

CHIMNEY HILL MUNICIPAL UTILITY DISTRICT

STRATEGIC PLAN

(July 14, 2010)

Operational Philosophies:

1. Keep all facilities well-maintained and secure.
2. Maintain the financial integrity of the District.
3. Pay for planned repairs and improvements from operating and Strategic Partnership Agreement revenues or maintenance tax revenues ("pay as you go"), to the extent possible.
4. Keep a reserve of authorized but unissued bonds.
5. Sell additional bonds only if needed for: (a) repairs or improvements for which operating and Strategic Partnership Agreement revenues or maintenance tax revenues are not sufficient; or (b) additional development resulting from annexations, but only if such development "pays for itself."
6. Analyze annexation requests on a case-by-case basis; approve only those annexations that are of benefit to the District.
7. Keep an open mind with regard to providing services not currently provided by the District, including but not limited to: (a) street lighting and (b) park and recreational facilities.
8. Maintain service rates at current level as conditions permit.
9. Optimize operational control and efficiency through the use of networked computerized systems.
10. Develop and periodically update 5-year Capital Improvements Plan (see Exhibit "A," attached).
11. Review service rates periodically.
12. Provide security patrols to the District.

Repairs and Improvements (Board approved - proceed with necessary actions):

1. Improvements to booster pumps and building at Water Plant No. 1.
2. Permanent storage buildings for disinfection chemicals (Water Plants Nos. 1 & 2);
3. Pigging of water lines.
4. Installation of supervision, control, and data acquisition system (SCADA) at Lift Stations and Wastewater Treatment Plant. (Phase 1)
5. Auxiliary fuel tank at Lift Station No. 2 (Mayard).

Repairs and Improvements (pending Board approval):

1. Consider instrumentation and control upgrades at all District facilities.
2. Installation of supervision, control, and data acquisition system (SCADA) at Lift Stations and Wastewater Treatment Plant. (Phases 2, 3, & 4)
3. Auxiliary generator and fuel tank for Jackrabbit Road Lift Station.
4. Alternative power systems for District's facilities, including solar power.
5. Replace blower motors at WWTP.
6. Second phase of sanitary sewer line rehabilitation. (Reconsider after completion of SCADA and booster pumps projects).

Other Ongoing Projects:

1. Electronic GIS database for District facilities, including:
 - (a) develop electronic database of all main line valve locations and of overall water distribution system;
 - (b) develop electronic database of all manhole locations and of overall wastewater collection system.
2. Develop Emergency Preparedness Plan.

Action Items for Further Discussion and Consideration:

1. Maintain list of desired maintenance/repair items and capital improvements (Capital Improvement Plan).
2. Develop list of existing facilities, including maintenance schedule and expected service life (Asset Management Plan).

Completed Projects:

1. Improvements to two lift stations (Log Cradle and Mayard Road) (completed FYE 9/30/05);
2. Repair of access road to wastewater treatment plant (completed FYE 9/30/05).
3. Purchase and install auxiliary generator for use at Log Cradle lift station (completed FYE 9/30/06).
4. Inspection of elevated storage tank at Water Plant No. 2 (completed FYE 9/30/07).
5. Improvements to controls for all lift stations (completed FYE 9/30/07).
6. Improvements to Multi-Lin unit and installation of power quality meter at Water Plant No. 2 (completed FYE 9/30/07).
7. Scrubber system for odor abatement (WWTP) (completed FYE 9/30/08).
8. Assume responsibility for solid waste collection services, and sidewalk improvements (completed FYE 9/30/08).
9. Rehabilitation of elevated storage tank at Water Plant No. 2. (completed FYE 9/30/08).
10. Installation of security gates at Water Plants and Wastewater Treatment Plant. (Completed FYE 9/30/08).
11. New ground storage tank (Water Plant No. 1). (Completed FYE 9/30/09).
12. Installation of security system at Water Plants and Wastewater Treatment Plant. (Completed FYE 9/30/09).
13. Prepare list of essential spare parts for auxiliary power generators to keep on hand for emergency repairs; obtain necessary spare parts. (Completed FYE 9/30/09).
14. Improve security gate & fencing at sanitary sewer lift stations (Completed FYE 9/30/09).
15. Quick-connects and manual transfer switches for generators at Lift Stations (Completed FYE 9/30/09).