

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MAY 18, 2016**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2pm Wednesday, May 18, 2016. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Collins, Creighton, Frost, Kelly, Manheimer, Pelly, Root and Wisler.

Others present were: Thomas E. Hartye, General Manager, William Clarke, General Counsel, Brian Thorsvold with HDR Engineering Inc. Ed Bradford, Peter Weed, Scott Powell, Mike Stamey, Ken Stines, Matthew Walter, Jim Hemphill, Hunter Carson and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

Mr. VeHaun asked if there were any conflicts of interest with the agenda items. No conflicts were reported.

3. Approval of Minutes of the April 20, 2016 Board Meeting:

Mr. Vechaun asked if there were any changes to the Minutes of the April 20, 2016 Board Meeting. Ms. Frost moved for approval of the minutes as presented. Mr. Pelly seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Vechaun welcomed Mr. Thorsvold. There was no public comment.

6. Report of General Manager:

Mr. Hartye reported that Ken Stines will give a report on a particular private sewer system that was in the news recently. He stated that 90% of MSD customers tie into the public main directly from their house with a clean-out at the property line/ MSD will take over ownership and maintenance of the line between the clean-out and sewer main. However, about 10% are tied to private systems before they reach the MSD public sewer main.

Mr. Stines presented slides showing non-permitted private sewer systems. He reported that there are a lot of these throughout the county, which occurs when someone builds a house and runs a sewer service down to the main. Over the years other homes are built and tie onto the original line. This creates issues with undersized lines and use of improper materials. MSD provides assistance through its PSR Program in rehab of these lines. Mr. Stines presented slides showing permitted systems.

He reported that private systems such as the collection system located on Mt. Carmel Road in Leicester was built by a developer and permitted by the North Carolina Department of Water Quality. This particular system is owned by Carolina Water & Sewer. Another permitted system is located off of Brevard Road. These condo units are privately owned by the Hills of Avery Creek, which is a Homeowners Association. The Windy Hill Subdivision was constructed in 1989-1990. The developer, Mr. Kirkpatrick, went to the DOT to receive encroachments. In 1990 when the District consolidated, he received a permit from DWQ and MSD issued an Out of District Agreement. In 1995, Mr. Kirkpatrick decided to do an addition to the subdivision called Briarwood Crossing. When the DWQ went out to inspect the project, they discovered Mr. Kirkpatrick did not have a collection system permit so they issued a Notice of Violation (NOV). At that time, Mr. Kirkpatrick filed for a permit with DWQ and an allocation with MSD for additional homes and flow. DWQ also issued a permit for Morgan Branch Estates and later an operating agreement wherein Mr. Kirkpatrick agreed to establish a homeowners association to help with maintenance of the lines which was never done. Over the years, MSD has been called out there numerous times with over 40 work orders for sewer leaks and overflows. In addition, access to the area is a problem. In March of 2011, MSD received more complaints about sewer problems in Morgan Branch Estates. Mr. Hartye presented News 13 videos regarding the 25 year old problem of raw sewerage in the neighborhood. Mr. Stines stated that a meeting is scheduled with the DWQ, Health Department and property owners to come up with a way to resolve this issue.

In reference to access, Mr. Kelly asked Mr. Stines if he means physical or legal access. Mr. Stines said both; MSD does not have legal access and if that were granted, physical access is very limited. Mr. Pelly asked if money and access were the issue, what would be the long term solution. Mr. Stines stated a Homeowners Association should be formed, fees collected from homeowners and the collection system should be repaired bringing the system up to state standards and then ask that MSD take over the system. Mr. Hartye stated that the State allowed developers to put in private systems even if they were sub-standard. MSD needs to inform owners that because they are on a private system they need to call a plumber to fix a problem. In this particular situation, there is no access and you have to dig it up to fix it so you get involved with replacing private systems, then you are on private property. Mr. Pelly asked if the State is regulating new permits tighter now. Mr. Bradford stated they really cannot do that now. Mr. Clarke stated the State deemed private systems to be permitted so long as they met certain requirements. They had to map them, maintain them and do an annual inspection. In many cases people built systems and were later told they should not have, but were given a permit anyway. Mr. Stines stated that MSD hopes developers will form Homeowners Associations to manage and maintain collection system. In regards to Morgan Branch Estates, the Homeowners Association needs to sign over R.O.W. on lower portion (Windy Hills) to MSD and for the second portion (Briarwood Crossing) be maintained by Homeowners.

Mr. Hartye stated that Mike Stamey will give a report on an emergency stream bank restoration project.

Mr. Stamey presented slides showing the location of the Emergency Stream Bank Restoration Project located along Hominy Creek Road beginning at Shelburn Road in West Asheville. This is located near the Buncombe County Transfer Station for waste and ends up at the Hominy Creek Riverside Park. To the west is Brevard Road, to the North is I-240 and just south of our site is the bridge for I-40 where Hominy Creek connects to the French Broad River. He presented slides showing two repair sites at this location. The upper site is about 75 feet in length. The lower site is 150 feet in length. Mr. Stamey stated that at the end of April MSD received a call from a resident about creek bank erosion causing the sewer line to be partially exposed. An MSD crew went out and checked this out and the construction group also got involved. The first problem discovered was at the upper site right next to our chemical dosing station. This is a 27 inch concrete sewer line exposed on the creek bank where erosion occurred. A 15 foot section of sewer line caused a lot of immediate concern. This sewer line carries all the water from Enka-Candler plus portions of the flow from the West Asheville area. This had to be corrected in a quick fashion. The second site is more stream bank erosion and the storm drain was broken at the creek. Our concrete pipe was exposed and upon further investigation a manhole was discovered starting to tilt and is undermined. MSD brought in crews for stream bank restoration. A strong foundation was needed using huge rocks; approximately 50 loads of rip rap, gravel and other materials to restore creek bank. Tommy Brooks, MSD excavator and Dale Dillingham one of MSD's in-house crew are shown working as we placed 18,000 pounds of rock. Total rock used in 4 day period was 2.8 million pounds of rock to prevent erosion from heavy rains could cause a sewer overflow if not addressed. Rock was hauled from Grovestone quarry and North Buncombe quarry. Seven private dump truck drivers were hired and an extra track-hoe was rented to expedite this work. Crews also replaced 20 feet of storm drainage pipe. Both sites are now completed and restored.

Mr. Hartye expressed appreciation to Lisa Tolley and Kay Farlow for hosting a booth for MSD at five home shows and expos this year. Each show serves as a good opportunity to both answer any questions about MSD and to spread the word about grease and "No Wipes in the Pipes". MSD has received feedback from thousands of people on how educational MSD's display is and how glad they are that MSD is participating.

Mr. Hartye expressed appreciation to Sandra Moore and crew for their efforts in the annual river clean-up on May 6th where they were able to collect 28 bags of trash, 1 tire and a bed mattress from the area spanning the river from Woodfin Park to Ledges Park.

Mr. Hartye reported that two residents of Fenner Avenue, John Butler and Lee Barnett called separately to thank MSD and express their gratitude for a job well done in clearing the line, find the break and repairing

it, and for final clean-up. This was a joint effort between MSD Tech. Services and Construction Sections working together. Also, a call was received from George Tsiros of Edwin Place to let MSD know that Gil and his crew did a wonderful job and restoration at his residence – it really looks good. Much thanks to Gil Karn, Tim Haney Jason Price, Boyce Lunsford and Grayson Hensley.

Mr. Hartye presented an article from Mountain Express regarding mercury from Dentists Offices; how the plant works and how MSD removes mercury from the waste stream.

Mr. Hartye reported the next regular Board Meeting and Public Hearing on the final Budget for FY16-17 will be held June 15th at 2pm. The next Right of Way Committee meeting will be held on June 22nd at 9am.

7. Report of Committees:

a. Personnel Committee:

Ms. Bryson reported the Personnel Committee met April 26th. Pam Thomas reviewed several activities within the Human Resources Department. She informed the Committee that the average age of employees is 48 with 14 years of service and a turnover rate of 2.7%. In addition, Ms. Thomas told of several activities employees participated in during the year. Mr. Hemphill presented staff's recommendation of an additional 10% increase in MSD's medical insurance contributions and a 3.0% wage adjustment for all employees. The Committee voted unanimously in favor of staff's recommendation.

b. CIP Committee:

Mr. Creighton reported the CIP Committee met April 28th. Mr. Creighton reported that Mr. Bradford gave a presentation on past-recent CIP projects. There are over 1,000 miles of sewer line which MSD maintains at this time. Basically we went through the recommendations as far as the CIP Budget was concerned; went over the upcoming projects and what was going to be financed in the coming year. Mr. Bradford gave a snapshot of the GIS showing capital projects (120 total). The total budget amount for next year is \$22,042,087. The Committee voted unanimously to approve the CIP Budget for FY16-17 in the total amount of \$22,042,087.

c. Finance Committee:

Mr. Kelly reported the Finance Committee met May 5th. Mr. Kelly reported that first the Personnel and CIP Committees meet to determine what needs to be spent then the Finance Committee has to determine how much money can be spent and where it comes from.

The Board adopted staff's recommendation on the total amount of the budget along with a 2.5% residential rate increase

8. Consolidated Motion Agenda:

a. Consideration of Source Specification for the Plant Headworks Improvement Project:

Mr. Hartye reported the Headworks Project is comprised of replacing bar screens at the head of the plant, new fine screens and grit removal, as well as a surge-system for wet-weather control. Design is complete and construction will begin this fall. The majority of the project (both construction and equipment) will be competitively bid. However, the grit removal process requires sole source due to the unique nature of this type of process. There are two grit systems with different hydraulics which impact the rest of the processes around them. HDR Engineering reviewed the two systems. Both systems met MSD's criteria as far as removing grit, but one was one million dollars less and works just as well in terms of meeting MSD's needs. The issue is it's made by one entity and sold by one entity so there is no price competition, so MSD needs to sole source this equipment. MSD will not purchase the equipment now, but will include this spec within the construction spec to begin this fall. Staff recommends that the District include a sole-source specification for a Smith and Loveless 360TMGrit Chamber in the competitively bid construction contract for the Plant Headworks Project. This is based on the fact that each installation is unique. It is more efficient to design the project around a specific supplier rather than having multiple designs and price competition is not available from other grit removal suppliers.

b. Cash Commitment/Investment Report Month Ended March 31, 2016:

Mr. Powell reported that Page 35 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Page 36 is the MSD Investment Manager report as of the month of March. The weighted average maturity of the investment portfolio is 254 days. The yield to maturity is .51% and is exceeding MSD bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 37 is an analysis of the District's Cash Receipts. Monthly and YTD domestic and industrial sewer revenue are considered reasonable based on the timing of cash receipts in their respective fiscal periods. YTD Facility and Tap fees are above historical trends due to timing of six (6) cash receipts from developers as well as these fees being budgeted conservatively. Page 38 is an analysis of the District's Expenditures. Monthly and YTD O&M expenditures are considered reasonable based on historical trends. Due to the nature of

the variable rate bond market, Monthly and YTD debt service expenditures can vary from year to year. Based on current variable interest rates, debt service expenditures are considered reasonable. Due to the nature and timing of capital projects, year to date expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable. Page 45 is the MSD Variable Debt Service report. The 2008A Series Refunding Bonds is performing better than budgeted expectations. As of the end of April the issue has saved the District's rate payers \$4.5 million dollars in debt service since April 2008.

With no discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Mr. Belcher moved. Ms. Bryson seconded the motion. Roll call vote was as follows: 12 Ayes; 0 Nays.

9. Consideration of Resolution Adopting the Preliminary Budget for FY2016-2017 and Schedule of Sewer Rates and Fees:

Mr. Powell reported that included in this action item is the Preliminary Budget as well as the Flow of Funds Chart and proposed rates and fees. Mr. Powell reported that behind the Introduction tab Page 55/1 is the District's Budget message. Included in the message is:

Current Year Highlights domestic and industrial revenue are expected to meet budgeted projections.

Page 56/2 Operating Budget section which outlines the proposed \$16.1 million operating and maintenance budget and proposed changes for the upcoming year.

Page 57/3 Capital Improvement Program section outlines the proposed \$22 million construction budget as well as the outstanding debt and debt service.

Page 60/6 Sewer Rate Increase section which outlines the past five years domestic rate increases and the proposed FY17 domestic rate increase of 2.5%.

Page 64/9 begins the Budget Policies and Procedures section. This section is a description of the budget process including the Statutory and Bond Order requirements, budget administration and if needed budget amendments.

Page 67/12 briefly describes the forecasting methodology and includes the current business plan which outlines the current year proposed budget as well as estimates of needs for the next nine years.

Page 69/14 is the proposed \$47,009,663 FY17 budget which incorporates the following:

- 2.5% domestic rate increase.
 - 73cent increase in the average single family monthly bill.
 - The Average Monthly bill will go from \$29.15 to \$29.88.
- Continuation of the Industrial Rate Parity Plan.
 - MSD is in year 17 of 20.
 - 4.1% average increase for the industrial section
- Facility and Tap fees remain at 2016 levels.
- 1.0% rate of return on investments.
- 4.80% increase in Salaries and Benefits which has an impact of \$586,000. Includes Personnel Committee recommendations as to Salary Adjustments, Self-Insurance Funding and GASB 45 OPEB Funding as well as State required Retirement contribution and unemployment funding.
- .68% increase in Materials supplies and service which has an impact of \$43,000.

Mr. Belcher asked why FY17 budgeted Facility and Tap fees are not in line with FY16 actual revenues. Mr. Powell stated the nature of this fee is variable in nature and represents about 650 household units.

Page 77/21 starts the Operation & Maintenance section. This is a detailed accounting of the proposed budget by department as well as current year projected and prior year actuals.

Page 90/33 starts the Insurance Fund Section. This is a concise overview of the various insurance funds along with their respective proposed budgets and FY14 actuals and current year projected actuals.

Page 95/37 starts the replacement fund section. This is an overview of the various insurance funds along with their respective proposed budgets and FY14 actuals and current year projected actuals.

Page 102/43 starts the CIP Program section. This is an overview of the CIP program run by the engineering department along with their proposed current year budget and projection of needs for the upcoming nine years.

Page 115/55 starts the Debt Financing section. This is an overview of debt management as well as a brief description of capital projects funding.

There is a detailed listing of current outstanding debt as well as an aggregate debt service for each outstanding issue.

Page 124/63 starts the appendix section. This includes the proposed FY16 budget resolution with the schedule of rates and fees. Included is a flow of funds which is a graphical representation of the budget resolution.

With no discussion, Mr. VeHaun called for a motion to approve the Resolution adopting the Preliminary Budget for FY 2016-2017 and schedule of sewer rates and fees. Mr. Kelly moved. Ms. Wisler seconded the motion. Roll call vote was as follows: 12 Ayes; 0 Nays.

10. Old Business:

Mr. VeHaun called for a report on the Supreme Court hearing in Morganton, NC. Mr. Clarke reported that he, Tom Hartye, Jerry VeHaun, Ms. Manheimer, Mr. Pelly and Ms. Wisler were in attendance. He stated he felt the case was well argued by both lawyers. The lawyers as well as the Supreme Court were well prepared and asked a lot of questions about the purpose of the Act, relating and regulating, and focusing on the real issue as to whether this is an unacceptable local law under Article 2 Section 24 of the North Carolina Constitution. Mr. Clarke stated he did not have an idea about timing of a possible decision by the Supreme Court. Ms. Manheimer stated there is a June Opinion date and the next one will be in August. Mr. Clarke further stated that the Supreme Court has met twice in Edenton, NC and met in Morganton, NC from 1847 to 1861 in the summers.

11. New Business:

None

12. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 3pm.

Jackie W. Bryson, Secretary/Treasurer

<h1 style="margin: 0;">MSD</h1> <h2 style="margin: 0;">Regular Board Meeting</h2>

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 5/18/16

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	VeHaun	2:00	
	01. Inquiry as to Conflict of Interest	VeHaun	2:05	
	02. Approval of Minutes of the April 20, 2016 Board Meeting.	VeHaun	2:10	
	03. Discussion and Adjustment of Agenda.	VeHaun	2:15	
	04. Informal Discussion and Public Comment	VeHaun	2:20	
	05. Report of General Manager	Hartye	2:25	
	06. Report of Committees: a. Personnel Committee – April 26th – Bryson b. CIP Committee – April 28th – Creighton c. Finance Committee – May 5th - Kelly	VeHaun	2:40	
	07. Consolidated Motion Agenda		2:55	
	a. Consideration of Sole Source Specification for the Plant Headworks Improvement Project.	Hartye		
	b. Cash Commitment/Investment Report Month Ended March,, 2016.	Powell		
	08. Consideration of Resolution Adopting the Preliminary Budget for FY16-17: and Schedule of Sewer Rates & Fees.	VeHaun	3:05	
	09. Old Business:	VeHaun	3:25	
	10. New Business:	VeHaun	3:30	
	11.. Adjournment: (Next Meeting 6/15/16)	VeHau	3:35	
	STATUS REPORTS			

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
APRIL 20, 2016**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration building at 2pm Wednesday, April 20, 2016. Chairman VeHaun presided with the following members present: Ashley, Belcher, Bryson, Collins, Creighton, Frost, Kelly, Manheimer, Pelly, and Wisler. Mr. Root was absent.

Others present were Thomas E. Hartye, General Manager, William Clarke, General Counsel, Forrest Westall with McGill Associates, PE, Jade Dundas with City of Asheville Water, Joseph Martin with Woodfin Sanitary Water & Sewer District, Ed Bradford, Scott Powell, Peter Weed, Mike Stamey, Ken Stines, Jim Hemphill, Hunter Carson, and Sondra Honeycutt.

2. Inquiry as to Conflict of Interest:

Mr. VeHaun asked if there were any conflicts of interest with the agenda items. No conflicts were reported.

3. Approval of Minutes of the March 17, 2016 Board Meeting:

Mr. VeHaun asked if there were any changes to the Minutes of the March 16, 2016 Board Meeting. Ms. Wisler moved for approval of the minutes as presented. Mr. Creighton seconded the motion. Voice vote in favor of the motion was unanimous.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. VeHaun welcomed Mr. Dundas and Mr. Martin. There was no public comment.

6. Report of General Manager:

Regarding the Incinerator Emissions Project, Mr. Hartye reported the new system is fully operational and has been tested and yielded good results to meet the new EPA requirements. MSD is still tweaking operational parameters to gain greater efficiencies. In the future the project will be written up for presentation, but today Mr. Hartye wanted to verbally recognize staff and provide some background information on this project. Bottom line, MSD went against the recommendation of the expert consultant who recommended going the conventional expensive route that everyone else, to that point, had been taking. The expensive route was already budgeted and there was little risk in going that way, but the up side was very large in saving customer revenues, so MDF felt it needed to take the risk. Basically we risked time that we did not have much of and about

\$50,000 to pilot test the new technology. It paid off. The District saved \$5 million dollars, and was able to get it done in time for the new regulations which started last month. Many other utilities have not been able to meet these new regulations.

Mr. Hartye reported that a large amount of credit goes to staff. Peter Weed came in nights and weekends to make sure the pilot testing equipment was up and running efficiently. The equipment that was sent presented problems that Peter and our mechanics had to resolve. The testing effort was critical in getting good data results on which to base further decisions. Hunter Carson, MSD's Project Engineer kept the consultant and supplier on task to maintain the timeline. Roger Edwards engaged MSD regulators in our approach and showed great leadership in developing a training effort after completion that included MSD operators, consultants, regulators and other agencies. Mr. Hartye presented slides showing the membrane section where most of the mercury is removed and the computer interface for the operators.

Mr. Hartye reported that MSD is currently demolishing the old Chlorine gas building and gutting an old sludge transfer building to make way for the new Headworks project which is at 90% design. MSD hopes to start construction later this year. Because this project involves gutting and phasing out the old plant processes, and replacing them with new processes while keeping the plant operational and in compliance, it is much more challenging than just building a new plant outright. In addition, there are serious space limitations at the plant. Because of this, MSD needed to incorporate actual physical modeling as opposed to 3D hydraulic computer models because of the fluid dynamics. MSD Consultant HDR utilized Clemson Hydraulic Institute to create models to check MSD design. Mr. Hartye presented pictures and a video of the hydraulic dye test.

Mr. Hartye presented photos of a repair job out in Weaverville. MSD has an old 8-inch iron pipe that was run many years ago before all of the development occurred. The pipe is both partially broken and a portion was originally "back-graded" (meaning up hill). This line feeds most things north of Weaver Boulevard. Similar to the huge cavern dug (by others for storm facilities) behind KFC a few years ago, MSD is digging down 25-30 feet to get to infrastructure that was filled upon (for development) which was a challenge.

Mr. Hartye reported a call was received from Ms. Pam Agner who lives in Asheville expressing her appreciation for the work MSD employees did at her home. She said that customer service was superb from the Dispatcher to the First Responder (who arrived within an hour) to the service crew who were onsite within 10 minutes of the call from the First Responder. The work was done quickly and efficiently. Thanks to Linda Phillips, Wayne Rice, Roy Lytle, Robert Denny, Mitch Metcalf, Josh Matthews, and Nicholas Hercules.

Mr. Hartye reported the Spring Conference for water and wastewater professionals was held in Asheville April 18 and 19th. The Conference is a mini version of the State Conference held in the fall. Mayor Esther Manheimer welcomed the attendees and Forrest Westall was the keynote speaker to kick off the proceedings. Asheville Water and MSD employees carried the lions share of the work involved in arrangements and the proceedings.

Mr. Hartye reported the Personnel Committee will meet April 26th at 9am to consider Salary and Benefit adjustments (i.e. Self-Funded Medical and Dental Program). The CIP Committee will meet on April 28th at 8:30am. The Finance Committee will meet May 5th at 9am to consider a Preliminary Budget with an updated 10-year Business Plan. The next regular Board Meeting will be held May 18th at 2pm. The next Right of Way Committee meeting will be held May 25th at 9am.

7. Report of Committees:

Right of Way Committee

Mr. Kelly reported the Right of Way Committee met March 23, 2016 to consider four (4) Compensation Budgets and one (1) Condemnation to be discussed under the Consolidated Motion Agenda. In other business, Mr. Clarke briefed the Committee on pending condemnations.

8. Consolidated Motion Agenda:

a. Consideration of Compensation Budgets: Four inch main Dry Ridge Road; Stratford Road at Oxford Court; Hendersonville Road at Rosscraggon Road Drive Phase 2, and Asheville Country Club GSR Project:

Mr. Hartye reported the attached Compensation Budgets are based on current ad valorem tax values and follow the MSD approved formula. The ROW Committee recommends approval of the Compensation Budgets.

b. Consideration of Condemnation – Stratford Road at Oxford Court GSR:

Mr. Hartye reported this property is improved with residential use, and is a rental property located along a residential public street. The existing sewer traverses the property in a southeast direction bisecting one third of the property. The owner's primary concern is the compensation offered as well as fencing and sod replacement for which MSD has made provisions. The ROW Committee recommends authority to obtain appraisal and proceed with condemnation.

c. Consideration of Bids: Venable Pump Station Elimination:

Mr. Hartye reported this project is located in southwest Asheville in front of the Ingles Store on Brevard Road. The project is comprised of the installation of 672LF of 8-inch DIP and the removal of the existing Venable Pump Station which was constructed in the mid 80's. The Board recently accepted ownership of the sewer system within the outlet mall property. It is now a public system, which allows the pump station to be eliminated. The contract was advertised and the following five (5) bids were received on April 7, 2016: Payne, McGinn and Cummings with a bid of \$717,302.00; Brushy Mountain Building with a bid of \$699,702.00; Davis Grading, Inc. with a bid of \$386,157.00; Terry Brothers Construction Co. with a bid of \$359,709,90, and Buckeye Bridge, LLC with a bid of \$314,639,20. Mr. Hartye further reported that Buckeye Bridge has completed numerous rehabilitation projects, and their work quality has been excellent to date. This project was not originally planned for FY15-16. However, sufficient funds are available in the Contingency Fund. The project has been incorporated into the FY16-17 CIP Budget beginning July 1, 2016. Staff recommends award of the contract to Buckeye Bridge, LLC in the amount of \$314,639.20, subject to review and approval by District Counsel.

d. Consideration of Developer Constructed Sewer Systems: Little Flat Creek/Evening Shade Private System; 790 Riceville Road; Busbee Mountain View and Lakeside Meadows Sewer Extensions:

Mr. Hartye reported the Little Flat Creek-Evening Shade Subdivision is located outside the District boundary at the intersection of North Buncombe School Road and Evening Shade Drive in Buncombe County. This phase of the private collection system consist of approximately 1,727 LF of 8-inch gravity sewer.

Mr. Hartye reported the 790 Riceville Road Subdivision is located inside the District boundary at the intersection of Riceville Road and McFalls Road in Buncombe County. The project included extending approximately 574 LF of 8-inch public gravity sewer to serve the eight (8) unit single family residential development.

Mr. Hartye reported the Busbee Mountain View Subdivision is located inside the District boundary off West Chapel Road in the City of Asheville. The project included extending approximately 608 LF of 8-inch public gravity sewer to serve the nine (9) unit single family residential development.

Mr. Hartye reported the Lakeside Meadows Subdivision is located inside the District boundary along Brown Street in the Town of Weaverville. The project included extending approximately 1,103 LF of 8-inch public gravity sewer to serve the twenty-five (25) unit single family residential development.

Saff recommends acceptance of the aforementioned developer constructed sewer systems. All MSD requirements have been met.

e. Cash Commitment Investment Report Month Ended February 2016:

Mr. Powell reported Page 30 presents the makeup of the District's Investment Portfolio. There has been no change in the makeup of the portfolio from the prior month. Additionally, the makeup of the District's Investment Portfolio is in accordance to the District's Investment Policy. Page 31 is the MSD Investment Manager Report as of the month of February. The weighted average maturity of the investment portfolio is 214 days. The yield to maturity is 49% and is exceeding bench marks of the 6 month T-Bill and NCCMT cash portfolio. Page 32 is the MSD Analysis of Cash Receipts. Monthly and YTD domestic and industrial revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods. YTD Facility and Tap fees are higher than budgeted expectations due to unanticipated receipts from 3 developments as well as staff's conservative budgeting of impact fees. Page 33 is the MSD Analysis of Expenditures. The District's O&M expenditures are considered reasonable based on historical trends and current year budgeted needs. Debt Service expenditures are below budgeted expectations due to lower than expected interest rates on the District's variable rate debt. Due to the nature and timing of capital projects, YTD expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable and budgeted funds are expected to be spent at year end. Page 34 is the MSD Variable Debt Service report for the month of March. The 2008 Series Refunding Bonds are performing better than budgeted expectations. As of the end of February both issues have save the District customers \$4.4 million dollars in debt service since April of 2008.

With no discussion, Mr. VeHaun called for a motion to approve the Consolidated Motion Agenda. Ms. Frost moved. Mr. Belcher seconded the motion. Roll call vote was as follows: 11 Ayes; 0 Nays.

09. Old Business:

Mr. Belcher thanked staff for adding zip codes to the Project Reports.

10. New Business:

None.

11. Adjournment:

With no further business, Mr. VeHaun called for adjournment at 2:21pm.

Jackie W. Bryson, Secretary/Treasurer



MEMORANDUM

TO: MSD Board
FROM: Thomas E. Hartye, P.E., General Manager
DATE: May 12, 2016
SUBJECT: Report from the General Manager

- **Private Sewer Systems**

At the Meeting Ken Stines will present information on a particular private sewer system that made it into the news recently. There are many private sewer systems connected to MSD that are both “claimed” and “unclaimed.” When problems occur, MSD typically gets involved in differing ways depending on the situation. The lines of responsibility between the NCDENR, the County Health Department and MSD are not well defined when a private owner refuses to resolve a private sewer problem which usually presents a public health hazard.

- **Kudos**

- To Lisa Tolley and Kay Farlow for hosting a booth for MSD at several home shows and expos this year! Each show serves as a good opportunity to both answer any questions about MSD and to spread the word about grease and “No Wipes in Pipes.” MSD has received a lot of great feedback on how educational our display is and how glad they are that we are participating. The five expos so far this year have given our message exposure to many thousands of people in an environment where they are more likely to learn and retain information. Good Show!
- To Sandra Moore and crew for their efforts in the annual river clean-up on May 6th where they were able to collect 28 bags of trash, 1 tire and a bed mattress from the area spanning the river from Woodfin Park to Ledges Park.
- Two residents of Fenner Ave., John Butler and Lee Barnett called separately to thank MSD and express their gratitude for a job well done in clearing the line, finding the break, and repairing the break and with final clean-up. This was a joint effort between MSD Tech. Services and Construction sections working together. Well done!
- Received a call from George Tsiros of Edwin Pl. to let MSD know that Gil and his crew did a wonderful job and restoration at his residence - it really looks great. Much thanks to Gil Karn, Tim Haney, Jason Price, Boyce Lunsford, and Grayson Hensley.

- **Article from Mountain Express**

Attached is a copy of an article in the Mountain Express regarding mercury from Dentist offices, a bit about how the plant works, and how MSD removes mercury from the waste stream.

- **Board/Committee Meetings/Events**

The next Regular Board Meeting will be held on June 15th at 2 pm. The next Right of Way Committee meeting will be held at 9 am on June 22nd.

Cleaning up toxic mercury from dental offices

Cindy Kunst

April 30, 2016



Dental appointments make plenty of people nervous, but water pollution isn't usually what they're worrying about. According to Environmental Protection Agency estimates, however, dental offices are responsible for 50 percent of the mercury entering the nation's wastewater. Dental amalgam is 49 percent mercury by weight, and dental offices discharge about 4.4 tons of it annually.

Mercury is toxic to humans, particularly fetuses, infants and children. It persists in the environment and can be absorbed when eating fish and shellfish. A neurotoxin, it can impair mental function and, in high doses, cause respiratory failure and even death.

For the last several years, the EPA has been developing stricter mercury regulations for dental practices and public sewage treatment systems. Seeing the writing on the wall, the Metropolitan Sewerage District sent a letter and survey to dentists within its service area in January 2013 to determine who was using amalgam and how they were disposing of it. MSD's facility, the letter explained, is "not designed to remove mercury from the wastewater or the solids generated from the wastewater treatment process."

Breaking down the numbers

According to the EPA, some 160,000 dentists working in over 120,000 dental offices nationwide either use amalgam

or remove amalgam fillings, and almost all of these offices send their wastewater to publicly owned treatment facilities.

MSD's letter and survey were sent to 81 local dental facilities. Of the 65 that responded, 40 said they did use dental amalgam, and 24 said they only removed amalgam fillings, replacing them with a biocompatible substance.

More than 40 local offices had some form of amalgam separator installed; 11 said they didn't yet but were planning to install them. Others that didn't have separators planned to discontinue using amalgam. Ten offices said they used dental amalgam fillings, didn't have separators and didn't plan to install them.

"But the dentists are aware, and most of them are making strides to put in separators," says MSD Field Operations Manager **Monty Payne**.

Bug farmers



The Metropolitan Sewerage District's rotating biological contractors use billions of microorganisms to clean waste water sent to the plant. Photo by Cindy Kunst

Imagine a countywide plumbing system serving more than 50,000 customers over 180 square miles, with about 1,000 miles of pipe and some 30 separate pump stations needed to battle gravity here in the mountains. The endpoint for all that sewage, including the wastewater from dental offices, is MSD's treatment plant on Riverside Drive. Before 1967, when the plant came online, untreated wastewater was piped directly into the river. According to Asheville author **Wilma Dykeman**'s 1955 book, *The French Broad*, "You could smell the river before you saw it." Since then, however, thanks to the Clean Water Act and the efforts of nonprofits like RiverLink and MountainTrue, the North Carolina portion of the French Broad has been upgraded from a Class C water quality rating (which discourages extensive physical contact with the water) to Class B (suitable for swimming).

The MSD plant processes about 20 million gallons of sewage per day and can handle up to 40 million — hopefully with no blockages, pump failures or leaks. The goal, every day, is to put the water back into the river in as good, if not better, condition than when it entered the system, says Operations Manager **Roger Edwards**.

From an office in the plant's control tower, you can see the rapids just below Craggy Dam, where whitecaps speckle the water's surface. On the walls are floor-to-ceiling maps of the county, with lights and markers indicating the pump locations. Up a short flight of stairs, a master control desk affords a full view of the plant. An array of video screens

shows every stage of the treatment process, from headworks to effluent. You'd almost think you were in the basement of Batman's Wayne Manor.

MSD's facility, believed to be the largest of its kind in the world, uses a two-part water treatment process that's completely biological. For the billions of microorganisms that live on the 152 rotating biological contactors, wastewater is their food source. Operating under white geodesic domes visible from the road, each RBC is covered with crevices and crannies that create almost 3 acres of surface area. This is where the "bugs" live, says Edwards, adding that he and his staff are basically "bug farmers."

Grease and grit

Wastewater first flows through wash screens that remove large particles like plastic, paper, baby wipes and that golf ball your 2-year-old flushed down the toilet as an experiment. After that, separating tanks allow the grit to settle and the grease to rise, culling the clean water in between. After going through three separate stages of RBCs, the water is pumped to the intermediate clarifiers, where more solids settle out.



Another step in the cleaning process involves rollers that press water out of sludge, which is then incinerated. Photo by Cindy Kunst

The water then passes through a series of disc filters and continues on to waste treatment. Meanwhile, the residual sludge is injected with a polymer composite that bonds with the solids to make "cakes." Rollers press the excess water out of the cakes, which then go to the incinerator. The water is sent back through the entire treatment process again.

Thanks to a \$5.5 million smokestack scrubber upgrade in November, the incinerator system now keeps 90 percent of the mercury in the cakes from being released into the air — surpassing the current EPA standard. The captured mercury is deposited in a lined ash pond behind the plant.

But the overall removal rate for the mercury in wastewater remains a much lower 76 percent. "We remove around 5.5 pounds of mercury out of 7.3 pounds that we take in annually," says Edwards. "You might think of a 5-pound bag of sugar as a reference for size, but this is a very dense material, and the amount we remove annually is roughly the size of a 3-inch cube." That leaves 1.8 pounds of mercury (about half a cubic inch) per year that ends up heading downstream.

It doesn't come through as a lump, however, but as tiny particles a bit at a time. A gram of mercury is roughly the size of a grain of sand, which is why it's so hard for the utility to catch it all — and why dental offices need amalgam separators.

We all live downstream

“Every waterway in North Carolina is impaired by mercury pollution,” says French Broad Riverkeeper **Hartwell Carson**. There's a statewide fish consumption advisory, he notes, due to methylmercury contamination.

“Three grams — 1/25 of a teaspoon — of mercury is enough to contaminate a 60-acre lake,” he reveals. And while “MSD generally does a good job of treating what they know is coming, which is human waste ... I don't believe their system is really designed to screen out the other weird things that get sent to it.”

Still, Carson, who works for local environmental group MountainTrue, isn't blaming MSD. “They really are proactive about protecting and maintaining their system,” he says, “and are always looking for ways to improve it.”

But many smaller treatment plants along the French Broad, he points out, may not be as closely monitored due to budget and staff limitations.

Thanks to MSD's new scrubber system, the incinerator is in full compliance with air quality regulations. Meanwhile, the EPA and the American Dental Association are negotiating the final language of a rule requiring dental offices to use amalgam separators that remove 99 percent of the mercury from their wastewater. The rule is expected to be issued this summer.

“It's a cooperative partnership all the way, with everyone that's on our system,” says Edwards, including the general public. Because ultimately, even so-called “disposables” don't just magically disappear: It all ends up somewhere. And at the treatment plant, he explains, things like baby wipes and cooking grease “block the flow and make a mess; then it just gets scraped off and sent to the landfill.”

PERSONNEL COMMITTEE MEETING

April 26, 2016

9:00 a.m.

1. Call to Order

Jackie Bryson called the meeting to order at 9:01 a.m. in the W.H. Mull Building of the Metropolitan Sewerage District. In attendance were the following members: Allan Root, and Jon Creighton. Also present were Jerry VeHaun, Billy Clarke, Tom Hartye, Jim Hemphill, Scott Powell, Matthew Walter, and Pam Thomas.

2. Inquiry as to Conflict of Interest

Mrs. Bryson stated there was none at this time.

3. Human Resource Activities

Ms. Thomas reviewed several areas of activity within the Human Resource Department: an organizational chart showing a total of 148 full time employees, and a chart on personnel reductions from FY 2004. She also presented demographic information showing that the average employee is 48 years old and has worked at MSD for 14 years; the turnover rate for last year was 2.7% with an average of 4.3% since FY 2007-08. Mr. Clarke asked how the average age compares to other utilities. Mr. Hemphill stated that the reported National Benchmarks are very similar.

Ms. Thomas also presented information about our Employee Events: Annual Company Picnic, Superbowl Party, Retirements, River clean up, Human Resources roundtable/training luncheon, and our Wellness programs: a) Newsletter b) Breast cancer awareness c) Heart health awareness d) Zumba classes e) Ballroom dance class d) Fruit distribution. She also reviewed our on-going Succession Planning program, working with Division Directors to continually identify potential leaders and relevant trainings. Some employees have earned or are pursuing an Associate's Degree, 2 employees received PE licenses, and Mr. Mike Stamey attended Water & Wastewater Leadership Training at UNC-Chapel Hill.

4. Consideration of Self Insured Health Plan & Pay Adjustment

Mr. Hemphill presented staff recommendations of a 10% increase in Medical insurance contributions, change in the benefit structure to shift more risk to the employees, and to approve a 3.0% wage adjustment for all employees.

Mr. Hemphill presented some background information on the medical plan which included:

The District has a self-insured plan; reserves can either be used or built up, depending on what type of year we had on claims. For the last 2 years, our plan has been hit hard due to high dollar claims and we have dipped into our reserves. Looking into the future, we have 2 claims that our Insurance Broker says will cost about \$475,000.00. Mr. Root asked is this just for next year or over all? Mr. Hemphill stated it is anticipated for the next year. Mr. Root also asked if those 2 claims will continue to be a drain on the bottom line. Mr. Hemphill stated that of the 2 claims, one is terminal and the other is expected to recover. We have added an aggregating specific to keep the premiums as low as we can. The District pays the first \$70,000.00 cost on any employee and anything above that goes to the insurance company. The aggregating specific, is a dollar per dollar

substitute for premiums. We pay up to an additional \$318,000.00 and if we don't use that much it can be kept back into reserves. We also changed our Pharmacy Benefit Manager to Cigna. The latest reports show 8 new drugs in our top 20. This has wiped out our anticipated savings. Mr. Root asked if the additional \$475,000.00 will be our cost or the re-insurers cost. Mr. Powell stated the cost increase would be on MSD. He also stated we have 4 to 5 big claims over \$600,000.00.

Mr. Hemphill presented the changes to our plan;

- Eliminating our 90/10 plan.
- No increase to premiums or deductibles.
- Changed the co-insurance amount.
- If spouses have other medical coverage through their employer, they will have to sign up for that plan, and use our insurance as a secondary coverage.
- Offered some ideas to help with the higher co-insurance costs by either cashing in vacation time or using a loan program. Mr. Powell stated that any vacation time over 40 hours can be cashed in to lessen the medical bills.
- The District has projected prescription cost to be over \$600,000.00. This is not outside the trend. With new drugs coming on to the plan we see a trend in excess of 14%/year.
- Mr. Hemphill stated that we are hoping the changes will save \$175,000.00 which matches the contributions increase we are requesting from the Board. Mr. Root asked if we were to ever go to market what would it be to buy a plan from Blue Cross Blue Shield. Mr. Powell stated their increases are in excess to 25% to 50% and ours right now is at 13%.

Mr. Hemphill presented the staff recommendations for a 3.0% wage adjustment for all employees. Also presented was a survey of what other Local Government Utilities are giving as adjustments, anywhere between 2.0 – 4.0%. Locally, Western Carolina Industries reports an average of a 3.0% increase for the workforce, and they anticipate granting raises of 3.0% in 2016. Competition for recruiting employees is getting harder due to some industries offering higher pay. Another factor for the increase is the employees are taking on more risk as it pertains to health insurance. Mr. Root asked if Buncombe Counties longevity increase of 5% is an overall increase or is that all they will receive. Mr. Hemphill stated that's an average number.

Mr. Hartye stated since the District is self-insured, it comes with benefits and liabilities. Liabilities being time spent on insurance and the relative impact that just a few claims can have on the plan, and benefits being we have an advocate here on site to help employees with any problems.

The Fiscal Impact:

The proposed salary and benefit adjustment costs are 2.4% (\$425,512) higher than last years' budget.

5. Recommendation:

Mr. Creighton moved and Mr. Root seconded the recommendation that the Board approve a 3.0% wage adjustment for all employees, medical insurance contributions increase of an additional 10%, and several changes to the benefits that will have a \$175,000.00 impact on employees.

Mrs. Bryson called for the vote. It was unanimous in favor of the motion.

6. Other

Mrs. Bryson stated it is important to do what we can for the employees because they are what keep the District going. She also stated there was no other business at this time.

7. Adjourn

With no further business, Mrs. Bryson adjourned the meeting at 9:42 AM. No future meeting has been scheduled.

CAPITAL IMPROVEMENT PROGRAM COMMITTEE

Minutes

April 28, 2016

8:30 a.m.

The Capital Improvement Program Committee of the Metropolitan Sewerage District met on April 28, 2016 at 8:30 am in the Mull Administration Building on Riverside Drive in Woodfin with the following persons present: Jon Creighton - Committee Chairman; Matt Ashley, Joe Belcher, Don Collins, Chris Pelly, Jade Dundas, Marcus Jones, Joseph Martin and Jason Young - CIP Committee members; Jerry Vehaun – Board Chairman; Jackie Bryson – MSD Board member; Tom Hartye – MSD General Manager; William Clarke – Roberts & Stevens; Forrest Westall – McGill Associates; Ed Bradford, Mike Stamey, Scott Powell, Angel Banks, Peter Weed, Ken Stines, Darin Prosser and Pam Nolan - MSD.

1. Call to Order

Mr. Creighton called the meeting to order at 8:40 a.m. He welcomed and thanked everyone for coming. He then turned the meeting over to Mr. Hartye who also thanked everyone for coming and explained that this committee was developed as part of consolidation in the 1990's when the collection systems were donated to MSD. At that time, there were master plan and annexation projects, etc. identified by each municipality that MSD took responsibility for. All of the annexation projects except for one in Black Mountain have been completed. The Capital Improvement Program Committee is made up of the town managers or representatives, and MSD meets with these members each year to make sure that the projects that are proposed are meeting the needs of the municipality. He then turned the meeting over to Ed Bradford, Engineering Director, to give a presentation on what we've done this year, as well as what we will be doing going forward.

2. Highlights of the Current and Proposed Capital Improvement Program

Mr. Bradford proceeded to give a PowerPoint presentation beginning with a summary of the proposed CIP Budget for the coming fiscal year. He asked if anyone had any questions or comments to please stop him – as he would be glad to talk about any items of concern. He proceeded with an overview of the CIP Program budget for the next year. The summary total for projects is \$20.9 million with a contingency of \$1 million and \$100,000 for Reimbursement projects. This gives a total proposed budget for the coming fiscal year of \$22,042,087. Future years 2 -10 reflect an inflationary component of 3.02% based on the ENR index. He stated that a copy of the budget is posted on MSD's website www.msdbc.org and also stated that Dean Allen with MSD did an excellent job with the website version.

Mr. Bradford explained that MSD maintains over 1010 miles of sewer lines at this time. He explained that the reduction of SSO's is a key objective and that is accomplished by utilizing a three-pronged approach: an effective management, operations and maintenance program (MOM) – not only to reduce line blockages, but to optimize response time when blockages do occur (we maintain a first responder system with a 35 minute or less response time to any point on our system); an aggressive CIP program to improve the structural condition of the system; and lastly, by providing sufficient capacity by sizing lines for current as well as future flows. An important part of that is also actively searching for and eliminating sources of inflow and infiltration.

The primary approach for collection system rehabilitation is minimizing SSO's utilizing our pipe rating program. Projects are prioritized and scheduled based on their pipe rating – regardless of political subdivision or location. We include five significant aspects: SSO and overflow history; customer service requests; proximity to streams and waterways; structural condition, and monitoring schedules. He then presented a snapshot of the new CIP sorted by pipe rating. The highest pipe rated project for this year is 82 with the highest being 100, the lowest is in the single digits.

Mr. Bradford explained that MSD rehabilitates an average of 50,000 LF a year; in-house crews rehabilitated 20,000 LF per year in addition to them handling taps and emergency repairs throughout the system. From 1991 to 2015 1.08 million LF have been rehabilitated or replaced which is 204.5 miles or 20.2% of the current system of 1010 miles.

Mr. Bradford presented a snapshot list of in-house rehabilitation projects which were completed this year. These are small projects and the good thing about having an in-house crew is that they are very mobile and can get to the projects very quickly. Mr. Hartye stated that things can happen to the projects out in the field and priorities can change very quickly, he stated that our in-house crews are able to tackle those very quickly and are very accommodating. Joe Martin asked if the mandate of 1% per year is based off of the original system at consolidation or does it add up every year? Mr. Bradford stated that was not a mandated number and we got that

when we negotiated with the state. Mr. Martin stated he was referring to the 50,000 LF per year. Mr. Hartye stated that it was in our permit. Mr. Clarke stated that it is in the North Carolina Collection System Permit.

Mr. Bradford then reviewed several of the projects that were completed or are currently underway in this current fiscal year. One of these – Hilliard Avenue @ Aston Park – is just southwest of downtown. The project was 2,807 LF of 8” and 10” pipe. He pointed out the tennis courts and reviewed photos of the project showing the pump station which has been eliminated. This project is almost complete and we are partnering with the City of Asheville for some of the paving.

The South French Broad Interceptor Grouting project is a large project consisting of about 21,950 LF, about 4800 LF of that has been completed this fiscal year. We propose to complete about 7,500 LF this coming fiscal year and the remaining 9,600 in FY17-18. The pipe is in generally good condition structurally but the joints are problematic and in certain areas there are actually sink-holes over the joints, allowing water and sediment into the system. Mr. Bradford presented a video of a “packer” that they use in grouting and pictures of the upstream end and the end of the bypass at the downstream manhole. The soil type in this area is very sandy and well suited for this type of work. The line is first cleaned, the sewage is by-passed, and each joint is tested with a device called a “packer”, which has seals with inflatable bladders on each end. Each joint is then pressure tested, and if it fails, grout is injected into the joint. The grout is pressurized and reacts with water in the soil and seals the pipe joint. Mr. Bradford stated that we had worked very closely with the Biltmore State to coordinate work/timing because we had to be out of the area by flower season.

Another project is Venable Pump Station Elimination project which is currently underway and is located at the old Ingles store on Brevard Road. The Asheville Outlets system is across the road from this pump station. The Asheville Outlet system was built to public standards in 1988 and is in good condition, it was accepted by MSD Board in March of 2016, which allows MSD to connect to it and eliminate the pump station. This project was awarded by the Board last week and completion is scheduled for the Summer of 2016. MSD is actively working with Ingles to complete this construction before their new store holds their grand opening.

He then reviewed an in-house project System Services constructed, which was Gracelyn Road @ Warwick Place. This project included replacement of 492 LF of sewer. He reviewed photos of construction which included pipe-bursting which saved existing asphalt, reduced construction time and limited the overall impact on the neighborhood. There were pictures of the 8” HDPE pipe being pulled into the location of the old pipeline and a horizontal directional drilling machine used to pull pipe into place and pictures of employees cutting asphalt with a pipe saw and finishing concrete work around the top of a manhole. System Services also performed the work on the Weaverville Pump Station No. 1 Improvements and Mr. Bradford reviewed photos of this work which consisted of rebar replacement for pump pad, pouring concrete pad, setting a new pump in place, new pipe, valve replacement work and force main tie-in for the new pump.

Mr. Bradford then reviewed the Private Sewer Rehabilitation. This program is for the rehabilitation of private, failing, unclaimed systems that were not built to any public standard, nor were they accepted by any entity— either public or private – before we took over ownership of the various systems. These are usually of poor quality, with no manholes, laid in a crooked manner, etc. and when MSD rehabilitates these, they typically have to re-engineer the entire system. MSD will accept these for maintenance and rehabilitation if they are a demonstrated public health threat and/or cited for SSO's by NCDEQ, Health Department, etc. Additionally, each property owner connected to the system has to sign an agreement to donate all easements at no cost to MSD; it is a voluntary program. MSD then determines when to fully rehabilitate each system based on work orders, SSO's and maintenance history. Once all the homeowners have signed, MSD will put the system on a list to maintain, until such time that the project needs to be included in the formal CIP budget for full replacement. He presented a list of systems where the homeowners have agreed to work with MSD. The systems shown in green have been accepted and System Services crews now maintain the lines in those systems. When these systems become too much to maintain, they will be placed on the list for rehabilitation. Projects shown in yellow on this presentation are completed and District owned/maintained.

Mr. Bradford then briefly reviewed upcoming projects for the coming fiscal year. He explained that each slide shows the location map on the left, with a star on the map which shows the general vicinity. Upcoming projects include the Biltmore Estate Grouting Project which was discussed earlier, at 7008 LF; Arco Road in East Asheville consisting of a little over 2000 LF; Dellwood Avenue is in Swannanoa and consists of 436 LF. The next snapshot was of the Lining Project which consists of lines all over the District and is the largest project length wise for this coming year at 11,200 LF. Mr. Pelly asked what is a lining project? Mr. Bradford stated that lines have been CCTV'd to determine if there are any cracks or loose joints, pipes which require some level of rehabilitation but do not need full dig and replace. We maintain records as these lines are CCTV'd over the year, and when there are enough we will put out a lining contract. This is a very cost effective process. With dig and

replace rehabilitation the cost is approximately \$220-\$255 LF, with an anticipated cost for lining at \$125.00 a LF. New Haw Creek Road at Trinity Chapel consisting of 838 LF; Sand Hill Road at Russell/Davenport consists of 2,341 LF is the highest pipe rated project at this time with a pipe rating of 82; Stratford Road at Oxford Court is located in North Asheville around Beaverlake and consists of 1,960 LF. Mr. Bradford stated that we have done a lot of work in this area, including three sewers at one location that all crossed each other at different elevations, which have been repaired. Mr. Martin asked about the specific location of this project and Mr. Bradford stated that it starts at Merrimon Avenue and ends Pine Acre Blvd. Mr. Martin asked if the line was in the street and Mr. Bradford said not all the way in the street, it runs along the creek; Sweeten Creek Road at Busbee View Lane is in South Asheville and consists of 1,048 LF and Freno Drive in the Oakley area near Sweeten Creek Road consists of approximately 2,600 LF.

South French Broad/Carrier Bridge PER is a Hydraulic Analysis of lines in this area for current and future flows, particularly Cane Creek, South Asheville and South Buncombe County. Mr. Bradford explained the map – including the grouting project, the main interceptor along the Swannanoa River and Carrier Bridge. The lines through the Biltmore Estate include double lines coming into a single 36" line. He stated that there have been some very initial discussions with the Biltmore Estate regarding the fact that we are going to need to be coming through there as part of this. There is also Carrier Bridge and it's possible elimination. This will become a planning document for significant rehabilitation in this area. Mr. Hartye stated that this is like the hub in the middle of the wheel, or the "belly of the beast", as there are a lot of interceptors coming in together, the two rivers come together right there and that is where all the flooding and action happens. Between the future demand, the South area is growing quite a bit, and wet weather issues we want to get a hydraulic analysis and take a look at what our options are as far as upgrading in that area. Mr. Bradford stated that it will need extensive rehabilitation.

Mr. Bradford then presented a snapshot from the GIS showing our Capital Program of about 120 projects. The purple lines are System Services projects. He also presented a slide showing the Master Plan which was prepared under the guidance of the member agencies and regional stakeholders, using their land use policies and zoning regulations. It was adopted by the MSD Board in November 2008, and is used as a basis to ensure that extensions are done in an orderly, predictable fashion. It ensures that developers don't just install a small pump station to take the shortest route, and then MSD has a pump station forever. It is to ensure that the system grows in an orderly fashion. Two projects that have been guided under this plan are the Reems Creek Interceptor which is complete and the next phase is almost complete. The West French Broad Interceptor is also a completed Master Plan project. Mr. Bradford pointed out that construction is funded by the developer on these projects – the line is sized in accordance with the master plan, and is sized for future growth, and MSD pays for the size differential. Most of the time, an 8-inch line will handle most developments, as an 8-inch line will carry hundreds of homes. Also, this is the minimum size also required by state standards for a public line, but on these master plan lines, a 12-inch or 16-inch line may be required to serve the greater basin upstream. Mr. Bradford presented snapshots showing both phases of the Reems Creek Master Plan Interceptor and the West French Broad Interceptor which is near Long Shoals Road and Biltmore Park. Mr. Young asked if there were any plans to update these Master Plan Projects. Mr. Bradford stated that it does need to be updated every so often and suggested to Mr. Hartye that it is probably time to think about that. Mr. Martin asked on the Private Sewer Rehabilitation Projects how do you know what is private and what is public. Mr. Bradford stated that we rely on SSES maps that we have for various agencies from consolidation and have talked with people in our member agencies over the years, a combination of various efforts. Mr. Hartye stated that there was an initial effort with the SSES mapping and the agency leaders at the time identified the public lines but there are lines that come up that were not caught. At those times MSD will communicate with that particular agency to see if they ever maintained that particular line. Mr. Martin stated that he did occasionally get calls in which MSD had told a property owner the line was private. Mr. Westall stated that when he worked for another agency, MSD was a great asset in terms of working these issues out. Regarding the South French Broad/Carrier Bridge PER, Mr. Jones asked a question about the capacity through the Estate. Mr. Hartye stated that the 36-inch line across the Estate is a good line but there will need to be another line run parallel to this one in the future as well as another section that is down on the other side of the river where we have twin 36-inch lines. We already know that but not only is there future demand but there are also wet weather issues that we would like to take a look at. There are a few more pieces to the puzzle than just grouting. A large part of the issues are wet weather right in the center of that area not dry weather demand issues and we can already handle beyond what the dry weather flows are.

Mr. Bradford then reviewed projects at the Water Reclamation Facility. He presented slides for the RBC replacement. Basin One and Two are complete and we propose to finish this replacement process with Basin Three this coming fiscal year. There are 152 total and we believe MSD is the largest RBC (Rotating Biological Contactor) in the world. As of October 2014, 38 were out of service for various reasons. Peter Weed, Director of the WRF, located over 34 units that precisely match our air driven units and were in very good used condition. These air driven units are no longer available new. This was very important as new units would be either hydraulic or electric driven units and would need all new controls for them to operate. Finding these units buys a

lot of time and provides functionality within that biological process. 30 units have been replaced and are performing very well and we propose to replace 10 final units in the coming fiscal year. These units run around \$195,000 new and these were purchased for approximately \$29,000 each. This saved well over \$5.5 million, as opposed to new units. Mr. Bradford showed a snapshot of the crane that was used, stating that the reason it is so large is it has to be able to reach out over the basins. He showed snapshots of the east half of Basin Two restored and the last replacement RBC for Basin Two. Joe Martin asked how long will they last? Mr. Bradford stated that the existing slide gates had become problematic over the years and were replaced last year. These gates shut the water off from the RBC units, thereby controlling the weight of the RBC and extending the life of the RBC units, shafts, etc. These gates are being exercised now and starved periodically so that they don't get so heavy. Mr. Martin asked if it was a heavy build-up of biological matter that destroys them. Mr. Bradford stated that is part of it and it can. Mr. Hartye stated that we have been lucky so far because this is a 40 mg plant, a very large plant, and we are only running half of that amount so it wasn't so critical when they went down that they be replaced right away. Particularly if we have a potential change in process in the future, what we have done is try to prolong this until we do find out what our future is going to be instead of throwing a bomb in it right now as it is operating very well.

Mr. Bradford then reviewed the Influent Pump Stations. He presented a snapshot of the second Influent Pump that was installed in May of last year. Each of these can pump 35 mgd (or 24,300 gpm). He presented a snapshot of what 35 million gallons would look like in a football stadium; and a snapshot of the replacement of the first pump in January, 2014. One older pump remains and has been in use since the mid-1980's and will be replaced this coming fiscal year. Mr. Bradford then presented a snapshot of the old Adjustable Frequency Drives (AFD's) which were aging out and in a corrosive environment and have since been replaced. The new controls are in a separate protected environment. The next snapshot is of the motors which power the pumps (400 HP each) these allow the pumps to ramp up and down as flows go up and down and are a much more efficient way to run; the next is of the AFD enclosure (placed on slab in background), a crane lifting the enclosure into place, moving into final position using dollies and crane and in the final resting place; the new AFD enclosure interior - space is conditioned to protect equipment. Mr. Young asked when this project was done. Mr. Bradford stated it was done just this past year.

The Incinerator System Emissions Upgrade Project is located at the incinerator, and was imposed by EPA regulations with a very aggressive time frame. MSD staff retained a consultant (CDM Smith) and pre-purchased critical equipment. The contract was awarded in February of 2015 and total construction cost was \$5.8 million which was reduced \$5 million by utilizing new technology. It was operational by December 2015, which was ahead of schedule and has passed final compliance testing. Staff is fine-tuning operational parameters to maximize mercury removal rates. High wear components have also been replaced. The snapshot shows the Heat Exchanger which is about three stories tall and heats up the incoming air to about 1000 degrees; the Venturi which removes particulates; the new installation which was a really tight fit but was successfully installed without any damage. He presented a brief video of what it looks like inside when it is running. Next snapshot was of the control panel screen during start up, and the numbers shown are live. The next shows the new Mercury Removal System, about three stories up. There are 4 sorbent panel layers, with room for one more if needed, exhaust flows through the baffles. They are impregnated with activated carbon which is how the mercury is removed. These are manufactured by Gore Industries (Gore-Tex).

He then reviewed the New Facilities Plan. This is the basis for planning these projects and covers a 20 year planning horizon. It centers on significant plant projects, with the focus being on headworks, primary clarification, biological treatment alternatives (currently RBC's) and the future regulatory climate. Near-term and mid-term improvements are incorporated into proposed CIP. The beginning of long-term improvements (biological treatment) has now been incorporated within a ten-year window. The first significant project over the next five years is Plant Headworks. Design is near complete on this and construction is anticipated to begin in Fall of 2016. The High Rate Primary Clarification is the second significant project with design beginning in the Summer of 2016 and construction in the Fall of 2017. Both projects allow flexibility for future biological treatment alternatives. He presented snapshots of the No. 1 Headworks Project which is a near-term project. It is comprised of replacing the existing bar screens, improved fine bar screens, grit removal and a surge system for peak flows (which utilizes existing abandoned tanks @ 2.1 MG each). Construction cost is estimated at \$10.33 million. The snapshot from design work shows two re-purposed digester tanks at 2.1 mg each and the fine screens and grit removal. Mr. Bradford stated that the current system works but not well and grit causes significant problems within the plant.. The High Rate Primary Treatment is a mid-term project that will add significant improvement to the plant internal process. Currently there is no primary treatment after screening/grit removal. There is a tight fit due to site restrictions and the CEPT (Chemically Enhanced Primary Treatment) is most suited for our plant. This will help the RBC's perform better and also helps the plant better treat the peak flows as well. We can ramp this process up and down, add or decrease chemicals as needed. Design is proposed to begin in Summer 2016, with construction proposed to begin in Fall 2017. Construction cost is estimated at \$9.61 million. Last is the Biological

Treatment which is a long-term (10 year) process at the plant. Construction cost is high at \$50 million. RBC replacement is nearly complete and thus the project will be driven by future regulations. As he stated previously, the short mid-term projects allow flexibility for the various options when replacing the RBC's. Mr. Hartye pointed out that one building had been demolished and the inside of another demolished to prepare for the first project.

Mr. Bradford then reviewed the financial aspects of the Capital Improvement Program. He stated that the budgeted revenue for the current fiscal year is \$47.5 million; and since we operate with a balanced budget, expenditures are also estimated at \$47.5 million, with about two-thirds of the budget being project-related through debt service and construction projects. Cost saving measures include project coordination with other agencies; utilizing lining/trenchless methods when feasible, utilizing in house footage and claiming the value of prescriptive easements. An inflationary component is added for years 2 through 10, which is 3.02% for this budget cycle. Projects costs are updated each year and are taken from last year's bid pricing to formulate new project estimates. He then presented a snapshot of the next ten years with total expenditures estimated at approximately \$211.6 million. The bulk of these expenses, 80%, are for the collection system; 19% at the Plant and 1% reimbursements. He also pointed out that from Consolidation through the end of FY15; MSD has reinvested over \$339 million back into the system.

Mr. Bradford stated that all construction documents (plans/specs) are now on the website. They are in pdf form and easily viewed. This allows contractors to view plans without cost to determine if they are interested in bidding the project. MSD maintains a registered planholder list for active bidders. He presented a snapshot of the new MSD Manhole covers which were designed about 5 years ago, with the District Seal. They are becoming more prevalent throughout the District.

Mr. Bradford then reviewed reimbursement projects and explained there are no NCDOT betterments currently scheduled for the coming year. Mr. Bradford pointed out that because MSD is a special district, it is only required to pay for betterments on NCDOT projects, but not line relocations. All annexation agreement projects since Consolidation have been completed with the exception of Craigmont Road in Black Mountain. There are no new reimbursement projects currently proposed for FY16-17.

He then presented a chart and several snapshots showing the reduction in SSO's over the last 16 years, with a high of 288 back in 2000, and 37 in 2015. This low number of SSO's is due to the reinvestment into the system and to the aggressive preventative maintenance performed by System Services.

He then presented information regarding MSD's website and stated that a copy of the proposed CIP budget has been posted on the website for public viewing and comment. He also gave a special thanks to Staff Engineers; Angel Banks, Right of Way Manager; Finance Department, the GIS Section, and Pam Nolan. Mr. Bradford then asked for any questions or comments.

Mr. Martin asked if it was possible to sort the projects by geographical area. Mr. Bradford stated that they could be sorted any way Committee would like and we would take a look at this.

There were no further questions.

3. Capital Improvement Program Priorities & Review of the Ten-Year CIP Document

Notebooks were presented to the Committee at the meeting, in addition to the flash drives which had previously been mailed to Committee and Board members. Mr. Hartye stated that the Budget Summary had been provided to each member in the agenda package as well as flash-drive with detailed information. Mr. Bradford asked if anyone had a problem with the flash drives, and if so to please let him know. Mr. Hartye also stated that the same information was on the MSD website, and additional copies of both were also available.

Mr. Bradford presented the Ten Year CIP Summary document and stated that there were 136 projects this year. There were 9 Interceptor and Wet Weather projects with an estimated budget of \$760,000. There are 109 General Sewer Rehabilitation projects totaling \$8,859,631. Mr. Hartye commented that this may look like a lot of projects but about 40% are not included here because they are being done in-house. These are included near the bottom of Page 3 under SSD Rehabilitation and Replacement. There are three projects in the Private Sewer Rehabilitation totaling \$646,000. There are 12 projects under Treatment Plant, Pump Stations and General Capital Improvements totaling \$8,129,000. The total amount projected for Design, Right of Way and Construction Management Expenses for next year is \$2,546,486. He stated that the subtotal for the proposed budget for FY16-17 is \$20,942,087. A flat contingency of \$1,000,000 is proposed, which has worked well and provides sufficient reserve. Finally, reimbursement funding of an additional \$100,000 is recommended. This brings the total proposed CIP Budget for FY16 to \$22,042,087, and is the amount for which staff is seeking the

Committee's endorsement for approval by the Board. Mr. Jones asked about the Contingency amount. Mr. Hartye stated that a contingency of about 15% for each project was utilized in the past, but it just did not make much sense, and we were always coming in way under on bids on each project. All this extra padding was taken out, and replaced with the flat \$1 million contingency (which relates to about 5% per project) and now, if one project comes in under budget those additional funds from that project are used on another project that may come in over budget. Mr. Hartye also stated that typically in the past all of the funds went to the larger interceptor projects, then over the last 15 years or so it has been the smaller lines, which still continues, but now a lot of the focus is being shifted to the plant which is aging.

Mr. Creighton asked for a motion recommending endorsement of the CIP Budget for FY 16-17 in the total amount of \$22,042,087. Mr. Martin so moved. Mr. Ashley seconded the motion. Voice vote was unanimous in favor of the motion.

4. Adjourn

There was no further business or discussion. The meeting was adjourned at 9:43 a.m.

Finance Committee Meeting Minutes

May 5, 2016

Call to Order:

The Finance Committee of the Metropolitan Sewerage District met in the Boardroom of the Administration Building at 9:00 am, Thursday, May 05, 2016. Chairman Kelly presided and called to order at 9:03 am with the following members present: Jackie Bryson, Esther Manheimer, and Gwen Wisler.

Others present were Thomas Hartye, General Manager; Scott Powell, Director of Finance; Board Counsel, Billy Clarke; and MSD staff.

1. Third Quarter Budget to Actual Review:

Mr. Powell began his PowerPoint presentation with a review of the Third Quarter Budget to Actual by stating that domestic and industrial user fees are meeting budgeted expectations. Facility and tap fees are above expectations due to receiving unanticipated revenue of \$2.8 million, from six (6) commercial/residential developers exceeding budgeted expectations. Operation and Maintenance expenditures are below 75%; this is a direct result of the District deferring utility costs with the hydroelectric facility and decreased fuel costs. Ms. Wisler asked about MSD's use of available funds or "unrestricted reserves". Mr. Powell explained that tap and facility fee revenues greater than budget and savings on CIP projects allow MSD to reduce the need of using unrestricted reserves. The excess tap and facility fee revenues are used on future CIP projects and help temperance the need for debt.

Mr. Powell informed the committee of Ms. Wisler's request for a Projected Year-End Budget to Actual report for additional analysis. He stated domestic and industrial user fees are projected to meet budgeted expectations. Facility and Tap fees are projected to exceed budgeted expectations. The excess funds will be used for future CIP projects. Operation and Maintenance expenditures are projected to be at 97%, which is a direct result of deferred utility cost, by the use of the District's hydroelectric facility as well as decreased fuel cost. Capital project expenditures are projected to be at approximately 95% percent which is a direct result of CIP projects continuing to receive favorable pricing as well as valued engineering of one project, which saved the District \$200,000.

2. FY 2017 Proposed Budget:

Mr. Powell continued his PowerPoint presentation with highlights of the FY 2017 Proposed Budget. He stated the Operations and Maintenance budget is \$16.04 million, CIP \$22.04 million, Capital Equipment Replacement \$.97 million, and Debt Service \$7.96 million for a total of \$47.01 million.

Operations & Maintenance Highlights include a 4.78% increase in Salaries and Benefits with a total impact of \$586,201. This includes a 3% salary increase for all employees, a 10% increase in self-insurance funding, GASB 45 OPEB funding, changes in unemployment funding and a state mandated increase in North Carolina Retirement participation of 8.7%. Materials, Supplies and Services include a .68% increase with a total impact of \$43,109.

Mr. Powell next discussed information on Personnel Growth, and Trends in Health Care Cost. Personnel Growth has trended downward since 2001 with current staffing at 148 employees. Health Care Costs are projected to increase. Recent significant expenditures have reduced the District's insurance reserve. Expected savings from a change in PBM in FY 2016 were not realized due to eight

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new drugs hitting the District's top 20-prescription drug list. Ms. Manheimer inquired about changing to the use of an HSA for employees. Mr. Powell explained that this option has been explored and due to the nature of this type of plan and the associated costs, it would not be beneficial to MSD or its employees. Due to FY2017 projected health care costs, staff recommends a 10% increase in self-insurance funding and one-time transfer of \$475,000 unrestricted funds into the medical insurance reserve to cover the cost of two significant claims expected next year.

Ms. Manheimer asked if the 10% increase in the board's annual contribution is offset by the raise. Mr. Powell explained the increase in MSD's annual contribution is due to general medical cost increases. He further stated that MSD's annual contribution has not had an increase since FY2013. Mr. Powell stated the FY2017 proposed cost-sharing changes in the plan is expected to be neutralized by the proposed increase in salary. Ms. Manheimer further asked if a change in premium was considered. Mr. Powell explained that MSD premium structure was in line with its sister agencies and that premium adjustments do not have a long-term impact on insurance plans. Mr. Powell further stated to achieve the level of cost sharing discussed premiums would have to increase by 40% and continue at a level of 40% annually to keep up with medical cost inflation. Finally, Mr. Powell and Mr. Hartye discussed programs, which will be put in place to temper the impact of additional cost sharing measures for employees.

Operation and Maintenance expenses have increased an average of 2.6% over the past 8 years. The FY2017 proposed Capital Improvement Program budget is \$22.04 million. The majority of the money will be spent for collection rehabilitation and treatment plant.

Mr. Powell discussed major Capital Improvement Project for the upcoming fiscal year. They include \$5.5 million for Incinerator upgrades at the Water Reclamation Facility, a lining contract in excess of \$1.4 million, a continuation of the South French Broad Interceptor Grouting project at \$600,000 and a PSR at \$700,000.

Capital Equipment Replacement includes Operations & Maintenance \$87,298, Fleet Replacement of \$668,000 includes the replacement of a pumper truck, Pump Station Replacement \$55,000, and Water Reclamation Facility \$162,150.

Long Term Bonds Payable increase as the need for CIP funding arises. When bonds are issued, funds are made available to unrestricted reserves through reimbursement resolutions and are used for future CIP needs. MSD is currently in a period of strategic drawdown in relation to unrestricted reserves.

Mr. Powell reported MSD's debt composition as of June 30, 2016 is \$95.3 million in total, with 68% in traditional fixed income, and 32% in synthetic fixed debt. He stated FY2017 debt service is approximately \$7.96 million, which consists of \$4.33 million in principal and \$3.63 million for interest.

Mr. Powell reported proposed budgeted expenditures for FY2017 are \$47 million, which represents approximately: \$.97 million for Capital Equipment, \$16.04 for O&M, \$22.04 million for Construction Projects and 7.96 million for Debt Service.

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Budgeted revenue highlights include .75% growth in residential users, .75% growth in domestic consumption and Facility and Tap fees are budgeted at \$1.7 million, and a 1% rate of return on investments.

Proposed budgeted revenues are \$47 million comprised mainly of \$ 30.7 million (65.3%) in domestic user fees, \$2.9 million (6.3%) in industrial user fees. Esther Manheimer asked how MSD is impacted specifically by the recent boom in the beer industry. Mr. Powell explained that though the impact is favorable, it is not as significant an impact as compared to the water system. While water usage is high, not all of that flow is coming to our plant. In order to balance the budget the District will use reserve funds of \$10.5 million.

3. MSD Business Plan:

The next section of Mr. Powell's presentation covered the MSD Business Plan. This section covers the long-term (ten-year) plan for Projected Sewer Rates and Revenues, Operating Expenses, CIP needs, and Debt Coverage Ratio. Mr. Powell explained staff uses its master plan objectives, regulatory requirements, debt service requirements, and the CPI and other indexes to determine level incremental sewer rate increases and equalize the rates over the 10-year period.

Mr. Powell stated over the next ten years the District will be investing \$211.6 million into our infrastructure, the break down being as follows: Interceptors \$25.9 million, Collection Rehabilitation \$145.3 million, Water Reclamation Facility \$39.4 million, and Reimbursements \$1 million. Funding will be a mixture of 60% pay as you go and 40% in future debt issuance.

MSD's CIP program is comprised mostly of collection system rehabilitation funding at 68%. Spending has increased at the Water Reclamation Facility due to upgrades to the facility. Spending will continue to increase due to upgrades as prescribed by the updated facilities plan over the next 10 to 20 years.

Cost reduction measures included value engineering from staff, which saved \$5 million on the Incinerator Project and \$3 million on the Weaverville pump station. Mr. Weed, Director of The Water Reclamation Facility, was able to locate and purchase used RBC's which will extend the life of the RBC function and allow a phased and logical improvement plan which tempers rate increases and the need for debt. Operation and Maintenance expenditures have averaged 2.6% increase over the last ten years. Materials, Supplies and Services have averaged 1%.

Mr. Powell discussed revenues, which include slow steady growth in user charges, conservatively projected impact fees, and non-recurring fees. Examples of non-recurring revenue are the Ash Project at The Asheville Airport and Duke Power Project, which are temporary. The Ash Project at the Asheville Airport is declining and beginning to phase out.

Mr. Hartye provided history about The Industrial Rate Parity Plan, which began in 2000. Industrial users were charged a much lower flow rate than domestic users, with an expensive surcharge for BOD's and TSS's. Since 2000, industrial flow rates have increased and surcharges on BOD's and TSS's have decreased. These changes are bringing rates closer to industry standards. We are entering the 17th year of the 20-year rate parity plan.

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Mr. Powell continued the discussion about the MSD Business Plan. Highlights were discussed, including the inflation factors for Operations and Maintenance and CIP expenditures; projected need for debt; and associated need for rate increases to meet the needs or state and federal regulatory requirements. The CIP Program has been expanded and the need for debt has declined.

Capital Assets should be increasing or at least staying the same. As seen in the graph, The District's Capital Assets have been increasing each year. This graph is particularly important for Board level review as it gives insight into how much a utility is preparing for the future. Mr. Hartye noted the importance of capital assets net of associated depreciation.

4. Rate Information:

Mr. Powell discussed how The Metropolitan Sewerage District compares to other sewer service providers. The District uses NACWA as an information source because they provide average monthly bill, including both flow and maintenance costs. Based on data for EPA Region IV – Southeast, the District's average monthly residential bill compares favorably.

Mr. Hartye noted that typically, rates increase significantly when there is a major rehabilitation at the treatment plant facilities. By taking a phased approach to other plant rehabilitation projects at the Treatment Facility, the impact of the RBC Biological System replacement will likely buffer a significant rate increase when the time comes for that project.

Ms. Manheimer asked for some clarification on the charges on a City of Asheville bill. Mr. Powell answered her question, by stating most utilities have both a fixed and volumetric component on the bill. This is typical throughout the water and sewer industry. MSD's average bill is based on five CCF (3750 gallons). Mr. Hartye added that having a combination fixed and volumetric rate protects the utility from drastic fluctuations during drought periods.

Mr. Powell continued his discussion on rates. MSD rates compare well to other North Carolina AA and AAA Sewer Providers. MSD's average monthly bill for 2016 was 9.5% more than water providers in Buncombe County. State and National averages are at 20%. The main reason for this difference is that it costs more to clean sewerage than to provide clean water to the customers.

Mrs. Wisler asked why Montreat users have a higher average monthly bill. Mr. Powell explained that a higher fixed meter maintenance charge due to the larger meter size is the reason for the higher bill. Most residential users have a 5/8 inch meter; Montreat chose to use a 3/4 inch meter for all residential users. Mr. Clarke and Mr. Hartye added to discussion that the larger water meter size has a greater capacity for impact to the system.

Staff recommends Tap and Facility Fees remain at FY 2016 levels; a 2.5% increase in the Domestic Rate; this would be a 73 cent increase in average single family monthly bill bringing the average bill from \$29.15 to \$29.88. Staff also recommends continuing the Industrial rate parity plan, which includes a 4.1% average increase for the industrial section and incorporates the 2.5% Domestic rate increase.

MSD is proposing an increase to provide funding for CIP, maintain favorable debt service ratio to minimize future interest expense and keep rate increases small and uniform per industry standards

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and previous District Board directions. Mr. Powell gave special thanks to Division Heads, his finance team and Teresa Gilbert, Budget Analyst.

5. Motion to accept staff recommendation:

Proposed FY17 Budget:

Following Mr. Powell's presentation, Chairman Kelly called for any questions or comments. Chairman Kelly inquired if the budgeted \$475,000 increase in insurance funding was for claims made by retirees or current employees. Mr. Powell responded that the impacts are related to current employees.

Recommendation:

Ms. Wisler moved to approve the Proposed FY2016-FY2017 Budget and Ms. Bryson seconded the motion. By a show of hands, the motion was carried unanimously.

Schedule of Rates & Fees for FY2017:

Chairman Kelly called for any questions or comments concerning the Proposed Schedule of Rates and Fees for FY 2017. With there being none, Chairman Kelly called for a recommendation to approve the Schedule of Rates & Fees for FY2017.

Recommendation:

Ms. Manheimer moved to approve the Schedule of Rates & Fees for FY2017. Ms. Bryson seconded the motion. By a show of hands, the motion was carried unanimously.

Finally, Chairman Kelly pointed out that when I first saw the agenda items, my first reaction was "My god, the cost of living has gone up one half of 1 percent and the request for salary adjustment has gone up 3 percent." But I came down early this morning, talked to Mr. Powell and gave him about 50, I thought, tough questions in about 15 minutes and all his answers were correct. He convinced me that the Finance Committee had done their job admirably and that the staff had done their admirably and I'm in favor of the proposed budget and rates and fees."

6. Adjournment:

With no further discussion, Mr. Kelly called for adjournment at 10:06am.

Metropolitan Sewerage District of Buncombe County

BOARD ACTION ITEM

BOARD MEETING DATE: May 18, 2016

SUBMITTED BY: Tom Hartye, P.E. - General Manager

REVIEWED BY: Billy Clarke, Esq. – District Counsel

PREPARED BY: Ed Bradford, P.E. - Director of Engineering
Hunter Carson, P.E. - Project Manager

SUBJECT: Consideration of Sole Source Specification for the Plant Headworks Improvements Project, MSD Project No. 2015004

BACKGROUND: The Plant Headworks Project is a significant near-term project recommended by the Plant Facility Plan. The project is comprised of replacement bar screens at the head of the plant, new fine screens and grit removal, as well as a surge-system for wet-weather storm events over 65 mgd. Construction is expected to begin in Fall 2016.

The majority of the project (both construction portions and equipment) will be competitively-bid. The grit removal aspect, however, requires a sole-source due to the unique nature of this type of process.

HDR, the engineering firm for this project, performed the preliminary engineering phase. Based upon performance data, operational characteristics, lower equipment cost, and better fitment into the existing site conditions – HDR and staff recommend that the District sole-source the Smith & Loveless Pistagrit 360TM System.

The primary benefits of sole-sourcing this equipment will be:

- That the District will receive equipment with proven performance at a lower cost (approximately \$1 million less); and
- To allow the design of the new facilities to be customized around the specific equipment being supplied. This leads to cost savings in both engineering and construction because of the ability to focus the design effort on a single, customized layout rather than the bidding of multiple designs for different equipment; and
- To take greater advantage of the grit removal system manufacturer's expertise and experience *during the design phase* to optimize the overall facility design.

The remaining portions of the project, including equipment, will be competitively-bid.

Please refer to the attached documentation for further details.

FISCAL IMPACT: This equipment costs approximately \$1 million less than the viable competitor's price.

STAFF RECOMMENDATION: Staff recommends that the District include a sole-source specification for a Smith & Loveless 360TM Grit Chamber in the competitively-bid construction contract for the Plant Headworks Project.

This is based upon the fact that:

- I) Each installation is unique. It is more efficient to design the project around a specific supplier rather than having multiple designs.
- II) Performance and price competition is not available among other grit-removal equipment suppliers.



May 10, 2016

W. Hunter Carson, P.E.
Project Manager, CIP Division
Metropolitan Sewerage District of Buncombe County, NC
2028 Riverside Drive
Asheville, NC 28804

RE: French Broad River WRF Plant Headworks Improvements
Grit Removal System Procurement Recommendation

Dear Mr. Carson,

The purpose of this letter is to satisfy the requirements of NCGS 143-129(e)(6) and serve as documentation of the reasoning behind our grit removal system procurement recommendation.

Background

The Metropolitan Sewerage District of Buncombe County (MSD) initiated a Plant Headworks Improvements Project at their French Broad River Water Reclamation Facility (WRF) to improve their screening and grit removal processes, both of which are performing poorly. This poor performance results in significant quantities of debris and grit making its way throughout the plant, resulting in premature wear on the equipment and increased maintenance costs. Progressing cavity solids handling pumps need to have their stators replaced every six months due to excessive grit wear, and trains of Rotating Biological Contactors (RBCs) must be routinely taken out of service as part of a preventative maintenance program to remove the grit and debris that is settling out in the RBC basins and plugging the RBCs. In addition to needing finer screens to remove debris from the process flow, a significantly improved grit removal system is also required to remove grit from the wastewater flow before it reaches the RBC basins. In an attempt to improve performance, several recommended changes to MSD's existing grit removal process have been made, which have not resulted in significant improvements to grit removal.

Design Considerations

During the study phase of the Facility Plan Update project, HDR and MSD evaluated several grit removal options and determined that there were two viable grit removal processes that have both demonstrated a high level of grit removal and were suitable to be installed onsite in the available footprint. These processes were the Eutek HeadCell® and the Smith and Loveless PISTA® 360™ Grit Chamber with V-Force™ baffle. Both grit removal systems are patented processes where no true "or-equals" exist. Additionally, both processes have significantly different concrete basin and channel configurations, which would require completely different and separate mechanical, structural and even sitework designs in order to accommodate the bidding of both grit removal processes against each other.

The Eutek HeadCell® concept utilizes a unique stacked tray design to provide high surface area for grit removal in a small footprint. While this system is routinely designed for new system installations, one of its niches / advantages is that it can be retrofitted into existing concrete basins to save the cost of new concrete tankage. An attempt was made to make this system work with the existing grit basin tankage, but the geometry and elevations would not allow it to work within the existing tankage. The Eutek HeadCell® grit removal system also includes a pump and grit classifier system to wash and dewater the grit before discharging the grit to a dumpster for disposal. A design concept was developed for the Eutek grit removal system that fit into the available footprint onsite and evaluated against a Smith and Loveless grit removal system design concept.

The Smith and Loveless PISTA® 360™ Grit Chamber with V-Force™ Baffle grit system utilizes a channel and grit chamber design to control velocities and water levels and develop a vortex to remove the grit. The V-Force™ Baffle is designed to direct the inlet flow into the chamber to ensure a proper vortex flow occurs and to prevent short circuiting, allowing a full 360 degree rotation from the inlet to outlet, which provides maximum travel for the most effective grit removal. This system also includes a grit pump and classifier system to discharge the washed and dewatered grit to a dumpster for disposal. A site layout was also developed for the Smith and Loveless system to compare with the Eutek HeadCell® system.

Cost proposals were received from both manufacturers and preliminary concrete tankage designs developed for cost comparison purposes. Based on these preliminary design estimates, it was determined that the Eutek HeadCell® system was approximately \$1,000,000 more for a system to treat an equivalent peak flow of 80 MGD. While some test results have indicated that the Eutek HeadCell® would likely have a higher grit removal efficiency, particularly with extremely fine grit particles in the 75 - 105 micron range, designing to remove these smaller particles would provide questionable benefits. Based on the grit characteristic testing that was performed at the plant, it was determined that these extremely fine grit particles were determined to be a small percentage of plant's grit load. Additionally, these finer particles are not known to be significant contributors to equipment wear / maintenance requirements. Therefore, it was decided that for this facility, there was no need to pay the additional cost for the Eutek HeadCell® and instead base the design around the Smith and Loveless PISTA® 360™ Grit Chamber equipped with the patented V-Force™ baffle.

While there are other manufacturers utilizing what appears to be a similar forced vortex grit process; field studies, physical and CFD modeling, and case studies have shown that Smith and Loveless's patented V-Force™ baffle significantly improves the grit removal capabilities of the forced vortex process. The baffle forces the grit to take at least one 360 degree rotation around the vortex basin before it has the opportunity to exit the basin, preventing short circuiting of the grit and allowing it the opportunity to settle. HDR performed reference checks on multiple installations. One of the reference checks was for a system originally installed without the V-Force™ baffle. After installation of the baffle, the grit removal quantity increased so significantly that the plant had to


make modifications to their downstream grit handling processes to handle the increased quantities of grit being removed.

Recommendations

HDR recommends basing the grit system design around the Smith and Loveless PISTA® 360TM Grit Chamber with V-Force™ Baffle design and sole-sourcing this system utilizing a pre-negotiated bid allowance as price competition for the proposed grit removal process is not available. This will be the most cost-effective way to ensure that MSD will be able to achieve the necessary grit removal at their facility.

Detailed documentation of the aforementioned information can be found in HDR's Facility Plan Update report dated April 10, 2015.

Sincerely,
HDR Engineering, Inc. of the Carolinas



Brian R. Thorsvold, PE
Project Manager

**Metropolitan Sewerage District of Buncombe County, North Carolina
CAPITAL IMPROVEMENT PROGRAM**

BUDGET DATA SHEET - FY 2015 - 2016

PROJECT: Plant Headworks Improvements	LOCATION: MSD-Treatment Plant
TYPE: Treatment Plant	PIPE RATING: N/A
PROJECT NO.: 2015004	TOTAL LF: 0
PROJECT BUDGET: \$7,441,000.00	PROJECT ORIGIN: Facilities Plan Update - HDR

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 12/31/14	EST. COST JAN - JUNE 2015	BUDGET FY 15-16
55310 - PRELIM. ENGINEERING				
55320 - SURVEY - DESIGN				
55330 - DESIGN	\$656,000.00			\$656,000.00
55340 - PERMITS				
55350 - SPECIAL STUDIES	\$25,000.00			\$25,000.00
55360 - EASEMENT PLATS				
55370 - LEGAL FEES				
55380 - ACQUISITION SERVICES				
55390 - COMPENSATION				
55400 - APPRAISAL				
55410 - CONDEMNATION				
55420 - CONSTRUCTION	\$6,510,000.00			
55430 - CONST. CONTRACT ADM.	\$250,000.00			
55440 - TESTING				
55450 - SURVEY - ASBUILT				
TOTAL AMOUNT	\$7,441,000.00	\$0.00	\$0.00	\$681,000.00

ENGINEER: TBD	HC	ESTIMATED BUDGETS - FY '16 -'25	
R.O.W. ACQUISITION: N/A	# PLATS: [0]	FY 16-17	\$4,466,000.00
CONTRACTOR:		FY 17-18	\$2,294,000.00
CONSTRUCTION ADM.: TBD		FY 18-19	\$0.00
INSPECTION: TBD		FY 19-20	\$0.00
		FY 20-21	\$0.00
		FY 21-22	\$0.00
PROJECT DESCRIPTION: This project is a recommendation from the Facilities Plan Update, a WRF master planning document completed by HDR in April 2015. This project consists of a new grit removal system, fine screening facility, and surge/equalization basins and pumping station at the French Broad River WRF. The upgrades will improve downstream water quality and shave peak flows into the WRF.		FY 22-23	\$0.00
		FY 23-24	\$0.00
		FY 24-25	\$0.00

SPECIAL PROJECT NOTES:



**Plant Headworks Improvements
Project No. 2015004**

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: May 18, 2016

Submitted By: Thomas E. Hartye, PE., General Manager

Prepared By: W. Scott Powell, CLGFO, Director of Finance
Cheryl Rice, Accounting Manager

Subject: Cash Commitment/Investment Report-Month Ended March 31, 2016

Background

Each month, staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of March 31, 2016 were \$49,600,296. The detailed listing of accounts is available upon request. The average rate of return for all investments is 0.495%. These investments comply with North Carolina General Statutes, Board written investment policies, and the District’s Bond Order.

The attached investment report represents cash and cash equivalents as of March 31, 2016 do not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of March 31, 2016 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$24,458,907.

Total Cash & Investments as of 03/31/2016		49,600,296
Less:		
Budgeted Commitments (Required to pay remaining FY16 budgeted expenditures from unrestricted cash)		
Construction Funds	(7,719,810)	
Operations & Maintenance Fund	(5,137,855)	
		(12,857,665)
Bond Restricted Funds		
Bond Service (Funds held by trustee):		
Funds in Principal & Interest Accounts	(3,685)	
FY16 Principal & Interest Due	(6,900,077)	
		(6,903,762)
District Reserve Funds		
Fleet Replacement	(671,830)	
WWTP Replacement	(534,251)	
Maintenance Reserve	(955,281)	
		(2,161,362)
District Insurance Funds		
General Liability	(494,073)	
Worker's Compensation	(247,468)	
Post-Retirement Benefit	(1,490,972)	
Self-Funded Employee Medical	(986,087)	
		(3,218,600)
Designated for Capital Outlay		24,458,907

Staff Recommendation

None. Information Only.

Action Taken

Motion by:

to **Approve**
Table

Disapprove
Send to Committee

Second by:

Other:

Follow-up Required:

Person Required:

Deadline:

**Metropolitan Sewerage District of Buncombe County
Investment Portfolio**

	Operating Checking Accounts	Gov't Advantage Money Market	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ 1,132,958	- \$	3,685 \$	- \$	- \$	- \$	- \$	- \$	3,685
Held by MSD	1,132,958	46,667	1,642,376	8,990,039	3,000,000	19,998,571	49,596,611		
	\$ 1,132,958	\$ 46,667	\$ 1,642,376	\$ 8,990,039	\$ 3,000,000	\$ 19,998,571	\$ 49,600,296		

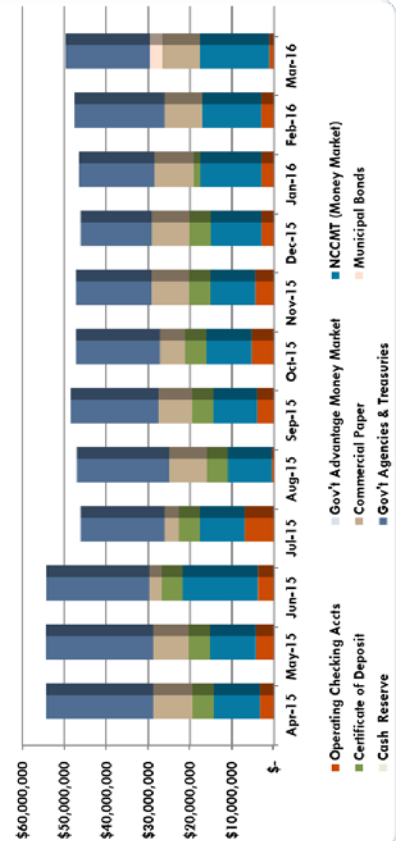
Investment Policy Asset Allocation	Maximum Percent	Actual Percent
U.S. Government Treasuries, Agencies and Instrumentalities	100%	40.32%
Bankers' Acceptances	20%	0.00%
Certificates of Deposit	100%	0.00%
Commercial Paper	20%	18.13%
Municipal Bonds	100%	6.05%
North Carolina Capital Management Trust	100%	33.13%
Checking Accounts:		
Operating Checking Accounts	100%	2.28%
Gov't Advantage Money Market		0.09%

No significant changes in the investment portfolio as to makeup or total amount.

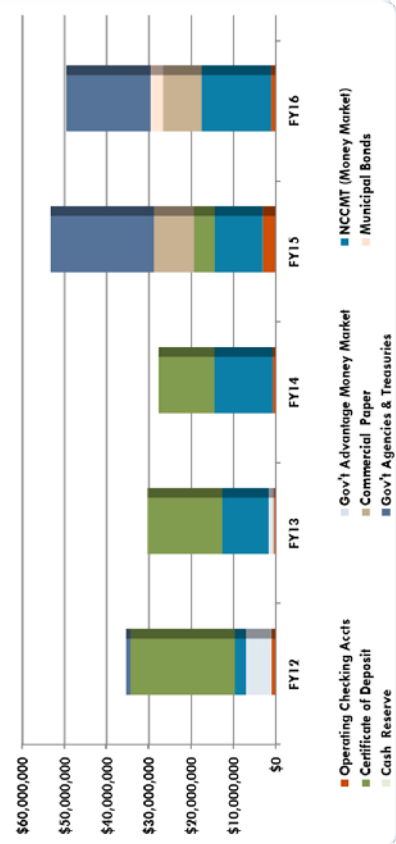
The District's YTM of .51% is exceeding the YTM benchmarks of the 6 month T-Bill and NCCMT Cash Portfolio.

All funds invested in CD's, operating checking accounts, Gov't Advantage money market are fully collateralized with the State Treasurer.

**MSD of Buncombe County
Investment Portfolio - 12 Month Trend**



**MSD of Buncombe County
Investment Portfolio - As of March 31, 2016**



Board Meeting:

May 18, 2016

Subject:

Cash Commitment/Investment Report-Month Ended March 31, 2016

Page -3-

**METROPOLITAN SEWERAGE DISTRICT
INVESTMENT MANAGERS' REPORT
At March 31, 2016**

Summary of Asset Transactions

	Original Cost	Market	Interest Receivable
Beginning Balance	\$ 42,918,963	\$ 42,930,677	\$ 20,061
Capital Contributed (Withdrawn)	3,585,530	3,585,530	
Realized Income	13,149	13,149	(8,368)
Unrealized/Accrued Income		1,957	6,460
Ending Balance	\$ 46,517,642	\$ 46,531,313	\$ 18,154

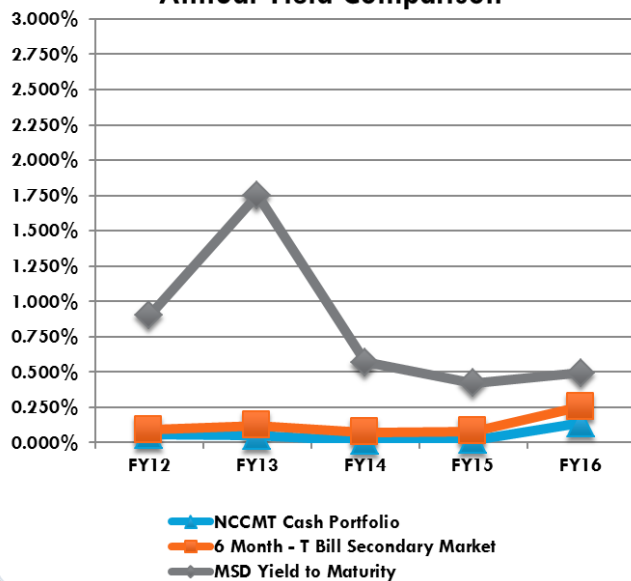
Value and Income by Maturity

	Original Cost	Income
Cash Equivalents <91 Days	\$ 26,523,794	\$ 7,526
Securities/CD's 91 to 365 Days	12,494,347	\$ 3,545
Securities/CD's > 1 Year	7,499,500	\$ 2,128
	\$ 46,517,642	\$ 13,199

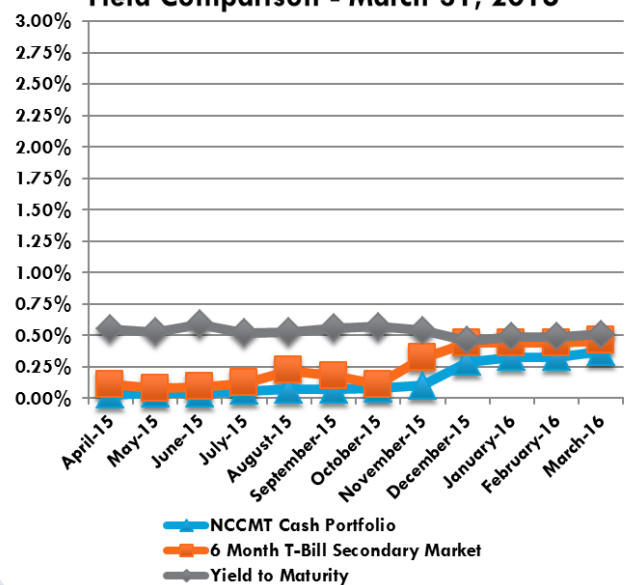
Month End Portfolio Information

Weighted Average Maturity	254
Yield to Maturity	0.51%
6 Month T-Bill Secondary Market	0.46%
NCCMT Cash Portfolio	0.37%

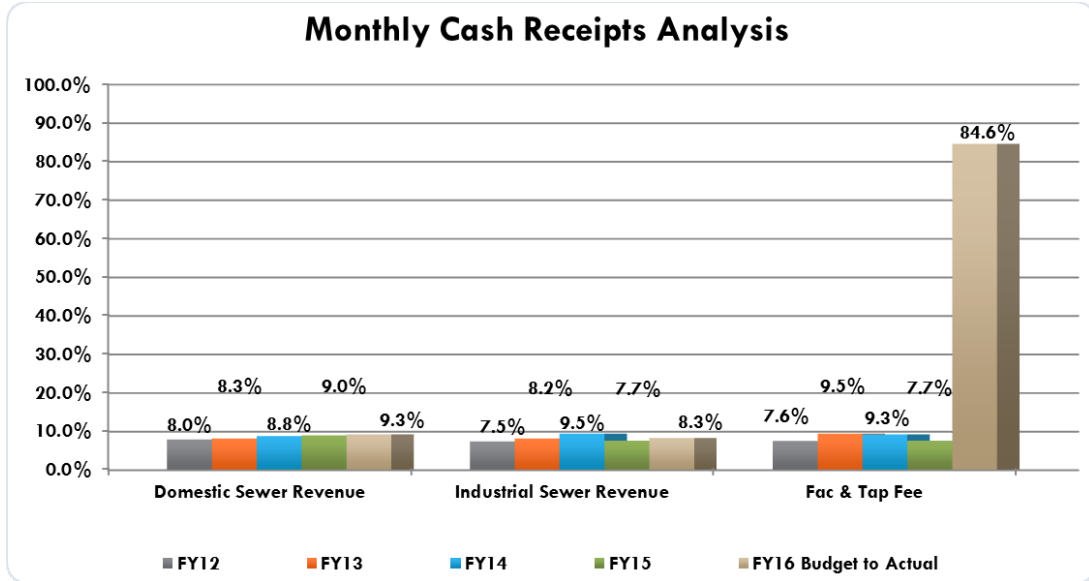
**Metropolitan Sewerage District
Annual Yield Comparison**



**Metropolitan Sewerage District
Yield Comparison - March 31, 2016**

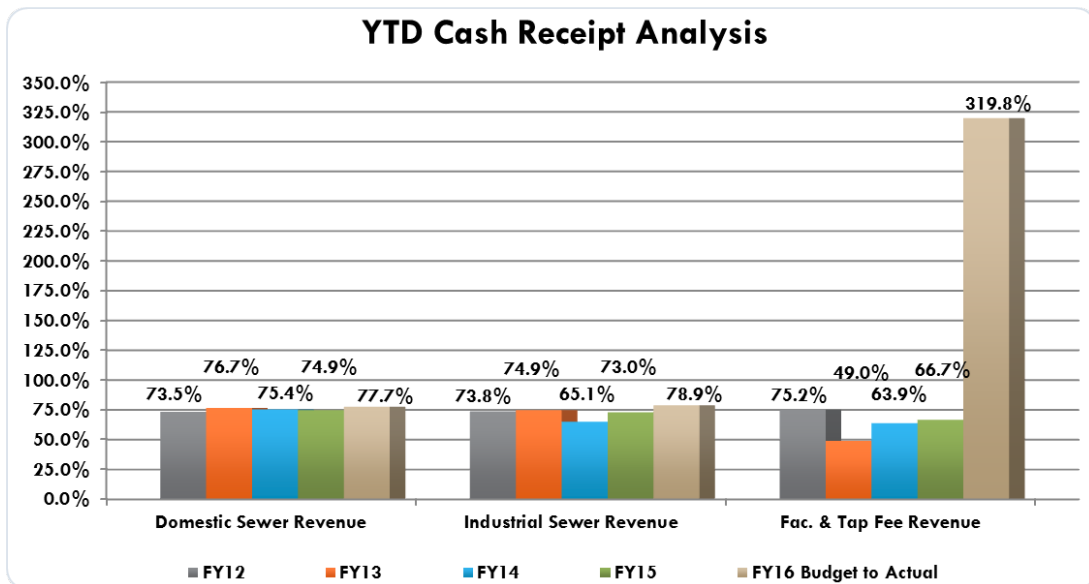


**METROPOLITAN SEWERAGE DISTRICT
 ANALYSIS OF CASH RECEIPTS
 As of March 31, 2016**



Monthly Cash Receipts Analysis:

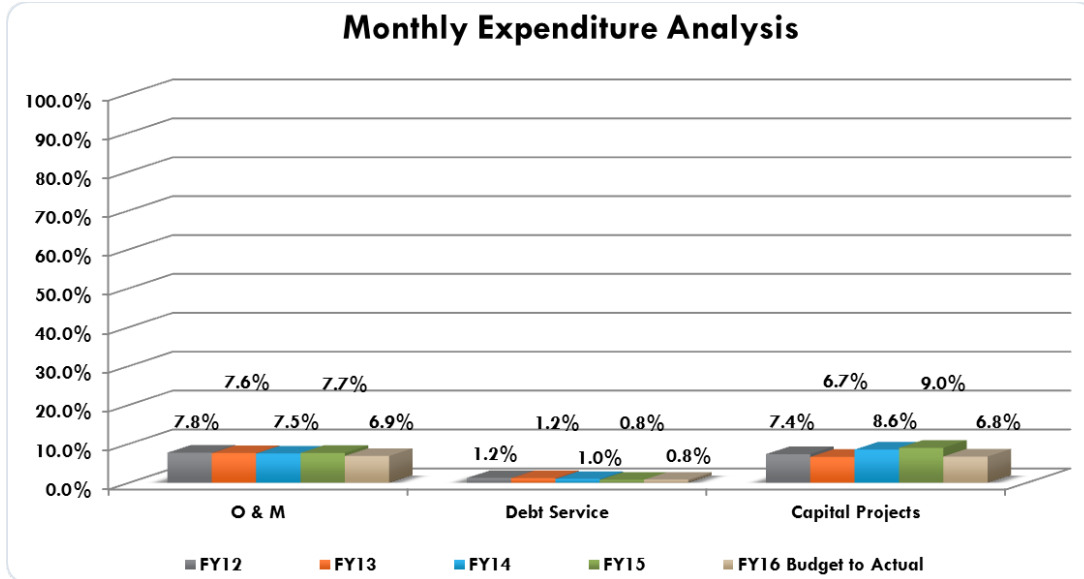
- Monthly domestic sewer revenue is considered reasonable based on timing of cash receipts in their respective fiscal periods.
- Monthly industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.



YTD Actual Revenue Analysis:

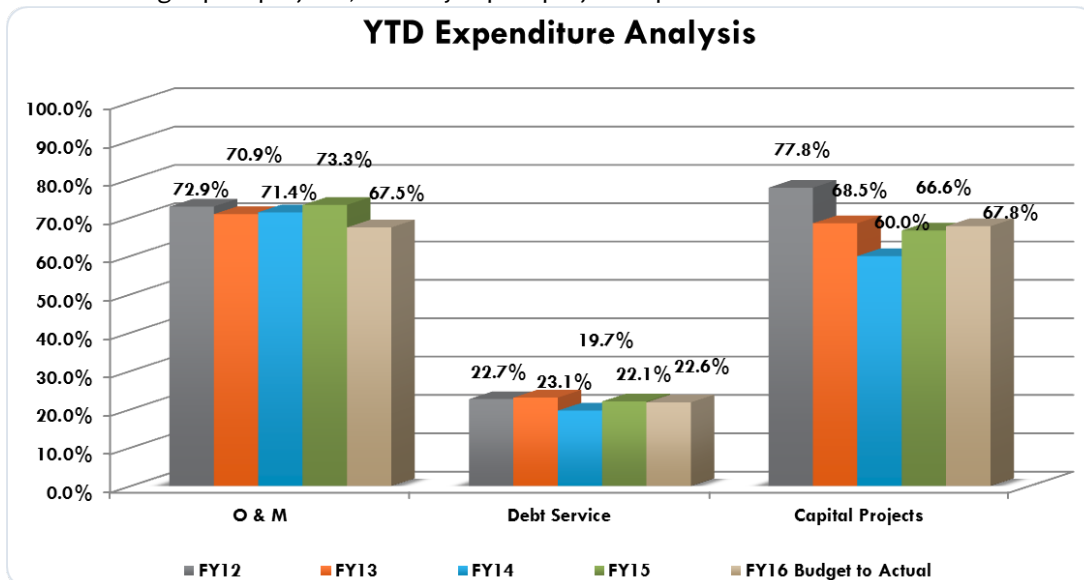
- YTD domestic sewer revenue is considered reasonable based on historical trends.
- YTD industrial sewer revenue is reasonable based on historical trends.
- Due to the unpredictable nature of facility and tap fee revenue, staff considers facility and tap fee revenue reasonable.

**METROPOLITAN SEWERAGE DISTRICT
ANALYSIS OF EXPENDITURES
As of March 31, 2016**



Monthly Expenditure Analysis:

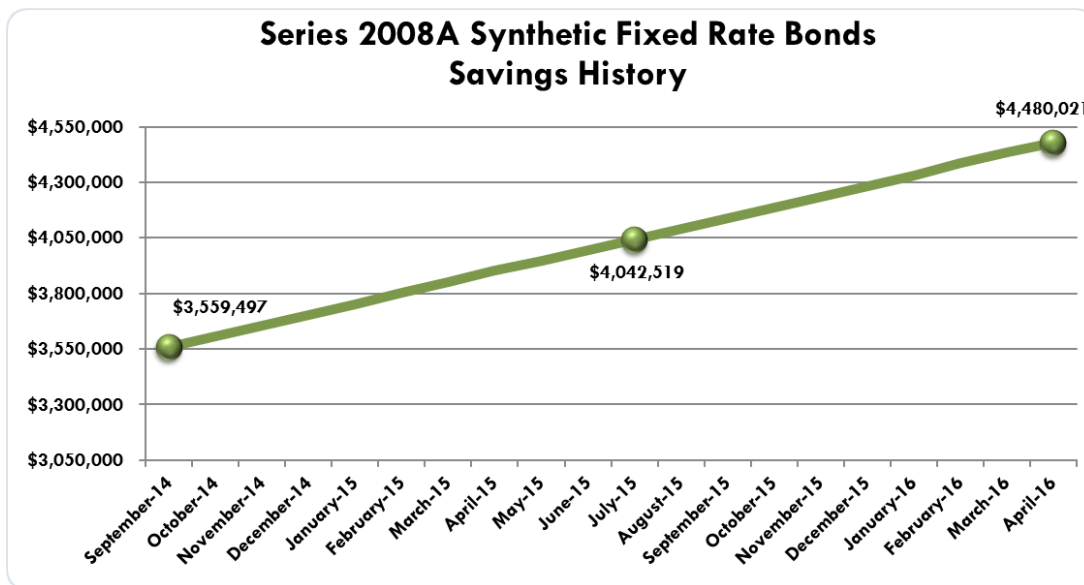
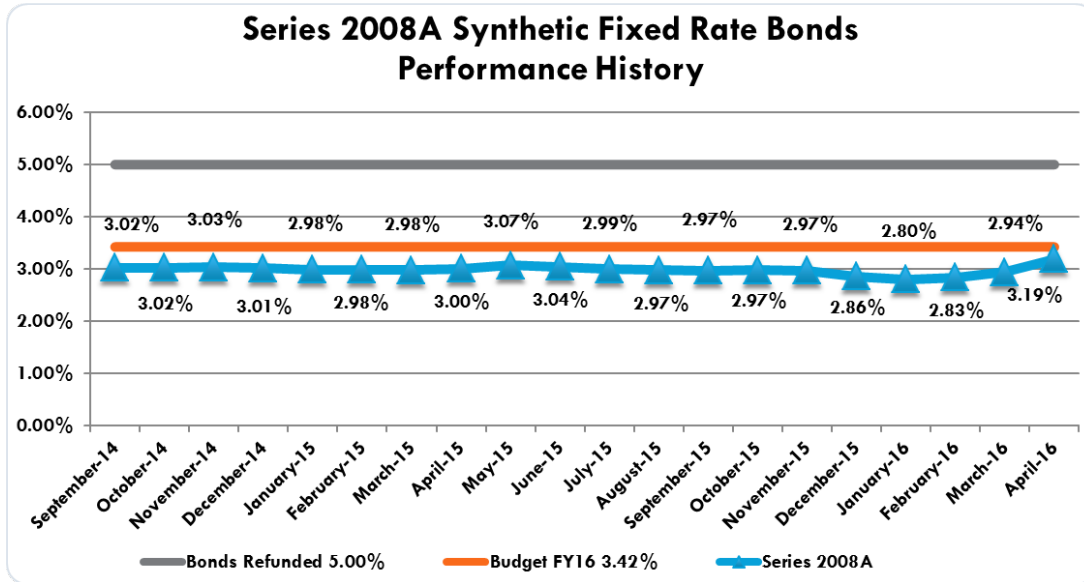
- Monthly O&M expenditures are considered reasonable based on historical trends and timing of expenditures in the current year.
- Due to the nature of the variable rate bond market, monthly expenditures can vary year to year. Based on current variable interest rates, monthly debt service expenditures are considered reasonable.
- Due to nature and timing of capital projects, monthly expenditures can vary from year to year. Based on the current outstanding capital projects, monthly capital project expenditures are considered reasonable.



YTD Expenditure Analysis:

- YTD O&M expenditures are considered reasonable based on historical trends.
- Due to the nature of the variable rate bond market, YTD expenditures can vary year to year. Based on current variable interest rates, YTD debt service expenditures are considered reasonable.
- Due to nature and timing of capital projects, YTD expenditures can vary from year to year. Based on the current outstanding capital projects, YTD capital project expenditures are considered reasonable.

**METROPOLITAN SEWERAGE DISTRICT
 VARIABLE DEBT SERVICE REPORT
 As of April 30, 2016**



Series 2008A:

- ▲ Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$4,480,021 as compared to 4/1/2008 fixed rate of 4.85%.
- ▲ Assuming that the rate on the Series 2008A Bonds continues at the current all-in rate of 3.9475%, MSD will achieve cash savings of \$4,670,000 over the life of the bonds.
- ▲ MSD would pay \$5,348,272 to terminate the existing Bank of America Swap Agreement.

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

Meeting Date: May 18, 2016

Submitted By: Thomas E. Hartye, PE., General Manager

Prepared By: W. Scott Powell, CLGFO, Director of Finance

Reviewed By: Billy Clarke, Legal Counsel

Subject: Consideration of the Resolution Adopting the Preliminary Budget for FY 2016-2017 and the Schedule of Sewer Rates & Fees

Background

The District Budget process must comply with North Carolina General Statutes and the MSD Revenue Bond Order. The Bond order requires that the District adopt its final budget on or before June 15 of each year. The North Carolina General Statutes required that an annual balanced budget ordinance, based upon expected revenues, along with a budget message, to be presented to the governing board no later than June 1 of each year.

Staff/Finance Committee Recommendations

BUDGET:

The Finance Committee unanimously approved staff's recommendation to forward to the Board for approval of the attached FY 2016-2017 Preliminary Budget along with the Resolution.

SEWER RATES & FEES:

The Finance Committee unanimously approved staff's recommendation to forward to the Board for approval of the attached Proposed Schedule of Fees and Charges – FY2017.

Action Taken

Motion by:

to

Approve

Disapprove

Second by:

Table

Send to Committee

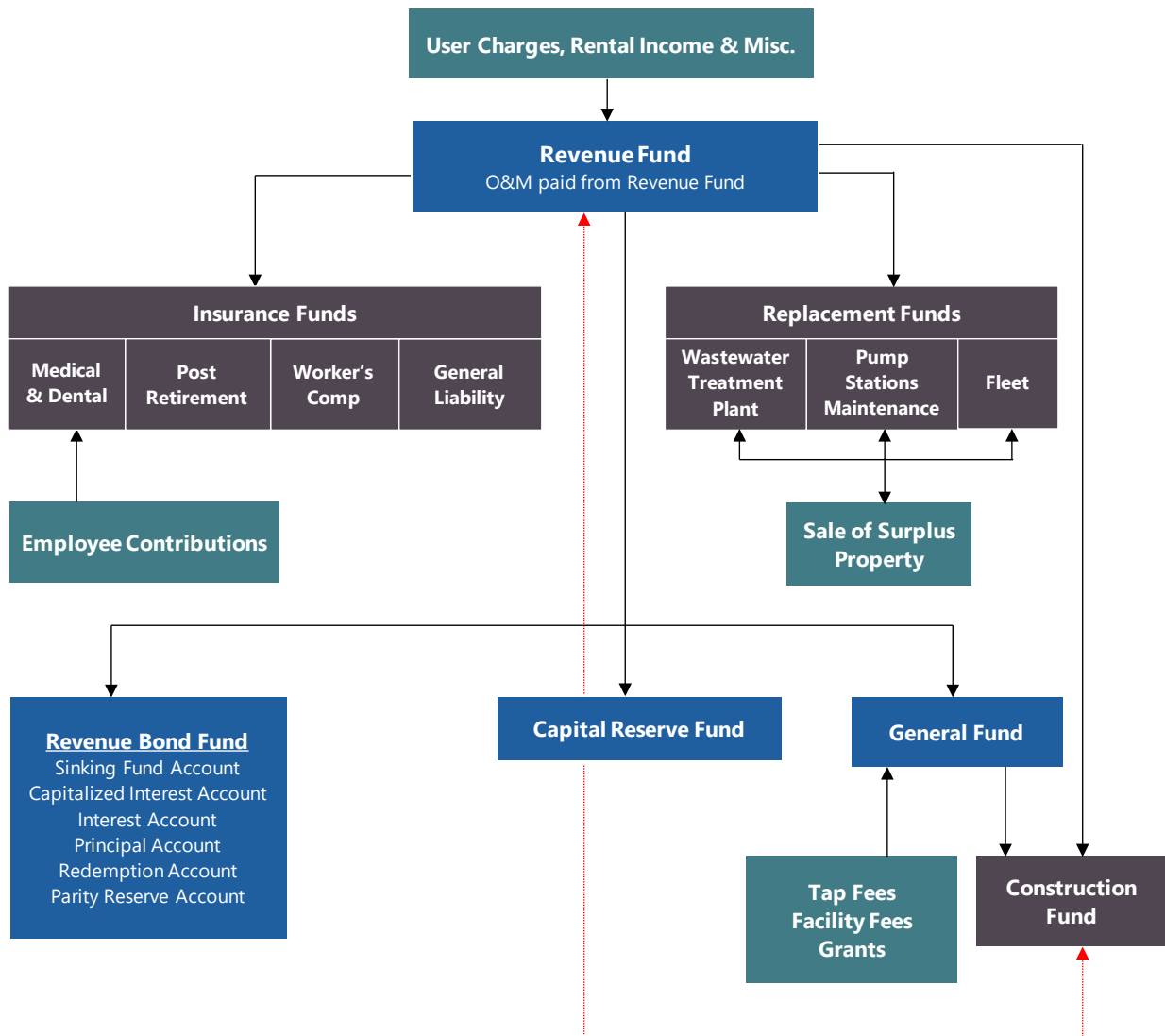
Other:

Follow-up Required:

Person Required:

Deadline:

Flow of Funds Chart



Priority of expenditures per Bond Order

1. Current Expenditures
2. Debt Service
3. Capital Reserve
4. Any Lawful Purpose

- Income Sources
- Trustee Funds
- Expenditures

————— Flow of Funding

..... Flow of Funding if required for emergency repairs or maintenance

Resolution – Preliminary Budget & Sewer Use Charges

**RESOLUTION ADOPTING PRELIMINARY BUDGET AND SEWER USE CHARGES
FOR THE
METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY, NORTH CAROLINA
FOR THE FISCAL YEAR July 1, 2016 THRU June 30, 2017**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, Construction Expenditures of the District, and the sources of revenue and allocations (uses) of expenditures for the 2016-2017 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED:

1. The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the Debt Service, General Fund, and Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Operating and Maintenance Expenses	\$ 12,482,116
Transfer to Insurance Accounts	\$ 3,474,374
Transfer to Fleet Replacement Reserve	\$ 425,000
Transfer to Wastewater Treatment Plant Reserve	<u>\$ 200,000</u>
Subtotal O&M	\$ 16,581,490
Transfer to Debt Service Fund	\$ 7,956,840
Transfer to General Fund	<u>\$ 11,332,582</u>
	<u>\$ 35,870,912</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Domestic User Fees	\$ 29,922,929
Industrial User Fees	\$ 2,943,043
Billing and Collection Fees	\$ 772,500
Investment Interest	\$ 386,679
Reimbursement for Debt Service from COA	\$ 37,000
Rental Income	\$ 71,399
Appropriated Net Position	<u>\$ 1,737,362</u>
	<u>\$ 35,870,912</u>

Resolution – Preliminary Budget & Sewer Use Charges

2. The following amounts are hereby appropriated in the General Fund for the transfers to the Construction Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer into Construction	<u>\$ 22,034,087</u>
----------------------------	----------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Facility and Tap Fees	\$ 1,700,000
Investment Income	\$ 85,285
Transfer from Revenue Fund	\$ 11,332,582
Appropriated Net Position	<u>\$ 8,916,220</u>
	<u>\$ 22,034,087</u>

3. The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Capital Improvements Projects	<u>\$ 22,042,087</u>
-------------------------------	----------------------

It is estimated that the following revenues will be available to the Construction Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Investment Income	\$ 8,000
Transfer from General Fund	\$ 22,034,087
	<u>\$ 22,042,087</u>

4. The following amounts are presented as the financial plan of the Insurance Funds that are used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 are:

Operating Expenditures	<u>\$ 3,643,470</u>
------------------------	---------------------

It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 3,474,374
Investment Income	\$ 13,100
Employee/Retirees Medical Contributions	\$ 415,000
Contributions to Net Position	<u>\$ (259,004)</u>
	<u>\$ 3,643,470</u>

Resolution – Preliminary Budget & Sewer Use Charges

5. The following amounts are presented as the financial plan of the Fleet Replacement Fund designated for capital equipment expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 668,000</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer in from the Revenue Fund	\$ 425,000
Sale of Surplus Property	\$ 80,160
Investment Income	\$ 8,914
Appropriated Net Position	<u>\$ 153,926</u>
	<u>\$ 668,000</u>

6. The following amounts are presented as the financial plan of the Wastewater Treatment Plant Replacement Fund designated for wastewater treatment plant capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 162,150</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 200,000
Investment Income	\$ 7,044
Transfer Out to Pump Station Replacement Fund	\$ (100,000)
Appropriated Net Position	<u>\$ 56,277</u>
	<u>\$ 162,150</u>

7. The following amounts are presented as the financial plan in the Pump Station Replacement Fund designated for pump capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 55,000</u>
-------------------	------------------

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Wastewater Replacement Fund	\$ 100,000
Investment Income	\$ -
Contributions to Net Position	<u>\$ (45,000)</u>
	<u>\$ 55,000</u>

Resolution – Preliminary Budget & Sewer Use Charges

8. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Debt Service	<u>\$ 7,956,840</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 7,956,840
Investment Income	\$ 50
Contributions to Net Position	<u>\$ (50)</u>
	<u>\$ 7,956,840</u>

9. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.
10. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
- a. He may transfer amounts without limitation between departments in a fund.
 - b. He may transfer any amounts within Debt Service and Reserve Funds designated as excess by the Trustee into another fund.
 - c. He may transfer up to 10% of Insurance Fund reserves to meet current year expenditures in excess of budget.
11. That the attached Schedule of Fees and Charges be adopted as effective July 1, 2016.
12. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 18th day of May 2016

M. Jerry VeHaun, Chairman
Metropolitan Sewerage District of
Buncombe County, North Carolina

Attest:

Jackie Bryson
Secretary/Treasurer

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Rate increase		2.50%
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 4.28	\$ 4.39
Industrial Volume Charges (per CCF) Inside	\$ 3.69	\$ 3.95
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Inside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Inside	\$ 0.262	\$ 0.259
Residential & Commercial Volume Charges (per CCF) Outside	\$ 4.29	\$ 4.40
Industrial Volume Charges (per CCF) Outside	\$ 3.70	\$ 3.96
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Outside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Outside	\$ 0.262	\$ 0.259
Base Meter/Maintenance Charge & Billing Fee		
5/8"	\$ 6.60	\$ 6.77
3/4"	\$ 9.61	\$ 9.85
1"	\$ 17.05	\$ 17.48
1 1/2"	\$ 39.03	\$ 40.01
2"	\$ 69.03	\$ 70.76
3"	\$ 153.10	\$ 156.93
4"	\$ 273.20	\$ 280.03
6"	\$ 615.44	\$ 630.83
8"	\$ 1,092.80	\$ 1,120.12
10"	\$ 1,711.26	\$ 1,754.04
Billing Fee (per bill)	\$ 2.30	\$ 2.31
Sewer Facility Fees		
<i>This impact fee is for allotted capacity in the treatment and transmission system. A differential fee will be charged for increases to an existing meter size.</i>		
Residential		
Per Unit (non-mobile home)	\$ 2,500.00	\$ 2,500.00
Mobile Home	\$ 1,740.00	\$ 1,740.00
Affordable Housing	\$ 670.00	\$ 670.00
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 2,500.00	\$ 2,500.00
3/4"	\$ 2,830.00	\$ 2,830.00

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Sewer Facility Fees (continued)		
Nonresidential (modifiable per economic development waiver) (continued)		
1"	\$ 5,560.00	\$ 5,560.00
1 1/2"	\$ 11,350.00	\$ 11,350.00
2"	\$ 20,000.00	\$ 20,000.00
3"	\$ 45,000.00	\$ 45,000.00
4"	\$ 87,500.00	\$ 87,500.00
6"	\$ 225,400.00	\$ 225,400.00
8"	\$ 237,500.00	\$ 237,500.00
Additions < 1,400 GPD	\$ 870.00	\$ 870.00
Additions over 1,400 GPD	Based on flow rate & meter size	Based on flow rate & meter size
Sewer Connection Fees		
<i>This fee is to provide new or re-establish existing service connections to the MSD system.</i>		
Sewer Connection by MSD	\$ 650.00	\$ 650.00
Pavement Disturbance Fee	\$ 2,200.00	\$ 2,200.00
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300.00)	\$ (1,300.00)
Inspection Fee for Developer (or Utility Contractor) Installed Sewer Connection	\$ 140.00	\$ 140.00
<i>The Sewer Connection Fee will apply to new home construction, as well as existing homes which have been demolished or remodeled and sewer service is reinstated under new property ownership. MSD reserves the right to require that a licensed utility contractor install any sewer connection, and such connections will be subject to MSD inspection. Sewer connections in excess of 75 feet will be evaluated on a case by case basis. If constructed by MSD, they will be billed at cost. Property owners may choose to utilize a licensed utility contractor, which will be subject to MSD inspection.</i>		
Manhole Installation/Replacement		
Cost per foot	\$ 250.00	\$ 250.00
Pavement replacement (if required)	\$ 1,800.00	\$ 1,800.00

Schedule of Rates & Fees

Effective July 1, 2016


	CURRENT FY16 RATE	PROPOSED FY17 RATE
Other Fees		
Allocation Fee	\$ 170.00	\$ 170.00
Non-Discharge Permit	\$ 200.00	\$ 200.00
Plan Review Fee	\$ 450.00	\$ 450.00
Plan re-review Fee	\$ 350.00	\$ 350.00
Final Inspection	\$ 350.00	\$ 350.00
Pump Station Acceptance Fee	Note 1	Note 1
<i>Note 1 --See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing</i>		
Bulk Charges		
Volume Charge for Septic Haulers (per 1,000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >240 mg/l (per lb.)	\$ 0.327	\$ 0.320
Total Suspended Solids >240 mg/l (per lb.)	\$ 0.262	\$ 0.259
Returned Check Charge		
Returned Check (per event)	\$ 25.00	\$ 25.00
Dishonored Draft (per event)	\$ 25.00	\$ 25.00
Copy/Printing Fees/Miscellaneous (each)		
8x11 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00	\$ 14.00
8x11 or 8x14 copies after first print	\$ 0.11	\$ 0.11
11x17 copies after first print	\$ 0.20	\$ 0.20
24x36 copies after first print	\$ 0.94	\$ 0.94
34x44 copies after first print	\$ 1.76	\$ 1.76
36x48 copies after first print	\$ 2.03	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00	\$ 3.00
Data CD	\$ 30.00	\$ 30.00
Shipping for CD	\$ 5.00	\$ 5.00
Permit Decals for Septic Haulers	\$ 50.00	\$ 50.00



2017

Preliminary Budget

Document



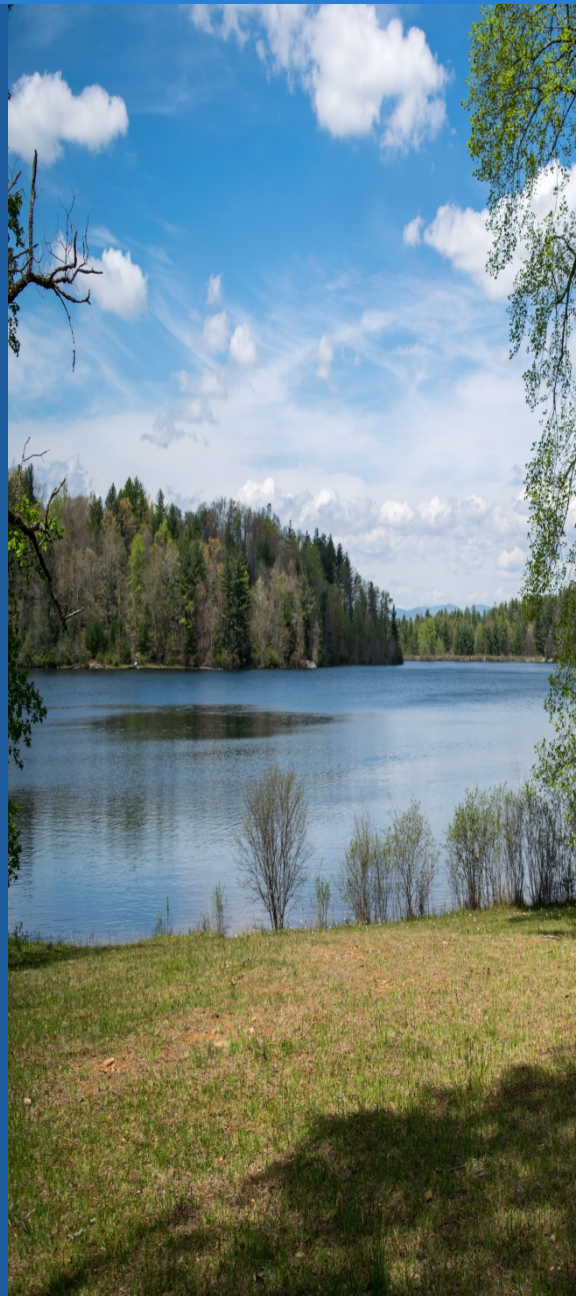
Metropolitan Sewerage District of Buncombe County, North Carolina
2028 Riverside Drive ~ W. H. Mull Building
Asheville, North Carolina 28804
Phone: (828) 254-9646 Website: www.msdbc.org



2016-2017 Preliminary Budget Document

PRINCIPAL OFFICIALS

Board Member	Representative of
M. Jerry VeHaun, Chairman	Town of Woodfin
Jackie W. Bryson, Secretary/Treasurer	Woodfin Sanitary Water & Sewer
Matt Ashley, Jr,	Town of Montreat
Joe Belcher	County of Buncombe
Jon Creighton	County of Buncombe
Ellen Frost	County of Buncombe
E. Glenn Kelly	Town of Biltmore Forest
Esther Manheimer	City of Asheville
Chris Pelly	City of Asheville
Al P. Root	Town of Weaverville
Don Collins	Town of Black Mountain
Gwen Wisler	City of Asheville
Roberts & Stevens, P.A.	Legal Counsel
Cherry Bekaert, LLP	Auditing Firm
McGill & Associates	Engineer of Record
Thomas E. Hartye, P.E.	General Manager
W. Scott Powell, CLGFO	Director of Finance



Phone: (828) 254-9646
Website: www.msdbc.org

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina (MSD) for its annual budget for the fiscal year beginning July 1, 2015. This is the nineteenth consecutive year that the MSD has received this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period on one year only. We believe our FY2017 budget continues to conform to the program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



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INTRODUCTION





Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

May 18, 2016

Members of the Board
Metropolitan Sewerage District of Buncombe County, North Carolina
W. H. Mull Building
2028 Riverside Drive
Asheville, North Carolina 28804

Subject: FY17 Preliminary Budget Document

Dear Members of the Board,

We respectfully present the FY17 Budget for the Metropolitan Sewerage District of Buncombe County, North Carolina. The budget incorporates staff recommendations presented to and accepted by the Personnel Committee, which met on April 26, 2016, the Capital Improvement Program Committee, which met on April 28, 2016, and the Finance Committee, which met on May 5, 2016.

We have developed the FY17 Budget to advance the organization's mission "*to provide wastewater collection and treatment to its users which promotes the health and safety of affected citizens in the most effective and efficient manner possible today and in the future*". The following Operational and Capital budget is designed to provide services meeting or exceeding all state regulations and Bond Order covenants with which the District must comply, with any rate changes to be at the lowest responsible level.

Current Year Highlights

In FY16, the District's domestic and industrial revenue is expected to meet budgeted projections. The District continues to achieve growth in the number of residential customers.

By effectively controlling the increase in operating expenditures and strategically planning the timing of CIP projects, the District has been able to limit the proposed rate increase to 2.5% for the upcoming year. Additionally, the District's long-range business plan incorporates these changes and projects that future rate increases will approximate 2.5% for the remaining nine (9) years.

This budget continues several recent initiatives to maintain the District's overall strategy of keeping collection lines and the plant functioning effectively while rehabilitating significant portions of aging infrastructure.

The most important goal remains meeting all regulatory permit requirements including minimizing the occurrence of sanitary sewer overflows (SSOs).

The SS Construction Department continues to expand its participation in sewerline rehabilitation and replacement efforts to minimize SSOs. Goals for FY17 include utilizing Infrastructure Rehabilitation System (IRS) lining, pipe bursting, and dig-and-replacement construction to rehabilitate and replace at least 20,000 linear feet, while providing preventative maintenance for approximately 500,000 linear feet of the system by employing in-house jet wash cleaning and both chemical and mechanical root control. In addition, the SS Maintenance Department will manage the District's Right-of-Way maintenance program whereby easements will be periodically cleared or mowed.

The Wastewater Treatment Plant is continuing systematic improvements as part of the District's detailed Facilities Plan. In FY16, the District will begin the construction phase of the \$11.5 million Headworks project. This project includes installing new bar screens and grit removal systems along with fine screens and a surge system for peak flows.

Operating Budget

The proposed \$16.1 million Operating Budget represents routine expenditures and capital equipment acquisitions needed for the day-to-day operations of the District. Highlights of significant components and changes include:

- ◀ **Compensation and Benefits**—The staff and employees considered salary and health insurance increases together as part of a comprehensive compensation package.
 - ✘ A 3.0% salary adjustment—CPI increased 1.6% for the last twelve-month period; Division Directors in conjunction with Employee Advisory Committee have requested a cost of living increase to keep pace with industry salary increases as well as to encourage retention of valued employees. The Personnel Committee has recommended a wage increase, which has a \$252,000 net impact on current year expenditures.
 - ✘ An 8.7% increase in funding for North Carolina retirement cost—In 2016, the Local Governmental Employees' Retirement Systems (LGERS) adopted a rate stabilization policy to allow for predictability and stability in the contribution rates, while continuing to keep the local retirement system one of the best-funded systems in the country. Subsequently, LGERS raised the District's contribution rate from 6.67% to 7.25% of total salary and wages. Over the next five years, contribution rates are projected to increase to an amount slightly over 8.25%. This has a \$48,737 impact on current year expenditures.
 - ✘ A 10% increase in funding for Self-Insured Medical Plan—During FY16, staff worked with its consultant and initiated a top to bottom review of our medical insurance plan. The effort was to insure the District has a medical plan in line with our sister agencies as well as to limit certain benefits and increase cost sharing by employees in the amount of \$175,000. These changes have been endorsed by the Employee Advisory Committee. The two groups continue to work

on a long-term strategic plan to address controllable medical issues. The 10% increase in the employer contribution is in line with medical and prescription trend and has a \$173,512 impact on current year expenditures.

- ✦ Funding for Post-Employment Health Benefit—Starting in FY09, GASB 45 required recognition of cost for Post-Employment Health Benefits. An actuarial study was done in the current year, which stated that FY17 funding should be \$270,000. Current funding has been implemented into the proposed FY17 budget and the current business plan and represents 1.7% of total operations.

- ◀ **Materials, Supplies, and Service expenditures increased 0.68% over prior year**—The District has made a concerted effort to hold materials, supplies, and services cost close to the prior year's level, taking into account inflationary cost increases. The District has increased specific line items to address regulatory and operational needs (i.e. Title V Air Permit). Discretionary expenditures have been limited where practicable. This has a \$43,109 impact on current year expenditures.

Capital Improvement Program

The District prepares a ten-year Capital Improvement Program as required by its State Collection System Permit and the Consolidation Agreements. The estimated construction expenditure for FY17 is \$22 million, which is comprised of an estimated \$20.9 million in construction, \$100,000 of reimbursement and \$1 million in contingency. A detailed list of individual projects and planned expenditures by year was presented at the April 28, 2016 CIP meeting.

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2016, the District will have \$95.31 million in outstanding revenue bond debt, with total debt service of \$7.96 million due before the end of the fiscal year. Unlike counties and cities, the District does not have a legally mandated debt limit. However, the District does have a rate covenant. The covenant requires the District to set rates and charges so that income available for debt service will not be less than 120% of fiscal year debt service requirement.

● **Collection System Capital Improvements:**

MSD initiated and maintains an aggressive program to rehabilitate its Wastewater Collection System. This program will conform to the North Carolina Department of Environmental and Natural Resources (NCDENR) Collection System Permit requirements, and will improve the operational performance and extend the life of the collection system. The estimated cost over a 10-year period is approximately \$184.8 million out of a total CIP budget of \$211.5 million. In the previous decade, efforts had been directed to expediting completion of certain projects identified by the member agencies and assumed by the District during the consolidation process. For example, construction of the 23.8-mile North Swannanoa Interceptor begun in 1993 was completed during FY2004 at a cost in excess of \$44 million. Now that most of these "consolidation" projects have been completed,

our focus has been redirected to rehabilitation of the State-mandated 250,000 feet of sewerline every five (5) years and other projects identified in the Master Plan.

This rehabilitation has been made more cost-effective by the development of the Pipe Rating Program. Pipe Rating is a proactive planning tool, which utilizes Closed Circuit Television (CCTV) information, a GIS database, and actual maintenance history to view, rate, and computer-score pipe segments based on a number of factors.

These factors, for any given manhole-to-manhole segment, include maintenance work order history, number, and severity of defects, and record of overflows on that segment, and are combined to yield a rating useful for prioritizing rehabilitation efforts.

Pipe Rating minimizes costs by helping the District focus rehabilitation dollars where they are needed most, rather than the previous replacement of collector lines throughout an entire basin. In recognition of this innovative program, the Association of Metropolitan Sewerage Agencies (AMSA) awarded the District one of only two 2003 National Environmental Achievement Awards.

Major projects for FY17 include the \$588,000 South French Broad Interceptor Grouting Project with approximately 7,008 linear feet, \$583,500 Arco Road with over 2,022 linear feet, \$1,377,000 Lining Contract No. 8 with over 11,000 linear, \$532,573 Sandhill at Russell/Davenport with over 2,341 linear feet, and \$400,726 Stratford Road at Oxford Court, with over 1,960 linear feet. In FY17, Treatment Plant Headworks improvements are scheduled to cost \$5.5 million. These are in addition to numerous smaller projects completed throughout the collection system. Further details are available in the CIP section of the budget document.

The District's Collection System Master Plan addresses the orderly extension of the District's collection system into future service areas. The plan has been prepared in close cooperation with the District's member agencies and regional stakeholders. The land use policies and zoning regulations of each agency were used for land usage, growth projections/densities, and line locations. For areas outside of corporate or jurisdictional limits, Buncombe County's Zoning Ordinance has played an integral role in defining future service areas.

The plan will serve as a basis to ensure that the sewer system will be extended in an orderly fashion, and is done so in accordance with the planning policies of the various local governments within the District's service area.

Wastewater Treatment Plant Capital Improvements:

During FY15, the Treatment Facilities Plan was updated for the Water Reclamation Facility. This plan provides short, medium, and long-term recommendations for each specific process and facility

This update primarily expanded on several of the original plan's longer term recommendations. It focused specifically on improvements to the WRF Headwork's (i.e. bar screens, influent pumping station, and the problematic grit & grease removal system), including surge control for short-term

peak flows. It also investigated in detail the installation of a primary clarification process; and has evaluated alternatives for the biological treatment process.

Another key aspect of the Facility Plan Update was to gain a solid understanding of regulatory issues that may impact future treatment requirements, and identify long-term biological treatment alternatives to comply with anticipated future regulation changes.

Near-term and mid-term project recommendations from the plan include:

- ▶ **Plant Headworks Project:** This \$11.5 million project spans 2 years and consists of a new grit removal system to replace the existing problematic system, a fine screening facility which will supplement the WRF's existing bar screens, and storage at the plant using existing decommissioned tanks to provide more effective treatment during peak flow events. In addition, by removing more grit than the current process, it will help to better protect downstream processes within the plant. Design is planned for FY16 and construction is scheduled to begin in FY17.

- ▶ **High Rate Primary Treatment Project:** This \$9.61 million project will provide primary clarification by removing solids before the biological treatment stage. This will provide a more effective treatment, and will also help the Rotating Biological Contactors (RBC's) to better perform. During high flow (storm) events, this treatment can be ramped-up in order to match the higher flows. Design is planned for FY17 and construction is scheduled to begin in FY18.

Long-term alternatives focused on the biological treatment aspect (currently RBC's). Specific alternatives will be evaluated if and when future regulatory requirements change over time. The two projects noted above allow for flexibility among the viable options for biological treatment.

Impact of CIP on Operations

For most municipal and county governments, capital improvements often result in higher operating costs. For example, larger buildings increase utility expenses, and new facilities such as libraries or swimming pools involve hiring additional staff. The opposite holds true for the District.

Through major rehabilitation projects to the sewer collection system, the District is expected to realize a modest cost reduction in wastewater treatment operations by reducing infiltration of groundwater and inflow of surface water into the sewer system. Mud and grit, which accompany infiltration/inflow, will also be reduced, thereby increasing the life of pumps and other treatment equipment adversely effected by abrasion.

Other savings are realized from capital expenditures as new or rehabilitated sewer lines also require less maintenance and are not as susceptible to frequent blockages and overflows as older and smaller lines.

The District’s major environmental responsibility is reduction of Sewer System Overflows (SSOs). Staff has estimated the average cost of responding to an SSO to be approximately \$2,175. During FY 2000, the District experienced more than 289 SSOs, which have been reduced to less than 30 in recent years. Thus, the District has been able to focus approximately \$500,000 additional dollars annually on preventative maintenance as opposed to responding to spill events.

Moreover, the North Carolina Department of Environment and Natural Resources has the discretion to levy fines up to \$25,000 per day per SSO if the District does not follow through on renovations and rehabilitations planned for areas identified as requiring capital improvements. Therefore, the CIP has a positive impact on operations by reducing repair and replacement while avoiding environmental penalties.

Sewer Rate Increase

Staff recommends a 2.5% increase in domestic sewer rates and meter fees for FY17, including a previously approved plan to achieve flow rate parity between industrial and domestic users. This amount is in line with past increases. We believe this rate increase is prudent under the current economic situation and is necessary to provide for the following District responsibilities and objectives:

- Meet current and future regulations at the Water Reclamation Facility and for the Collection System
- Replace and rehabilitate approximately 50,000 linear feet of sewer mains a year
- Debt coverage ratio attractive to investors and rating agencies
- Support of the pay-as-you-go element of the CIP in addition to bonds
- Continue with goal of periodic smaller rate increases in lieu of large increase in future years
- Adequate current funding and maintenance of prudent reserves for Self-Insured Medical and Dental Plan

In the past, the MSD Board has endeavored to keep rate increases to a minimum. The District’s Bond Order requires sewer rates be set to ensure that the excess of revenues over current expenditures is at least 120% of debt service. Additionally, the Board balances the bond order requirements while maintaining all regulatory and fiduciary responsibilities.

Domestic sewer rates for the past five years as well as FY17 are shown below:

	FY12	FY13	FY14	FY15	FY16	FY17
Rate Increase %	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%
Meter, Maintenance & Billing Fees	\$7.05	\$8.34	\$8.53	\$8.73	\$8.90	\$9.08
Flow Rate (per ccf)	\$3.88	\$3.98	\$4.08	\$4.18	\$4.28	\$4.39
Avg. Monthly Bill (5ccf)	\$26.45	\$27.14	\$27.81	\$28.49	\$29.15	\$29.88

Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2015. This is the nineteenth consecutive year that the MSD has received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our FY17 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

In Closing

The Budget represents the combined efforts and guidance of the Board, its Committees and staff. A special thanks to Teresa Gilbert for assembling the budget documents, Jim Hemphill, HR Director, Ed Bradford, CIP Director, and Cheryl Rice for assembling the CIP Section of the Budget, We look forward to working with you, staff, and our ratepayers as we implement this financial plan and policy document.

Respectfully submitted,



Thomas E. Hartye, PE
General Manager



W. Scott Powell, CLGFO
Director of Finance

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POLICIES & BUDGET PROCESS



Budget Process

Budgetary Adoption

The District budget process must comply with North Carolina General Statutes and the MSD Revenue Bond Order as amended to date. The Bond Order requires that the District adopt its final budget on or before June 15 of each year. North Carolina General Statutes mandate an annual balanced budget ordinance based upon expected revenues, along with a budget message, to be presented to the governing board no later than June 1 and mandates a public hearing be held. The Bond Order calls for a preliminary budget hearing 30 days prior to adoption if requested by a certain percentage of bondholders. The budget calendar is designed to provide for input by all stakeholders into a systematic and deliberate process.

For the Operations and Maintenance Budget, the process begins with the mission statement as approved by the Board. Each Division or section of the District develops a specific mission statement setting forth its role in supporting the overall mission of the District. Next, key responsibilities are defined for each unit, with associated goals and objectives. To evaluate progress, performance measures are identified and tracked for the previous three years. Once the District staff develops the operational activities required to implement the mission-directed strategies, necessary resources can be quantified and presented in a budgetary format.

Because payroll and benefits represent such a large proportion of expenditures, and because an experienced and appropriately compensated, well-trained staff is necessary to accomplish the District's mission, extra effort is made to ensure salaries and benefits are competitive without being excessive. To this end, a human resources consultant prepares a salary survey every three to five years that compares District pay scales with other utilities and governmental entities in the area. During those years a consultant is not retained, the Human Resources Director and other staff take surveys among regional governments and wastewater utilities of intended increases and types/levels of benefits considered. After reviewing comparative data, the Finance and Personnel Committees take an active role in ratifying increases of cost of living and merit pay, as well as contributions to health insurance and other employee benefit programs. Before approval of any new positions, the Board must be convinced of the cost-benefit, efficiency, and programmatic benefit.

The Capital Budget incorporates short-term improvements mandated by the State-issued Collection System Permit with long-term needs identified and prioritized by the 20-year Wastewater System Master Plan to handle wet-weather flow conditions, to improve the performance at the wastewater treatment plant, and to prepare the system to handle expected future wastewater flows. Engineering staff prepare annual estimates of expenditures over the life of projects in a proposed timetable for construction in a 10-year Capital Improvement Plan (CIP).

Budget Process *(continued)*

Budgetary Adoption

Meanwhile, Administrative staff prepares an update of the District's ten-year financial forecast based on estimated revenues, expenditures, and debt issuance, which is integrated with the 10-year CIP, along with projections for fleet and wastewater plant replacement funds.

The effect of current expenditures on cash flows and debt coverage ratios are verified for adequacy, and any indicated adjustments to expenditures are made to sustain services within the desired user rate levels, which are set annually in connection with budget adoption.

Budget Administration

The Budget Resolution is adopted at the fund level and allows for the carry forward of encumbered contracts and purchase orders from the previous fiscal year. This budget book illustrates the initial allocations among departments and between line items for authorized expenditures not including carryover amounts. Authority for modifying these allocations varies.

The General Manager has the authority to transfer amounts between departments within a fund without limitation. Division Directors may transfer amounts between line items and sections within their departments without limitation.

The entire allocation is available at the beginning of the year, and the unexpended balance will remain available during the year, unless otherwise limited by the General Manager and Director of Finance due to cash flow considerations.

Several strategies are used to monitor expenditures throughout the year. The General Manager and Division Directors receive monthly expenditure reports, which compare actual to budgeted amounts for the period and for the year to date. In addition, the procurement software is designed to require approval from the General Manager or Director of Finance if the line item has insufficient funds to cover the requisition or if the expenditure is over a certain amount. Purchasing staff make periodic reviews of outstanding inventory levels, requisitions, and purchase orders to update available line item balances.

Budget Amendment

Budget Amendments require approval by the Board of Directors and as such are submitted through the agenda process for consideration at a regularly scheduled Board meeting.

Budget Calendar

April						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

DATE	TIME	SUBJECT
April 26	9:00 a.m.	Personnel Committee Meeting
		<ul style="list-style-type: none"> Cost of Living & Merit Pay Benefit Allocations
April 28	8:30 a.m.	CIP Committee Meeting
		<ul style="list-style-type: none"> Update of Ten-Year Capital Improvement Program Update Construction Program Financing 2016-2017 Construction Fund Budget
May 5	9:00 a.m.	Finance Committee Meeting
		<ul style="list-style-type: none"> Nine Month Revenue/Expenditure Report Self-Funded Medical & Dental Program Proposed FY17 Construction Fund Budget Proposed FY17 Operating Budget & Sewer Rates
May 18	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Preliminary FY17 Budgets & Sewer Rates
June 15	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Public Hearing Adoption of FY17 Budgets & Sewer Rates
July 1		Start of Fiscal Year 2016-2017

Rate Projections & Budgetary Forecast

The District is required by its Bond Order to set rates at such a level that the excess of revenues over current expenditures equals at least 120% of debt service. The Board established a revenue policy that the goal for debt coverage ratio be 150% or 1.5, and sufficient to meet all operating and capital needs with modest level increases.

The Board has also established a budget policy that calls for a ten-year projected operating budget and capital improvement program for long-term planning purposes. Revenue and expenditure projections are integrated with anticipated capital expenditures to anticipate rate increases and timing of debt issuance based on cash flow levels and debt coverage ratios.

Consumer revenue projections are based on consumption rates, growth in number of taps during the previous year, and projected rate increase. Industrial revenue is developed from anticipated fees of actual individual companies, since there are relatively few industrial customers and the charges are determined by effluent strength, as well as volume, which may vary greatly depending on the particular entity. As there are a limited number of large customers, any major change to a particular facility such as announced layoffs or closings, may be immediately factored into the industrial revenue computation.

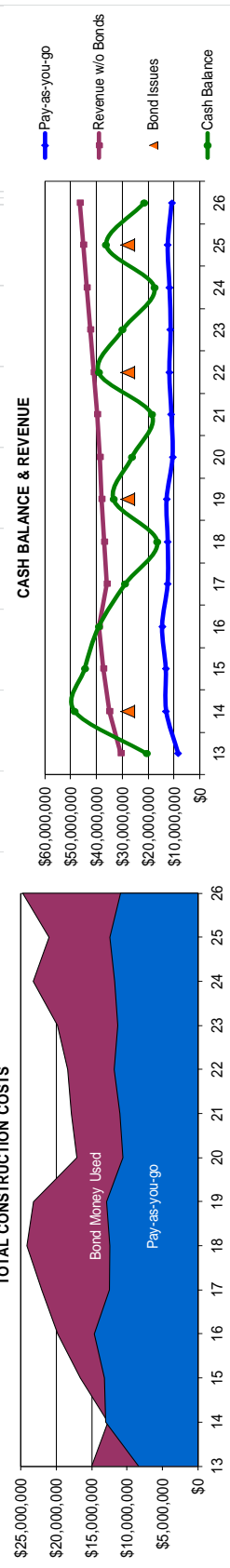
Operating expenditures are anticipated to increase at the regional cost of living rate, and capital expenditures at the general inflation rate. Future debt service is projected to be issued at slightly above prevailing rates. As this forecast is updated at least semiannually, management is able to adjust timing of capital projects and discuss in advance with Board members proposed timing and levels of rate increases.

Using consumption data projected from the recent historical population growth statistics within the Asheville-Buncombe County area, the District anticipates annual rate increases of 2.5% for the next ten years. Construction costs are fairly level reflecting the District's Master Plan to consistently rehabilitate approximately 50,000 linear feet of pipe per year. The CIP expenditure forecast for FY17 reflects a continuation of a major rehabilitation project at the Wastewater Treatment Plant.

This long-range budgetary projection also shows how the District plans to finance these projects with a combination of bond proceeds and pay-as-you-go funding from sewer revenues. Overall, the ten-year projection indicates the District's continuing ability to provide wastewater collection and treatment for customers, infrastructure maintenance in accordance with state regulations, and debt service in compliance with Bond Order, all with minimal, uniform rate increases.

Budgetary Forecast Based on Current Business Plan

Business Plan FY17	Sewer Rate Increase													
	2.5% FY 2013	2.5% FY 2014	2.5% FY 2015	2.5% FY 2016	2.5% FY 2017	2.5% FY 2018	2.5% FY 2019	2.5% FY 2020	2.5% FY 2021	2.5% FY 2022	2.5% FY 2023	2.5% FY 2024	2.5% FY 2025	2.5% FY 2026
July 1 - Available for Construction	\$27.14	\$27.81	\$28.49	\$29.15	\$29.88	\$30.63	\$31.39	\$32.18	\$32.98	\$33.81	\$34.65	\$35.52	\$36.41	\$37.32
REVENUE:														
Domestic Users	25,743,801	26,913,949	28,154,082	28,959,278	29,922,929	30,902,466	31,888,172	32,968,443	34,056,344	35,162,188	36,286,298	37,488,870	38,711,272	40,128,858
Industrial Users (No growth)	1,824,034	2,656,078	3,725,584	3,276,044	2,943,043	2,960,220	2,963,369	3,033,315	3,104,773	3,178,017	3,253,093	3,330,045	3,408,921	3,314,769
Billing and Collections (User Fee)	701,015	717,413	738,239	750,000	772,500	795,675	819,545	844,132	869,456	895,539	922,405	950,078	978,580	1,007,937
Tap Fees	313,040	373,800	389,090	500,000	200,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Facility Fees	2,253,595	4,056,675	3,922,165	5,000,000	1,500,000	1,500,000	1,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Interest & Non-operating Revenues	160,930	121,367	180,162	180,000	339,984	340,430	374,450	447,450	336,891	577,749	691,009	474,875	537,921	577,808
City of Asheville (annex-Enke)	37,023	37,126	37,167	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000
Rental Income	70,356	71,081	71,226	69,950	71,399	71,641	71,641	71,641	71,641	71,641	71,641	71,641	71,641	71,641
Transfer from Reserves (to / from)	(768,978)	(261,683)	(116,059)	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	219,456	225,275	177,248	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Total Revenues	30,554,251	34,911,071	37,278,884	38,912,272	35,926,836	36,872,432	37,909,177	38,646,981	38,720,105	41,167,134	42,506,446	43,597,509	44,990,335	46,383,013
State and Federal (EPA) Grants						28,000,000								
Revenue Bonds/Stimulus														
Total Funds Available	57,160,939	83,580,417	85,765,412	83,497,371	75,012,545	65,779,560	82,392,780	72,090,059	65,937,016	87,735,654	81,712,799	73,492,089	90,563,222	82,582,203
EXPENSES:														
Operations & Maintenance	12,888,006	13,483,913	13,901,595	14,890,170	15,481,490	16,492,738	17,082,355	17,698,868	18,346,490	19,000,360	19,683,846	20,398,578	21,146,384	21,958,972
Replacement Funds (WRF & Fleet)	500,000	500,000	500,000	625,000	625,000	720,000	730,000	730,000	800,000	800,000	805,000	810,000	810,000	810,000
Debt Service	8,114,865	8,408,166	10,184,160	9,109,708	7,966,840	7,950,460	7,966,215	10,363,938	10,362,251	10,350,312	11,511,552	11,449,786	11,417,129	13,505,914
CIP (including Bond Projects)	14,988,922	12,701,810	16,594,588	19,786,784	22,042,087	24,132,760	23,201,132	17,082,346	17,889,756	18,378,629	19,817,800	23,240,848	21,010,519	24,725,729
Total Expenses	36,491,593	35,093,889	41,180,313	44,411,662	46,105,417	49,295,958	48,949,702	45,873,148	47,388,497	48,529,301	51,818,208	55,899,212	54,384,932	61,000,615
Pay-as-you-go (Current Revenue only)	8,377,997	13,018,992	13,193,129	14,623,235	12,488,506	12,429,235	12,890,608	10,586,179	11,011,364	11,816,462	11,311,038	11,749,145	12,426,822	10,918,127
Debt Coverage (User Fees only)	1.8	2.0	1.8	2.0	2.3	2.3	2.3	1.8	1.9	1.9	1.8	1.9	1.9	1.7
Debt Coverage with Total Revenue	2.1	2.5	2.3	2.6	2.5	2.5	2.6	2.0	2.0	2.1	2.0	2.1	2.1	1.8
April 13, 2016														
Active Plan CIP														
Interceptor/Wet Weather Rehabilitation	15,688	634,790	5,480	618,050	760,970	587,214	2,120,501	0	38,318	5,218,233	6,672,519	849,200	5,946,055	
General Sewer Rehabilitation	7,947,623	8,009,720	11,317,853	9,437,167	8,659,631	9,729,563	10,883,494	13,396,005	14,624,514	15,055,868	11,237,837	12,934,256	15,369,575	11,221,531
Private Sewer Rehabilitation	17,920	40,700	34,000	2,000	646,000	10,920	0	386,613	0	0	0	192,860	0	0
Treatment Plant / Pump Stations	4,567,989	1,579,600	3,028,300	7,181,959	8,129,000	11,046,216	7,369,751	401,811	271,458	252,967	260,607	268,477	1,545,324	4,206,103
Engineering Force Account	2,439,492	2,437,000	2,208,925	2,447,608	2,546,486	2,658,847	2,727,386	2,797,917	2,863,784	2,931,476	3,001,123	3,072,736	3,146,420	3,252,040
Reimbursements	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Contingency	0	0	0	0	1,000,000	0	0	0	0	0	0	0	0	0
Capital Improvement Program Totals	14,988,922	12,701,810	16,594,588	19,786,784	22,042,087	24,132,760	23,201,132	17,082,346	17,889,756	18,378,629	19,817,800	23,240,848	21,010,519	24,725,729



Budget Summary

The District utilizes a fund structure developed to accommodate mandates of the District’s Bond Order with generally accepted accounting principles for proprietary governments. Appropriated funds, which are those funds that must have a board-approved budget, include ❶ the Revenue Fund from which operational and maintenance expenditures are made, ❷ the General Fund that transfers pay-as-you-go funding authorized for construction, ❸ the Construction Fund that incorporates CIP expenditures, ❹ the Replacement Funds providing funding for Fleet and WRF equipment, and ❺ Debt Service Funds.

Financial plans are approved for those other funds whose expenditures are determined by external parties or contractual agreements such as the insurance, debt reserve, and capital reserve funds.

The budget summary chart below shows total activity for all funds and consolidates the effect of transfers between funds.

	FY 2015 Actual Total	FY 2016 Budget	FY 2017 Proposed Budget	Increase (Decrease)	% Change
REVENUES & FINANCING SOURCES					
Domestic User Fees	\$ 28,240,719	\$ 28,962,278	\$ 29,922,929	\$ 960,651	3.32%
Industrial User Fees	3,725,584	3,155,799	2,943,043	(212,756)	-6.74%
Billing and Collection	738,239	734,708	772,500	37,792	5.14%
Facility and Tap Fees	4,311,259	1,605,000	1,700,000	95,000	5.92%
Interest and Misc. Income	431,677	485,094	597,861	112,767	23.25%
Rental Income	71,226	69,950	71,399	1,449	2.07%
City of Asheville (Enka Bonds)	37,167	37,000	37,000	-	0.00%
Employee Contributions to Health Fund	426,769	413,000	415,000	2,000	0.48%
Use of (Contributions to) Available Funds	2,966,919	12,021,748	10,549,931	(1,471,817)	-12.24%
Total Revenues & Financing Sources	\$ 40,949,559	\$ 47,484,577	\$ 47,009,663	\$ (474,914)	-1.00%
EXPENDITURES					
Operations and Maintenance	\$ 14,115,455	\$ 15,745,161	\$ 16,038,288	\$ 293,127	1.86%
Construction	16,594,558	21,849,858	22,042,087	192,229	0.88%
Capital Equipment	534,566	779,850	972,448	192,598	24.70%
Bond Principal and Interest	9,704,980	9,109,708	7,956,840	(1,152,868)	-12.66%
Total Expenditures	\$ 40,949,559	\$ 47,484,577	\$ 47,009,663	\$ (474,914)	-1.00%

NOTE: Both Operation and Maintenance and Capital Equipment expenditures represent actual amounts to be spent in the respective reserve funds. These amounts do not include current year reserve funds funding request.

Component Fund Chart

The following chart shows revenues, expenditures, and transfers by individual fund and provides the detail supporting the summary amounts.

	Operating and Construction			Equipment Replacement			Debt Services	Appropriated Funds
	Revenue/O&M	General	Construction	Fleet Repl. Reserve	WWTP Reserve	Pump Station Reserve	Bond Service	
Projected Net Position at 6/30/16	30,130,080	8,916,220	250	594,258	469,597	-	5,115,182	45,225,587
Revenues and Other Financing Sources:								
Domestic User Charges	29,922,929	-	-	-	-	-	-	29,922,929
Industrial User Charges	2,943,043	-	-	-	-	-	-	2,943,043
Billing and Collection Fees	772,500	-	-	-	-	-	-	772,500
Facility and tap fees	-	1,700,000	-	-	-	-	-	1,700,000
Proceeds from Revenue Bonds	-	-	-	-	-	-	-	-
Stimulus Loan/Grant	-	-	-	-	-	-	-	-
Sale of Surplus Property	-	-	-	80,160	-	-	-	80,160
Non-governmental Grants	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-
Investment interest & misc.	386,679	85,285	8,000	8,914	7,044	-	50	495,972
City of Asheville for Enka Bond	37,000	-	-	-	-	-	-	37,000
Rental Income	71,399	-	-	-	-	-	-	71,399
Employee/Retirees Medical Contributions	-	-	-	-	-	-	-	-
Total Revenues and Fin. Sources	34,133,550	1,785,285	8,000	89,074	7,044	-	50	36,023,003
Expenditures and Other Financing Uses								
Operating Expenses	(12,394,818)	-	-	-	-	-	-	(12,394,818)
Debt--Principal	-	-	-	-	-	-	(4,325,825)	(4,325,825)
Debt--Interest	-	-	-	-	-	-	(3,631,015)	(3,631,015)
Construction	-	-	(22,042,087)	-	-	-	-	(22,042,087)
Capitalized Equipment Expenditures	(87,298,000)	-	-	(668,000)	(162,150)	(55,000)	-	(972,448)
Total Expenditures and Other Financing Uses	(12,482,116)	-	(22,042,087)	(668,000)	(162,150)	(55,000)	(7,956,840)	(43,366,193)
Interfund/account transfers	(23,388,796)	(10,701,505)	22,034,087	425,000	100,000	100,000	7,956,840	(3,474,374)
Excess (Deficit) of Revenues over Expenditures	(1,737,362)	(8,916,220)	-	(153,926)	(55,106)	45,000	50	(10,817,564)
Projected Net Position at 06/30/17	28,392,718	-	250	440,332	414,491	45,000	5,115,232	34,408,023

Funding comes primarily from the Revenue Fund, from which Operations and Maintenance expenditures are paid. Revenues are transferred to other funds, including construction, insurance internal funds, debt service and replacement reserve funds. Infrastructure over \$15,000 is capitalized and budgeted through the Construction Fund. Capitalized equipment such as trucks and rolling stock are budgeted through the Fleet Replacement Fund and capitalized equipment such as pumps and plant machinery are budgeted through the Water Reclamation Facility Replacement Fund. While the O&M budget contains line items entitled "Capital Equipment," while such expenditures are below the capitalization threshold, they are in excess of \$1,000 and budgeted and tracked internally for managerial purposes.

Component Fund Chart *(continued)*

The following chart shows revenues, expenditures, and transfers by individual fund and provides the detail supporting the summary amounts.

	Designated for Insurance				Bond Covenant Requirement	Non-Appropriated	Budget Summary
	Insurance Medical	Insurance Post Employment	Insurance Prop & Liab	Insurance Work Comp	Capital Reserve		District Totals
Projected Net Position at 6/30/16	825,665	166,352	592,352	303,204	955,886	2,843,459	48,069,046
Revenues and Other Financing Sources:							
Domestic User Charges	-	-	-	-	-	-	29,922,929
Industrial User Charges	-	-	-	-	-	-	2,943,043
Billing and Collection Fees	-	-	-	-	-	-	772,500
Facility and tap fees	-	-	-	-	-	-	1,700,000
Proceeds from Revenue Bonds	-	-	-	-	-	-	-
Stimulus Loan/Grant	-	-	-	-	-	-	-
Sale of Surplus Property	-	-	-	-	-	-	80,160
Non-governmental Grants	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-
Investment interest & misc.	2,500	8,000	1,100	1,500	9,800	22,900	518,872
City of Asheville for Enka Bond	-	-	-	-	-	-	37,000
Rental Income	-	-	-	-	-	-	71,399
Employee/Retirees Medical Contributions	395,000	20,000	-	-	-	415,000	415,000
Total Revenues and Fin. Sources	397,500	28,000	1,100	1,500	9,800	437,900	36,460,903
Expenditures and Other Financing Uses							
Operating Expenses	(2,737,631)	(55,000)	(577,839)	(273,000)	-	(3,643,470)	(16,038,288)
Debt--Principal	-	-	-	-	-	-	(4,325,825)
Debt--Interest	-	-	-	-	-	-	(3,631,015)
Construction	-	-	-	-	-	-	(22,042,087)
Capitalized Equipment Expenditures	-	-	-	-	-	-	(972,448)
Total Expenditures and Other Financing Uses	(2,737,631)	(55,000)	(577,839)	(273,000)	-	(3,643,470)	(47,009,663)
Interfund/account transfers	2,608,628	45,000	547,746	273,000	-	3,474,374	-
Excess (Deficit) of Revenues over Expenditures	268,497	18,000	(28,993)	1,500	9,800	268,804	(10,548,760)
Projected Net Position at 06/30/17	1,094,162	184,352	563,359	304,704	965,686	3,112,263	37,520,286

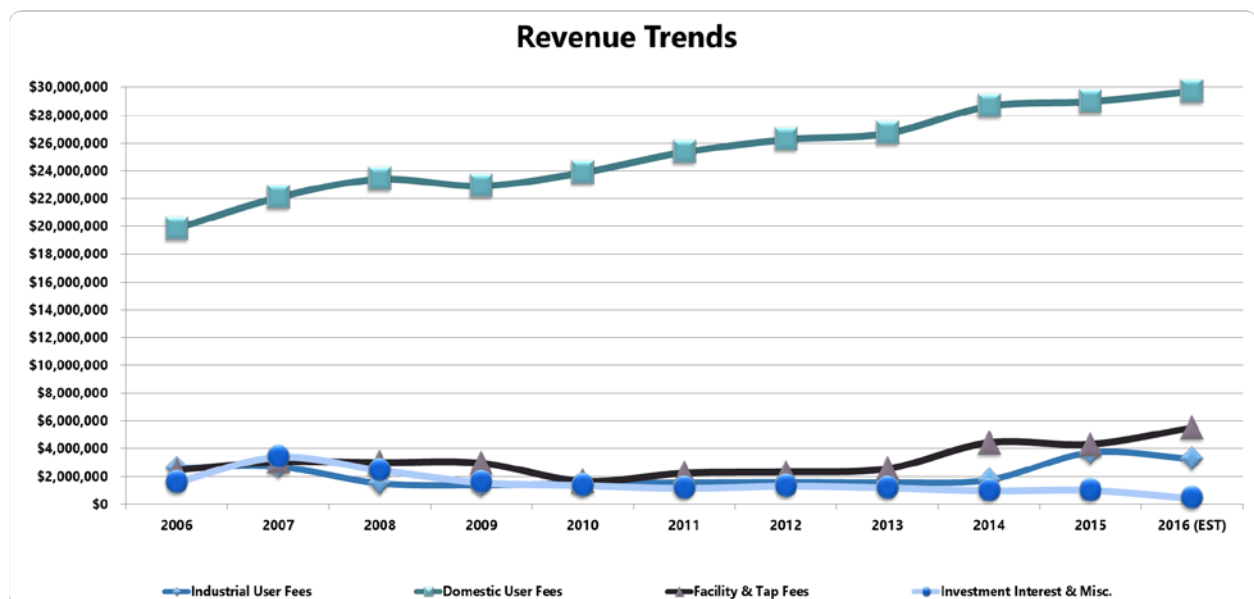
Now that the Districts' financial overview has been presented, we will examine revenues and various expenditures in detail.

Revenue

Overview

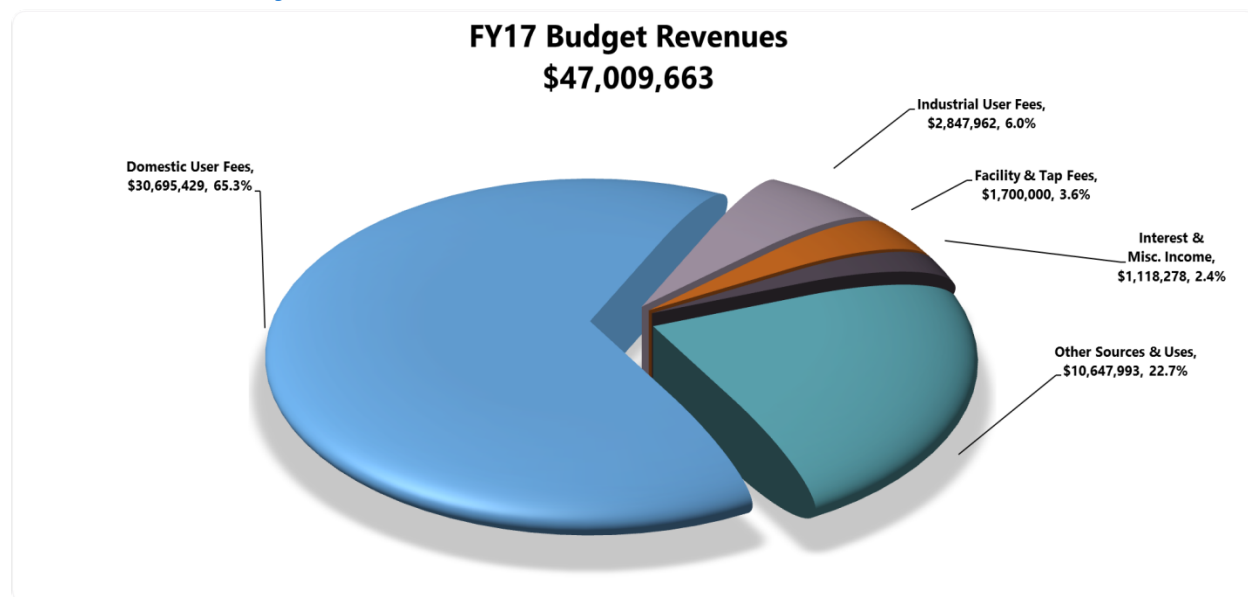
The District has the authority to establish rates and charges for service to be approved by a budget resolution of the District Board of Directors. The District has established separate rates for domestic and industrial customers, adopted a schedule of facility and sewer connection fees applying to new customers, and receives minor amounts of income from rental of real property and investment of surplus cash. The various types of revenues and other financing sources are described in detail on the following page.

A graph of historical revenues by type reveals the overwhelming percentage of the District’s income derives from domestic (residential & commercial) customers and has increased for the past ten consecutive years. Industrial user fees clearly show the effect of the shrinking textile industry in Buncombe County and are diminishing as larger industries wind down and are replaced with smaller new enterprises. Facility and tap fees testify to the growth fueled by population in-migration and expansion of non-industrial type businesses. Overall, income for FY16 is estimated to be slightly higher than in FY15.



Revenue (continued)

Revenue Summary



When projecting FY17 revenues, a 2.5% domestic customer rate increase was considered in conjunction with a projected .75% increase in domestic consumption. In addition, the budget reflects no growth in industrial users. Conservative assumptions based on recent income trends underlie other budgeted income amounts as explained below.

Domestic User Charges

The primary source of District revenues are domestic charges. The District has approximately 53,000 accounts. The District direct bills approximately 350 of these domestic users all of which are on private well systems but are connected to MSD’s sewer collector system. Billing and collection of the remainder of District domestic customers is performed by the member agencies providing water, who charge a fee for this service, which is added to the monthly bill and paid by MSD customers.

Domestic sewer rate increases for the past five years are shown below:

2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
3.0%	2.5%	2.5%	2.5%	2.5%	2.5%

Industrial User Charges

Prior to FY 2001, industrial users were charged decreasing tiered rates based on total volume so that actual rates charged were considerably below those paid by residential consumers. In FY 2001, the Board approved a plan to achieve rate parity between industrial and residential customers over the upcoming twenty years. The annual increases from this parity plan are incorporated in adopted rates.

Revenue *(continued)*

Fortunately, the number of new residential customers continues to increase which is anticipated to mitigate the impact from the decline of industrial revenue.

Investment Interest

This revenue source reflects interest earned on public funds held by the District and the Revenue Bond Trustee. Investment income is determined by interest rates and cash balances available for investment. Interest rates decreased rapidly during the current year due to adverse economic conditions. The projected yield for the current fiscal year will be 1.0%.

All MSD investments conform to its Bond Order and the North Carolina General Statutes governing investments, and due to the minimum acceptable level of risk, produce fairly conservative rates of return.

Sewer Facility Fees

This revenue source represents the buying of equity in completed wastewater facilities paid by consumers who are added to the sewer collection system. In June 2006, the actual cost was determined to be significantly greater than the fee charged. To moderate the impact on customers, the board determined to implement 20% of this increase over each of the subsequent five years.

In FY10, the District instituted a one-year moratorium on the five-year sewer facility fee parity plan due to the recession. As of the end of FY12, the District has completed the aforementioned plan. Effective in FY17, sewer facility fees ranged from \$670 to \$2,500 for residential users based on size of structure, and from \$2,500 to \$237,500 for nonresidential customers based on meter size.

Sewer Connection Fees

This revenue source represents the cost of physically installing new connections to the sewer system. Sewer Connection Fees were last changed in June of 2011. The cost for installing a tap is \$650, with additional charges up to \$2,200 if pavement disturbance is involved.

The Sewer Connection Fee will apply to new home construction, as well as existing homes, which have been demolished or remodeled, and sewer service is reinstated under new property ownership. MSD reserves the right to require that a licensed utility contractor install any sewer connection, and such connections will be subject to MSD inspection. Sewer connections in excess of 75 feet will be evaluated on a case-by-case basis. If constructed by MSD, they will be billed at cost. Property owners may choose to utilize a licensed utility contractor, which will be subject to MSD inspection.

Revenue *(continued)*

Billings & Collections

The District will pay the municipalities \$2.31 per customer bill for meter reading, billing, and collection services.

Rental Income

Buncombe County Partnership for Children has entered into a lease to utilize the District's former Administration Building. The District also leases land to a private company for a cell tower.

City of Asheville (Enka Bonds Annexation)

In the Consolidation Agreements, MSD agreed to assume debt service on the \$1,500,000 sanitary sewer bond issued by the Enka-Candler Water and Sewer District. This debt was used to pay a part of constructing the sewer system in Enka-Candler, which at that time was located in an unincorporated area of western Buncombe County. After the consolidation, the City of Asheville annexed a portion of the Enka-Candler Sewer District, so the City of Asheville reimburses the District for its proportionate amount (41%) of the annual principal and interest payment.



OPERATION & MAINTENANCE FUND



Operation & Maintenance Fund

Overview

The Operation & Maintenance Fund budget finances the program and administrative activities for the wastewater treatment plant, pump stations, and collection system. The FY17 Operation & Maintenance Fund budget totals \$16,106,490. This represents a 1.98% increase over the previous year. The District budgets to the Departmental level and are as follows:

Office of the General Manager	\$ 1,617,884
Human Resources	\$ 795,016
Information Technology	\$ 1,337,598
Financial Services	\$ 795,395
Wastewater Treatment Plant	\$ 7,364,686
SS Maintenance	\$ 3,303,859
SS Construction	\$ 3,318,402
Engineering	\$ 1,611,333
Total Expenditures	\$20,144,173
Less: Capitalized in Construction Funds	(4,037,683)
Net Operation & Maintenance Fund	\$16,106,490

	ACTUAL 2014-2015	APPROVED 2015-2016 BUDGET	ESTIMATED 2015-2016 ACTUAL	PROPOSED 2016-2017 BUDGET	INC(DEC) OVER PRIOR YR BUDGET
SALARIES & WAGES	\$ 8,072,675	\$ 8,403,022	\$ 8,401,547	\$ 8,645,077	2.88%
BENEFITS	\$ 3,840,699	\$ 3,852,946	\$ 3,852,735	\$ 4,197,072	8.93%
MATERIALS, SUPPLIES & SERVICES	\$ 5,386,014	\$ 6,343,000	\$ 6,039,850	\$ 6,387,509	0.70%
REPLACEMENT FUNDS & TRANSFERS	\$ 691,224	\$ 823,648	\$ 823,000	\$ 827,217	0.43%
CAPITAL EQUIPMENT	\$ 146,681	\$ 144,189	\$ 143,000	\$ 87,298	-39.46%
SUB-TOTAL O&M FUND	\$ 18,137,293	\$ 19,566,804	\$ 19,260,132	\$ 20,144,173	2.95%
LESS:					
Capitalized Construction Expenses	\$ (3,603,640)	\$ (3,773,678)	\$ (3,744,962)	\$ (4,037,683)	7.00%
NET OPERATION & MAINTENANCE FUND	\$ 14,533,654	\$ 15,793,126	\$ 15,515,170	\$ 16,106,490	1.98%

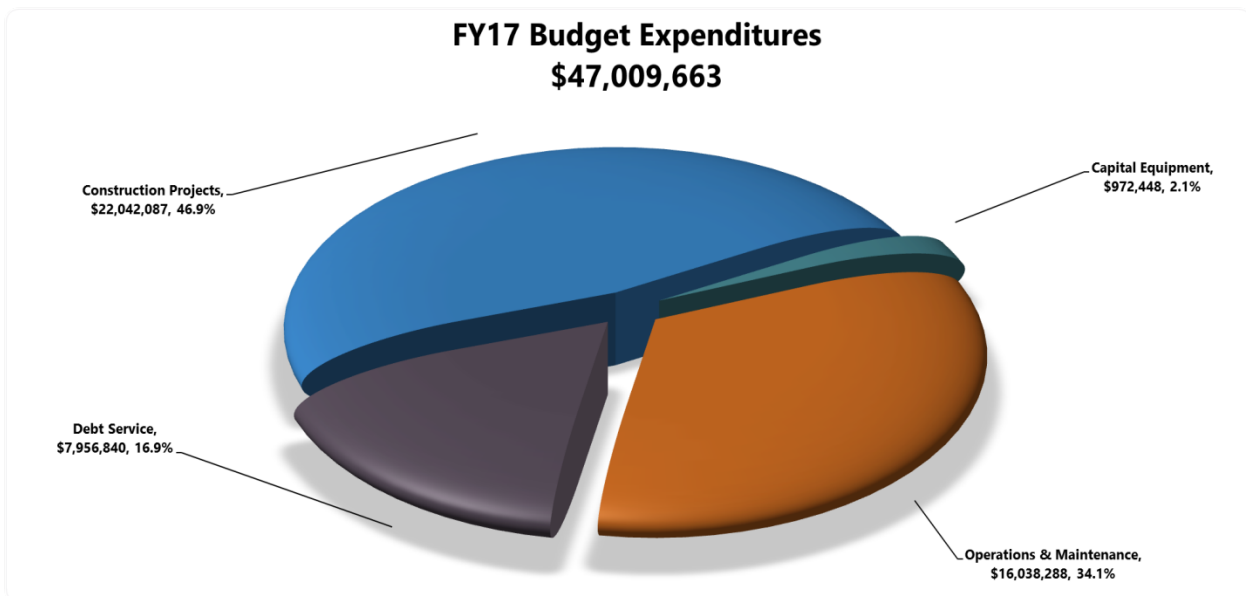
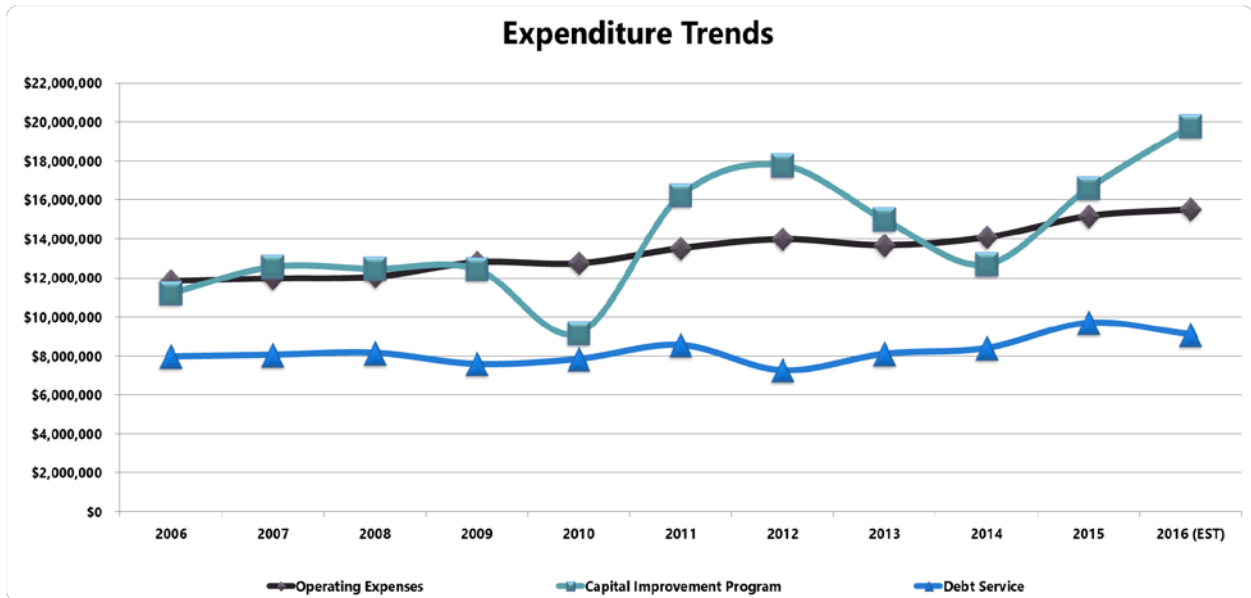
The major factors that impact our operating and maintenance budget include:

- Repairs and Maintenance**—A majority of the Districts' approximately 1,000 miles of collection lines are between thirty and one hundred years old. While many capital projects are planned and in process, these aging facilities often require frequent repairs and maintenance costs prior to commencement of a major rehabilitation funded in the CIP. The Asset Management Plan calls for periodic maintenance and repairs. The District has budgeted significant amounts for maintenance of equipment, buildings, and grounds as well as for in-house sewer line repair and maintenance.

Operation & Maintenance Fund (continued)

2. **Salaries and Benefits**—A 3.0% salary adjustment as well as a 10.0% increase for the Self-Funded Health Insurance Plan. Personnel costs represent over 64% of the Operating and Maintenance budget.

3. **Post-Employment Health Benefit**—Starting in FY09, GASB45 requires the recognition of cost for Post-Employment Health Benefits. Current funding represents 1.7% of total operations.



FY17 Budget – All Departments Summary

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 7,537,244.35	\$ 7,511,808.67	\$ 7,822,788.68	\$ 8,107,122.00	\$ 8,107,122.00	100.0%	\$ 8,343,977.00	2.92%
51150	Overtime	\$ 271,219.95	\$ 355,457.78	\$ 249,885.92	\$ 295,900.00	\$ 294,425.00	99.5%	\$ 301,100.00	1.76%
Total Salaries & Wages		\$ 7,808,464.30	\$ 7,867,266.45	\$ 8,072,674.60	\$ 8,403,022.00	\$ 8,401,547.00	100.0%	\$ 8,645,077.00	2.88%
Benefits									
51200	North Carolina Retirement	\$ 524,754.70	\$ 558,541.37	\$ 569,223.92	\$ 560,482.00	\$ 560,383.00	100.0%	\$ 634,548.00	13.21%
51250	Payroll Taxes	\$ 565,237.14	\$ 569,105.17	\$ 584,714.82	\$ 642,831.00	\$ 642,719.00	100.0%	\$ 661,346.00	2.88%
51300	Medical, Dental & Life	\$ 1,782,116.00	\$ 1,833,116.00	\$ 2,045,496.63	\$ 1,735,116.00	\$ 1,735,116.00	100.0%	\$ 1,908,628.00	10.00%
51325	Post Retirement Insurance	\$ 175,900.00	\$ 156,800.00	\$ 77,100.00	\$ 261,500.00	\$ 261,500.00	100.0%	\$ 270,000.00	3.25%
51350	Worker's Compensation	\$ 215,312.00	\$ 215,312.00	\$ 201,145.36	\$ 215,312.00	\$ 215,312.00	100.0%	\$ 273,000.00	26.79%
51360	State Unemployment Benefits	\$ 21,632.38	\$ 48,039.49	\$ 23,962.99	\$ 32,340.00	\$ 32,340.00	100.0%	\$ 32,340.00	0.00%
51450	Automobile Allowance	\$ 1,848.08	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 303,860.03	\$ 310,161.48	\$ 339,055.67	\$ 405,365.00	\$ 405,365.00	100.0%	\$ 417,210.00	2.92%
Total Benefits		\$ 3,590,660.33	\$ 3,691,075.51	\$ 3,840,699.39	\$ 3,852,946.00	\$ 3,852,735.00	100.0%	\$ 4,197,072.00	8.93%
Total Salaries, Wages & Benefits		\$ 11,399,124.63	\$ 11,558,341.96	\$ 11,913,373.99	\$ 12,255,968.00	\$ 12,254,282.00	100.0%	\$ 12,842,149.00	4.78%
Materials, Supplies & Services									
52010	Advertising	\$ 31,010.30	\$ 21,019.18	\$ 25,523.03	\$ 24,103.00	\$ 23,603.00	97.9%	\$ 25,300.00	4.97%
52050	Dues & Subscriptions	\$ 47,654.78	\$ 35,067.94	\$ 46,092.18	\$ 50,310.00	\$ 48,700.00	96.8%	\$ 51,240.00	1.85%
52100	Postage	\$ 7,252.03	\$ 11,195.11	\$ 9,452.22	\$ 11,000.00	\$ 11,000.00	100.0%	\$ 11,000.00	0.00%
52150	Travel, Mtgs & Training	\$ 105,335.73	\$ 114,203.86	\$ 119,837.27	\$ 150,242.00	\$ 139,776.55	93.0%	\$ 144,018.00	-4.14%
52160	Tuition Assistance	\$ 468.50	\$ 1,822.38	\$ 4,229.42	\$ 6,000.00	\$ 6,000.00	100.0%	\$ 7,000.00	16.67%
52170	Directors Fees & Expenses	\$ 42,108.87	\$ 22,620.01	\$ 22,791.28	\$ 33,500.00	\$ 33,500.00	100.0%	\$ 35,000.00	4.48%
52180	Liability Insurance	\$ 605,434.00	\$ 605,434.00	\$ 497,820.01	\$ 605,434.00	\$ 605,434.00	100.0%	\$ 547,746.00	-9.53%
52200	Telephone/Telefax	\$ 36,119.13	\$ 32,231.84	\$ 30,645.80	\$ 31,396.80	\$ 31,396.80	100.0%	\$ 31,800.00	1.28%
52210	Communications	\$ 79,331.49	\$ 88,223.00	\$ 93,518.10	\$ 117,105.00	\$ 114,438.00	97.7%	\$ 121,460.00	3.72%
52240	Uniforms	\$ 62,558.89	\$ 66,863.89	\$ 62,640.92	\$ 76,970.00	\$ 73,975.00	96.1%	\$ 80,250.00	4.26%
52250	Office Supplies	\$ 28,039.19	\$ 25,199.60	\$ 18,892.49	\$ 30,300.00	\$ 26,835.19	88.6%	\$ 30,450.00	0.50%
52260	Special Dept Supplies	\$ 391,430.23	\$ 399,078.28	\$ 407,240.20	\$ 419,578.00	\$ 415,763.67	99.1%	\$ 429,550.00	2.38%
52270	Safety Equip/Supplies	\$ 53,934.71	\$ 58,885.91	\$ 60,727.31	\$ 68,542.21	\$ 67,950.00	99.1%	\$ 72,450.00	5.70%
52280	Maint Supp/Small Tools	\$ 120,497.91	\$ 119,168.81	\$ 109,319.52	\$ 122,464.00	\$ 114,000.00	93.1%	\$ 127,000.00	3.70%
52290	Chemical Supplies	\$ 406,339.32	\$ 421,393.22	\$ 388,293.43	\$ 530,845.91	\$ 518,750.00	97.7%	\$ 531,900.00	0.20%
52300	Line Cleaning Supplies	\$ 61,508.17	\$ 43,272.40	\$ 53,527.63	\$ 54,000.00	\$ 53,750.00	99.5%	\$ 53,750.00	-0.46%
52330	Legal Fees	\$ 40,270.87	\$ 49,270.37	\$ 35,412.41	\$ 47,500.00	\$ 32,500.00	68.4%	\$ 56,500.00	18.95%
52350	Prof/Contractual Svcs	\$ 439,167.21	\$ 407,042.69	\$ 420,368.31	\$ 604,871.53	\$ 561,150.00	92.8%	\$ 588,800.00	-2.66%
52410	Maint-Buildings & Grounds	\$ 138,346.20	\$ 125,264.57	\$ 125,999.81	\$ 141,000.00	\$ 140,600.00	99.7%	\$ 143,400.00	1.70%
52420	Maintenance-Equipment	\$ 463,133.22	\$ 435,585.13	\$ 468,576.15	\$ 485,300.00	\$ 477,575.00	98.4%	\$ 459,600.00	-5.30%
52430	Landscape Restoration	\$ 13,728.61	\$ 14,858.44	\$ 9,180.32	\$ 17,000.00	\$ 17,000.00	100.0%	\$ 17,000.00	0.00%
52440	Pump Maintenance	\$ 23,104.28	\$ 42,718.44	\$ 33,951.84	\$ 40,000.00	\$ 40,000.00	100.0%	\$ 90,000.00	125.00%
52450	Equipment Rental	\$ 5,658.74	\$ 4,500.76	\$ 5,922.50	\$ 26,450.00	\$ 26,421.00	99.9%	\$ 25,500.00	-3.59%
52460	Motor Fuel & Lubricants	\$ 239,881.43	\$ 234,550.21	\$ 176,658.06	\$ 271,148.15	\$ 200,000.00	73.8%	\$ 262,000.00	-3.37%
52470	Outside Vehicle Maint	\$ 3,746.03	\$ 5,877.23	\$ 9,368.84	\$ 15,000.00	\$ 15,000.00	100.0%	\$ 15,000.00	0.00%
52500	Rents/Leases	\$ 29,318.53	\$ 34,432.92	\$ 37,393.63	\$ 47,208.00	\$ 45,000.00	95.3%	\$ 49,500.00	4.86%
52510	Permits/Fees/Software Licenses	\$ 119,522.17	\$ 98,452.80	\$ 189,637.60	\$ 238,397.59	\$ 234,846.69	98.5%	\$ 240,820.00	1.02%
52650	Utilities	\$ 903,570.19	\$ 946,729.40	\$ 1,026,485.57	\$ 1,202,750.00	\$ 1,095,000.00	91.0%	\$ 1,243,000.00	3.35%
52690	Freight	\$ 4,976.68	\$ 4,756.12	\$ 6,737.82	\$ 5,000.00	\$ 4,950.00	99.0%	\$ 5,000.00	0.00%
52715	Safety Incentive Program	\$ 1,069.45	\$ 1,228.64	\$ 1,845.91	\$ 2,500.00	\$ 1,800.00	72.0%	\$ 2,500.00	0.00%
52725	Wellness Program	\$ 4,128.82	\$ 8,010.44	\$ 4,592.67	\$ 8,000.00	\$ 7,000.00	87.5%	\$ 8,000.00	0.00%
52730	Employee Asst Program	\$ 4,255.00	\$ 4,255.00	\$ 4,255.00	\$ 4,500.00	\$ 4,355.00	96.8%	\$ 4,500.00	0.00%
52900	Other Operating Expenses	\$ 1,240.91	\$ 1,286.28	\$ 467.94	\$ 4,000.00	\$ 3,000.00	75.0%	\$ 4,000.00	0.00%
52910	Non-Capital Equipment	\$ 87,573.72	\$ 88,938.23	\$ 140,310.15	\$ 95,583.31	\$ 94,005.32	98.3%	\$ 94,975.00	-0.64%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ 60.41	\$ 5,000.00	\$ 4,775.00	95.5%	\$ 5,000.00	0.00%
52920	Billing & Collections	\$ 701,014.95	\$ 717,412.77	\$ 738,238.51	\$ 750,000.00	\$ 750,000.00	100.0%	\$ 772,500.00	3.00%
Total Materials, Supplies & Services		\$ 5,302,730.26	\$ 5,290,849.87	\$ 5,386,014.26	\$ 6,342,999.50	\$ 6,039,850.22	95.2%	\$ 6,387,509.00	0.70%
Interfund Transfers									
52340	Debt Administration Expenses	\$ 338,507.16	\$ 220,782.82	\$ 191,223.71	\$ 198,648.00	\$ 198,000.00	99.7%	\$ 202,217.00	1.80%
53040	Fleet Replacement Charges	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 425,000.00	\$ 425,000.00	100.0%	\$ 425,000.00	0.00%
53050	Wwtp Replacement Charges	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	100.0%	\$ 200,000.00	0.00%
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 838,507.16	\$ 720,782.82	\$ 691,223.71	\$ 823,648.00	\$ 823,000.00	99.9%	\$ 827,217.00	0.43%
Capital Outlay									
54010	Capital Equipment - New	\$ 192,750.73	\$ 36,871.65	\$ 57,871.48	\$ 30,300.00	\$ 30,300.00	100.0%	\$ 20,450.00	-32.51%
54020	Capital Equip-Software	\$ 18,555.81	\$ 23,404.39	\$ 11,250.00	\$ 13,738.50	\$ 13,700.00	99.7%	\$ 13,248.00	-3.57%
54030	Capital Equip - Replacement	\$ 81,003.95	\$ 233,361.46	\$ 77,559.66	\$ 100,150.00	\$ 99,000.00	98.9%	\$ 53,600.00	-46.48%
Total Capital Outlay		\$ 292,310.49	\$ 293,637.50	\$ 146,681.14	\$ 144,188.50	\$ 143,000.00	99.2%	\$ 87,298.00	-39.46%
Sub-Total O&M Fund		\$ 17,832,672.54	\$ 17,863,612.15	\$ 18,137,293.10	\$ 19,566,804.00	\$ 19,260,132.22	98.4%	\$ 20,144,173.00	2.95%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ (2,439,492.20)	\$ (2,292,057.23)	\$ (2,293,656.56)	\$ (2,447,046.00)	\$ (2,418,330.41)	98.8%	\$ (2,498,272.00)	2.09%
	Chargebacks to General Fund for SSD	\$ (1,294,092.88)	\$ (1,279,053.00)	\$ (1,309,983.00)	\$ (1,326,632.00)	\$ (1,326,632.00)	100.0%	\$ (1,539,411.00)	16.04%
Net Operation & Maintenance Fund		\$ 14,099,087.46	\$ 14,292,501.92	\$ 14,533,653.54	\$ 15,793,126.00	\$ 15,515,169.81	98.2%	\$ 16,106,490.00	1.98%

FY17 Budget – Office of the General Manager

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 218,679.16	\$ 221,127.17	\$ 237,055.57	\$ 231,630.00	\$ 231,630.00	100.0%	\$ 243,626.00	5.18%
51150	Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Salaries & Wages		\$ 218,679.16	\$ 221,127.17	\$ 237,055.57	\$ 231,630.00	\$ 231,630.00	100.0%	\$ 243,626.00	5.18%
Benefits									
51200	North Carolina Retirement	\$ 14,746.57	\$ 15,663.24	\$ 16,737.26	\$ 15,450.00	\$ 15,450.00	100.0%	\$ 17,882.00	15.74%
51250	Payroll Taxes	\$ 14,892.81	\$ 13,000.36	\$ 14,255.65	\$ 17,720.00	\$ 17,720.00	100.0%	\$ 18,637.00	5.17%
51300	Medical, Dental & Life	\$ 23,920.87	\$ 24,605.00	\$ 27,829.86	\$ 23,607.00	\$ 23,607.00	100.0%	\$ 25,792.00	9.26%
51325	Post Retirement Insurance	\$ 2,361.13	\$ 2,105.00	\$ 1,048.99	\$ 3,558.00	\$ 3,558.00	100.0%	\$ 3,649.00	2.56%
51350	Worker's Compensation	\$ 2,890.00	\$ 2,890.00	\$ 2,736.28	\$ 2,929.00	\$ 2,929.00	100.0%	\$ 3,689.00	25.95%
51360	State Unemployment Benefits	\$ -	\$ 428.00	\$ 326.03	\$ 440.00	\$ 440.00	100.0%	\$ 440.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 7,783.89	\$ 7,975.13	\$ 8,545.50	\$ 11,582.00	\$ 11,582.00	100.0%	\$ 12,182.00	5.18%
Total Benefits		\$ 66,595.27	\$ 66,666.73	\$ 71,479.57	\$ 75,286.00	\$ 75,286.00	100.0%	\$ 82,271.00	9.28%
Total Salaries, Wages & Benefits		\$ 285,274.43	\$ 287,793.90	\$ 308,535.14	\$ 306,916.00	\$ 306,916.00	100.0%	\$ 325,897.00	6.18%
Materials, Supplies & Services									
52010	Advertising	\$ 10,832.62	\$ 11,816.63	\$ 12,241.81	\$ 13,000.00	\$ 13,000.00	100.0%	\$ 12,500.00	-3.85%
52050	Dues & Subscriptions	\$ 10,447.57	\$ 10,791.90	\$ 11,391.47	\$ 12,000.00	\$ 12,000.00	100.0%	\$ 12,000.00	0.00%
52100	Postage	\$ 7,252.03	\$ 11,195.11	\$ 9,452.22	\$ 11,000.00	\$ 11,000.00	100.0%	\$ 11,000.00	0.00%
52150	Travel, Mtgs & Training	\$ 4,411.87	\$ 4,828.47	\$ 7,244.85	\$ 7,000.00	\$ 7,000.00	100.0%	\$ 7,000.00	0.00%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ 42,108.87	\$ 22,620.01	\$ 22,791.28	\$ 33,500.00	\$ 33,500.00	100.0%	\$ 35,000.00	4.48%
52180	Liability Insurance	\$ 116,167.00	\$ 116,167.00	\$ 95,518.68	\$ 116,167.00	\$ 116,167.00	100.0%	\$ 105,099.00	-9.53%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 1,805.93	\$ 1,854.26	\$ 2,510.77	\$ 3,000.00	\$ 3,000.00	100.0%	\$ 3,000.00	0.00%
52240	Uniforms	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52250	Office Supplies	\$ 646.65	\$ 568.70	\$ 270.99	\$ 700.00	\$ 700.00	100.0%	\$ 700.00	0.00%
52260	Special Dept Supplies	\$ 219.63	\$ 921.50	\$ 618.41	\$ 700.00	\$ 700.00	100.0%	\$ 700.00	0.00%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ 40,090.37	\$ 45,918.92	\$ 33,019.00	\$ 40,000.00	\$ 30,000.00	75.0%	\$ 50,000.00	25.00%
52350	Prof/Contractual Svcs	\$ 18,765.53	\$ 17,363.08	\$ 11,660.87	\$ 20,000.00	\$ 17,000.00	85.0%	\$ 20,000.00	0.00%
52410	Maint-Buildings & Grounds	\$ 111,772.55	\$ 113,538.60	\$ 117,581.30	\$ 120,000.00	\$ 120,000.00	100.0%	\$ 121,400.00	1.17%
52420	Maintenance-Equipment	\$ 215.70	\$ 243.31	\$ 230.00	\$ 400.00	\$ 375.00	93.8%	\$ 400.00	0.00%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ 3,803.32	\$ 4,391.48	\$ 3,346.99	\$ 5,208.00	\$ 5,000.00	96.0%	\$ 5,500.00	5.61%
52510	Permits/Fees/Software Licenses	\$ 140.00	\$ 140.00	\$ 168.00	\$ 170.00	\$ 170.00	100.0%	\$ 170.00	0.00%
52650	Utilities	\$ 107,236.64	\$ 101,862.29	\$ 103,639.47	\$ 103,000.00	\$ 95,000.00	92.2%	\$ 118,000.00	14.56%
52690	Freight	\$ 4,976.68	\$ 4,756.12	\$ 6,737.82	\$ 5,000.00	\$ 4,950.00	99.0%	\$ 5,000.00	0.00%
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ 1,240.91	\$ 1,286.28	\$ 467.94	\$ 4,000.00	\$ 3,000.00	75.0%	\$ 4,000.00	0.00%
52910	Non-Capital Equipment	\$ -	\$ -	\$ 738.75	\$ -	\$ -	-	\$ -	-
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ 701,014.95	\$ 717,412.77	\$ 738,238.51	\$ 750,000.00	\$ 750,000.00	100.0%	\$ 772,500.00	3.00%
Total Materials, Supplies & Services		\$ 1,183,148.82	\$ 1,187,676.43	\$ 1,177,869.13	\$ 1,244,845.00	\$ 1,222,562.00	98.2%	\$ 1,283,969.00	3.14%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 6,937.00	\$ 7,546.00	\$ 7,546.00	\$ 8,018.00	\$ 8,018.00	100.0%	\$ 8,018.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 6,937.00	\$ 7,546.00	\$ 7,546.00	\$ 8,018.00	\$ 8,018.00	100.0%	\$ 8,018.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ -	\$ 1,543.00	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ -	\$ -	\$ 1,543.00	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 1,475,360.25	\$ 1,483,016.33	\$ 1,495,493.27	\$ 1,559,779.00	\$ 1,537,496.00	98.6%	\$ 1,617,884.00	3.73%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 1,475,360.25	\$ 1,483,016.33	\$ 1,495,493.27	\$ 1,559,779.00	\$ 1,537,496.00	98.6%	\$ 1,617,884.00	3.73%

FY17 Budget – Human Resources

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 338,062.87	\$ 352,525.71	\$ 365,870.22	\$ 411,471.00	\$ 411,471.00	100.0%	\$ 427,776.00	3.96%
51150	Overtime	\$ 280.01	\$ 310.93	\$ 138.78	\$ 250.00	\$ 250.00	100.0%	\$ 250.00	0.00%
Total Salaries & Wages		\$ 338,342.88	\$ 352,836.64	\$ 366,009.00	\$ 411,721.00	\$ 411,721.00	100.0%	\$ 428,026.00	3.96%
Benefits									
51200	North Carolina Retirement	\$ 22,525.34	\$ 25,016.54	\$ 25,845.65	\$ 27,462.00	\$ 27,462.00	100.0%	\$ 31,417.00	14.40%
51250	Payroll Taxes	\$ 24,323.75	\$ 27,326.22	\$ 28,506.74	\$ 31,497.00	\$ 31,497.00	100.0%	\$ 32,744.00	3.96%
51300	Medical, Dental & Life	\$ 71,762.61	\$ 73,816.00	\$ 83,489.58	\$ 70,821.00	\$ 70,821.00	100.0%	\$ 77,377.00	9.26%
51325	Post Retirement Insurance	\$ 7,083.39	\$ 6,314.00	\$ 3,146.97	\$ 10,674.00	\$ 10,674.00	100.0%	\$ 10,946.00	2.55%
51350	Worker's Compensation	\$ 8,670.00	\$ 8,670.00	\$ 8,209.78	\$ 8,788.00	\$ 8,788.00	100.0%	\$ 11,067.00	25.93%
51360	State Unemployment Benefits	\$ -	\$ 1,281.96	\$ 978.08	\$ 1,320.00	\$ 1,320.00	100.0%	\$ 1,320.00	0.00%
51450	Automobile Allowance	\$ 1,848.08	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 16,497.85	\$ 17,306.22	\$ 18,173.41	\$ 20,574.00	\$ 20,574.00	100.0%	\$ 21,390.00	3.97%
Total Benefits		\$ 152,711.02	\$ 159,730.94	\$ 168,350.21	\$ 171,136.00	\$ 171,136.00	100.0%	\$ 186,261.00	8.84%
Total Salaries, Wages & Benefits		\$ 491,053.90	\$ 512,567.58	\$ 534,359.21	\$ 582,857.00	\$ 582,857.00	100.0%	\$ 614,287.00	5.39%
Materials, Supplies & Services									
52010	Advertising	\$ 5,445.18	\$ 3,700.54	\$ 1,788.14	\$ 4,000.00	\$ 3,500.00	87.5%	\$ 4,000.00	0.00%
52050	Dues & Subscriptions	\$ 7,566.06	\$ 6,644.39	\$ 5,684.44	\$ 6,100.00	\$ 5,500.00	90.2%	\$ 6,100.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 15,249.40	\$ 18,305.76	\$ 18,687.99	\$ 25,805.00	\$ 19,000.00	73.6%	\$ 25,150.00	-2.54%
52160	Tuition Assistance	\$ 468.50	\$ 1,822.38	\$ 4,229.42	\$ 6,000.00	\$ 6,000.00	100.0%	\$ 7,000.00	16.67%
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 1,873.00	\$ 1,873.00	\$ 1,540.08	\$ 1,873.00	\$ 1,873.00	100.0%	\$ 1,695.00	-9.50%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 2,345.88	\$ 2,189.29	\$ 2,643.55	\$ 5,310.00	\$ 3,900.00	73.4%	\$ 5,310.00	0.00%
52240	Uniforms	\$ 886.88	\$ 900.70	\$ 839.52	\$ 1,300.00	\$ 1,300.00	100.0%	\$ 1,300.00	0.00%
52250	Office Supplies	\$ 3,647.52	\$ 3,402.57	\$ 2,929.53	\$ 3,900.00	\$ 3,900.00	100.0%	\$ 3,700.00	-5.13%
52260	Special Dept Supplies	\$ 2,642.90	\$ 606.19	\$ 1,455.54	\$ 3,300.00	\$ 3,200.00	97.0%	\$ 3,300.00	0.00%
52270	Safety Equip/Supplies	\$ 5,133.99	\$ 6,363.31	\$ 11,453.54	\$ 12,542.21	\$ 12,550.00	100.1%	\$ 13,000.00	3.65%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ 3,103.45	\$ 2,393.41	\$ 4,000.00	\$ 2,500.00	62.5%	\$ 4,000.00	0.00%
52350	Prof/Contractual Svcs	\$ 41,486.46	\$ 36,890.97	\$ 48,920.68	\$ 64,700.00	\$ 52,000.00	80.4%	\$ 68,450.00	5.80%
52410	Maint-Buildings & Grounds	\$ 7,797.67	\$ 4,687.99	\$ 673.37	\$ 1,000.00	\$ 600.00	60.0%	\$ 1,000.00	0.00%
52420	Maintenance-Equipment	\$ 3,129.22	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 2,000.00	0.00%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 2,660.88	\$ 2,542.27	\$ 1,799.58	\$ 2,850.00	\$ 2,550.00	89.5%	\$ 2,850.00	0.00%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ 1,069.45	\$ 1,228.64	\$ 1,845.91	\$ 2,500.00	\$ 1,800.00	72.0%	\$ 2,500.00	0.00%
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ 4,128.82	\$ 8,010.44	\$ 4,592.67	\$ 8,000.00	\$ 7,000.00	87.5%	\$ 8,000.00	0.00%
52730	Employee Asst Program	\$ 4,255.00	\$ 4,255.00	\$ 4,255.00	\$ 4,500.00	\$ 4,355.00	96.8%	\$ 4,500.00	0.00%
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 16,688.37	\$ 10,046.08	\$ 19,977.58	\$ 11,457.79	\$ 11,458.00	100.0%	\$ 14,800.00	29.17%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 126,475.18	\$ 116,572.97	\$ 135,709.95	\$ 171,138.00	\$ 144,986.00	84.7%	\$ 178,655.00	4.39%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ 1,952.00	\$ 1,952.00	\$ 2,074.00	\$ 2,074.00	100.0%	\$ 2,074.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ -	\$ 1,952.00	\$ 1,952.00	\$ 2,074.00	\$ 2,074.00	100.0%	\$ 2,074.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ 24,246.76	\$ 2,047.42	\$ 5,490.00	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ 24,246.76	\$ 2,047.42	\$ 5,490.00	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 641,775.84	\$ 633,139.97	\$ 677,511.16	\$ 756,069.00	\$ 729,917.00	96.5%	\$ 795,016.00	5.15%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 641,775.84	\$ 633,139.97	\$ 677,511.16	\$ 756,069.00	\$ 729,917.00	96.5%	\$ 795,016.00	5.15%

FY17 Budget – Information Technology

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 552,617.31	\$ 547,024.17	\$ 622,852.62	\$ 635,761.00	\$ 635,761.00	100.0%	\$ 654,765.00	2.99%
51150	Overtime	\$ -	\$ 188.50	\$ -	\$ 500.00	\$ -	0.0%	\$ -	-100.00%
Total Salaries & Wages		\$ 552,617.31	\$ 547,212.67	\$ 622,852.62	\$ 636,261.00	\$ 635,761.00	99.9%	\$ 654,765.00	2.91%
Benefits									
51200	North Carolina Retirement	\$ 37,214.43	\$ 38,806.61	\$ 43,988.92	\$ 42,439.00	\$ 42,405.00	99.9%	\$ 48,060.00	13.24%
51250	Payroll Taxes	\$ 40,068.67	\$ 39,498.51	\$ 45,255.70	\$ 48,674.00	\$ 48,636.00	99.9%	\$ 50,089.00	2.91%
51300	Medical, Dental & Life	\$ 119,604.35	\$ 123,027.00	\$ 139,149.31	\$ 118,035.00	\$ 118,035.00	100.0%	\$ 128,962.00	9.26%
51325	Post Retirement Insurance	\$ 11,804.65	\$ 10,523.00	\$ 5,244.95	\$ 17,790.00	\$ 17,790.00	100.0%	\$ 18,243.00	2.55%
51350	Worker's Compensation	\$ 14,450.00	\$ 14,450.00	\$ 13,683.29	\$ 14,647.00	\$ 14,647.00	100.0%	\$ 18,445.00	25.93%
51360	State Unemployment Benefits	\$ 7,472.00	\$ 15,770.67	\$ 1,630.13	\$ 2,200.00	\$ 2,200.00	100.0%	\$ 2,200.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 14,688.43	\$ 16,886.60	\$ 25,100.28	\$ 31,789.00	\$ 31,789.00	100.0%	\$ 32,739.00	2.99%
Total Benefits		\$ 245,302.53	\$ 258,962.39	\$ 274,052.58	\$ 275,574.00	\$ 275,502.00	100.0%	\$ 298,738.00	8.41%
Total Salaries, Wages & Benefits		\$ 797,919.84	\$ 806,175.06	\$ 896,905.20	\$ 911,835.00	\$ 911,263.00	99.9%	\$ 953,503.00	4.57%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 50.00	\$ 129.00	\$ 377.00	\$ 500.00	\$ 350.00	70.0%	\$ 440.00	-12.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 2,417.92	\$ 1,023.35	\$ 2,272.00	\$ 3,069.00	\$ 2,925.00	95.3%	\$ 3,500.00	14.04%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 11,670.00	\$ 11,670.00	\$ 9,595.69	\$ 11,670.00	\$ 11,670.00	100.0%	\$ 10,557.00	-9.54%
52200	Telephone/Telefax	\$ 33,597.07	\$ 29,506.09	\$ 28,692.57	\$ 31,200.00	\$ 31,200.00	100.0%	\$ 31,600.00	1.28%
52210	Communications	\$ 4,714.59	\$ 2,639.09	\$ 2,899.47	\$ 3,500.00	\$ 3,500.00	100.0%	\$ 3,500.00	0.00%
52240	Uniforms	\$ 159.53	\$ 101.54	\$ -	\$ 800.00	\$ -	0.0%	\$ 800.00	0.00%
52250	Office Supplies	\$ 400.41	\$ 440.34	\$ 93.41	\$ 650.00	\$ 625.00	96.2%	\$ 700.00	7.69%
52260	Special Dept Supplies	\$ 390.41	\$ 57.23	\$ 51.39	\$ 500.00	\$ 500.00	100.0%	\$ 500.00	0.00%
52270	Safety Equip/Supplies	\$ 78.52	\$ 84.07	\$ 77.28	\$ 100.00	\$ 100.00	100.0%	\$ 200.00	100.00%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 3,357.81	\$ 7,372.33	\$ 17,345.05	\$ 12,500.00	\$ 9,500.00	76.0%	\$ 12,500.00	0.00%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ 25,515.21	\$ 30,041.44	\$ 34,046.64	\$ 42,000.00	\$ 40,000.00	95.2%	\$ 44,000.00	4.76%
52510	Permits/Fees/Software Licenses	\$ 63,988.14	\$ 55,604.00	\$ 140,882.76	\$ 176,050.00	\$ 173,000.00	98.3%	\$ 179,800.00	2.13%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 49,422.27	\$ 54,225.16	\$ 68,416.01	\$ 55,000.00	\$ 55,000.00	100.0%	\$ 55,000.00	0.00%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ 60.41	\$ 5,000.00	\$ 4,775.00	95.5%	\$ 5,000.00	0.00%
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 195,761.88	\$ 192,893.64	\$ 304,809.68	\$ 342,539.00	\$ 333,145.00	97.3%	\$ 348,097.00	1.62%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Capital Outlay									
54010	Capital Equipment - New	\$ 86,521.91	\$ -	\$ 3,055.26	\$ 5,500.00	\$ 5,500.00	100.0%	\$ 5,950.00	8.18%
54020	Capital Equip-Software	\$ 13,598.61	\$ 23,404.39	\$ 11,250.00	\$ 13,738.50	\$ 13,700.00	99.7%	\$ 13,248.00	-3.57%
54030	Capital Equip - Replacement	\$ 17,977.12	\$ 66,688.27	\$ 40,732.62	\$ 22,000.00	\$ 21,850.00	99.3%	\$ 16,800.00	-23.64%
Total Capital Outlay		\$ 118,097.64	\$ 90,092.66	\$ 55,037.88	\$ 41,238.50	\$ 41,050.00	99.5%	\$ 35,998.00	-12.71%
Sub-Total O&M Fund		\$ 1,111,779.36	\$ 1,089,161.36	\$ 1,256,752.76	\$ 1,295,612.50	\$ 1,285,458.00	99.2%	\$ 1,337,598.00	3.24%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ (255,974.39)	\$ (239,081.92)	\$ (278,052.43)	\$ (288,225.00)	\$ (288,225.00)	100.0%	\$ (299,284.00)	3.84%
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 855,804.97	\$ 850,079.44	\$ 978,700.33	\$ 1,007,387.50	\$ 997,233.00	99.0%	\$ 1,038,314.00	3.07%

FY17 Budget – Financial Services

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 464,619.84	\$ 472,515.70	\$ 488,785.88	\$ 514,431.00	\$ 514,431.00	100.0%	\$ 486,971.00	-5.34%
51150	Overtime	\$ -	\$ 100.62	\$ -	\$ 500.00	\$ 275.00	55.0%	\$ 500.00	0.00%
Total Salaries & Wages		\$ 464,619.84	\$ 472,616.32	\$ 488,785.88	\$ 514,931.00	\$ 514,706.00	100.0%	\$ 487,471.00	-5.33%
Benefits									
51200	North Carolina Retirement	\$ 31,834.97	\$ 33,569.24	\$ 34,518.19	\$ 34,346.00	\$ 34,331.00	100.0%	\$ 35,780.00	4.18%
51250	Payroll Taxes	\$ 34,077.87	\$ 33,759.69	\$ 35,216.81	\$ 39,392.00	\$ 39,375.00	100.0%	\$ 37,292.00	-5.33%
51300	Medical, Dental & Life	\$ 107,644.94	\$ 110,730.00	\$ 125,234.97	\$ 106,232.00	\$ 106,232.00	100.0%	\$ 103,169.00	-2.88%
51325	Post Retirement Insurance	\$ 10,625.06	\$ 9,471.00	\$ 4,720.31	\$ 16,010.00	\$ 16,010.00	100.0%	\$ 14,594.00	-8.84%
51350	Worker's Compensation	\$ 13,008.00	\$ 13,008.00	\$ 12,315.61	\$ 13,183.00	\$ 13,183.00	100.0%	\$ 14,757.00	11.94%
51360	State Unemployment Benefits	\$ -	\$ 1,883.89	\$ 1,467.12	\$ 1,980.00	\$ 1,980.00	100.0%	\$ 1,760.00	-11.11%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 21,518.32	\$ 21,643.47	\$ 21,984.34	\$ 25,722.00	\$ 25,722.00	100.0%	\$ 24,349.00	-5.34%
Total Benefits		\$ 218,709.16	\$ 224,065.29	\$ 235,457.35	\$ 236,865.00	\$ 236,833.00	100.0%	\$ 231,701.00	-2.18%
Total Salaries, Wages & Benefits		\$ 683,329.00	\$ 696,681.61	\$ 724,243.23	\$ 751,796.00	\$ 751,539.00	100.0%	\$ 719,172.00	-4.34%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 1,575.00	\$ 1,863.95	\$ 1,715.00	\$ 1,800.00	\$ 1,750.00	97.2%	\$ 1,800.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 6,236.40	\$ 6,129.72	\$ 6,051.70	\$ 12,082.00	\$ 12,000.00	99.3%	\$ 12,173.00	0.75%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 1,316.88	\$ 1,158.25	\$ 2,244.69	\$ 2,595.00	\$ 2,550.00	98.3%	\$ 2,600.00	0.19%
52240	Uniforms	\$ 869.24	\$ 674.08	\$ 561.12	\$ 1,450.00	\$ 1,200.00	82.8%	\$ 1,450.00	0.00%
52250	Office Supplies	\$ 3,086.60	\$ 2,780.02	\$ 2,100.88	\$ 3,000.00	\$ 2,775.00	92.5%	\$ 3,000.00	0.00%
52260	Special Dept Supplies	\$ 597.02	\$ 1,422.49	\$ 1,069.28	\$ 1,200.00	\$ 1,175.00	97.9%	\$ 1,200.00	0.00%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 56,121.44	\$ 49,408.31	\$ 54,150.39	\$ 52,000.00	\$ 50,000.00	96.2%	\$ 52,000.00	0.00%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 942.86	\$ 1,481.13	\$ 630.45	\$ 3,800.00	\$ 3,525.00	92.8%	\$ 2,000.00	-47.37%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 70,745.44	\$ 64,917.95	\$ 68,523.51	\$ 77,927.00	\$ 74,975.00	96.2%	\$ 76,223.00	-2.19%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 754,074.44	\$ 761,599.56	\$ 792,766.74	\$ 829,723.00	\$ 826,514.00	99.6%	\$ 795,395.00	-4.14%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 754,074.44	\$ 761,599.56	\$ 792,766.74	\$ 829,723.00	\$ 826,514.00	99.6%	\$ 795,395.00	-4.14%

FY17 Budget – Wastewater Treatment Plant

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 2,256,965.65	\$ 2,309,119.86	\$ 2,365,781.08	\$ 2,449,197.00	\$ 2,449,197.00	100.0%	\$ 2,346,690.00	-4.19%
51150	Overtime	\$ 99,472.40	\$ 144,696.33	\$ 113,250.91	\$ 117,000.00	\$ 117,000.00	100.0%	\$ 105,000.00	-10.26%
Total Salaries & Wages		\$ 2,356,438.05	\$ 2,453,816.19	\$ 2,479,031.99	\$ 2,566,197.00	\$ 2,566,197.00	100.0%	\$ 2,451,690.00	-4.46%
Benefits									
51200	North Carolina Retirement	\$ 158,338.91	\$ 174,212.36	\$ 174,084.23	\$ 171,165.00	\$ 171,165.00	100.0%	\$ 179,954.00	5.13%
51250	Payroll Taxes	\$ 170,288.59	\$ 178,235.58	\$ 180,452.56	\$ 196,313.00	\$ 196,313.00	100.0%	\$ 187,553.00	-4.46%
51300	Medical, Dental & Life	\$ 514,301.75	\$ 516,716.00	\$ 584,428.28	\$ 495,748.00	\$ 495,748.00	100.0%	\$ 502,949.00	1.45%
51325	Post Retirement Insurance	\$ 50,763.25	\$ 44,199.00	\$ 22,028.21	\$ 74,713.00	\$ 74,713.00	100.0%	\$ 71,148.00	-4.77%
51350	Worker's Compensation	\$ 62,137.00	\$ 60,691.00	\$ 57,470.37	\$ 61,518.00	\$ 61,518.00	100.0%	\$ 71,940.00	16.94%
51360	State Unemployment Benefits	\$ 1,004.38	\$ 9,285.27	\$ 6,846.56	\$ 9,240.00	\$ 9,240.00	100.0%	\$ 8,580.00	-7.14%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 91,031.91	\$ 97,031.68	\$ 101,066.56	\$ 122,463.00	\$ 122,463.00	100.0%	\$ 117,338.00	-4.18%
Total Benefits		\$ 1,047,865.79	\$ 1,080,370.89	\$ 1,126,376.77	\$ 1,131,160.00	\$ 1,131,160.00	100.0%	\$ 1,139,462.00	0.73%
Total Salaries, Wages & Benefits		\$ 3,404,303.84	\$ 3,534,187.08	\$ 3,605,408.76	\$ 3,697,357.00	\$ 3,697,357.00	100.0%	\$ 3,591,152.00	-2.87%
Materials, Supplies & Services									
52010	Advertising	\$ 13,841.44	\$ 2,474.93	\$ 6,101.58	\$ 2,603.00	\$ 2,603.00	100.0%	\$ 3,300.00	26.78%
52050	Dues & Subscriptions	\$ 16,107.20	\$ 5,054.44	\$ 15,859.78	\$ 15,260.00	\$ 15,260.00	100.0%	\$ 15,750.00	3.21%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 16,987.24	\$ 15,544.27	\$ 20,506.02	\$ 21,146.00	\$ 19,930.00	94.2%	\$ 19,420.00	-8.16%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 258,200.00	\$ 258,200.00	\$ 212,305.77	\$ 258,200.00	\$ 258,200.00	100.0%	\$ 233,598.00	-9.53%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 31,991.70	\$ 42,408.21	\$ 40,108.14	\$ 52,250.00	\$ 52,250.00	100.0%	\$ 51,750.00	-0.96%
52240	Uniforms	\$ 23,112.09	\$ 23,569.19	\$ 23,236.85	\$ 25,820.00	\$ 24,900.00	96.4%	\$ 25,150.00	-2.59%
52250	Office Supplies	\$ 5,160.24	\$ 5,309.78	\$ 3,576.10	\$ 5,550.00	\$ 5,350.00	96.4%	\$ 5,350.00	-3.60%
52260	Special Dept Supplies	\$ 384,297.97	\$ 387,586.89	\$ 396,951.61	\$ 407,984.00	\$ 405,750.00	99.5%	\$ 414,500.00	1.60%
52270	Safety Equip/Supplies	\$ 11,527.35	\$ 11,939.78	\$ 10,161.26	\$ 11,400.00	\$ 10,900.00	95.6%	\$ 10,750.00	-5.70%
52280	Maint Supp/Small Tools	\$ 30,504.65	\$ 33,782.93	\$ 21,482.24	\$ 37,214.00	\$ 34,000.00	91.4%	\$ 36,250.00	-2.59%
52290	Chemical Supplies	\$ 406,339.32	\$ 421,393.22	\$ 388,293.43	\$ 530,845.91	\$ 518,750.00	97.7%	\$ 529,900.00	-0.18%
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 242,145.68	\$ 245,670.45	\$ 216,760.24	\$ 337,671.53	\$ 332,650.00	98.5%	\$ 305,400.00	-9.56%
52410	Maint-Buildings & Grounds	\$ 16,700.84	\$ 6,584.98	\$ 7,745.14	\$ 20,000.00	\$ 20,000.00	100.0%	\$ 19,000.00	-5.00%
52420	Maintenance-Equipment	\$ 408,056.34	\$ 387,656.57	\$ 411,674.72	\$ 422,700.00	\$ 415,000.00	98.2%	\$ 395,000.00	-6.55%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ 23,104.28	\$ 42,718.44	\$ 33,951.84	\$ 40,000.00	\$ 40,000.00	100.0%	\$ -	-100.00%
52450	Equipment Rental	\$ 3,337.94	\$ 220.00	\$ 2,144.75	\$ 4,550.00	\$ 4,521.00	99.4%	\$ 3,000.00	-34.07%
52460	Motor Fuel & Lubricants	\$ 239,881.43	\$ 234,550.21	\$ 176,658.06	\$ 271,148.15	\$ 200,000.00	73.8%	\$ 262,000.00	-3.37%
52470	Outside Vehicle Maint	\$ 3,746.03	\$ 5,877.23	\$ 9,368.84	\$ 15,000.00	\$ 15,000.00	100.0%	\$ 15,000.00	0.00%
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 14,242.60	\$ 14,972.00	\$ 15,125.35	\$ 22,027.59	\$ 21,826.69	99.1%	\$ 20,700.00	-6.03%
52650	Utilities	\$ 796,333.55	\$ 844,867.11	\$ 922,846.10	\$ 1,099,750.00	\$ 1,000,000.00	90.9%	\$ 1,125,000.00	2.30%
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 11,876.23	\$ 3,803.89	\$ 36,934.46	\$ 13,897.32	\$ 13,397.32	96.4%	\$ 8,250.00	-40.64%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 2,957,494.12	\$ 2,994,184.52	\$ 2,971,792.28	\$ 3,615,017.50	\$ 3,410,288.01	94.3%	\$ 3,499,068.00	-3.21%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 49,329.00	\$ 60,815.00	\$ 60,815.00	\$ 64,616.00	\$ 64,616.00	100.0%	\$ 64,616.00	0.00%
53050	Wwtp Replacement Charges	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	100.0%	\$ 200,000.00	0.00%
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 149,329.00	\$ 160,815.00	\$ 160,815.00	\$ 264,616.00	\$ 264,616.00	100.0%	\$ 264,616.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ 19,935.24	\$ 8,191.12	\$ 26,740.05	\$ 8,500.00	\$ 8,500.00	100.0%	\$ 2,000.00	-76.47%
54020	Capital Equip-Software	\$ 4,957.20	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ 40,453.09	\$ 137,979.52	\$ -	\$ 42,500.00	\$ 41,500.00	97.6%	\$ 7,850.00	-81.53%
Total Capital Outlay		\$ 65,345.53	\$ 146,170.64	\$ 26,740.05	\$ 51,000.00	\$ 50,000.00	98.0%	\$ 9,850.00	-80.69%
Sub-Total O&M Fund		\$ 6,576,472.49	\$ 6,835,357.24	\$ 6,764,756.09	\$ 7,627,990.50	\$ 7,422,261.01	97.3%	\$ 7,364,686.00	-3.45%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 6,576,472.49	\$ 6,835,357.24	\$ 6,764,756.09	\$ 7,627,990.50	\$ 7,422,261.01	97.3%	\$ 7,364,686.00	-3.45%

FY17 Budget – SS Maintenance

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 1,225,608.46	\$ 1,227,513.09	\$ 1,248,264.54	\$ 1,280,836.00	\$ 1,280,836.00	100.0%	\$ 1,543,631.00	20.52%
51150	Overtime	\$ 110,610.38	\$ 119,144.39	\$ 90,811.15	\$ 110,000.00	\$ 110,000.00	100.0%	\$ 125,000.00	13.64%
Total Salaries & Wages		\$ 1,336,218.84	\$ 1,346,657.48	\$ 1,339,075.69	\$ 1,390,836.00	\$ 1,390,836.00	100.0%	\$ 1,668,631.00	19.97%
Benefits									
51200	North Carolina Retirement	\$ 88,099.50	\$ 93,848.70	\$ 92,920.02	\$ 92,769.00	\$ 92,769.00	100.0%	\$ 122,478.00	32.02%
51250	Payroll Taxes	\$ 94,260.68	\$ 94,917.30	\$ 94,211.24	\$ 106,399.00	\$ 106,399.00	100.0%	\$ 127,650.00	19.97%
51300	Medical, Dental & Life	\$ 334,894.21	\$ 344,478.00	\$ 389,618.08	\$ 330,498.00	\$ 330,498.00	100.0%	\$ 425,572.00	28.77%
51325	Post Retirement Insurance	\$ 33,054.79	\$ 29,466.00	\$ 14,685.85	\$ 49,810.00	\$ 49,810.00	100.0%	\$ 60,203.00	20.87%
51350	Worker's Compensation	\$ 40,461.00	\$ 40,461.00	\$ 38,313.60	\$ 41,012.00	\$ 41,012.00	100.0%	\$ 60,872.00	48.42%
51360	State Unemployment Benefits	\$ -	\$ 8,675.48	\$ 4,564.40	\$ 6,160.00	\$ 6,160.00	100.0%	\$ 7,040.00	14.29%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 48,849.33	\$ 50,994.16	\$ 55,301.81	\$ 64,043.00	\$ 64,043.00	100.0%	\$ 77,183.00	20.52%
Total Benefits		\$ 639,619.51	\$ 662,840.64	\$ 689,615.00	\$ 690,691.00	\$ 690,691.00	100.0%	\$ 880,998.00	27.55%
Total Salaries, Wages & Benefits		\$ 1,975,838.35	\$ 2,009,498.12	\$ 2,028,690.69	\$ 2,081,527.00	\$ 2,081,527.00	100.0%	\$ 2,549,629.00	22.49%
Materials, Supplies & Services									
52010	Advertising	\$ 477.56	\$ 2,527.08	\$ 4,816.65	\$ 4,000.00	\$ 4,000.00	100.0%	\$ 5,000.00	25.00%
52050	Dues & Subscriptions	\$ 4,523.51	\$ 3,315.70	\$ 2,867.43	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,500.00	10.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 23,005.22	\$ 20,162.97	\$ 17,947.43	\$ 26,000.00	\$ 26,000.00	100.0%	\$ 31,125.00	19.71%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 81,849.00	\$ 81,849.00	\$ 67,300.60	\$ 81,849.00	\$ 81,849.00	100.0%	\$ 74,050.00	-9.53%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 20,141.80	\$ 20,838.04	\$ 25,195.62	\$ 27,400.00	\$ 27,400.00	100.0%	\$ 32,400.00	18.25%
52240	Uniforms	\$ 15,845.25	\$ 18,228.80	\$ 15,748.61	\$ 22,000.00	\$ 22,000.00	100.0%	\$ 26,200.00	19.09%
52250	Office Supplies	\$ 6,980.62	\$ 6,635.86	\$ 4,891.12	\$ 6,500.00	\$ 6,500.00	100.0%	\$ 7,500.00	15.38%
52260	Special Dept Supplies	\$ -	\$ -	\$ 352.18	\$ 1,200.00	\$ 1,200.00	100.0%	\$ 1,500.00	25.00%
52270	Safety Equip/Supplies	\$ 14,763.35	\$ 19,690.16	\$ 17,659.03	\$ 21,000.00	\$ 21,000.00	100.0%	\$ 25,000.00	19.05%
52280	Maint Supp/Small Tools	\$ 36,994.92	\$ 33,726.81	\$ 30,494.34	\$ 35,000.00	\$ 30,000.00	85.7%	\$ 40,000.00	14.29%
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 2,000.00	-
52300	Line Cleaning Supplies	\$ 61,054.79	\$ 42,744.05	\$ 53,362.68	\$ 53,000.00	\$ 53,000.00	100.0%	\$ 53,000.00	0.00%
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 28,046.72	\$ 24,782.42	\$ 33,153.49	\$ 50,500.00	\$ 50,500.00	100.0%	\$ 67,450.00	33.56%
52410	Maint-Buildings & Grounds	\$ 69.99	\$ -	\$ -	\$ -	\$ -	-	\$ 2,000.00	-
52420	Maintenance-Equipment	\$ 50,142.91	\$ 46,387.14	\$ 54,944.50	\$ 58,000.00	\$ 58,000.00	100.0%	\$ 60,000.00	3.45%
52430	Landscape Restoration	\$ 3,854.73	\$ 2,301.32	\$ 933.63	\$ 5,300.00	\$ 5,300.00	100.0%	\$ 5,300.00	0.00%
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 90,000.00	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ 1,900.00	\$ 1,900.00	100.0%	\$ 2,500.00	31.58%
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 23,830.90	\$ 13,630.93	\$ 17,451.46	\$ 20,300.00	\$ 20,300.00	100.0%	\$ 20,300.00	0.00%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 4,090.11	\$ 6,676.70	\$ 5,107.75	\$ 5,525.00	\$ 5,525.00	100.0%	\$ 7,950.00	43.89%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 375,671.38	\$ 343,496.98	\$ 352,226.52	\$ 424,474.00	\$ 419,474.00	98.8%	\$ 558,775.00	31.64%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 176,348.00	\$ 167,064.00	\$ 167,064.00	\$ 177,505.00	\$ 177,505.00	100.0%	\$ 177,505.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 176,348.00	\$ 167,064.00	\$ 167,064.00	\$ 177,505.00	\$ 177,505.00	100.0%	\$ 177,505.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ 43,334.88	\$ 19,271.11	\$ 8,941.17	\$ 3,300.00	\$ 3,300.00	100.0%	\$ 6,100.00	84.85%
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ 13,703.66	\$ 24,540.85	\$ 27,250.00	\$ 27,250.00	100.0%	\$ 11,850.00	-56.51%
Total Capital Outlay		\$ 43,334.88	\$ 32,974.77	\$ 33,482.02	\$ 30,550.00	\$ 30,550.00	100.0%	\$ 17,950.00	-41.24%
Sub-Total O&M Fund		\$ 2,571,192.61	\$ 2,553,033.87	\$ 2,581,463.23	\$ 2,714,056.00	\$ 2,709,056.00	99.8%	\$ 3,303,859.00	21.73%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 2,571,192.61	\$ 2,553,033.87	\$ 2,581,463.23	\$ 2,714,056.00	\$ 2,709,056.00	99.8%	\$ 3,303,859.00	21.73%

FY17 Budget – SS Construction

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 1,417,101.75	\$ 1,483,748.47	\$ 1,586,770.58	\$ 1,598,606.00	\$ 1,598,606.00	100.0%	\$ 1,614,234.00	0.98%
51150	Overtime	\$ 60,596.16	\$ 91,372.55	\$ 45,317.85	\$ 65,650.00	\$ 65,650.00	100.0%	\$ 69,000.00	5.10%
Total Salaries & Wages		\$ 1,477,697.91	\$ 1,575,121.02	\$ 1,632,088.43	\$ 1,664,256.00	\$ 1,664,256.00	100.0%	\$ 1,683,234.00	1.14%
Benefits									
51200	North Carolina Retirement	\$ 101,325.68	\$ 113,628.51	\$ 117,028.97	\$ 111,005.00	\$ 111,005.00	100.0%	\$ 123,549.00	11.30%
51250	Payroll Taxes	\$ 108,862.62	\$ 116,066.16	\$ 119,886.82	\$ 127,316.00	\$ 127,316.00	100.0%	\$ 128,767.00	1.14%
51300	Medical, Dental & Life	\$ 406,657.84	\$ 430,596.14	\$ 487,020.82	\$ 413,121.00	\$ 413,121.00	100.0%	\$ 451,366.00	9.26%
51325	Post Retirement Insurance	\$ 40,138.16	\$ 36,832.00	\$ 18,357.15	\$ 62,261.00	\$ 62,261.00	100.0%	\$ 63,852.00	2.56%
51350	Worker's Compensation	\$ 49,131.00	\$ 50,576.05	\$ 47,891.04	\$ 51,264.00	\$ 51,264.00	100.0%	\$ 64,561.00	25.94%
51360	State Unemployment Benefits	\$ 13,156.00	\$ 7,430.83	\$ 5,705.47	\$ 7,700.00	\$ 7,700.00	100.0%	\$ 7,700.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 52,915.94	\$ 56,487.91	\$ 68,713.94	\$ 79,931.00	\$ 79,931.00	100.0%	\$ 80,713.00	0.98%
Total Benefits		\$ 772,187.24	\$ 811,617.60	\$ 864,604.21	\$ 852,598.00	\$ 852,598.00	100.0%	\$ 920,508.00	7.97%
Total Salaries, Wages & Benefits		\$ 2,249,885.15	\$ 2,386,738.62	\$ 2,496,692.64	\$ 2,516,854.00	\$ 2,516,854.00	100.0%	\$ 2,603,742.00	3.45%
Materials, Supplies & Services									
52010	Advertising	\$ 413.50	\$ 500.00	\$ 574.85	\$ 500.00	\$ 500.00	100.0%	\$ 500.00	0.00%
52050	Dues & Subscriptions	\$ 2,360.00	\$ 2,846.25	\$ 4,003.50	\$ 4,150.00	\$ 4,150.00	100.0%	\$ 4,150.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 21,783.37	\$ 31,717.20	\$ 26,161.68	\$ 37,340.00	\$ 37,340.00	100.0%	\$ 30,050.00	-19.52%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 97,275.00	\$ 97,275.00	\$ 79,984.67	\$ 97,275.00	\$ 97,275.00	100.0%	\$ 88,006.00	-9.53%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 14,837.32	\$ 15,200.64	\$ 16,332.61	\$ 20,675.00	\$ 20,675.00	100.0%	\$ 20,675.00	0.00%
52240	Uniforms	\$ 20,665.56	\$ 21,991.80	\$ 21,453.40	\$ 23,600.00	\$ 23,600.00	100.0%	\$ 23,600.00	0.00%
52250	Office Supplies	\$ 3,264.44	\$ 1,744.05	\$ 1,440.13	\$ 4,000.00	\$ 4,000.00	100.0%	\$ 4,000.00	0.00%
52260	Special Dept Supplies	\$ 530.37	\$ 620.90	\$ 1,081.46	\$ 1,144.00	\$ 1,000.00	87.4%	\$ 1,000.00	-12.59%
52270	Safety Equip/Supplies	\$ 22,212.09	\$ 20,632.52	\$ 21,230.82	\$ 23,200.00	\$ 23,200.00	100.0%	\$ 23,200.00	0.00%
52280	Maint Supp/Small Tools	\$ 52,998.34	\$ 51,659.07	\$ 57,342.94	\$ 50,250.00	\$ 50,000.00	99.5%	\$ 50,750.00	1.00%
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ 453.38	\$ 528.35	\$ 164.95	\$ 1,000.00	\$ 750.00	75.0%	\$ 750.00	-25.00%
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 5,181.07	\$ 2,297.00	\$ 8,486.01	\$ 9,500.00	\$ 9,500.00	100.0%	\$ 12,000.00	26.32%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ 1,589.05	\$ 1,298.11	\$ 1,726.93	\$ 2,200.00	\$ 2,200.00	100.0%	\$ 2,200.00	0.00%
52430	Landscape Restoration	\$ 9,873.88	\$ 12,557.12	\$ 8,246.69	\$ 11,700.00	\$ 11,700.00	100.0%	\$ 11,700.00	0.00%
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ 2,320.80	\$ 4,280.76	\$ 3,777.75	\$ 20,000.00	\$ 20,000.00	100.0%	\$ 20,000.00	0.00%
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 14,439.05	\$ 11,343.00	\$ 14,210.45	\$ 17,000.00	\$ 17,000.00	100.0%	\$ 17,000.00	0.00%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 4,553.88	\$ 10,272.84	\$ 7,514.70	\$ 5,100.00	\$ 5,100.00	100.0%	\$ 6,575.00	28.92%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 274,751.10	\$ 286,764.61	\$ 273,733.54	\$ 328,634.00	\$ 327,990.00	99.8%	\$ 316,156.00	-3.80%
Interfund Transfers									
52340	Debt Administration Expenses	\$ 338,507.16	\$ 220,782.82	\$ 191,223.71	\$ 198,648.00	\$ 198,000.00	99.7%	\$ 202,217.00	1.80%
53040	Fleet Replacement Charges	\$ 164,573.00	\$ 159,776.00	\$ 159,776.00	\$ 172,787.00	\$ 172,787.00	100.0%	\$ 172,787.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 503,080.16	\$ 380,558.82	\$ 350,999.71	\$ 371,435.00	\$ 370,787.00	99.8%	\$ 375,004.00	0.96%
Capital Outlay									
54010	Capital Equipment - New	\$ 18,711.94	\$ 7,362.00	\$ 12,102.00	\$ 13,000.00	\$ 13,000.00	100.0%	\$ 6,400.00	-50.77%
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ 22,573.74	\$ 14,990.01	\$ 12,286.19	\$ 8,400.00	\$ 8,400.00	100.0%	\$ 17,100.00	103.57%
Total Capital Outlay		\$ 41,285.68	\$ 22,352.01	\$ 24,388.19	\$ 21,400.00	\$ 21,400.00	100.0%	\$ 23,500.00	9.81%
Sub-Total O&M Fund		\$ 3,069,002.09	\$ 3,076,414.06	\$ 3,145,814.08	\$ 3,238,323.00	\$ 3,237,031.00	100.0%	\$ 3,318,402.00	2.47%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ (742,059.13)	\$ (758,459.66)	\$ (748,359.85)	\$ (773,007.00)	\$ (771,965.00)	99.9%	\$ (748,639.00)	-3.15%
	Chargebacks to General Fund for SSD	\$ (1,294,092.88)	\$ (1,279,053.00)	\$ (1,309,983.00)	\$ (1,326,632.00)	\$ (1,326,632.00)	100.0%	\$ (1,539,411.00)	16.04%
Net Operation & Maintenance Fund		\$ 1,032,850.08	\$ 1,038,901.40	\$ 1,087,471.23	\$ 1,138,684.00	\$ 1,138,434.00	100.0%	\$ 1,030,352.00	-9.51%

FY17 Budget – Engineering

No.	Name	Actual 2012-2013	Actual 2013-2014	Actual 2014-2015	Approved 2015-2016 Budget	Estimated Actual 6/30/2016	Percent Expended To Total Budget	Proposed 2016-2017 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 1,063,589.31	\$ 898,234.50	\$ 907,408.19	\$ 985,190.00	\$ 985,190.00	100.0%	\$ 1,026,284.00	4.17%
51150	Overtime	\$ 261.00	\$ (355.54)	\$ 367.23	\$ 2,000.00	\$ 1,250.00	62.5%	\$ 1,350.00	-32.50%
Total Salaries & Wages		\$ 1,063,850.31	\$ 897,878.96	\$ 907,775.42	\$ 987,190.00	\$ 986,440.00	99.9%	\$ 1,027,634.00	4.10%
Benefits									
51200	North Carolina Retirement	\$ 70,669.30	\$ 63,796.17	\$ 64,100.68	\$ 65,846.00	\$ 65,796.00	99.9%	\$ 75,428.00	14.55%
51250	Payroll Taxes	\$ 78,462.15	\$ 66,301.35	\$ 66,929.30	\$ 75,520.00	\$ 75,463.00	99.9%	\$ 78,614.00	4.10%
51300	Medical, Dental & Life	\$ 203,329.43	\$ 209,147.86	\$ 208,725.73	\$ 177,054.00	\$ 177,054.00	100.0%	\$ 193,441.00	9.26%
51325	Post Retirement Insurance	\$ 20,069.57	\$ 17,890.00	\$ 7,867.57	\$ 26,684.00	\$ 26,684.00	100.0%	\$ 27,365.00	2.55%
51350	Worker's Compensation	\$ 24,565.00	\$ 24,565.95	\$ 20,525.39	\$ 21,971.00	\$ 21,971.00	100.0%	\$ 27,669.00	25.93%
51360	State Unemployment Benefits	\$ -	\$ 3,283.39	\$ 2,445.20	\$ 3,300.00	\$ 3,300.00	100.0%	\$ 3,300.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 50,574.36	\$ 41,836.31	\$ 40,169.83	\$ 49,261.00	\$ 49,261.00	100.0%	\$ 51,316.00	4.17%
Total Benefits		\$ 447,669.81	\$ 426,821.03	\$ 410,763.70	\$ 419,636.00	\$ 419,529.00	100.0%	\$ 457,133.00	8.94%
Total Salaries, Wages & Benefits		\$ 1,511,520.12	\$ 1,324,699.99	\$ 1,318,539.12	\$ 1,406,826.00	\$ 1,405,969.00	99.9%	\$ 1,484,767.00	5.54%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 5,025.44	\$ 4,422.31	\$ 4,193.56	\$ 5,500.00	\$ 4,690.00	85.3%	\$ 5,500.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 15,244.31	\$ 16,492.12	\$ 20,965.60	\$ 17,800.00	\$ 15,581.55	87.5%	\$ 15,600.00	-12.36%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 38,400.00	\$ 38,400.00	\$ 31,574.52	\$ 38,400.00	\$ 38,400.00	100.0%	\$ 34,741.00	-9.53%
52200	Telephone/Telefax	\$ 2,522.06	\$ 2,725.75	\$ 1,953.23	\$ 196.80	\$ 196.80	100.0%	\$ 200.00	1.63%
52210	Communications	\$ 2,177.39	\$ 1,935.22	\$ 1,583.25	\$ 2,375.00	\$ 1,163.00	49.0%	\$ 2,225.00	-6.32%
52240	Uniforms	\$ 1,020.34	\$ 1,397.78	\$ 801.42	\$ 2,000.00	\$ 975.00	48.8%	\$ 1,750.00	-12.50%
52250	Office Supplies	\$ 4,852.71	\$ 4,318.28	\$ 3,590.33	\$ 6,000.00	\$ 2,985.19	49.8%	\$ 5,500.00	-8.33%
52260	Special Dept Supplies	\$ 2,751.93	\$ 7,863.08	\$ 5,660.33	\$ 3,550.00	\$ 2,238.67	63.1%	\$ 6,850.00	92.96%
52270	Safety Equip/Supplies	\$ 219.41	\$ 176.07	\$ 145.38	\$ 300.00	\$ 200.00	66.7%	\$ 300.00	0.00%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ 180.50	\$ 248.00	\$ -	\$ 3,500.00	\$ -	0.0%	\$ 2,500.00	-28.57%
52350	Prof/Contractual Svcs	\$ 44,062.50	\$ 23,258.13	\$ 29,891.58	\$ 58,000.00	\$ 40,000.00	69.0%	\$ 51,000.00	-12.07%
52410	Maint-Buildings & Grounds	\$ 2,005.15	\$ 453.00	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 220.60	\$ 220.60	\$ -	\$ -	\$ -	-	\$ -	-
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ -	\$ 2,432.43	\$ 990.45	\$ 803.20	\$ -	0.0%	\$ 400.00	-50.20%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 118,682.34	\$ 104,342.77	\$ 101,349.65	\$ 138,425.00	\$ 106,430.21	76.9%	\$ 126,566.00	-8.57%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 2,813.00	\$ 2,847.00	\$ 2,847.00	\$ -	\$ -	-	\$ -	-
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53070	Pump Maintenance Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 2,813.00	\$ 2,847.00	\$ 2,847.00	\$ -	\$ -	-	\$ -	-
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 1,633,015.46	\$ 1,431,889.76	\$ 1,422,735.77	\$ 1,545,251.00	\$ 1,512,399.21	97.9%	\$ 1,611,333.00	4.28%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ (1,441,458.68)	\$ (1,294,515.65)	\$ (1,267,244.28)	\$ (1,385,814.00)	\$ (1,358,140.41)	98.0%	\$ (1,450,349.00)	4.66%
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 191,556.78	\$ 137,374.11	\$ 155,491.49	\$ 159,437.00	\$ 154,258.80	96.8%	\$ 160,984.00	0.97%

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INSURANCE FUNDS



Insurance Funds

Overview

The insurance funds are funded through annual appropriations from the Operations and Maintenance Fund Budget. The District has established four (4) insurance funds as part of its sewer rate stabilization strategy. Background information and current year budget highlights of the insurance funds are discussed below and on the following pages.

Self-funded Employee Medical Program

The District offers medical, dental, and life insurance to all employees. Employees may purchase optional dependent coverage through payroll deduction. These benefits are funded by a combination of District contributions as well as commercial insurance premiums.

The District has established a self-insured group health and dental insurance program, with premiums paid to commercial carriers for stop-loss and aggregate coverage to limit the amount of risk the District will assume. A third party administrator processes all claims, and a commercial healthcare provider network is retained to negotiate fees and authorize payments. Prescription benefits are administered through a private contractor.

Employees pay a nominal amount for individual medical and dental coverage and pay approximately 30% to 36% of the cost for dependent coverage. After employee payment of specified deductibles and co-payments for medical and dental services, the Plan covers the remaining authorized charges in total. The budget for FY17 includes an employer contribution increase of 10% to cover anticipated expenditures needs.

Post-Employment Insurance

The District has established a post-employment insurance fund to accumulate funds now, which will reduce future operational expenditures when retirees begin taking advantage of this benefit. The District will annually fund the equivalent of the annual required contribution less expenses as determined by an actuarial study as required by GASB 45. The accumulated funds will only be used for post-employment insurance. However, the District's Board does reserve the right to use the reserve funds for unforeseen emergencies. FY17 funding of \$270,000 represents a 1.7% of total operations. As of May 2016, the District has eleven (11) eligible participants in the post-employment insurance plan.

Worker's Compensation

The District established a separate insurance fund for worker's compensation, which will facilitate allocation of costs to respective department, division, and section budgets. The Safety Officer acts as liaison with the insurance carrier to administer claims and to minimize future claims by providing training and equipment designed to prevent injuries. The budget for FY17 includes a 26.8% increase to cover anticipated expenditure needs.

Insurance Funds (continued)

General Liability

The District's general liability insurance fund was established to: ❶ allocate insurance costs to all departments, divisions and sectional budgets, ❷ provide funds for payment of no-fault sewer back-ups and ❸ establish reserves to offset future unanticipated increases in sewer back-up liabilities in excess of budgeted amounts. The budget for FY17 includes a 9.5% decrease based on anticipated expenditure needs.

FY17 SELF-FUNDED EMPLOYEE MEDICAL PROGRAM BUDGET

	Actual 2014-2015	Estimated Actual 2015-2016	Budget 2016-2017
Beginning Balance	\$ 1,344,342	\$ 1,142,038	\$ 825,665
Income:			
District Contributions	1,735,116	1,735,116	1,908,628
Employee Contributions	394,846	394,846	395,000
Transfer from Other Insurance Funds	310,381	225,000	700,000
Interest	1,157	1,157	2,500
Total Income	2,441,500	2,356,119	3,006,128
Total Funds Available	3,785,842	3,498,157	3,831,790
Expenses:			
Expected Claim Liability	2,231,754	2,260,442	2,315,983
Fixed Costs (see note below)	412,050	412,050	421,648
Total Expenses	2,643,804	2,672,492	2,737,631
Ending Balance	\$ 1,142,038	\$ 825,665	\$ 1,094,162

Insurance Funds (continued)**FY17 POST EMPLOYMENT INSURANCE BUDGET**

	Actual 2014-2015	Estimated Actual 2015-2016	Budget 2016-2017
Beginning Balance	\$ 95,089	\$ 138,352	\$ 166,352
Income			
District Contributions	265,700	261,500	270,000
Employee Contributions	31,923	17,500	20,000
Interest Income	11,340	10,500	8,000
Total Income	308,963	289,500	298,000
Total Funds Available	404,052	427,852	464,352
Expenses			
Expenses	77,100	188,700	55,000
Transfer to Other Insurance Funds	188,600	72,800	225,000
Total Expenses	254,800	261,500	280,000
Ending Balance	\$ 135,352	\$ 166,352	\$ 184,352

FY17 WORKER'S COMPENSATION FINANCIAL PLAN

	Actual 2014-2015	Estimated Actual 2015-2016	Budget 2016-2017
Beginning Balance	\$ 398,131	\$ 362,015	\$ 303,204
Income			
District Contributions	215,312	215,312	273,000
Interest Income	1,091	1,000	1,500
Total Income	216,403	216,312	274,500
Total Funds Available	614,534	578,326	577,704
Expenses			
Interfund Transfer	14,167	-	-
Deductibles for Individual Claims	2,665	5,000	10,000
Premiums to commercial carrier	235,689	270,123	263,000
Total Expenses	252,520	275,123	273,000
Ending Balance	\$ 362,015	\$ 303,204	\$ 304,704

Insurance Funds (continued)**FY17 GENERAL LIABILITY FINANCIAL PLAN**

	Actual 2014-2015	Estimated Actual 2015-2016	Budget 2016-2017
Beginning Balance	\$ 478,893	\$ 487,098	\$ 592,352
Income			
District Contributions	605,434	605,434	547,746
Interest Income	<u>1,309</u>	<u>1,300</u>	<u>1,100</u>
Total Income	606,743	606,734	548,846
Total Funds Available	1,085,636	1,093,832	1,141,198
Expenses			
Interfund Transfer	107,613.99	-	-
Premiums to commercial carrier	394,762	374,646	435,218
No Fault Sewer Back-Up Claims	23,148	35,000	50,000
Claim Deductibles	64,265	82,000	82,000
Flood Insurance	<u>8,749</u>	<u>9,834</u>	<u>10,621</u>
Total Expenses	598,538	501,480	577,839
Ending Balance	<u>\$ 487,098</u>	<u>\$ 592,352</u>	<u>\$ 563,359</u>



REPLACEMENT FUNDS



Replacement Funds

Overview

The replacement funds are funded through annual appropriations from the Operations and Maintenance Fund Budget. The District has established three replacement funds as part of its sewer rate stabilization strategy, with fourth reserve fund required under the Bond Order. Background information and current year budget highlights of the replacement funds are discussed below and on the following pages.

◀ **Fleet Equipment Replacement**

The District has projected replacement dates and estimated prices for all vehicles and construction-type equipment over \$10,000. This information has been used to develop a funding plan whereby relatively constant amounts are to be transferred in from the annual Operations and Maintenance budget, with annual expenditures to be made in varying amounts to secure new vehicles and equipment as indicated in the plan's timetable. The projected balance in the fund at the end of FY16 is anticipated to approximate \$594,258. The FY17 contribution is \$425,000, with anticipated expenditures of \$668,000, including (2) 1-Ton Pickup, c5550, Small Flusher, BobCat SkidSteer, and Custom Trailer.

◀ **Wastewater Treatment Plant Replacement**

The replacement fund for the wastewater treatment plant was set up to develop a reserve to address general equipment replacement cost at these facilities. A similar strategy of periodic, uniform contributions from the Operations and Maintenance Fund and withdrawals for planned equipment rehabilitation or replacement are employed. The FY17 contribution is \$200,000 with anticipated expenditures of \$262,150 including General Rehab–PLC Upgrades, Rebuild Southside Barscreens, RBC's Bearings, Thickner–Seepex Pump, Belt Filter Press Overhauls, and Scrubber Ash Pump Replacements.

◀ **Pump Replacement**

The replacement fund for the pump stations was set up to develop a reserve to address general equipment replacement cost at these facilities. A similar strategy of periodic, uniform contributions from the Operations and Maintenance Fund and withdrawals for planned equipment rehabilitation or replacement are employed. The FY17 transfer of \$100,000 from Wastewater Treatment Plant Replacement Fund with anticipated expenditures of \$45,000 including General Rehab and Lake Julian Pump Station Rehab.

◀ **Capital Reserve Fund**

This fund is mandated by the Bond Order to contain six percent (6%) or such greater percentage, as may be determined from time to time by the Board, of the amount shown by the Annual Budget to be necessary for current expenses for the current Fiscal Year. As this fund is to be tapped only for unusual and unforeseen expenditures, none are budgeted. There will be no contributions to this fund this year as the balance is in excess of that required.

Replacement Funds (continued)

FY17 FLEET EQUIPMENT REPLACEMENT FUND BUDGET

	Actual 2014-2015	Projected 2015-2016	Budget 2016-2017
Beginning Balance:	\$ 334,534	\$ 537,009	\$ 594,258
Revenue:			
District Contributions	400,000	425,000	425,000
Sale of Surplus Property	49,250	44,949	80,160
Interest Income	1,651	2,300	8,914
Total Revenue	450,901	472,249	514,074
Expenditures:			
Various	248,426	415,000	
(2) 1-Ton Pickup	-	-	88,000
c5500	-	-	75,000
Small Flusher	-	-	400,000
BobCat SkidSteer	-	-	80,000
Custom Trailer	-	-	25,000
Total Expenditure Replacements	248,426	415,000	668,000
Ending Balance:	\$ 537,009	\$ 594,258	\$ 440,332

Replacement Funds (continued)

FY17 WASTEWATER TREATMENT PLANT REPLACEMENT FUND BUDGET

	Actual 2014-2015	Projected 2015-2016	Budget 2016-2017
Beginning Balance:	\$ 455,412	\$ 417,797	\$ 469,597
Revenue:			
District Contributions	100,000	200,000	200,000
Interest Income	<u>1,843</u>	<u>1,800</u>	<u>7,044</u>
Total Revenue	101,843	201,800	207,044
Expenditures:			
Various	139,458	150,000	
General Rehab – PLC Upgrades			30,150
Rebuild Southside Barscreens			12,000
RBCs Bearings			75,000
Thickner – Seepex Pump			15,000
Belt Filter Press Overhauls			15,000
Scrubber Ash Pump Replacements			15,000
Transfer Out	<u>-</u>	<u>-</u>	<u>100,000</u>
Total Expenditure Replacements	139,458	150,000	262,150
Ending Balance:	<u>\$ 417,797</u>	<u>\$ 469,597</u>	<u>\$ 414,491</u>

Replacement Funds (continued)

FY17 PUMP REPLACEMENT FUND BUDGET

	Actual 2014-2015	Projected 2015-2016	Budget 2016-2017
Beginning Balance:	\$ -	\$ -	\$ -
Revenue:			
District Contributions	-	-	-
Transfer In	-	-	100,000
Interest Income	-	-	-
Total Revenue	-	-	100,000
Expenditures:			
Various			
General Pump Station Rehab			35,000
Lake Julian Pump Station			20,000
Transfer Out	-	-	-
Total Expenditure Replacements	-	-	55,000
Ending Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>

Replacement Funds (continued)

FY17 CAPITAL RESERVE FUND

	Actual 2014-2015	Projected 2015-2016	Budget 2016-2017
Beginning Balance:	\$ 937,730	\$ 948,386	\$ 955,886
Revenue:			
Interfund Transfer	-	-	-
Interest Income	10,656	7,500	9,800
Total Revenue	10,656	7,500	9,800
Ending Balance:	\$ 948,386	\$ 955,886	\$ 965,686

NOTE: Ending balance must be at least 6% of the annual O&M current expenses. FY2016-2017 O&M Budget (\$16,106,490 - \$625,000 transfer to reserves - \$87,298 capital equipment) x 6% = \$923,652

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CAPITAL IMPROVEMENT PROGRAM



Capital Improvement Program

Overview

The District's Capital Improvement Program commands the largest portion of budgeted expenditures, and as such, is planned strategically and in great detail for all infrastructure projects in excess of the \$15,000 infrastructure capitalization threshold. The District updates its ten-year capital improvement program (CIP) annually to comply with state regulatory and bond order requirements. Objectives of constructing these capital projects include replacing and rehabbing structurally defective sewer lines, handling wet-weather flow conditions, improving the performance at the wastewater treatment plant, and preparing the system to handle expected future wastewater flows over the upcoming decade.

The process begins with engineering staff developing projects, which often originate from problem areas identified by field crews during emergency and preventative maintenance procedures, and includes consideration of those projects outlined in the 20-year Wastewater System Master Plan. MSD is mandated through its Collection System Permit to rehabilitate a minimum of 250,000 linear feet of collection system lines over a five-year period. Engineers evaluate and prioritize each proposed project based upon the District's short-term requirements and long-term mission. Engineering staff then prepare cost estimates for identified projects and a proposed timetable for construction.

Once the CIP is drafted, the CIP Committee, consisting of representatives from the member agencies, meet to review the costs, locations, and necessity of proposed projects and make a recommendation to the District's Board. A copy of the CIP summary sheets follow in the succeeding pages of this budget document. A separate document compiling individual pages for each project with detailed costs and location map as presented to the CIP Committee and may be obtained upon request to W. Scott Powell, Director of Finance at (828)225-8211 or spowell@msdbc.org.

In accordance with the State Collection System Permit, the District maintains a Ten Year CIP and rehabilitates a minimum of 50,000 Linear Feet (LF) of the collection system every year. The ten-year CIP prioritizes projects identified by the Board as fulfilling the District's mission but does not obligate District resources for their construction past the end of the current budget year.

The District has a capital projects ordinance, which is periodically updated as necessary, to make available funds for all projects scheduled for construction in the upcoming budget year and certain other projects to be begun in the current year but completed in a subsequent year.

Capital Improvement Program (continued)

Current Year Highlights

The proposed capital budget for FY17 is \$22,042,087, which includes a contingency of \$1,000,000. The \$1,000,000 contingency line item is used for the entire program, rather than having a separate contingency for each project. This is more efficient and continues to provide sufficient reserves for the District's capital program.

A budget for Reimbursement Projects totaling \$100,000 is proposed. There is one remaining annexation project - Craigmont Road in Black Mountain. This project will be formally budgeted by the District when the Town decides to design/construct it.

Total project costs over the ten-year window are estimated at \$211.5 million. Costs are updated each year during budget preparation in order to accurately reflect current bid pricing and market conditions. Included in future years' is an inflation factor of 3.02%, which utilizes the ENR Construction Cost Index as a basis. This factor is also updated each year.

Approximately 118 infrastructure projects are included in the CIP for FY17, ranging in length from 115 linear feet to over 22,000 linear feet. In-house forces, as well as, outside contractors will be used to rehabilitate the regulated amounts as prescribed by the District's Collection System Permit.

■ **Collection System Capital Improvements**

MSD initiated and maintains a major program to rehabilitate its Wastewater Collection System. This program will conform to the North Carolina Department of Environmental and Natural Resources (NCDENR) Collection System Permit requirements, and will improve the operational performance and extend the life of the collection system. This Permit ushers in a change in focus of the District's Capital Improvement Plan. In the previous decade, efforts had been directed to expediting completion of certain projects identified by the member agencies and assumed by the District during the consolidation process. For example, construction of the 23.8-mile North Swannanoa Interceptor begun in 1993 was completed during FY2004 at a cost in excess of \$44 million. Now that most of these "consolidation" projects have been completed, our focus has been redirected to rehabilitation of the State-mandated 250,000 feet of sewerline every five (5) years and other projects identified in the Master Plan.

Major projects for FY17 include the \$588,000 South French Broad Interceptor Grouting Project with approximately 7,008 linear feet, \$583,500 Arco Road with over 2,022 linear feet, \$1,377,000 Lining Contract No. 8 with over 11,000 linear, \$532,573 Sandhill at Russell/Davenport with over 2,341 linear feet, and \$400,726 Stratford Road at Oxford Court, with over 1,960 linear feet.

Capital Improvement Program (continued)

■ **Wastewater Treatment Plant Capital Improvements**

There are two major projects at final completion at the plant - the EPA mandated Incinerator System Emissions Project, and the replacement/relocation of the adjustable frequency drives for the influent pumps. The planned replacement of a second influent pump is complete (the third and final pump replacement is scheduled for FY16-17).

The construction of the Incinerator System Emissions Upgrades project is at final completion. This \$7.4 million project was driven by a mandate from the EPA, and will reduce emissions from the incinerator – primarily mercury. A new mercury removal technology was utilized, which saved \$5 million over traditional technology. Significant rehabilitation of high-wear components was also included in the project.

The long-term improvements (replacement of the RBC Biological System) will be a major project. Now that the District is almost complete with refurbishment of the RBC process, the timing of this future project will be regulatory-driven.

The plant Facility Plan is serving as guidance for planning significant capital projects at the plant. These projects include new bar screens and grit removal, a fine screening system, storage for peak flows using existing decommissioned digesters, and chemically enhanced primary clarification.

Another key aspect of the Facility Plan Update was to gain a solid understanding of regulatory issues that may impact future treatment requirements, and identify long-term biological treatment alternatives to comply with anticipated future regulation changes.

Near-term and mid-term project recommendations from the Facility Plan include:

- **Plant Headworks Project:** This \$11.5 million project spans 2 years and consists of a new grit removal system to replace the existing problematic system, a fine screening facility which will supplement the WRF's existing bar screens, and storage at the plant using existing decommissioned tanks to provide more effective treatment during peak flow events. In addition, by removing more grit than the current process, it will help to better protect downstream processes within the plant. Design is planned for FY16 and construction is scheduled to begin in FY17.
- **High Rate Primary Treatment Project:** This \$9.61 Million project will provide primary clarification by removing solids before the biological treatment stage. This will provide a more effective treatment, and will help the Rotating Biological Contactors (RBC's) to better perform. During high flow (storm) events, this treatment can be ramped-up in order to match the higher flows. Design is planned for FY17 and construction is scheduled to begin in FY18.

Capital Improvement Program (continued)

Long-term alternatives focused on the biological treatment aspect (currently RBC's). Specific alternatives will be evaluated if and when future regulatory requirements change over time. The two projects noted above allow for flexibility among the viable options for biological treatment.

Background

The Capital Improvement Program is essential to the efficient functioning of the District, as evidenced by the requirement from both the bond order and state collection system permit. A well-planned CIP provides customers with the assurance of having reliable and affordable wastewater collection and treatment both now and in the future.

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2016, the District will have \$95.3 million in outstanding revenue bond debt, with total debt service of \$8.0 million due before the end of the fiscal year. Unlike counties and cities, the District does not have a legally mandated debt limit. However, the District does have a rate covenant. The covenant requires the District to set rates and charges so that income available for debt service will not be less than 120% of fiscal year debt service requirement.

Throughout the history of the District, staff has continued to seek increasingly effective ways of identifying and prioritizing individual projects, to ensure a more comprehensive and balanced CIP. In 1990, as part of the political process of forming the District, certain construction and rehabilitation projects were identified by the various member municipalities and sanitary districts.

Once these designated projects were completed, the District then focused on rehabilitating aging, undersized collection lines to minimize unregulated discharges of raw sewage (sanitary sewer overflows or SSOs) and inflow/infiltration (I/I). Inflow and infiltration are the intrusion of groundwater and storm water runoff into the collection system, which can deplete capacity in sewer mains and at wastewater treatment plants.

As part of this comprehensive evaluative process, the District developed and implemented a program to monitor wastewater flows from the various parts of the sewerage system. The flow monitoring data was used to develop a computer hydraulic model of the flows of the sewerage system to help identify and remediate the worst areas of inflow and infiltration. In 1999, MSD began an aggressive line cleaning and television inspection program wherein the District contracted with outside companies to clean the pipes with water under high pressure and then to send a video camera (also known as closed circuit television or CCTV camera) through the line. The videotapes have enabled the District to more accurately determine the condition of the lines and to prioritize necessary repairs. Each year 10% of the pipes will be cleaned and then inspected by CCTV cameras to maintain the efficient operation of the collection system.

Capital Improvement Program *(continued)*

The District developed a proactive cost-effective rehabilitation strategy with the development of the Pipe Rating Program. Pipe rating is a proactive planning tool, which utilizes Closed Circuit Television (CCTV) information, GIS database, and actual maintenance history to view, rate, and computer-score pipe segments based on a number of factors. These factors, manhole-to-manhole, include work order history, number and severity of defects, and record overflows on that segment, which are combined to yield a numerical rating used to prioritize efforts. Staff recently updated the District's Pipe Rating Program to include additional parameters over previous versions. Each line project now has an objective numerical rating based upon overflow history, structural issues, customer service requests, and impacts to surface waters. This rating is then used to prioritize the District's collection system projects.

Pipe Rating minimizes costs by helping the District focus rehabilitation dollars where they are needed most, rather than the usual full-scale replacement of entire collector lines. In recognition of this innovative program, the Association of Metropolitan Sewerage Agencies (AMSA) awarded the District one of only two 2003 National Environmental Achievement Awards.

Wastewater System Master Planning

- **Comprehensive Master Plan**—This plan was prepared in 2001 by Camp, Dresser & McKee (CDM). It is a comprehensive sewer system management program, which was prepared to identify system improvements needed to handle wet-weather flow conditions, to improve performance at the wastewater treatment plant, and to prepare the system to handle future system wastewater flows.

The report contained recommendations for improvements to the collection system as well as the treatment plant. A CIP was developed which included specific projects and their associated costs.

Reduction of Sanitary Sewer Overflows (SSO's) was, and remains, a key objective of this plan. Over the past twelve years, this has been accomplished using a "three-prong" approach, which combines: ❶ An effective Management, Operations and Maintenance (MOM) program to reduce line blockages and optimize response time when blockages do occur; ❷ An ongoing rehabilitation program to improve the structural condition of the system; and ❸ Providing capacity to handle flows during wet-weather and future projected dry-weather flows.

This plan helped to establish the basis for the District's on going, aggressive Preventative Maintenance and Capital Improvement Programs. These two programs have resulted in substantially reducing SSO's over the past twelve years, in addition to greatly improved system integrity.

- **Facilities Plan**—This plan was prepared in 2007 by Camp, Dresser & McKee (CDM). It is a focused, specific study of the Water Reclamation Facility (WRF). The plan is the result of a process evaluation of the WRF, including a detailed capacity evaluation of the Rotating Biological

Capital Improvement Program (continued)

Contactors (RBC's). The report also includes a physical facilities evaluation for the major process equipment at the WRF. Recommendations to improve the performance of each process were included in the report.

In March 2014, MSD began the process of updating this important plan. The Facilities Plan Update is now complete. This significant, comprehensive study examined the various unit processes within the plant, with a focus on headworks, biological treatment alternatives, and the future regulatory climate. After extensive research of various options, the plan recommends adding new grit removal, a fine screening system, storage for peak flows (using existing decommissioned digesters), and chemically-enhanced primary clarification.

- **Collection System Master Plan**—In 2008, McGill Associates completed a Collection System Master Plan (the "2008 Collection System Plan"). The 2008 Collection System Plan focuses on the District's comprehensive growth issues by incorporating all of the recent planning and zoning changes from the District's member agencies. This plan also describes where and how areas will be served and provides for orderly growth of the sewer system to meet the needs of the region as a whole for the future.

The District's Collection System Master Plan addresses the orderly extension of the District's collection system into future service areas. The plan has been prepared in close cooperation with the District's member agencies and regional stakeholders. The land use policies and zoning regulations of each agency were used for land usage, growth projections/densities, and line locations. For areas outside of corporate or jurisdictional limits, Buncombe County's Zoning Ordinance has played an integral role in defining future service areas.

Types of Projects

The projects in the CIP are classified into several types, based on the objective of the project. The projects are determined and scheduled based on the Master Plan, the pipe-rating score, and other factors impacting the overall well-being of the District.

The District's Capital Improvement Program is divided into the following six areas, generally based upon type of project or expense category:

- ▶ Interceptor & Wet Weather Rehabilitation
- ▶ General Sewer Rehabilitation
- ▶ Private Sewer Rehabilitation
- ▶ Treatment Plant, Pump Stations, and General Capital Improvements
- ▶ Design, ROW, and Const. Management Expenses
- ▶ Reimbursement Projects

Capital Improvement Program (continued)

In accordance with the State Collection System Permit, the District maintains a Ten Year CIP and rehabilitates an average of 50,000 LF of the collection system each year.

The Interceptor and Wet Weather Rehabilitation projects address the third prong of the Master Plan by providing increased system conveyance. The General Sewer Rehabilitation projects combine the first and second prongs by surveying all lines to plan maintenance activities and to improve the structural condition of the system. The Private Sewer Rehabilitation projects have the same objectives as the General but are separately presented to address environmental concerns resulting from sewers that were not publicly maintained at the time the District was formed. A limited amount of funding is budgeted annually to address the problem locations on a "worst first" basis as identified.

The District's Water Reclamation Facility (WRF) has a permitted capacity to treat up to 40 million gallons of wastewater a day, and uses roughly half of this capacity. In accordance with the Master Plan's twenty year planning period, there are no plans to replace or expand the plant in the near future. However, Water Reclamation Facility & pump station improvements are included in the CIP to maintain these facilities at their optimum level and to replace equipment that has exceeded its maintenance level.

Reimbursement projects include one Annexation Project from Consolidation, Developer Reimbursements, and NCDOT Reimbursements.

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METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2016-2017 through 2025-2026

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
INTERCEPTOR AND WET WEATHER REHABILITATION																												
Christian Creek Int.	Buncombe Co.	HC	2011110	24	5,860	\$2,231,579	\$44,609	\$171,970		\$17,000		\$1,998,000	5,860	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Dingle Creek Interceptor	Asheville	RW	2006010	15	7,871	\$2,780,592	\$71,066	\$1,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$31,326		\$2,677,200	7,871	
Lower Swannanoa Int.	Asheville	EB	2004040	9	6,475	\$5,478,400	\$14,879	\$0		\$0		\$0		\$0		\$0		\$33,021		\$12,500		\$5,418,000	6,475	\$0		\$0		
South French Broad Int. - Grouting	Biltmore Estate	HC	2011033	8	21,950	\$1,912,146	\$771,146	\$588,000	7,008	\$553,000	9,600	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Beaverdam Creek WW (CDM #10)	Buncombe Co.	EB	2001191	27	5,500	\$1,413,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$1,413,000	5,500	\$0		\$0		\$0		\$0
Biltmore WW (CDM #3)	Biltmore	EB	2001192	12	2,200	\$638,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$638,000	2,200	\$0		\$0
Four Mile Creek WW (CDM #1)	Biltmore Forest	EB	2001193	8	3,400	\$884,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$884,000	3,400	
Haw Creek WW (CDM #6)	Asheville	EB	2001194	8	3,800	\$988,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$988,000	3,800	
South Swannanoa WW (CDM #4)	Asheville	EB	2001195	23	8,040	\$2,939,600	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$2,939,600	8,040	\$0		\$0		\$0		\$0
SUBTOTAL					65,096	19,265,317	\$901,700	\$760,970	7,008	\$570,000	9,600	\$1,998,000	5,860	\$0	0	\$0	0	\$33,021	0	\$4,365,100	13,540	\$5,418,000	6,475	\$669,326	2,200	\$4,549,200	15,071	
<i>Inflation per ENR Const. Cost Index</i>	3.02%					1.0000	1.0000	1.0000		1.0302		1.0613		1.0934		1.1264		1.1604		1.1954		1.2315		1.2687		1.3071		
SUBTOTAL with inflation					65,096	\$19,265,317	\$901,700	\$760,970	7,008	\$587,214	9,600	\$2,120,501	5,860	\$0	0	\$0	0	\$38,318	0	\$5,218,233	13,540	\$6,672,519	6,475	\$849,200	2,200	\$5,946,055	15,071	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
GENERAL SEWER REHABILITATION																												
Adams Street	Asheville	SA	2012126	46	2,550	\$695,400	\$12,000	\$8,900		\$64,000		\$0		\$610,500	2,550	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Arco Road	E. Asheville	HC	2012082	71	2,022	\$592,000	\$8,500	\$583,500	2,022	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Arlington Street	Asheville	DP	2015008	20	2,600	\$747,000	\$0	\$0		\$0		\$0		\$8,000		\$0		\$0		\$0		\$739,000	2,600	\$0		\$0		
Asheville Country Club (SS)	Asheville	SA	2012130	47	0	\$100,350	\$73,850	\$26,500		\$0		\$0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Atkins Street	Arden	HC	2014012	39	1,833	\$518,430	\$5,480	\$0		\$2,250		\$28,000		\$0		\$482,700	1,833	\$0		\$0		\$0		\$0		\$0		\$0
Beale Road at Copney Lane	Asheville	DP	2009129	47	4,027	\$1,157,425	\$15,725	\$15,000		\$93,700		\$0		\$1,033,000	4,027	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Bear Creek Rd. at School Rd.	W. Asheville	SA	2011117	23	2,062	\$572,800	\$7,900	\$0		\$0		\$0		\$11,300		\$86,000		\$0		\$0		\$467,600	2,062	\$0		\$0		\$0
Beaucatcher Rd @ Kenilworth Rd	E. Asheville	SA	2015219	43	1,370	\$396,700	\$0	\$13,000		\$1,000		\$0		\$382,700	1,370	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Bellevue Road	South Asheville	DP	2015175	49	860	\$223,000	\$0	\$3,000		\$5,000		\$23,000		\$192,000	860	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Braddock Way - PRP 20002	Asheville	RW	2006025	8	3,848	\$1,435,790	\$18,353	\$0		\$0		\$0		\$4,500		\$1,000		\$29,837		\$0		\$0		\$0		\$1,382,100	3,848	
Broadway St. at Bordeaux Place	Asheville	DP	2009034	14	475	\$226,250	\$13,069	\$0		\$0		\$0		\$0		\$0		\$79,481		\$0		\$0		\$133,700	475	\$0		
Buchanan Ave.	Asheville	SA	2014023	13	1,400	\$403,500	\$0	\$0		\$0		\$0		\$7,000		\$500		\$4,500		\$39,000		\$0		\$352,500	1,400	\$0		\$0
Caledonia Road	Asheville	HC	2014153	31	2,491	\$755,000	\$0	\$10,000		\$0		\$6,000		\$108,000		\$0		\$631,000	2,491	\$0		\$0		\$0		\$0		\$0
Central Ave. @ I-240	Asheville	SA	2014180	12	990	\$282,100	\$0	\$0		\$0		\$0		\$5,000		\$1,600		\$51,000		\$0		\$0		\$224,500	990	\$0		\$0
Chatham Road	Asheville	SA	2015019	35	1,450	\$380,100	\$0	\$13,000		\$500		\$0		\$0		\$366,600	1,450	\$0		\$0		\$0		\$0		\$0		\$0
Cherokee Road	Asheville	DP	2009132	48	1,960	\$605,200	\$19,970	\$4,230		\$75,000		\$0		\$506,000	1,960	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Chestnut Lodge Rd.	Black Mtn.	SA	2014017	61	4,150	\$1,002,600	\$35,000	\$39,000		\$74,000		\$854,600	4,150	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Commerce Street	Asheville	SA	2012129	47	530	\$184,800	\$3,500	\$0		\$0		\$0		\$0		\$181,300	530	\$0		\$0		\$0		\$0		\$0		\$0
Craggy Street @ Old US 70	Black Mountain	HC	2015209	2	1,000	\$298,750	\$0	\$4,000		\$0		\$0		\$0		\$0		\$0		\$0		\$2,250		\$13,000		\$279,500	1,000	
Cumberland Ave.	Asheville	HC	2014014	12	4,587	\$1,293,450	\$18,250	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$1,275,200	4,587	\$0		\$0
Dellwood Avenue	Asheville	DP	2009131	71	436	\$121,850	\$30,350	\$91,500	436	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
East Chestnut Ave @ Five Points	N. Asheville	SA	2015192	31	5,225	\$1,606,600	\$0	\$0		\$27,000		\$0		\$81,800		\$54,000		\$1,442,000	5,225	\$1,800		\$0		\$0		\$0		\$0
Elk Mountain Place	Woodfin	HC	2010094	48	4,101	\$970,200	\$18,000	\$22,000		\$115,000		\$0		\$815,200	4,101	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Elk Park Drive - PRP 35001	Woodfin	SA	2006028	10	2,242	\$591,046	\$50,046	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$541,000	2,242	\$0		\$0
Elkwood Ave.	Woodfin	HC	2011080	66	4,577	\$1,263,450	\$11,000	\$2,250		\$18,000		\$1,232,200	4,577	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Elkwood @ Norman Austin Dr.	Woodfin	DP	2014008	13	600	\$178,100	\$0	\$0		\$0		\$0		\$0		\$2,800		\$1,500		\$8,000		\$0		\$165,800	600	\$0		\$0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
GENERAL SEWER REHABILITATION continued...																												
Oakland Dr @ Church Street	Black Mountain	DP	2015177	27	575	\$171,000	\$0	\$0	\$0	\$2,500	\$2,500	\$29,000	\$137,000	575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oakwood Street	W. Asheville	HC	2014155	9	976	\$305,750	\$0	\$0	\$0	\$0	\$0	\$3,500	\$0	\$2,250	\$28,000	\$272,000	976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Old Haw Creek Rd. @ Greenbriar Rd.	E. Asheville	HC	2012109	56	3,755	\$1,058,000	\$18,000	\$10,500	\$98,000	\$931,500	3,755	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Old West Chapel Rd.	Asheville	DP	2014004	53	14,800	\$2,196,000	\$36,000	\$14,000	\$1,379,000	10,090	\$767,000	4,680	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Point Repair Contract No. 1	Various	SA	2016028	N/A	0	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Riverside Dr @ Norton Dr	N. Asheville	SA	2015222	16	700	\$220,600	\$0	\$0	\$0	\$0	\$0	\$4,000	\$6,800	\$28,000	\$0	\$181,800	700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Riverside Dr. @ Silverline Plastic	Woodfin	SA	2012007	4	400	\$120,920	\$1,920	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$114,000	400	\$0	
Riverview Drive	Asheville	HC	2013104	24	2,302	\$649,480	\$7,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Royal Pines Drive - PRP 47009	Arden	SA	2007020	35	2,888	\$874,500	\$15,600	\$0	\$0	\$23,500	\$0	\$0	\$835,400	2,888	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sand Hill Rd @ Baker Place	W. Asheville	SA	2015223	22	550	\$165,500	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sand Hill Rd. @ Russell/Davenport	W. Asheville	SA	2011093	82	2,341	\$686,775	\$154,202	\$532,573	2,341	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
School Rd. @ Cranford Rd.	W. Asheville	SA	2014184	61	361	\$109,000	\$500	\$0	\$108,500	361	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sheppard Drive	W. Asheville	OH	2014152	71	325	\$89,310	\$1,660	\$4,000	\$83,650	325	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Smokey Park Hwy. @ I-40	Enka	DP	2015012	10	115	\$41,750	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$5,000	\$35,750	115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Springside Rd. @ Overlook Rd.	S. Asheville	SA	2012127	52	4,500	\$1,299,200	\$21,000	\$2,000	\$100,200	\$0	\$1,176,000	4,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Starnes Avenue	Asheville	HC	2014154	22	2,871	\$847,100	\$0	\$0	\$0	\$11,500	\$3,000	\$34,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Stratford Road	N. Asheville	DP	2015013	16	1,770	\$495,500	\$0	\$0	\$0	\$8,000	\$0	\$10,000	\$82,500	\$0	\$395,000	1,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Stratford Rd. @ Oxford Court	Asheville	DP	2012133	75	1,960	\$461,310	\$60,584	\$400,726	1,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sulphur Springs Rd. @ Covington St.	W. Asheville	DP	2014006	44	1,350	\$381,000	\$0	\$5,500	\$8,000	\$63,000	\$0	\$304,500	1,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sutton Avenue	Black Mtn.	DP	2014003	48	3,100	\$931,000	\$15,000	\$0	\$5,000	\$0	\$911,000	3,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sweeten Creek @ Buck Shoals	S. Asheville	HC	2014015	51	1,330	\$406,170	\$4,670	\$1,500	\$56,000	\$0	\$344,000	1,330	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sweeten Creek Rd. @ Busbee View	Asheville	DP	2011095	70	1,048	\$307,200	\$30,837	\$276,363	1,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sweeten Creek @ Mills Gap	Asheville	SA	2014189	46	2,325	\$703,800	\$0	\$0	\$15,500	\$80,000	\$608,300	2,325	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sweeten Creek Rd. @ Weston Rd.	S. Asheville	SA	2014187	30	1,775	\$520,200	\$0	\$0	\$9,000	\$520,200	\$0	\$1,500	\$37,000	\$472,700	1,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Upper Grassy Br. Rd. @ Maxwell Rd.	E. Asheville	SA	2010096	35	1,000	\$287,710	\$5,210	\$0	\$0	\$2,000	\$18,000	\$0	\$262,500	1,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
US 70 @ Jordan Road	Swannanoa	DP	2015014	21	4,550	\$1,443,000	\$0	\$0	\$20,000	\$0	\$127,000	\$32,500	\$0	\$0	\$1,263,500	4,550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Venable Pump Station Elimination	Asheville	OH	2015172	NA	364	\$361,200	\$208,700	\$152,500	364	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Walnut Street @ Rankin Ave.	Asheville	SA	2014018	42	2,350	\$766,400	\$11,500	\$0	\$0	\$1,000	\$0	\$753,900	2,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Waynesville Ave. @ Brownwood Ave.	W. Asheville	SA	2014183	33	4,100	\$1,258,500	\$0	\$0	\$20,500	\$500	\$63,500	\$124,000	\$1,050,000	4,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Wentworth Ave.	Asheville	SA	2014181	26	1,500	\$425,700	\$0	\$0	\$7,500	\$0	\$500	\$0	\$0	\$0	\$417,700	1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
West Crabapple Lane	W. Asheville	DP	2014005	67	1,720	\$503,000	\$2,500	\$8,000	\$37,000	\$455,500	1,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Weston Road @ Tampa Blvd.	Skyland	HC	2015208	8	400	\$114,150	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000	\$0	\$2,250	\$18,000	\$91,900	400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
White Oak Road	Arden	DP	2015193	3	960	\$295,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$3,750	\$35,000	\$252,500	960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Wildwood Park	Weaverville	HC	2015194	27	430	\$124,250	\$0	\$2,150	\$0	\$0	\$0	\$0	\$122,100	430	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Wood Ave. @ Parker Rd.	Asheville	SA	2014188	22	1,050	\$357,100	\$0	\$0	\$0	\$0	\$5,500	\$49,000	\$0	\$0	\$302,600	1,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
SSD Rehab. & Replacement	Various	MS	2002101	N/A	200,000	\$41,644,040	\$4,017,500	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	\$4,164,404	20,000	
Surveys for Design	Various	EB	2002060	N/A	N/A	\$500,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Future Projects - General Rehab.	Various	EB	N/A	N/A	5,000	\$1,125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,125,000	5,000	
SUBTOTAL					439,470	\$108,731,334	\$5,427,203	\$8,859,631	40,722	\$9,444,344	40,637	\$10,254,754	44,835	\$12,252,104	49,561	\$12,983,604	50,231	\$12,974,722	50,273	\$9,400,554	36,483	\$10,502,450	43,191	\$12,114,054	48,291	\$8,585,354	35,216	
Inflation per ENR Const. Cost Index	3.02%					1.0000	1.0000	1.0000	1.0302	1.0613	1.0934	1.1264	1.1604	1.1954	1.2315	1.2687	1.3071											
SUBTOTAL with inflation					439,470	\$108,731,334	\$5,427,203	\$8,859,631	40,722	\$9,729,563	40,637	\$10,883,494	44,835	\$13,396,005	49,561	\$14,624,514	50,231	\$15,055,868	50,273	\$11,237,837	36,483	\$12,934,256	43,191	\$15,369,575	48,291	\$11,221,531	35,216	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
PRIVATE SEWER REHABILITATION																											
Douglas Place PSR	Asheville	SA	2011116	17	588	\$166,312	\$8,712	\$0		\$0		\$0		\$1,000		\$0		\$0		\$0		\$156,600	588	\$0		\$0	
Freno Drive PSR (Lower)	Asheville	HC	2012010	N/A	2,593	\$656,532	\$28,200	\$639,000	2,593	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Old County Home Rd PSR	W. Asheville	SA	2015221	60	1,400	\$373,932	\$3,732	\$7,000		\$10,600		\$0		\$352,600	1,400	\$0		\$0		\$0		\$0		\$0		\$0	
SUBTOTAL					4,581	\$1,196,776	\$40,644	\$646,000	2,593	\$10,600	0	\$0	0	\$353,600	1,400	\$0	0	\$0	0	\$0	0	\$156,600	588	\$0	0	\$0	0
<i>Inflation per ENR Const. Cost Index</i>	3.02%					1.0000	1.0000	1.0000		1.0302		1.0613		1.0934		1.1264		1.1604		1.1954		1.2315		1.2687		1.3071	
SUBTOTAL with inflation					4,581	\$1,196,776	\$40,644	\$646,000	2,593	\$10,920	0	\$0	0	\$386,613	1,400	\$0	0	\$0	0	\$0	0	\$192,860	588	\$0	0	\$0	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS																											
Biological Treatment	MSD-Treatment Plant	HC	2016063	N/A	0	\$4,000,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$1,000,000		\$3,000,000	
Building and Facility Rehabilitation	MSD-Treatment Plant	PW	2002068	N/A	0	\$865,000	\$135,000	\$175,000		\$90,000		\$89,000		\$80,000		\$91,000		\$68,000		\$68,000		\$68,000		\$68,000		\$68,000	
Carrier Bridge P.S. Bypass & Improvements	MSD-Treatment Plant	HC	2012140	N/A	0	\$2,281,688	\$93,788	\$250,000		\$91,400		\$1,709,000		\$137,500		\$0		\$0		\$0		\$0		\$0		\$0	
Flow Monitoring	MSD-Treatment Plant	SA	2008013	N/A	0	\$282,535	\$252,535	\$30,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Influent Pump Station Rehabilitation	MSD-Treatment Plant	HC	2012030	N/A	0	\$1,639,000	\$1,489,000	\$150,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Mountain View P.S. Standby Generator	MSD-Treatment Plant	OH	2015149	N/A	0	\$204,210	\$45,210	\$159,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Plant Headworks Improvements	MSD-Treatment Plant	HC	2015004	N/A	0	\$11,538,575	\$696,575	\$5,457,000		\$5,385,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Plant High Rate Primary Treatment	MSD-Treatment Plant	HC	2015054	N/A	0	\$10,962,000	\$0	\$960,000		\$5,006,000		\$4,996,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
RBC Replacement	MSD-Treatment Plant	HC	2007068	N/A	0	\$1,536,800	\$1,206,800	\$330,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
South French Broad Carrier Bridge PER	Buncombe County	HC	2016022	N/A	0	\$400,000	\$0	\$400,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
General Capital Equipment	Varies	EB	2016072	N/A	0	\$1,500,000	\$0	\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000	
Mull Building Improvements	Mull Building	OH	2016043	N/A	0	\$68,000	\$0	\$68,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
SUBTOTAL					0	\$35,277,808	\$3,918,908	\$8,129,000	0	\$10,722,400	0	\$6,944,000	0	\$367,500	0	\$241,000	0	\$218,000	0	\$218,000	0	\$218,000	0	\$1,218,000	0	\$3,218,000	0
<i>Inflation per ENR Const. Cost Index</i>	3.02%					1.0000	1.0000	1.0000		1.0302		1.0613		1.0934		1.1264		1.1604		1.1954		1.2315		1.2687		1.3071	
SUBTOTAL with inflation					0	\$35,277,808	\$3,918,908	\$8,129,000	0	\$11,046,216	0	\$7,369,751	0	\$401,811	0	\$271,458	0	\$252,967	0	\$260,607	0	\$268,477	0	\$1,545,324	0	\$4,206,103	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
DESIGN, ROW, & CONSTRUCTION MANAGEMENT EXPENSES																											
Design, ROW, & Const. Mgmt. Exp.	MSD/ENG	EB	N/A	N/A	0	\$28,998,216	\$2,447,185	\$2,546,486		\$2,658,847		\$2,727,386		\$2,797,917		\$2,863,784		\$2,931,476		\$3,001,123		\$3,072,736		\$3,146,420		\$3,252,040	
SUBTOTAL					0	\$28,998,216	\$2,447,185	\$2,546,486	0	\$2,658,847	0	\$2,727,386	0	\$2,797,917	0	\$2,863,784	0	\$2,931,476	0	\$3,001,123	0	\$3,072,736	0	\$3,146,420	0	\$3,252,040	0

BUDGET SUMMARY																											
PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 16	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25		FY 25-26	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
SUBTOTAL with Inflation					509,147	\$193,469,451	12,735,640	\$20,942,087	50,323	\$24,032,761	50,237	\$23,101,132	50,695	\$16,982,347	50,961	\$17,759,757	50,231	\$18,278,629	50,273	\$19,717,799	50,023	\$23,140,848	50,254	\$20,910,520	50,491	\$24,625,730	50,287
CONTINGENCY								\$1,000,000																			
REIMBURSEMENT PROJECTS	Various		Various	Various	0	\$1,000,000	\$100,000	\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000	
TOTAL					509,147	\$194,469,451	\$12,835,640	\$22,042,087	50,323	\$24,132,761	50,237	\$23,201,132	50,695	\$17,082,347	50,961	\$17,859,757	50,231	\$18,378,629	50,273	\$19,817,799	50,023	\$23,240,848	50,254	\$21,010,520	50,491	\$24,725,730	50,287



DEBT FINANCING



Debt Financing

Debt Management

Prior to the 1990s, the District’s policy was to fund capital improvements from user fees. Having inherited aging collector lines, some in excess of 100 years old, this policy forced the District to increase rates dramatically yet never provided enough funding to keep up with the magnitude of desperately needed repairs. Coming to realize the benefit of integrating capital-planning and debt-financing activities, the District Board developed a long-range plan to utilize bonds and pay-as-you-go in a coordinated capital improvement plan.

This combined strategy allows for more equity between long-term and new ratepayers while providing the necessary funding for an adequately functioning system. Issuing debt provides the capital to rehabilitate crumbling infrastructure while allowing present and future ratepayers who will enjoy the benefit to share the cost through annual principal and interest payments. This contrasts with a strategy that uses only pay-as-you-go whereby a resident will pay higher rates for many years to accumulate the funds needed for rehabilitation before enjoying any benefit, yet new users joining after completion of a project will have immediate use of the new facilities without sharing in any of the cost. Another advantage of combining borrowed funds with current funding is the ability to structure debt repayment schedules to avoid dramatic rate increases otherwise needed to provide adequate amounts for multi-million dollar projects.

The District’s bonds are rated by national rating agencies as follows:

Moody's Investors Service	Standard & Poor's	Fitch Ratings
Aa1	AA+	AA+

In December 2015, the District received a ratings upgrade from Aa2 to Aa1 from Moody’s Investors Service. Moody’s Investors Service recognized the District’s sound financial performance characterized by ample liquidity, healthy debt service coverage, and comprehensive fiscal planning. The rating also incorporates MSD’s regional customer base, adequate system capacity, manageable debt levels, and satisfactory protections for bondholders. These high ratings enable the District to pay a lower rate of interest than many other utilities, which has a positive effect on the current and future budgets.

Unlike North Carolina’s cities and counties, MSD does not have a debt limit. However, provisions in the District’s Bond Order require minimum debt coverage of 120% of net revenues to bonded debt service. The Board established a revenue policy, which sets a goal for debt coverage ratio to be approximately 150% for forecasting and planning purposes, realizing the impact of the increased debt coverage ratio on bond ratings.

Debt Financing *(continued)*

The District maintains a ten year forecast to budget capital improvements financed by a combination of debt and current fees. Based on projections using modest, consistent rate increases and capital improvement projects as outlined in the District's 10-year Capital Improvement Plan, an additional \$28 million in debt is anticipated to be issued in FY2019 without affecting the planned rate of user charge increases.

Capital Projects Funding

Funding for capital projects comes from a combination of revenue bonds and pay-as-you-go financing. Details may be found in the Policies & Budget Process tab of this budget document where Debt Policy is presented and in the schedule, "Budget/Rate Forecast" which illustrates the timing of debt issues and accumulation of revenues over expenditures anticipated to be available for capital financing. Generally speaking, half of the funds for capital improvements come from debt financing, with the other half funded by the excess of revenues over expenditures (pay-as-you-go).

During FY14, the District issued \$26.2 million fixed rate revenue bonds. The District has expended the entire amount of proceeds from the aforementioned debt issuance. The District will accumulate funding from operations to finance a portion of the capital budget until the next debt issuance, anticipated to be in FY19.

As of June 30, 2016, the District will have \$95.3 million par value of outstanding revenue bond debt. During FY17, over \$5.3 million in principal will be repaid. The District anticipates issuing an additional \$28 million in revenue bonds in FY19. Debt service from this future bond issue has been included in the District's long-term business plan and sewer rate increases. A summary of outstanding debt at June 30, 2016 and anticipated principal repayment during FY17 are on the following two (2) pages.

Debt Financing (continued)

Outstanding Debt as of June 30, 2016

	Original Issue Amount	Balance 6/30/2016	Additions	Retirements	Balance 6/30/2017
Enka-Candler Water and Sewer District Bonds liability assumed by Metropolitan Sewerage District of Buncombe County, North Carolina on July 2, 1990 as stated in the sewer consolidated agreement					
5.00% serial bonds assumed July 2, 1990 with maturities on each June 1 through 2024 varying from \$19,000 to \$64,000, interest payable annually.	\$1,500,000	\$468,000	\$ -	\$ 64,000	\$404,000
Total Bonds, Enka Candler Series	\$1,500,000	\$468,000	\$ -	\$ 64,000	\$404,000
Revenue Bonds, Series 2008A issued to refund Series 2005 Revenue Bonds					
Interest at variable rates in the weekly mode, payable monthly, due serially until 2031.	\$33,635,000	\$30,630,000	\$ -	\$825,000	\$29,805,000
Total Bond, Series 2008A	\$33,635,000	\$30,630,000	\$ -	\$825,000	\$29,805,000
2009 North Carolina Water Pollution Control Revolving Fund used to construct certain sewerage projects					
\$672,980 revolving loan issued August 18, 2009 unpaid principal sum is reduced by one-half as "Principal Forgiveness", interest accrues at 0%, 20 annual installments May 1, 2011 to 2030	\$336,490	\$235,540	\$ -	\$16,825	\$218,715
Total State Revolving Fund	\$336,490	\$235,540	\$ -	\$16,825	\$218,715
Revenue Bonds, Series 2009A issued to construct certain sewerage projects					
2.0% to 5.00% serial bonds issued October 7, 2009, with maturities on each July 1, 2010 through 2024 varying from \$400,000 to \$700,000; interest payable semi-annually	\$7,920,000	\$5,295,000	\$ -	\$495,000	\$4,800,000
5.00% term bonds issued October 7, 2009, at 109.001%, due July 1, 2029; interest payable semi-annually.	\$4,065,000	\$4,065,000	\$ -	\$ -	\$4,065,000
5.00% term bonds issued October 7, 2009, at 107.240%, due July 1, 2034; interest payable semi-annually.	\$5,220,000	\$5,220,000	\$ -	\$ -	\$5,220,000
Total Bond, Series 2009A	\$17,205,000	\$14,580,000	\$ -	\$495,000	\$14,085,000

Debt Financing (continued)

Outstanding Debt as of June 30, 2016

	Original Issue Amount	Balance 6/30/2016	Additions	Retirements	Balance 6/30/2017
Revenue Bonds, Series 2009B used to refund portions of Series 1999					
2.0% to 5.00% serial bonds issued October 7, 2009, with maturities on each July 1, 2010 through 2019 varying from \$595,000 to \$3,100,000; interest payable semi-annually	\$13,360,000	\$1,845,000	\$ -	\$ -	\$1,845,000
Total Bond, Series 2009B	\$13,360,000	\$1,845,000	\$ -	\$ -	\$1,845,000
Revenue Bonds, Series 2013 used to refund Series 2003 and Series 2008B					
2.0% to 5.00% serial bonds issued May 1, 2013, with maturities on each July 1, 2014 through 2029 varying from \$1,065,000 to \$4,255,000; interest payable semi-annually	\$30,230,000	\$21,895,000	\$ -	\$3,210,000	\$18,685,000
Total Bond, Series 2013	\$30,230,000	\$21,895,000	\$ -	\$3,210,000	\$18,685,000
Revenue Bonds, Series 2014 issued to construct certain sewerage projects					
2.0% to 5.00% serial bonds issued May 21, 2014 with maturities on each July 1, 2015 through 2039 varying from \$535,000 to \$1,430,000; interest payable semi-annually	\$21,510,000	\$20,975,000	\$ -	\$665,000	\$20,310,000
5.00% term bonds issued May 21, 2014, at 112.950%, due July 1, 2039; interest payable semi-annually.	\$4,685,000	\$4,685,000	\$ -	\$ -	\$4,685,000
Total Bond, Series 2014	\$26,195,000	\$25,660,000	\$ -	\$665,000	\$24,995,000
Total Bonds--All Series	\$96,266,490	\$95,313,540	\$ -	\$5,275,825	\$ 90,037,715

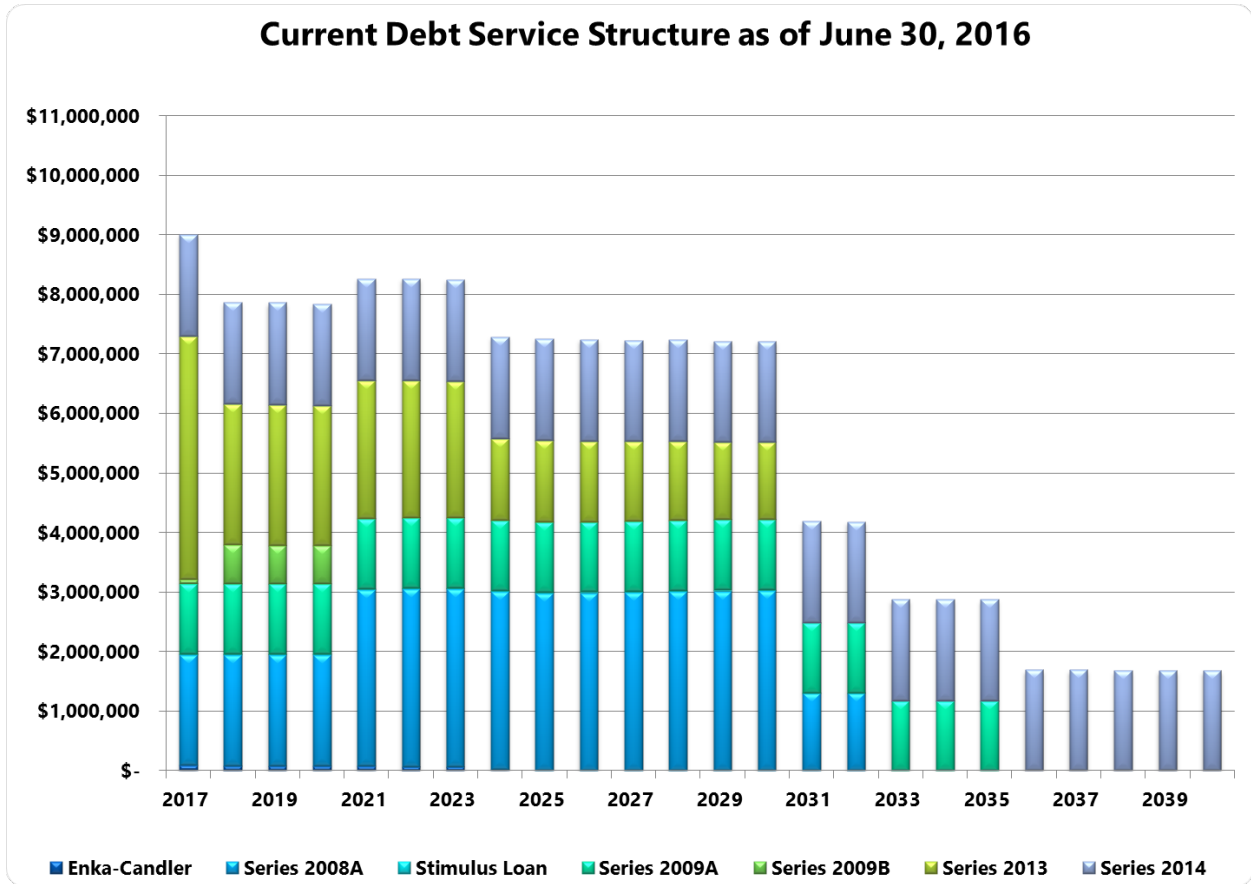
Aggregate Debt Service

Year Ending June 30	Enka-Candler Bonds	Series 2008A Refunding	Series 2009A	Series 2009B Refunding
2017	87,400	1,857,849	1,180,900	73,800
2018	84,200	1,858,620	1,180,700	656,900
2019	81,000	1,859,120	1,179,700	652,700
2020	77,800	1,863,272	1,182,800	647,700
2021	74,600	2,967,245	1,180,000	-
2022	71,400	2,979,356	1,183,150	-
2023	68,200	2,979,445	1,180,200	-
2024	21,000	2,986,599	1,180,875	-
2025	-	2,986,194	1,181,750	-
2026	-	2,987,324	1,180,875	-
2027	-	3,000,803	1,178,250	-
2028	-	3,010,738	1,178,750	-
2029	-	3,017,451	1,182,125	-
2030	-	3,025,226	1,178,375	-
2031	-	1,304,929	1,182,375	-
2032	-	1,306,777	1,179,000	-
2033	-	-	1,178,250	-
2034	-	-	1,179,875	-
2035	-	-	1,178,750	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
	565,600	39,990,947	22,426,700	2,031,100

Aggregate Debt Service (continued)

Year Ending June 30	North Carolina Water Pollution Control Revolving Fund	Series 2013 Refunding	Series 2014	Aggregate Debt Service
2017	16,825	4,079,194	1,710,850	9,006,817
2018	16,825	2,368,094	1,707,175	7,872,513
2019	16,825	2,363,094	1,709,175	7,861,613
2020	16,825	2,350,794	1,705,075	7,844,265
2021	16,825	2,322,594	1,701,025	8,262,289
2022	16,825	2,302,844	1,709,625	8,263,199
2023	16,825	2,298,219	1,705,775	8,248,663
2024	16,825	1,377,719	1,706,675	7,289,693
2025	16,825	1,363,469	1,708,025	7,256,262
2026	16,825	1,352,944	1,703,275	7,241,242
2027	16,825	1,341,444	1,695,775	7,233,096
2028	16,825	1,323,644	1,706,625	7,236,581
2029	16,825	1,304,644	1,695,475	7,216,520
2030	16,825	1,294,922	1,697,675	7,213,022
2031	-	-	1,698,175	4,185,479
2032	-	-	1,696,875	4,182,652
2033	-	-	1,698,675	2,876,925
2034	-	-	1,693,575	2,873,450
2035	-	-	1,698,138	2,876,888
2036	-	-	1,697,325	1,697,325
2037	-	-	1,692,850	1,692,850
2038	-	-	1,682,125	1,682,125
2039	-	-	1,681,000	1,681,000
2040	-	-	1,681,000	1,681,000
	235,543	27,443,616	40,781,963	133,475,469

Aggregate Debt Service (continued)



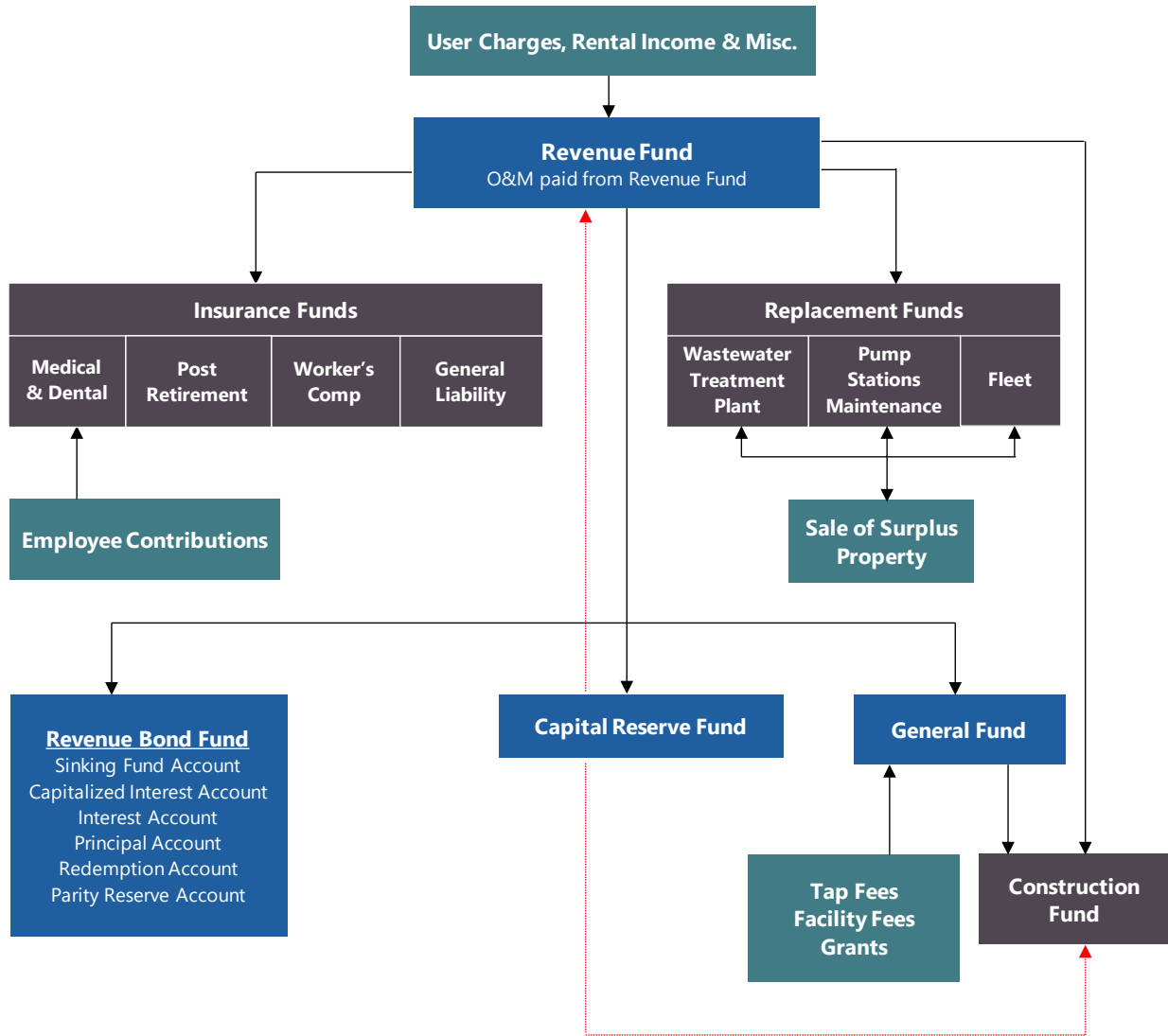
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APPENDIX



Flow of Funds Chart



Priority of expenditures per Bond Order

1. Current Expenditures
2. Debt Service
3. Capital Reserve
4. Any Lawful Purpose

- Income Sources
- Trustee Funds
- Expenditures

————— Flow of Funding

..... Flow of Funding if required for emergency repairs or maintenance

Resolution – Preliminary Budget & Sewer Use Charges

**RESOLUTION ADOPTING PRELIMINARY BUDGET AND SEWER USE CHARGES
FOR THE
METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY, NORTH CAROLINA
FOR THE FISCAL YEAR July 1, 2016 THRU June 30, 2017**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, Construction Expenditures of the District, and the sources of revenue and allocations (uses) of expenditures for the 2016-2017 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED:

1. The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the Debt Service, General Fund, and Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Operating and Maintenance Expenses	\$ 12,482,116
Transfer to Insurance Accounts	\$ 3,474,374
Transfer to Fleet Replacement Reserve	\$ 425,000
Transfer to Wastewater Treatment Plant Reserve	<u>\$ 200,000</u>
Subtotal O&M	\$ 16,581,490
Transfer to Debt Service Fund	\$ 7,956,840
Transfer to General Fund	<u>\$ 11,332,582</u>
	<u>\$ 35,870,912</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Domestic User Fees	\$ 29,922,929
Industrial User Fees	\$ 2,943,043
Billing and Collection Fees	\$ 772,500
Investment Interest	\$ 386,679
Reimbursement for Debt Service from COA	\$ 37,000
Rental Income	\$ 71,399
Appropriated Net Position	<u>\$ 1,737,362</u>
	<u>\$ 35,870,912</u>

Resolution – Preliminary Budget & Sewer Use Charges

2. The following amounts are hereby appropriated in the General Fund for the transfers to the Construction Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer into Construction	<u>\$ 22,034,087</u>
----------------------------	----------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Facility and Tap Fees	\$ 1,700,000
Investment Income	\$ 85,285
Transfer from Revenue Fund	\$ 11,332,582
Appropriated Net Position	<u>\$ 8,916,220</u>
	<u>\$ 22,034,087</u>

3. The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Capital Improvements Projects	<u>\$ 22,042,087</u>
-------------------------------	----------------------

It is estimated that the following revenues will be available to the Construction Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Investment Income	\$ 8,000
Transfer from General Fund	\$ 22,034,087
	<u>\$ 22,042,087</u>

4. The following amounts are presented as the financial plan of the Insurance Funds that are used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 are:

Operating Expenditures	<u>\$ 3,643,470</u>
------------------------	---------------------

It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 3,474,374
Investment Income	\$ 13,100
Employee/Retirees Medical Contributions	\$ 415,000
Contributions to Net Position	<u>\$ (259,004)</u>
	<u>\$ 3,643,470</u>

Resolution – Preliminary Budget & Sewer Use Charges

5. The following amounts are presented as the financial plan of the Fleet Replacement Fund designated for capital equipment expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 668,000</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer in from the Revenue Fund	\$ 425,000
Sale of Surplus Property	\$ 80,160
Investment Income	\$ 8,914
Appropriated Net Position	<u>\$ 153,926</u>
	<u>\$ 668,000</u>

6. The following amounts are presented as the financial plan of the Wastewater Treatment Plant Replacement Fund designated for wastewater treatment plant capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 162,150</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 200,000
Investment Income	\$ 7,044
Transfer Out to Pump Station Replacement Fund	\$ (100,000)
Appropriated Net Position	<u>\$ 56,277</u>
	<u>\$ 162,150</u>

7. The following amounts are presented as the financial plan in the Pump Station Replacement Fund designated for pump capital expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017 estimated as follows:

Capital Equipment	<u>\$ 55,000</u>
-------------------	------------------

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Wastewater Replacement Fund	\$ 100,000
Investment Income	\$ -
Contributions to Net Position	<u>\$ (45,000)</u>
	<u>\$ 55,000</u>

Resolution – Preliminary Budget & Sewer Use Charges

8. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Debt Service	\$ <u>7,956,840</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Transfer In from the Revenue Fund	\$ 7,956,840
Investment Income	\$ 50
Contributions to Net Position	<u>\$ (50)</u>
	<u>\$ 7,956,840</u>

9. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.
10. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
- a. He may transfer amounts without limitation between departments in a fund.
 - b. He may transfer any amounts within Debt Service and Reserve Funds designated as excess by the Trustee into another fund.
 - c. He may transfer up to 10% of Insurance Fund reserves to meet current year expenditures in excess of budget.
11. That the attached Schedule of Fees and Charges be adopted as effective July 1, 2016.
12. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 18th day of May 2016

M. Jerry VeHaun, Chairman
Metropolitan Sewerage District of
Buncombe County, North Carolina

Attest:

Jackie Bryson
Secretary/Treasurer

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Rate increase		2.50%
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 4.28	\$ 4.39
Industrial Volume Charges (per CCF) Inside	\$ 3.69	\$ 3.95
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Inside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Inside	\$ 0.262	\$ 0.259
Residential & Commercial Volume Charges (per CCF) Outside	\$ 4.29	\$ 4.40
Industrial Volume Charges (per CCF) Outside	\$ 3.70	\$ 3.96
Industrial Surcharge for BOD (per lb., BOD >240 mg/l) Outside	\$ 0.327	\$ 0.320
Industrial Surcharge for TSS (per lb., TSS >240 mg/l) Outside	\$ 0.262	\$ 0.259
Base Meter/Maintenance Charge & Billing Fee		
5/8"	\$ 6.60	\$ 6.77
3/4"	\$ 9.61	\$ 9.85
1"	\$ 17.05	\$ 17.48
1 1/2"	\$ 39.03	\$ 40.01
2"	\$ 69.03	\$ 70.76
3"	\$ 153.10	\$ 156.93
4"	\$ 273.20	\$ 280.03
6"	\$ 615.44	\$ 630.83
8"	\$ 1,092.80	\$ 1,120.12
10"	\$ 1,711.26	\$ 1,754.04
Billing Fee (per bill)	\$ 2.30	\$ 2.31
Sewer Facility Fees		
<i>This impact fee is for allotted capacity in the treatment and transmission system. A differential fee will be charged for increases to an existing meter size.</i>		
Residential		
Per Unit (non-mobile home)	\$ 2,500.00	\$ 2,500.00
Mobile Home	\$ 1,740.00	\$ 1,740.00
Affordable Housing	\$ 670.00	\$ 670.00
Nonresidential (modifiable per economic development waiver)		
5/8"	\$ 2,500.00	\$ 2,500.00
3/4"	\$ 2,830.00	\$ 2,830.00

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Sewer Facility Fees (continued)		
Nonresidential (modifiable per economic development waiver) (continued)		
1"	\$ 5,560.00	\$ 5,560.00
1 1/2"	\$ 11,350.00	\$ 11,350.00
2"	\$ 20,000.00	\$ 20,000.00
3"	\$ 45,000.00	\$ 45,000.00
4"	\$ 87,500.00	\$ 87,500.00
6"	\$ 225,400.00	\$ 225,400.00
8"	\$ 237,500.00	\$ 237,500.00
Additions < 1,400 GPD	\$ 870.00	\$ 870.00
Additions over 1,400 GPD	Based on flow rate & meter size	Based on flow rate & meter size
Sewer Connection Fees		
<i>This fee is to provide new or re-establish existing service connections to the MSD system.</i>		
Sewer Connection by MSD	\$ 650.00	\$ 650.00
Pavement Disturbance Fee	\$ 2,200.00	\$ 2,200.00
Additional Charge for Boring	N/A	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300.00)	\$ (1,300.00)
Inspection Fee for Developer (or Utility Contractor) Installed Sewer Connection	\$ 140.00	\$ 140.00
<i>The Sewer Connection Fee will apply to new home construction, as well as existing homes which have been demolished or remodeled and sewer service is reinstated under new property ownership. MSD reserves the right to require that a licensed utility contractor install any sewer connection, and such connections will be subject to MSD inspection. Sewer connections in excess of 75 feet will be evaluated on a case by case basis. If constructed by MSD, they will be billed at cost. Property owners may choose to utilize a licensed utility contractor, which will be subject to MSD inspection.</i>		
Manhole Installation/Replacement		
Cost per foot	\$ 250.00	\$ 250.00
Pavement replacement (if required)	\$ 1,800.00	\$ 1,800.00

Schedule of Rates & Fees

Effective July 1, 2016

	CURRENT FY16 RATE	PROPOSED FY17 RATE
Other Fees		
Allocation Fee	\$ 170.00	\$ 170.00
Non-Discharge Permit	\$ 200.00	\$ 200.00
Plan Review Fee	\$ 450.00	\$ 450.00
Plan re-review Fee	\$ 350.00	\$ 350.00
Final Inspection	\$ 350.00	\$ 350.00
Pump Station Acceptance Fee	Note 1	Note 1
<i>Note 1 --See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing</i>		
Bulk Charges		
Volume Charge for Septic Haulers (per 1,000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >240 mg/l (per lb.)	\$ 0.327	\$ 0.320
Total Suspended Solids >240 mg/l (per lb.)	\$ 0.262	\$ 0.259
Returned Check Charge		
Returned Check (per event)	\$ 25.00	\$ 25.00
Dishonored Draft (per event)	\$ 25.00	\$ 25.00
Copy/Printing Fees/Miscellaneous (each)		
8x11 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00	\$ 14.00
8x11 or 8x14 copies after first print	\$ 0.11	\$ 0.11
11x17 copies after first print	\$ 0.20	\$ 0.20
24x36 copies after first print	\$ 0.94	\$ 0.94
34x44 copies after first print	\$ 1.76	\$ 1.76
36x48 copies after first print	\$ 2.03	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00	\$ 3.00
Data CD	\$ 30.00	\$ 30.00
Shipping for CD	\$ 5.00	\$ 5.00
Permit Decals for Septic Haulers	\$ 50.00	\$ 50.00

STATUS REPORTS

**MSD System Services In-House Construction
FY 15-16 PROJECTS**

PROJECT NAME	LOCATION	ZIP CODE	ESTIMATED FOOTAGE	ESTIMATED PROJECT DATES	WO#	CREW	COMPLETION DATE	ACTUAL FOOTAGE	NOTES
Deanwood Circle Phase 2	Asheville	28803	618	5/14/15 - 7/1/15	225521	631	7/1/2015	618	complete
590 Haywood Rd	W. Asheville	28806	178	7/16/2015	225966	631	7/16/2015	180	complete
Rathfarnham Circle	Arden	28803	520	7/5/15 - 8/1/15	212218	631	7/23/2015	522	complete
26 Claxton Place	Asheville	28801	121	7/29/2015	224709	631	7/29/2015	121	complete
418 Cedar Lane	Royal Pines	28704	815	7/8/15 - 8/7/15	220605	647	8/6/2015	862	complete
Locust Court Rehab	Royal Pines	28704	100	8/10/15-8/14/15	223590	647	8/17/2015	98	complete
Mount Claire Sewer Rehabilitation	Asheville	28803	656	8/3/15-8/21/15	216742	631	8/21/2015	664	complete
New Salem Road Rehabilitation	Swannanoa	28778	50	8/17/15-8/21/15	226294	647	8/18/2015	34	complete
4 Hawthorne Lane	Montford/Asheville	28801	178	8/24/15 - 9/2/15	226596	631	9/2/2015	178	complete
355 Lakeshore Drive	N. Asheville	28804	300	8/19/15 - 9/5/15	225006	647	9/4/2015	347	complete
Covington Street Improvements	W. Asheville	28806	295	9/8/15-9/11/15	200349	631	9/4/2015	197	complete
83 Grayclyn Rd	Asheville	28804	380	9/8/15-10/1/15	220546	647	9/24/2015	492	complete
Panola Street	Asheville	28801	360	9/14/15 - 10/16/15	225178	631	10/9/2015	308	complete
316 Westover Dr	Asheville	28801	775	10-19-15 - 11/1/15	228021	631	11/3/2015	890	complete
Robindale Ave	Asheville	28801	850	9/25/15 - 11/20/15	45887	647	11/25/2015	875	complete
220 Jonestown Road Emergency Rehab	Woodfin	28804	100	12/10/2015	229302	647	12/10/2015	100	complete
Winnfred Street	W. Asheville	28806	420	11/11/15 - 12/18/15	208324	631	12/18/2015	598	complete
Erwin Hills Road Sewer Extension	Leicester	28806	1000	12/21/15 - 2/22/16	229332	631	2/4/2016	1056	complete
Weaverville Pump Station #1 Improvements	Weaverville	28787	35	11/21/15 - 2/22/16	228575	647	2/4/2016	81	complete
Murdock at Edwin Place Sewer Improvements	Asheville	28801	94	1/25/16 - 2/10/16	229951	647	2/16/2016	97	complete
Hunt Hill Place Phase 1	Asheville	28813	600	2/8/16 - 3/22/16	46650	631	2/26/2016	590	complete
Evelake Drive (Area 1)	Leicester	28806	135	2/11/16 - 3/3/16	229959	647	3/4/2016	297	complete
Hunt Hill Place Phase 2	Asheville	28813	200	2/26/16 - 3/3/16	231242	631	3/8/2016	215	complete
404 E. State Street	Black Mountain	28711	130	3/4/16 - 3/15/16	231667	631	3/18/2016	130	complete
43 Evelake Drive	Leicester	28806	200	3/4/16 - 3/ 25/16	231370	647	3/16/2016	219	complete
Sareva Place	N. Asheville	28804	863	3/16/16 - 4/22/16	20330	631	4/15/2016	945	complete
114 Fenner	N. Asheville	28804	127	4/13/16 - 4/20/16	232280	614	4/20/2016	127	complete
Carjen Avenue	N. Asheville	28804	918	4/23/16 - 5/23/16	20331	631	4/27/2016	829	complete
Fair Oaks Rd at Green Road (P/N 2009133)	Arden	28704	2500	3/26/16 - 5/31/16	229966	647			construction 25% complete
126 Appalachian Way	W. Asheville	28806	625	5/16/16 - 6/16/16	233399	631			ready for construction
Asheville County Club Phase 1	N. Asheville	28804	1665	6/1/16 - 7/1/16	225191	647			ready for construction
Tanglewood Drive at Graggy Ave	W. Asheville	28803	141	6/17/16 - 7/1/16	233397	631			ready for construction



CONSTRUCTION TOTALS BY DATE COMPLETED - Monthly

From 7/1/2015 to 3/31/2016

	Dig Ups	Emergency Dig Ups	Dig Up ML Ftg	Dig Up SL Ftg	Manhole Repairs	Taps Installed	ROW Ftg	IRS Rehab Ftg *	Const Rehab Ftg *	D-R Rehab Ftg *	Manhole Installs	Bursting Rehab Ftg *	Total Rehab Ftg *
July 2015	31	7	87	489	32	12	0	91	1116	408	13	1,057	2672
August 2015	27	7	89	427	13	11	6,757	377	307	280	18	1,378	2342
September 2015	33	7	190	747	29	25	10	348	219	479	11	735	1781
October 2015	42	7	226	1,023	18	21	190	202	137	182	5	126	647
November 2015	28	8	145	505	18	14	440	0	442	1504	16	261	2207
December 2015	30	16	90	616	27	7	220	0	368	598	7	100	1066
January 2016	29	8	121	367	29	11	300	4	100	0	0	0	104
February 2016	34	13	156	608	22	14	805	219	625	265	13	503	1612
March 2016	37	23	420	862	28	23	1,251	0	8	646	7	215	869
Grand Totals	291	96	1,522	5,643	216	138	9,973	1,241	3322	4362	90	4,375	13300

* Used to calculate Total Rehab Footage



PIPELINE MAINTENANCE TOTALS BY DATE COMPLETED - Monthly

July 01, 2015 to March 31, 2016

	Main Line Wash Footage	Service Line Wash Footage	Rod Line Footage	Cleaned Footage	CCTV Footage	Smoke Footage	SL-RAT Footage
2015							
July	98,340	1,112	3,630	101,970	35,280	18,250	7,999
August	65,325	1,906	7,190	72,515	24,728	0	13,969
September	79,795	1,645	9,498	89,293	32,353	4,579	17,664
October	38,126	2,363	4,810	42,936	31,243	14,600	21,241
November	42,038	1,966	6,174	48,212	29,033	0	17,487
December	48,491	1,945	8,240	56,731	19,205	1,500	15,016
2016							
January	53,754	1,554	7,559	61,313	18,118	3,663	3,800
February	57,342	2,460	9,279	66,621	25,427	1,936	12,807
March	54,004	2,950	11,610	65,614	28,973	8,587	26,752
Grand Total:	537,215	17,901	67,990	605,205	244,360	53,115	136,735
Avg Per Month:	59,691	1,989	7,554	67,245	27,151	5,902	15,193



CUSTOMER SERVICE REQUESTS

Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
DAY 1ST RESPONDER				
	July, 2015	80	32	38
	August, 2015	110	31	45
	September, 2015	99	29	39
	October, 2015	98	32	52
	November, 2015	92	31	54
	December, 2015	146	34	44
	January, 2016	90	27	47
	February, 2016	144	28	46
	March, 2016	148	34	42
		1,007	31	45
NIGHT 1ST RESPONDER				
	July, 2015	14	19	25
	August, 2015	22	22	28
	September, 2015	23	21	29
	October, 2015	23	37	33
	November, 2015	27	29	33
	December, 2015	22	30	27
	January, 2016	24	23	23
	February, 2016	27	27	22
	March, 2016	24	23	21
		206	26	27
ON-CALL CREW *				
	July, 2015	28	39	46
	August, 2015	24	48	30
	September, 2015	30	45	51
	October, 2015	26	49	69
	November, 2015	31	49	40
	December, 2015	72	57	51
	January, 2016	46	43	48
	February, 2016	49	46	43

* On-Call Crew Hours: 8:00pm-7:30am Monday-Friday, Weekends, and Holidays



CUSTOMER SERVICE REQUESTS Monthly - All Crews

CREW	MONTH	JOBS	AVERAGE RESPONSE TIME	AVERAGE TIME SPENT
ON-CALL CREW *				
	March, 2016	46	48	36
		352	48	46
Grand Totals:		1,565	34	43

* On-Call Crew Hours: 8:00pm-7:30am Monday-Friday, Weekends, and Holidays

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

May 10, 2016

PROJECT	LOCATION OF PROJECT	CONTRACTOR	AWARD DATE	NOTICE TO PROCEED	ESTIMATED COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BYPASS PUMP STAGING AREAS	Woodfin 28804 and Asheville 28806	NHM Constructors, LLC	3/16/2016	4/11/2016	7/9/2016	\$267,260.00	2%	Materials delivered for HDPE. Work has begun at Amboy Road.
HENDERSONVILLE ROAD @ MILLS GAP ROAD	Asheville 28803	Terry Brothers	3/16/2016	4/13/2016	8/11/2016	\$703,488.00	2%	Work is progressing.
HILLIARD AVENUE @ ASTON PARK	Asheville 28801	Buckeye Bridge, LLC	8/19/2015	10/12/2015	5/20/2016	\$542,732.50	98%	Working on punchlist.
MELODY CIRCLE	Swannanoa 28778	Terry Brothers	7/15/2015	8/3/2015	5/20/2016	\$954,087.50	98%	Working on punchlist.
MTN. VIEW PUMP STATION GENERATOR SITE	Arden 28704	TBD	TBD	TBD	TBD	TBD	0%	Bids were opened on April 28th. Haynes Electric Construction Company is the apparent low. Project will be presented at the June Board meeting.
NEW SALEM ROAD	Swannanoa 28778	Terry Brothers	11/18/2015	1/12/2016	5/20/2016	\$474,362.00	98%	Working on punchlist.
OAKLAND DRIVE @ PINE STREET (4-INCH MAIN)	Black Mountain 28711	Terry Brothers	2/17/2016	3/7/2016	6/5/2016	\$283,994.00	98%	Working on punchlist.
SHADOWLAWN DRIVE PHASE 2	Asheville 28806	Davis Grading, Inc.	1/20/2016	3/14/2016	7/12/2016	\$436,798.00	30%	Work is progressing well.
VENABLE PUMP STATION ELIMINATION	Asheville 28806	Buckeye Bridge, LLC	4/20/2016	5/9/2016	7/8/2016	\$314,639.20	0%	Boring contractor on site, to begin crossing Brevard Road.
WRF - INCINERATOR SYSTEM REHABILITATION AND EMISSIONS UPGRADES	Woodfin 28804	Haren Construction Company	2/18/2015	3/25/2015	5/20/2016	\$4,624,000.00	99%	Close-out documentation in process.
WRF - INFLUENT PUMP STATION REHABILITATION: AFD REPLACEMENT	Woodfin 28804	M.B. Haynes	8/19/2015	10/5/2015	5/27/2016	\$428,370.00	98%	Change Order for flow switch in process.

*Updated to reflect approved Change Orders and Time Extensions

Planning & Development Project Status Report

Active Construction Projects

May 18, 2016

#	Project Name	Project Number	Work Location	Zip Code	Units	LF	Pre-Construction Conference Date	Comments
1	Governor's Western Residence	2014100	Buncombe Co.	28804	Comm.	636	7/22/2015	Final Inspection complete, awaiting close-out docs
2	Greenwood Park Phase 1	2014067	Weaverville	28787	7	283	9/1/2015	Final Inspection complete, awaiting close-out docs
3	Rivermill Lofts Relocation	2014125	Asheville	28803	254	314	8/21/2015	Waiting on final inspection
4	Givens Gerber Park	2014065	Buncombe Co.	28803	260	357	8/7/2015	Waiting on final inspection
5	Hawthorne South (Turtle Creek)	2014130	Asheville	28803	250	400	8/7/2015	Waiting on final inspection
6	Ingles - Smokey Park Highway	2013135	Asheville	28806	Comm.	1,289	4/11/2014	Waiting on final inspection
7	Conestee	2014149	Asheville	28801	7	113	8/7/2015	Installing
8	Audubon Apts. Phase 2	2014027	Buncombe Co.	28704	86	16	5/27/2015	Waiting on final inspection
9	Hunt Hill Apartments	2013111	Asheville	28801	180	1,729	3/5/2014	Waiting on final inspection
10	Rosebriar	2007005	Black Mountain	28711	12	309	8/28/2014	Waiting on final inspection
11	Dilworth Apartments	2015001	Asheville	28806	168	950	8/3/2015	Waiting on final inspection
12	Isaac Dickson School Relocation	2013033	Asheville	28801	School	504	1/13/2014	Waiting on final inspection
13	Gibson Road (aka Four Seasons)	2014138	Asheville	28804	3	137	9/11/2015	Final Inspection complete, awaiting close-out docs
14	Roberts Farm Phase 1B	2015056	Black Mountain	28711	250	1,165	7/29/2015	Installing
15	First Baptist Relocation	2015032	Asheville	28801	Comm.	333	7/21/2015	Waiting on final inspection
16	Biltmore Lake Block "I"	2014128	Buncombe Co.	28715	19	1,676	3/31/2015	Testing
17	Creekside Cottages	2014095	Buncombe Co.	28704	7	504	3/12/2015	Final Inspection complete, awaiting close-out docs
18	Crossings at Beaverdam	2014150	Woodfin	28804	Comm.	119	2/18/2015	Waiting on final inspection
19	Creekside Village Phase 2	2014088	Weaverville	28787	145	2,051	8/7/2015	Final Inspection complete, awaiting close-out docs
20	Beale Road Subdivision	2015200	Asheville	28704	21	730	4/5/2016	Pre-con held, ready for construction
21	Country Inn & Suites - Westgate	2014089	Asheville	28806	Comm.	204	1/22/2015	Final Inspection complete, awaiting close-out docs
22	Burk Street - Phase III	2014079	Asheville	28806	7	111	11/20/2014	Final Inspection complete, awaiting close-out docs
23	Dillingham Woods	2014048	Asheville	28805	27	375	3/4/2015	Installing
24	Shelburne Road	2014126	Asheville	28806	9	418	4/5/2016	Pre-con held, ready for construction
25	Ramble Block "E"	2015030	Buncombe Co.	28803	22	1,357	7/29/2015	Waiting on final inspection
26	Haw Creek - Waters Road	2014086	Asheville	28805	20	643	7/28/2015	Final Inspection complete, awaiting close-out docs
27	Asheville Middle School	2013125	Asheville	28801	School	214	9/30/2014	Waiting on final inspection
28	Robinhood Relocation	2013107	Asheville	28804	5	230	7/23/2015	Final Inspection complete, awaiting close-out docs
30	Crest Mountain Phase 3B	2013041	Woodfin	28806	69	1,329	10/15/2013	Waiting on final inspection
31	Evolve Mountain View	2013105	Asheville	28803	148	347	10/21/2014	Final Inspection complete, awaiting close-out docs
32	26 Carl Alwin Place	2014091	Buncombe Co.	28704	Comm.	246	5/1/2015	Final Inspection complete, awaiting close-out docs
33	Bojangles - Smokey Park	2014124	Buncombe Co.	28806	Comm.	382	8/18/2015	Punch-list pending
34	Pisgah View Subdivision	2015120	Buncombe Co.	28806	6	176	9/11/2015	Final Inspection complete, awaiting close-out docs
35	Serenity Falls Subdivision	2015055	Woodfin	28804	45	2,583	9/18/2015	Installing
36	Long Shoals Village Ph. 1 (Bojangles)	2015103	Buncombe Co.	28704	Comm.	535	10/23/2015	Final Inspection complete, awaiting close-out docs
37	Amboy Overlook	2014136	Asheville	28806	19	899	10/20/2015	Installing
38	Bowen Estates	2015064	Asheville	28803	4	178	10/13/2015	Installing
39	Craggy Park	2014164	Asheville	28806	45	1,935	10/23/2015	Installing
40	Pinnacle at Arabella Heights	2006277	Buncombe Co.	28704	28	482	11/10/2015	Testing
41	Settings at Black Mountain	2008016	Black Mountain	28711	30	907	11/13/2015	Installing
42	Cottages at Kenilworth	2015107	Asheville	28805	12	454	12/1/2015	Pre-con held, ready for construction
43	A.B. Tech Fernhurst Relocation	2014061	Asheville	28801	Comm.	697	4/8/2014	TCO, waiting closeout decision and documents
44	Springside Road Townhomes	2015006	Asheville	28803	3	120	12/15/2015	Pre-con held, ready for construction
45	Vance Place	2014084	Asheville	28801	8	398	1/29/2016	Installing
46	The District	2015133	Asheville	28803	309	912	2/26/2016	Pre-con held, ready for construction
47	Asheville Exchange	2015170	Asheville	28806	312	582	2/26/2016	Installing
48	200 Technology Drive	2015213	Buncombe Co.	28803	Comm.	809	2/26/2016	Installing
49	Cheshire Pocket Village	2015129	Black Mountain	28711	15	370	2/26/2016	Waiting on final inspection
50	Hall Avenue	2015035	Asheville	28806	8	329	3/4/2016	Pre-con held, ready for construction
51	Maple Trace Subdivision	2014121	Weaverville	28787	31	2,420	1/29/2016	Pre-con held, ready for construction
52	McKinley Avenue (Habitat)	2015180	Asheville	28803	10	237	4/22/2016	Pre-con held, ready for construction
53	Reese & Jan Lasher (High Hopes)	2015152	Woodfin	28806	14	320	4/26/2016	Pre-con held, ready for construction
54	Fairfield Inn & Suites - Tunnel Road	2015203	Asheville	28805	Comm.	350	4/29/2016	Pre-con held, ready for construction
55	500 Fairview Road Subdivision	2016049	Asheville	28803	10	220	5/6/2016	Pre-con held, ready for construction
56	Mallard Run Phase II	2015090	Buncombe Co.	28704	37	1,217	10/13/2015	Installing
			TOTAL			2,922	36,601	