

3 Year Roadmap to a Self-Contained Water and Sewer Authority for Johnston County

9.2 The Organization Development Phase (July 2024 – July 2025)

The Organizational Development Phase entails establishing the governance structure required to appropriately monitor and implement the activities and requirements of forming a Self-Contained Authority. The regionalization process will be led by a regionalization committee overseeing all activities associated with forming and commissioning the Self-Contained Authority. The regionalization committee will report directly to the Owner when established and/or any other oversight authority as determined by the Owner and the Utility Systems. The formation of the regionalization committee is a critical first step in initiating the formation of a self-contained authority. Upon the commissioning of the Self-Contained Authority, then the activities and charter of the regionalization committee will end.

The activities that will be started and completed in the Organization Development Phase of the Roadmap are listed below.

Organization Development Phase Activities:

- **July-August 2024:** Establish a Regionalization Committee
 - Will serve as the Regionalization Oversight Body through Implementation and Commissioning of the Authority
- **August- September 2024:** Develop a Regionalization Resolution by JCPU and the Utility Systems
- **September- October 2024:** Establish Memorandums of Understanding (MOUs) to ratify the needs and requirements of the regionalization process along with the formation of a Self-Contained Authority
- **September 2024 (Ongoing throughout):** Initiate Stakeholder Engagement
 - Develop a Stakeholder Engagement Plan
 - Consult with the respective stakeholders
 - Existing Customers
 - North Carolina General Assembly
 - North Carolina Department of Environmental Quality
 - North Carolina Environmental Management Commission
 - North Carolina Treasurer’s Office of Local Government Commission
 - North Carolina Utilities Commission

[The list provided herein is not complete, but it outlines initial stakeholders that must be contacted and briefed on the JCPU’s and Utility Systems’ plans to establish a Self-Contained Authority]

- **January- February 2025:** Form the Self-Contained Authority Board
- **February- March 2025:** Develop the Self-Contained Authority Organization Structure
- **March 2025 (Ongoing throughout):** Initiate Organization Assessments
 - Business Integration Assessment
 - Legal and Regulatory Due Diligence
- **March 2025 (Ongoing throughout):** Initiate Infrastructure Assessments
 - Water and Sewer System Treatment Capacity Study
 - Water and Sewer System Asset Condition Assessment
 - Long-Term Regional Water Supply Plan

- Inflow and Infiltration Study
- Asset Integration Study
- **March 2025 (Ongoing throughout):** Initiate the Procurement of Financing for the Self-Contained Authority.
 - Development of an alternative financing matrix with focused funding categories
 - Utility Authority Formation
 - Asset Integrity and Optimization
 - Emerging Contaminants
 - Utility Operations Efficiencies

9.3 The Organization Alignment Phase (July 2025 – July 2026)

The Organization Alignment Phase will process the results of the organization assessment and infrastructure assessments along with the stakeholder feedback and the understood financial capacity of the Self-Contained Authority to align the objectives and requirements of the Self-Contained Authority.

Listed below are the activities that will be undertaken as a part of the Organization Alignment Phase of the Roadmap.

Organization Alignment Phase Activities:

- **All Year:** Continue the Organizational Assessments
- **All Year:** Continue to engage stakeholders
- **All Year:** Continue the Infrastructure Assessments
- **All Year:** Continue to procure Financing for the Self-Contained Authority
- **October 2025- July 2026:** Initiate and complete a comprehensive Water and Sewer Rate Study
 - Determine the revenue contribution of the JCPU and the Utility Systems
 - Understand the annual cost requirements for the Self-Contained Authority
 - Develop a Financial Plan to finance all the requirements of the Self-Contained Authority
 - Determine a roadmap to achieve water and sewer system rate uniformity for the Self-Contained Authority

9.4 The Implementation Phase (July 2026 – July 2027)

The Implementation Phase entails commissioning specific activities related to all the business, operational, infrastructure, and other functional areas necessary to implement the organization structure of the Self-Contained Authority.

Listed below are the activities necessary for the Implementation Phase of the Roadmap.

Implementation Phase Activities:

- **July 2026:** Self-Contained Authority Formation
- **All Year:** Continue to engage stakeholders
- **All Year:** Implementation of Organization Requirements
- **July- October 2026:** Complete Infrastructure Assessments
- **All Year:** Initiate the implementation of Infrastructure Requirements
- **August 2026- March 2027:** Implementation of a Water and Sewer Rate Consolidation Plan

- **January- July 2027:** Develop and implement Financial and Operating Metrics for the Self-Contained Authority

The activities to be completed in performing the necessary due diligence around forming a Self-Contained Authority are not limited to the activities outlined herein. The list of activities outlined herein is to be utilized as a guide to assessing the feasibility of forming a Self-Contained Authority.

Commissioning (Go-Live)

