and Forsyth County have adequate water and sewer service, now and into the future.

It was this obligation that gave the commission the foresight to begin planning for the PW Swann Water Treatment Plant in 1987 – some 17 years before the plant would actually open. For the same reason, the commission recently rebuilt the 85-year-old R.A. Thomas Water Plant so that it can continue to operate under future treatment standards. Soon, the commission will start upgrading the R.W. Neilson water plant.

These are expensive projects. However, by taking the initiative to ensure the stability of our public utilities, rather than waiting for problems to develop, the commission ends up saving money in the long run.

**It's similar to car maintenance:** In the long run it's cheaper to maintain the engine than to wait until something breaks. But unlike car engines, the facilities that Utilities operates have to last 50 years or more.

Even though these and other projects have been driving recent rate increases, Utilities' customers still come out ahead. Most citizens realize that the City-County Utility Commission's rates are the lowest of the five major cities in North Carolina (and among the lowest in the southeastern United States). However, the commission's water and sewer rates are also the lowest as a percentage of household income.

**Another bonus to this approach:** The Utility Commission's sound business practices have been rewarded by the agencies that rate the bonds that Utilities sells to finance its projects. These agencies routinely give commission bonds the highest possible rating. This allows the commission to pay less interest on the bonds, which also helps keep water and sewer rates low.

## That's a Lot of Stuff!

Water plants, sewage treatment plants, elevated water tanks, pumping stations, and enough water distribution and sewage collection pipes to stretch from here to Los Angeles and more than halfway back.

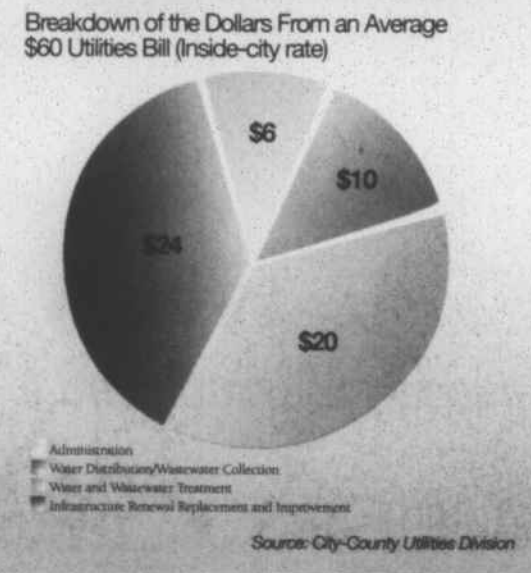
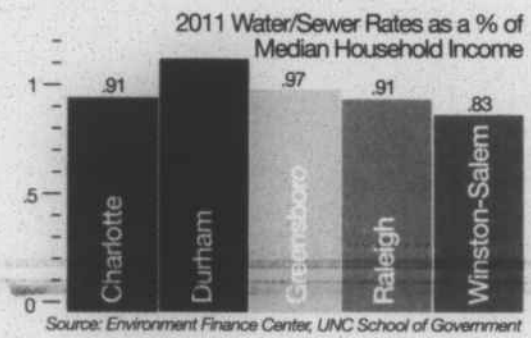
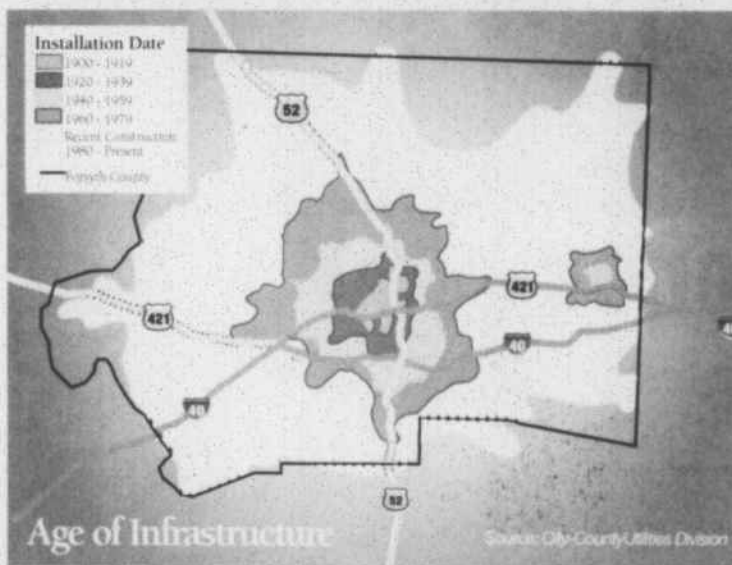
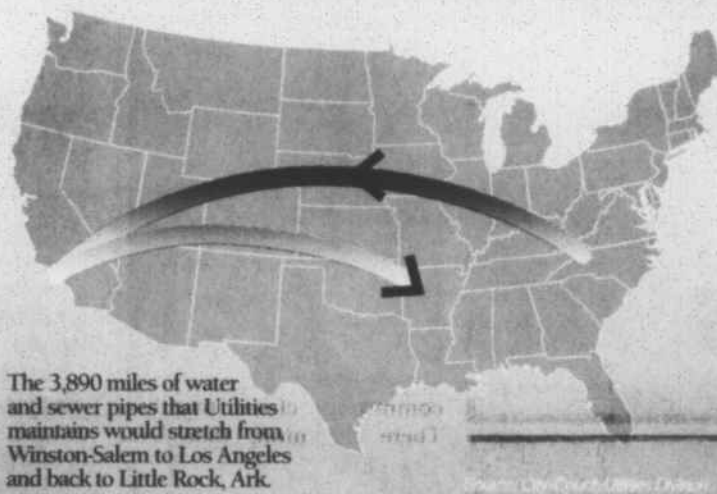
It's called "infrastructure," and the Utilities Division has a lot of it.

It all has to be kept in good working order, and that can be an expensive proposition. Some of the expense comes because it's hard to get at, such as 3,890 miles of water and sewer pipes that are mostly buried underground.

And some of the expense comes from the sheer size of the equipment involved, like the water intake pumps for the Swann Water Treatment Plant. They measure 78 feet high, weigh 20 tons, move 17,350 gallons of water a minute – and cost \$500,000 each. The Swann plant has two of them – and two other intake pumps that move 8,675 gallons per minute.

And this is just the fixed equipment. There's also a small fleet of more than 100 trucks, excavators, back hoes, and other vehicles to keep all this infrastructure in running order.

Put it all together and the equipment Utilities uses for daily operations costs more than \$500 million.



## Building for the Long Term

Water and wastewater treatment plants cost a lot of money, as do the network of pipes, tanks and pumping stations for water distribution and sewage collection. Fortunately, they last a long time, too.

The original R.A. Thomas Water Plant went online in 1926 and served us for more than 80 years before it needed to be rebuilt. And the original water and sewer systems for the West End and West Salem lasted for about 100 years before they had to be replaced.

Likewise, the recent investments that the Utility Commission has been making in the water and sewer system will serve for decades to come. The Swann Plant, placed into service in 2004, is designed to last at least 50 years.

But if the past is any guide, it easily could still be producing fresh water when the citizens of Winston-Salem and Forsyth County are celebrating our nation's Tricentennial in 2076. The same goes for the new R.A. Thomas Water Plant. . . And the new water and sewer system going into Ardmore. . . And the new Salem Lake Dam.



## What Drives Water and Sewer Rates

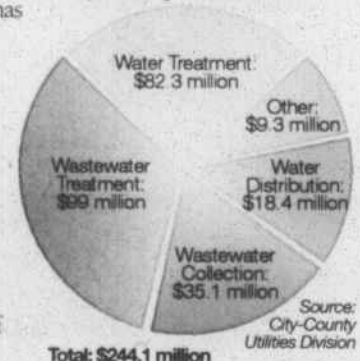
The Utility Commission depends upon revenue bonds to finance big construction and repair projects, such as the \$67 million R.A. Thomas Water Plant. When it sells the bonds, the commission commits to setting water and sewer rates high enough to make the bond payments.

And because the commission has been through a cycle of major construction and repair projects to address its aging infrastructure, it has been selling a lot of bonds, which in turn has led to a series of rate increases. In 2002 the commission was making payments on about \$175 million of bonds. By 2010, this figure had grown to \$512.3 million.

As a result, total payments for debt jumped this year to \$35.5 million, up \$8.8 million from the year before.

This is a fixed expense that the Utility Commission is obligated to pay under the terms of the bonds. In contrast, operating costs – which the commission is able to constrain through its annual budget – increased only \$250,000 this year, or just six-tenths of one percent over the previous year.

### Utilities Division Capital Spending: 2006-2011



### Debt Service/Outstanding Bonds

