

Metropolitan Sewerage District

Of

Buncombe County, North Carolina



2026-2027

BUDGET DOCUMENT

2026-2027 Budget Document

PRINCIPAL OFFICIALS

Board Member	Representative of	Board Member	Representative of
M. Jerry VeHaun, Chairman	Town of Woodfin	Esther Manheimer	City of Asheville
Jackie W. Bryson, Secretary/Treasurer	Woodfin Sanitary Water & Sewer District	Chris Pelly	City of Asheville
Matt Ashley, Jr,	Town of Montreat	Martin Moore	Buncombe County
Jim Player	Town of Fletcher	Douglas Dearth	Town of Weaverville
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Allan Tarleton	Town of Biltmore Forest	Al Whitesides	Buncombe County
William G. Lapsley	Henderson County	Gwen Wisler	City of Asheville
Roberts & Stevens, P.A.	Legal Counsel	Thomas E. Hartye, P.E.	General Manager
McGill & Associates	Engineer of Record	W. Scott Powell, CLGFO	Director of Finance



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, 2025. This is the twenty-eighth (28) 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 FY2027 budget continues to conform to the program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Metropolitan Sewerage District of Buncombe County
North Carolina**

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morill

Executive Director

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Introduction





Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

June 10, 2026

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

Subject: FY2027 Budget and Proposed Sewer Rates

Dear Members of the Board,

We respectfully present the FY2027 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 21, 2026, the Capital Improvement Program Committee, which met on April 23, 2026.

We have developed the FY2027 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 FY2026, the District's domestic and industrial revenue will exceed budgeted projections. The District has proposed a 7.00% rate increase for the upcoming year. Additionally, the District's long-range business plan incorporates this change and projects that future rate increases will be approximately 7.0% 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.

Approximately forty thousand (40,000) linear feet of sewer rehabilitation in the Collection System was planned for FY2026. The SS Construction Department continues to expand its sewer line rehabilitation and replacement efforts to maximize service and minimize SSOs. Goals for FY2026 include utilizing Infrastructure Rehabilitation System (IRS) lining, pipe bursting, and dig-and-replacement construction to rehabilitate and replace at least 15,000 linear feet, while providing preventative maintenance for approximately 600,000 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.

In FY2026, work continued on the Weaverville Pump Station Replacement project, a nearly \$26M project that will provide additional pumping capacity for the Town of Weaverville and surrounding areas. The project is nearly complete. Also in FY2026, work began on the Carrier Bridge Pump Station Replacement project, a \$96M capacity upgrade that includes a new pump station and two (2) pipeline river crossings of the French Broad. This project will add sufficient conveyance capacity for the next 50 years for the station's large service area that includes West and South Buncombe County, and northern Henderson County. The pipeline rivers crossing will be complete by the end of FY2026; however, construction of the pump station will last until FY2029.

At the Wastewater Treatment Plant, the District completed an internal rebuild of the Fluidizing Bed Incinerator (FBI) in FY2026. This rebuild allows the plant to continue onsite biosolids disposal until such time it is replaced with a thermal dryer in FY2031. The conversion away from incineration is part of the larger Solids Handling Capacity Improvements project which follows recommendations of the Solids Handling Preliminary Engineering Report, completed in January 2026. This is a \$149 million design-build project that kicked off in FY2026. A design-build team selection is anticipated for Fall 2026.

Planning of the Biological Treatment Replacement project continued in FY2026 with pilot testing, a scaled down version of one of the treatment technologies under review. Pilot testing is a critical step in confirming the effectiveness and efficiency of a new biological treatment technology. This Biological Replacement

project is currently budgeted at \$250M and will replace the plant's aging Rotating Biological Contactors (RBCs) with a technology capable of complying with future ammonia limits.

Operating Budget

The proposed \$23.3 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.
 - The CPI for the Southern Urban Wage Earners increased 2.2% for the last twelve-month period. The 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. On April 21, 2026, the Personnel Committee recommended a 3.0% wage increase, which has an approximate \$391,000 impact.
 - A 5.5% 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 keeping the local retirement system one of the best-funded systems in the country. This year's increase has an approximate \$151,000 impact on current year expenditures.
 - A 0.0% increase in funding for Self-Insured Medical Plan—The District has been able to hold employer contributions to FY2025 levels to cover estimated medical expenses of the plan while maintaining prudent reserves for future claims. This has a \$0 impact on current year expenditures.
 - Funding for Post-Employment Health Benefit—Starting in FY2009, GASB 45/75 required recognition of cost for Post-Employment Health Benefits. An actuarial study was done in the current year, staff is recommending funding should remain at approximately \$283,000. Current funding has been implemented into the proposed FY2027 budget, in addition to the current business plan, and represents 1.20% of total operations.

- ✚ **Materials, Supplies, and Service expenditures increased 1.8% 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 and continued expansion of the District. The District has increased specific line items to address regulatory and operational needs. Discretionary expenditures have been limited where practicable. This has an approximate \$179,000 impact on 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 FY2027 is \$83.8 million, which is comprised of an estimated \$82.6 million in construction, \$200,000 of reimbursement, and \$1 million in contingency. The total 10-year CIP budget is \$794.9 million.

A detailed list of individual projects and planned expenditures by year was presented at the April 23, 2026 CIP meeting. This signifies a large increase in the 10-year CIP due largely to major improvements at the Plant and various pump stations. MSD will be positioned to meet future regulations and to provide capacity to serve the estimated growth for the next 50 years.

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2026, the District will have \$64.5 million in outstanding revenue bond debt, with total debt service of \$8.7 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, will improve the operational performance, and extend the life of the collection system. The estimated cost over a 10-year period is approximately \$285.7 million.

MSD's focus to rehabilitate over 403,000 feet of sewer lines for the next 10 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, 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, severity of defects, 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 FY2027 include Hazel Mill Road at Richland Street with 3,588 linear feet \$2.7 million, Lining Contract #10, 18,837 linear feet \$3.2 million, Montford Avenue at Montford Park 1,129 linear feet \$772,000, and Interceptor line assessment and cleaning \$1.5 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

Wastewater Treatment Plant Capital Improvements:

The District is preparing for major capital investments at the Water Reclamation Facility within the ten-year CIP program and beyond. The most significant project is the replacement of the plant's biological treatment process - the Rotating Biological Contactors (RBCs). These were installed in the 1980s and have functioned well over the years but are approaching the end of their functional lifespan. In addition, their replacement is driven by a NCDEQ regulatory requirement for ammonia removal by December 2037.

MSD is close to completing the Biological Treatment Preliminary Engineering Report (PER) which includes process recommendations and preliminary design for the replacement technology. Since December 2024, MSD has pilot tested one of the short-listed technologies to confirm its effectiveness. Pilot testing is a critical, and informative step being completed prior to embarking on this major CIP expenditure, the largest in MSD's history. Once MSD and its consultant are satisfied with testing results and process technology, the PER will be finalized, followed by final design and construction. Replacement of the RBCs will be a phased project over several years with Phase I currently projected at approximately \$250 million.

Another major project in the ten-year CIP is the Solids Handling Capacity Improvements project, currently budgeted at \$149 million. The project is based on the recommendations of the Solids Handling PER completed in January 2026 and includes a new Solids Handling Facility with thermal dryer and new solids thickening and dewatering equipment. The initial phase of the project will utilize the design-build delivery method and includes one thermal dryer train. The facility will be sized to accommodate a second dryer train for process redundancy, future growth and solids generation.

Construction of these improvements will not be completed until FY2030-2031. Up until that time, the existing incinerator will continue to serve as the primary means of biosolids disposal. A full rebuild of the vessel's interior was recently completed to maintain the system's operational performance.

Impact of CIP on Operations

For most municipal and county governments, capital improvements often result in higher operating costs. New buildings typically result in higher utility cost as well as cost for additional personnel.

The CIP for the District is largely made up of upgrades to existing facilities such as pump stations, sewer mains, and treatment plant facilities. Although some new chemicals may be added to treatment methods on occasion, the overall net effect of the CIP is actually one of reduced cost. The marginal increase in the size of replacement facilities (seen as up-front capital cost) is offset by increases in efficiencies of the new mechanical and electrical equipment replacements. In addition, as the level of service of the sewer mains increases with the new replacements, the operational cost will decrease for general maintenance and for emergency spill response.

Sewer Rate Increase

Staff recommends a 7.0% increase in domestic and industrial sewer rates and meter fees for FY2027.

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 40,000 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 increases in future years
- ✓ Adequate current funding and maintenance of prudent reserves for Self-Insured Medical/Dental Plan
- ✓ Continue with necessary Treatment Plant upgrades

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 a projection for FY2027 are shown below:

	FY22	FY23	FY24	FY25	FY26	FY27
Rate Increase %	2.75%	3.00%	5.0%	5.0%	5.0%	7.0%
Meter, Maintenance & Billing Fees	\$9.99	\$10.38	\$10.94	\$11.45	\$11.96	\$12.67
Flow Rate (per ccf)	\$4.86	\$ 5.01	\$ 5.26	\$ 5.52	\$ 5.80	\$ 6.21
Avg. Monthly Bill (5ccf)	\$33.04	\$34.10	\$35.83	\$37.59	\$39.46	\$42.18

Distinguished Budget Award

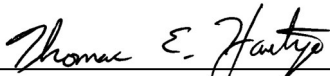
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2025. This is the twenty-eighth (28) 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.

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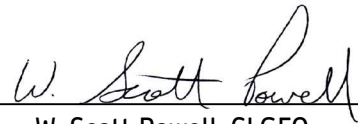
In Closing

The Budget represents the combined efforts and guidance of the Board, its Committees, and staff. A special thanks to Jody Germaine/Budget Analyst for assembling the budget documents, Derrick Swing/HR Director, Hunter Carson/CIP Director, and Cheryl Rice/Accounting Manager 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



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.

Budget Process (continued)

Budgetary Adoption (continued)

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).

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.

Budget Process (continued)

Budget Administration (continued)

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			

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

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 21	9:00 a.m.	Personnel Committee Meeting
		Cost of Living & Merit Pay
		Benefit Allocations
April 23	9:00 a.m.	CIP Committee Meeting
		<ul style="list-style-type: none"> Update of Ten-Year Capital Improvement Program
		<ul style="list-style-type: none"> Update Construction Program Financing
		<ul style="list-style-type: none"> 2026-2027 Construction Fund Budget
May 5	2:00 p.m.	Finance Committee Meeting
		<ul style="list-style-type: none"> Nine Month Revenue/Expenditure Report
		<ul style="list-style-type: none"> Self-Funded Medical & Dental Program
		<ul style="list-style-type: none"> Proposed FY2027 Construction Fund Budget
		<ul style="list-style-type: none"> Proposed FY2027 Operating Budget & Sewer Rates
May 20	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Preliminary FY2027 Budgets & Sewer Rates
June 11	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Public Hearing
		<ul style="list-style-type: none"> Adoption of FY2026 Budgets & Sewer Rates
July 1		Start of Fiscal Year 2026-2027

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 approximately 7% for the next nine years.

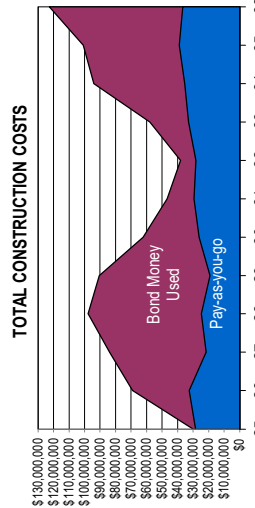
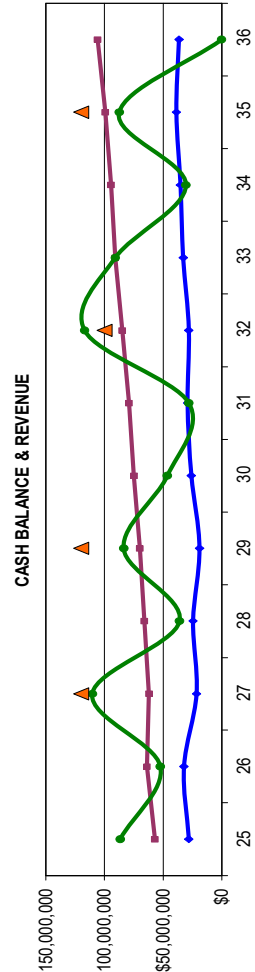
Construction costs are fairly level reflecting the District's Master Plan to consistently rehabilitate approximately 40,000 linear feet of pipe per year. The CIP expenditure forecast for FY2027 reflects a continuation of a major rehabilitation project at the Wastewater Treatment Plant.

Rate Projections & Budgetary Forecast (continued)

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 - FY27		3.00%	5.00%	5.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	Sewer Rate Increase
Average Monthly Bill		\$34.10	\$35.83	\$37.59	\$39.46	\$42.18	\$45.04	\$48.11	\$51.43	\$54.95	\$58.73	\$62.78	\$67.09	\$71.73	\$75.54	\$79.54	
Assumptions		Minimum of 365 Days Cash on Hands															
Consumption and Account Growth		0.75% Increase															
Bond Issues		5.0% yield FY27 5.0% yield FY29 5.0% yield FY32 5.0% yield FY35															
Other Assumptions		3% Inflation in O & M, Replacement Funds and Engineering Force Account ENR 10-year Construction Index @ 3.33% General Sewer Rehab to cover approx. 40,000 lineal ft./year Target Debt Coverage 1.5 No growth in Industries - Rate Parity for Flow in 2020															
July 1 - Available for Construction		72,841,917	75,632,264	88,260,172	86,743,741	52,556,366	110,528,331	36,249,330	83,724,033	46,597,876	28,228,154	117,033,380	90,830,873	30,854,696	87,602,087		
REVENUE:																	
Domestic Users		38,556,584	40,739,250	40,652,288	45,647,839	49,235,906	53,046,292	57,153,079	61,632,693	66,427,986	70,746,857	75,403,445	79,889,132	84,719,873	91,356,562		
Industrial Users (No growth)		3,805,064	3,987,537	4,051,632	4,678,365	4,731,826	4,987,720	5,220,126	5,490,201	5,779,181	6,088,390	6,419,243	6,773,256	7,152,050			
Billing and Collections (User Fee)		1,060,476	1,120,845	1,099,178	1,212,306	1,250,000	1,287,500	1,326,125	1,365,909	1,406,886	1,449,033	1,492,565	1,537,342	1,583,463	1,630,966		
Tap Fees		693,708	495,868	609,701	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000		
Facility Fees		4,649,553	9,045,356	6,988,133	9,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000		
Interest & Non-operating Revenues		2,970,822	4,269,030	3,768,554	2,750,000	2,446,270	2,201,665	1,799,600	1,954,829	1,122,390	2,178,923	3,117,964	1,825,284	1,776,852	1,320,117		
City of Asheville (annex -Enka)		27,962	8,610	0	0	0	0	0	0	0	0	0	0	0	0		
Rental Income		100,255	97,837	99,936	88,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
Transfer from Reserves (to / from)		(987,965)	(111,655)	(336,004)	0	0	0	0	0	0	0	0	0	0	0		
Miscellaneous		-	-	307,525	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000		
Total Revenues		50,876,459	59,652,678	57,240,343	63,866,510	62,179,003	66,018,177	70,013,931	74,958,632	79,251,444	84,978,263	90,948,217	94,540,013	99,368,444	105,974,694		
State and Federal (FEMA) Grants				730,391		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000			
Revenue Bonds/Stimulus					3,219,655	1,000,000		1,000,000		1,000,000		1,000,000		1,000,000			
Total Funds Available		123,718,376	135,284,942	146,231,507	153,829,906	153,735,369	176,546,508	226,263,261	158,882,665	125,848,320	213,206,417	207,981,597	186,370,886	250,223,139	193,576,781		
EXPENSES:																	
Operations & Maintenance		17,167,722	18,697,489	20,089,324	22,581,617	23,160,782	24,070,348	25,032,413	26,041,284	27,099,303	28,222,342	29,401,175	30,639,027	31,939,331	33,305,736		
Replacement Funds (WRF & Fleet)		850,000	905,000	905,000	905,000	905,000	1,120,000	1,120,000	1,120,000	1,120,000	1,230,000	1,230,000	1,230,000	1,230,000	1,230,000		
Debt Service		8,829,772	8,901,718	8,780,245	8,805,081	17,313,333	17,312,074	28,818,093	22,756,181	22,742,080	28,811,961	28,813,511	28,813,511	28,813,511	35,963,281		
Total Expenses		21,238,618	18,620,553	29,713,197	68,881,842	33,827,923	97,794,756	90,568,722	62,167,323	46,649,783	38,208,734	58,006,038	94,130,502	100,935,060	122,672,078		
Pay-as-you-go (Current Revenue only)		24,878,965	32,163,461	28,371,374	32,479,813	21,704,888	24,635,755	19,163,425	26,161,166	29,410,061	28,243,960	33,033,531	35,384,325	38,912,452	36,705,677		
Debt Coverage (User Fees only)		3.2	3.6	3.1	4.7	2.0	2.2	1.7	1.9	2.1	1.8	2.0	2.1	2.2	1.9		
Debt Coverage with Total Revenue		3.8	4.6	4.2		2.3	2.4	1.7	2.1	2.3	2.0	2.2	2.2	2.4	2.0		
April 11, 2026																	
Active Plan CIP																	
Interceptor/Wet Weather Rehabilitation		3,229,164	3,183,803	422,392	75,000	120,400	631,845	714,938	1,580,370	11,971,905	19,066,236	4,681,117	8,544,844	474,226	17,413,333		
General Sewer Rehabilitation		9,319,001	6,145,668	9,348,195	9,837,617	14,184,840	21,416,856	19,252,851	21,173,283	19,748,601	13,876,874	15,902,027	15,413,144	22,862,739	13,320,833		
Private Sewer Rehabilitation		210,250	177,900	74,000	3,109,650	270,771	596,472	13,346	2,868	13,680	6,243	1,503,230	0	295,335	0		
Treatment Plant / Pump Stations		5,363,362	5,679,202	12,380,772	52,444,348	64,482,650	70,347,064	66,685,641	35,406,487	10,741,671	985,367	31,342,657	65,689,615	72,710,961	87,215,488		
Engineering Force Account		3,076,816	3,281,040	3,404,838	3,415,227	3,569,262	3,702,519	3,801,946	3,904,315	4,073,926	4,174,014	4,277,007	4,382,899	4,491,799	4,622,424		
Reimbursements		40,025	142,950	183,000	100,000	1,100,000	1,100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000		
Contingency		0	0	3,900,000	0	1,000,000	0	1,000,000	0	0	0	0	0	0	0		
Capital Improvement Program Totals		21,238,618	18,620,553	29,713,197	68,881,842	83,827,923	97,794,756	90,568,722	62,167,323	46,649,783	38,208,734	58,006,038	94,130,502	100,935,060	122,672,078		



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, WRF, and Pump Stations 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 2025 Actual Total	FY 2026 Amended Budget	FY 2027 Proposed Budget	Increase (Decrease)	% Change
REVENUES & FINANCING SOURCES					
Domestic User Fees	\$ 41,334,124	\$ 41,647,839	\$ 49,235,906	\$ 7,588,067	18.22%
Industrial User Fees	4,051,632	3,745,368	4,731,826	986,458	26.34%
Billing and Collection	1,099,178	1,212,306	1,250,000	37,694	3.11%
Facility and Tap Fees	7,597,834	3,300,000	4,350,000	1,050,000	31.82%
Interest and Misc. Income	5,363,995	2,475,452	3,069,998	594,546	24.02%
Rental Income	99,936	96,000	25,000	(71,000)	-73.96%
Employee Contributions to Health Fund	372,795	355,000	355,000	-	0.00%
Proceeds from Revenue Bonds	-	-	120,000,000	120,000,000	N/A
Use of (Contributions to) Available Funds	(427,257)	58,842,237	(65,480,070)	(124,322,307)	-211.28%
Total Revenues & Financing Sources	\$ 59,492,237	\$ 111,674,202	\$117,537,660	\$ 5,863,458	5.25%
EXPENDITURES					
Operations and Maintenance	\$ 20,994,324	\$ 22,538,983	\$ 23,329,112	\$ 790,129	3.51%
Construction	29,228,107	79,770,631	83,827,923	4,057,292	5.09%
Capital Equipment	909,581	679,121	1,706,430	1,027,309	151.27%
Bond Principal and Interest	8,360,225	8,685,467	8,674,195	(11,272)	-0.13%
Other Long-Term Obligation	-	-	-	-	N/A
Total Expenditures	\$ 59,492,237	\$ 111,674,202	\$117,537,660	\$ 5,863,458	5.25%

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 Service	Appropriated Funds
	Revenue/O&M	General	Construction	Fleet & Heavy Reserve	WWTP Reserve	Pump Station Reserve	Bond Service	
Projected Net Position at 6/30/26	52,031,366	25,000	500,000	2,205,189	411,744	124,017	6,058,900	61,356,216
Revenues and Other Financing Sources:								
Domestic User Charges	49,235,906	-	-	-	-	-	-	49,235,906
Industrial User Charges	4,731,826	-	-	-	-	-	-	4,731,826
Billing and Collection Fees	1,250,000	-	-	-	-	-	-	1,250,000
Facility and tap fees	-	4,350,000	-	-	-	-	-	4,350,000
Proceeds from Revenue Bonds	-	-	120,000,000	-	-	-	-	120,000,000
Sale of Surplus Property	-	-	-	117,100	-	-	-	117,100
Investment interest & misc.	2,554,169	1,000	20,000	66,156	12,352	3,721	500	2,657,898
Rental Income	25,000	-	-	-	-	-	-	25,000
Employee/Retirees Medical Contributions	-	-	-	-	-	-	-	-
Total Revenues and Fin. Sources	57,796,901	4,351,000	120,020,000	183,256	12,352	3,721	500	182,367,730
Expenditures and Other Financing Uses								
Operating Expenses	(18,659,612)	-	-	-	-	-	-	(18,659,612)
Debt--Principal	-	-	-	-	-	-	(6,291,823)	(6,291,823)
Debt--Interest	-	-	-	-	-	-	(2,382,372)	(2,382,372)
Construction	-	-	(83,827,923)	-	-	-	-	(83,827,923)
Capitalized Equipment Expenditures	(137,950)	-	-	(1,171,001)	(332,479)	(65,000)	-	(1,706,430)
Total Expenditures and Other Financing Uses	(18,797,562)	-	(83,827,923)	(1,171,001)	(332,479)	(65,000)	(8,674,195)	(112,868,160)
Interfund/account transfers:								
Interfund/account transfers	(13,942,615)	-	-	595,000	250,000	60,000	8,674,195	(4,363,420)
Excess (Deficit) of Revenues over Expenditures	25,056,724	4,351,000	36,192,077	(392,745)	(70,127)	(1,279)	500	65,136,150
Projected Net Position at 06/30/27	77,088,090	4,376,000	36,692,077	1,812,444	341,617	122,738	6,059,400	126,492,366

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.

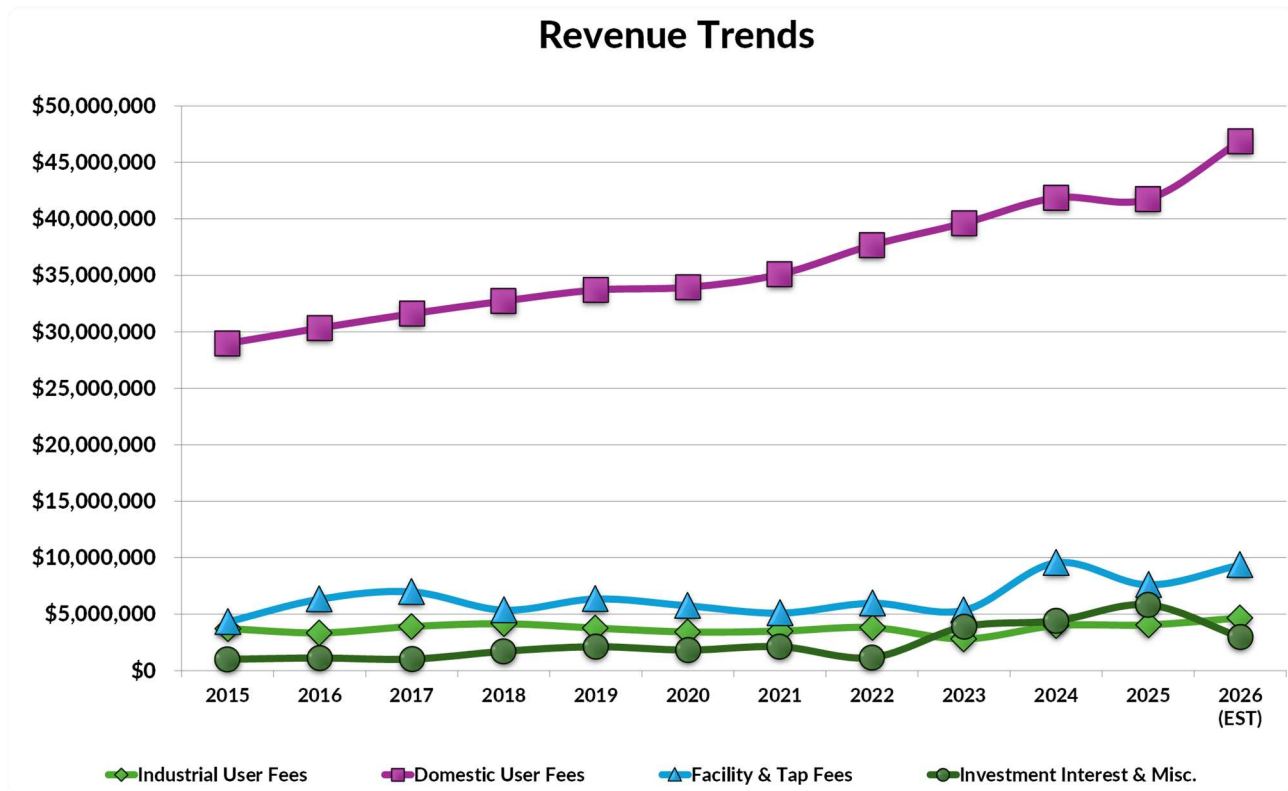
	Designated for Insurance				Bond Covenant Requirement	Non- Appropriated	Budget Summary
	Insurance Medical	Insurance Post Employment	Insurance Prop & Liab	Insurance Work Comp	Capital Reserve		District Totals
Projected Net Position at 6/30/26	5,524,289	(1,830,649)	630,881	427,254	1,415,663	6,167,438	67,523,654
Revenues and Other Financing Sources:							
Domestic User Charges	-	-	-	-	-	-	49,235,906
Industrial User Charges	-	-	-	-	-	-	4,731,826
Billing and Collection Fees	-	-	-	-	-	-	1,250,000
Facility and tap fees	-	-	-	-	-	-	4,350,000
Proceeds from Revenue Bonds	-	-	-	-	-	-	120,000,000
Sale of Surplus Property	-	-	-	-	-	-	117,100
Investment interest & misc.	140,000	100,000	5,000	10,000	40,000	295,000	2,952,898
Rental Income	-	-	-	-	-	-	25,000
Employee/Retirees Medical Contributions	345,000	10,000	-	-	-	355,000	355,000
Total Revenues and Fin. Sources	485,000	110,000	5,000	10,000	40,000	650,000	183,017,730
Expenditures and Other Financing Uses							
Operating Expenses	(3,522,000)	-	(1,060,000)	(87,500)	-	(4,669,500)	(23,329,112)
Debt--Principal	-	-	-	-	-	-	(6,291,823)
Debt--Interest	-	-	-	-	-	-	(2,382,372)
Construction	-	-	-	-	-	-	(83,827,923)
Capitalized Equipment Expenditures	-	-	-	-	-	-	(1,706,430)
Total Expenditures and Other Financing Uses	(3,522,000)	-	(1,060,000)	(87,500)	-	(4,669,500)	(117,537,660)
Interfund/account transfers:							
Interfund/account transfers	3,143,840	133,000	1,013,580	73,000	-	4,363,420	-
Excess (Deficit) of Revenues over Expenditures	106,840	243,000	(41,420)	(4,500)	40,000	343,920	65,480,070
Projected Net Position at 06/30/27	5,631,129	(1,587,649)	589,461	422,754	1,455,663	6,511,358	133,003,724

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 pages.

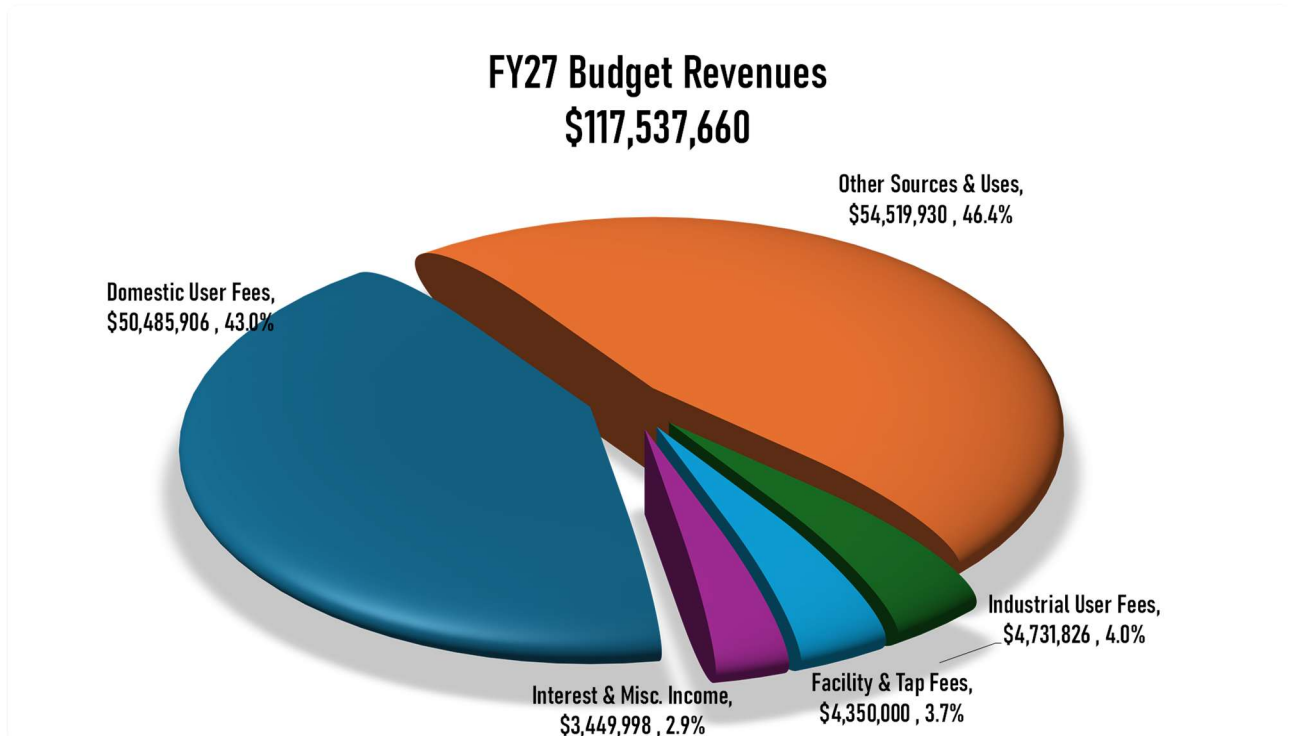


A graph of historical revenues by type reveals the overwhelming percentage of the District's income derives from domestic (residential & commercial) customers and has increased for the past ten consecutive years. Industrial user fees clearly show the effect of the shrinking textile industry in Buncombe 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 FY2026 is estimated to be higher than in FY2025.

Revenue (continued)

Revenue Summary

When projecting FY2027 revenues, a 5.00% 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 60,000 accounts. The District direct bills approximately 600 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 ten years are shown below:

Fiscal Year									
17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27
2.5%	2.5%	2.5%	0.0%	2.75%	3.0%	5.0%	5.0%	5.0%	7.0%

Revenue (continued)

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.

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 3.00%.

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 System Development Fee

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.

On July 20, 2017 the North Carolina General Assembly passed into law North Carolina General Statute 162A Article 8 ("Article 8"). Article 8 provides for the uniform authority to implement system development fees for public water and sewer systems. In FY2024, Raftelis Financial Consultants, Inc. was engaged to perform a study which conforms to the conditions and limitations of Article 8.

Effective in FY2024, sewer facility fees ranged from \$844 to \$3,568 for residential users based on size of structure, and from \$3,568 to \$945,452 for nonresidential customers based on meter size.

Revenue (continued)

Sewer Connection Fees

This revenue source represents the cost of physically installing new connections to the sewer system. The cost for installing a tap that does not involve payment restoration is \$1,300. This fee is to provide connections to the MSD system where the public main is on the same side of the street as the residence.

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 requires that a licensed utility contractor install any sewer connection/service line within public rights-of-way extending over 75 feet or that requires pavement disturbance or boring to reach across a paved thoroughfare. The installation shall be constructed to MSD Standards. All work will be subject to MSD inspection.

Billings & Collections

The District will pay the municipalities \$3.09 per customer bill for meter reading, billing, and collection services.

Rental Income

Pace Analytical Services, Inc. has entered into a lease to utilize a portion of a building in the Wastewater Treatment Plant facilities along with laboratory equipment. The District also leases land to a private company for a cell tower.

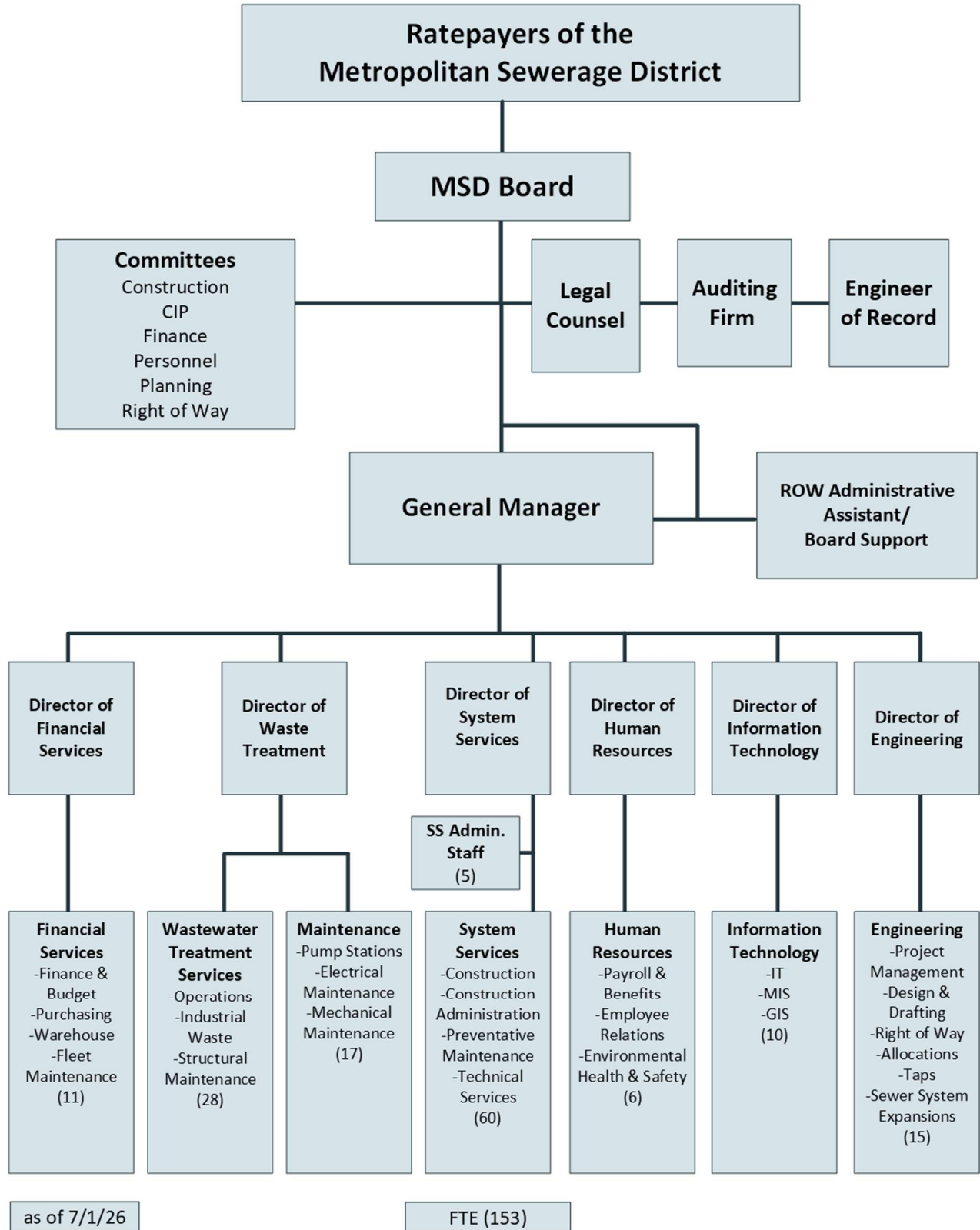


Operation & Maintenance



Operation & Maintenance Fund

Organizational Chart



Operation & Maintenance Fund (continued)

Overview

The Operation & Maintenance Fund budget finances the program and administrative activities for the wastewater treatment plant, pump stations, and collection system. The FY2026 Operation & Maintenance Fund budget totals \$23,486,617. This represents a 3.07% increase over the previous year. The District budgets to the Departmental level and are as follows:

Office of the General Manager	\$	2,253,728
Human Resources		1,256,515
Information Technology		2,078,229
Financial Services		2,425,824
Wastewater Treatment Plant		11,098,648
System Services		8,554,293
Engineering		2,263,390
Total Expenditures	\$	29,930,627
Less: Capitalized in Construction Funds		(5,864,645)
Net Operation & Maintenance Fund	\$	24,065,982

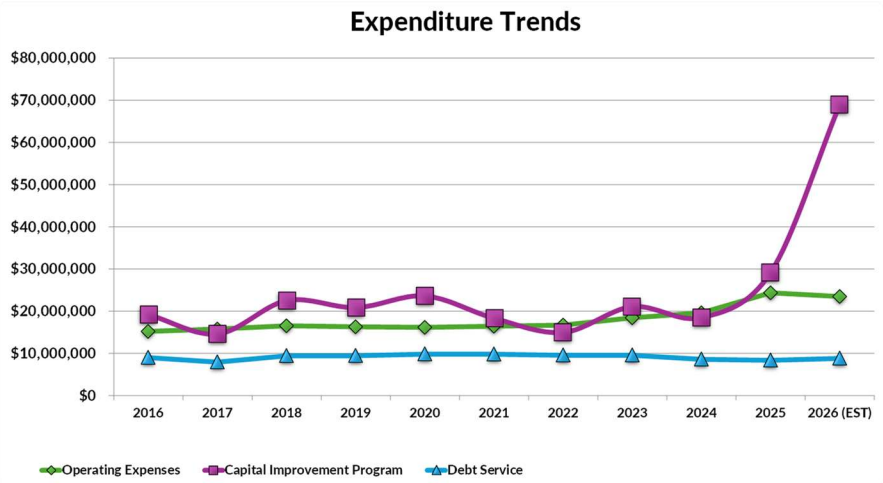
O & M Overview

	ACTUAL 2024-2025	APPROVED 2025-2026 BUDGET	ESTIMATED 2025-2026 ACTUAL	PROPOSED 2026-2027 BUDGET	INC(DEC) OVER PRIOR YR BUDGET
SALARIES & WAGES	\$ 11,439,296	\$ 11,569,097	\$ 11,569,097	\$ 11,960,560	3.38%
BENEFITS	6,476,772	6,709,843	6,709,843	6,911,036	3.00%
MATERIALS, SUPPLIES & SERVICES	7,916,226	9,711,831	9,659,332	9,890,438	1.84%
REPLACEMENT FUNDS & TRANSFERS	986,015	1,030,643	1,030,643	1,030,643	0.00%
CAPITAL EQUIPMENT	120,548	164,659	160,159	137,950	-16.22%
SUB-TOTAL O&M FUND	26,938,858	29,186,073	29,129,074	29,930,627	2.55%
LESS:					
Capitalized Construction Expenses	(5,475,845)	(5,699,456)	(5,663,619)	(5,864,645)	2.90%
NET OPERATION & MAINTENANCE FUND	\$ 21,463,013	\$ 23,486,617	\$ 23,465,455	\$ 24,065,982	2.47%

Operation & Maintenance Fund (continued)

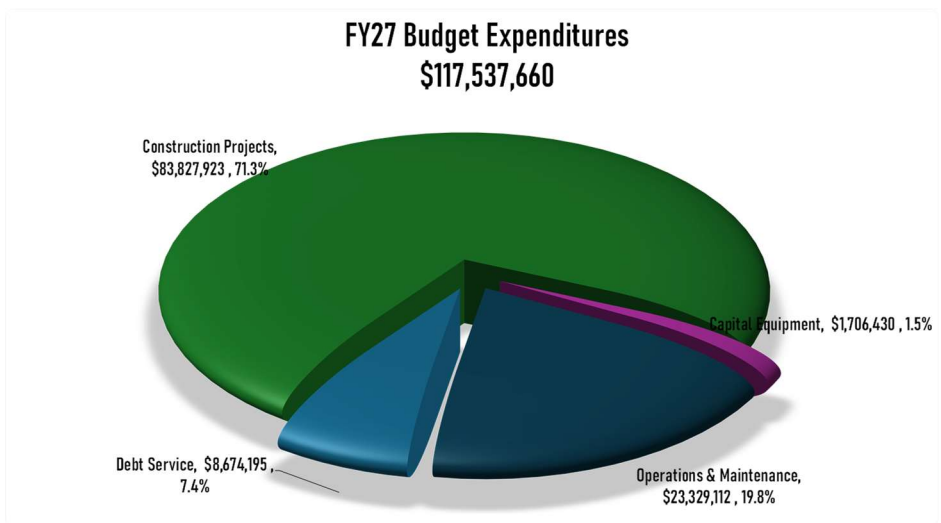
The major factors that impact our operating and maintenance budget include:

- Repairs and Maintenance—A majority of the Districts' approximately 1,168 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 well as for in-house sewer line repair and maintenance budgeted significant amounts for maintenance of equipment, buildings, and grounds as well as for in-house sewer line repair and maintenance.

- Salaries and Benefits—A 3.0% salary adjustment as well as a 0% increase for the Self-Funded Health Insurance Plan. Personnel costs represent over 63% of the Operating and Maintenance budget.



- Post-Employment Health Benefit—Starting in FY2009, GASB45 required the recognition of cost for Post-Employment Health Benefits. Current funding represents 1.2% of total operations.

FY2027 Budget - All Departments Summary

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 9,784,130	\$ 10,543,105	\$ 10,984,196	\$ 11,217,497	\$ 11,217,497	100.00%	\$ 11,608,960	3.49%
51150	Overtime	<u>255,895</u>	<u>264,888</u>	<u>455,100</u>	<u>351,600</u>	<u>351,600</u>	100.00%	<u>351,600</u>	<u>0.00%</u>
Total Salaries & Wages		10,040,024	10,807,993	11,439,296	11,569,097	11,569,097	100.00%	11,960,560	3.38%
Benefits									
51200	North Carolina Retirement	1,222,620	1,400,575	1,568,177	1,664,794	1,664,794	100.00%	1,815,616	9.06%
51250	Payroll Taxes	752,625	799,511	849,584	885,036	885,036	100.00%	914,985	3.38%
51300	Medical, Dental & Life	2,811,110	2,993,840	2,993,840	2,993,840	2,993,840	100.00%	2,993,840	0.00%
51325	Post Retirement Insurance	283,000	283,000	283,000	283,000	283,000	100.00%	283,000	0.00%
51350	Worker's Compensation	273,000	273,000	273,000	273,000	273,000	100.00%	273,000	0.00%
51360	State Unemployment Benefits	-	8,031	21,739	32,560	32,560	100.00%	32,560	0.00%
51450	Automobile Allowance	4,510	3,600	1,800	-	-	-	-	-
51500	401-K/457 Plan	<u>441,422</u>	<u>479,760</u>	<u>485,633</u>	<u>577,613</u>	<u>577,613</u>	100.00%	<u>598,035</u>	<u>3.54%</u>
Total Benefits		5,788,287	6,241,317	6,476,772	6,709,843	6,709,843	100.00%	6,911,036	3.00%
Total Salaries, Wages & Benefits		15,828,311	17,049,310	17,916,069	18,278,940	18,278,940	100.00%	18,871,596	3.24%
Materials, Supplies & Services									
52010	Advertising	12,935	17,036	18,980	34,500	34,000	98.55%	36,500	5.80%
52050	Dues & Subscriptions	55,604	51,867	52,981	70,080	69,205	98.75%	71,273	1.70%
52100	Postage	10,739	19,059	16,538	15,000	15,000	100.00%	15,000	0.00%
52150	Travel, Mtgs & Training	151,292	163,911	161,978	239,617	223,177	93.14%	227,946	-4.87%
52160	Tuition Assistance	3,704	2,400	1,300	1,600	1,600	100.00%	1,600	0.00%
52170	Directors Fees & Expenses	17,612	17,461	14,535	22,000	22,000	100.00%	22,000	0.00%
52180	Liability Insurance	662,775	662,775	662,775	813,580	813,580	100.00%	813,580	0.00%
52200	Telephone/Telefax	25,831	23,579	26,461	37,300	37,300	100.00%	31,800	-14.75%
52210	Communications	127,473	135,653	155,549	189,315	188,815	99.74%	210,085	10.97%
52240	Uniforms	80,033	69,494	79,558	98,085	98,085	100.00%	100,495	2.46%
52250	Office Supplies	15,436	17,520	14,975	23,150	22,850	98.70%	23,350	0.86%
52260	Special Dept Supplies	372,241	337,879	392,029	507,635	507,635	100.00%	512,078	0.88%
52270	Safety Equip/Supplies	80,696	71,860	57,243	91,794	91,600	99.79%	92,800	1.10%
52280	Maint Supp/Small Tools	115,472	130,824	122,033	154,900	154,900	100.00%	154,900	0.00%
52290	Chemical Supplies	623,058	806,303	968,330	1,295,500	1,295,500	100.00%	1,252,750	-3.30%
52300	Line Cleaning Supplies	52,614	49,358	53,791	55,750	55,750	100.00%	55,750	0.00%
52330	Legal Fees	20,552	11,019	26,352	40,625	40,625	100.00%	40,625	0.00%
52350	Prof/Contractual Svcs	595,778	523,925	589,531	942,328	934,828	99.20%	968,242	2.75%
52410	Maint-Buildings & Grounds	238,012	257,944	251,499	326,500	326,500	100.00%	325,500	-0.31%
52420	Maintenance-Equipment	385,331	391,438	469,049	519,000	514,000	99.04%	538,500	3.76%
52430	Landscape Restoration	11,955	10,106	8,762	13,700	13,700	100.00%	13,700	0.00%
52440	Pump Maintenance	84,855	110,820	100,040	127,200	127,200	100.00%	130,000	2.20%
52450	Equipment Rental	6,758	16,759	7,198	41,500	36,500	87.95%	41,500	0.00%
52460	Motor Fuel & Lubricants	233,475	208,544	184,877	310,000	310,000	100.00%	320,000	3.23%
52470	Outside Vehicle Maint	18,981	18,925	1,755	30,000	30,000	100.00%	30,000	0.00%
52500	Rents/Leases	47,405	51,615	56,496	56,300	56,300	100.00%	56,300	0.00%
52510	Permits/Fees/Software Licenses	310,286	357,978	374,053	486,066	485,966	99.98%	492,359	1.29%
52650	Utilities	1,484,663	1,368,724	1,866,613	1,812,500	1,798,000	99.20%	1,910,000	5.38%
52690	Freight	9,851	7,962	5,226	10,000	9,000	90.00%	9,000	-10.00%
52715	Safety Incentive Program	1,705	2,428	2,240	2,500	2,500	100.00%	2,500	0.00%
52725	Wellness Program	8,642	5,205	1,355	7,500	7,500	100.00%	5,000	-33.33%
52730	Employee Asst Program	5,000	5,500	6,000	6,500	6,500	100.00%	6,500	0.00%
52900	Other Operating Expenses	1,076	(3)	910	3,600	3,000	83.33%	3,000	-16.67%
52910	Non-Capital Equipment	101,907	80,845	66,033	108,900	108,900	100.00%	120,805	10.93%
52915	Copiers Printers & Faxes	-	-	-	5,000	5,000	100.00%	5,000	0.00%
52920	Billing & Collections	<u>1,060,476</u>	<u>1,120,845</u>	<u>1,099,178</u>	<u>1,212,306</u>	<u>1,212,306</u>	100.00%	<u>1,250,000</u>	<u>3.11%</u>
Total Materials, Supplies & Services		7,034,222	7,127,557	7,916,226	9,711,831	9,659,332	99.46%	9,890,438	1.84%
Interfund Transfers									
52340	Debt Administration Expenses	110,847	98,569	81,015	125,643	125,643	100.00%	125,643	0.00%
53040	Fleet Replacement Charges	595,000	595,000	595,000	595,000	595,000	100.00%	595,000	0.00%
53050	WWTP Replacement Charges	200,000	250,000	250,000	250,000	250,000	100.00%	250,000	0.00%
53070	Pump Replacement Charges	<u>55,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	100.00%	<u>60,000</u>	<u>0.00%</u>
Total Interfund Transfers		960,847	1,003,569	986,015	1,030,643	1,030,643	100.00%	1,030,643	0.00%
Capital Outlay									
54010	Capital Equipment - New	47,241	35,460	54,338	62,800	58,300	92.83%	49,200	-21.66%
54020	Capital Equip-Software	-	-	-	-	-	-	-	-
54030	Capital Equip - Replacement	<u>100,020</u>	<u>74,509</u>	<u>66,210</u>	<u>101,859</u>	<u>101,859</u>	100.00%	<u>88,750</u>	<u>-12.87%</u>
Total Capital Outlay		147,261	109,969	120,548	164,659	160,159	97.27%	137,950	-16.22%
Sub-Total O&M Fund		\$ 23,970,641	\$ 25,290,406	\$ 26,938,858	\$ 29,186,073	\$ 29,129,074	99.80%	29,930,627	2.55%
59200 LESS:									
	Chargebacks to General Fund for CIP	(2,875,271)	(3,112,138)	(3,168,628)	(3,505,212)	(3,469,375)	98.98%	(3,569,262)	1.83%
	Chargebacks to General Fund for SSD	(1,943,292)	(2,170,529)	(2,307,217)	(2,194,244)	(2,194,244)	100.00%	(2,295,383)	4.61%
Net Operation & Maintenance Fund		\$ 19,152,079	\$ 20,007,739	\$ 21,463,013	\$ 23,486,617	\$ 23,465,455	99.91%	\$ 24,065,982	2.47%

FY2027 Budget – Office of the General Manager

No.	Name	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ESTIMATED	Percent	PROPOSED	Inc (Dec)
		2022-2023	2023-2024	2024-2025	2025-2026	Actual	Expended	2026-2027	Over
					Budget	6/30/2026	To Total	Budget	Prior Year
							Budget		
Salaries & Wages									
51100	Salaries & Wages	\$ 241,235	\$ 244,996	\$ 252,710	\$ 255,375	\$ 255,375	100.00%	\$ 263,036	3.00%
Total Salaries & Wages		241,235	244,996	252,710	255,375	255,375	100.00%	263,036	3.00%
Benefits									
51200	North Carolina Retirement	28,188	31,812	34,685	36,749	36,749	100.00%	39,929	8.65%
51250	Payroll Taxes	13,889	14,096	14,458	19,537	19,537	100.00%	20,123	3.00%
51300	Medical, Dental & Life	18,493	19,696	19,696	19,696	19,696	100.00%	19,696	0.00%
51325	Post Retirement Insurance	1,862	1,862	1,862	1,862	1,862	100.00%	1,862	0.00%
51350	Worker's Compensation	1,796	1,796	1,796	1,796	1,796	100.00%	1,796	0.00%
51360	State Unemployment Benefits	-	-	144	215	215	100.00%	215	0.00%
51500	401-K/457 Plan	11,356	11,986	12,477	12,769	12,769	100.00%	13,152	3.00%
Total Benefits		75,584	81,248	85,117	92,624	92,624	100.00%	96,773	4.48%
Total Salaries, Wages & Benefits		316,819	326,244	337,828	347,999	347,999	100.00%	359,809	3.39%
Materials, Supplies & Services									
52010	Advertising	127	8,021	8,703	14,000	14,000	100.00%	14,000	0.00%
52050	Dues & Subscriptions	10,019	4,383	4,322	10,000	10,000	100.00%	10,000	0.00%
52100	Postage	10,739	19,059	16,538	15,000	15,000	100.00%	15,000	0.00%
52150	Travel, Mtgs & Training	2,476	4,243	1,482	7,000	7,000	100.00%	7,000	0.00%
52170	Directors Fees & Expenses	17,612	17,461	14,535	22,000	22,000	100.00%	22,000	0.00%
52180	Liability Insurance	127,170	127,170	127,170	156,928	156,928	100.00%	156,928	0.00%
52210	Communications	1,878	2,710	1,838	2,200	2,200	100.00%	2,200	0.00%
52250	Office Supplies	321	382	99	800	800	100.00%	800	0.00%
52260	Special Dept Supplies	646	640	682	600	600	100.00%	4,600	666.67%
52270	Safety Equip/Supplies	-	-	-	-	-	-	-	-
52330	Legal Fees	13,160	7,964	20,052	26,000	26,000	100.00%	26,000	0.00%
52350	Prof/Contractual Svcs	38,304	15,246	20,531	29,000	27,000	93.10%	27,000	-6.90%
52410	Maint-Buildings & Grounds	175,762	187,995	192,846	220,000	220,000	100.00%	220,000	0.00%
52420	Maintenance-Equipment	-	-	-	-	-	-	-	-
52500	Rents/Leases	3,342	2,487	3,274	5,500	5,500	100.00%	5,500	0.00%
52510	Permits/Fees/Software Licenses	364	201	404	420	420	100.00%	520	23.81%
52650	Utilities	101,208	90,874	90,128	114,500	100,000	87.34%	110,000	-3.93%
52690	Freight	9,851	7,962	5,226	10,000	9,000	90.00%	9,000	-10.00%
52900	Other Operating Expenses	1,076	(3)	910	3,600	3,000	83.33%	3,000	-16.67%
52910	Non-Capital Equipment	-	-	-	-	-	-	-	-
52920	Billing & Collections	1,060,476	1,120,845	1,099,178	1,212,306	1,212,306	100.00%	1,250,000	3.11%
Total Materials, Supplies & Services		1,574,532	1,617,639	1,607,917	1,849,854	1,831,754	99.02%	1,883,548	1.82%
Interfund Transfers									
53040	Fleet Replacement Charges	10,371	10,371	10,371	10,371	10,371	100.00%	10,371	0.00%
Total Interfund Transfers		10,371	10,371	10,371	10,371	10,371	100.00%	10,371	0.00%
Capital Outlay									
54010	Capital Equipment - New	-	-	-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-	-	-
Sub-Total O&M Fund		1,901,721	1,954,254	1,956,116	2,208,224	2,190,124	99.18%	2,253,728	2.06%
Net Operation & Maintenance Fund		\$ 1,901,721	\$ 1,954,254	\$ 1,956,116	\$ 2,208,224	\$ 2,190,124	99.18%	\$ 2,253,728	2.06%

FY2027 Budget – Human Resources

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 411,015	\$ 433,429	\$ 438,649	\$ 543,580	\$ 543,580	100.00%	\$ 586,945	7.98%
51150	Overtime	14	-	2,185	-	-	-	-	-
Total Salaries & Wages		411,029	433,429	440,834	543,580	543,580	100.00%	586,945	7.98%
Benefits									
51200	North Carolina Retirement	49,822	56,368	60,515	78,221	78,221	100.00%	89,099	13.91%
51250	Payroll Taxes	34,161	32,456	34,913	41,584	41,584	100.00%	44,901	7.98%
51300	Medical, Dental & Life	129,460	137,876	137,876	137,876	137,876	100.00%	137,876	0.00%
51325	Post Retirement Insurance	13,033	13,033	13,033	13,033	13,033	100.00%	13,033	0.00%
51350	Worker's Compensation	12,573	12,573	12,573	12,573	12,573	100.00%	12,573	0.00%
51360	State Unemployment Benefits	-	-	1,001	1,499	1,499	100.00%	1,499	0.00%
51500	401-K/457 Plan	19,675	28,803	21,501	27,180	27,180	100.00%	29,348	7.98%
Total Benefits		258,724	281,109	281,411	311,966	311,966	100.00%	328,329	5.25%
Total Salaries, Wages & Benefits		669,752	714,538	722,245	855,546	855,546	100.00%	915,274	6.98%
Materials, Supplies & Services									
52010	Advertising	8,012	2,900	4,188	10,000	10,000	100.00%	10,000	0.00%
52050	Dues & Subscriptions	4,790	4,444	4,411	7,000	7,000	100.00%	7,000	0.00%
52150	Travel, Mtgs & Training	17,310	22,486	20,929	27,500	27,500	100.00%	24,500	-10.91%
52160	Tuition Assistance	3,704	2,400	1,300	1,600	1,600	100.00%	1,600	0.00%
52180	Liability Insurance	2,050	2,050	2,050	2,513	2,513	100.00%	2,513	0.00%
52210	Communications	19,428	27,160	36,001	53,060	53,060	100.00%	53,060	0.00%
52240	Uniforms	780	707	608	1,485	1,485	100.00%	1,485	0.00%
52250	Office Supplies	2,822	3,348	2,165	3,450	3,450	100.00%	3,450	0.00%
52260	Special Dept Supplies	1,033	1,510	2,143	3,800	3,800	100.00%	3,800	0.00%
52270	Safety Equip/Supplies	20,997	24,847	20,680	24,000	24,000	100.00%	24,000	0.00%
52280	Maint Supp/Small Tools	-	-	-	-	-	-	-	-
52330	Legal Fees	4,250	1,450	3,563	8,000	8,000	100.00%	8,000	0.00%
52350	Prof/Contractual Svcs	118,287	79,085	70,417	115,000	115,000	100.00%	160,000	39.13%
52410	Maint-Buildings & Grounds	-	-	-	500	500	100.00%	500	0.00%
52420	Maintenance-Equipment	2,711	5,651	1,944	6,000	6,000	100.00%	6,000	0.00%
52510	Permits/Fees/Software Licenses	39	60	47	100	100	100.00%	100	0.00%
52715	Safety Incentive Program	1,705	2,428	2,240	2,500	2,500	100.00%	2,500	0.00%
52725	Wellness Program	8,642	5,205	1,355	7,500	7,500	100.00%	5,000	-33.33%
52730	Employee Asst Program	5,000	5,500	6,000	6,500	6,500	100.00%	6,500	0.00%
52910	Non-Capital Equipment	9,054	15,189	11,780	18,550	18,550	100.00%	18,550	0.00%
Total Materials, Supplies & Services		230,616	206,421	191,820	299,058	299,058	100.00%	338,558	13.21%
Interfund Transfers									
53040	Fleet Replacement Charges	2,683	2,683	2,683	2,683	2,683	100.00%	2,683	0.00%
Total Interfund Transfers		2,683	2,683	2,683	2,683	2,683	100.00%	2,683	0.00%
Capital Outlay									
54010	Capital Equipment - New	-	-	-	6,000	6,000	100.00%	-	-100.00%
Total Capital Outlay		-	-	-	6,000	6,000	100.00%	-	-100.00%
Sub-Total O&M Fund		903,051	923,642	916,748	1,163,287	1,163,287	100.00%	1,256,515	8.01%
Net Operation & Maintenance Fund		\$ 903,051	\$ 923,642	\$ 916,748	\$ 1,163,287	\$ 1,163,287	100.00%	\$ 1,256,515	8.01%

FY2027 Budget – Information Technology

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 808,843	\$ 858,973	\$ 894,416	\$ 905,107	\$ 905,107	100.00%	\$ 932,267	3.00%
51150	Overtime	-	-	569	-	-	-	-	-
Total Salaries & Wages		808,843	858,973	894,985	905,107	905,107	100.00%	932,267	3.00%
Benefits									
51200	North Carolina Retirement	97,623	111,326	122,744	130,245	130,245	100.00%	141,518	8.66%
51250	Payroll Taxes	60,158	64,157	66,810	69,241	69,241	100.00%	71,319	3.00%
51300	Medical, Dental & Life	184,940	196,962	196,962	196,962	196,962	100.00%	196,962	0.00%
51325	Post Retirement Insurance	18,618	18,618	18,618	18,618	18,618	100.00%	18,618	0.00%
51350	Worker's Compensation	17,960	17,960	17,960	17,960	17,960	100.00%	17,960	0.00%
51360	State Unemployment Benefits	-	-	1,430	2,142	2,142	100.00%	2,142	0.00%
51500	401-K/457 Plan	39,974	42,482	44,869	45,257	45,257	100.00%	46,614	3.00%
Total Benefits		419,273	451,505	469,393	480,425	480,425	100.00%	495,133	3.06%
Total Salaries, Wages & Benefits		1,228,116	1,310,478	1,364,378	1,385,532	1,385,532	100.00%	1,427,400	3.02%
Materials, Supplies & Services									
52050	Dues & Subscriptions	498	474	473	650	650	100.00%	550	-15.38%
52150	Travel, Mtgs & Training	74	1,900	3,348	11,000	11,000	100.00%	15,860	44.18%
52180	Liability Insurance	12,775	12,775	12,775	15,662	15,662	100.00%	15,662	0.00%
52200	Telephone/Telefax	25,831	23,579	26,461	37,300	37,300	100.00%	31,800	-14.75%
52210	Communications	7,135	7,063	9,491	11,620	11,620	100.00%	28,720	147.16%
52240	Uniforms	349	205	221	1,800	1,800	100.00%	3,100	72.22%
52250	Office Supplies	223	73	35	500	500	100.00%	500	0.00%
52260	Special Dept Supplies	447	156	479	500	500	100.00%	1,078	115.60%
52270	Safety Equip/Supplies	41	23	7	1,200	1,200	100.00%	1,200	0.00%
52280	Maint Supp/Small Tools	7	222	-	1,200	1,200	100.00%	1,200	0.00%
52350	Prof/Contractual Svcs	3,905	5,748	22,602	17,315	17,315	100.00%	18,500	6.84%
52500	Rents/Leases	43,264	48,328	52,722	50,000	50,000	100.00%	50,000	0.00%
52510	Permits/Fees/Software Licenses	218,045	274,561	277,624	351,369	351,369	100.00%	354,059	0.77%
52910	Non-Capital Equipment	64,079	37,064	35,285	55,000	55,000	100.00%	60,000	9.09%
52915	Copiers Printers & Faxes	-	-	-	5,000	5,000	100.00%	5,000	0.00%
Total Materials, Supplies & Services		376,671	412,169	441,523	560,116	560,116	100.00%	587,229	4.84%
Capital Outlay									
54010	Capital Equipment - New	8,404	12,156	117	1,500	1,500	100.00%	5,600	273.33%
54020	Capital Equip-Software	-	-	-	-	-	-	-	-
54030	Capital Equip - Replacement	14,942	39,863	43,976	36,000	36,000	100.00%	58,000	61.11%
Total Capital Outlay		23,346	52,019	44,093	37,500	37,500	100.00%	63,600	69.60%
Sub-Total O&M Fund		\$ 1,628,133	\$ 1,774,666	\$ 1,849,994	\$ 1,983,148	\$ 1,983,148	100.00%	\$ 2,078,229	4.79%
59200 LESS:									
	Chargebacks to General Fund for CIP	(347,764)	(368,587)	(386,846)	(399,315)	(399,315)	100.00%	(409,893)	2.65%
Net Operation & Maintenance Fund		\$ 1,280,369	\$ 1,406,079	\$ 1,463,148	\$ 1,583,833	\$ 1,583,833	100.00%	\$ 1,668,336	5.34%

FY2027 Budget – Financial Services

No.	Name	ACTUAL	ACTUAL	ACTUAL	ADOPTED	ESTIMATED	Percent	PROPOSED	Inc(Dec)
		2022-2023	2023-2024	2024-2025	2025-2026	Actual	Expended	2026-2027	Over
					Budget	6/30/2026	To Total	Budget	Prior Year
							Budget		
Salaries & Wages									
51100	Salaries & Wages	\$ 812,137	\$ 854,589	\$ 872,751	\$ 884,028	\$ 884,028	100.00%	\$ 919,382	4.00%
51150	Overtime	<u>86</u>	<u>354</u>	<u>11,942</u>	<u>10,500</u>	<u>10,500</u>	<u>100.00%</u>	<u>10,500</u>	<u>0.00%</u>
Total Salaries & Wages		812,223	854,943	884,693	894,528	894,528	100.00%	929,882	3.95%
Benefits									
51200	North Carolina Retirement	97,531	110,780	121,440	128,722	128,722	100.00%	141,157	9.66%
51250	Payroll Taxes	61,252	62,549	64,471	68,431	68,431	100.00%	71,136	3.95%
51300	Medical, Dental & Life	203,435	216,659	216,659	216,659	216,659	100.00%	216,659	0.00%
51325	Post Retirement Insurance	20,479	20,479	20,479	20,479	20,479	100.00%	20,479	0.00%
51350	Worker's Compensation	19,756	19,756	19,756	19,756	19,756	100.00%	19,756	0.00%
51360	State Unemployment Benefits	-	-	1,573	2,356	2,356	100.00%	2,356	0.00%
51500	401-K/457 Plan	<u>37,360</u>	<u>39,096</u>	<u>40,127</u>	<u>44,728</u>	<u>44,728</u>	<u>100.00%</u>	<u>46,496</u>	<u>3.95%</u>
Total Benefits		439,813	469,319	484,505	501,131	501,131	100.00%	518,039	3.37%
Total Salaries, Wages & Benefits		<u>1,252,036</u>	<u>1,324,261</u>	<u>1,369,198</u>	<u>1,395,659</u>	<u>1,395,659</u>	<u>100.00%</u>	<u>1,447,921</u>	<u>3.74%</u>
Materials, Supplies & Services									
52050	Dues & Subscriptions	3,132	3,358	3,059	3,200	3,200	100.00%	3,700	15.63%
52150	Travel, Mtgs & Training	10,527	14,171	7,016	22,000	22,000	100.00%	22,000	0.00%
52180	Liability Insurance	137,575	137,575	137,575	168,667	168,667	100.00%	168,667	0.00%
52210	Communications	5,199	3,274	4,766	5,250	5,250	100.00%	5,250	0.00%
52240	Uniforms	2,299	3,241	2,195	2,750	2,750	100.00%	2,750	0.00%
52250	Office Supplies	2,914	2,980	3,101	3,300	3,300	100.00%	3,300	0.00%
52260	Special Dept Supplies	237,849	219,210	286,121	321,150	321,150	100.00%	322,000	0.26%
52270	Safety Equip/Supplies	356	272	89	250	250	100.00%	250	0.00%
52280	Maint Supp/Small Tools	3,704	10,436	5,403	17,500	17,500	100.00%	17,500	0.00%
52290	Chemical Supplies	1,400	400	1,578	4,000	4,000	100.00%	4,000	0.00%
52350	Prof/Contractual Svcs	57,111	55,036	60,998	70,000	70,000	100.00%	70,000	0.00%
52410	Maint-Buildings & Grounds	-	-	-	-	-	-	-	-
52450	Equipment Rental	-	-	-	-	-	-	-	-
52460	Motor Fuel & Lubricants	233,475	208,544	184,877	310,000	310,000	100.00%	320,000	3.23%
52470	Outside Vehicle Maint	18,981	18,925	1,755	30,000	30,000	100.00%	30,000	0.00%
52500	Rents/Leases	-	-	-	-	-	-	-	-
52510	Permits/Fees/Software Licenses	2,287	2,715	3,151	1,900	1,900	100.00%	1,900	0.00%
52910	Non-Capital Equipment	<u>995</u>	<u>-</u>	<u>1,440</u>	<u>1,500</u>	<u>1,500</u>	<u>100.00%</u>	<u>1,500</u>	<u>0.00%</u>
Total Materials, Supplies & Services		717,805	680,138	703,124	961,467	961,467	100.00%	972,817	1.18%
Interfund Transfers									
53040	Fleet Replacement Charges	<u>5,086</u>	<u>5,086</u>	<u>5,086</u>	<u>5,086</u>	<u>5,086</u>	<u>100.00%</u>	<u>5,086</u>	<u>0.00%</u>
Total Interfund Transfers		5,086	5,086	5,086	5,086	5,086	100.00%	5,086	0.00%
Capital Outlay									
54010	Capital Equipment - New	-	-	-	-	-	-	-	-
54030	Capital Equip - Replacement	-	-	-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-	-	-
Sub-Total O&M Fund		<u>\$ 1,974,927</u>	<u>\$ 2,009,485</u>	<u>\$ 2,077,407</u>	<u>\$ 2,362,212</u>	<u>\$ 2,362,212</u>	<u>100.00%</u>	<u>\$ 2,425,824</u>	<u>2.69%</u>
Net Operation & Maintenance Fund		<u>\$ 1,974,927</u>	<u>\$ 2,009,485</u>	<u>\$ 2,077,407</u>	<u>\$ 2,362,212</u>	<u>\$ 2,362,212</u>	<u>100.00%</u>	<u>\$ 2,425,824</u>	<u>2.69%</u>

FY2027 Budget – Wastewater Treatment Plant

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 2,716,712	\$ 2,870,220	\$ 3,126,879	\$ 3,183,755	\$ 3,183,755	100.00%	\$ 3,397,742	6.72%
51150	Overtime	<u>128,096</u>	<u>131,312</u>	<u>210,946</u>	<u>149,100</u>	<u>149,100</u>	100.00%	<u>149,100</u>	0.00%
Total Salaries & Wages		2,844,808	3,001,532	3,337,824	3,332,855	3,332,855	100.00%	3,546,842	6.42%
Benefits									
51200	North Carolina Retirement	348,136	388,619	457,336	479,598	479,598	100.00%	538,411	12.26%
51250	Payroll Taxes	213,956	222,843	248,231	254,963	254,963	100.00%	271,334	6.42%
51300	Medical, Dental & Life	776,754	827,245	827,245	827,245	827,245	100.00%	827,245	0.00%
51325	Post Retirement Insurance	78,197	78,197	78,197	78,197	78,197	100.00%	78,197	0.00%
51350	Worker's Compensation	75,435	75,435	75,435	75,435	75,435	100.00%	75,435	0.00%
51360	State Unemployment Benefits	-	2,493	6,007	8,997	8,997	100.00%	8,997	0.00%
51450	Automobile Allowance	4,510	3,600	1,800	-	-	-	-	-
51500	401-K/457 Plan	<u>119,345</u>	<u>122,559</u>	<u>132,113</u>	<u>165,794</u>	<u>165,794</u>	100.00%	<u>177,344</u>	<u>6.97%</u>
Total Benefits		1,616,332	1,720,991	1,826,363	1,890,229	1,890,229	100.00%	1,976,963	4.59%
Total Salaries, Wages & Benefits		4,461,140	4,722,523	5,164,187	5,223,084	5,223,084	100.00%	5,523,805	5.76%
Materials, Supplies & Services									
52010	Advertising	4,035	2,881	3,102	6,000	5,500	91.67%	8,000	33.33%
52050	Dues & Subscriptions	24,306	24,821	26,932	33,627	32,927	97.92%	33,621	-0.02%
52150	Travel, Mtgs & Training	66,877	68,525	84,221	98,030	81,600	83.24%	82,420	-15.92%
52180	Liability Insurance	145,079	145,079	145,079	177,867	177,867	100.00%	177,867	0.00%
52210	Communications	38,957	38,814	45,946	55,640	55,640	100.00%	58,460	5.07%
52240	Uniforms	33,674	24,704	33,394	39,750	39,750	100.00%	40,510	1.91%
52250	Office Supplies	3,437	4,290	3,850	5,100	4,800	94.12%	5,100	0.00%
52260	Special Dept Supplies	127,955	110,837	98,309	175,045	175,045	100.00%	170,000	-2.88%
52270	Safety Equip/Supplies	15,719	15,072	16,186	19,594	19,400	99.01%	20,600	5.13%
52280	Maint Supp/Small Tools	41,185	37,419	36,352	43,100	43,100	100.00%	43,100	0.00%
52290	Chemical Supplies	621,658	805,903	966,753	1,291,500	1,291,500	100.00%	1,248,750	-3.31%
52350	Prof/Contractual Svcs	334,585	315,083	369,614	635,235	629,735	99.13%	617,292	-2.82%
52510	Permits/Fees/Software Licenses	48,567	40,050	40,175	82,230	82,130	99.88%	81,730	-0.61%
52650	Utilities	1,383,454	1,277,850	1,776,486	1,698,000	1,698,000	100.00%	1,800,000	6.01%
52910	Non-Capital Equipment	<u>4,548</u>	<u>9,941</u>	<u>1,632</u>	<u>14,300</u>	<u>14,300</u>	100.00%	<u>24,500</u>	<u>71.33%</u>
Total Materials, Supplies & Services		3,379,673	3,430,938	4,238,581	5,083,218	5,049,494	99.34%	5,141,950	1.16%
Interfund Transfers									
53040	Fleet Replacement Charges	78,493	78,493	78,493	78,493	78,493	100.00%	78,493	0.00%
53050	WWTP Replacement Charges	200,000	250,000	250,000	250,000	250,000	100.00%	250,000	0.00%
53070	Pump Replacement Charges	<u>55,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	100.00%	<u>60,000</u>	<u>0.00%</u>
Total Interfund Transfers		333,493	388,493	388,493	388,493	388,493	100.00%	388,493	0.00%
Capital Outlay									
54010	Capital Equipment - New	31,731	17,648	31,105	36,200	31,700	87.57%	39,300	8.56%
54030	Capital Equip - Replacement	<u>51,741</u>	<u>7,845</u>	<u>-</u>	<u>16,884</u>	<u>16,884</u>	100.00%	<u>5,100</u>	<u>-69.79%</u>
Total Capital Outlay		83,471	25,493	31,105	53,084	48,584	91.52%	44,400	-16.36%
Sub-Total O&M Fund		\$ 8,257,778	\$ 8,567,446	\$ 9,822,367	\$ 10,747,879	\$ 10,709,655	99.64%	\$ 11,098,648	3.26%
Net Operation & Maintenance Fund		\$ 8,257,778	\$ 8,567,446	\$ 9,822,367	\$ 10,747,879	\$ 10,709,655	99.64%	\$ 11,098,648	3.26%

FY2027 Budget – System Services

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 3,600,405	\$ 3,955,987	\$ 4,027,367	\$ 4,103,144	\$ 4,103,144	100.00%	\$ 4,114,568	0.28%
51150	Overtime	<u>127,699</u>	<u>133,222</u>	<u>229,458</u>	<u>190,000</u>	<u>190,000</u>	100.00%	<u>190,000</u>	<u>0.00%</u>
Total Salaries & Wages		3,728,105	4,089,209	4,256,825	4,293,144	4,293,144	100.00%	4,304,568	0.27%
Benefits									
51200	North Carolina Retirement	456,041	530,020	583,399	617,784	617,784	100.00%	653,434	5.77%
51250	Payroll Taxes	280,801	304,999	319,176	328,425	328,425	100.00%	329,300	0.27%
51300	Medical, Dental & Life	1,220,616	1,299,957	1,299,957	1,299,957	1,299,957	100.00%	1,299,957	0.00%
51325	Post Retirement Insurance	122,883	122,883	122,883	122,883	122,883	100.00%	122,883	0.00%
51350	Worker's Compensation	118,539	118,539	118,539	118,539	118,539	100.00%	118,539	0.00%
51360	State Unemployment Benefits	-	5,538	9,439	14,137	14,137	100.00%	14,137	0.00%
51500	401-K/457 Plan	<u>155,651</u>	<u>169,901</u>	<u>168,882</u>	<u>214,658</u>	<u>214,658</u>	100.00%	<u>215,229</u>	<u>0.27%</u>
Total Benefits		2,354,530	2,551,837	2,622,275	2,716,383	2,716,383	100.00%	2,753,479	1.37%
Total Salaries, Wages & Benefits		<u>6,082,635</u>	<u>6,641,046</u>	<u>6,879,100</u>	<u>7,009,527</u>	<u>7,009,527</u>	100.00%	<u>7,058,047</u>	<u>0.69%</u>
Materials, Supplies & Services									
52010	Advertising	761	3,235	2,987	4,500	4,500	100.00%	4,500	0.00%
52050	Dues & Subscriptions	8,282	9,964	10,012	11,400	11,400	100.00%	12,100	6.14%
52150	Travel, Mtgs & Training	43,699	41,926	31,355	54,650	54,650	100.00%	55,150	0.91%
52180	Liability Insurance	196,089	196,089	196,089	240,406	240,406	100.00%	240,406	0.00%
52210	Communications	49,089	50,053	51,020	54,500	54,500	100.00%	55,250	1.38%
52240	Uniforms	40,234	38,141	41,522	48,800	48,800	100.00%	48,800	0.00%
52250	Office Supplies	3,502	4,652	4,175	6,900	6,900	100.00%	7,100	2.90%
52260	Special Dept Supplies	992	2,073	1,181	2,000	2,000	100.00%	2,000	0.00%
52270	Safety Equip/Supplies	43,533	31,603	20,278	46,450	46,450	100.00%	46,450	0.00%
52280	Maint Supp/Small Tools	70,576	82,748	80,278	93,100	93,100	100.00%	93,100	0.00%
52300	Line Cleaning Supplies	52,614	49,358	53,791	55,750	55,750	100.00%	55,750	0.00%
52350	Prof/Contractual Svcs	40,378	43,502	39,807	65,450	65,450	100.00%	65,450	0.00%
52420	Maintenance-Equipment	50,848	56,887	42,442	57,500	57,500	100.00%	57,500	0.00%
52430	Landscape Restoration	11,955	10,106	8,762	13,700	13,700	100.00%	13,700	0.00%
52450	Equipment Rental	-	16,759	-	21,500	21,500	100.00%	21,500	0.00%
52510	Permits/Fees/Software Licenses	40,984	40,392	52,305	50,000	50,000	100.00%	54,000	8.00%
52910	Non-Capital Equipment	<u>14,107</u>	<u>17,033</u>	<u>15,896</u>	<u>16,550</u>	<u>16,550</u>	100.00%	<u>15,930</u>	<u>-3.75%</u>
Total Materials, Supplies & Services		667,642	694,519	651,901	843,156	843,156	100.00%	848,686	0.66%
Interfund Transfers									
52340	Debt Administration Expenses	110,847	98,569	81,015	125,643	125,643	100.00%	125,643	0.00%
53040	Fleet Replacement Charges	<u>498,367</u>	<u>498,367</u>	<u>498,367</u>	<u>498,367</u>	<u>498,367</u>	100.00%	<u>498,367</u>	<u>0.00%</u>
Total Interfund Transfers		609,214	596,936	579,382	624,010	624,010	100.00%	624,010	0.00%
Capital Outlay									
54010	Capital Equipment - New	7,107	5,657	23,116	19,100	19,100	100.00%	4,300	-77.49%
54030	Capital Equip - Replacement	<u>33,337</u>	<u>26,801</u>	<u>22,234</u>	<u>48,975</u>	<u>48,975</u>	100.00%	<u>19,250</u>	<u>-60.69%</u>
Total Capital Outlay		40,444	32,458	45,351	68,075	68,075	100.00%	23,550	-65.41%
Sub-Total O&M Fund		<u>\$ 7,399,935</u>	<u>\$ 7,964,960</u>	<u>\$ 8,155,734</u>	<u>\$ 8,544,768</u>	<u>\$ 8,544,768</u>	100.00%	<u>\$ 8,554,293</u>	<u>0.11%</u>
59200 LESS:									
	Chargebacks to General Fund for CIP	(800,260)	(832,833)	(805,158)	(1,140,046)	(1,104,709)	96.90%	(1,111,521)	-2.50%
	Chargebacks to General Fund for SSD	(1,943,292)	(2,170,529)	(2,307,217)	(2,194,244)	(2,194,244)	100.00%	(2,295,383)	4.61%
Net Operation & Maintenance Fund		<u>\$ 4,656,383</u>	<u>\$ 4,961,598</u>	<u>\$ 5,043,359</u>	<u>\$ 5,210,478</u>	<u>\$ 5,245,815</u>	100.68%	<u>\$ 5,147,389</u>	<u>-1.21%</u>

FY2027 Budget – Engineering

No.	Name	ACTUAL 2022-2023	ACTUAL 2023-2024	ACTUAL 2024-2025	ADOPTED 2025-2026 Budget	ESTIMATED Actual 6/30/2026	Percent Expended To Total Budget	PROPOSED 2026-2027 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 1,193,782	\$ 1,324,911	\$ 1,371,424	\$ 1,342,508	\$ 1,342,508	100.00%	\$ 1,395,020	3.91%
51150	Overtime	-	-	-	2,000	2,000	100.00%	2,000	0.00%
Total Salaries & Wages		1,193,782	1,324,911	1,371,424	1,344,508	1,344,508	100.00%	1,397,020	3.91%
Benefits									
51200	North Carolina Retirement	145,279	171,651	188,058	193,475	193,475	100.00%	212,068	9.61%
51250	Payroll Taxes	88,408	98,410	101,526	102,855	102,855	100.00%	106,872	3.91%
51300	Medical, Dental & Life	277,412	295,445	295,445	295,445	295,445	100.00%	295,445	0.00%
51325	Post Retirement Insurance	27,928	27,928	27,928	27,928	27,928	100.00%	27,928	0.00%
51350	Worker's Compensation	26,941	26,941	26,941	26,941	26,941	100.00%	26,941	0.00%
51360	State Unemployment Benefits	-	-	2,146	3,214	3,214	100.00%	3,214	0.00%
51500	401-K/457 Plan	58,063	64,933	65,663	67,227	67,227	100.00%	69,852	3.90%
Total Benefits		624,030	685,308	707,708	717,085	717,085	100.00%	742,320	3.52%
Total Salaries, Wages & Benefits		1,817,813	2,010,219	2,079,132	2,061,593	2,061,593	100.00%	2,139,340	3.77%
Materials, Supplies & Services									
52050	Dues & Subscriptions	4,576	4,423	3,773	4,203	4,028	95.84%	4,302	2.36%
52150	Travel, Mtgs & Training	10,329	10,660	13,628	19,437	19,437	100.00%	21,016	8.12%
52180	Liability Insurance	42,037	42,037	42,037	51,537	51,537	100.00%	51,537	0.00%
52210	Communications	5,786	6,580	6,488	7,045	6,545	92.90%	7,145	1.42%
52240	Uniforms	2,697	2,496	1,618	3,500	3,500	100.00%	3,850	10.00%
52250	Office Supplies	2,216	1,794	1,551	3,100	3,100	100.00%	3,100	0.00%
52260	Special Dept Supplies	3,319	3,452	3,115	4,540	4,540	100.00%	8,600	89.43%
52270	Safety Equip/Supplies	50	42	3	300	300	100.00%	300	0.00%
52330	Legal Fees	3,142	1,605	2,738	6,625	6,625	100.00%	6,625	0.00%
52350	Prof/Contractual Svcs	3,207	10,227	5,562	10,328	10,328	100.00%	10,000	-3.18%
52420	Maintenance-Equipment	-	-	-	500	500	100.00%	-	-100.00%
52500	Rents/Leases	800	800	500	800	800	100.00%	800	0.00%
52910	Non-Capital Equipment	9,124	1,618	-	3,000	3,000	100.00%	325	-89.17%
Total Materials, Supplies & Services		87,284	85,734	81,359	114,962	114,287	99.41%	117,650	2.34%
Capital Outlay									
54010	Capital Equipment - New	-	-	-	-	-	-	-	-
Total Capital Outlay		-	-	-	-	-	-	6,400	-
Sub-Total O&M Fund		1,905,097	2,095,952	2,160,491	2,176,555	2,175,880	99.97%	2,263,390	3.99%
59200 LESS:									
	Chargebacks to General Fund for CIP	(1,727,247)	(1,910,718)	(1,976,623)	(1,965,851)	(1,965,351)	99.97%	(2,047,848)	4.17%
Net Operation & Maintenance Fund		\$ 177,850	\$ 185,234	\$ 183,868	\$ 210,704	\$ 210,529	99.92%	\$ 215,542	2.30%

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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 on the following pages.

Insurance Funds (continued)

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 FY2027 includes an employer contribution increase of 0% to cover anticipated expenditures needs.

FY2027 Self-funded Employee Medical Program Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance	\$ 4,624,513	\$ 5,162,010	\$ 5,524,289
Income:			
District Contributions	2,993,840	2,993,840	2,993,840
Employee Contributions	358,371	345,000	345,000
Transfer from Other Insurance Funds	150,000	150,000	150,000
Interest	175,768	150,000	140,000
Total Income	3,677,979	3,638,840	3,628,840
Total Funds Available	8,302,492	8,800,850	9,153,129
Expenses:			
Transfer to Other Insurance Funds	-	-	-
Expected Claim Liability	2,710,482	2,846,561	3,092,000
Fixed Costs	430,000	430,000	430,000
Total Expenses	3,140,482	3,276,289	3,522,000
Ending Balance	\$ 5,162,010	\$ 5,524,289	\$ 5,631,129

Insurance Funds (continued)

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 75. 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. FY2027 funding of \$283,000 represents 1.2% of total operations. As of July 2025, the District has nineteen (19) eligible participants in the post-employment insurance plan.

FY2027 Post-Employment Insurance Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance	\$ (2,025,371)	\$ (2,083,649)	\$ (1,830,649)
Income			
District Contributions	283,000	283,000	283,000
Interfund Transfer In	-	-	-
Employee Contributions	14,423	10,000	10,000
Interest Income	139,299	110,000	100,000
Total Income	436,722	403,000	393,000
Total Funds Available	(1,588,649)	(1,680,649)	(1,437,649)
Expenses			
Interfund Transfer Out	150,000	150,000	150,000
OPEB Expense	345,000	-	-
Transfer to Other Insurance Funds	-	-	-
Total Expenses	495,000	150,000	150,000
Ending Balance	\$ (2,083,649)	\$ (1,830,649)	\$ (1,587,649)

Insurance Funds (continued)

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 FY2027 does not include an increase in contributions.

FY2026 Worker's Compensation Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance	\$ 602,660	\$ 466,063	\$ 427,254
Income			
District Contributions	273,000	273,000	273,000
Interfund Transfer In	-	-	-
Interest Income	<u>21,712</u>	<u>11,000</u>	<u>10,000</u>
Total Income	294,712	284,000	283,000
Total Funds Available	897,372	750,063	710,254
Expenses			
Interfund Transfer Out	310,000	250,000	200,000
Deductibles for Individual Claims	5,085	1,000	2,500
Premiums to commercial carrier	<u>116,224</u>	<u>71,809</u>	<u>85,000</u>
Total Expenses	431,309	322,809	287,500
Ending Balance	<u>\$ 466,063</u>	<u>\$ 427,254</u>	<u>\$ 422,754</u>

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 FY2027 includes a 0% increase in contributions.

FY2027 General Liability Financial Plan

	Actual	Projected	Budget
	2024-2025	2025-2026	2026-2027
Beginning Balance	\$ 721,618	\$ 619,801	\$ 630,881
Income			
District Contributions	662,775	813,580	813,580
Interfund Transfer In	310,000	250,000	200,000
Interest Income	14,377	7,500	5,000
Total Income	987,152	982,775	1,018,580
Total Funds Available	1,708,770	1,701,080	1,649,461
Expenses			
Interfund Transfer Out	-	-	-
Premiums to commercial carrier	809,765	902,920	910,000
No Fault Sewer Back-Up Claims	93,984	26,402	27,000
Claim Deductibles	167,620	110,034	102,000
Flood Insurance	17,600	20,644	21,000
Total Expenses	1,088,969	1,060,000	1,060,000
Ending Balance	\$ 619,801	\$ 630,881	\$ 589,461

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Replacement Funds



Replacement & Equipment Funds

Overview

The replacement funds are funded through annual appropriations from the Operations and Maintenance Fund Budget. The District has established three (3) replacement and equipment 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 and equipment funds are discussed on the following pages.

Replacement & Equipment Funds (continued)

Fleet & Heavy Equipment Fund

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 FY2026 contribution is \$595,000, with anticipated expenditures of \$1,171,001; (2) 1-Ton Pickups, (2) Dodge 5500 Utility trucks, (1) Ford Escape, and (1) Flusher truck.

FY2027 Fleet & Heavy Equipment Fund Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance:	\$ 1,607,892	\$ 1,669,758	\$ 2,205,189
Revenue:			
District Contributions	595,000	595,000	595,000
Sale of Surplus Property	142,256	9,185	117,100
Interest Income	73,730	50,093	66,156
Total Revenue	810,986	654,277	778,256
Expenditures:			
Capital Expenditures	749,120	118,846	1,171,001
Transfer Out	-	-	-
Total Expenditure Replacements	749,120	716,432	1,171,001
Ending Balance:	<u>\$ 1,669,758</u>	<u>\$ 2,205,189</u>	<u>\$ 1,812,444</u>

Replacement & Equipment Funds (continued)

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 FY2027 contribution is \$250,000 with anticipated expenditures of \$332,479 including General Rehab, Atlas Purge Air Blowers, Vortec Grit System, Raw Pumps, Primary Bar Screen, Fine Screen, RBCs, Intermediate Pumps, Clarifiers, Solids Thickening and Dewater, Incinerator Rehabilitation, Aqua Disk Filtration, Chlorination/Dechlor, Electrical Switch Gear, Electrical MCC, and Belt Filter Press.

FY2027 Wastewater Treatment Plant Fund Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance:	\$ 367,001	\$ 435,744	\$ 411,744
Revenue:			
District Contributions	250,000	250,000	250,000
Sale of Salvage Materials	-	-	-
Interest Income	18,241	15,000	12,352
Total Revenue	268,241	265,000	262,352
Expenditures:			
Capital Expenditures	199,498	289,000	332,479
Total Expenditure Replacements	199,498	289,000	332,479
Ending Balance:			
	\$ 435,744	\$ 411,744	\$ 341,617

Replacement & Equipment Funds (continued)

Pump Maintenance Replacement Fund

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 FY2027 contribution is \$60,000 with anticipated expenditures of \$65,000, which includes General Pump Station Rehab and Equipment; and rehab at the following pump stations: Biltmore Lake #1, Erwin Hills, Ferry Road Leicester Village, Mountain View, Ridgefield #1, Ridgefield #2, Southcliff, Villas at Cedar Hill, Waightstill Mountain, Fanning Bridge, and School House Road.

FY2027 Pump Maintenance Replacement Fund Financial Plan

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance:	\$ 211,370	\$ 177,517	\$ 124,017
Revenue:			
District Contributions	60,000	60,000	60,000
Transfer In	-	-	-
Sale of Surplus Property	-	-	-
Interest Income	7,818	7,000	3,721
Total Revenue	67,818	67,000	63,721
Expenditures:			
Capital Expenditures	101,671	120,500	65,000
Transfer Out	-	-	-
Total Expenditure Replacements	101,671	120,500	65,000
Ending Balance:	\$ 177,517	\$ 124,017	\$ 122,738

Replacement & Equipment Funds (continued)

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 is budgeted. There will be no transfers to the fund to meet the FY2027 requirements.

FY2027 Capital Reserve Fund

	Actual 2024-2025	Projected 2025-2026	Budget 2026-2027
Beginning Balance:	\$ 1,304,574	\$ 1,365,402	\$ 1,415,663
Revenue:			
Interfund Transfer	-	-	-
Interest Income	60,828	50,261	40,000
Total Revenue	60,828	50,261	40,000
Ending Balance:	<u>\$ 1,365,402</u>	<u>\$ 1,415,663</u>	<u>\$ 1,455,663</u>

NOTE: Ending balance must be at least 6% of the annual O&M current expenses. FY2026-2027 O&M Budget (\$24,065,982 - \$905,000 transfer to reserves - \$137,950 capital equipment) x 6% = \$1,381,382)

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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.

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. 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 follows 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 is posted on the MSD website at www.msdbc.org.

The District maintains a Ten-Year CIP and rehabilitates approximately 40,000 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.

Capital Improvement Program (continued)

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, 2026, the District will have \$64.5 million in outstanding revenue bond debt, with total debt service of \$8.7 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.

Capital Improvement Program (continued)

Background (continued)

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.

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 objectively prioritize collection system projects within the CIP each fiscal year.

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

► Facilities Plan—

The District completed an update to this Facilities Plan in 2015. This significant, comprehensive study examined the various liquids unit processes within the plant, with a focus on headworks, biological treatment alternatives, and future regulatory requirements. After extensive research of various options, the Plan recommended Plant Headworks Improvements adding new grit removal, a fine screening system, storage for peak flows (using existing decommissioned digesters), and chemically enhanced primary clarification.

Capital Improvement Program (continued)

Background (continued)

Wastewater System Master Planning (continued)

■ Facilities Plan (continued) —

Construction of the High-Rate Primary Treatment project was completed in 2022. The Plant Headworks (completed in early 2019) and High-Rate Primary projects are the short and mid-term recommendations of the Plant Facility Plan. These two projects totaled approximately \$28 million and have significantly improved the plant's treatment process.

■ Solids Handling PER and Biological PER—

Another major project in the ten-year CIP is the Solids Handling Capacity Improvements project which follows the recommendations of the Solids Handling Preliminary Engineering Report (PER), completed in January 2026. This planning document evaluated the condition and capacity of MSD's existing Solids Handling infrastructure, projected future flows and biosolids generation rates, and provided a phased implementation plan for replacing existing thickening, dewatering, and disposal processes. The Solids Handling Capacity Improvements project will replace the existing fluidizing bed incinerator which is over thirty years old with a thermal drying process, in addition to providing new thickening and dewatering equipment.

The Biological Treatment Alternatives Evaluation PER is a master planning document intended to evaluate and recommend improvements to the biological treatment process at MSD's Water Reclamation Facility (WRF). Specifically, the PER (Ongoing) will focus on alternative technologies capable of removing ammonia-nitrogen from the waste stream, a future regulatory requirement of MSD's National Pollutant Discharge Elimination System (NPDES) permit. The PER will include a selected technology, phasing recommendations, preliminary design, and methods for maintaining plant operations during construction. This planning document will help guide the Biological Treatment Replacement project, MSD's largest capital project to date.

Capital Improvement Program (continued)

Background (continued)

Wastewater System Master Planning (continued)

► 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. This plan was updated in 2021 to include the Cane Creek Water and Sewer District.

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 Construction Management Expenses
- Reimbursement Projects

In accordance with the State Collection System Permit, the District maintains a CIP, which details necessary system improvements. The state permit requires a minimum of three years in the CIP; however, the District utilizes a ten-year window for better planning and financial projections. The District’s goal is to rehabilitate approximately 40,000 LF of the collection system each year. These projects fall under Interceptor & Wet Weather Rehabilitation, General and Private Sewer Rehabilitation, and Pump Station Rehabilitation when sewer force mains are replaced.

Capital Improvement Program (continued)

Types of Projects (continued)

Significant capital expenditures are planned in FY2026-2027 for several pump stations, including Carrier Bridge, Weaverville, and ITT. All three pump stations are being replaced to increase conveyance capacity and accommodate planned growth in their respective service areas.

Major plant projects completed over the past 8 years have been guided by the 2015 Facility Plan which focused on improved “liquids” treatment. Replacement of the RBCs is the final major plant project recommendation of the Facility Plan and is regulatory-driven. The Biological Treatment PER will be completed in FY2026-2027 and will select the most appropriate technology for replacing the RBCs.

The Solids Handling PER, completed in January 2026 provided phased recommendations for solids handling process improvements at the plant. The initial phase of this project is underway with a design-build team selection anticipated early in FY2026-2027. Major capital expenditures are planned for the Solids Handling Capacity Improvements project between FY2026-2027 and FY2030-2031.

Proposed Budget

The proposed Capital Budget for FY2027 is \$83,827,923 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. Additionally, a proposed budget for Reimbursement Projects totaling \$200,000. For these types of projects, the District will reimburse a developer for constructing a system, which will serve larger areas upstream of their development.

Total project costs over the ten-year window are estimated at \$794.9 million. Costs are updated each year during budget preparation to accurately reflect current bid pricing and market conditions. Included in future years’ is an inflation factor of 3.33%, which is a ten-year average of the annual increases in the ENR Construction Cost Index. This factor is also updated each year.

Approximately 127 infrastructure projects are included in the CIP for FY2027, ranging in length from 180 linear feet to over 36,000 linear feet. In-house forces as well as outside contractors will be used to rehabilitate or replace approximately 40,000 linear feet per year.

Capital Improvement Program (continued)

Current Year Highlights

✦ Collection System Capital Improvements:

Significant collection system projects currently in construction or completed over the past year include Old County Home PSR, Jonestown Road @ Riverside Dr, Interceptor Assessment & Cleaning, Weaverville Pump Station Replacement, and Carrier Bridge Pump Station Replacement project. Combined with in-house and developer-constructed rehabilitation projects, the total rehabilitated footage anticipated for FY2025-2026 is approximately 30,634 LF. The District's goal of 40,000 LF was again impacted in FY2026 by Helene recovery projects that continued into the fiscal year. Additionally, the bidding environment in FY2026 has been less competitive than in previous years, resulting in fewer bids received. Two projects in FY2026 received zero bids when initially advertised. While bids have predominantly remained within budget, successful bidders have created a backlog of work.

Construction of the Weaverville Pump Station Replacement project began in August 2024 and was temporarily suspended due to Hurricane Helene. Great progress has been made over the past year on the pump station and force main and the project is expected to be "substantially complete" in August 2026. The pump station serves Weaverville and the Reems Creek Valley and is being replaced and upsized to accommodate anticipated growth through the year 2070 and beyond. Total project cost is approximately \$26 million.

The Carrier Bridge Pump Station (the District's largest) is a regional pump station that serves large areas of Buncombe County and Northern Henderson County. This significant project will replace an aging pump station first constructed in the 1960's and upgraded multiple times over the years. The project includes a new 40mgd pump station, two river crossings, and the installation of new large diameter piping. This is a \$96 million project that will add conveyance capacity in support of anticipated growth in south and west Buncombe County, and northern Henderson County. This is a multi-year project is currently underway and is anticipated to be completed in 2028.

Capital Improvement Program (continued)

Current Year Highlights (continued)

✦ Collection System Capital Improvements: (continued)

Major Collection System projects for FY2027 include:

Project Name	Footage (LF)	Budget (\$)
Carrier Bridge PS Replacement	2,800	\$34,785,000
Weaverville PS Replacement	18,174	\$3,058,000
ITT Pump Station Replacement	2,750	\$2,970,500
Interceptor Line Assessment and Cleaning, Ph2	NA	\$1,515,500
Lining Contract #10	18,837	\$3,200,000
Hazel Mill Rd @ Richland St	3,858	\$2,718,200

✦ Wastewater Treatment Plant Capital improvement:

The District is preparing for major capital investments at the Water Reclamation Facility within the ten-year CIP program and beyond. The most significant project is the replacement of the plant's biological treatment process - the Rotating Biological Contactors (RBCs). These were installed in the 1980s and have functioned well over the years but are approaching the end of their functional lifespan. In addition, the timing of their replacement is also driven by a NCDEQ regulatory requirement for ammonia removal by December 2037.

MSD is close to completing the Biological Treatment Preliminary Engineering Report (PER) which includes process recommendations and preliminary design for the replacement technology. Since December 2024, MSD has pilot tested one of the short-listed technologies to confirm its effectiveness. Pilot testing is a critical, and informative step being completed prior to embarking on this major CIP expenditure, the largest in MSD's history. Once MSD and its consultant are satisfied with testing results and process technology, the PER will be finalized, followed by final design and construction. Replacement of the RBCs will be a phased project over several years with Phase I currently projected at approximately \$250 million.

Capital Improvement Program (continued)

Current Year Highlights (continued)

✦ Wastewater Treatment Plant Capital improvement: (continued)

Another major project in the ten-year CIP is the Solids Handling Capacity Improvements project, currently budgeted at \$149 million. The project is based on the recommendations of the Solids Handling PER completed in January 2026 and includes a new Solids Handling Facility with thermal dryer and new solids thickening and dewatering equipment. The initial phase of the project will utilize the design-build delivery method and includes one thermal dryer train. The facility will be sized to accommodate a second dryer train for process redundancy, future growth and solids generation. Construction of these improvements will not be completed until FY30-31. Up until that time, the existing incinerator will continue to serve as the primary means of biosolids disposal. A full rebuild of the vessel's interior was recently completed to maintain the system's operational performance.

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METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
TEN YEAR CAPITAL IMPROVEMENT PROGRAM
FY 2026-2027 through 2035-2036

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36		
								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																												
Beaverdam Creek WW (CDM #10)	Buncombe County	BD	2001191	14	5,500	\$2,866,700	\$0	\$0	\$38,500		\$18,000		\$128,200		\$3,500		\$2,678,500	5,500	\$0		\$0		\$0		\$0		\$0	
Biltmore WW (CDM #3)	Biltmore	BD	2001192	24	2,200	\$1,304,050	\$0	\$20,400	\$3,400		\$201,350		\$1,078,900	2,200	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Dingle Creek Interceptor	Asheville	TH	2006010	8	7,871	\$3,620,957	\$92,957	\$0	\$0		\$0		\$0		\$0		\$3,528,000	7,871	\$0		\$0		\$0		\$0		\$0	
Four Mile Creek WW (CDM #1)	Biltmore Forest	BD	2001193	8	5,110	\$1,477,000	\$0	\$0	\$0		\$0		\$0		\$36,000		\$3,000		\$45,500		\$1,392,500	5,110	\$0		\$0		\$0	
Haw Creek WW (CDM #6)	Asheville	BD	2001194	5	3,800	\$2,006,920	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$26,600		\$364,900		\$1,615,420	3,800	\$0	
Lower Swannanoa Interceptor	Asheville	BD	2004040	9	6,980	\$18,606,896	\$274,846	\$0	\$0		\$436,250		\$130,000		\$8,872,400	3,490	\$8,893,400	3,490	\$0	0	\$0		\$0		\$0		\$0	
Middle Beaverdam Crk. @ I-26	Woodfin	TH	2010002	8	2,930	\$1,571,430	\$7,430	\$0	\$0		\$0		\$0		\$0		\$27,500		\$25,000		\$1,511,500	2,930	\$0		\$0		\$0	
South French Broad Relief Int.	Buncombe County	TH	2017070	N/A	36,330	\$46,492,860	\$233,900	\$0	\$0		\$0		\$0		\$50,000		\$0		\$226,800		\$525,300		\$0		\$11,351,715	9,082	\$0	
South Swannanoa WW (CDM #4)	Asheville	BD	2001195	27	8,040	\$6,252,450	\$0	\$0	\$57,000		\$14,000		\$95,350		\$1,511,750	4,020	\$4,574,350	4,020	\$0		\$0		\$0		\$0		\$0	
Swannanoa Equalization Tank	Swannanoa	HC	2019046	N/A	0	\$36,782,859	\$12,276	\$100,000	\$512,583		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Town Branch Int - Phase III	Asheville	DP	2017158	10	3,600	\$3,559,850	\$0	\$0	\$0		\$0		\$0		\$28,000		\$9,000		\$184,850		\$3,338,000	3,600	\$0		\$0		\$0	
SUBTOTAL					82,361	\$124,541,972	\$621,409	\$120,400	0	\$611,483	0	\$669,600	0	\$1,432,450	2,200	\$10,501,650	7,510	\$16,185,750	13,010	\$4,010,150	7,871	\$6,793,900	11,640	\$364,900	0	\$12,967,135	12,882	
<i>Inflation per ENR Const. Cost Index</i>	3.33%					1.0000	1.0000	1.0000	1.0333		1.0677		1.1033		1.1400		1.1780		1.2172		1.2577		1.2996		1.3429			
SUBTOTAL with inflation					82,361	\$124,541,972	\$621,409	\$120,400	0	\$631,845	0	\$714,938	0	\$1,580,370	2,200	\$11,971,905	7,510	\$19,066,236	13,010	\$4,881,117	7,871	\$8,544,844	11,640	\$474,226	0	\$17,413,333	12,882	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36			
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION																													
Adams Street	Asheville	SA	2012126	12	2,630	\$1,345,800	\$11,800	\$0	\$0		\$0		\$16,000		\$69,500		\$35,500		\$1,213,000	2,630	\$0		\$0		\$0		\$0		
Antique Lane @ Canie Creek	Asheville	DP	2022023	14	6,039	\$2,792,841	\$50,000	\$3,000	\$217,500		\$100,341		\$2,422,000	6,039	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Arlington Street	Asheville	DP	2015008	15	3,230	\$1,667,000	\$0	\$0	\$0		\$0		\$20,000		\$1,000		\$27,000		\$1,619,000	3,230	\$0		\$0		\$0		\$0		
Asheville Rd. @ US Hwy 70	Swannanoa	TH	2023005	17	5,470	\$2,451,210	\$0	\$0	\$43,760		\$15,000		\$127,900		\$2,850		\$2,261,700	5,470	\$0		\$0		\$0		\$0		\$0		
Atkins Street	Arden	BD	2014012	29	1,833	\$925,530	\$5,480	\$0	\$0		\$2,600		\$77,850		\$839,600	1,833	\$0		\$0		\$0		\$0		\$0		\$0		
Avena Rd. @ Flat Creek Rd.	Black Mountain	TH	2021009	43	1,985	\$961,588	\$0	\$14,000	\$34,950		\$912,638	1,985	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Beale Road at Copney Lane	Asheville	DP	2009129	40	5,430	\$3,988,025	\$44,025	\$256,750	\$3,687,250	5,430	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Bear Creek Road	W. Asheville	SA	2011117	6	2,800	\$1,581,738	\$7,900	\$0	\$0		\$0		\$0		\$0		\$1,500		\$163,338		\$103,500		\$1,305,500	2,800	\$0		\$0		
Bellevue Road	S. Asheville	DP	2015175	15	1,100	\$1,001,967	\$106,967	\$29,000	\$866,000	1,100	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Broadway St. at Bordeau Place	Asheville	DP	2009034	22	475	\$266,569	\$13,069	\$0	\$0		\$0		\$253,500	475	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Central Ave. @ I-240	Asheville	SA	2014180	20	1,224	\$720,500	\$8,000	\$33,000	\$679,500	1,224	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Chatham Road	Asheville	SA	2015019	19	1,330	\$1,300,400	\$8,300	\$108,975	\$1,183,125	1,330	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Chester Pl. @ Cranford Rd.	Asheville	TH	2019026	5	1,025	\$520,100	\$0	\$0	\$0		\$0		\$0		\$0		\$19,900		\$134,700		\$1,000		\$364,500	1,025	\$0		\$0		
Covewood Trail @ Chunnys Cove Rd.	Asheville	DP	2021005	17	1,120	\$535,500	\$0	\$7,500	\$0		\$9,150		\$64,850		\$454,000	1,120	\$0		\$0		\$0		\$0		\$0		\$0		
Cub Road	Asheville	TH	2018027	6	1,204	\$559,800	\$0	\$0	\$0		\$0		\$0		\$0		\$10,100		\$122,200		\$1,000		\$426,500	1,204	\$0		\$0		
Cumberland Ave.	Asheville	BD	2014014	4	5,011	\$2,540,450	\$18,250	\$0	\$0		\$0		\$0		\$0		\$0		\$4,200		\$0		\$0		\$2,518,000	5,011	\$0		
Druid Drive	W. Asheville	SA	2020006	10	500	\$264,500	\$0	\$0	\$0		\$0		\$0		\$0		\$20,500		\$67,000		\$177,000	500	\$0		\$0		\$0		
East Chestnut Ave. @ Five Points	N. Asheville	SA	2015192	15	4,620	\$4,373,571	\$21,821	\$209,550	\$356,000		\$0	4,620	\$3,786,200		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Edgewood Rd. S @ Sweeten Crk Rd.	Asheville	TH	2021007	10	500	\$256,800	\$0	\$0	\$0		\$5,000		\$0		\$2,550		\$46,000		\$203,250	500	\$0		\$0		\$0		\$0		
Edwards Ave. @ US 70 Hwy.	Swannanoa	BD	2021004	23	2,400	\$1,145,550	\$11,000	\$6,800	\$65,350		\$1,082,400	2,400	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Elk Park Drive - PRP 35001	Woodfin	SA	2006028	8	2,242	\$842,446	\$50,046	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$792,400	2,242	\$0		\$0		
Elkwood Ave. @ Norman Austin Dr.	Woodfin	DP	2014008	22	600	\$317,350	\$0	\$3,500	\$2,000		\$8,850		\$303,000	600	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Fairmont Road	N. Asheville	DP	2015017	4	3,900	\$1,945,850	\$0	\$0	\$0		\$0		\$0		\$30,000		\$0		\$10,000		\$239,850		\$1,666,000	3,900	\$0		\$0		
Forest Hill Dr. @ Warwick Rd.	Asheville	SA	2014020	10	3,400	\$1,734,500	\$0	\$0	\$0		\$0		\$0		\$0		\$24,000		\$1,000		\$1,709,500	3,400	\$0		\$0		\$0		
Forestdale Drive	S. Asheville	DP	2014002	14	2,900	\$1,665,050	\$25,500	\$0	\$0		\$1,000		\$178,500		\$48,050		\$1,412,000	2,900	\$0		\$0		\$0		\$0		\$0		
Harmony Lane	Asheville	DP	2016103	28	670	\$342,000	\$0	\$0	\$3,500		\$0		\$338,500	670	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Hazel Mill Rd. @ Richland St.	Asheville	SA	2014016	32	3,858	\$2,972,253	\$254,053	\$2,718,200	3,858	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2026-2027 through 2035-2036

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION Continued																											
Hemphill Rd. @ Charlotte Hwy.	Asheville	TH	2021006	10	2,550	\$1,089,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$41,950	\$0	\$850	\$0	\$1,028,375	2,550	\$0	\$0	\$0	\$0
Herron Avenue	W. Asheville	SA	2014186	9	2,060	\$863,100	\$1,700	\$0	\$0	\$0	\$0	\$0	\$0	\$14,500	\$0	\$17,000	\$0	\$2,500	\$0	\$827,400	2,060	\$0	\$0	\$0	\$0	\$0	\$0
Hill Street @ Cross Place	Asheville	TH	2016249	42	641	\$315,605	\$3,875	\$54,550	\$257,180	641	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Holly Ave @ Rhododendron Ave	Black Mountain	TH	2025212	14	307	\$169,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$48,000	\$0	\$4,500	\$0	\$110,000	307	\$3,500	\$0	\$0	\$0
Howland Rd. @ Sunset Trail	Asheville	DP	2012134	51	1,027	\$801,800	\$35,050	\$37,750	\$729,000	1,027	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Innsbrook Rd. @ GP1	North Asheville	BD	2023256	28	5,730	\$2,990,800	\$40,100	\$0	\$129,500	\$389,700	\$0	\$0	\$2,431,500	5,730	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Johnston Blvd. @ Providence Rd.	W. Asheville	DP	2014013	11	2,086	\$1,059,650	\$8,150	\$0	\$0	\$0	\$0	\$0	\$2,500	\$13,300	\$178,700	\$857,000	2,086	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kimberly Ave. @ Sedley Avenue	Asheville	TH	2018029	51	2,947	\$1,658,658	\$1,154,158	\$504,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kenilworth @ Springdale Rd.	Asheville	BD	2014010	4	780	\$637,190	\$242,155	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,200	\$0	\$89,000	\$0	\$301,835	780	\$0	\$0
Lakeview @ Glen Falls Rd.	N. Asheville	DP	2014007	39	3,070	\$2,112,450	\$26,000	\$171,000	\$353,700	\$1,561,750	3,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lakewood Drive @ Dudley Ave.	Asheville	BD	2015016	7	280	\$146,450	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800	\$0	\$2,600	\$0	\$31,850	\$0	\$109,200	280	\$0	\$0	\$0	\$0
Lincoln Avenue	Asheville	BD	2013103	4	1,415	\$717,670	\$2,870	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$714,800	1,415	\$0	\$0	\$0	\$0
Lining Contract #10	Various	TH	2024035	NA	18,837	\$3,200,000	\$0	\$3,200,000	\$0	18,837	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Avenue	W. Asheville	SA	2017256	32	1,623	\$1,215,760	\$148,360	\$0	\$1,067,400	1,623	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana Avenue	W. Asheville	DP	2015174	12	2,150	\$1,098,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000	\$0	\$1,083,500	2,150	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lower Glendale Ave.	E. Asheville	BD	2012083	36	1,700	\$1,305,250	\$6,650	\$0	\$0	\$0	\$0	\$0	\$33,000	\$1,265,600	1,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Manetta Rd. @ Johnson Dr.	N. Asheville	TH	2014022	24	3,343	\$2,389,787	\$405,744	\$251,700	\$1,732,343	3,343	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maplewood Rd. @ Griffing Circle	N. Asheville	SA	2025000	51	1,850	\$1,623,900	\$15,000	\$84,600	\$198,900	\$1,325,400	1,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
McDowell St. @ Lily Carmichael Dr.	Asheville	SA	2021011	21	1,660	\$847,000	\$0	\$0	\$12,000	\$0	\$0	\$0	\$1,000	\$834,000	1,660	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
McDowell St. @ Myrtle St.	Asheville	DP	2019257	19	465	\$356,350	\$0	\$3,500	\$0	\$4,000	\$0	\$0	\$11,350	\$237,500	465	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meadow Road @ Train Yard	Asheville	BD	2015207	6	2,001	\$2,093,350	\$7,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$0	\$3,000	\$0	\$114,350	\$0	\$1,969,000	2,001	\$0	\$0	\$0	\$0
Merrimon Ave. @ Clearview Terrace	Asheville	TH	2007012	6	500	\$359,950	\$6,044	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,360	\$0	\$89,546	\$0	\$0	\$0	\$256,000	500	\$0	\$0	\$0	\$0
Merrimon Ave. @ Coleman Ave.	N. Asheville	DP	2014009	6	2,800	\$1,431,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$1,411,000	2,800	\$0	\$0	\$0	\$0
Mitchell Avenue	W. Asheville	SA	2014185	8	3,360	\$1,809,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,000	\$9,500	\$90,500	\$0	\$1,685,750	3,360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Montford Ave. @ Montford Park	Asheville	BD	2017144	59	1,129	\$953,692	\$181,312	\$772,380	\$0	1,129	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Haw Creek @ Cisco Rd.	Asheville	BD	2025002	54	790	\$649,250	\$10,200	\$83,250	\$555,800	790	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Haw Creek Rd. @ Dogwood Grove	E. Asheville	SA	2014021	8	3,000	\$1,158,775	\$8,525	\$0	\$0	\$47,000	\$0	\$45,750	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,054,500	3,000	\$0	\$0	\$0	\$0	\$0	\$0
New Stock Road	Weaverville	DP	2015011	23	9,020	\$6,400,650	\$36,000	\$108,000	\$115,400	\$6,042,000	9,020	\$99,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
North Market Street	Asheville	SA	2014019	6	1,064	\$540,300	\$3,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,425	\$500	\$0	\$0	\$0	\$534,500	1,064	\$0	\$0	\$0	\$0	\$0
North Street @ Broadway Street	Asheville	TH	2018030	12	1,067	\$676,000	\$0	\$0	\$0	\$13,000	\$0	\$0	\$0	\$121,500	\$0	\$541,500	1,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oakland Drive @ Church Street	Black Mountain	DP	2015177	9	575	\$298,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	\$3,650	\$38,350	\$0	\$252,500	575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Oakley Road @ School Road	Asheville	TH	2018031	2	600	\$238,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,500	\$0	\$0	\$0	\$227,500	600	\$0	\$0
Oakwood Street	W. Asheville	BD	2014155	9	976	\$527,450	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000	\$2,600	\$54,850	\$0	\$463,000	976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Old Toll Rd. @ Blue Briar Rd.	Asheville	TH	2018032	3	185	\$95,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500	\$0	\$24,000	\$0	\$67,500	185	\$0	\$0
Old Turnpike Rd. @ Azalea	Arden	TH	2023255	35	1,168	\$600,400	\$76,050	\$87,100	\$437,250	1,168	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parkwood Avenue	Woodfin	TH	2021286	14	1,165	\$535,685	\$0	\$15,485	\$106,350	\$850	\$0	\$413,000	1,165	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Riverside Dr. @ Silverline Plastic	Woodfin	SA	2012007	4	400	\$208,670	\$1,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$201,750	400	\$0	\$0
Riverside Dr. @ Woodfin Ave.	Woodfin	SA	2019005	17	684	\$645,000	\$0	\$18,500	\$0	\$22,500	\$0	\$604,000	684	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Riverview Drive	Asheville	BD	2013104	54	2,507	\$1,951,480	\$17,380	\$0	\$1,934,100	2,507	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rosewood Ave. @ Riverside Cemetery	Montford	BD	2019023	25	180	\$104,150	\$1,300	\$2,600	\$25,150	\$75,100	180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Royal Pines Drive - PRP 47009	Arden	SA	2007020	18	7,050	\$3,638,100	\$10,100	\$0	\$39,000	\$8,000	\$45,000	\$3,536,000	7,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Starmount Drive	Asheville	SA	2023007	19	775	\$445,300	\$0	\$7,000	\$7,100	\$31,000	\$10,500	\$389,700	775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Starnes Avenue	Asheville	BD	2014154	7	3,074	\$1,615,340	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,000	\$0	\$3,400	\$0	\$91,150	\$0	\$1,498,790	3,074	\$0	\$0	\$0	\$0	\$0	\$0
Stratford Road	N. Asheville	DP	2015013	13	1,820	\$929,500	\$0	\$0	\$15,000	\$1,000	\$58,150	\$145,850	\$2,000	\$707,500	1,820	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sulphur Springs Rd. @ Covington	W. Asheville	DP	2014006	44	1,350	\$1,029,700	\$25,350	\$55,850	\$224,250	\$724,250	1,350	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeten Creek Rd. @ Holiday Dr.	Asheville	DP	2022022	43	3,053	\$1,465,000	\$24,000	\$18,300	\$47,000	\$64,700	\$1,311,000	3,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sweeten Creek Rd. @ Mills Gap Rd.	Asheville	SA	2014189	4	2,572	\$1,540,050	\$11,300	\$0	\$0	\$0	\$0	\$0	\$106,000	\$87,750	\$500	\$27,500	\$0	\$0	\$0	\$1,307,000	2,572	\$0	\$0	\$0			

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
TEN YEAR CAPITAL IMPROVEMENT PROGRAM
FY 2026-2027 through 2035-2036

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36			
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION Continued																													
US 70 @ Jordan Road	Swannanoa	DP	2015014	23	4,550	\$2,632,500	\$0	\$40,000		\$0		\$33,300		\$226,700		\$40,000		\$2,292,500	4,550	\$0		\$0		\$0		\$0		\$0	
Valle Vista Dr @ Ellenwood Dr	N. Asheville	DP	2025213	40	2,428	\$1,271,000	\$0	\$0		\$0		\$15,000		\$0		\$1,256,000	2,428	\$0		\$0		\$0		\$0		\$0		\$0	
Walnut St. @ N. Lexington Ave.	Asheville	DP	2017008	38	1,300	\$816,526	\$526	\$0		\$10,000		\$0		\$806,000	1,300	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Waynesville Ave. @ Brownwood Ave.	W. Asheville	SA	2014183	22	3,022	\$2,592,500	\$19,000	\$500		\$255,000		\$256,000		\$94,000	3,022	\$1,968,000		\$0		\$0		\$0		\$0		\$0		\$0	
Weaverville Rd. @ Reynolds Mtn.	Weaverville	TH	2018036	13	415	\$220,000	\$0	\$0		\$0		\$0		\$7,000		\$0		\$0		\$213,000	415	\$0		\$0		\$0		\$0	
Weston Road @ Tampa Blvd.	Skyland	BD	2015208	9	400	\$199,150	\$0	\$0		\$0		\$0		\$4,000		\$2,600		\$0		\$37,850		\$154,700	400	\$0		\$0		\$0	
Wildwood Park	Weaverville	DP	2015194	16	790	\$408,380	\$2,380	\$0		\$0		\$0		\$3,500		\$0		\$0		\$402,500	790	\$0		\$0		\$0		\$0	
Woody Lane @ Bluebird Rdg.	N. Buncombe County	SA	2025210	37	1,050	\$417,000	\$0	\$0		\$7,500		\$7,900		\$0		\$401,600	1,050	\$0		\$0		\$0		\$0		\$0		\$0	
SSD Rehab. & Replacement	Various	MS	2002101	N/A	150,000	\$5,425,000	\$5,142,500	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000	\$5,242,500	15,000
Surveys for Design	Various	HC	2002060	N/A	N/A	\$500,000	\$0	\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000	
SUBTOTAL					339,187	\$157,237,881	\$8,310,785	\$14,184,840	40,298	\$20,726,658	35,183	\$18,031,929	39,475	\$19,191,500	37,738	\$17,323,300	33,431	\$11,780,385	27,920	\$13,064,534	29,688	\$12,254,800	29,271	\$17,592,065	40,162	\$9,919,585	24,548		
Inflation per ENR Const. Cost Index	3.33%					1.0000	1.0000	1.0000		1.0333		1.0677		1.1033		1.1400		1.1780		1.2172		1.2577		1.2996		1.3429			
SUBTOTAL with inflation					339,187	\$157,237,881	\$8,310,785	\$14,184,840	40,298	\$21,416,856	35,183	\$19,252,851	39,475	\$21,173,283	37,738	\$19,748,601	33,431	\$13,876,874	27,920	\$15,902,027	29,688	\$15,413,144	29,271	\$22,862,739	40,162	\$13,320,833	24,548		

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
PRIVATE SEWER REHABILITATION																												
Douglas Place PSR	Asheville	SA	2011116	12	588	\$244,730	\$4,980	\$0		\$0		\$12,500		\$0		\$0		\$0		\$0		\$0	588	\$227,250		\$0		
Homeland Park	Asheville	TH	2016248	51	900	\$663,350	\$26,329	\$59,771		\$577,250	900	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Old County Home Rd PSR	W. Asheville	SA	2015221	55	4,592	\$3,426,300	\$3,215,300	\$211,000	167	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Patton Mountain - PSR	Asheville	BD	2000084	11	3,500	\$1,254,900	\$0	\$0		\$0		\$0		\$2,600		\$12,000		\$5,300		\$1,235,000	3,500	\$0		\$0		\$0		\$0
SUBTOTAL					9,580	\$5,589,280	\$3,246,609	\$270,771	167	\$577,250	900	\$12,500	0	\$2,600	0	\$12,000	0	\$5,300	0	\$1,235,000	3,500	\$0	588	\$227,250	0	\$0	0	
Inflation per ENR Const. Cost Index	3.33%					1.0000	1.0000	1.0000		1.0333		1.0677		1.1033		1.1400		1.1780		1.2172		1.2577		1.2996		1.3429		
SUBTOTAL with inflation					9,580	\$5,589,280	\$3,246,609	\$270,771	167	\$596,472	900	\$13,346	0	\$2,868	0	\$13,680	0	\$6,243	0	\$1,503,230	3,500	\$0	588	\$295,335	0	\$0	0	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS																												
Arc Flash Labeling	District-Wide	BD	2023008	N/A	0	\$354,625	\$204,625	\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000
Ash Lagoon Overflow Rehab	MSD-Treatment Plant	HC	2025031	N/A	0	\$175,071	\$71	\$175,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Biltmore Lake PS#2 Rehab	MSD - Treatment Plant	HC	2026019	N/A	0	\$80,400	\$0	\$80,400		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Biological Treatment	MSD-Treatment Plant	DP	2016063	N/A	0	\$248,287,106	\$883,267	\$575,000		\$0		\$0		\$0		\$55,000		\$105,000		\$25,160,000		\$51,635,000		\$55,475,000		\$64,475,000		
Black Mtn PS Rehab	MSD - Treatment Plant	SA	2026022	N/A	0	\$96,000	\$0	\$0		\$96,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Building and Facility Rehabilitation	MSD-Treatment Plant	HC	2002068	N/A	0	\$733,000	\$60,000	\$193,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000
Carrier Bridge PS Replacement	Asheville	DP	2019045	N/A	2,800	\$96,488,690	\$34,385,427	\$34,785,000		\$21,170,000	2,800	\$6,148,263		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Collection System Master Plan Update	District-Wide	HC	2020011	N/A	0	\$449,500	\$49,500	\$100,000		\$300,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Filter Bldg. MH Rehab	MSD - Treatment Plant	TH	2025281	N/A	0	\$101,000	\$0	\$101,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Flow Monitoring	MSD-Treatment Plant	SA	2008013	N/A	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		\$100,000
Headworks-HRPT Facility Improv	MSD-Treatment Plant	TH	2025028	N/A	0	\$310,000	\$0	\$0		\$310,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
HVAC Rehabilitation	MSD-Treatment Plant	HC	2020051	N/A	0	\$149,250	\$20,000	\$59,250		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000
Hydroelectric Power Plant Rehab	MSD-Treatment Plant	TH	2021016	N/A	0	\$3,886,850	\$502,850	\$140,000		\$100,000		\$748,500		\$757,500		\$452,500		\$396,500		\$255,000		\$259,000		\$138,500		\$136,500		
Incinerator Rehabilitation	MSD-Treatment Plant	DP	2022057	N/A	0	\$5,783,475	\$5,483,475	\$300,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Interceptor Line Assess and Cleaning	District Wide	BD	2025029	N/A	145,000	\$2,547,541	\$1,032,041	\$1,515,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA
TEN YEAR CAPITAL IMPROVEMENT PROGRAM
FY 2026-2027 through 2035-2036

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS Continued																												
Int. Clarifier Eff. Trough Rehab	MSD - Treatment Plant	SA	2022024	N/A	0	\$5,890,208	\$2,790,208	\$2,350,000		\$750,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
ITT Pump Station Upgrade	Henderson County	SA	2020061	N/A	2,750	\$6,446,911	\$449,411	\$2,970,500		\$3,027,000	2,750	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Mud Creek PS Replacement	Henderson County	TH	2021073	N/A	0	\$95,281	\$15,281	\$80,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
New Bern PS Rehab	Henderson County	BD	2025278	N/A	0	\$192,500	\$0	\$192,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Plant NPW Filter System	MSD - Treatment Plant	SA	2023011	N/A	0	\$325,000	\$100,000	\$0		\$0		\$225,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Raw Pump Impeller Replacement	MSD - Treatment Plant	HC	2025279	N/A	0	\$115,000	\$0	\$115,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
RBC Removal and Replacement	MSD-Treatment Plant	TH	2023029	N/A	0	\$4,176,763	\$2,521,763	\$1,655,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Ridgefield PS#2 Rehab	MSD - Treatment Plant	TH	2026021	N/A	0	\$122,000	\$0	\$0		\$122,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Salem Acres PS Rehab	MSD - Treatment Plant	SA	2026020	N/A	0	\$124,000	\$0	\$124,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
SCADA System Replacement	MSD - Treatment Plant	HC	2025280	N/A	0	\$387,000	\$0	\$387,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Solids Handling Capacity Improvements	MSD-Treatment Plant	DP	2019087	N/A	0	\$149,723,522	\$28,022	\$13,245,500		\$41,870,000		\$55,000,000		\$31,000,000		\$8,580,000		\$0		\$0		\$0		\$0		\$0		\$0
South Storage Building	Arden	DP	2023009	N/A	0	\$1,786,000	\$60,000	\$1,726,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Training Center - Entrance Gate	MSD - Treatment Plant	SA	2025282	N/A	0	\$40,000	\$0	\$40,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Weaverville PS Replacement	Weaverville	SA	2019080	N/A	18,174	\$25,947,655	\$23,389,655	\$3,058,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
General Capital Equipment	Varies	HC	2016072	N/A	0	\$1,750,000	\$200,000	\$400,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000
SUBTOTAL					168,724	\$557,564,348	\$72,275,596	\$64,482,650	0	\$68,080,000	2,750	\$62,456,763	2,800	\$32,092,500	0	\$9,422,500	0	\$836,500	0	\$25,750,000	0	\$52,229,000	0	\$55,948,500	0	\$64,946,500	0	
<i>Inflation per ENR Const. Cost Index</i>	3.33%					1.0000		1.0000		1.0333		1.0677		1.1033		1.1400		1.1780		1.2172		1.2577		1.2996		1.3429		
SUBTOTAL with inflation					168,724	\$557,564,348	\$72,275,596	\$64,482,650	0	\$70,347,064	2,750	\$66,685,641	2,800	\$35,406,487	0	\$10,741,671	0	\$985,367	0	\$31,342,657	0	\$65,689,615	0	\$72,710,961	0	\$87,215,488	0	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36	
								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	HC	N/A	N/A	0	\$41,000,111	\$3,550,454	\$3,569,262		\$3,702,519		\$3,801,946		\$3,904,315		\$4,073,926		\$4,174,014		\$4,277,007		\$4,382,899		\$4,491,799		\$4,622,424	
SUBTOTAL					0	\$41,000,111	\$3,550,454	\$3,569,262	0	\$3,702,519	0	\$3,801,946	0	\$3,904,315	0	\$4,073,926	0	\$4,174,014	0	\$4,277,007	0	\$4,382,899	0	\$4,491,799	0	\$4,622,424	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36		
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET
DEVELOPER REIMBURSEMENTS																												
Black Mtn. Annex. - Craigmont Rd.	Black Mountain	HC	1992173	N/A	0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Developer Reimbursements	Various	HC	2004051	N/A	0	\$2,100,000	\$44,430	\$200,000		\$1,100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000
SUBTOTAL					0	\$2,100,000	\$44,430	\$200,000	0	\$1,100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	\$100,000	0	

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 26	FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35		FY 35-36	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
BUDGET SUMMARY																											
SUBTOTAL with inflation					599,852	\$888,033,592	\$88,049,283	\$82,827,923	40,465	\$97,794,756	38,833	\$90,568,722	42,275	\$62,167,324	39,938	\$46,649,784	40,941	\$38,208,734	40,930	\$58,006,039	41,059	\$94,130,502	41,499	\$100,935,060	40,162	\$122,672,078	37,430
CONTINGENCY								\$1,000,000																			
TOTAL					599,852	\$888,033,592	\$88,049,283	\$83,827,923	40,465	\$97,794,756	38,833	\$90,568,722	42,275	\$62,167,324	39,938	\$46,649,784	40,941	\$38,208,734	40,930	\$58,006,039	41,059	\$94,130,502	41,499	\$100,935,060	40,162	\$122,672,078	37,430



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
Aaa	AA+	AAA

In October 2021, the District received a ratings upgrade from AA+ to AAA from Fitch Ratings. Fitch Ratings 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.

Debt Financing (continued)

Debt Management (continued)

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.

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 \$120 million in debt is anticipated to be issued in FY2027 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 FY2018, the District issued \$37.5 million fixed rate revenue bonds. \$11.4 million was used to refund portions of the 2009A Series bonds. The remaining \$26.1 million has been expended. The District will accumulate funding from operations to finance a portion of the capital budget until the next debt issuance, anticipated to be in FY2027.

As of June 30, 2026, the District will have \$64.5 million par value of outstanding revenue bond debt. During FY2027, approximately \$6.3million in principal will be repaid. The District anticipates issuing an additional \$120 million in revenue bonds in FY2027. 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, 2026 and anticipated principal repayment during FY2027 begin below and continue on the following two (2) pages.

Debt Financing (continued)

Outstanding Debt as of June 30, 2026

	Balance 6/30/2026	Additions	Retirements	Balance 6/30/2027
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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.	\$ 13,470,000	\$ -	\$ 2,485,000	\$ 10,885,000
Total Bonds - Series 2008A	\$ 13,470,000	\$ -	\$ 2,485,000	\$ 10,885,000

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.	\$ 67,293	\$ -	\$ 16,823	\$ 50,470
Total State Revolving Fund	\$ 67,293	\$ -	\$ 16,823	\$ 50,470

Revenue Bonds Series 2013 issued to refund Series 2003 and Series 2008B Revenue Refunding Bonds:

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	\$ 4,905,000	\$ -	\$ 1,180,000	\$ 3,725,000
Total Bond - Series 2013	\$ 4,905,000	\$ -	\$ 1,180,000	\$ 3,725,000

Debt Financing (continued)

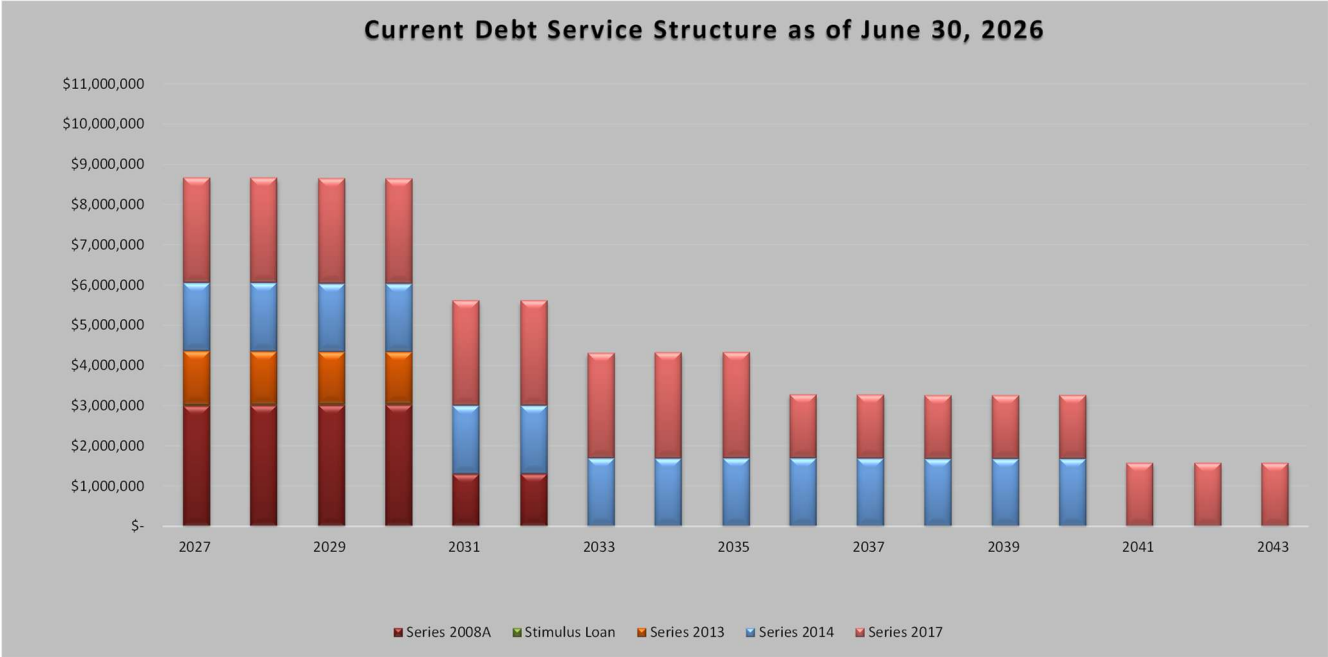
Outstanding Debt as of June 30, 2026

	Balance 6/30/2026	Additions	Retirements	Balance 6/30/2027
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	\$ 13,060,000	\$ -	\$ 960,000	\$ 12,100,000
5.00% term bonds issued May 21, 2014, at 112.950%, due July 1, 2039; interest payable semi-annually.	\$ 4,520,000	\$ -	\$ -	\$ 4,685,000
Total Bond - Series 2014	\$ 17,745,000	\$ -	\$ 960,000	\$ 16,785,000
Revenue Bonds Series 2017 issued to refund Series 2009A and to construct certain sewerage projects:				
3.0% to 5.00% serial bonds issued July 11, 2017, with maturities on each July 1, 2018 through 2039 varying from \$620,000 to \$2,260,000; interest payable semi-annually	\$ 23,795,000	\$ -	\$ 1,550,000	\$ 22,245,000
5.00% term bonds issued July 11, 2017, at 97.704%, due July 1, 2042; interest payable semi-annually.	\$ 4,520,000	\$ -	\$ -	\$ 4,520,000
Total Bond - Series 2017	\$ 28,315,000	\$ -	\$ 1,550,000	\$ 26,765,000
Total Bonds - All Series	\$ 64,502,293	\$ -	\$ 6,291,823	\$ 58,210,470

Aggregate Debt Service

Year Ending June 30	Series 2008A Refunding	North Carolina Water Pollution Control Revolving Fund	Series 2013 Refunding	Series 2014	Series 2017	Aggregate Debt Service
2027	3,000,803	16,824	1,341,444	1,695,775	2,619,350	8,674,195
2028	3,010,738	16,824	1,323,644	1,706,625	2,614,975	8,672,805
2029	3,017,451	16,824	1,304,644	1,695,475	2,621,475	8,655,869
2030	3,025,226	16,824	1,294,922	1,697,675	2,618,600	8,653,246
2031	1,304,929	-	-	1,698,175	2,616,350	5,619,454
2032	1,306,777	-	-	1,696,875	2,614,475	5,618,127
2033	-	-	-	1,698,675	2,612,725	4,311,400
2034	-	-	-	1,693,575	2,637,675	4,331,250
2035	-	-	-	1,698,138	2,635,850	4,333,988
2036	-	-	-	1,697,325	1,583,050	3,280,375
2037	-	-	-	1,692,850	1,584,650	3,277,500
2038	-	-	-	1,682,125	1,580,125	3,262,250
2039	-	-	-	1,681,000	1,579,475	3,260,475
2040	-	-	-	1,681,000	1,582,550	3,263,550
2041	-	-	-	-	1,578,438	1,578,438
2042	-	-	-	-	1,577,109	1,577,109
2043	-	-	-	-	1,579,297	1,579,297
	<u>\$ 14,665,924</u>	<u>\$ 67,294</u>	<u>\$ 5,264,653</u>	<u>\$ 23,715,288</u>	<u>\$ 36,236,169</u>	<u>\$ 79,949,328</u>

Current Debt Service Structure as of June 30, 2026





Appendix



Budget Resolution

RESOLUTION ADOPTING PRELIMINARY BUDGET AND SEWER USE CHARGES
FOR THE
METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY, NORTH CAROLINA
FOR THE FISCAL YEAR July 1, 2026 THRU June 30, 2027

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 2026-2027 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, 2026 and ending June 30, 2027:

Operating and Maintenance Expenses	\$	18,797,562
Transfer to Insurance Accounts	\$	4,363,420
Transfer to Fleet & Heavy Equipment Fund	\$	595,000
Transfer to Wastewater Treatment Plant Reserve	\$	250,000
Transfer to Pump Station Maintenance	\$	<u>60,000</u>
Subtotal O&M	\$	24,065,982
Transfer to the General Fund	\$	-
Transfer to Debt Service Fund	\$	<u>8,674,195</u>
	\$	<u><u>32,740,177</u></u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Domestic User Fees	\$	49,235,906
Industrial User Fees	\$	4,731,826
Billing and Collection Fees	\$	1,250,000
Investment Interest	\$	2,554,169
Reimbursement for Debt Service from COA	\$	-
Rental Income	\$	25,000
Contribution to Net Position	\$	<u>(25,056,724)</u>
	\$	<u><u>32,740,177</u></u>

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, 2026 and ending June 30, 2027:

Transfer into Construction	\$	<u><u>-</u></u>
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It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Facility and Tap Fees	\$ 4,350,000
Investment Income	\$ 1,000
Transfer In from Revenue Fund	\$ -
Contribution to Net Position	\$ (4,351,000)
	<u>\$ -</u>

3 The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Capital Improvements Projects	<u>\$ 83,827,923</u>
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It is estimated that the following revenues will be available to the Construction Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027.

Proceeds from Revenue Bonds	\$ 120,000,000
Investment Income	\$ 20,000
Transfer In from General Fund	\$ -
Contribution to Net Position	\$ (36,192,077)
	<u>\$ 83,827,923</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, 2026 and ending June 30, 2027 are:

Operating Expenditures	<u>\$ 4,669,500</u>
------------------------	---------------------

It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Transfer In from the Revenue Fund	\$ 4,363,420
Investment Income	\$ 255,000
Employee/Retirees Medical Contributions	\$ 355,000
Contribution To Net Position	\$ (303,920)
	<u>\$ 4,669,500</u>

5 The following amounts are presented as the financial plan of the Fleet & Heavy Equipment Fund designated for capital equipment expenditures for the fiscal year beginning July 1, 2026 and ending June 30, 2027 estimated as follows:

Transfer to Capital Reserve	\$ -
Capital Equipment	\$ 1,171,001
	<u>\$ 1,171,001</u>

It is estimated that the following revenues will be available in the Fleet & Heavy Equipment Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Transfer In from the Revenue Fund	\$	595,000
Sale of Surplus Property	\$	117,100
Investment Income	\$	66,156
Appropriated from Net Position	\$	<u>392,745</u>
	\$	<u>1,171,001</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, 2025 and ending June 30, 2026 estimated as follows:

Capital Equipment	\$	<u>332,479</u>
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It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Transfer In from the Revenue Fund	\$	250,000
Investment Income	\$	12,352
Transfer Out to Pump Station Replacement Fund	\$	-
Appropriated from Net Position	\$	<u>70,127</u>
	\$	<u>332,479</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, 2026 and ending June 30, 2027 estimated as follows:

Capital Equipment	\$	65,000
	\$	<u>65,000</u>

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Transfer In from the Revenue Fund	\$	60,000
Investment Income	\$	3,721
Appropriated from Net Position	\$	<u>1,279</u>
	\$	<u>65,000</u>

8 The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Debt Service	\$	<u>8,674,195</u>
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It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Transfer In from the Revenue Fund	\$	8,674,195
Investment Income	\$	500
Contribution To Net Position	\$	(500)
	\$	<u>8,674,195</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, 2026.
- 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 10th day of June 2026

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

Attest:

Jackie Bryson
 Secretary/Treasurer

**Metropolitan Sewerage District of Buncombe County, North Carolina
Schedule of Rates, Fees, and Charges - FY2027**

Effective July 1, 2026

	ADOPTED FY2026 RATE	PROPOSED FY2027 RATE
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 5.80	\$ 6.21
Industrial Volume Charges (per CCF) Inside	5.80	\$ 6.21
Industrial Surcharge for BOD (per lb., BOD >250 mg/l) Inside	0.300	0.300
Industrial Surcharge for TSS (per lb., TSS >250 mg/l) Inside	0.250	0.250
Residential & Commercial Volume Charges (per CCF) Outside	\$ 5.81	\$ 6.22
Industrial Volume Charges (per CCF) Outside	5.81	6.22
Industrial Surcharge for BOD (per lb., BOD >250 mg/l) Outside	0.300	0.300
Industrial Surcharge for TSS (per lb., TSS >250 mg/l) Outside	0.250	0.250
Base Meter/Maintenance Charge & Billing Fee		
5/8"	\$ 8.95	\$ 9.58
3/4"	13.00	13.91
1"	23.09	24.71
1 1/2"	52.79	56.49
2"	93.36	99.90
3"	207.04	221.54
4"	369.47	395.34
6"	832.30	890.57
8"	1,477.83	1,581.28
10"	2,314.20	2,476.20
Billing Fee (per bill)	3.01	3.09
Sewer System Development Fees		
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.		
Residential		
Per Unit	\$ 3,568.00	\$ 3,568.00
Mobile Home	3,568.00	3,568.00
Multifamily Unit	2,390.00	2,390.00
Affordable Housing	844.00	844.00

**Metropolitan Sewerage District of Buncombe County, North Carolina
Schedule of Rates, Fees, and Charges - FY2027**

Effective July 1, 2026

	ADOPTED FY2026 RATE	PROPOSED FY2027 RATE
Sewer System Development Fees <i>(continued)</i>		
<i>Nonresidential</i>		
5/8"	\$ 3,568.00	\$ 3,568.00
3/4"	5,352.00	5,352.00
1"	8,919.00	8,919.00
1 1/2"	17,839.00	17,839.00
2"	28,542.00	28,542.00
3"	57,084.00	57,084.00
4"	89,194.00	89,194.00
6"	178,387.00	178,387.00
8"	285,319.00	285,319.00
10"	749,226.00	749,226.00
12"	945,452.00	945,452.00
 Sewer Connection Fees		
The Sewer Connection Fee will apply to all new construction, as well as existing structures which have been demolished/rebuilt and sewer service is reinstated under new property ownership.		
MSD will install sewer connections where the public main is on the same side of the street as the residence or business		
MSD requires that a licensed utility contractor install any sewer connection/service line within public rights-of-way extending over 75 feet or that requires pavement disturbance or boring to reach across a paved thoroughfare. The installation shall be constructed to MSD Standards. All work will be subject to MSD inspection.		
Sewer Connection by MSD	\$ 1,300.00	\$ 1,300.00
Contractor installed Sewer Connection	Varies	Varies
Inspection Fee for Utility Contractor Installed Sewer Connection	\$ 140.00	\$ 140.00
 Manhole Installation/Replacement		
Cost per foot	\$ 250.00	\$ 250.00
Pavement replacement (if required)	1,800.00	1,800.00

**Metropolitan Sewerage District of Buncombe County, North Carolina
Schedule of Rates, Fees, and Charges - FY2027**

Effective July 1, 2026

	ADOPTED FY2026 RATE	PROPOSED FY2027 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
Pump Station Acceptance Fee	Note 1	Note 1
Note 1--See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing.		
Bulk Charges		
Volume Charge for Septic Haulers (per 1,000 Gal.)	\$ 45.00	\$ 45.00
Biochemical Oxygen Demand >250 mg/l (per lb.)	0.300	0.300
Total Suspended Solids >250 mg/l (per lb.)	0.250	0.250
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