



AGENDA FOR: May 5, 2026

TIME: 2:00 P.M.

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

Agenda

1. Third Quarter Budget to Actual Review for FY 2025-2026

2. Pay Adjustment & Self-Insured Health Plan for FY 2026-2027

3. Capital Improvement Program for FY 2027-2036

4. MSD Business Plan/Financial Forecast

5. MSD Rates & Survey Data Comparisons

6. FY 2026-2027 Budget & Proposed Sewer Rates

7. Schedule of Sewer Rates & Fees for FY 2026-2027

Metropolitan Sewerage District
of Buncombe County, North Carolina

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

Finance Committee Members:

Gwen Wisler, Chairperson

Jackie W. Bryson

Esther Manheimer

Nathan Pennington

Jim Player

Al Whitesides



(828) 254-9646



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INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 5, 2026
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 2026

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, 2026. This information is based on cash revenues and invoices received prior to April 1, 2026 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 Revenue is above budget expectations. This is due to consumption being higher than budgeted expectations. Staff monitor consumption trends as they have a direct effect on the District's current revenue projections.
- Industrial Revenue is above budget expectations. This is due to consumption and strength of discharge being higher than budgeted expectations.
- 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 as well as FEMA remittances in FY2026.
- Rental income is slightly below budgeted expectations due to timing of cash receipts.
- O&M expenditures are at 70% of budget. The expenditures include encumbered amounts, which will be spent in the fourth quarter.
- Bond principal and interest are at 98%. 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, 2026**

UNAUDITED—NON-GAAP

| | Budget | Actual to Date | % Budget to Actual |
|--|------------------------------|-----------------------------|----------------------|
| REVENUES | | | |
| Domestic User Fees ¹ | \$ 41,647,839 | \$ 34,419,716 | 82.64% |
| Industrial User Fees | 3,745,368 | 3,622,459 | 96.72% |
| Facility Fees ² | 3,000,000 | 8,330,563 | 277.69% |
| Tap Fees ³ | 300,000 | 287,327 | 95.78% |
| Billing and Collection | 1,212,306 | 1,036,344 | 85.49% |
| Interest and Misc. Income | 2,475,452 | 5,910,274 | 238.76% |
| Employee Contribution to Health Ins. | 355,000 | 275,850 | 77.70% |
| Rental Income | 96,000 | 74,742 | 77.86% |
| Use of (Contributions to) Available Funds ⁴ | <u>58,842,237</u> | <u>44,623,441</u> | <u>75.84%</u> |
| Total Revenues⁵ | <u>\$ 111,674,202</u> | <u>\$ 98,580,716</u> | <u>88.28%</u> |
| EXPENDITURES | | | |
| Operations and Maintenance ⁶ | \$ 22,689,757 | \$ 15,887,142 | 70.02% |
| Bond Principal and Interest | 8,685,468 | 8,515,600 | 98.04% |
| Capital Equipment (Other than O&M) ⁶ | 528,346 | 280,849 | 53.16% |
| Capital Projects ⁶ | 78,770,631 | 73,897,125 | 93.81% |
| Contingency | <u>1,000,000</u> | <u>-</u> | <u>0.00%</u> |
| Total Expenditures | <u>\$ 111,674,202</u> | <u>\$ 98,580,716</u> | <u>88.28%</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

INFORMATIONAL ITEM

Personnel Committee

Meeting Date: May 5, 2026

Submitted by: Thomas E. Hartye, P.E., General Manager
Derrick Swing, SHRM-SCP, 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 2026-2027

Staff Recommendation

That the MSD Board fund and approve:

- ✓ 3.0% annual wage increases for employees, starting July 1, 2025
- ✓ 0% increase for the Self-Insured Medical Plan
- ✓ 5.5% 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.

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Subject: Pay Adjustment and Self-Insured Health Plan for FY 2026-2027

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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.

Health Insurance

In March, the District's insurance consultants indicated that FY2026 projected increases to medical and drug costs for the South region to be 7% to 9% and 11 to 16 %, 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, 2026 insurance renewal, staff is recommending no change in the Board and employee contributions for fiscal year FY2027.

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

- Changed Third Party Administrators (TPA) and Pharmacy Benefit Manager (PBM);
- Partnering with Park Ridge Hospital an 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 Go Health to offer higher discounts that save the District and employees significant costs

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 2026-2027 cost of living and merit raises is summarized below:

| Consumer Price Index (CPI) for South Urban Region | | | District Adopted Increase | |
|---|-------------|--|---------------------------|------------------------|
| 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% |
| 2023 | 3.7% | | FY 2024-2025 | 3.7% |
| 2024 | 2.8% | | FY 2025-2026 | 2.8% |
| 2025 | 2.2% | | FY 2026-2027 | 3.0% (Proposed) |
| *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 2.2% for “all urban consumers and for wage earners and clerical workers” during the period of December 2024 to 2025. The Consumer Price Index for the previous period of December 2023 to 2024 was 2.8%.

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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 2% to 4% in 2025 and were planning increases between 3% and 3.5% in 2026.

- **Agency Comparisons:**

Attachment #2 provides a listing of our benchmark agencies showing the past years' increases, as well as potential increases for the upcoming year based upon conversations with respective staff.

Fiscal Impact

The proposed salary and benefit adjustment costs are approximately \$593,000 higher than last years' budget request in this area.

Staff/Committee Recommendation

Staff requests that the Personnel Committee approve the recommendation of:

- 3.0% annual wage increases for employees, beginning July 1, 2026
- 0% increase for the Self-Insured Medical Plan
- 5.5% increase in **State required** contributions for the NC Retirement Plan

The Personnel Committee unanimously approved staff recommendations on April 21, 2026.

ATTACHMENT #1

MSD Self-Funded Health Insurance Plan Projection

| | Actual FY 2018 | Actual FY 2019 | Actual FY 2020 | Actual FY 2021 | Actual FY 2022 | Actual FY 2023 | Actual FY 2024 | Actual FY 2025 | Est. Actual FY 2026 | Budget FY2027 |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|--------------------|
| Beginning Balance | \$1,168,265 | \$1,198,068 | \$1,361,878 | \$1,889,312 | \$2,307,417 | \$2,893,387 | \$3,847,771 | \$4,624,513 | \$5,162,010 | \$5,524,289 |
| Income: | | | | | | | | | | |
| Employer Contribution | 2,051,775 | 2,185,141 | 2,327,175 | 2,478,441 | 2,639,540 | 2,811,110 | 2,993,840 | 2,993,840 | 2,993,840 | 2,993,840 |
| Employee Contributions | 382,579 | 343,194 | 351,869 | 355,075 | 349,602 | 359,647 | 358,756 | 358,371 | 345,000 | 345,000 |
| Transfer from Other Insurance Funds | 225,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Interest | 15,701 | 30,330 | 20,593 | 315 | 2,882 | 85,467 | 167,285 | 175,768 | 150,000 | 140,000 |
| Total Income | \$2,675,055 | \$2,708,665 | \$2,849,637 | \$2,983,831 | \$3,142,024 | \$3,406,224 | \$3,669,881 | \$3,677,979 | \$3,638,840 | \$3,628,840 |
| Total Funds Available | \$3,843,320 | \$3,906,733 | \$4,211,515 | \$4,873,143 | \$5,449,441 | \$6,299,611 | \$7,517,652 | \$8,302,492 | \$8,800,850 | \$9,153,129 |
| Expenses: | | | | | | | | | | |
| Transfer to Other Insurance Funds | | | | | | | 96,757 | | | |
| Claims Paid | 2,201,519 | 2,075,792 | 1,908,124 | 2,187,739 | 2,131,940 | 2,033,421 | 2,366,382 | 2,710,482 | 2,846,561 | 3,092,000 |
| Fixed Costs | 443,733 | 469,063 | 414,079 | 377,987 | 424,114 | 418,419 | 430,000 | 430,000 | 430,000 | 430,000 |
| Total Expenses | \$2,645,252 | \$2,544,854 | \$2,322,203 | \$2,565,726 | \$2,556,054 | \$2,451,840 | \$2,893,139 | \$3,140,482 | \$3,276,561 | \$3,522,000 |
| Ending Balance | \$1,198,068 | \$1,361,878 | \$1,889,312 | \$2,307,417 | \$2,893,387 | \$3,847,771 | \$4,624,513 | \$5,162,010 | \$5,524,289 | \$5,631,129 |
| Number of Participants | 163 | 163 | 166 | 166 | 165 | 166 | 167 | 162 | 161 | 166 |
| Total Cost per Participant | \$16,229 | \$15,613 | \$13,989 | \$15,456 | \$15,491 | \$14,770 | \$16,745 | \$19,386 | \$20,351 | \$21,217 |
| MSD Cost per Participant | \$13,881 | \$13,507 | \$11,869 | \$13,317 | \$13,372 | \$12,604 | \$14,597 | \$17,174 | \$18,208 | \$19,139 |
| MSD Contribution Increase | 7.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 0.00% | 0.00% | 0.00% |

*Employees cost sharing includes premium increases and overall plan modifications

ATTACHMENT #2

Local Governments and Utilities:

| AGENCY | FY2026 | FY2027 “Based upon conversations with respective managers which have not yet been approved” |
|---|--------------------------------------|---|
| Woodfin | 3% COLA | 2.8% COLA |
| Weaverville | 3% COLA 2% MERIT | 3% COLA 2% MERIT |
| Black Mountain | 3% COLA | UNKNOWN |
| Biltmore Forest | 3% COLA | 2.8% - 3.3% COLA |
| City of Asheville | 3% COLA | 2.5% - 3.3% COLA |
| Buncombe County | 3.09% COLA Longevity Pay - Annual | 2.71% COLA Longevity Pay - Annual |
| OWASA | 1% COLA | 2.71% COLA |
| Western Carolina Sewer & Water (REWA) | 3% MERIT | 3.2% MERIT |
| Metropolitan Sewerage District (MSD) | 2.8% COLA | 3% COLA |
| Private Sector | 2% - 4% | 3% - 5% |
| Consumer Price Index (CPI) | 2.7% | 2.2% |

INFORMATIONAL ITEM

Capital Improvement Program Committee

Meeting Date: May 5, 2026

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

Enclosed are the Fiscal Year 2026 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). It is also available to the public for viewing and comment.

Capital Improvement Program

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.

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

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

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

Reimbursement Projects are sewer extensions that qualify for developer reimbursement under the District’s Extension Policy.

Highlights

◆ 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. Eight new collection system projects have been added to the CIP for FY2026-2027 and beyond. Within the ten-year program, there are 107 collection system projects identified for contractor construction, ranging in length from 180 LF to over 36,000 LF. In FY2026-2027, there are 13 projects slated for contractor construction and 23 projects planned for in-house construction
- ▲ 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 in construction or completed over the past year include Old County Home PSR, Jonestown Road @ Riverside Dr, Interceptor Assessment & Cleaning, Weaverville Pump Station Replacement, and Carrier Bridge Pump Station Replacement project. Combined with in-house and developer-constructed rehabilitation projects, the total rehabilitated footage anticipated for FY2025-2026 is approximately 30,634 LF. The District’s goal of 40,000 LF was again impacted in FY2026 by Helene recovery projects that continued into the fiscal year. Additionally, the bidding environment in FY2026 has been less competitive than in previous years, resulting in fewer bids received. Two projects in FY2026 received zero bids when initially advertised. While bids have predominantly remained within budget, successful bidders have created a backlog of work.

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Subject: Capital Improvement Program Priorities & Review of Ten-Year CIP Document

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

- ▲ The Carrier Bridge Pump Station Replacement project is underway with anticipated completion in 2029. The project includes two pipeline river crossings of the French Broad which began in August 2025 and are nearly complete. Pump station excavation will commence this month and continue through the remainder of the fiscal year. This is a \$96 million project that will add conveyance capacity in support of anticipated growth in south and west Buncombe County, and northern Henderson County

- ▲ Major upcoming or ongoing projects in the collection system for FY27 include Hazel Mill Rd @ Richland St (\$2.9 million), CIPP Lining Contract #10 (\$3.2 million), Interceptor Line Assessment and Cleaning, Ph. 2 (\$2.5 million), ITT Pump Station Replacement (\$6.4 million), Weaverville Pump Station Replacement (\$26 million) and Carrier Bridge Pump Station Replacement (\$96 million). The Interceptor Line Assessment and Cleaning project is a two-year project that began this year and is being performed due to Hurricane Helene. Major line segments within the collection system are being assessed for debris accumulation and being cleaned as necessary

◆ Water Reclamation Facility

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

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

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

Proposed Ten-Year Capital Improvement Program Document

Listed within this document are the specific areas where proposed projects are to occur. Total expenditures for the current Fiscal Year 2025-2026 are estimated at \$68.9million.

The proposed capital budget for FY2026-2027 is \$83,827,923 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 \$200,000.

Total project costs over the ten-year window are estimated at \$794.9 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 3.33%, 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, Wesley Banner, Cheryl Rice, and the GIS Section for the many hours of preparation necessary to complete the District's annual CIP budget document.

Staff/Committee Recommendation

Endorsement of the Capital Improvement Program budget for Fiscal Year 2026-2027 and 10-year Capital Improvement Plan.

The CIP Committee unanimously approved the staff recommendation on April 23, 2026.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2026-2027 through 2035-2036

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

| PROJECT NAME | LOCATION OF PROJECT | PROJ. MGR. | PROJECT NUMBER | PIPE RATING | PROJECT FOOTAGE | TOTAL ESTIMATED COST | TOTAL EST. EXPENDS THRU FY 26 | FY 26-27 | | FY 27-28 | | FY 28-29 | | FY 29-30 | | FY 30-31 | | FY 31-32 | | FY 32-33 | | FY 33-34 | | FY 34-35 | | FY 35-36 | | |
|-------------------------------------|---------------------|------------|----------------|-------------|-----------------|----------------------|-------------------------------|-------------|-------------|----------|-------------|----------|-------------|----------|-----------|----------|-------------|----------|-------------|----------|-------------|----------|-------------|----------|---------|----------|---------|--------|
| | | | | | | | | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET |
| GENERAL SEWER REHABILITATION | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adams Street | Asheville | SA | 2012126 | 12 | 2,630 | \$1,345,800 | \$11,800 | \$0 | \$0 | | \$0 | | \$16,000 | | \$69,500 | | \$35,500 | | \$1,213,000 | 2,630 | \$0 | | \$0 | | \$0 | | \$0 | |
| Antique Lane @ Canie Creek | Asheville | DP | 2022023 | 14 | 6,039 | \$2,792,841 | \$50,000 | \$3,000 | \$217,500 | | \$100,341 | | \$2,422,000 | 6,039 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Arlington Street | Asheville | DP | 2015008 | 15 | 3,230 | \$1,667,000 | \$0 | \$0 | \$0 | | \$0 | | \$20,000 | | \$1,000 | | \$27,000 | | \$1,619,000 | 3,230 | \$0 | | \$0 | | \$0 | | \$0 | |
| Asheville Rd. @ US Hwy 70 | Swannanoa | TH | 2023005 | 17 | 5,470 | \$2,451,210 | \$0 | \$0 | \$43,760 | | \$15,000 | | \$127,900 | | \$2,850 | | \$2,261,700 | 5,470 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Atkins Street | Arden | BD | 2014012 | 29 | 1,833 | \$925,530 | \$5,480 | \$0 | \$0 | | \$2,600 | | \$77,850 | | \$839,600 | 1,833 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Avena Rd. @ Flat Creek Rd. | Black Mountain | TH | 2021009 | 43 | 1,985 | \$961,588 | \$0 | \$14,000 | \$34,950 | | \$912,638 | 1,985 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Beale Road at Copney Lane | Asheville | DP | 2009129 | 40 | 5,430 | \$3,988,025 | \$44,025 | \$256,750 | \$3,687,250 | 5,430 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Bear Creek Road | W. Asheville | SA | 2011117 | 6 | 2,800 | \$1,581,738 | \$7,900 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$1,500 | | \$163,338 | | \$103,500 | | \$1,305,500 | 2,800 | \$0 | | \$0 | |
| Bellevue Road | S. Asheville | DP | 2015175 | 15 | 1,100 | \$1,001,967 | \$106,967 | \$29,000 | \$866,000 | 1,100 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Broadway St. at Bordeau Place | Asheville | DP | 2009034 | 22 | 475 | \$266,569 | \$13,069 | \$0 | \$0 | | \$0 | | \$253,500 | 475 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Central Ave. @ I-240 | Asheville | SA | 2014180 | 20 | 1,224 | \$720,500 | \$8,000 | \$33,000 | \$679,500 | 1,224 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Chatham Road | Asheville | SA | 2015019 | 19 | 1,330 | \$1,300,400 | \$8,300 | \$108,975 | \$1,183,125 | 1,330 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Chester Pl. @ Cranford Rd. | Asheville | TH | 2019026 | 5 | 1,025 | \$520,100 | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$19,900 | | \$134,700 | | \$1,000 | | \$364,500 | 1,025 | \$0 | | \$0 | |
| Covewood Trail @ Chunnys Cove Rd. | Asheville | DP | 2021005 | 17 | 1,120 | \$535,500 | \$0 | \$7,500 | \$0 | | \$9,150 | | \$64,850 | | \$454,000 | 1,120 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Cub Road | Asheville | TH | 2018027 | 6 | 1,204 | \$559,800 | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$10,100 | | \$122,200 | | \$1,000 | | \$426,500 | 1,204 | \$0 | | \$0 | |
| Cumberland Ave. | Asheville | BD | 2014014 | 4 | 5,011 | \$2,540,450 | \$18,250 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$4,200 | | \$0 | | \$2,518,000 | 5,011 | \$0 | | \$0 | |
| Druid Drive | W. Asheville | SA | 2020006 | 10 | 500 | \$264,500 | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$20,500 | | \$67,000 | | \$177,000 | 500 | \$0 | | \$0 | | \$0 | |
| East Chestnut Ave. @ Five Points | N. Asheville | SA | 2015192 | 15 | 4,620 | \$4,373,571 | \$21,821 | \$209,550 | \$356,000 | | \$0 | 4,620 | \$3,786,200 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Edgewood Rd. S @ Sweeten Crk Rd. | Asheville | TH | 2021007 | 10 | 500 | \$256,800 | \$0 | \$0 | \$0 | | \$5,000 | | \$0 | | \$2,550 | | \$46,000 | | \$203,250 | 500 | \$0 | | \$0 | | \$0 | | \$0 | |
| Edwards Ave. @ US 70 Hwy. | Swannanoa | BD | 2021004 | 23 | 2,400 | \$1,145,550 | \$11,000 | \$6,800 | \$65,350 | | \$1,062,400 | 2,400 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Elk Park Drive - PRP 35001 | Woodfin | SA | 2006028 | 8 | 2,242 | \$842,446 | \$50,046 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$792,400 | 2,242 | \$0 | | \$0 | |
| Elkwood Ave. @ Norman Austin Dr. | Woodfin | DP | 2014008 | 22 | 600 | \$317,350 | \$0 | \$3,500 | \$2,000 | | \$8,850 | | \$303,000 | 600 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Fairmont Road | N. Asheville | DP | 2015017 | 4 | 3,900 | \$1,945,850 | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$30,000 | | \$0 | | \$10,000 | | \$239,850 | | \$1,666,000 | 3,900 | \$0 | | \$0 | |
| Forest Hill Dr. @ Warwick Rd. | Asheville | SA | 2014020 | 10 | 3,400 | \$1,734,500 | \$0 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$24,000 | | \$1,000 | | \$1,709,500 | 3,400 | \$0 | | \$0 | | \$0 | |
| Forestdale Drive | S. Asheville | DP | 2014002 | 14 | 2,900 | \$1,665,050 | \$25,500 | \$0 | \$0 | | \$1,000 | | \$178,500 | | \$48,050 | | \$1,412,000 | 2,900 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Harmony Lane | Asheville | DP | 2016103 | 28 | 670 | \$342,000 | \$0 | \$0 | \$3,500 | | \$0 | | \$338,500 | 670 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Hazel Mill Rd. @ Richland St. | Asheville | SA | 2014016 | 32 | 3,858 | \$2,972,253 | \$254,053 | \$2,718,200 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2026-2027 through 2035-2036

| PROJECT NAME | LOCATION OF PROJECT | PROJ. MGR. | PROJECT NUMBER | PIPE RATING | PROJECT FOOTAGE | TOTAL ESTIMATED COST | TOTAL EST. EXPENDS THRU FY 26 | FY 26-27 | | FY 27-28 | | FY 28-29 | | FY 29-30 | | FY 30-31 | | FY 31-32 | | FY 32-33 | | FY 33-34 | | FY 34-35 | | FY 35-36 | |
|---|---------------------|------------|----------------|-------------|-----------------|----------------------|-------------------------------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|---------|----------|---------|
| | | | | | | | | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE | BUDGET | FOOTAGE |
| GENERAL SEWER REHABILITATION Continued | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hemphill Rd. @ Charlotte Hwy. | Asheville | TH | 2021006 | 10 | 2,550 | \$1,089,175 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$18,000 | | \$41,950 | | \$850 | | \$1,028,375 | 2,550 | \$0 | | \$0 | |
| Herron Avenue | W. Asheville | SA | 2014186 | 9 | 2,060 | \$863,100 | \$1,700 | \$0 | | \$0 | | \$0 | | \$14,500 | | \$17,000 | | \$2,500 | | \$827,400 | 2,060 | \$0 | | \$0 | | \$0 | |
| Hill Street @ Cross Place | Asheville | TH | 2016249 | 42 | 641 | \$315,605 | \$3,875 | \$54,550 | | \$257,180 | 641 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Holly Ave @ Rhododendron Ave | Black Mountain | TH | 2025212 | 14 | 307 | \$169,000 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$3,000 | | \$48,000 | | \$4,500 | | \$110,000 | 307 | \$3,500 | | \$0 | |
| Howland Rd. @ Sunset Trail | Asheville | DP | 2012134 | 51 | 1,027 | \$801,800 | \$35,050 | \$37,750 | | \$729,000 | 1,027 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Innsbrook Rd. @ GP1 | North Asheville | BD | 2023256 | 28 | 5,730 | \$2,990,800 | \$40,100 | \$0 | | \$129,500 | | \$389,700 | | \$2,431,500 | 5,730 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Johnston Blvd. @ Providence Rd. | W. Asheville | DP | 2014013 | 11 | 2,086 | \$1,059,650 | \$8,150 | \$0 | | \$0 | | \$0 | | \$2,500 | | \$13,300 | | \$178,700 | | \$857,000 | 2,086 | \$0 | | \$0 | | \$0 | |
| Kimberly Ave. @ Sedley Avenue | Asheville | TH | 2018029 | 51 | 2,947 | \$1,658,658 | \$1,154,158 | \$504,500 | 1,474 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Kenilworth @ Springdale Rd. | Asheville | BD | 2014010 | 4 | 780 | \$637,190 | \$242,155 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$4,200 | | \$89,000 | | \$301,835 | 780 | \$0 | |
| Lakeview @ Glen Falls Rd. | N. Asheville | DP | 2014007 | 39 | 3,070 | \$2,112,450 | \$26,000 | \$171,000 | | \$353,700 | | \$1,561,750 | 3,070 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Lakewood Drive @ Dudley Ave. | Asheville | BD | 2015016 | 7 | 280 | \$146,450 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$2,800 | | \$2,600 | | \$31,850 | | \$109,200 | 280 | \$0 | | \$0 | |
| Lincoln Avenue | Asheville | BD | 2013103 | 4 | 1,415 | \$717,670 | \$2,870 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$714,800 | 1,415 | \$0 | | \$0 | |
| Lining Contract #10 | Various | TH | 2024035 | NA | 18,837 | \$3,200,000 | \$0 | \$3,200,000 | 18,837 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Logan Avenue | W. Asheville | SA | 2017256 | 32 | 1,623 | \$1,215,760 | \$148,360 | \$0 | | \$1,067,400 | 1,623 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Louisiana Avenue | W. Asheville | DP | 2015174 | 12 | 2,150 | \$1,098,500 | \$0 | \$0 | | \$0 | | \$0 | | \$15,000 | | \$0 | | \$1,083,500 | 2,150 | \$0 | | \$0 | | \$0 | | \$0 | |
| Lower Glendale Ave. | E. Asheville | BD | 2012083 | 36 | 1,700 | \$1,305,250 | \$6,650 | \$0 | | \$0 | | \$0 | | \$33,000 | | \$1,265,600 | 1,700 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Manetta Rd. @ Johnson Dr. | N. Asheville | TH | 2014022 | 24 | 3,343 | \$2,389,787 | \$405,744 | \$251,700 | | \$1,732,343 | 3,343 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Maplewood Rd. @ Griffing Circle | N. Asheville | SA | 2025000 | 51 | 1,850 | \$1,623,900 | \$15,000 | \$84,600 | | \$198,900 | | \$1,325,400 | 1,850 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| McDowell St. @ Lily Carmichael Dr. | Asheville | SA | 2021011 | 21 | 1,660 | \$847,000 | \$0 | \$0 | | \$12,000 | | \$0 | | \$1,000 | | \$834,000 | 1,660 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| McDowell St. @ Myrtle St. | Asheville | DP | 2019257 | 19 | 465 | \$356,350 | \$0 | \$3,500 | | \$0 | | \$4,000 | | \$11,350 | | \$237,500 | 465 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Meadow Road @ Train Yard | Asheville | BD | 2015207 | 6 | 2,001 | \$2,093,350 | \$7,000 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$3,000 | | \$114,350 | | \$1,969,000 | 2,001 | \$0 | | \$0 | |
| Merrimon Ave. @ Clearview Terrace | Asheville | TH | 2007012 | 6 | 500 | \$359,950 | \$6,044 | \$0 | | \$0 | | \$0 | | \$0 | | \$8,360 | | \$89,546 | | \$0 | | \$256,000 | 500 | \$0 | | \$0 | |
| Merrimon Ave. @ Coleman Ave. | N. Asheville | DP | 2014009 | 6 | 2,800 | \$1,431,000 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$20,000 | | \$0 | | \$1,411,000 | 2,800 | \$0 | | \$0 | |
| Mitchell Avenue | W. Asheville | SA | 2014185 | 8 | 3,360 | \$1,809,750 | \$0 | \$0 | | \$0 | | \$0 | | \$24,000 | | \$9,500 | | \$90,500 | | \$1,685,750 | 3,360 | \$0 | | \$0 | | \$0 | |
| Montford Ave. @ Montford Park | Asheville | BD | 2017144 | 59 | 1,129 | \$953,692 | \$181,312 | \$772,380 | 1,129 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| New Haw Creek @ Cisco Rd. | Asheville | BD | 2025002 | 54 | 790 | \$649,250 | \$10,200 | \$83,250 | | \$555,800 | 790 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| New Haw Creek Rd. @ Dogwood Grove | E. Asheville | SA | 2014021 | 8 | 3,000 | \$1,158,775 | \$8,525 | \$0 | | \$0 | | \$47,000 | | \$45,750 | | \$3,000 | | \$0 | | \$1,054,500 | 3,000 | \$0 | | \$0 | | \$0 | |
| New Stock Road | Weaverville | DP | 2015011 | 23 | 9,020 | \$6,400,650 | \$36,000 | \$108,000 | | \$115,400 | | \$6,042,000 | 9,020 | \$99,250 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| North Market Street | Asheville | SA | 2014019 | 6 | 1,064 | \$540,300 | \$3,875 | \$0 | | \$0 | | \$0 | | \$0 | | \$1,425 | | \$500 | | \$0 | | \$534,500 | 1,064 | \$0 | | \$0 | |
| North Street @ Broadway Street | Asheville | TH | 2018030 | 12 | 1,067 | \$676,000 | \$0 | \$0 | | \$0 | | \$13,000 | | \$0 | | \$121,500 | | \$0 | | \$541,500 | 1,067 | \$0 | | \$0 | | \$0 | |
| Oakland Drive @ Church Street | Black Mountain | DP | 2015177 | 9 | 575 | \$298,000 | \$0 | \$0 | | \$0 | | \$0 | | \$3,500 | | \$3,650 | | \$38,350 | | \$252,500 | 575 | \$0 | | \$0 | | \$0 | |
| Oakley Road @ School Road | Asheville | TH | 2018031 | 2 | 600 | \$238,000 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$10,500 | | \$0 | | \$227,500 | 600 | \$0 | |
| Oakwood Street | W. Asheville | BD | 2014155 | 9 | 976 | \$527,450 | \$0 | \$0 | | \$0 | | \$0 | | \$7,000 | | \$2,600 | | \$54,850 | | \$463,000 | 976 | \$0 | | \$0 | | \$0 | |
| Old Toll Rd. @ Blue Briar Rd. | Asheville | TH | 2018032 | 3 | 185 | \$95,000 | \$0 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$3,500 | | \$24,000 | | \$67,500 | 185 | \$0 | |
| Old Turnpike Rd. @ Azalea | Arden | TH | 2023255 | 35 | 1,168 | \$600,400 | \$76,050 | \$87,100 | | \$437,250 | 1,168 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Parkwood Avenue | Woodfin | TH | 2021286 | 14 | 1,165 | \$535,685 | \$0 | \$15,485 | | \$106,350 | | \$850 | | \$413,000 | 1,165 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Riverside Dr. @ Silverline Plastic | Woodfin | SA | 2012007 | 4 | 400 | \$208,670 | \$1,920 | \$0 | | \$0 | | \$0 | | \$0 | | \$5,000 | | \$0 | | \$0 | | \$0 | | \$201,750 | 400 | \$0 | |
| Riverside Dr. @ Woodfin Ave. | Woodfin | SA | 2019005 | 17 | 684 | \$645,000 | \$0 | \$18,500 | | \$645,000 | | \$22,500 | | \$604,000 | 684 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Riverview Drive | Asheville | BD | 2013104 | 54 | 2,507 | \$1,951,480 | \$17,380 | \$0 | | \$1,934,100 | 2,507 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Rosewood Ave. @ Riverside Cemetery | Montford | BD | 2019023 | 25 | 180 | \$104,150 | \$1,300 | \$2,600 | | \$25,150 | | \$75,100 | 180 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Royal Pines Drive - PRP 47009 | Arden | SA | 2007020 | 18 | 7,050 | \$3,638,100 | \$10,100 | \$0 | | \$39,000 | | \$8,000 | | \$45,000 | | \$3,536,000 | 7,050 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Starmount Drive | Asheville | SA | 2023007 | 19 | 775 | \$445,300 | \$0 | \$7,000 | | \$7,100 | | \$31,000 | | \$10,500 | | \$389,700 | 775 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Starnes Avenue | Asheville | BD | 2014154 | 7 | 3,074 | \$1,615,340 | \$0 | \$0 | | \$0 | | \$0 | | \$22,000 | | \$0 | | \$3,400 | | \$91,150 | | \$1,498,790 | 3,074 | \$0 | | \$0 | |
| Stratford Road | N. Asheville | DP | 2015013 | 13 | 1,820 | \$929,500 | \$0 | \$0 | | \$15,000 | | \$1,000 | | \$58,150 | | \$145,850 | | \$2,000 | | \$707,500 | 1,820 | \$0 | | \$0 | | \$0 | |
| Sulphur Springs Rd. @ Covington | W. Asheville | DP | 2014006 | 44 | 1,350 | \$1,029,700 | \$25,350 | \$55,850 | | \$224,250 | | \$724,250 | 1,350 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Sweeten Creek Rd. @ Holiday Dr. | Asheville | DP | 2022022 | 43 | 3,053 | \$1,465,000 | \$24,000 | \$18,300 | | \$47,000 | | \$64,700 | | \$1,311,000 | 3,053 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |
| Sweeten Creek Rd. @ Mills Gap Rd. | Asheville | SA | 2014189 | 4 | 2,572 | \$1,540,050 | \$11,300 | \$0 | | \$0 | | \$0 | | \$0 | | \$106,000 | | \$87,750 | | \$27,500 | | \$0 | | \$1,307,000 | 2,572 | \$0 | |
| Tunnel Rd. @ Pleasant Ridge Dr. | E. Asheville | SA | 2019006 | 22 | 350 | \$199,300 | \$0 | \$4,000 | | \$17,800 | | \$0 | | \$0 | | \$177,500 | 350 | \$0 | | \$0 | | \$0 | | \$0 | | \$0 | |

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2026-2027 through 2035-2036

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

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

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

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

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

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

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

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

INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 5, 2026
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 FY2027

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 FY2027 Personnel Committee recommendations for employee compensation and self-insurance funding as well as FY2027 CIP Committee recommendations for infrastructure improvements. (See Tabs 2 & 3).

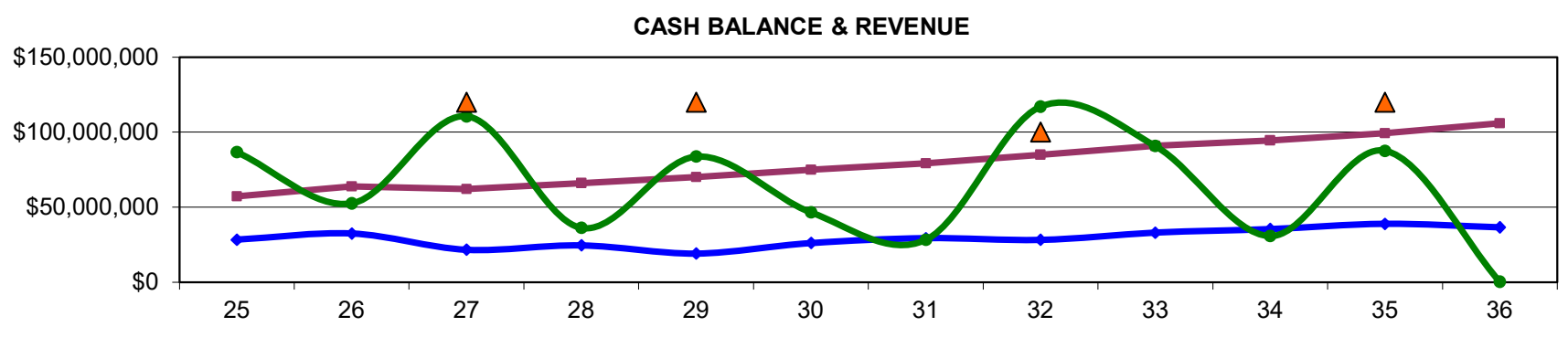
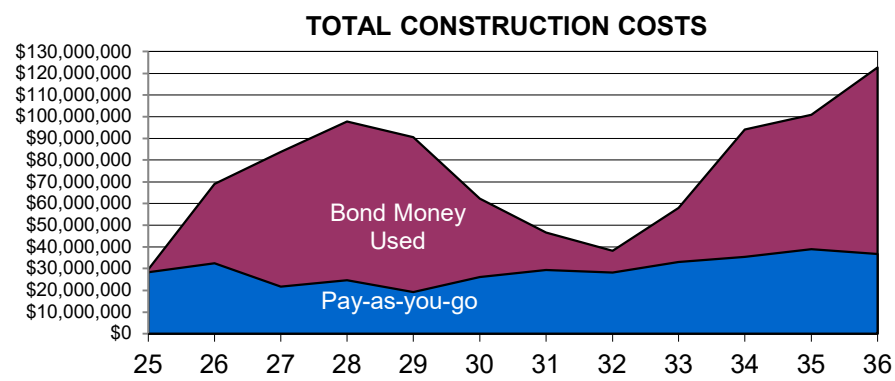
The purpose of this item is to review both budget and rates as a part of the District's overall business plan prior to taking action on them individually.

Staff Recommendation

Staff recommends a 7.0% rate increase.

| Business Plan - FY27 | 3.00% | 5.00% | 5.00% | 5.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | 7.00% | Sewer Rate Increase | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|--|
| | \$34.10 | \$35.83 | \$37.59 | \$39.46 | \$42.18 | \$45.04 | \$48.11 | \$51.43 | \$54.95 | \$58.73 | \$62.78 | \$67.09 | \$71.73 | \$75.54 | Average Monthly Bill | |
| | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 | FY 2036 | Assumptions | |
| July 1- Available for Construction | 72,841,917 | 75,632,264 | 88,260,172 | 86,743,741 | 52,556,366 | 110,528,331 | 36,249,330 | 83,724,033 | 46,597,876 | 28,228,154 | 117,033,380 | 90,830,873 | 30,854,696 | 87,602,087 | Minimum of 365 Days Cash on Hands | |
| REVENUE: | | | | | | | | | | | | | | | | |
| Domestic Users | 38,556,584 | 40,739,250 | 40,652,288 | 45,647,839 | 49,235,906 | 53,046,292 | 57,153,079 | 61,632,693 | 66,427,986 | 70,746,857 | 75,403,445 | 79,889,132 | 84,719,873 | 91,356,562 | Consumption and Account Growth | |
| Industrial Users (No growth) | 3,805,064 | 3,987,537 | 4,051,632 | 4,678,365 | 4,731,826 | 4,967,720 | 5,220,126 | 5,490,201 | 5,779,181 | 6,088,390 | 6,419,243 | 6,773,256 | 6,773,256 | 7,152,050 | | |
| Billing and Collections (User Fee) | 1,060,476 | 1,120,845 | 1,099,178 | 1,212,306 | 1,250,000 | 1,287,500 | 1,326,125 | 1,365,909 | 1,406,886 | 1,449,093 | 1,492,565 | 1,537,342 | 1,583,463 | 1,630,966 | | |
| Tap Fees | 693,708 | 495,868 | 609,701 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 | | |
| Facility Fees | 4,649,553 | 9,045,356 | 6,988,133 | 9,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | | |
| Interest & Non-operating Revenues | 2,970,822 | 4,269,030 | 3,768,554 | 2,750,000 | 2,446,270 | 2,201,665 | 1,799,600 | 1,954,829 | 1,122,390 | 2,178,923 | 3,117,964 | 1,825,284 | 1,776,852 | 1,320,117 | | |
| City of Asheville (annex.-Enka) | 27,962 | 8,610 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Rental Income | 100,255 | 97,837 | 99,936 | 88,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | | |
| Transfer from Reserves (to / from) | (987,965) | (111,655) | (336,004) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Miscellaneous | - | - | 307,525 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | | |
| Total Revenues | 50,876,459 | 59,652,678 | 57,240,943 | 63,866,510 | 62,179,003 | 66,018,177 | 70,013,931 | 74,958,632 | 79,251,444 | 84,978,263 | 90,948,217 | 94,540,013 | 99,368,444 | 105,974,694 | 0.75% Increase | |
| State and Federal (FEMA) Grants | | | 730,391 | 3,219,655 | 1,000,000 | | | | | | | | | | | |
| Revenue Bonds/Stimulus | | | | | 120,000,000 | | 120,000,000 | | | 100,000,000 | | | 120,000,000 | | | |
| Total Funds Available | 123,718,376 | 135,284,942 | 146,231,507 | 153,829,906 | 235,735,369 | 176,546,508 | 226,263,261 | 158,682,665 | 125,849,320 | 213,206,417 | 207,981,597 | 185,370,886 | 250,223,139 | 193,576,781 | Bond Issues figured at: 5.0% yield FY27 5.0% yield FY29 5.0% yield FY32 5.0% yield FY35 3% inflation in O & M, Replacement Funds and Engineering Force Account ENR 10-year Construction Index @ 3.33% General Sewer Rehab to cover approx. 40,000 lineal ft / year Target Debt Coverage 1.5 No growth in Industries - Rate Parity for Flow in 2020 | |
| EXPENSES: | | | | | | | | | | | | | | | | |
| Operations & Maintenance | 17,167,722 | 18,697,499 | 20,089,324 | 22,581,617 | 23,160,782 | 24,070,348 | 25,032,413 | 26,041,284 | 27,099,303 | 28,222,342 | 29,401,175 | 30,639,027 | 31,939,331 | 33,305,736 | | |
| Replacement Funds (WRF & Fleet) | 850,000 | 905,000 | 905,000 | 905,000 | 905,000 | 1,120,000 | 1,120,000 | 1,120,000 | 1,130,000 | 1,230,000 | 1,230,000 | 1,230,000 | 1,230,000 | 1,230,000 | | |
| Debt Service | 8,829,772 | 8,801,718 | 8,780,245 | 8,805,081 | 17,313,333 | 17,312,074 | 25,818,093 | 22,756,181 | 22,742,080 | 28,511,961 | 28,513,511 | 28,516,661 | 28,516,661 | 35,963,281 | | |
| CIP (including Bond Projects) | 21,238,618 | 18,620,553 | 29,713,197 | 68,981,842 | 83,827,923 | 97,794,756 | 90,568,722 | 62,167,323 | 46,649,783 | 38,208,734 | 58,006,038 | 94,130,502 | 100,935,060 | 122,672,078 | | |
| Total Expenses | 48,086,112 | 47,024,770 | 59,487,766 | 101,273,540 | 125,207,038 | 140,297,178 | 142,539,228 | 112,084,788 | 97,621,166 | 96,173,037 | 117,150,724 | 154,516,190 | 162,621,052 | 193,171,095 | | |
| Pay-as-you-go (Current Revenue only) | 24,878,965 | 32,153,461 | 28,371,374 | 32,479,813 | 21,704,888 | 24,635,755 | 19,163,425 | 26,161,166 | 29,410,061 | 28,243,960 | 33,033,531 | 35,384,325 | 38,912,452 | 36,705,677 | | |
| Debt Coverage (User Fees only) | 3.2 | 3.6 | 3.1 | 3.6 | 2.0 | 2.2 | 1.6 | 1.9 | 2.1 | 1.8 | 2.0 | 2.1 | 2.2 | 1.9 | | |
| Debt Coverage with Total Revenue | 3.8 | 4.6 | 4.2 | 4.7 | 2.3 | 2.4 | 1.7 | 2.1 | 2.3 | 2.0 | 2.2 | 2.2 | 2.4 | 2.0 | | |

| Active Plan CIP | 10-Year Capital Improvement Program | | | | | | | | | | | | | | |
|---|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--|
| | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 | FY 2036 | |
| Interceptor/Wet Weather Rehabilitation | 3,229,164 | 3,193,803 | 422,392 | 75,000 | 120,400 | 631,845 | 714,938 | 1,580,370 | 11,971,905 | 19,066,236 | 4,881,117 | 8,544,844 | 474,226 | 17,413,333 | |
| General Sewer Rehabilitation | 9,319,001 | 6,145,658 | 9,348,195 | 9,837,617 | 14,184,840 | 21,416,856 | 19,252,851 | 21,173,283 | 19,748,601 | 13,876,874 | 15,902,027 | 15,413,144 | 22,862,739 | 13,320,833 | |
| Private Sewer Rehabilitation | 210,250 | 177,900 | 74,000 | 3,109,650 | 270,771 | 596,472 | 13,346 | 2,868 | 13,680 | 6,243 | 1,503,230 | 0 | 295,335 | 0 | |
| Treatment Plant / Pump Stations | 5,363,362 | 5,679,202 | 12,380,772 | 52,444,348 | 64,482,650 | 70,347,064 | 66,685,641 | 35,406,487 | 10,741,671 | 985,367 | 31,342,657 | 65,689,615 | 72,710,961 | 87,215,488 | |
| Engineering Force Account | 3,076,816 | 3,281,040 | 3,404,838 | 3,415,227 | 3,569,262 | 3,702,519 | 3,801,946 | 3,904,315 | 4,073,926 | 4,174,014 | 4,277,007 | 4,382,899 | 4,491,799 | 4,622,424 | |
| Reimbursements | 40,025 | 142,950 | 183,000 | 100,000 | 200,000 | 1,100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | |
| Contingency | 0 | 0 | 3,900,000 | 0 | 1,000,000 | | | | | | | | | | |
| Capital Improvement Program Totals | 21,238,618 | 18,620,553 | 29,713,197 | 68,981,842 | 83,827,923 | 97,794,756 | 90,568,722 | 62,167,323 | 46,649,783 | 38,208,734 | 58,006,038 | 94,130,502 | 100,935,060 | 122,672,078 | |



- ◆ Pay-as-you-go
- ◆ Revenue w/o Bonds
- ▲ Bond Issues
- ◆ Cash Balance

District 10yr CIP
\$794.9 Million

District total 10yr Budget
\$1.3 billion

INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 5, 2026
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

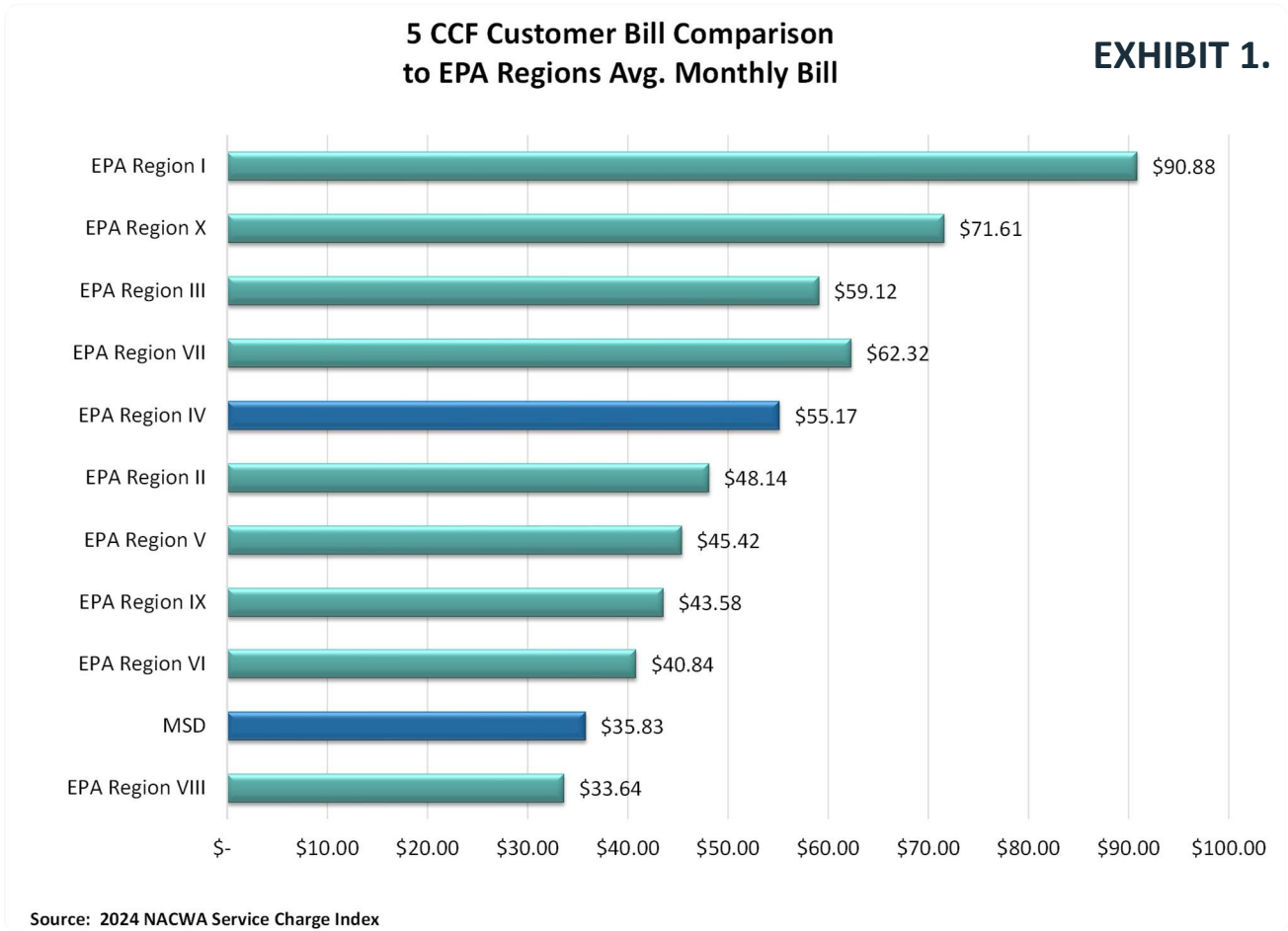
Annually, the National Association of Clean Water Agencies (NACWA) publishes a cost of clean water index survey for our industry. The report covers financial trends, utility operations, future rate, and service charge increases. It also provides a complete picture of how utility managers continue to find a balance in providing an essential service and responsibly managing their communities' resources. A total of 164 clean water agencies representing over 99 million people served by centralized sewer service participated in the 2024 index.

Discussion

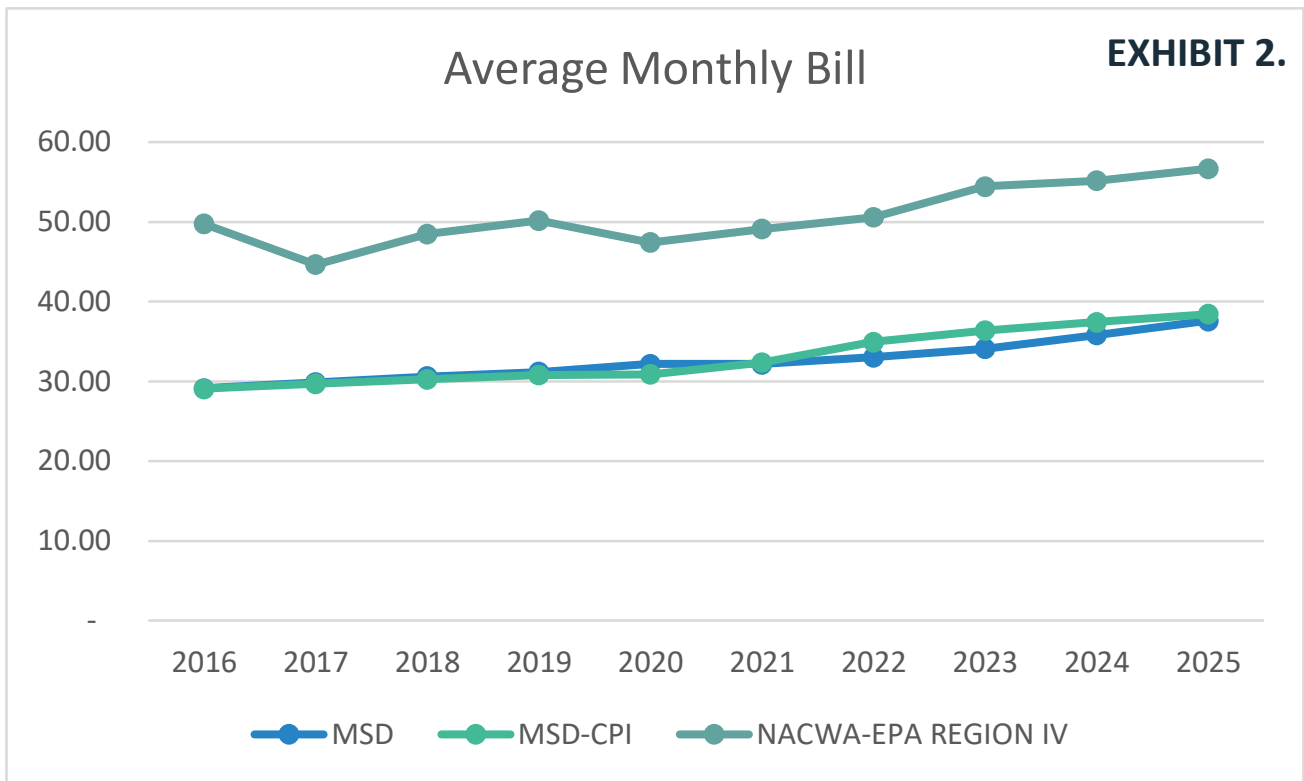
For 2024 NACWA's cost of clean water index survey, MSD's monthly residential charges are very competitive as compared to EPA Region IV (Exhibit 1). Additionally, MSD's average residential sewer bill compares well with the rest of the EPA regions across the country (Exhibit 1). Staff have also included a comparison of its average monthly bill to CPI and EPA Region IV (Exhibit 2) as well as a 2026 rate comparison for all AA & AAA sewer providers in North Carolina (Exhibit 3).

Staff Recommendation

None – Informational only.

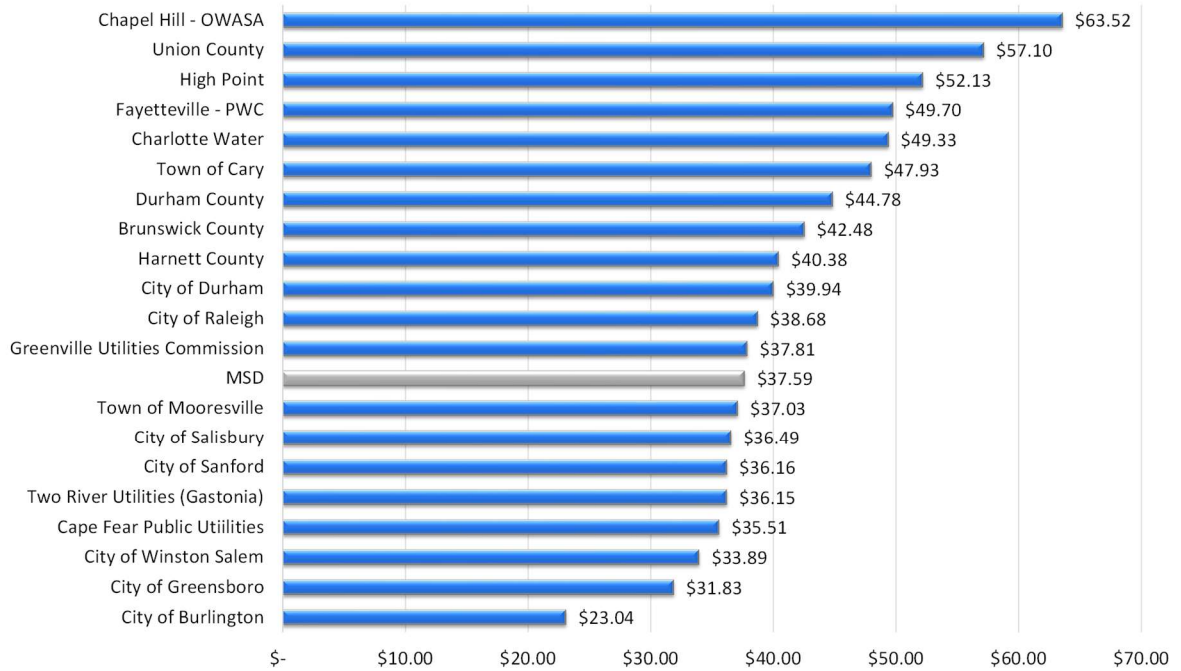


***Average bill Nationwide = \$653 annually**



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

EXHIBIT 3.



Source: UNC Environmental Resource Center

ACTION ITEM

Finance Committee

Meeting Date: May 5, 2026
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Jody Germaine, Budget Analyst
Subject: Proposed FY2027 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 FY2027 Budget along with the Resolution be endorsed today and presented to the Board at the May 20, 2026 Board Meeting.



Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

May 5, 2026

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

Subject: FY2027 Budget and Proposed Sewer Rates

Dear Members of the Finance Committee,

We respectfully present the FY2027 Budget for the Metropolitan Sewerage District of Buncombe County, North Carolina. The budget incorporates staff recommendations presented to and accepted by the Personnel Committee, which met on April 21, 2026, the Capital Improvement Program Committee, which met on April 23, 2026.

We have developed the FY2027 Budget to advance the organization's mission *"to provide wastewater collection and treatment to its users which promotes the health and safety of affected citizens in the most effective and efficient manner possible today and in the future"*. The following Operational and Capital budget is designed to provide services meeting or exceeding all state regulations and Bond Order covenants with which the District must comply, with any rate changes to be at the lowest responsible level.

Current Year Highlights

In FY2026, the District's domestic and industrial revenue will exceed budgeted projections. The District has proposed a 7.00% rate increase for the upcoming year. Additionally, the District's long-range business plan incorporates this change and projects that future rate increases will be approximately 7.0% for the remaining nine (9) years.

This budget continues several recent initiatives to maintain the District's overall strategy of keeping collection lines and the plant functioning effectively while rehabilitating significant portions of aging infrastructure. The most important goal remains meeting all regulatory permit requirements.

Approximately forty thousand (40,000) linear feet of sewer rehabilitation in the Collection System was planned for FY2026. The SS Construction Department continues to expand its sewer line rehabilitation and replacement efforts to maximize service and minimize SSOs. Goals for FY2026 include utilizing Infrastructure Rehabilitation System (IRS) lining, pipe bursting, and dig-and-replacement construction to rehabilitate and replace at least 15,000 linear feet, while providing preventative maintenance for approximately 600,000 linear feet of the system by employing in-house jet wash cleaning and both chemical and mechanical root control. In addition, the SS Maintenance Department will manage the District's Right-of-Way maintenance program whereby easements will be periodically cleared or mowed.

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

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

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

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

Operating Budget

The proposed \$23.3 million Operating Budget represents routine expenditures and capital equipment acquisitions needed for the day-to-day operations of the District. Highlights of significant components and changes include:

- **Compensation and Benefits**—The staff and employees considered salary and health insurance increases together as part of a comprehensive compensation package.
 - The CPI for the Southern Urban Wage Earners increased 2.2% for the last twelve-month period. The Division Directors in conjunction with Employee Advisory Committee have requested a cost-of-living increase to keep pace with industry salary increases as well as to encourage retention of valued employees. On April 21, 2026, the Personnel Committee recommended a 3.0% wage increase, which has an approximate \$391,000 impact.
 - A 5.5% increase in funding for North Carolina retirement cost—In 2016, the Local Governmental Employees' Retirement Systems (LGERs) adopted a rate stabilization policy to allow for predictability and stability in the contribution rates, while continuing keeping the local retirement system one of the best-funded systems in the country. This year's increase has an approximate \$151,000 impact on current year expenditures.
 - A 0.0% increase in funding for Self-Insured Medical Plan—The District has been able to hold employer contributions to FY2025 levels to cover estimated medical expenses of the plan while maintaining prudent reserves for future claims. This has a \$0 impact on current year expenditures.
 - Funding for Post-Employment Health Benefit—Starting in FY2009, GASB 45/75 required recognition of cost for Post-Employment Health Benefits. An actuarial study was done in the current year, staff is recommending funding should remain at approximately \$283,000. Current funding has been implemented into the proposed FY2027 budget, in addition to the current business plan, and represents 1.20% of total operations.

- ✚ **Materials, Supplies, and Service expenditures increased 1.8% over prior year**—The District has made a concerted effort to hold materials, supplies, and services cost close to the prior year's level, taking into account inflationary cost increases and continued expansion of the District. The District has increased specific line items to address regulatory and operational needs. Discretionary expenditures have been limited where practicable. This has an approximate \$179,000 impact on year expenditures.

Capital Improvement Program

The District prepares a ten-year Capital Improvement Program as required by its State Collection System Permit and the Consolidation Agreements. The estimated construction expenditure for FY2027 is \$83.8 million, which is comprised of an estimated \$82.6 million in construction, \$200,000 of reimbursement, and \$1 million in contingency. The total 10-year CIP budget is \$794.9 million.

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

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2026, the District will have \$64.5 million in outstanding revenue bond debt, with total debt service of \$8.7 million due before the end of the fiscal year. Unlike counties and cities, the District does not have a legally mandated debt limit. However, the District does have a rate covenant. The covenant requires the District to set rates and charges so that income available for debt service will not be less than 120% of fiscal year debt service requirement.

- ✚ **Collection System Capital Improvements:**

MSD initiated and maintains an aggressive program to rehabilitate its Wastewater Collection System. This program will conform to the North Carolina Department of Environmental and Natural Resources (NCDENR) Collection System Permit requirements, will improve the operational performance, and extend the life of the collection system. The estimated cost over a 10-year period is approximately \$285.7 million.

MSD's focus to rehabilitate over 403,000 feet of sewer lines for the next 10 years and other projects identified in the Master Plan. This rehabilitation has been made more cost-effective by the development of the Pipe Rating Program. Pipe Rating is a proactive planning tool, which utilizes Closed Circuit Television (CCTV) information, a GIS database, actual maintenance history to view, rate, and computer-score pipe segments based on a number of factors.

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

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

Major projects for FY2027 include Hazel Mill Road at Richland Street with 3,588 linear feet \$2.7 million, Lining Contract #10, 18,837 linear feet \$3.2 million, Montford Avenue at Montford Park 1,129 linear feet \$772,000, and Interceptor line assessment and cleaning \$1.5 million. These are in addition to numerous smaller projects completed throughout the collection system. Further details are available in the CIP section of the budget document

Wastewater Treatment Plant Capital Improvements:

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

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

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

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

Impact of CIP on Operations

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

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

Sewer Rate Increase

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

We believe this rate increase is prudent under the current economic situation and is necessary to provide for the following District responsibilities and objectives:

- ✓ Meet current and future regulations at the Water Reclamation Facility and for the Collection System
- ✓ Replace and rehabilitate approximately 40,000 linear feet of sewer mains a year
- ✓ Debt coverage ratio attractive to investors and rating agencies
- ✓ Support of the pay-as-you-go element of the CIP in addition to bonds
- ✓ Continue with goal of periodic smaller rate increases in lieu of large increases in future years
- ✓ Adequate current funding and maintenance of prudent reserves for Self-Insured Medical/Dental Plan
- ✓ Continue with necessary Treatment Plant upgrades

In the past, the MSD Board has endeavored to keep rate increases to a minimum. The District's Bond Order requires sewer rates be set to ensure that the excess of revenues over current expenditures is at least 120% of debt service.

Additionally, the Board balances the bond order requirements while maintaining all regulatory and fiduciary responsibilities.

Domestic sewer rates for the past five years as well as a projection for FY2027 are shown below:

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

Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2025. This is the twenty-eighth (28) consecutive year that the MSD has received this award. In order to receive this award, a governmental unit

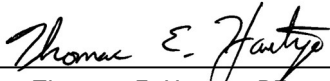
must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of one year only. We believe our FY2027 budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

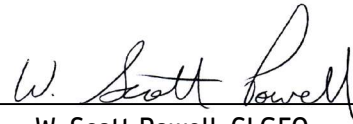
In Closing

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, Derrick Swing/HR Director, Hunter Carson/CIP Director, and Cheryl Rice/Accounting Manager for assembling the CIP Section of the Budget. We look forward to working with you, staff, and our ratepayers as we implement this financial plan and policy document.

Respectfully submitted,

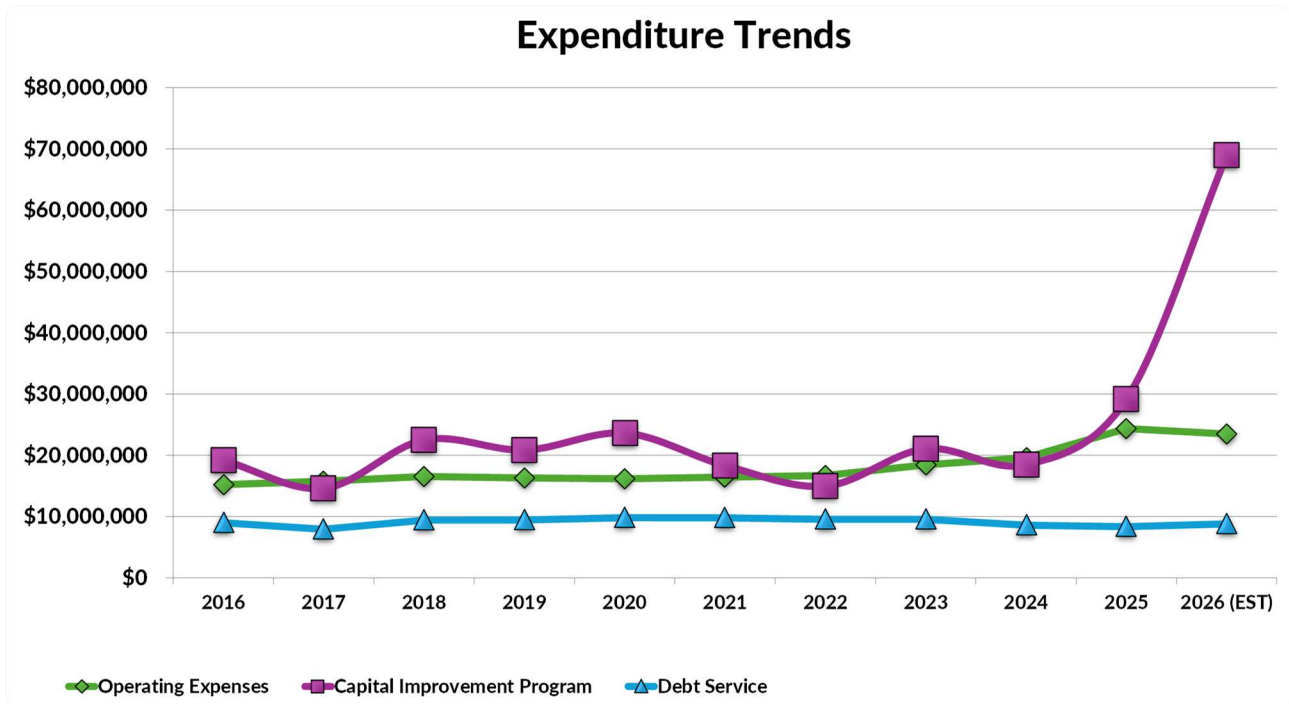
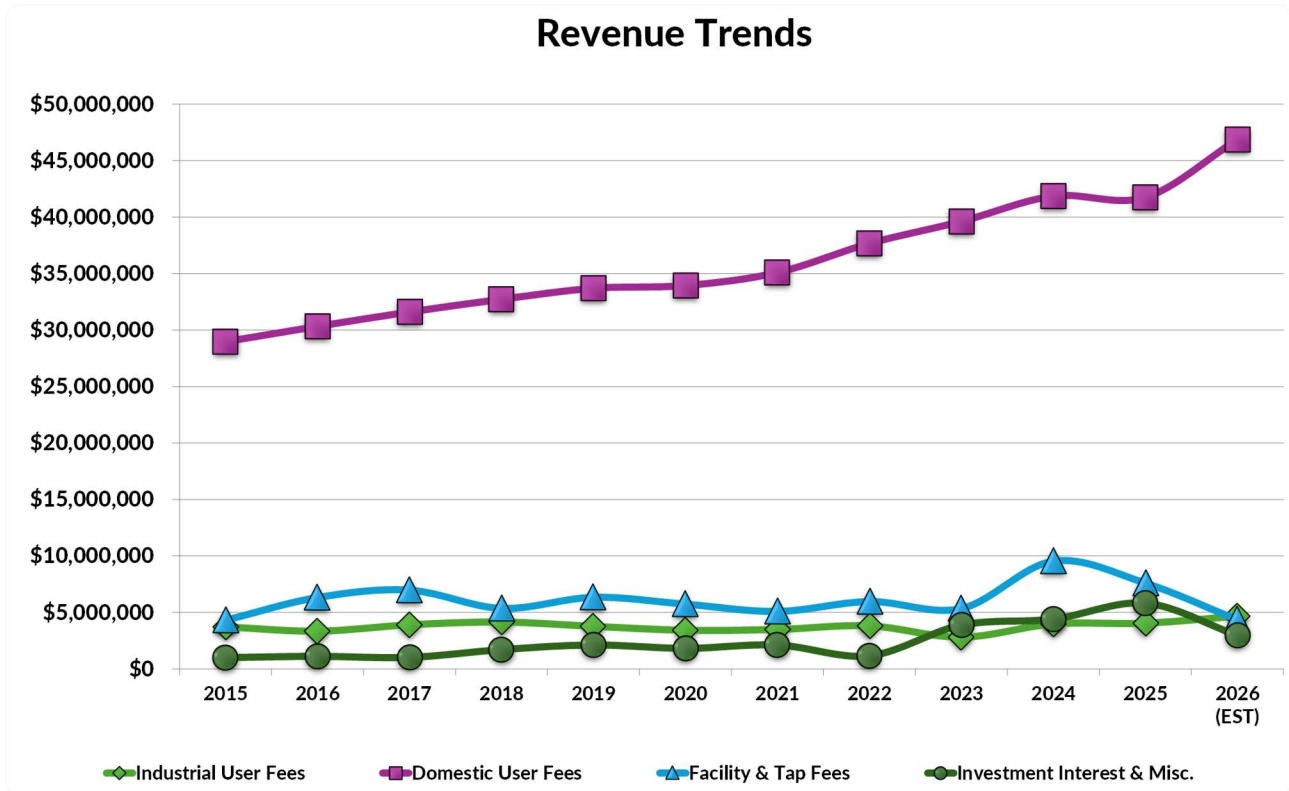


Thomas E. Hartye, PE
General Manager

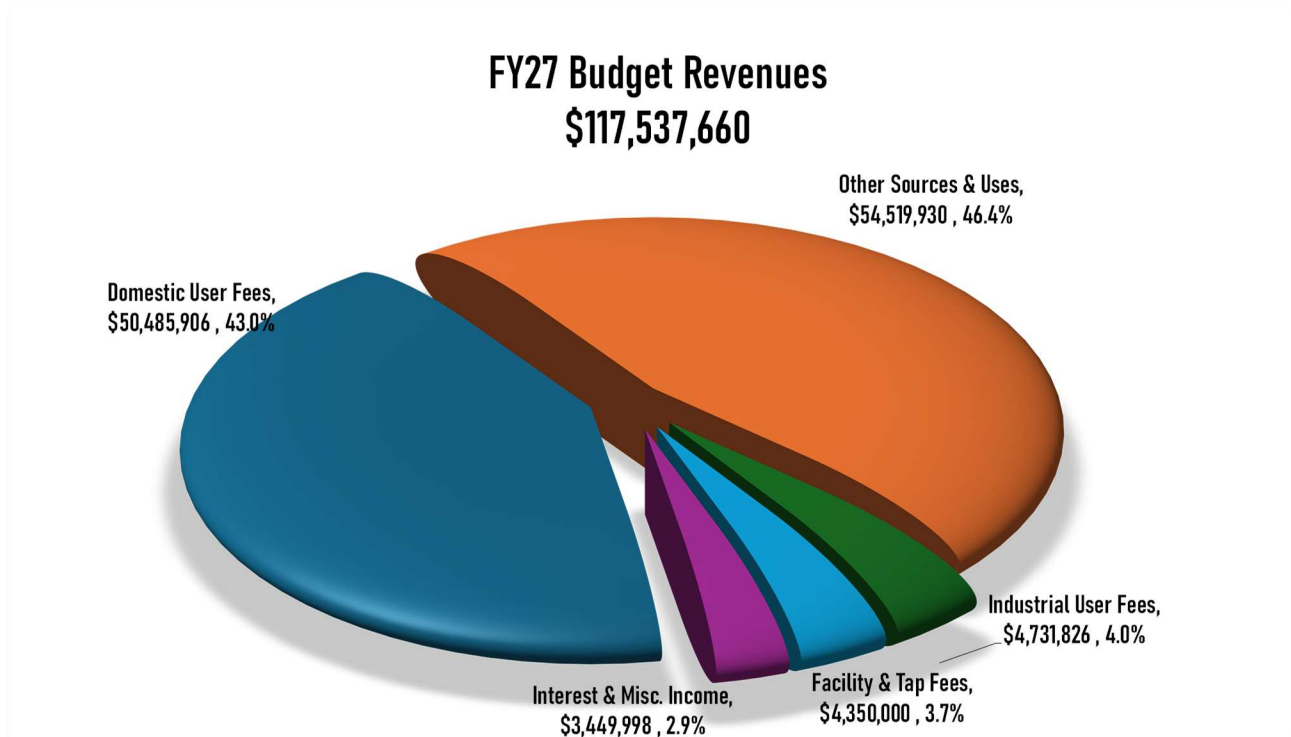


W. Scott Powell, CLGFO
Director of Finance

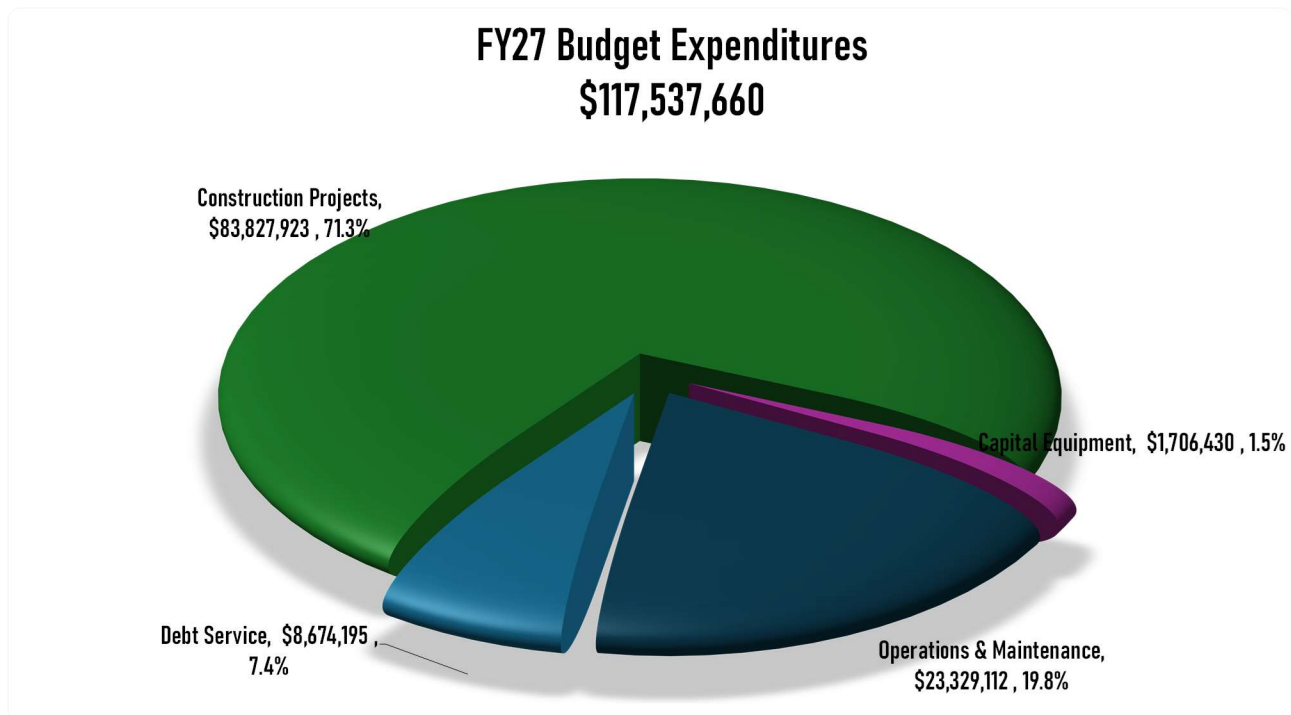
Trend Analysis



Revenue Summary for FY2027



Expenditures Summary FY2027



Consolidated Budget Summary FY2027

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

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

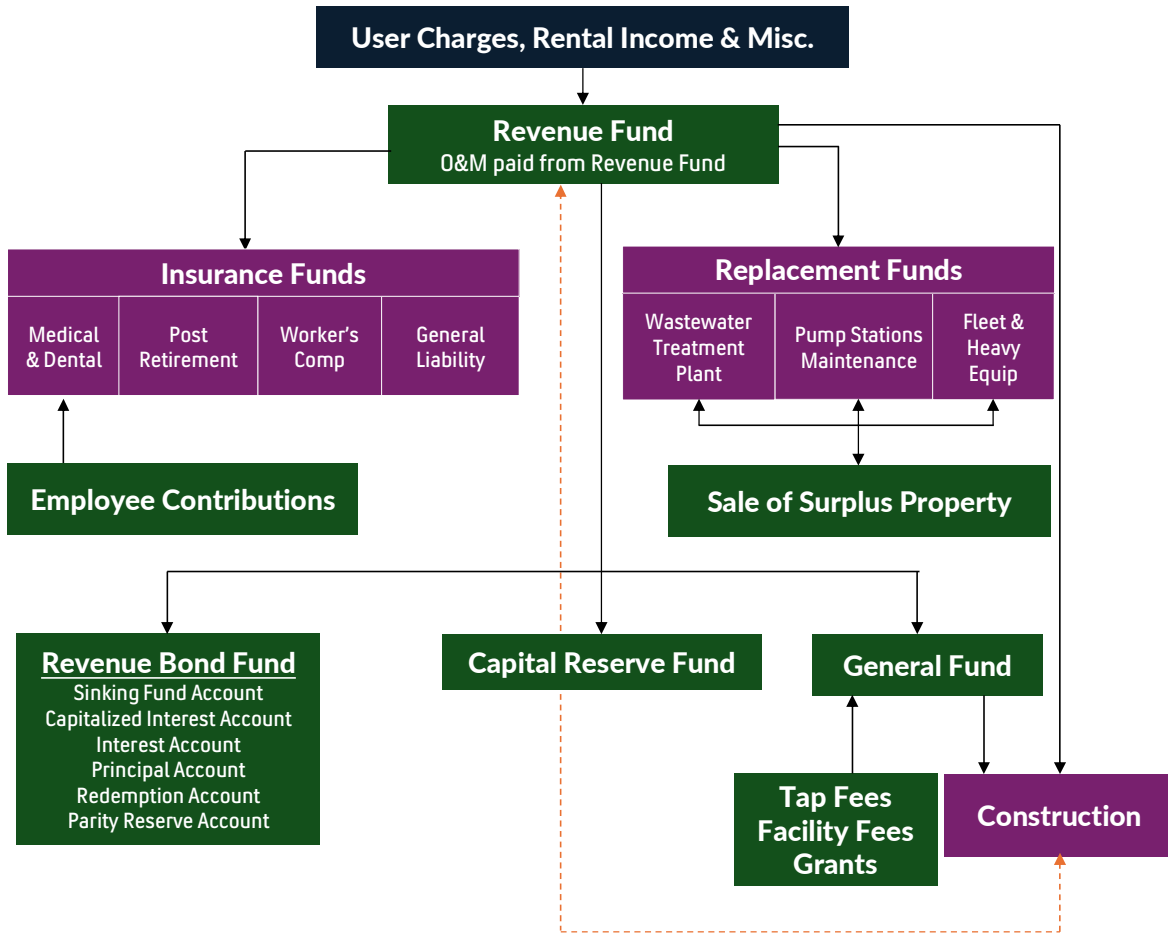
O & M Overview

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

FY2027 All Department Budget Summary

| No. | Name | ACTUAL 2022-2023 | ACTUAL 2023-2024 | ACTUAL 2024-2025 | ADOPTED 2025-2026 Budget | ESTIMATED Actual 6/30/2026 | Percent Expended To Total Budget | PROPOSED 2026-2027 Budget | Inc (Dec) Over Prior Year |
|---|-------------------------------------|----------------------|----------------------|----------------------|--------------------------------|----------------------------------|---|---------------------------------|---------------------------------|
| Salaries & Wages | | | | | | | | | |
| 51100 | Salaries & Wages | \$ 9,784,130 | \$ 10,543,105 | \$ 10,984,196 | \$ 11,217,497 | \$ 11,217,497 | 100.00% | \$ 11,608,960 | 3.49% |
| 51150 | Overtime | 255,895 | 264,888 | 455,100 | 351,600 | 351,600 | 100.00% | 351,600 | 0.00% |
| Total Salaries & Wages | | 10,040,024 | 10,807,993 | 11,439,296 | 11,569,097 | 11,569,097 | 100.00% | 11,960,560 | 3.38% |
| Benefits | | | | | | | | | |
| 51200 | North Carolina Retirement | 1,222,620 | 1,400,575 | 1,568,177 | 1,664,794 | 1,664,794 | 100.00% | 1,815,616 | 9.06% |
| 51250 | Payroll Taxes | 752,625 | 799,511 | 849,584 | 885,036 | 885,036 | 100.00% | 914,985 | 3.38% |
| 51300 | Medical, Dental & Life | 2,811,110 | 2,993,840 | 2,993,840 | 2,993,840 | 2,993,840 | 100.00% | 2,993,840 | 0.00% |
| 51325 | Post Retirement Insurance | 283,000 | 283,000 | 283,000 | 283,000 | 283,000 | 100.00% | 283,000 | 0.00% |
| 51350 | Worker's Compensation | 273,000 | 273,000 | 273,000 | 273,000 | 273,000 | 100.00% | 273,000 | 0.00% |
| 51360 | State Unemployment Benefits | - | 8,031 | 21,739 | 32,560 | 32,560 | 100.00% | 32,560 | 0.00% |
| 51450 | Automobile Allowance | 4,510 | 3,600 | 1,800 | - | - | - | - | - |
| 51500 | 401-K/457 Plan | 441,422 | 479,760 | 485,633 | 577,613 | 577,613 | 100.00% | 598,035 | 3.54% |
| Total Benefits | | 5,788,287 | 6,241,317 | 6,476,772 | 6,709,843 | 6,709,843 | 100.00% | 6,911,036 | 3.00% |
| Total Salaries, Wages & Benefits | | 15,828,311 | 17,049,310 | 17,916,069 | 18,278,940 | 18,278,940 | 100.00% | 18,871,596 | 3.24% |
| Materials, Supplies & Services | | | | | | | | | |
| 52010 | Advertising | 12,935 | 17,036 | 18,980 | 34,500 | 34,000 | 98.55% | 36,500 | 5.80% |
| 52050 | Dues & Subscriptions | 55,604 | 51,867 | 52,981 | 70,080 | 69,205 | 98.75% | 71,273 | 1.70% |
| 52100 | Postage | 10,739 | 19,059 | 16,538 | 15,000 | 15,000 | 100.00% | 15,000 | 0.00% |
| 52150 | Travel, Mtgs & Training | 151,292 | 163,911 | 161,978 | 239,617 | 223,187 | 93.14% | 227,946 | -4.87% |
| 52160 | Tuition Assistance | 3,704 | 2,400 | 1,300 | 1,600 | 1,600 | 100.00% | 1,600 | 0.00% |
| 52170 | Directors Fees & Expenses | 17,612 | 17,461 | 14,535 | 22,000 | 22,000 | 100.00% | 22,000 | 0.00% |
| 52180 | Liability Insurance | 662,775 | 662,775 | 662,775 | 813,580 | 813,580 | 100.00% | 813,580 | 0.00% |
| 52200 | Telephone/Telefax | 25,831 | 23,579 | 26,461 | 37,300 | 37,300 | 100.00% | 31,800 | -14.75% |
| 52210 | Communications | 127,473 | 135,653 | 155,549 | 189,315 | 188,815 | 99.74% | 210,085 | 10.97% |
| 52240 | Uniforms | 80,033 | 69,494 | 79,558 | 98,085 | 98,085 | 100.00% | 100,495 | 2.46% |
| 52250 | Office Supplies | 15,436 | 17,520 | 14,975 | 23,150 | 22,850 | 98.70% | 23,350 | 0.86% |
| 52260 | Special Dept Supplies | 372,241 | 337,879 | 392,029 | 507,635 | 507,635 | 100.00% | 512,078 | 0.88% |
| 52270 | Safety Equip/Supplies | 80,696 | 71,860 | 57,243 | 91,794 | 91,600 | 99.79% | 92,800 | 1.10% |
| 52280 | Maint Supp/Small Tools | 115,472 | 130,824 | 122,033 | 154,900 | 154,900 | 100.00% | 154,900 | 0.00% |
| 52290 | Chemical Supplies | 623,058 | 806,303 | 968,330 | 1,295,500 | 1,295,500 | 100.00% | 1,252,750 | -3.30% |
| 52300 | Line Cleaning Supplies | 52,614 | 49,358 | 53,791 | 55,750 | 55,750 | 100.00% | 55,750 | 0.00% |
| 52330 | Legal Fees | 20,552 | 11,019 | 26,352 | 40,625 | 40,625 | 100.00% | 40,625 | 0.00% |
| 52350 | Prof/Contractual Svcs | 595,778 | 523,925 | 589,531 | 942,328 | 934,828 | 99.20% | 968,242 | 2.75% |
| 52410 | Maint-Buildings & Grounds | 238,012 | 257,944 | 251,499 | 326,500 | 326,500 | 100.00% | 325,500 | -0.31% |
| 52420 | Maintenance-Equipment | 385,331 | 391,438 | 469,049 | 519,000 | 514,000 | 99.04% | 538,500 | 3.76% |
| 52430 | Landscape Restoration | 11,955 | 10,106 | 8,762 | 13,700 | 13,700 | 100.00% | 13,700 | 0.00% |
| 52440 | Pump Maintenance | 84,855 | 110,820 | 100,040 | 127,200 | 127,200 | 100.00% | 130,000 | 2.20% |
| 52450 | Equipment Rental | 6,758 | 16,759 | 7,198 | 41,500 | 36,500 | 87.95% | 41,500 | 0.00% |
| 52460 | Motor Fuel & Lubricants | 233,475 | 208,544 | 184,877 | 310,000 | 310,000 | 100.00% | 320,000 | 3.23% |
| 52470 | Outside Vehicle Maint | 18,981 | 18,925 | 1,755 | 30,000 | 30,000 | 100.00% | 30,000 | 0.00% |
| 52500 | Rents/Leases | 47,405 | 51,615 | 56,496 | 56,300 | 56,300 | 100.00% | 56,300 | 0.00% |
| 52510 | Permits/Fees/Software Licenses | 310,286 | 357,978 | 374,053 | 486,066 | 485,966 | 99.98% | 492,359 | 1.29% |
| 52650 | Utilities | 1,484,663 | 1,368,724 | 1,866,613 | 1,812,500 | 1,798,000 | 99.20% | 1,910,000 | 5.38% |
| 52690 | Freight | 9,851 | 7,962 | 5,226 | 10,000 | 9,000 | 90.00% | 9,000 | -10.00% |
| 52715 | Safety Incentive Program | 1,705 | 2,428 | 2,240 | 2,500 | 2,500 | 100.00% | 2,500 | 0.00% |
| 52725 | Wellness Program | 8,642 | 5,205 | 1,355 | 7,500 | 7,500 | 100.00% | 5,000 | -33.33% |
| 52730 | Employee Asst Program | 5,000 | 5,500 | 6,000 | 6,500 | 6,500 | 100.00% | 6,500 | 0.00% |
| 52900 | (Other Operating Expenses | 1,076 | (3) | 910 | 3,600 | 3,000 | 83.33% | 3,000 | -16.67% |
| 52910 | Non-Capital Equipment | 101,907 | 80,845 | 66,033 | 108,900 | 108,900 | 100.00% | 120,805 | 10.93% |
| 52915 | Copiers Printers & Faxes | - | - | - | 5,000 | 5,000 | 100.00% | 5,000 | 0.00% |
| 52920 | Billing & Collections | 1,060,476 | 1,120,845 | 1,099,178 | 1,212,306 | 1,212,306 | 100.00% | 1,250,000 | 3.11% |
| Total Materials, Supplies & Services | | 7,034,222 | 7,127,557 | 7,916,226 | 9,711,831 | 9,659,332 | 99.46% | 9,890,438 | 1.84% |
| Interfund Transfers | | | | | | | | | |
| 52340 | Debt Administration Expenses | 110,847 | 98,569 | 81,015 | 125,643 | 125,643 | 100.00% | 125,643 | 0.00% |
| 53040 | Fleet Replacement Charges | 595,000 | 595,000 | 595,000 | 595,000 | 595,000 | 100.00% | 595,000 | 0.00% |
| 53050 | WWTP Replacement Charges | 200,000 | 250,000 | 250,000 | 250,000 | 250,000 | 100.00% | 250,000 | 0.00% |
| 53070 | Pump Replacement Charges | 55,000 | 60,000 | 60,000 | 60,000 | 60,000 | 100.00% | 60,000 | 0.00% |
| Total Interfund Transfers | | 960,847 | 1,003,569 | 986,015 | 1,030,643 | 1,030,643 | 100.00% | 1,030,643 | 0.00% |
| Capital Outlay | | | | | | | | | |
| 54010 | Capital Equipment - New | 47,241 | 35,460 | 54,338 | 62,800 | 58,300 | 92.83% | 49,200 | -21.66% |
| 54020 | Capital Equip-Software | - | - | - | - | - | - | - | - |
| 54030 | Capital Equip - Replacement | 100,020 | 74,509 | 66,210 | 101,859 | 101,859 | 100.00% | 88,750 | -12.87% |
| Total Capital Outlay | | 147,261 | 109,969 | 120,548 | 164,659 | 160,159 | 97.27% | 137,950 | -16.22% |
| Sub-Total O&M Fund | | \$ 23,970,641 | \$ 25,290,406 | \$ 26,938,858 | \$ 29,186,073 | \$ 29,129,074 | 99.80% | 29,930,627 | 2.55% |
| 59200 LESS: | | | | | | | | | |
| | Chargebacks to General Fund for CIP | (2,875,271) | (3,112,138) | (3,168,628) | (3,505,212) | (3,469,375) | 98.98% | (3,569,262) | 1.83% |
| | Chargebacks to General Fund for SSD | (1,943,292) | (2,170,529) | (2,307,217) | (2,194,244) | (2,194,244) | 100.00% | (2,295,383) | 4.61% |
| Net Operation & Maintenance Fund | | \$ 19,152,079 | \$ 20,007,739 | \$ 21,463,013 | \$ 23,486,617 | \$ 23,465,455 | 99.91% | \$ 24,065,982 | 2.47% |

Flow of Funds Chart



Priority of expenditures per Bond Order

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

- Income Sources
- Trustee Funds
- Expenditures

————— Flow of Funding

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

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

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, Construction Expenditures of the District, and the sources of revenue and allocations (uses) of expenditures for the 2026-2027 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED:

1 The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the Debt Service, General Fund, and Insurance Funds for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

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

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

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

2 The following amounts are hereby appropriated in the General Fund for the transfers to the Construction Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

| | | |
|----------------------------|----|-----------------|
| Transfer into Construction | \$ | <u><u>-</u></u> |
|----------------------------|----|-----------------|

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

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

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

| | | |
|-------------------------------|----|-------------------|
| Capital Improvements Projects | \$ | <u>83,827,923</u> |
|-------------------------------|----|-------------------|

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

| | | |
|-------------------------------|----|---------------------|
| Proceeds from Revenue Bonds | \$ | 120,000,000 |
| Investment Income | \$ | 20,000 |
| Transfer In from General Fund | \$ | - |
| Contribution to Net Position | \$ | <u>(36,192,077)</u> |
| | \$ | <u>83,827,923</u> |

4 The following amounts are presented as the financial plan of the Insurance Funds that are used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2026 and ending June 30, 2027 are:

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

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

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

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

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

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

| | | |
|-----------------------------------|----|------------------|
| Transfer In from the Revenue Fund | \$ | 595,000 |
| Sale of Surplus Property | \$ | 117,100 |
| Investment Income | \$ | 66,156 |
| Appropriated from Net Position | \$ | <u>392,745</u> |
| | \$ | <u>1,171,001</u> |

- 6 The following amounts are presented as the financial plan of the Wastewater Treatment Plant Replacement Fund designated for wastewater treatment plant capital expenditures for the fiscal year beginning July 1, 2025 and ending June 30, 2026 estimated as follows:

| | | |
|-------------------|----|----------------|
| Capital Equipment | \$ | <u>332,479</u> |
|-------------------|----|----------------|

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

| | | |
|---|----|----------------|
| Transfer In from the Revenue Fund | \$ | 250,000 |
| Investment Income | \$ | 12,352 |
| Transfer Out to Pump Station Replacement Fund | \$ | - |
| Appropriated from Net Position | \$ | <u>70,127</u> |
| | \$ | <u>332,479</u> |

- 7 The following amounts are presented as the financial plan in the Pump Station Replacement Fund designated for pump capital expenditures for the fiscal year beginning July 1, 2026 and ending June 30, 2027 estimated as follows:

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

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

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

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

| | | |
|--------------|----|------------------|
| Debt Service | \$ | <u>8,674,195</u> |
|--------------|----|------------------|

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

| | | |
|-----------------------------------|----|------------------|
| Transfer In from the Revenue Fund | \$ | 8,674,195 |
| Investment Income | \$ | 500 |
| Contribution To Net Position | \$ | (500) |
| | \$ | <u>8,674,195</u> |

- 9 That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.
- 10 The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
- a. He may transfer amounts without limitation between departments in a fund.
 - b. He may transfer any amounts within Debt Service and Reserve Funds designated as excess by the Trustee into another fund.
 - c. He may transfer up to 10% of Insurance Fund reserves to meet current year expenditures in excess of budget.
- 11 That the attached Schedule of Fees and Charges be adopted as effective July 1, 2026.
- 12 That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 20th day of May 2026

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

Attest:

Jackie Bryson
Secretary/Treasurer

ACTION ITEM

Finance Committee

Meeting Date: May 5, 2026
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 FY2027

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 7.0% increase for domestic and industrial flow.**

The Base meter charge is a fixed rate based on meter size. **Staff is recommending a 7.0% increase in this charge.** Average monthly residential bill will be \$42.18 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 FY2027.**

Meeting Date: May 5, 2026
Subject: Schedule of Sewer Rates and Fees FY2027
Page 2

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 FY2027.**

Other Fees: These fees were computed in connection with the review process of Planning and Development Division. **Staff is recommending no fee increase in FY2027.**

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 FY2027.**

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 FY2027.**

This fee schedule corresponds to the rates and fees presented in the updated business plan. The typical monthly bill for FY2027 will be \$42.18. **This is a \$2.72 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 20, 2026 Board Meeting.

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

Effective July 1, 2026

| | ADOPTED FY2026 RATE | PROPOSED FY2027 RATE |
|---|------------------------------------|-------------------------------------|
| Collection Treatment Charge | | |
| Residential & Commercial Volume Charges (per CCF) Inside | \$ 5.80 | \$ 6.21 |
| Industrial Volume Charges (per CCF) Inside | 5.80 | \$ 6.21 |
| Industrial Surcharge for BOD (per lb., BOD >250 mg/l) Inside | 0.300 | 0.300 |
| Industrial Surcharge for TSS (per lb., TSS >250 mg/l) Inside | 0.250 | 0.250 |
| Residential & Commercial Volume Charges (per CCF) Outside | \$ 5.81 | \$ 6.22 |
| Industrial Volume Charges (per CCF) Outside | 5.81 | 6.22 |
| Industrial Surcharge for BOD (per lb., BOD >250 mg/l) Outside | 0.300 | 0.300 |
| Industrial Surcharge for TSS (per lb., TSS >250 mg/l) Outside | 0.250 | 0.250 |
| Base Meter/Maintenance Charge & Billing Fee | | |
| 5/8" | \$ 8.95 | \$ 9.58 |
| 3/4" | 13.00 | 13.91 |
| 1" | 23.09 | 24.71 |
| 1 1/2" | 52.79 | 56.49 |
| 2" | 93.36 | 99.90 |
| 3" | 207.04 | 221.54 |
| 4" | 369.47 | 395.34 |
| 6" | 832.30 | 890.57 |
| 8" | 1,477.83 | 1,581.28 |
| 10" | 2,314.20 | 2,476.20 |
| Billing Fee (per bill) | 3.01 | 3.09 |
| Sewer System Development Fees | | |
| This impact fee is for allotted capacity in the treatment and transmission system. A differential fee will be charged for increases to an existing meter size. | | |
| Residential | | |
| Per Unit | \$ 3,568.00 | \$ 3,568.00 |
| Mobile Home | 3,568.00 | 3,568.00 |
| Multifamily Unit | 2,390.00 | 2,390.00 |
| Affordable Housing | 844.00 | 844.00 |

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

Effective July 1, 2026

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

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

Effective July 1, 2026

| | ADOPTED FY2026 RATE | PROPOSED FY2027 RATE |
|--|------------------------------------|-------------------------------------|
| Other Fees | | |
| Allocation Fee | 170.00 | 170.00 |
| Non-Discharge Permit | 200.00 | 200.00 |
| Plan Review Fee | 450.00 | 450.00 |
| Plan re-review Fee | 350.00 | 350.00 |
| Pump Station Acceptance Fee | Note 1 | Note 1 |
| Note 1--See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years; 50% discount for affordable housing. | | |
| Bulk Charges | | |
| Volume Charge for Septic Haulers (per 1,000 Gal.) | \$ 45.00 | \$ 45.00 |
| Biochemical Oxygen Demand >250 mg/l (per lb.) | 0.300 | 0.300 |
| Total Suspended Solids >250 mg/l (per lb.) | 0.250 | 0.250 |
| Returned Check Charge | | |
| Returned Check (per event) | \$ 25.00 | \$ 25.00 |
| Dishonored Draft (per event) | 25.00 | 25.00 |
| Copy/Printing Fees/Miscellaneous (each) | | |
| 8x11 first print of standard GIS inquiry | \$ 1.00 | \$ 1.00 |
| 8x14 first print of standard GIS inquiry | 1.00 | 1.00 |
| 11x17 first print of standard GIS inquiry | 2.00 | 2.00 |
| 24x36 first print of standard GIS inquiry | 7.00 | 7.00 |
| 34x44 first print of standard GIS inquiry | 12.00 | 12.00 |
| 36x48 first print of standard GIS inquiry | 14.00 | 14.00 |
| 8x11 or 8x14 copies after first print | 0.11 | 0.11 |
| 11x17 copies after first print | 0.20 | 0.20 |
| 24x36 copies after first print | 0.94 | 0.94 |
| 34x44 copies after first print | 1.76 | 1.76 |
| 36x48 copies after first print | 2.03 | 2.03 |
| Foam Core mounting per sq. foot | 3.00 | 3.00 |
| Data CD | 30.00 | 30.00 |
| Shipping for CD | 5.00 | 5.00 |
| Permit Decals for Septic Haulers | 50.00 | 50.00 |