

The seal is circular with a light blue outer ring. The top half of the ring contains the text "METROPOLITAN SEWERAGE DISTRICT" and the bottom half contains "BUNCOMBE COUNTY, NORTH CAROLINA", separated by two small dots. The center of the seal features a landscape illustration with green rolling hills, a blue river flowing through the foreground, and a white cloud in the sky. The Latin phrase "aqua salubris" is written in a light blue arc at the bottom of the central illustration.

# Meeting Notice

The **Finance Committee** of the  
**METROPOLITAN SEWERAGE DISTRICT**  
will meet on  
**Thursday, May 2, 2024, at 9:00 a.m.**



**AGENDA FOR: May 2, 2024**

**TIME: 9:00 A.M.**

**LOCATION: MSD Administration Bldg.  
Board Room  
2028 Riverside Drive  
Woodfin, N.C.**

# Agenda

**1. Third Quarter Budget to Actual Review for FY 2023-2024**

**2. Pay Adjustment & Self-Insured Health Plan for FY 2024-2025**

**3. Capital Improvement Program for FY 2025-2034**

**4. MSD Business Plan/Financial Forecast**

**5. MSD Rates & Survey Data Comparisons**

**6. FY 2024-2025 Budget & Proposed Sewer Rates**

**7. Schedule of Sewer Rates & Fees for FY 2024-2025**

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

**2028 Riverside Drive  
W. H. Mull Building  
Asheville, North Carolina 28804**



**(828) 254-9646**



**[www.msdbc.org](http://www.msdbc.org)**

**Finance Committee Members:**

*E. Glenn Kelly, Chairman*

*Jackie W. Bryson*

*Sheila Franklin*

*Esther Manheimer*

*Nathan Pennington*

*Al Whitesides*

*Gwen Wisler*

## INFORMATIONAL ITEM

### Finance Committee

**Meeting Date:** May 2, 2024  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
Jody Germaine, Budget Analyst  
**Subject:** Third Quarter Budget to Actual Review – FY 2024

#### Background

Attached for the Board's information is a budget to actual comparison of the revenues and expenditures for the third quarter of the fiscal year ending June 30, 2024. This information is based on cash revenues and invoices received prior to April 1, 2024 and may not include some accruals of revenue and expenditures as explained below.

#### Discussion

The attached sheet summarizes revenues and expenditures per the budget summary, comparing actual plus encumbered expenditures to budgeted amounts. The notes are added to anticipate any questions or comments concerning amounts reported. Additional notes to aid in the analysis of the District's financial performance for the fiscal year are as follows:

- Domestic and Industrial revenue are trending slightly above budgeted expectations. Staff monitors consumption trends as they have a direct effect on the District's current and future revenue projections.
- Facility and Tap Fees are budgeted conservatively and can be significantly higher than budget. Facility and Tap fees are above budgeted expectation due to receiving unanticipated revenue from various commercial/residential developers as well as a general residential development exceeding budgeted expectations.
- Interest and miscellaneous income are above budgeted expectations. Actual short-term interest rates are higher than anticipated for the fiscal year.
- Rental income is slightly below budgeted expectations due to timing of cash receipts.

- O&M expenditures are below 75% of budget. The expenditures include encumbered amounts, which will be spent in the fourth quarter.
- Bond principal and interest are at 97.17%. This reflects principal and semi-annual interest payments.
- Amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.

### Staff Recommendation

None – Informational only.

**Budget to Actual Revenue and Expenditure Report  
For the Nine Months ended March 31, 2024**

UNAUDITED—NON-GAAP

	Amended Budget	Actual to Date	% Budget to Actual
<b>REVENUES</b>			
Domestic User Fees <sup>1</sup>	\$ 38,928,326	\$ 29,807,754	76.57%
Industrial User Fees	3,410,895	2,926,780	85.81%
Facility Fees <sup>2</sup>	3,000,000	7,286,372	242.88%
Tap Fees <sup>3</sup>	200,000	377,292	188.65%
Billing and Collection	1,157,474	810,452	70.02%
Interest and Misc. Income	2,902,076	3,704,510	127.65%
Employee Contribution to Health Ins.	385,800	272,630	70.67%
City of Asheville (Enka Bonds)	35,000	-	0.00%
Rental Income	96,000	72,853	75.89%
Use of (Contributions to) Available Funds <sup>4</sup>	<u>6,704,394</u>	<u>432,973</u>	<u>6.46%</u>
<b>Total Revenues<sup>5</sup></b>	<u><b>\$ 56,819,965</b></u>	<u><b>\$ 45,691,615</b></u>	<u><b>80.41%</b></u>
<b>EXPENDITURES</b>			
Operations and Maintenance <sup>6</sup>	\$ 20,972,686	\$ 14,580,703	69.52%
Bond Principal and Interest	8,734,667	8,487,127	97.17%
Capital Equipment (Other than O&M) <sup>6</sup>	734,619	697,184	94.90%
Capital Projects <sup>6</sup>	25,377,993	21,926,601	86.40%
Contingency	<u>1,000,000</u>	<u>-</u>	<u>0.00%</u>
<b>Total Expenditures</b>	<u><b>\$ 56,819,965</b></u>	<u><b>\$ 45,691,615</b></u>	<u><b>80.41%</b></u>

**Notes:**

1. Revenues are accounted for on the cash basis method
2. Increase due to unanticipated revenue from various developments
3. Increase in number of Taps requiring Pavement Disturbance
4. Pay-as-go funds to be used for CIP
5. Budget-to-Actual Ratio does not include use of available funds
6. Includes encumbered amounts as well as actual insurance expenditures

## ACTION ITEM

### Personnel Committee

Meeting Date: May 2, 2024

Submitted by: Thomas E. Hartye, P.E., General Manager

Pam Thomas, SHRMCP IPMASC, Human Resources Director

W. Scott Powell, CLGFO, Director of Finance

Prepared by: Jody Germaine, Budget Analyst

Subject: Pay Adjustment and Self-Insured Health Plan for FY 2024-2025

#### Staff Recommendation

That the MSD Board fund and approve:

- ✓ 3.7% annual wage increases for employees, starting July 1, 2024
- ✓ Living wage adjustment for lower-level employees
- ✓ 0% increase for the Self-Insured Medical Plan
- ✓ 5.8% increase in **State required** contributions for the NC Retirement Plan

#### Background

At the Board request, staff annually develops a composite view of both salary and benefit programs costs.

Each year, during the budgetary process, the Personnel Committee considers cost of living and merit pay salary adjustments with the goal of keeping MSD's compensation program competitive with other area employers and to meet the objective of retaining skilled, high performing employees. Inadequate wages lead to high turnover levels and increased costs from training new employees as well as loss of efficiencies until they are fully proficient.

The Personnel Committee also considers benefits as an integral part of budgeting for a comprehensive compensation package.

#### Staffing Levels

MSD management has endeavored to effectively maintain the reduced staffing levels. As a vacancy occurs, it is evaluated to determine the impact on efficient and effective operations. Frequently MSD reengineers, reorganizes and reassigns duties or implements technology applications, to help control personnel costs. At other times, a position may be added to support work needs or safe work practices.

MSD's workforce currently averages 45 years of age and has 11 years of service with the District. MSD's staff is considered extremely skilled and responsive.

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Subject: Pay Adjustment and Self-Insured Health Plan for FY 2024-2025

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### Health Insurance

In March, the District's insurance consultants indicated that FY2024 projected increases to medical and drug costs for the South region to be 7% and 12%, respectively. It is important to keep in mind that health plan cost increases continue to significantly outpace general inflation and average wage increases.

Attachment #1 provides actual and projected medical costs for MSD.

Significant cost drivers for MSD continue to be rising medical inflation costs, lack of hospital competition and increasing drug costs (both specialty and generic).

Several years ago, we rebuilt the medical insurance plan. Based on the changes we made, savings were realized in brokerage fees, drug costs, claims experience and reinsurance fees. Over the last 5 years the medical plan has maintained a healthy reserve despite having significant claims. The insurance reserve allows for a smoothing of costs during adverse times. Based on the January 1, 2024 insurance renewal, staff is recommending no change in the Board and employee contributions for fiscal year FY2025.

In response to the increases in medical costs, MSD management has taken the following actions, with which the Employee Advisory & Wellness Committees concurred:

- Partnering with Park Ridge Hospital and Associates to offer higher discounts that save the District and employee's significant costs;
- Working with the Pharmacy Benefit Manager (PBM) has reduced drug costs;
- Requiring that working spouses be covered as "primary" by their employer's insurance, before they can be covered by MSD's insurance;
- Increase specialist and Urgent Care co-pays to \$40 and increase premiums
- Partnering with Range Urgent Care to offer higher discounts that save the District and employees significant costs
- Pharmacy Overlay program for a cost savings, since inception, of \$278,859 for member and employer;
- Savings of \$298,294 for having Medwatch involved in case management for employees medical care.

We continue to offer several well received Health & Wellness programs including: on-site nurse-practitioner available at zero cost to the employee; medical and nutritional training classes through Advent Hospital; Wellness activities that encourage healthier lifestyles; on-site "Advent Advantage" services; required physicals for all adults covered by MSD's medical insurance. Additional on-site programs include: a monthly health newsletter, flu and tetanus shots, training on industry medical issues, Health Days and increased use of the workout & weight rooms.

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### Salary & Benefits Discussion

The District has attempted to provide employees with competitive wages and benefits as a means of retaining and rewarding high-performing employees. The benefit to MSD of keeping professional and motivated employees has been illustrated repeatedly over the past years.

Over 60% of MSD employees have earned technical certifications above their job requirements. MSD employees have continued to earn national and state awards for ISO 14001, the AMSA Environmental Achievement Award, National and North Carolina GIS recognitions, NC “Operations Challenge” and the NACWA “Excellence in Management” award, among others.

A summary of the last 12 years’ Consumer Price Index compared with actual and proposed FY 2024-2025 cost of living and merit raises is summarized below:

Consumer Price Index (CPI) for South Urban Region			District Adopted Increase	
2011	3.9%*		FY 2012-2013	4.0%
2012	2.1%*		FY 2013-2014	2.1%
2013	1.5%*		FY 2014-2015	2.5%
2014	1.6%*		FY 2015-2016	3.0%
2015	0.5%*		FY 2016-2017	3.0%
2016	2.0%*		FY 2017-2018	3.0%
2017	1.89%*		FY 2018-2019	3.0%
2018	1.50%*		FY 2019-2020	2.5%
2019	2.16%*		FY 2020-2021	0%
2020	1.35%*		FY 2021-2022	3.5%
2021	8.1%		FY 2022-2023	7%
2022	6.3%		FY 2023-2024	6.3%
<b>2023</b>	<b>3.7%</b>		<b>FY 2024-2025</b>	<b>3.7 % (proposed) Plus living wage adjustment for lower-level employees</b>
*CPI-W for “Urban Wage Earners and Clerical” for the South Urban region				

- **Cost of Living:**

The District obtains cost of living data from the Bureau of Labor Statistics for the South Region. The Consumer Price Index increased by 3.7% for “all urban consumers and for wage earners and



clerical workers” during the period of December 2022 to 2023. The Consumer Price Index for the previous period of December 2021 to 2022 was 6.3%.

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- **Private Sector:**

Each year several international consulting firms (Towers Watson, World at Work, SHRM, Federal, Social Security) survey thousands of companies for projected pay increases for the next year. Many private sector firms granted raises averaging 6% in 2023 and were planning increases between 2.4%-4.1% or more in 2024.

- **Agency Comparisons:**

Attachment #2 provides a listing of our benchmark agencies showing the past years’ increases, as well as “based upon conversations with respective managers which have not yet been approved” – for January 2024, along with their additional comments/changes as of early April.

### Fiscal Impact

The proposed salary and benefit adjustment costs are approximately \$809,000 higher than last years’ budget request in this area.

### Recommendation

Staff requests that the Personnel Committee approve the recommendation of:

- 3.7% annual wage increases for employees, beginning July 1, 2024
- Living wage adjustment for lower-level employees
- 0% increase for the Self-Insured Medical Plan
- 5.8% increase in **State required** contributions for the NC Retirement Plan

# ATTACHMENT #1

## MSD Self-Funded Health Insurance Plan Projection

	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Est. Actual FY 2024	Budget FY 2025
<b>Beginning Balance</b>	<b>\$1,142,038</b>	<b>\$626,684</b>	<b>\$1,168,265</b>	<b>\$1,198,068</b>	<b>\$1,361,878</b>	<b>\$1,889,312</b>	<b>\$2,307,417</b>	<b>\$2,893,387</b>	<b>\$3,847,771</b>	<b>\$4,240,050</b>
<b>Income:</b>										
Employer Contribution	1,735,116	1,908,628	2,051,775	2,185,141	2,327,175	2,478,441	2,639,540	2,811,110	2,993,840	2,993,840
Employee Contributions	399,412	360,418	382,579	343,194	351,869	355,075	349,602	359,647	345,000	345,000
Transfer from Other Insurance Funds	278,500	735,800	225,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest	2,926	5,982	15,701	30,330	20,593	315	2,882	85,467	140,000	150,000
<b>Total Income</b>	<b>\$2,415,954</b>	<b>\$3,010,828</b>	<b>\$2,675,055</b>	<b>\$2,708,665</b>	<b>\$2,849,637</b>	<b>\$2,983,831</b>	<b>\$3,142,024</b>	<b>\$3,406,224</b>	<b>\$3,628,840</b>	<b>\$3,638,840</b>
<b>Total Funds Available</b>	<b>\$3,557,992</b>	<b>\$3,637,512</b>	<b>\$3,843,320</b>	<b>\$3,906,733</b>	<b>\$4,211,515</b>	<b>\$4,873,143</b>	<b>\$5,449,441</b>	<b>\$6,299,611</b>	<b>\$7,476,611</b>	<b>\$7,878,890</b>
<b>Expenses:</b>										
Claims Paid	2,544,004	2,051,542	2,201,519	2,075,792	1,908,124	2,187,739	2,131,940	2,033,421	2,806,561	2,806,561
Fixed Costs	387,304	417,705	443,733	469,063	414,079	377,987	424,114	418,419	430,000	430,000
<b>Total Expenses</b>	<b>\$2,931,308</b>	<b>\$2,469,247</b>	<b>\$2,645,252</b>	<b>\$2,544,854</b>	<b>\$2,322,203</b>	<b>\$2,565,726</b>	<b>\$2,556,054</b>	<b>\$2,451,840</b>	<b>\$3,236,561</b>	<b>\$3,236,561</b>
<b>Ending Balance</b>	<b>\$626,684</b>	<b>\$1,168,265</b>	<b>\$1,198,068</b>	<b>\$1,361,878</b>	<b>\$1,889,312</b>	<b>\$2,307,417</b>	<b>\$2,893,387</b>	<b>\$3,847,771</b>	<b>\$4,240,050</b>	<b>\$4,642,329</b>
<b>Number of Participants</b>	158	158	163	163	166	166	165	166	167	162
<b>Total Cost per Participant</b>	\$18,553	\$15,628	\$16,229	\$15,613	\$13,989	\$15,456	\$15,491	\$14,770	\$19,381	\$19,979
<b>MSD Cost per Participant</b>	\$16,025	\$13,347	\$13,881	\$13,507	\$11,869	\$13,317	\$13,372	\$12,604	\$17,315	\$17,849
<b>MSD Contribution Increase</b>	0.00%	10.00%	7.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	0.00%

\*Employees cost sharing includes premium increases and overall plan modifications

## ATTACHMENT #2

### Local Governments and Utilities:

AGENCY	FY2024	FY2025 “Based upon conversations with respective managers which have not yet been approved”
Woodfin	4% -5% COLA	3.4% COLA
Weaverville	0% COLA	3.5% COLA
Black Mountain	4% COLA	4% - 5% COLA
Biltmore Forest	6% COLA	3% - 3.5% COLA
City of Asheville	5% COLA	4.11% COLA
Buncombe County	4.69% COLA Longevity Pay Annual	4% - 5% COLA Longevity Pay Annual
OWASA	5% COLA	1.7% COLA
Land of Sky Regional Council	7% COLA	5% COLA
CMUD	8% COLA	6.% COLA
Western Carolina Sewer & Water (REWA)	3% MERIT	3% MERIT
<b>Metropolitan Sewerage District (MSD)</b>	<b>6.3% COLA</b>	<b>3.7% COLA</b>
Private Sector	5% - 8%	2.4% - 4.1%
Consumer Price Index (CPI)	6.3%	3.7%

## ACTION ITEM

### Capital Improvement Program Committee

**Meeting Date:** May 2, 2024

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

Prepared By: Hunter Carson, P.E., Director of Engineering  
Jody Germaine, Budget Analyst

Subject: Highlights of the Current and Proposed Capital Improvement Program

### Background

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Enclosed are the Fiscal Year 2025 budget recommendations for the District's Capital Improvement Program (CIP), as well as projections for the following nine fiscal years.

A budget summary showing the entire program is included in the committee package. The full budget document, with detailed information for each project, is posted on the main page of the District's website ([www.msdbc.org/cip.php](http://www.msdbc.org/cip.php)). It is also available to the public for viewing and comment.

### Capital Improvement Program

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The District's Capital Improvement Program is divided into the following six areas, generally based upon the 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.

Major plant projects have been guided by the 2015 Facility Plan, and include the Plant Headworks, High Rate Primary Treatment, and Biological Treatment projects. The Plant Headworks and High Rate Primary Treatment were completed in 2019 and 2023, respectively. These projects, totaling approximately \$28 million, will improve plant performance. Replacement of the RBCs is the final major plant project.

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recommendation of the Facility Plan, and is regulatory-driven. The Biological Alternatives Evaluation will select the most appropriate technology for replacing the RBCs

The Solids Handling PER will provide phased recommendations for solids handling processes at the plant, including the replacement of MSD's fluidizing bed incinerator.

Reimbursement Projects are sewer extensions that qualify for developer reimbursement under the District's Extension Policy. The FY24-25 CIP includes two Developer Reimbursement projects

## Highlights

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### ❖ Collection System

- ▲ The District's goal is to rehabilitate 40,000 LF of sewer line each year. This is accomplished by using both in-house forces and outside contractors. Four new collection system projects have been added to the CIP for FY24-25 and beyond. Within the ten-year program, there are 80 collection system projects which range in length from 150 LF to over 18,000 LF.
- ▲ The District's Pipe Rating Program is used to objectively prioritize collection system projects within the CIP each fiscal year. This rating takes into account overflow history, structural issues, customer service requests, and impacts to surface waters at each project location. Applying these inputs into a weighted matrix, the Pipe Rating Program helps staff identify the likelihood and consequence of pipe failure for each project.
- ▲ Significant collection system projects currently underway or completed over the past year are Cherokee Road, Buchanan Avenue, CIPP Lining Contract No. 9, and Christian Creek Interceptor. Combined with in-house and developer-constructed rehabilitation projects, the total rehabilitated footage anticipated for FY23-24 is approximately 34,090 LF.
- ▲ The Christian Creek Interceptor replacement project is a multi-year project that began in March 2022 to replace approximately 12,226 LF of old, undersized interceptor sewer in East Asheville. The project is complex and requires multiple bores underneath NCDOT roads (including I-40) and Norfolk Southern Railroad. Anticipated project completion is June 2024.
- ▲ Design of the new Weaverville Pump Station and force main was completed this fiscal year and the project was publicly bid in December 2023. The project is currently in a 6-month "Construction Administration" period designed to procure long-lead time equipment and materials prior to mobilizing construction equipment to the site. The Construction Administration period is running in parallel with right-of-way acquisition which is anticipated to be complete early in FY24-25. The pump station serves Weaverville and the Reems Creek Valley and is being replaced and upsized to accommodate anticipated growth through the year 2070. Total project costs exceed \$24 million.

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### ◆ Water Reclamation Facility

- ▲ The Carrier Bridge Pump Station (the District's largest) will also be replaced in the near future. Carrier Bridge is a regional pump station which serves large areas of Buncombe County and Northern Henderson County. This significant \$85 million project will replace an aging pump station first constructed in the 1960's and upgraded multiple times over the years. Final design is underway and construction is expected to begin Fall 2025.
- ▲ 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 currently completing a Preliminary Engineering Report which will involve process selection and preliminary design for the replacement technology. This will be followed by final design and construction. Replacement of the RBCs will be a phased project over several years and is currently projected at over \$200 million. Until this project is completed, the existing system must continue to run efficiently and meet compliance effluent limits. This fiscal year, all non-functional RBC units were removed to improve hydraulics through the treatment basins and to prepare for replacement of the failed units next fiscal year.
- ▲ Construction of these improvements will not begin until FY29-30. Up until that time, the existing incinerator will undergo several rehabilitation projects, including a full rebuild of the vessel's interior in FY25-26. Earlier this month, the incinerator heat exchanger and preheat burner fuel system were replaced.
- ▲ Another major project in the ten-year CIP is the Solids Handling Capacity Improvements project. This project will replace the existing fluidizing bed incinerator which is over thirty years old and has undergone multiple rebuilds. The project will increase capacity of the solids handling processes at the plant to accommodate future growth and solids generation. The Solids Handling Preliminary Engineering Report (currently in progress) will provide a phased plan and CIP recommendations for upgrading solids thickening, dewatering, and disposal.

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## **Proposed Ten-Year Capital Improvement Program Document**

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Listed within this document are the specific areas where proposed projects are to occur. Total expenditures for the current Fiscal Year 2024 are estimated at \$22.0 million.

The proposed capital budget for FY2024-2025 is \$37,475,712 which includes a proposed contingency of \$1,000,000. This level of contingency continues to provide sufficient reserves for the District's capital program.

The proposed budget for Reimbursement Projects is \$183,000.

Total project costs over the ten-year window are estimated at \$610.7 million. Costs are updated each year during budget preparation in order to accurately reflect current bid pricing and market conditions. Included in future years is an inflation factor of 3.35%, which is a ten-year average of the annual increases in the ENR Construction Cost Index. This factor is also updated each year.

Staff will review the proposed CIP document at the meeting and entertain questions at that time.

*Special thanks go to the Engineers, Angel Banks, Cheryl Rice, and the GIS Section for the many hours of preparation necessary to complete the District's annual CIP budget document.*

## **Staff Recommendation**

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Endorsement of the Capital Improvement Program budget for Fiscal Year 2024-2025 and 10-year Capital Improvement Plan.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2024-2025 through 2033-2034

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
INTERCEPTOR AND WET WEATHER REHABILITATION																											
Beaverdam Creek WW (CDM #10)	Buncombe County	BD	2001191	14	5,500	\$2,477,000	\$0	\$0		\$0		\$0		\$38,500		\$18,000		\$217,500		\$2,000		\$2,201,000	5,500	\$0		\$0	
Biltmore WW (CDM #3)	Biltmore	BD	2001192	24	2,200	\$1,192,400	\$0	\$0		\$0		\$0		\$0		\$15,400		\$158,400		\$0		\$1,018,600	2,200	\$0		\$0	
Christian Creek Interceptor	Buncombe County	HC	2011110	24	2,000	\$8,411,854	\$8,036,462	\$375,392		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Dingle Creek Interceptor	Asheville	TH	2006010	15	7,871	\$3,120,957	\$92,957	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$3,028,000	7,871
Lower Swannanoa Interceptor	Asheville	BD	2004040	9	6,980	\$18,538,379	\$203,717	\$47,000		\$436,250		\$30,000		\$100,000		\$8,850,206	3,490	\$8,871,206	3,490	\$0		\$0		\$0		\$0	
South Swannanoa WW (CDM #4)	Asheville	BD	2001195	36	8,040	\$5,911,000	\$0	\$0		\$57,000		\$6,000		\$0		\$1,529,000	2,000	\$4,319,000	6,040	\$0		\$0		\$0	0	\$0	0
Town Branch Int - Phase III	Asheville	DP	2017158	14	3,600	\$2,756,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$25,000		\$8,000		\$210,000		\$2,513,000	3,600
SUBTOTAL					36,191	\$42,407,590	\$8,333,136	\$422,392	0	\$493,250	0	\$36,000	0	\$138,500	0	\$10,412,606	5,490	\$13,566,106	9,530	\$27,000	0	\$3,227,600	7,700	\$210,000	0	\$5,541,000	11,471
Inflation per ENR Const. Cost Index	3.35%					1.0000	1.0000	1.0335	1.0000	1.0681	1.0000	1.1039	1.0000	1.1039	1.1409	1.2594	1.1791	1.2186	1.1791	1.2594	1.1791	1.2186	1.2594	1.3016	1.2594	1.3452	
SUBTOTAL with inflation					36,191	\$42,407,590	\$8,333,136	\$422,392	0	\$509,774	0	\$38,452	0	\$152,891	0	\$11,879,587	5,490	\$15,995,861	9,530	\$32,902	0	\$4,064,930	7,700	\$273,340	0	\$7,453,881	11,471

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION																											
Antique Lane @ Canie Creek	Asheville	DP	2022023	24	6,039	\$2,449,500	\$0	\$0		\$45,000		\$0		\$31,000		\$201,500		\$0		\$2,172,000	6,039	\$0		\$0		\$0	
Arlington Street	Asheville	DP	2015008	20	3,230	\$1,452,500	\$0	\$0		\$0		\$0		\$0		\$0		\$36,500		\$0		\$1,416,000	3,230	\$0		\$0	
Asheville Rd @ US Hwy 70	Swannanoa	TH	2023005	17	5,470	\$2,456,510	\$0	\$0		\$0		\$0		\$0		\$43,760		\$15,000		\$136,050		\$0		\$2,261,700	5,470	\$0	
Atkins Street	Arden	BD	2014012	5	1,833	\$774,080	\$5,480	\$0		\$0		\$2,600		\$52,000		\$714,000	1,833	\$0		\$0		\$0		\$0		\$0	
Avon Ave. @ Haywood Rd	West Asheville	BD	2021003	65	218	\$229,050	\$14,450	\$53,500		\$161,100	218	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Beale Road at Copney Lane	Asheville	DP	2009129	47	5,430	\$2,327,525	\$24,025	\$20,000		\$217,500		\$47,000		\$2,019,000	5,430	\$0		\$0		\$0		\$0		\$0		\$0	
Bellevue Road	S. Asheville	DP	2015175	49	1,100	\$594,600	\$9,600	\$57,000		\$528,000	1,100	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Bent Tree Rd @ Old Toll Rd	Asheville	DP	2024034	NA	0	\$25,000	\$0	\$12,500		\$12,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Braddock Way - PRP 20002	Asheville	TH	2006025	22	3,848	\$1,965,840	\$18,353	\$22,250		\$150,500		\$102,337		\$1,672,400	3,848	\$0		\$0		\$0		\$0		\$0		\$0	
Calvin Trail @ Greybeard Trail	Asheville	TH	2021284	26	780	\$380,870	\$0	\$0		\$7,020		\$4,400		\$34,000		\$335,450	780	\$0		\$0		\$0		\$0		\$0	
Central Ave. @ I-240	Asheville	SA	2014180	37	990	\$456,000	\$0	\$6,000		\$27,000		\$0		\$423,000	990	\$0		\$0		\$0		\$0		\$0		\$0	
Chatham Road	Asheville	SA	2015019	41	1,330	\$597,925	\$4,800	\$0		\$44,500		\$1,000		\$0		\$547,625	1,330	\$0		\$0		\$0		\$0		\$0	
Covewood Trail @ Chunn's Cove Road	Asheville	DP	2021005	17	1,120	\$453,500	\$0	\$0		\$0		\$0		\$0		\$0		\$8,500		\$10,000		\$31,000		\$404,000	1,120	\$0	
Cub Road	Asheville	TH	2018027	27	1,204	\$452,800	\$0	\$0		\$0		\$0		\$10,100		\$78,200		\$0		\$364,500	1,204	\$0		\$0		\$0	
Dover St @ Merrimon Ave	Asheville	TH	2023006	29	223	\$117,300	\$0	\$0		\$1,900		\$1,700		\$12,000		\$0		\$101,700	223	\$0		\$0		\$0		\$0	
Druid Drive	W. Asheville	SA	2020006	10	500	\$204,000	\$0	\$0		\$0		\$0		\$0		\$0		\$4,000		\$48,000		\$0		\$0		\$152,000	500
East Chestnut Ave @ Five Points	N. Asheville	SA	2015192	29	5,225	\$2,081,371	\$19,321	\$3,500		\$0		\$72,000		\$147,300		\$2,500		\$1,836,750	5,225	\$0		\$0		\$0		\$0	
Edwards Ave @ US 70 Hwy	Swannanoa	BD	2021004	29	2,400	\$968,200	\$0	\$16,800		\$0		\$6,800		\$39,000		\$905,600	2,400	\$0		\$0		\$0		\$0		\$0	
Elk Mountain Place	Woodfin	BD	2010094	8	4,137	\$1,739,955	\$236,610	\$1,503,345	4,137	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Elk Park Drive - PRP 35001	Woodfin	SA	2006028	10	2,242	\$767,046	\$50,046	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$717,000	2,242
Fairmont Road	N. Asheville	DP	2015017	31	3,900	\$1,713,500	\$0	\$0		\$25,000		\$0		\$10,000		\$162,500		\$1,516,000	3,900	\$0		\$0		\$0		\$0	
Forestdale Drive	S. Asheville	DP	2014002	33	2,900	\$1,297,500	\$17,000	\$0		\$30,500		\$228,000		\$10,000		\$1,012,000	2,900	\$0		\$0		\$0		\$0		\$0	
Four Inch Main - College Street	Asheville	SA	2012128	17	1,000	\$740,750	\$0	\$0		\$0		\$6,000		\$8,000		\$300,000		\$0		\$0		\$0		\$0		\$426,750	1,000
Harmony Lane	Asheville	DP	2016103	35	670	\$306,000	\$0	\$0		\$3,000		\$0		\$303,000	670	\$0		\$0		\$0		\$0		\$0		\$0	
Hazel Mill Rd @ Richland St.	Asheville	SA	2014016	41	3,907	\$2,244,150	\$43,150	\$281,000		\$1,920,000	3,907	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Hill Street @ Cross Place	Asheville	TH	2016249	42	641	\$267,155	\$3,875	\$0		\$2,200		\$261,080	641	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Howland Rd. @ Sunset Trail	Asheville	DP	2012134	43	994	\$482,500	\$7,500	\$5,000		\$66,000		\$404,000	994	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Innsbrook Rd @ GPI	North Asheville	BD	2023256	35	5,730	\$2,468,675	\$0	\$40,100		\$0		\$30,000		\$453,000		\$1,945,575	5,730	\$0		\$0		\$0		\$0		\$0	
Johnston Blvd. @ Providence Rd.	W. Asheville	DP	2014013	37	2,000	\$914,150	\$8,150	\$0		\$12,000		\$71,000		\$823,000	2,000	\$0		\$0		\$0		\$0		\$0		\$0	
Jonestown Road @ Riverside Drive	Woodfin	TH	2018028	52	1,992	\$767,000	\$30,000	\$50,500		\$680,000	1,992	\$6,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Joyner Ave @ Amboy Rd	Asheville	SA	2021010	68	1,000	\$424,500	\$107,500	\$317,000	1,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	



METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2024-2025 through 2033-2034

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION continued...																											
Kimberly Ave. @ Sedley Avenue	Asheville	TH	2018029	51	2,947	\$1,093,525	\$42,725	\$124,800		\$926,000	2,947	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Lakeview @ Glen Falls Rd.	N. Asheville	DP	2014007	22	3,070	\$1,552,500	\$6,000	\$0		\$18,000		\$0		\$25,500		\$390,000		\$0		\$1,113,000	3,070	\$0		\$0		\$0	
Lincoln Avenue	Asheville	BD	2013103	6	1,415	\$609,570	\$2,870	\$0		\$0		\$0		\$0		\$0		\$0		\$606,700	1,415	\$0		\$0		\$0	
Lining Contract #10	Various	TH	2024035	NA	10,000	\$3,000,000	\$0	\$0		\$0		\$3,000,000	10,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Logan Avenue	W. Asheville	SA	2017256	48	2,150	\$1,104,500	\$24,700	\$149,500		\$930,300	2,150	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Lower Glendale Ave.	E. Asheville	BD	2012083	23	2,716	\$1,448,850	\$6,650	\$0		\$0		\$0		\$0		\$16,800		\$47,000		\$0		\$1,378,400	2,716	\$0		\$0	
Manetta Rd. @ Johnson Dr.	N. Asheville	TH	2014022	24	5,340	\$2,881,587	\$363,594	\$1,000		\$350,650		\$14,000		\$2,152,343	5,340	\$0		\$0		\$0		\$0		\$0		\$0	
McDowell St @ Lily Carmichael Dr.	Asheville	SA	2021011	30	1,660	\$721,500	\$0	\$0		\$11,000		\$1,000		\$0		\$0		\$0		\$709,500	1,660	\$0		\$0		\$0	
Meadow Road @ Train Yard	Asheville	BD	2015207	6	2,001	\$2,255,500	\$7,000	\$0		\$3,000		\$92,500		\$2,153,000	2,001	\$0		\$0		\$0		\$0		\$0		\$0	
Merrimon Ave. at Clearview Terrace	Asheville	TH	2007012	6	500	\$313,950	\$6,044	\$0		\$0		\$0		\$0		\$0		\$0		\$3,250		\$69,656		\$0		\$235,000	500
Montford Ave. @ Montford Park	Asheville	BD	2017144	59	1,129	\$680,225	\$16,725	\$99,000		\$564,500	1,129	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
New Haw Creek Rd. @ Dogwood Grove	E. Asheville	SA	2014021	31	3,000	\$980,775	\$4,925	\$3,600		\$50,750		\$16,000		\$1,000		\$0		\$904,500	3,000	\$0		\$0		\$0		\$0	
New Stock Road	Weaverville	DP	2015011	45	9,020	\$3,159,500	\$36,000	\$37,000		\$49,500		\$3,037,000	9,020	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
North Market Street	Asheville	SA	2014019	20	1,064	\$443,300	\$3,875	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$1,925		\$437,500	1,064	\$0	
Oakland Drive @ Church Street	Black Mountain	DP	2015177	27	575	\$244,000	\$0	\$0		\$0		\$0		\$3,500		\$4,000		\$34,000		\$202,500	575	\$0		\$0		\$0	
Old Toll Rd. @ Blue Briar Rd.	Asheville	TH	2018032	19	185	\$80,500	\$0	\$0		\$0		\$0		\$0		\$3,000		\$500		\$1,500		\$8,000		\$67,500	185	\$0	
Old Turnpike Rd @ Azalea	Arden	TH	2023255	35	1,168	\$445,000	\$0	\$10,000		\$65,000		\$11,000		\$359,000	1,168	\$0		\$0		\$0		\$0		\$0		\$0	
Parkwood Ave.	Woodfin	TH	2021286	31	1,165	\$451,335	\$0	\$0		\$0		\$0		\$11,485		\$85,350		\$0		\$354,500	1,165	\$0		\$0		\$0	
Riverside Dr @ Woodfin Ave	Woodfin	SA	2019005	15	684	\$292,500	\$0	\$0		\$0		\$0		\$7,000		\$21,000		\$0		\$2,000		\$0		\$0		\$262,500	684
Riverview Drive	Asheville	BD	2013104	54	2,302	\$992,980	\$7,880	\$0		\$0		\$985,100	2,302	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Rosewood Ave. @ Riverside Cemetery	Montford	BD	2019023	25	180	\$90,000	\$0	\$0		\$0		\$0		\$1,300		\$2,600		\$24,000		\$62,100	180	\$0		\$0		\$0	
Royal Pines Drive - PRP 47009	Arden	SA	2007020	28	7,050	\$2,738,850	\$10,100	\$0		\$30,000		\$6,000		\$39,000		\$2,653,750	7,050	\$0		\$0		\$0		\$0		\$0	
Sand Hill Road @ Baker Place	W. Asheville	SA	2015223	56	1,582	\$941,450	\$118,950	\$822,500	1,582	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Starmount Dr	Asheville	SA	2023007	19	775	\$274,600	\$0	\$0		\$6,000		\$14,100		\$20,000		\$0		\$0		\$234,500	775	\$0		\$0		\$0	
Stratford Road	N. Asheville	DP	2015013	16	1,820	\$891,000	\$0	\$0		\$0		\$0		\$0		\$12,500		\$19,000		\$202,000		\$0		\$657,500	1,820	\$0	
Sulphur Springs Rd. @ Covington St.	W. Asheville	DP	2014006	44	1,350	\$843,500	\$7,500	\$18,000		\$180,000		\$32,000		\$606,000	1,350	\$0		\$0		\$0		\$0		\$0		\$0	
Sweeten Creek Rd. @ Buck Shoals Rd.	S. Asheville	BD	2014015	51	790	\$519,936	\$52,636	\$467,300	790	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Sweeten Creek Rd @ Holiday Dr	Asheville	DP	2022022	22	3,053	\$1,299,000	\$0	\$0		\$0		\$0		\$0		\$25,000		\$162,000		\$0		\$1,112,000	3,053	\$0		\$0	
Tunnel Rd @ Pleasant Ridge Dr	E. Asheville	SA	2019006	17	150	\$64,250	\$0	\$0		\$0		\$1,500		\$1,000		\$0		\$0		\$0		\$0		\$61,750	150	\$0	
US 70 @ Jordan Road	Swannanoa	DP	2015014	21	4,550	\$2,146,500	\$0	\$0		\$0		\$0		\$0		\$30,000		\$6,000		\$263,000		\$30,000		\$1,817,500	4,550	\$0	
Walnut St. @ N. Lexington Ave.	Asheville	DP	2017008	42	1,300	\$614,526	\$526	\$0		\$8,000		\$0		\$606,000	1,300	\$0		\$0		\$0		\$0		\$0		\$0	
Waynesville Ave. @ Brownwood Ave.	W. Asheville	SA	2014183	28	3,022	\$1,429,500	\$0	\$0		\$19,500		\$28,000		\$467,500		\$0		\$914,500	3,022	\$0		\$0		\$0		\$0	
W. City View Dr @ Riverside Dr	Asheville	DP	2024020	67	735	\$649,500	\$0	\$34,500		\$615,000	735	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Wildwood Park	Weaverville	DP	2015194	16	1,542	\$717,000	\$2,380	\$0		\$0		\$0		\$0		\$0		\$0		\$6,620		\$0		\$708,000	1,542	\$0	
Wood Ave. @ Parker Rd.	Asheville	SA	2014188	10	1,050	\$491,600	\$0	\$0		\$0		\$0		\$0		\$0		\$7,000		\$58,000		\$0		\$0		\$426,600	1,050
SSD Rehab. & Replacement	Various	MS	2002101	N/A	150,000	\$51,425,000	\$5,142,500	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	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	
SUBTOTAL					303,093	\$120,507,261	\$6,463,440	\$9,348,195	22,509	\$12,953,420	29,178	\$13,675,117	37,957	\$17,692,928	39,097	\$14,685,210	37,023	\$10,829,450	30,370	\$11,742,220	31,083	\$9,239,481	23,999	\$11,607,950	30,901	\$7,412,350	20,976
Inflation per ENR Const. Cost Index	3.35%					1.0000	1.0000	1.0000		1.0335		1.0681		1.1039		1.1409		1.1791		1.2186		1.2594		1.3016		1.3452	
SUBTOTAL with inflation					303,093	\$120,507,261	\$6,463,440	\$9,348,195	22,509	\$13,387,360	29,178	\$14,606,697	37,957	\$19,531,300	39,097	\$16,754,138	37,023	\$12,769,056	30,370	\$14,309,126	31,083	\$11,636,462	23,999	\$15,109,127	30,901	\$9,971,265	20,976

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2024-2025 through 2033-2034

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
PRIVATE SEWER REHABILITATION																											
Carver Ave. @ Owenby Lane	Asheville	DP	2022253	71	0	\$57,000	\$5,000	\$0		\$48,000		\$0		\$4,000	0	\$0		\$0		\$0		\$0		\$0		\$0	
Homeland Park	Asheville	TH	2016248	51	921	\$625,380	\$7,250	\$25,000		\$164,500		\$40,000		\$388,630	921	\$0		\$0		\$0		\$0		\$0		\$0	
Old County Home Rd PSR	W. Asheville	SA	2015221	55	4,204	\$2,592,300	\$130,300	\$49,000		\$2,413,000	4,204	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
SUBTOTAL					5,125	\$3,274,680	\$142,550	\$74,000	0	\$2,625,500	4,204	\$40,000	0	\$392,630	921	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0
Inflation per ENR Const. Cost Index	3.35%					1.0000	1.0000	1.0000		1.0335		1.0681		1.1039		1.1409		1.1791		1.2186		1.2594		1.3016		1.3452	
SUBTOTAL with inflation					5,125	\$3,274,680	\$142,550	\$74,000	0	\$2,713,454	4,204	\$42,725	0	\$433,426	921	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS																											
Arc Flash Labeling	District-Wide	BD	2023008	N/A	0	\$340,225	\$78,625	\$126,600		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000		\$15,000	
Biological Treatment	MSD-Treatment Plant	HC	2016063	N/A	0	\$229,560,225	\$270,225	\$328,500		\$80,500		\$4,375,500		\$6,000,000		\$6,000,000		\$4,309,000		\$11,025,000		\$31,025,000		\$31,025,000		\$31,025,000	
Building and Facility Rehabilitation	MSD-Treatment Plant	HC	2002068	N/A	0	\$600,000	\$60,000	\$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	\$85,796,713	\$1,816,133	\$611,500		\$10,839,080		\$31,000,000	2,800	\$31,000,000		\$10,530,000		\$0		\$0		\$0		\$0		\$0	
Collection System Master Plan Update	District-Wide	HC	2020011	N/A	0	\$299,500	\$49,500	\$250,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Flow Monitoring	MSD-Treatment Plant	SA	2008013	N/A	0	\$525,000	\$90,000	\$75,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000	
HVAC Rehabilitation	MSD-Treatment Plant	HC	2020051	N/A	0	\$160,000	\$40,000	\$70,000		\$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	\$1,341,238	\$201,238	\$100,000		\$1,040,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Incinerator Rehabilitation FY24	MSD-Treatment Plant	DP	2022057	N/A	0	\$6,383,000	\$2,173,000	\$1,210,000		\$1,200,000		\$1,800,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Incinerator Sand Transport System	MSD Treatment Plant	TH	2024036	N/A	0	\$275,000	\$0	\$275,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Int. Clarifier Eff. Trough Rehab	MSD - Treatment Plant	SA	2022024	N/A	0	\$3,278,597	\$376,197	\$1,490,000		\$1,412,400		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
ITT Pump Station Upgrade	Henderson County	SA	2020061	N/A	2,750	\$4,830,000	\$70,113	\$299,887		\$4,460,000	2,750	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
MCC Replacement	MSD - Treatment Plant	HC	2024040	N/A	0	\$524,000	\$0	\$524,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Mud Creek PS Replacement	Henderson County	TH	2021073	N/A	0	\$740,000	\$120,000	\$15,000		\$605,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Plant NPW Filter System	Asheville	SA	2023011	N/A	0	\$325,000	\$0	\$100,000		\$225,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
RBC Removal and Replacement	MSD-Treatment Plant	HC	2023029	N/A	0	\$1,840,800	\$490,500	\$1,350,300		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Solids Handling Capacity Improvements	MSD-Treatment Plant	HC	2019087	N/A	0	\$79,880,000	\$0	\$0		\$30,000		\$500,000		\$3,500,000		\$3,000,000		\$36,425,000		\$36,425,000		\$0		\$0		\$0	
Solids Handling PER	MSD-Treatment Plant	DP	2023048	N/A	0	\$508,770	\$433,770	\$75,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
South Storage Building	Arden	DP	2023009	N/A	0	\$1,076,000	\$0	\$50,000		\$1,026,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Weaverville PS Replacement	Weaverville	SA	2019080	N/A	18,174	\$24,474,442	\$2,740,492	\$15,882,500	15,174	\$5,851,450	3,000	\$0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
General Capital Equipment	Varies	HC	2016072	N/A	0	\$1,500,000	\$150,000	\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000	
SUBTOTAL					23,724	\$444,258,510	\$9,159,793	\$23,043,287	15,174	\$27,054,430	5,750	\$37,960,500	2,800	\$40,785,000	0	\$19,815,000	0	\$41,019,000	0	\$47,735,000	0	\$31,310,000	0	\$31,310,000	0	\$31,310,000	0
Inflation per ENR Const. Cost Index	3.35%					1.0000	1.0000	1.0000		1.0335		1.0681		1.1039		1.1409		1.1791		1.2186		1.2594		1.3016		1.3452	
SUBTOTAL with inflation					23,724	\$444,258,510	\$9,159,793	\$23,043,287	15,174	\$27,960,753	5,750	\$40,546,455	2,800	\$45,022,739	0	\$22,606,639	0	\$48,365,700	0	\$58,170,100	0	\$39,432,693	0	\$40,753,688	0	\$42,118,936	0

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2024-2025 through 2033-2034

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								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	\$39,131,059	\$3,281,040	\$3,404,838		\$3,538,166		\$3,632,754		\$3,730,088		\$3,830,302		\$3,997,693		\$4,095,493		\$4,196,131		\$4,299,596		\$4,405,998	
SUBTOTAL					0	\$39,131,059	\$3,281,040	\$3,404,838	0	\$3,538,166	0	\$3,632,754	0	\$3,730,088	0	\$3,830,302	0	\$3,997,693	0	\$4,095,493	0	\$4,196,131	0	\$4,299,596	0	\$4,405,998	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
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	
Developer Reimbursements	Various	HC	2004051	N/A	0	\$1,083,000	\$0	\$183,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000	
SUBTOTAL					0	\$1,083,000	\$0	\$183,000	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	\$100,000	0

BUDGET SUMMARY																											
PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 24-25		FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
SUBTOTAL with Inflation					368,133	\$650,662,100	\$27,379,959	\$36,475,712	37,683	\$48,209,508	39,132	\$58,967,083	40,757	\$68,970,444	40,018	\$55,170,666	42,513	\$81,228,309	39,900	\$76,707,622	31,083	\$59,430,215	31,699	\$60,535,751	30,901	\$64,050,080	32,447
CONTINGENCY								\$1,000,000																			
TOTAL					368,133	\$650,662,100	\$27,379,959	\$37,475,712	37,683	\$48,209,508	39,132	\$58,967,083	40,757	\$68,970,444	40,018	\$55,170,666	42,513	\$81,228,309	39,900	\$76,707,622	31,083	\$59,430,215	31,699	\$60,535,751	30,901	\$64,050,080	32,447

## INFORMATIONAL ITEM

### Finance Committee

**Meeting Date:** May 2, 2024  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
W. Scott Powell, CLGFO, Director of Finance  
**Prepared By:** Jody Germaine, Budget Analyst  
**Subject:** MSD Business Plan/Financial Forecast FY2025

#### Background

The MSD Business Plan is a financial policy established by the Board to forecast long-term planning needs for its operations and capital improvement. The Plan covers a 10-year period and aids staff's ability to evaluate Bond Order compliance and infrastructure reinvestment in accordance with state and federal regulations.

#### Discussion

The MSD Business Plan/Financial Forecast is designed to assess the funding mixture, revenue versus debt, while addressing current and long-term operational needs and state and federal required infrastructure improvements. Additionally, the forecast illustrates these effects on sewer rates as well as the impact on the Board accepted target debt coverage ratio of 1.5. All general operation, infrastructure, and debt assumptions are listed on the right side of the forecast, which addresses the following:

- Maintain or improve operation and service delivery
- Implement a Capital Improvement Program to meet all current and future regulatory requirements for the Wastewater Reclamation Facility and Collection system
- Support of the pay-as-you-go element of the CIP in addition to bonds

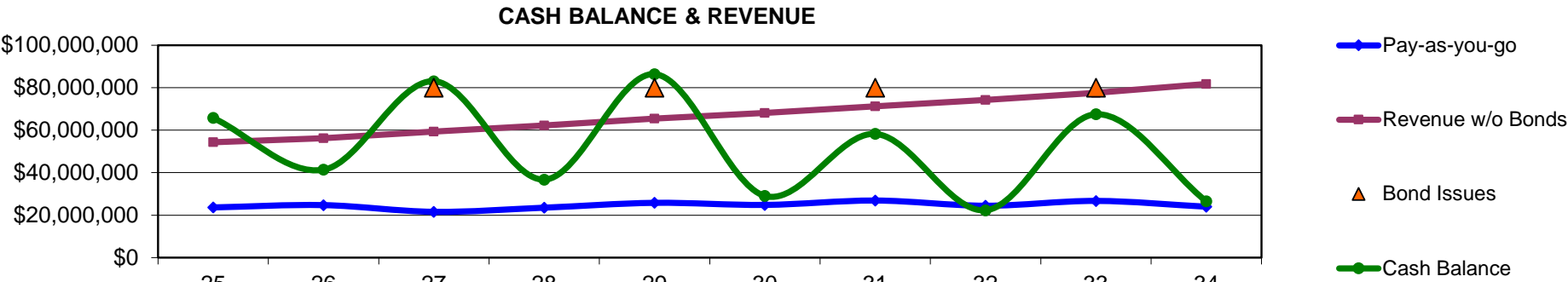
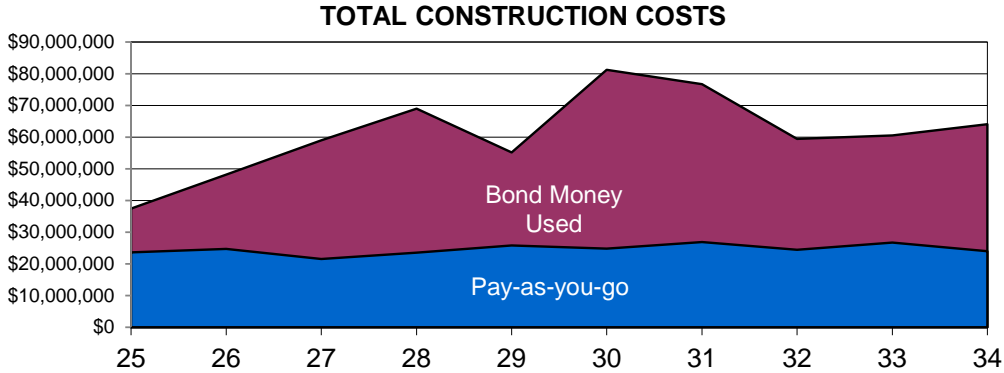
Also included are the FY2025 Personnel Committee recommendations for employee compensation and self-insurance funding as well as FY2025 CIP Committee recommendations for infrastructure improvements. (See Tabs 2 & 3).

The purpose of this item is to review both budget and rates as a part of the District's overall business plan prior to taking action on them individually.

#### Staff Recommendation

Staff recommends a 5.0% rate increase.

Business Plan - FY25	0.0%	2.75%	3.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Sewer Rate Increase
	\$32.17	\$33.04	\$34.10	\$35.83	\$37.59	\$39.51	\$41.49	\$43.54	\$45.70	\$48.00	\$50.38	\$52.90	\$55.56	\$57.61	Average Monthly Bill
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Assumptions
July 1- Available for Construction	64,919,355	66,789,880	72,841,917	75,632,264	80,521,797	65,780,795	41,391,224	83,086,422	36,733,435	86,406,139	29,044,223	58,260,644	22,305,317	67,518,470	Minimum of 365 Days Cash on Hands
REVENUE:															Consumption and Account Growth
Domestic Users	34,081,773	36,647,180	38,556,584	40,784,820	43,125,740	45,647,839	48,289,708	51,054,559	54,012,691	57,169,041	60,460,703	63,372,414	66,462,992	70,323,444	
Industrial Users (No growth)	3,497,070	3,816,103	3,805,064	3,410,895	3,536,962	3,669,333	3,808,322	3,954,261	4,107,496	4,268,394	4,437,336	4,584,957	4,739,960	4,932,480	
Billing and Collections (User Fee)	983,058	1,021,457	1,060,476	1,157,474	1,203,773	1,251,924	1,302,001	1,354,081	1,408,244	1,464,574	1,523,157	1,584,083	1,584,083	1,647,446	0.75% Increase
Tap Fees	740,513	716,432	693,708	400,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Facility Fees	4,351,547	5,249,579	4,649,553	8,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	
Interest & Non-operating Revenues	217,271	238,640	2,970,822	3,000,000	2,926,052	2,143,440	2,489,553	2,396,397	2,462,791	1,731,755	1,309,573	1,208,489	1,347,357	1,410,118	Bond Issues figured at: 4.5% yield FY27 5.0% yield FY29 5.0% yield FY31 5.0% yield FY33
City of Asheville (annex.-Enka)	30,586	29,274	27,962	35,000	0	0	0	0	0	0	0	0	0	0	
Rental Income	79,445	69,961	100,255	96,000	96,000	96,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	
Transfer from Reserves (to / from)	0	(331,593)	(987,965)	0	0	0	0	0	0	0	0	0	0	0	
Miscellaneous	1,884,732	0	-	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	
Total Revenues	45,865,995	47,457,033	50,876,459	57,024,189	54,328,527	56,248,536	59,354,584	62,224,298	65,456,223	68,098,764	71,195,769	74,214,944	77,599,392	81,778,489	3% inflation in O & M, Replacement Funds and Engineering Force Account
State and Federal (EPA) Grants															
Revenue Bonds/Stimulus						80,000,000			80,000,000		80,000,000		80,000,000		
Total Funds Available	110,785,350	114,246,913	123,718,376	132,656,453	134,850,324	122,029,331	180,745,808	145,310,719	182,189,658	154,504,903	180,239,992	132,475,588	179,904,709	149,296,958	ENR 10-year Construction Index @ 3.35%
EXPENSES:															General Sewer Rehab to cover approx. 40,000 lineal ft / year
Operations & Maintenance	14,923,174	15,681,916	17,167,722	20,347,329	21,882,889	22,718,520	23,593,143	24,508,939	25,468,228	26,473,460	27,526,918	28,644,414	29,753,297	30,980,918	
Replacement Funds (WRF & Fleet)	750,000	850,000	850,000	905,000	905,000	905,000	905,000	905,000	960,000	960,000	960,000	960,000	960,000	960,000	
Debt Service	9,811,696	9,797,850	8,829,772	8,833,835	8,805,928	8,805,081	14,194,160	14,192,901	14,184,625	16,798,910	16,784,809	21,135,641	21,137,191	26,816,538	Target Debt Coverage 1.5
CIP (including Bond Projects)	18,510,600	15,075,230	21,238,618	22,048,493	37,475,712	48,209,507	58,967,083	68,970,444	55,170,666	81,228,310	76,707,621	59,430,216	60,535,751	64,050,080	
Total Expenses	43,995,470	41,404,996	48,086,112	52,134,657	69,069,529	80,638,108	97,659,386	108,577,284	95,783,519	125,460,680	121,979,348	110,170,271	112,386,239	122,807,536	
Pay-as-you-go (Current Revenue only)	21,131,125	21,977,267	24,878,965	27,155,614	23,639,710	24,724,936	21,567,281	23,522,458	25,803,370	24,826,394	26,884,042	24,434,889	26,708,904	23,981,033	No growth in Industries - Rate Parity for Flow in 2020
Debt Coverage (User Fees only)	2.4	2.6	3.2	3.2	3.3	3.4	2.3	2.4	2.6	2.3	2.4	2.0	2.1	1.8	
Debt Coverage with Total Revenue	3.1	3.2	3.8	4.1	3.7	3.8	2.5	2.7	2.8	2.5	2.6	2.2	2.3	1.9	
April 10, 2024					10-Year Capital Improvement Program										District 10yr CIP \$610.7 Million District total 10yr Budget \$1.044 billion
Active Plan CIP	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	
Interceptor/Wet Weather Rehabilitation	123,500	5,232,420	3,229,164	3,193,803	422,392	509,774	38,452	152,891	11,879,587	15,995,861	32,902	4,064,930	273,340	7,453,881	
General Sewer Rehabilitation	8,719,182	5,441,318	9,319,001	9,573,598	9,348,195	13,387,360	14,606,697	19,531,300	16,754,138	12,769,056	14,309,126	11,636,462	15,109,127	9,971,265	
Private Sewer Rehabilitation	14,400	221,500	210,250	177,900	74,000	2,713,454	42,725	433,426	0	0	0	0	0	0	
Treatment Plant / Pump Stations	6,346,317	1,179,021	5,363,362	5,679,202	23,043,287	27,960,753	40,546,455	45,022,739	22,606,639	48,365,700	58,170,100	39,432,693	40,753,688	42,118,936	
Engineering Force Account	2,870,201	2,900,971	3,076,816	3,281,040	3,404,838	3,538,166	3,632,754	3,730,088	3,830,302	3,997,693	4,095,493	4,196,131	4,299,596	4,405,998	
Reimbursements	437,000	100,000	40,025	142,950	183,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Contingency	0	0	0	0	1,000,000										
Capital Improvement Program Totals	18,510,600	15,075,230	21,238,618	22,048,493	37,475,712	48,209,507	58,967,083	68,970,444	55,170,666	81,228,310	76,707,621	59,430,216	60,535,751	64,050,080	



## INFORMATIONAL ITEM

### Finance Committee

**Meeting Date:** May 2, 2024  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
W. Scott Powell, CLGFO, Director of Finance  
**Prepared By:** Jody Germaine, Budget Analyst  
**Subject:** MSD Rates and Survey Data Comparisons

#### Background

Every three years the National Association of Clean Water Agencies (NACWA) publishes a comprehensive survey for our industry. The report covers financial trends, utility operations, business practices, future rate, and service charge increases. It also provides a complete picture of how utility managers continue to find a balance in providing an essential service and responsibly managing their communities' resources. A total of 109 clean water agencies representing over 74 million people served by centralized sewer service participated in the 2020 Survey.

#### Discussion

One of the significant data comparisons in the survey is the EPA Region IV average residential sewer charge comparison (Exhibit 1). For 2020 NACWA survey, MSD's monthly residential charges are very competitive as compared to agencies within our EPA Region IV. Additionally, MSD's average residential sewer bill compares well with the rest of the EPA regions across the country (Exhibit 2). Staff has also included a comparison of its average monthly bill to CPI and EPA Region IV (Exhibit 3) as well as a 2022 rate comparison for all AA & AAA sewer providers in North Carolina (Exhibit 4).

#### Staff Recommendation

None – Informational only.

Meeting Date: May 2, 2024

Subject: MSD Rates and Survey Data Comparisons

Page 2

EXHIBIT 1.

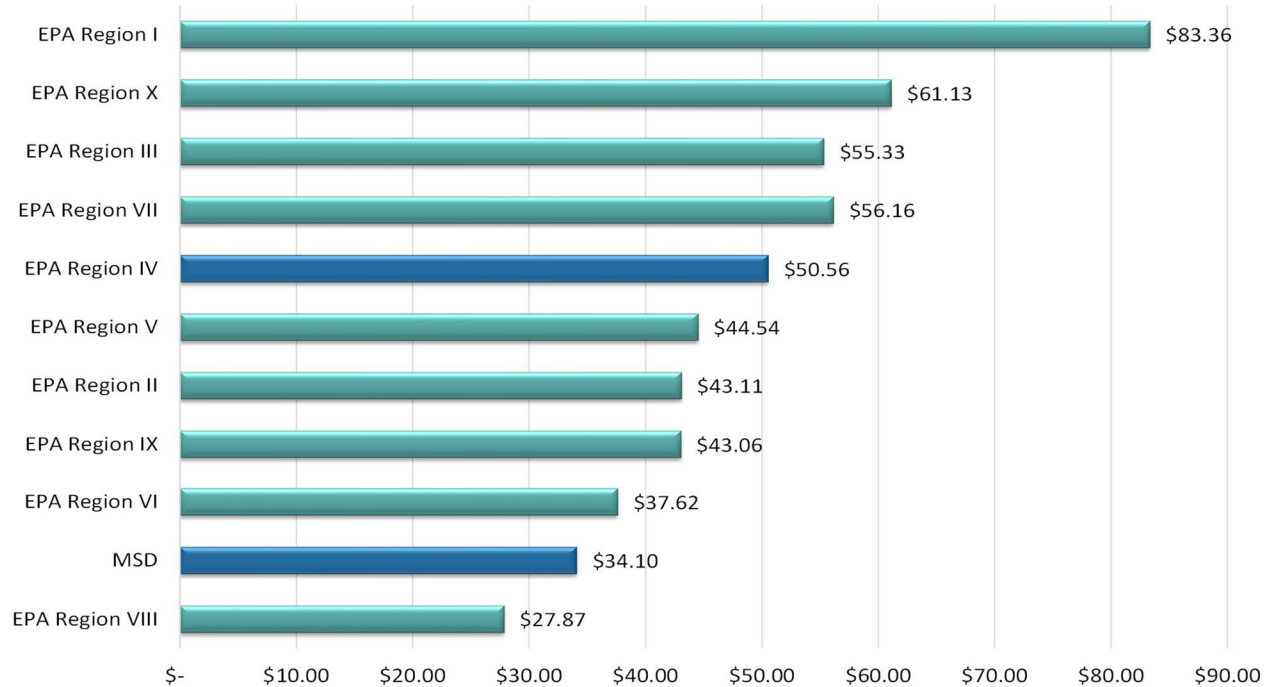
2020 NACWA Financial Survey														
EPA Region IV - Southeast														
Residential - Single Family Homes										Industry				
Ranking	Agency Name	Rate Design Gallons Per Year	Rate Design CCF's per month	Volume Rate per CCF	Average Annual Sewer Charge	Average Monthly Sewer Charge	Residential Connection Fee	Residential Facility / Hookup Fee	% Billed of Metered Water	Industrial Volume Rate per CCF	BOD Rate per lb	BOD Limit	TSS Rate per lb	TSS Limit
14	City of Atlanta, DPW, GA	*	*	*	\$ 1,297	\$ 108.08	\$ 1,800	*	100%	\$ 9.74	*	*	0.140	250
13	Knoxville Utilities Board, EO, TN	44,880	5.0	*	\$ 786	\$ 65.50	\$ 1,500	*	100%	\$ 1.00	0.143	240	0.136	300
12	Charleston Water System, SC	62,832	7.0	\$ 7.78	\$ 714	\$ 59.49	\$ 200	\$ 3,870	*	*	0.692	290	0.685	290
11	Marion County Utilities, FL	*	*	*	\$ 684	\$ 56.97	*	\$ 5,503	*	\$ 4.29	*	*	*	*
10	Louisville/Jefferson MSD, KY	60,000	6.7	\$ 3.44	\$ 643	\$ 53.60	*	*	100%	\$ 4.14	0.004	*	0.002	*
9	Johnson City, TN	57,600	6.4	\$ 4.76	\$ 588	\$ 49.00	\$ 1,550	*	100%	*	*	*	*	*
8	Gwinnett County DPU, GA	63,600	7.1	\$ 6.09	\$ 577	\$ 48.08	*	\$ 5,275	100%	\$ 6.09	0.480	250	0.300	275
7	Orange County Utilities, FL	82,125	9.1	\$ 2.92	\$ 534	\$ 44.47	*	\$ 3,570	*	\$ 2.92	0.590	300	0.630	300
6	Charlotte Water, NC	62,832	7.0	\$ 4.65	\$ 524	\$ 43.64	\$ 3,428	\$ 1,848	100%	\$ 0.24	*	*	0.160	*
5	Mobile Area WSS, AL	60,000	6.7	\$ 5.95	\$ 505	\$ 42.05	\$ 1,600	\$ 820	100%	\$ 5.95	0.230	280	0.250	250
4	Greenville, SC ReWA	60,000	6.7	\$ 4.38	\$ 496	\$ 41.30	*	\$ 2,500	100%	\$ 4.38	0.275	250	0.275	250
3	MSD of Buncombe County, NC	44,800	5.0	\$ 4.73	\$ 386	\$ 32.17	\$ 1,300	\$ 2,836	100%	\$ 4.73	0.300	250	0.025	250
2	Toho Water Authority, FL	55,284	6.2	\$ 5.10	\$ 367	\$ 30.61	\$ 125	\$ 5,865	100%	\$ 4.87	*	*	*	*
1	City of Memphis DPW, TN	89,760	10.0	\$ 2.48	\$ 298	\$ 24.83	\$ 240	*	100%	\$ 2.48	0.043	250	0.072	300
Minimum		44,800	5	\$ 2.48	\$ 298	\$ 24.83	\$ 125	\$ 820		\$ 0.24	0.004	240	0.002	250
Maximum		89,760	10	\$ 7.78	\$ 1,297	\$ 108.08	\$ 3,428	\$ 5,865		\$ 9.74	0.692	300	0.685	300
Average		61,976	7	\$ 4.75	\$ 600	\$ 49.99	\$ 1,305	\$ 3,565		\$ 4.24	0.306	264	0.243	274
Median		60,000	7	\$ 4.73	\$ 555	\$ 46.28	\$ 1,500	\$ 3,570		\$ 4.34	0.275	250	0.160	275

\* Not Reported



### 5 CCF Customer Bill Comparison to EPA Regions Avg. Monthly Bill

### EXHIBIT 2.

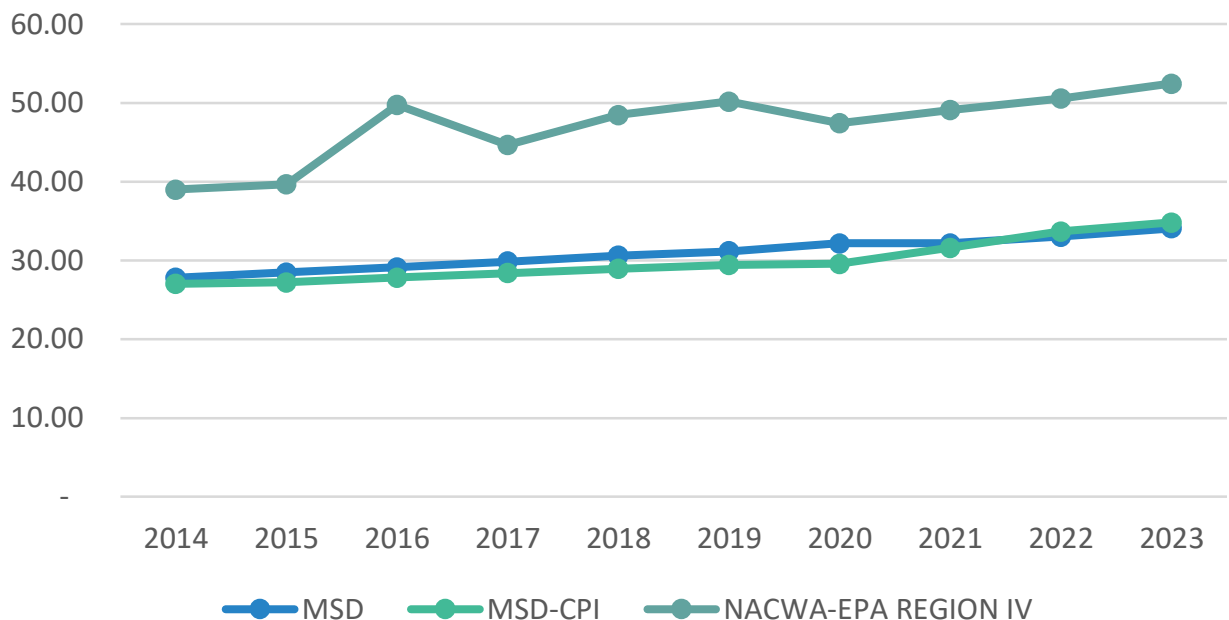


Source: 2022 NACWA Service Charge Index

\*Average bill Nationwide = \$607 annually

### Average Monthly Bill

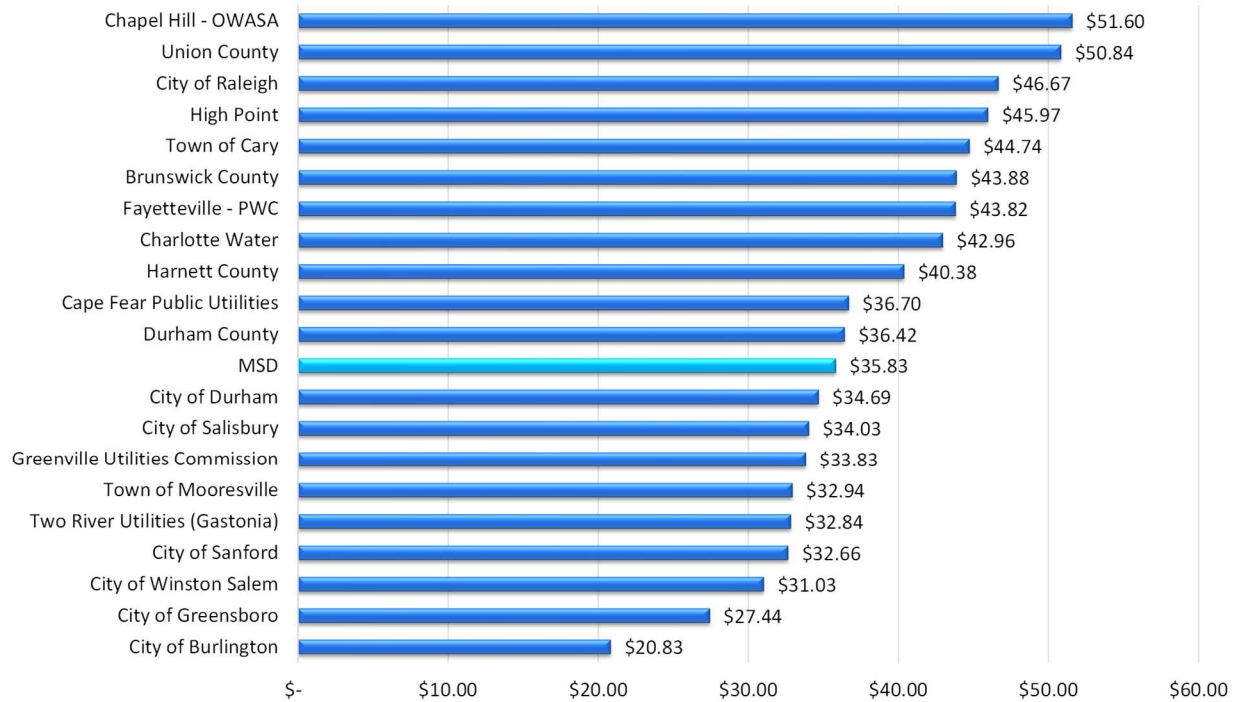
### EXHIBIT 3.





**5 CCF Customer Bill Comparison  
 to AA& AAA NC Units of Government**

**EXHIBIT 4.**



Source: UNC Environmental Resource Center

## **ACTION ITEM**

### **Finance Committee**

Meeting Date: May 2, 2024  
Submitted By: Thomas E. Hartye, PE., General Manager  
Prepared By: W. Scott Powell, CLGFO, Director of Finance  
Jody Germaine, Budget Analyst  
Subject: Proposed FY2025 Budget

#### **Background**

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

#### **Staff Recommendation**

Staff recommends to the Finance Committee that the attached Proposed FY2025 Budget along with the Resolution be endorsed today and presented to the Board at the May 15, 2024 Board Meeting.

May 2, 2024

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: FY2025 Budget and Proposed Sewer Rates

Dear Members of the Finance Committee,

We respectfully present the FY2024 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 23, 2024, the Capital Improvement Program Committee, which met on April 25, 2024.

We have developed the FY2025 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 FY2024, the District's domestic and industrial revenue are expected to meet budgeted projections. The District has proposed 5.00% 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 between approximately 5.0% 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.

The SS Construction Department continues to expand its participation in sewer line rehabilitation and replacement efforts to maximize service and minimize SSOs. Goals for FY2025 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.

The Wastewater Treatment Plant is continuing systematic improvements as part of the District's detailed Facilities Plan. In 2023, the District completed the construction of the \$17.2 million High Rate Primary Treatment system and continues operational performance testing of the system so that it may be optimized for use with the upcoming biological improvements. In addition, the District has rebuilt sections of the Incinerator including the Dome, Tuyeres, the Gas Feed System and the Heat Exchanger.

## Operating Budget

The proposed \$21.8 million Operating Budget represents routine expenditures and capital equipment acquisitions needed for the day-to-day operations of the District. Highlights of significant components and changes include:

- 📊 **Compensation and Benefits**—The staff and employees considered salary and health insurance increases together as part of a comprehensive compensation package.
  - A 3.7% salary adjustment—CPI for the Southern Urban Wage Earners increased 3.7% for the last twelve-month period; Division Directors in conjunction with Employee Advisory Committee have requested a cost-of-living increase to keep pace with industry salary increases as well as to encourage retention of valued employees. On April 23, 2023, the Personnel Committee has recommended a wage increase, which has an approximate \$576,000 impact.

- A 5.8% 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. Subsequently, LGERS raised the District's contribution rate from 7.75% to 8.95% of total salary and wages. Over the next five years, contribution rates are projected to increase to an amount slightly over 13.64%. This has an approximate \$81,000 impact on current year expenditures.
  - A 0.0% increase in funding for Self-Insured Medical Plan—During FY2016, staff worked with its consultant and initiated a top to bottom review of our medical insurance plan. The effort was to ensure the District had a medical plan in line with our sister agencies as well as to limit certain benefits and increase cost sharing by employees in the amount of \$175,000. The Employee Advisory Committee endorsed these changes. The two groups continue to work on a long-term strategic plan to address controllable medical issues. Staff has been able to hold employer contributions to FY2024 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 FY2025 funding should remain at approximately \$283,000. Current funding has been implemented into the proposed FY2025 budget, in addition to the current business plan, and represents 1.24% of total operations.
- 📦 **Materials, Supplies, and Service expenditures increased 2.5% 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 \$222,000 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 FY2025 is \$38.2 million, which is comprised of an estimated \$37.0 million in construction, \$150,000 of reimbursement, and \$1 million in contingency. The total 10-year CIP budget is \$610.7 million.

A detailed list of individual projects and planned expenditures by year was presented at the April 25, 2024 CIP meeting. This signifies a large increase in the 10-year CIP due largely to major improvements at the Plant along with upgrades to the interceptor network. 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, 2024, the District will have \$76.4 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 \$221.7 million.

MSD's focus to rehabilitate over 356,000 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 FY2025 include Elk Mountain Place with 4,137 linear feet \$1.5 million, Sand Hill Road at Baker Place 1,582 linear feet \$822,500, Joyner Avenue at Amboy Road 1,000 linear feet \$317,000. In FY2025, MSD will incur \$1.4 million on the Incinerator Rehabilitation Project, \$1.4 million on the Intermediate Clarifier Trough Rehabilitation Project, \$1.3 million RBC Removal and Replacement Project and \$15.8 million on the Weaverville Pump Station Replacement. These are in addition to numerous smaller projects completed throughout the collection system. Further details are available in the CIP section of the budget document.

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

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

#### **Wastewater Treatment Plant Capital Improvements:**

During FY2015, the Treatment Facilities Plan was updated for the Water Reclamation Facility. This Plan provides short, medium, and long-term recommendations for each specific process and facility.

This update primarily expanded on several of the original plan's longer-term recommendations. It focused specifically on improvements to the WRF Headwork's (i.e. bar screens, influent pumping station, and the problematic grit & grease removal system), including surge control for short-term peak flows. It also investigated in detail the installation of a primary clarification process and has evaluated alternatives for the biological treatment process.

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

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

- Plant Headworks Project—This \$9.6 million project spanned 2 years and consisted of a new grit removal system to replace the existing problematic system, a fine screening facility which will supplement the WRF's existing bar screens, and equalization storage at the plant using existing decommissioned tanks to provide more effective treatment during peak flow events. The project was completed in FY2019.
- High Rate Primary Treatment Project—This \$17.2 million project will provide primary settling of solids to enhance the downstream biological process which will be upgraded starting in FY2028. Construction was completed in 2022 and is currently undergoing performance testing.
- Biological System Upgrades—This \$226.7 million project is being driven by the future water quality regulations as set forth in MSD's NPDES permit (effluent discharge permit). Compliance with effluent ammonia levels must be achieved by December 2037 and will require significant upgrades to the existing biological treatment system. Design will begin in FY2027 with construction starting in FY2031.

### 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 increase with the new replacements, the operational cost will decrease for general maintenance and for emergency spill response.



## Sewer Rate Increase

Staff recommends a 5.0% increase in domestic and industrial sewer rates and meter fees for FY2025.

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 36,000 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 FY2025 are shown below:

	FY20	FY21	FY22	FY23	FY24	FY25
Rate Increase %	2.5%	0%	2.75%	3.00%	5.0%	5.0%
Meter, Maintenance & Billing Fees	\$9.74	\$9.74	\$9.99	\$10.38	\$10.94	\$11.45
Flow Rate (per ccf)	\$4.73	\$4.73	\$4.86	\$ 5.01	\$ 5.26	\$ 5.52
Avg. Monthly Bill (5ccf)	\$32.17	\$32.17	\$33.04	\$34.10	\$35.83	\$37.59

## Distinguished Budget Award

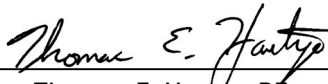
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2023. This is the twenty-sixth (26) 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 FY2025 budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

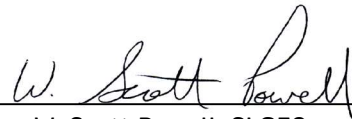
## In Closing

The Budget represents the combined efforts and guidance of the Board, its Committees, and staff. A special thanks to Jody Germaine/Budget Analyst for assembling the budget documents, Pam Thomas/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,

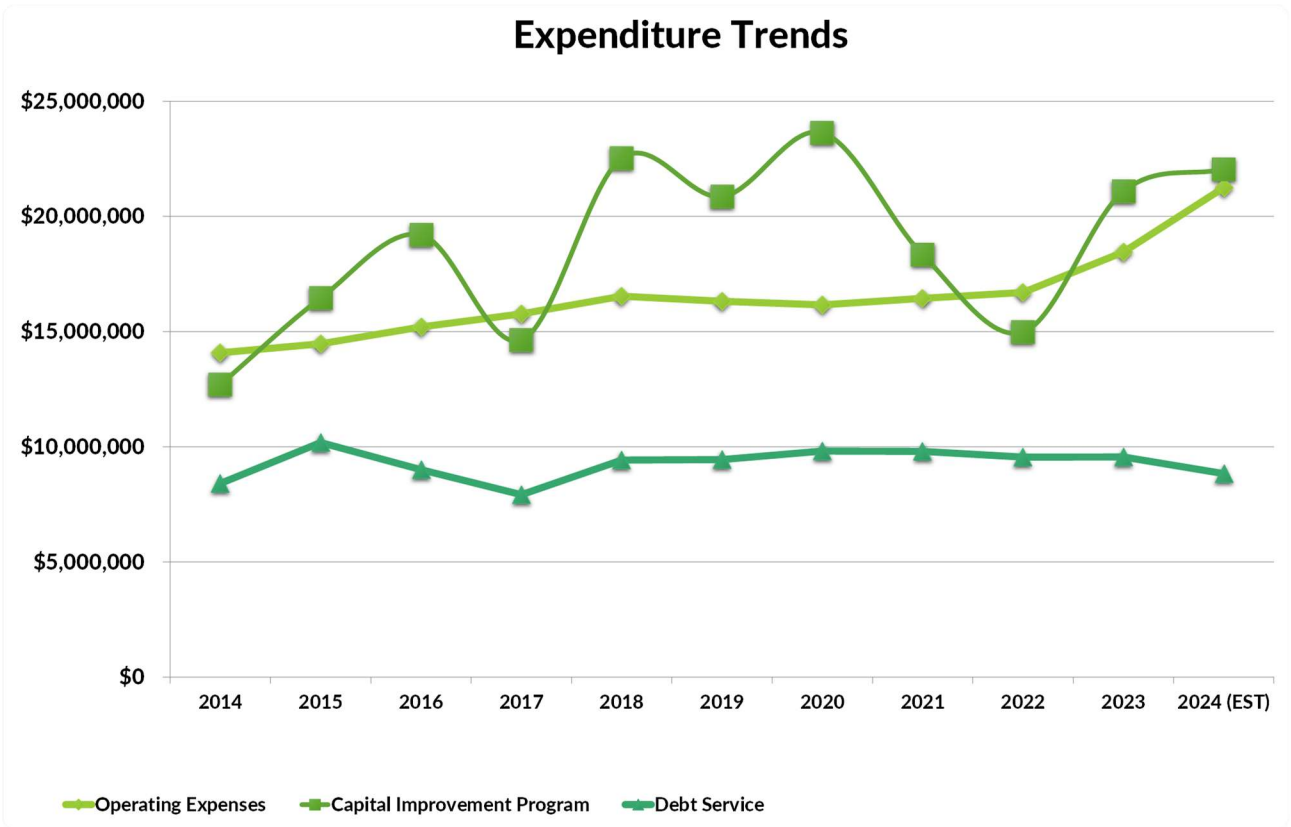
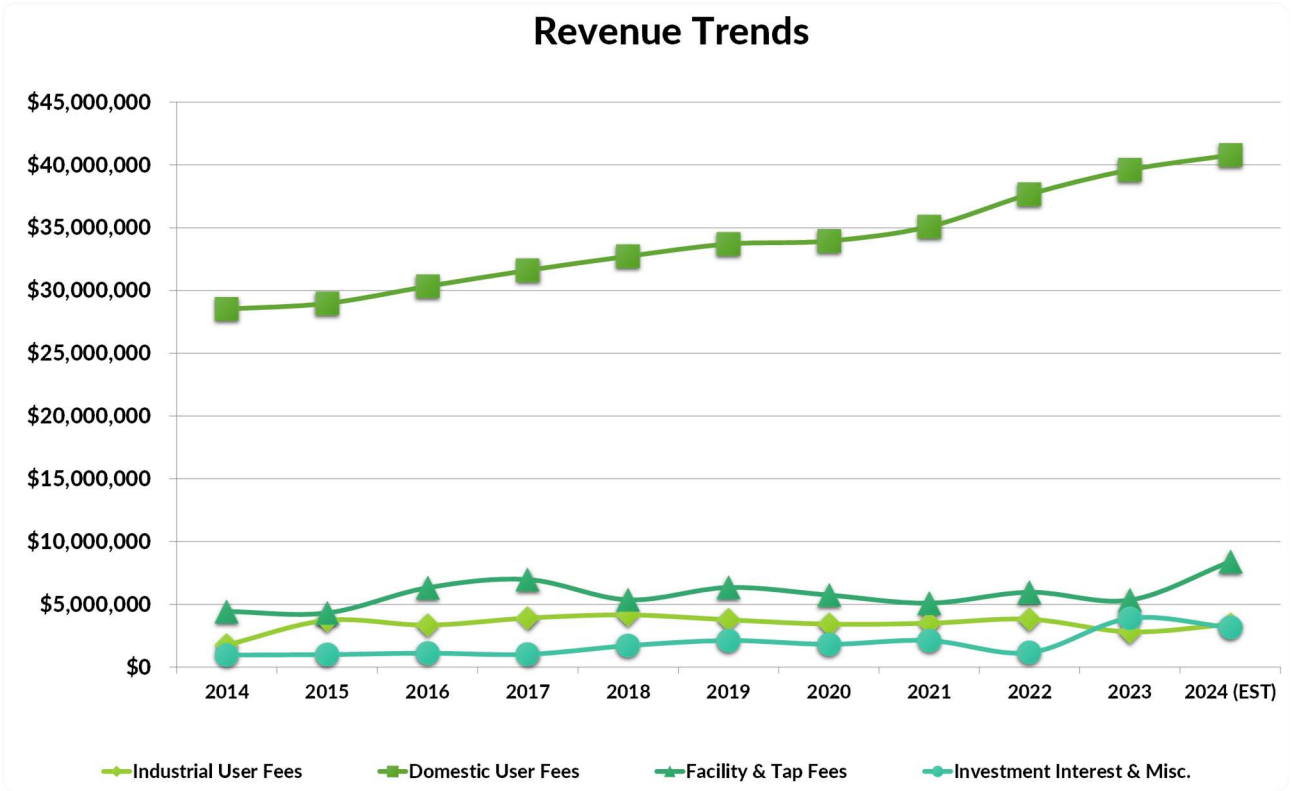


Thomas E. Hartye, PE  
General Manager

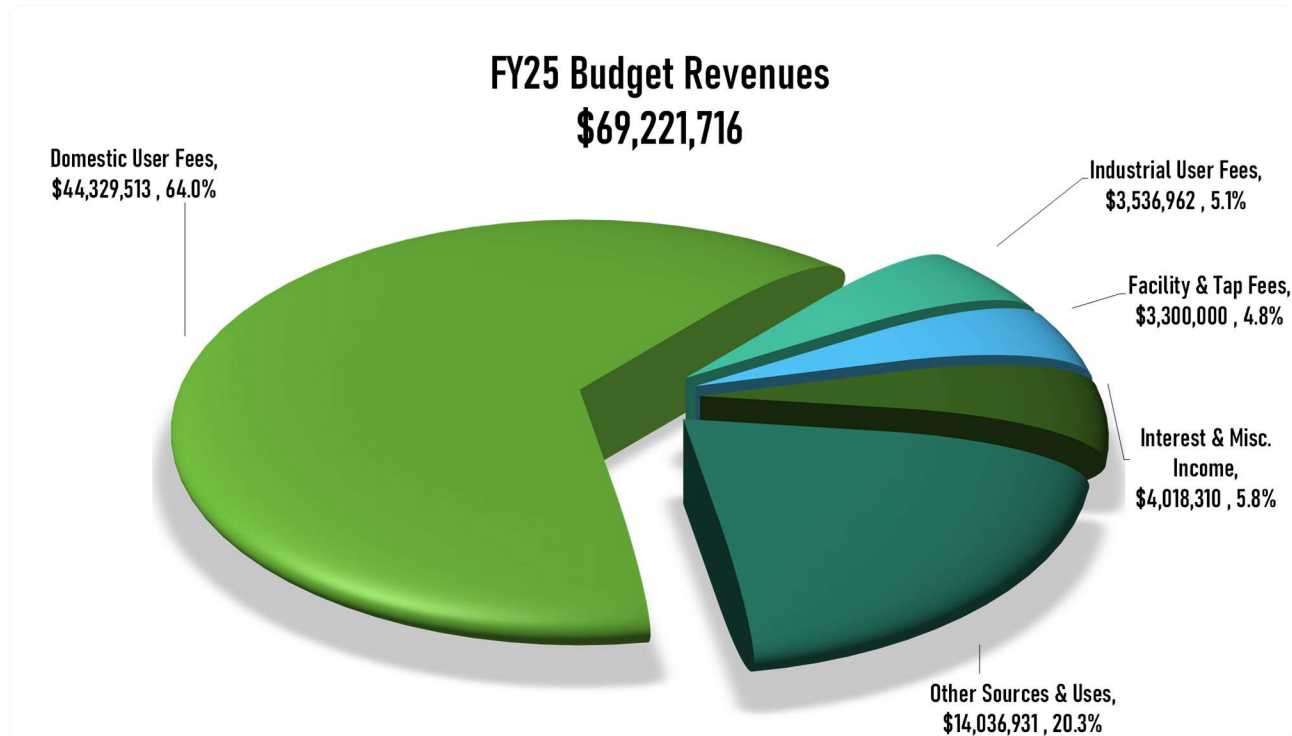


W. Scott Powell, CLGFO  
Director of Finance

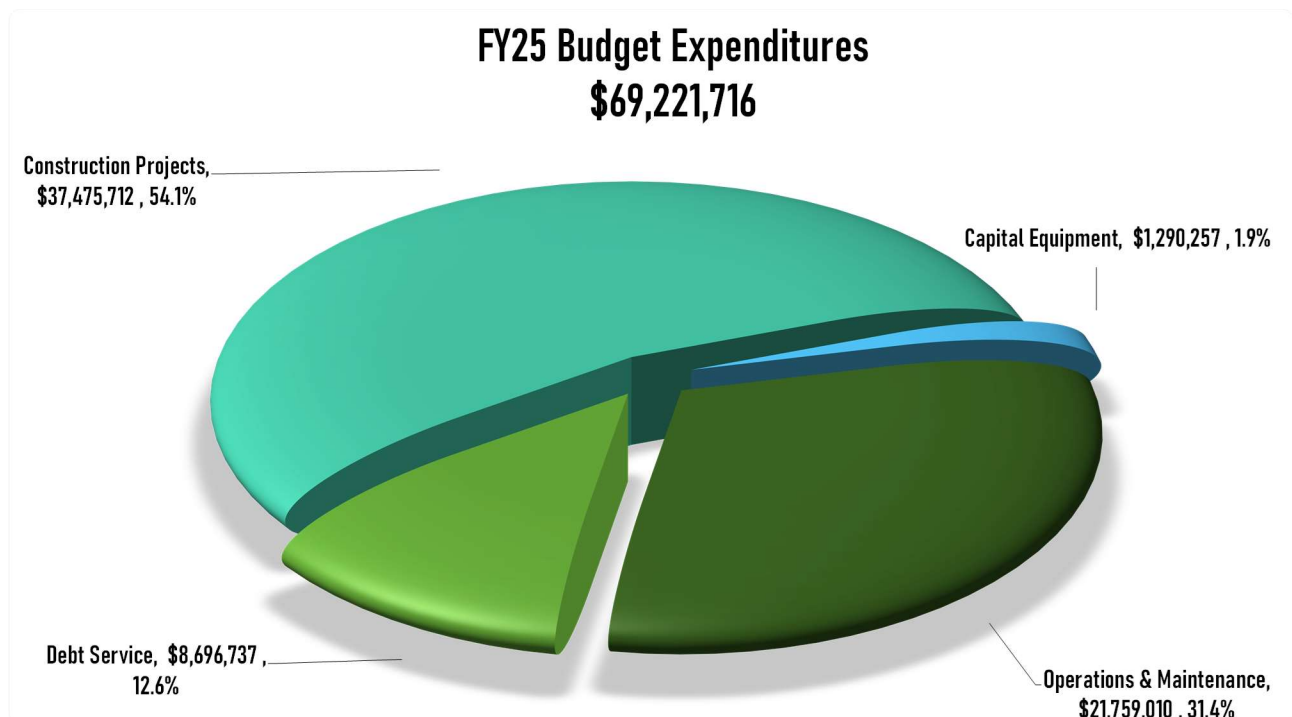
Trend Analysis



## Revenue Summary for FY2025



## Expenditures Summary FY2025



## Consolidated Budget Summary FY2025

	FY 2023 Actual Total	FY 2024 Amended Budget	FY 2025 Proposed Budget	Increase (Decrease)	% Change
<b>REVENUES &amp; FINANCING SOURCES</b>					
Domestic User Fees	\$ 38,717,598	\$ 38,928,326	\$ 43,125,740	\$ 4,197,414	10.78%
Industrial User Fees	3,805,064	3,410,895	3,536,962	126,067	3.70%
Billing and Collection	1,060,476	1,157,474	1,203,773	46,299	4.00%
Facility and Tap Fees	5,343,261	3,200,000	3,300,000	100,000	3.13%
Interest and Misc. Income	3,280,269	2,902,076	3,567,310	665,234	22.92%
Rental Income	100,255	96,000	96,000	-	0.00%
City of Asheville (Enka Bonds)	27,962	35,000	-	(35,000)	-100.00%
Employee Contributions to Health Fund	374,628	385,800	355,000	(30,800)	-7.98%
Use of (Contributions to) Available Funds	(3,554,937)	6,704,394	14,036,931	7,332,537	109.37%
<b>Total Revenues &amp; Financing Sources</b>	<b>\$ 49,154,576</b>	<b>\$ 56,819,965</b>	<b>\$ 69,221,716</b>	<b>\$ 12,401,751</b>	<b>21.83%</b>
<b>EXPENDITURES</b>					
Operations and Maintenance	\$ 18,017,722	\$ 20,862,488	\$ 21,759,010	\$ 896,522	4.30%
Construction	21,142,388	26,377,993	37,475,712	11,097,719	42.07%
Capital Equipment	436,694	844,817	1,290,257	445,440	52.73%
Bond Principal and Interest	9,557,772	8,734,667	8,696,737	(37,930)	-0.43%
Other Long-Term Obligation	-	-	-	-	N/A
<b>Total Expenditures</b>	<b>\$ 49,154,576</b>	<b>\$ 56,819,965</b>	<b>\$ 69,221,716</b>	<b>\$ 12,401,751</b>	<b>21.83%</b>

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.

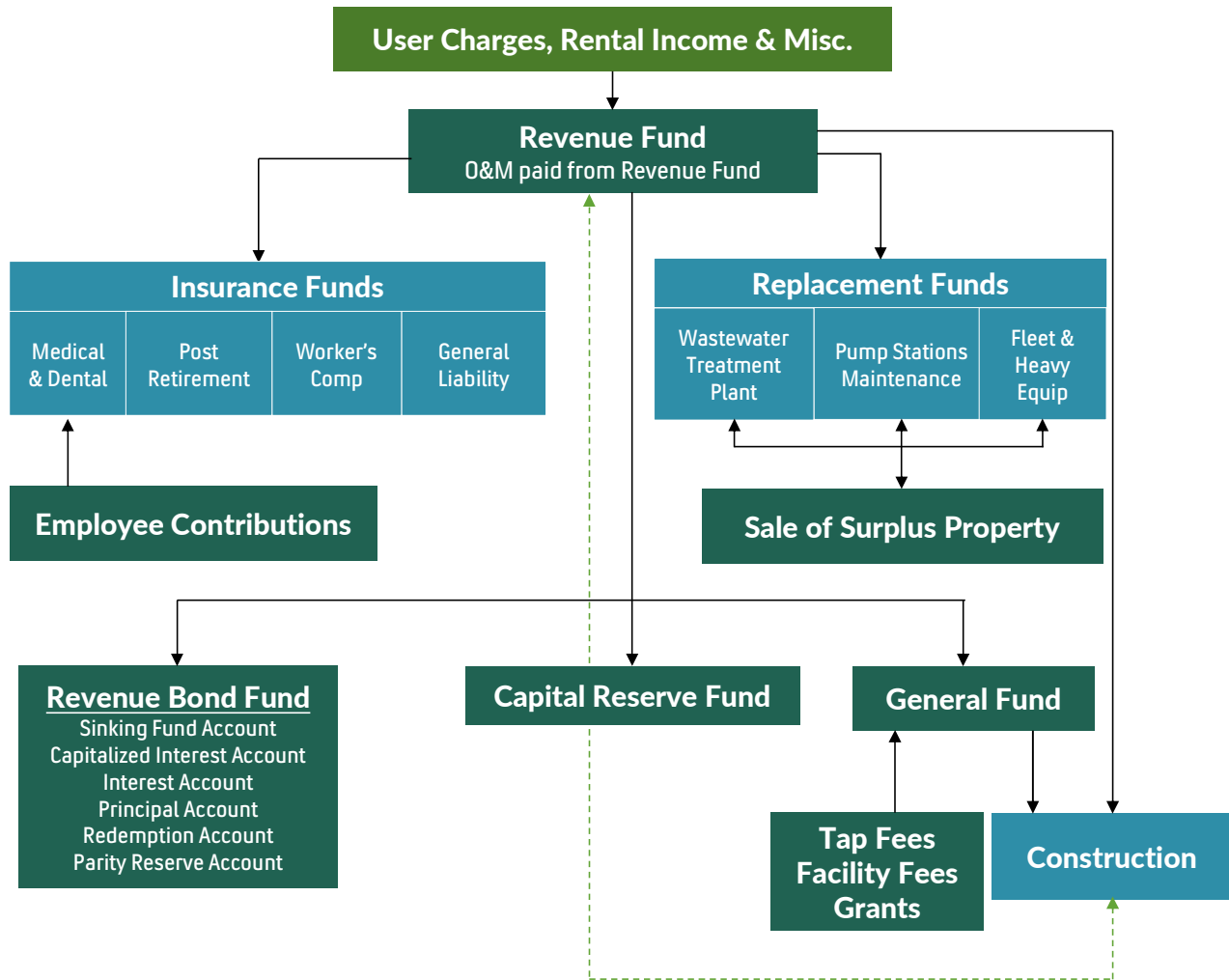
## O & M Overview

	ACTUAL 2022-2023	APPROVED 2023-2024 BUDGET	ESTIMATED 2023-2024 ACTUAL	PROPOSED 2024-2025 BUDGET	INC(DEC) OVER PRIOR YR BUDGET
SALARIES & WAGES	\$ 10,040,024	\$ 10,856,674	\$ 10,856,674	\$ 11,432,860	5.31%
BENEFITS	5,788,287	6,341,220	6,341,220	6,574,127	3.67%
MATERIALS, SUPPLIES & SERVICES	7,060,734	8,964,855	8,260,356	9,186,789	2.48%
REPLACEMENT FUNDS & TRANSFERS	960,847	1,046,063	1,046,063	1,038,492	-0.72%
CAPITAL EQUIPMENT	147,261	111,198	111,198	162,825	46.43%
<b>SUB-TOTAL O&amp;M FUND</b>	<b>23,997,154</b>	<b>27,320,010</b>	<b>26,615,511</b>	<b>28,395,093</b>	<b>3.94%</b>
<b>LESS:</b>					
Capitalized Construction Expenses	(4,818,563)	(5,380,270)	(5,361,182)	(5,607,204)	4.22%
<b>NET OPERATION &amp; MAINTENANCE FUND</b>	<b>\$ 19,178,591</b>	<b>\$ 21,939,740</b>	<b>\$ 21,254,329</b>	<b>\$ 22,787,889</b>	<b>3.87%</b>

# FY2025 All Department Budget Summary

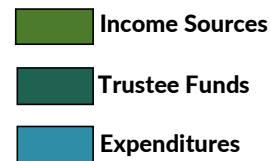
No.	Name	ACTUAL 2020-2021	ACTUAL 2021-2022	ACTUAL 2022-2023	ADOPTED 2023-2024 Budget	ESTIMATED Actual 6/30/2024	Percent Expended To Total Budget	PROPOSED 2024-2025 Budget	Inc (Dec) Over Prior Year
<b>Salaries &amp; Wages</b>									
51100	Salaries & Wages	\$ 8,838,699	\$ 8,812,963	\$ 9,784,130	\$ 10,505,074	\$ 10,505,074	100.00%	\$ 11,081,260	5.48%
51150	Overtime	228,385	236,235	255,895	351,600	351,600	100.00%	351,600	0.00%
<b>Total Salaries &amp; Wages</b>		<b>9,067,084</b>	<b>9,049,198</b>	<b>10,040,024</b>	<b>10,856,674</b>	<b>10,856,674</b>	<b>100.00%</b>	<b>11,432,860</b>	<b>5.31%</b>
<b>Benefits</b>									
51200	North Carolina Retirement	945,243	1,036,056	1,222,620	1,399,426	1,399,426	100.00%	1,559,442	11.43%
51250	Payroll Taxes	666,404	671,220	752,625	830,534	830,534	100.00%	874,615	5.31%
51300	Medical, Dental & Life	2,478,441	2,639,540	2,811,110	2,993,840	2,993,840	100.00%	2,993,840	0.00%
51325	Post Retirement Insurance	283,000	276,555	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	2,150	323	-	32,560	32,560	100.00%	32,560	0.00%
51450	Automobile Allowance	3,600	3,600	4,510	3,600	3,600	100.00%	3,600	0.00%
51500	401-K/457 Plan	403,299	411,949	441,422	525,260	525,260	100.00%	554,070	5.48%
<b>Total Benefits</b>		<b>5,055,138</b>	<b>5,312,244</b>	<b>5,788,287</b>	<b>6,341,220</b>	<b>6,341,220</b>	<b>100.00%</b>	<b>6,574,127</b>	<b>3.67%</b>
<b>Total Salaries, Wages &amp; Benefits</b>		<b>14,122,222</b>	<b>14,361,442</b>	<b>15,828,311</b>	<b>17,197,894</b>	<b>17,197,894</b>	<b>100.00%</b>	<b>18,006,987</b>	<b>4.70%</b>
<b>Materials, Supplies &amp; Services</b>									
52010	Advertising	12,157	27,692	12,935	38,000	37,700	99.21%	33,000	-13.16%
52050	Dues & Subscriptions	54,883	48,441	55,604	68,859	66,559	96.66%	65,601	-4.73%
52100	Postage	13,978	10,077	10,739	14,000	14,000	100.00%	14,000	0.00%
52150	Travel, Mtgs & Training	60,590	114,963	151,292	222,310	221,310	99.55%	236,053	6.18%
52160	Tuition Assistance	683	2,738	3,704	9,000	9,000	100.00%	5,000	-44.44%
52170	Directors Fees & Expenses	19,858	18,399	17,612	22,000	22,000	100.00%	22,000	0.00%
52180	Liability Insurance	547,746	602,521	662,775	662,775	662,775	100.00%	662,775	0.00%
52200	Telephone/Telefax	43,945	24,509	25,831	30,200	30,200	100.00%	30,300	0.33%
52210	Communications	112,951	124,267	127,473	156,496	146,776	93.79%	157,320	0.53%
52240	Uniforms	67,991	67,756	80,033	94,292	94,135	99.83%	97,660	3.57%
52250	Office Supplies	16,517	15,748	15,436	23,200	22,850	98.49%	23,700	2.16%
52260	Special Dept Supplies	369,374	368,678	372,241	499,116	494,920	99.16%	495,590	-0.71%
52270	Safety Equip/Supplies	52,067	65,393	80,696	91,100	90,500	99.34%	90,500	-0.66%
52280	Maint Supp/Small Tools	121,363	116,553	115,444	154,650	154,500	99.90%	154,200	-0.29%
52290	Chemical Supplies	408,502	341,289	623,058	1,513,887	904,000	59.71%	1,320,500	-12.77%
52300	Line Cleaning Supplies	49,675	44,207	52,614	55,750	55,750	100.00%	55,750	0.00%
52330	Legal Fees	24,593	14,860	20,327	38,100	38,100	100.00%	38,500	1.05%
52350	Prof/Contractual Svcs	478,081	462,439	596,003	695,706	666,368	95.78%	852,509	22.54%
52410	Maint-Buildings & Grounds	191,120	208,337	238,012	277,500	277,500	100.00%	291,500	5.05%
52420	Maintenance-Equipment	463,812	357,184	385,331	516,500	516,500	100.00%	518,500	0.39%
52430	Landscape Restoration	8,502	8,147	11,907	13,701	13,700	99.99%	13,700	-0.01%
52440	Pump Maintenance	82,519	87,005	84,855	112,500	112,500	100.00%	112,500	0.00%
52450	Equipment Rental	16,633	8,703	6,758	41,500	41,500	100.00%	41,500	0.00%
52460	Motor Fuel & Lubricants	127,190	217,277	233,475	290,000	290,000	100.00%	310,000	6.90%
52470	Outside Vehicle Maint	16,351	23,237	45,562	30,000	25,000	83.33%	30,000	0.00%
52500	Rents/Leases	44,429	48,159	47,405	56,000	56,000	100.00%	56,000	0.00%
52510	Permits/Fees/Software Licenses	283,688	290,853	310,286	406,654	385,654	94.84%	427,961	5.24%
52650	Utilities	958,184	1,308,441	1,484,663	1,515,000	1,515,000	100.00%	1,680,000	10.89%
52690	Freight	5,391	7,926	9,851	10,000	10,000	100.00%	10,000	0.00%
52715	Safety Incentive Program	1,393	2,166	1,705	2,500	2,500	100.00%	2,500	0.00%
52725	Wellness Program	442	3,019	8,642	7,500	7,500	100.00%	7,500	0.00%
52730	Employee Asst Program	4,355	4,355	5,000	5,500	5,500	100.00%	6,000	9.09%
52900	Other Operating Expenses	4,810	390	1,083	2,000	1,500	75.00%	2,000	0.00%
52910	Non-Capital Equipment	77,041	65,693	101,907	126,085	106,085	84.14%	113,397	-10.06%
52915	Copiers Printers & Faxes	-	-	-	5,000	5,000	100.00%	5,000	0.00%
52920	Billing & Collections	983,058	1,021,457	1,060,476	1,157,474	1,157,474	100.00%	1,203,773	4.00%
<b>Total Materials, Supplies &amp; Services</b>		<b>5,723,877</b>	<b>6,132,881</b>	<b>7,060,734</b>	<b>8,964,855</b>	<b>8,260,356</b>	<b>92.14%</b>	<b>9,186,789</b>	<b>2.48%</b>
<b>Interfund Transfers</b>									
52340	Debt Administration Expenses	132,255	122,582	110,847	141,063	141,063	100.00%	133,492	-5.37%
53040	Fleet Replacement Charges	500,000	595,000	595,000	595,000	595,000	100.00%	595,000	0.00%
53050	WWTP Replacement Charges	200,000	200,000	200,000	250,000	250,000	100.00%	250,000	0.00%
53070	Pump Replacement Charges	50,000	55,000	55,000	60,000	60,000	100.00%	60,000	0.00%
<b>Total Interfund Transfers</b>		<b>882,255</b>	<b>972,582</b>	<b>960,847</b>	<b>1,046,063</b>	<b>1,046,063</b>	<b>100.00%</b>	<b>1,038,492</b>	<b>-0.72%</b>
<b>Capital Outlay</b>									
54010	Capital Equipment - New	63,658	29,138	47,241	44,950	44,950	100.00%	67,600	50.39%
54020	Capital Equip-Software	-	-	-	-	-	-	-	-
54030	Capital Equip - Replacement	64,143	40,341	100,020	66,248	66,248	100.00%	95,225	43.74%
<b>Total Capital Outlay</b>		<b>127,800</b>	<b>69,479</b>	<b>147,261</b>	<b>111,198</b>	<b>111,198</b>	<b>100.00%</b>	<b>162,825</b>	<b>46.43%</b>
<b>Sub-Total O&amp;M Fund</b>		<b>\$ 20,856,154</b>	<b>\$ 21,536,383</b>	<b>\$ 23,997,154</b>	<b>\$ 27,320,010</b>	<b>\$ 26,615,511</b>	<b>97.42%</b>	<b>28,395,093</b>	<b>3.94%</b>
<b>59200 LESS:</b>									
	Chargebacks to General Fund for CIP	(2,655,960)	(2,659,532)	(2,875,271)	(3,281,040)	(3,261,952)	99.42%	(3,404,838)	3.77%
	Chargebacks to General Fund for SSD	(1,782,378)	(1,702,644)	(1,943,292)	(2,099,230)	(2,099,230)	100.00%	(2,202,366)	4.91%
<b>Net Operation &amp; Maintenance Fund</b>		<b>\$ 16,417,816</b>	<b>\$ 17,174,208</b>	<b>\$ 19,178,591</b>	<b>\$ 21,939,740</b>	<b>\$ 21,254,329</b>	<b>96.88%</b>	<b>\$ 22,787,889</b>	<b>3.87%</b>

## Flow of Funds Chart



### Priority of expenditures per Bond Order

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



———— Flow of Funding

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

**RESOLUTION ADOPTING PRELIMINARY BUDGET AND SEWER USE CHARGES  
FOR THE  
METROPOLITAN SEWERAGE DISTRICT  
OF BUNCOMBE COUNTY, NORTH CAROLINA  
FOR THE FISCAL YEAR July 1, 2024 THRU June 30, 2025**

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 2024-2025 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, 2024 and ending June 30, 2025:

Operating and Maintenance Expenses	\$	17,670,274
Transfer to Insurance Accounts	\$	4,212,615
Transfer to Fleet & Heavy Equipment Fund	\$	595,000
Transfer to Wastewater Treatment Plant Reserve	\$	250,000
Transfer to Pump Station Maintenance	\$	60,000
Subtotal O&M	\$	22,787,889
Transfer to the General Fund	\$	34,150,712
Transfer to Debt Service Fund	\$	8,696,737
	\$	<u>65,635,338</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Domestic User Fees	\$	43,125,740
Industrial User Fees	\$	3,536,962
Billing and Collection Fees	\$	1,203,773
Investment Interest	\$	3,045,052
Rental Income	\$	96,000
Appropriated from Net Position	\$	14,627,811
	\$	<u>65,635,338</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, 2024 and ending June 30, 2025:

Transfer into Construction	\$ 37,475,712
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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, 2024 and ending June 30, 2025:

Facility and Tap Fees	\$ 3,300,000
Investment Income	\$ 1,000
Transfer In from Revenue Fund	\$ 34,150,712
Appropriated from Net Position	\$ 24,000
	<u>\$ 37,475,712</u>

- 3** The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

Capital Improvements Projects	\$ 37,475,712
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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, 2024 and ending June 30, 2025.

Investment Income	\$ 20,000
Transfer In from General Fund	\$ 37,475,712
Contribution to Net Position	\$ (20,000)
	<u>\$ 37,475,712</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, 2024 and ending June 30, 2025 are:

Operating Expenditures	\$ 4,251,561
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It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Transfer In from the Revenue Fund	\$ 4,212,615
Investment Income	\$ 290,000
Employee/Retirees Medical Contributions	\$ 355,000
Contribution To Net Position	\$ (606,054)
	<u>\$ 4,251,561</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, 2024 and ending June 30, 2025 estimated as follows:

Capital Equipment	\$ 716,432
	<u>\$ 716,432</u>

It is estimated that the following revenues will be available in the Fleet & Heavy Equipment Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Transfer In from the Revenue Fund	\$ 595,000
Sale of Surplus Property	\$ 71,643
Investment Income	\$ 61,402
Contribution To Net Position	\$ (11,613)
	<u>\$ 716,432</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, 2024 and ending June 30, 2025 estimated as follows:

Capital Equipment	<u>\$ 303,500</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, 2024 and ending June 30, 2025:

Transfer In from the Revenue Fund	\$ 250,000
Investment Income	\$ 14,089
Appropriated from Net Position	\$ 39,411
	<u>\$ 303,500</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, 2024 and ending June 30, 2025 estimated as follows:

Capital Equipment	\$ 107,500
	<u>\$ 107,500</u>

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Transfer In from the Revenue Fund	\$ 60,000
Investment Income	\$ 8,624
Appropriated from Net Position	\$ 38,876
	<u>\$ 107,500</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, 2024 and ending June 30, 2025:

Debt Service	<u>\$ 8,696,737</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, 2024 and ending June 30, 2025:

Transfer In from the Revenue Fund	\$ 8,696,737
Investment Income	\$ 500
Contribution To Net Position	\$ (500)
	<u>\$ 8,696,737</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, 2024.
- 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 15th day of May 2024

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

Attest:

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Jackie Bryson  
Secretary/Treasurer

## ACTION ITEM

### Finance Committee

**Meeting Date:** May 2, 2024  
**Submitted By:** Thomas E. Hartye, PE., General Manager  
**Prepared By:** W. Scott Powell, CLGFO, Director of Finance  
Jody Germaine, Budget Analyst  
**Subject:** Schedule of Sewer Rates and Fees FY2025

#### Background

The following is a schedule of rates and fees based upon assumptions in the Preliminary Budget and recommendations based upon the Business Plan.

#### Discussion

**Collection Treatment Charge/Base Meter Maintenance Charge:** The collection treatment charge is a volumetric charge based on a customer's monthly or bi-monthly water use. **Staff is recommending a 5.0% increase for domestic and industrial flow.**

The Base meter charge is a fixed rate based on meter size. **Staff is recommending a 5.0% increase in this charge.** Average monthly residential bill will be \$37.59 for five (5) CCF of consumption after the aforementioned increases.

**Sewer System Development Fee:** The District established this in 1990 to collect from the new customers a fee, which accounts for their allotted capacity for the capital cost of the sewage collection, transport, and treatment infrastructure.

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 September 2022, Raftelis Financial Consultants, Inc. was engaged to perform a study which conforms to the conditions and limitations of Article 8. An increase of 25.8% was implemented in FY2024. **Staff is not recommending a fee increase in FY2025.**

**Sewer Connection Fee:** The sewer connection fee is the charge for the investigation and actual physical connection to the sewer system. The District has traditionally done this work with its System Services forces while outsourcing certain parts of the tap installation. In FY2019, staff reviewed cost for connections for the last three fiscal periods. **Staff is recommending no fee increase in FY2025.**

**Other Fees:** These fees were computed in connection with the review process of Planning and Development Division. **Staff is recommending no fee increase in FY2025.**

**Bulk Charges:** Septage hauler fees have been updated to reflect the current industrial rates in accordance with the industrial fee parity plan.

**Returned Check Charge:** Such charges do not fully reimburse the time spent by District staff processing and collecting bad checks, nor for charges assessed by our bank. However, these fees are comparable to charges assessed by retail merchants and other governments. **Staff is recommending no fee increase in FY2025.**

**Copy and Printing Fees:** These fees were computed by Information Technology staff and reflect the cost of materials used to comply with NC public records regulations. They also are in line with copy fees assessed by certain other NC governmental units. **Staff is recommending no fee increase in FY2025.**

This fee schedule corresponds to the rates and fees presented in the updated business plan. The typical monthly bill for FY2025 will be \$37.59. **This is a \$1.79 increase over prior year's monthly bill.**

### Staff Recommendation

Staff requests that the Finance Committee recommend to the Board that the attached Schedule of Rates, Fees, and Charges be endorsed today and presented to the Board at the May 15, 2024 Board Meeting.

**Metropolitan Sewerage District of Buncombe County, North Carolina**  
**Schedule of Rates, Fees, and Charges - FY2025**

Effective July 1, 2024

	ADOPTED FY2024 RATE	PROPOSED FY2025 RATE
<b>Collection Treatment Charge</b>		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 5.26	\$ 5.52
Industrial Volume Charges (per CCF) Inside	5.26	5.52
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	\$ 5.27	\$ 5.53
Industrial Volume Charges (per CCF) Outside	5.27	5.53
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
<b>Base Meter/Maintenance Charge &amp; Billing Fee</b>		
5/8"	\$ 8.11	\$ 8.52
3/4"	11.79	12.38
1"	20.94	21.99
1 1/2"	47.88	50.27
2"	84.68	88.91
3"	187.79	197.18
4"	335.12	351.88
6"	754.92	792.67
8"	1,340.43	1,407.45
10"	2,099.04	2,203.99
Billing Fee (per bill)	2.83	2.93
<b>Sewer System Development Fees</b>		
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.		
<b>Residential</b>		
Per Unit	\$ 2,836.00	\$ 3,568.00
Mobile Home	2,836.00	3,568.00
Multifamily Unit	1,900.00	2,390.00
Affordable Housing	670.00	844.00

**Metropolitan Sewerage District of Buncombe County, North Carolina**  
**Schedule of Rates, Fees, and Charges - FY2025**

Effective July 1, 2024

	ADOPTED FY2024 RATE	PROPOSED FY2025 RATE
<b>Sewer System Development Fees</b> <i>(continued)</i>		
<i>Nonresidential</i>		
5/8"	\$ 2,836.00	\$ 3,568.00
3/4"	4,254.00	5,352.00
1"	7,090.00	8,919.00
1 1/2"	14,180.00	17,839.00
2"	22,688.00	28,542.00
3"	45,376.00	57,084.00
4"	70,900.00	89,194.00
6"	141,800.00	178,387.00
8"	226,800.00	285,319.00
10"	595,560.00	749,226.00
12"	751,540.00	945,452.00
 <b>Sewer Connection Fees</b>		
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
 <b>Manhole Installation/Replacement</b>		
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 - FY2025**

Effective July 1, 2024

	ADOPTED FY2024 RATE	PROPOSED FY2025 RATE
<b>Other Fees</b>		
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.		
<b>Bulk Charges</b>		
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
<b>Returned Check Charge</b>		
Returned Check (per event)	\$ 25.00	\$ 25.00
Dishonored Draft (per event)	25.00	25.00
<b>Copy/Printing Fees/Miscellaneous (each)</b>		
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