

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

Meeting Notice

The **Finance Committee** of the
METROPOLITAN SEWERAGE DISTRICT
will meet on
Thursday, May 8, 2025, at 2:00 p.m.



AGENDA FOR: May 8, 2025

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 2024-2025

2. Pay Adjustment & Self-Insured Health Plan for FY 2025-2026

3. Capital Improvement Program for FY 2026-2035

4. MSD Business Plan/Financial Forecast

5. MSD Rates & Survey Data Comparisons

6. FY 2025-2026 Budget & Proposed Sewer Rates

7. Schedule of Sewer Rates & Fees for FY 2025-2026

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
Al Whitesides



(828) 254-9646



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INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 8, 2025
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 2025

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, 2025. This information is based on cash revenues and invoices received prior to April 1, 2025 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 is below budget expectations. This is due to timing delays in cash receipts as well as the impact of tropical storm Helene. Staff believe revenue will be five to ten percent below budget expectations for the fiscal year.
- Industrial Revenue is slightly above budget expectations. Staff monitors consumption trends as they have a direct effect on the District's current revenue projections.
- Facility and Tap Fees are budgeted conservatively and can be significantly higher than budget. Facility and Tap fees are above budgeted expectation due to receiving unanticipated revenue from various commercial/residential developers as well as a general residential development exceeding budgeted expectations.
- Interest and miscellaneous income are above budgeted expectations. Actual short-term interest rates are higher than anticipated for the fiscal year.

- Rental income is slightly below budgeted expectations due to timing of cash receipts.
- O&M expenditures are at 74.29% of budget. The expenditures include encumbered amounts, which will be spent in the fourth quarter.
- Bond principal and interest are at 97.17%. This reflects principal and semi-annual interest payments.
- Amounts budgeted for capital equipment and projects are rarely expended proportionately throughout the year and are expected to be fully spent prior to the end of the year.
- For presentation purposes, staff have reflected all costs pertaining to tropical storm Helene under the contingency line item. Staff believe all costs will be reimbursed through a combination of insurance and FEMA reimbursement.

Staff Recommendation

None – Informational only.

**Budget to Actual Revenue and Expenditure Report
For the Nine Months ended March 31, 2025**

UNAUDITED—NON-GAAP

	Budget	Actual to Date	% Budget to Actual
REVENUES			
Domestic User Fees ¹	\$ 43,125,740	\$ 29,249,913	67.82%
Industrial User Fees	3,536,962	2,901,917	82.05%
Facility Fees ²	3,000,000	4,781,331	159.38%
Tap Fees ³	300,000	444,210	148.07%
Billing and Collection	1,203,773	788,144	65.47%
Interest and Misc. Income	3,567,310	3,611,015	101.23%
Employee Contribution to Health Ins.	355,000	270,173	76.10%
Rental Income	96,000	74,952	78.07%
Use of (Contributions to) Available Funds ⁴	<u>14,036,931</u>	<u>12,132,083</u>	<u>86.43%</u>
Total Revenues⁵	<u>\$ 69,221,716</u>	<u>\$ 54,253,739</u>	<u>78.38%</u>
EXPENDITURES			
Operations and Maintenance ⁶	\$ 21,921,835	\$ 16,284,907	74.29%
Bond Principal and Interest	8,696,737	8,503,403	97.78%
Capital Equipment (Other than O&M) ⁶	1,127,432	902,515	80.05%
Capital Projects ⁶	36,475,712	24,541,626	67.28%
Contingency	<u>1,000,000</u>	<u>4,021,288</u>	<u>402.13%</u>
Total Expenditures	<u>\$ 69,221,716</u>	<u>\$ 54,253,739</u>	<u>78.38%</u>

Notes:

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

ACTION ITEM

Personnel Committee

Meeting Date: May 8, 2025

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

Pam Thomas, SHRMCP IPMASCP, 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 2025-2026

Staff Recommendation

That the MSD Board fund and approve:

- ✓ 2.8% 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 2025-2026

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MSD's workforce currently averages 44 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 FY2025 projected increases to medical and drug costs for the South region to be 8% and 13.3%, 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, 2025 insurance renewal, staff is recommending no change in the Board and employee contributions for fiscal year FY2026.

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 and Associates to offer higher discounts that save the District and employee's significant costs;
- Working with the Pharmacy Benefit Manager (PBM) has reduced drug costs;
- Requiring that working spouses be covered as "primary" by their employer's insurance, before they can be covered by MSD's insurance;
- Increase specialist and Urgent Care co-pays to \$40 and increase premiums
- Partnering with 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 2025-2026 cost of living and merit raises is summarized below:

Consumer Price Index (CPI) for South Urban Region			District Adopted Increase	
2012	2.1%*		FY 2013-2014	2.1%
2013	1.5%*		FY 2014-2015	2.5%
2014	1.6%*		FY 2015-2016	3.0%
2015	0.5%*		FY 2016-2017	3.0%
2016	2.0%*		FY 2017-2018	3.0%
2017	1.89%*		FY 2018-2019	3.0%
2018	1.50%*		FY 2019-2020	2.5%
2019	2.16%*		FY 2020-2021	0%
2020	1.35%*		FY 2021-2022	3.5%
2021	8.1%		FY 2022-2023	7%
2022	6.3%		FY 2023-2024	6.3%
2023	3.7%		FY 2024-2025	3.7 %
2024	2.8%		FY 2025-2026	2.8 % (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 2.8% for “all urban consumers and for wage earners and clerical workers” during the period of December 2023 to 2024. The Consumer Price Index for the previous period of December 2022 to 2023 was 3.7%.

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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 3% in 2024 and were planning increases between 2%-4% or more in 2025.

- **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 \$233,000 higher than last years' budget request in this area.

Recommendation

Staff requests that the Personnel Committee approve the recommendation of:

- 2.8% annual wage increases for employees, beginning July 1, 2025
- 0% increase for the Self-Insured Medical Plan
- 5.5% increase in **State required** contributions for the NC Retirement Plan

ATTACHMENT #1

MSD Self-Funded Health Insurance Plan Projection

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Est. Actual FY 2025	Budget FY 2026
Beginning Balance	\$626,684	\$1,168,265	\$1,198,068	\$1,361,878	\$1,889,312	\$2,307,417	\$2,893,387	\$3,847,771	\$4,624,513	\$4,226,792
Income:										
Employer Contribution	1,908,628	2,051,775	2,185,141	2,327,175	2,478,441	2,639,540	2,811,110	2,993,840	2,993,840	2,993,840
Employee Contributions	360,418	382,579	343,194	351,869	355,075	349,602	359,647	358,756	345,000	345,000
Transfer from Other Insurance Funds	735,800	225,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Interest	5,982	15,701	30,330	20,593	315	2,882	85,467	167,285	150,000	140,000
Total Income	\$3,010,828	\$2,675,055	\$2,708,665	\$2,849,637	\$2,983,831	\$3,142,024	\$3,406,224	\$3,669,881	\$3,638,840	\$3,628,840
Total Funds Available	\$3,637,512	\$3,843,320	\$3,906,733	\$4,211,515	\$4,873,143	\$5,449,441	\$6,299,611	\$7,517,652	\$8,263,353	\$7,855,632
Expenses:										
Transfer to Other Insurance Funds								96,757		
Claims Paid	2,051,542	2,201,519	2,075,792	1,908,124	2,187,739	2,131,940	2,033,421	2,366,382	3,606,561	2,846,561
Fixed Costs	417,705	443,733	469,063	414,079	377,987	424,114	418,419	430,000	430,000	430,000
Total Expenses	\$2,469,247	\$2,645,252	\$2,544,854	\$2,322,203	\$2,565,726	\$2,556,054	\$2,451,840	\$2,893,139	\$4,036,561	\$3,276,561
Ending 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	\$4,226,792	\$4,579,071
Number of Participants	158	163	163	166	166	165	166	167	162	161
Total Cost per Participant	\$15,628	\$16,229	\$15,613	\$13,989	\$15,456	\$15,491	\$14,770	\$16,745	\$24,917	\$20,351
MSD Cost per Participant	\$13,347	\$13,881	\$13,507	\$11,869	\$13,317	\$13,372	\$12,604	\$14,597	\$22,787	\$18,208
MSD Contribution Increase	10.00%	7.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	0.00%	0.00%

*Employees cost sharing includes premium increases and overall plan modifications

ATTACHMENT #2

Local Governments and Utilities:

AGENCY	FY2025	FY2026 “Based upon conversations with respective managers which have not yet been approved”
Woodfin	4% COLA	3.4% COLA
Weaverville	3.5% COLA	3% COLA
Black Mountain	4% - 5% COLA	3% COLA
Biltmore Forest	3% - 3.5% COLA	3% COLA
City of Asheville	3% - 4% COLA	3% COLA
Buncombe County	4% - 5% COLA Longevity Pay Annual	Unknown COLA Longevity Pay Annual
OWASA	1.7% COLA	1.7% COLA
CMUD	6% COLA	5% - 7% COLA lowest paid
Western Carolina Sewer & Water (REWA)	3% MERIT	3% MERIT
Metropolitan Sewerage District (MSD)	3.7% COLA	2.8% COLA
Private Sector	2.4% - 4.1%	2% - 4%
Consumer Price Index (CPI)	3.7%	2.8%

ACTION ITEM

Capital Improvement Program Committee

Meeting Date: May 8, 2025

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.

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

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recommendation of the Facility Plan, and is regulatory-driven. The Biological Alternatives Evaluation will be completed in FY25-26 and will select the most appropriate technology for replacing the RBCs.

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

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

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. Four new collection system projects have been added to the CIP for FY25-26 and beyond. Within the ten-year program, there are 99 collection system projects which range in length from 180 LF to over 18,000 LF.
- ▲ The District's Pipe Rating Program is used to objectively prioritize collection system projects within the CIP each fiscal year. This rating takes into account overflow history, structural issues, customer service requests, and impacts to surface waters at each project location. Applying these inputs into a weighted matrix, the Pipe Rating Program helps staff identify the likelihood and consequence of pipe failure for each project.
- ▲ Significant collection system projects currently underway or completed over the past year include Joyner Avenue, Elk Mountain Place, Sand Hill Road @ Baker Place, and the Weaverville Pump Station Replacement project. Combined with in-house and developer-constructed rehabilitation projects, the total rehabilitated footage anticipated for FY24-25 is approximately 24,183 LF. The District's goal of 40,000 LF was significantly impacted by Hurricane Helene.
- ▲ Right-of-way acquisition for the Weaverville Pump Station Replacement project was completed early in FY24-25 and construction of the pump station began in August 2024. Force main replacement began later (early 2025) due to a seasonal tree clearing restriction imposed by US Fish & Wildlife. Construction activities for the pump station and force main were temporarily suspended due to Hurricane Helene, however, the new pumping system is anticipated to be online in June 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 costs exceed \$24 million.

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- ▲ Major upcoming projects in the collection system include Old County Home – Private Sewer Rehabilitation (\$3.0 million), Interceptor Line Assessment and Cleaning (\$5.1 million), ITT Pump Station Replacement (\$5.7 million), and Carrier Bridge Pump Station Replacement (\$110 million). The Interceptor Line Assessment and Cleaning project is a two-year project being performed due to Hurricane Helene. Major line segments within the collection system will be assessed for debris accumulation and cleaned as necessary.
- ▲ Carrier Bridge Pump Station (the District's largest) is a regional pump station that serves large areas of Buncombe County and Northern Henderson County. This significant project will replace an aging pump station first constructed in the 1960's and upgraded multiple times over the years. The project includes a new 40mgd pump station, two river crossings, and the installation of new large diameter piping. Construction of the river crossings is anticipated to begin in Summer 2025 and the piping and pump station work will begin in early 2026. This is a multi-year project anticipated to be completed in 2029.

◆ 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 currently completing a Preliminary Engineering Report which will involve process selection and preliminary design for the replacement technology. This will be followed by final design and construction. Replacement of the RBCs will be a phased project over several years and is currently projected at approximately \$250 million. Construction of these improvements will not begin until FY29-30. Up until that time, the existing incinerator will undergo several rehabilitation projects, including a full rebuild of the vessel's interior in FY25-26.
- ▲ Another major project in the ten-year CIP is the Solids Handling Capacity Improvements project, currently budgeted at \$171 million. This project will provide redundancy and additional capacity to the existing fluidizing bed incinerator and solids handling processes. The Solids Handling Preliminary Engineering Report (to be completed in FY24-25) will provide a phased plan and CIP recommendations for upgrading solids thickening, dewatering, and disposal to accommodate future growth and solids generation.

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- ▲ 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 is planned to begin in late 2025 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 2024-2025 are estimated at \$29.4million.

The proposed capital budget for FY2025-2026 is \$57,270,631 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 \$100,000.

Total project costs over the ten-year window are estimated at \$771.1 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 3.32%, 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 Recommendation

Endorsement of the Capital Improvement Program budget for Fiscal Year 2025-2026 and 10-year Capital Improvement Plan.

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2025-2026 through 2034-2035

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 25	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
INTERCEPTOR AND WET WEATHER REHABILITATION																											
Beaverdam Creek WW (CDM #10)	Buncombe County	BD	2001191	14	5,500	\$2,405,200	\$0	\$0		\$0		\$38,500		\$18,000		\$145,700		\$2,000		\$2,201,000	5,500	\$0		\$0		\$0	
Biltmore WW (CDM #3)	Biltmore	BD	2001192	24	2,200	\$1,220,250	\$0	\$0		\$15,400		\$3,400		\$155,850		\$1,045,600	2,200	\$0		\$0		\$0		\$0		\$0	
Dingle Creek Interceptor	Asheville	TH	2006010	8	7,871	\$3,120,957	\$92,957	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$3,028,000	7,871	\$0		\$0	
Four Mile Creek WW (CDM #1)	Biltmore Forest	BD	2001193	8	3,400	\$1,423,400	\$0	\$0		\$0		\$0		\$0		\$0		\$24,000		\$3,400		\$45,000		\$1,351,000	3,400	\$0	
Lower Swannanoa Interceptor	Asheville	BD	2004040	9	6,980	\$18,538,379	\$250,717	\$0		\$0		\$0		\$436,250		\$130,000		\$8,850,206	3,490	\$8,871,206	3,490	\$0		\$0		\$0	
Middle Beaverdam Crk. @ I-26	Woodfin	TH	2010002	8	2,930	\$1,392,430	\$7,430	\$0		\$0		\$0		\$0		\$0		\$0		\$48,500		\$25,000		\$1,311,500	2,930	\$0	
South Swannanoa WW (CDM #4)	Asheville	BD	2001195	36	8,040	\$6,074,460	\$0	\$0		\$57,000		\$6,000		\$102,350		\$1,467,700	2,000	\$4,441,410	6,040	\$0		\$0		\$0		\$0	
Swannanoa Equalization Tank	Swannanoa	HC	2019046	N/A	0	\$35,047,859	\$8,748	\$75,000		\$516,111		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Town Branch Int - Phase III	Asheville	DP	2017158	10	3,600	\$2,710,850	\$0	\$0		\$0		\$0		\$0		\$0		\$28,000		\$9,000		\$160,850		\$2,513,000	3,600	\$0	
SUBTOTAL					40,521	\$71,933,785	\$359,852	\$75,000	0	\$588,511	0	\$47,900	0	\$712,450	0	\$2,789,000	4,200	\$13,345,616	9,530	\$11,133,106	8,990	\$3,258,850	7,871	\$5,175,500	9,930	\$0	0
Inflation per ENR Const. Cost Index	3.32%					1.0000	1.0000	1.0000		1.0332		1.0675		1.1029		1.1396		1.1774		1.2165		1.2569		1.2986		1.3417	
SUBTOTAL with inflation					40,521	\$71,933,785	\$359,852	\$75,000	0	\$608,050	0	\$51,133	0	\$785,792	0	\$3,178,236	4,200	\$15,713,054	9,530	\$13,543,245	8,990	\$4,095,955	7,871	\$6,720,901	9,930	\$0	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
GENERAL SEWER REHABILITATION																											
Antique Lane @ Canie Creek	Asheville	DP	2022023	14	6,039	\$2,471,000	\$0	\$50,000		\$1,000		\$213,300		\$34,700		\$2,172,000	6,039	\$0		\$0		\$0		\$0		\$0	
Adams Street	Asheville	SA	2012126	12	2,630	\$1,157,800	\$11,800	\$0		\$0		\$0		\$0		\$16,000		\$18,000		\$80,000		\$1,032,000	2,630	\$0		\$0	
Arlington Street	Asheville	DP	2015008	15	3,230	\$1,452,000	\$0	\$0		\$0		\$0		\$0		\$20,000		\$1,000		\$15,000		\$1,416,000	3,230	\$0		\$0	
Asheville Rd. @ US Hwy 70	Swannanoa	TH	2023005	17	5,470	\$2,458,210	\$0	\$0		\$0		\$43,760		\$15,000		\$114,900		\$22,850		\$2,261,700	5,470	\$0		\$0		\$0	
Atkins Street	Arden	BD	2014012	19	1,833	\$771,930	\$5,480	\$0		\$0		\$0		\$2,800		\$49,850		\$714,000	1,833	\$0		\$0		\$0		\$0	
Avena Rd. @ Flat Creek Rd.	Black Mountain	TH	2021009	43	1,985	\$840,182	\$0	\$0		\$13,000		\$32,950		\$794,232	1,985	\$0		\$0		\$0		\$0		\$0		\$0	
Avon Ave. @ Haywood Rd.	West Asheville	BD	2021003	65	218	\$206,550	\$57,450	\$149,100	218	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Beale Road at Copney Lane	Asheville	DP	2009129	40	5,430	\$2,344,375	\$24,025	\$185,000		\$116,350		\$2,019,000	5,430	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Bear Creek Road	W. Asheville	SA	2011117	6	2,800	\$1,269,900	\$7,900	\$0		\$0		\$0		\$0		\$0		\$1,500		\$16,500		\$138,500		\$0		\$1,105,500	2,800
Bellevue Road	S. Asheville	DP	2015175	15	1,100	\$753,336	\$34,950	\$71,386		\$16,000		\$631,000	1,100	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Bent Tree Rd. @ Old Toll Rd.	Asheville	DP	2024034	NA	0	\$24,000	\$12,500	\$11,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Braddock Way - PRP 20002	Asheville	TH	2006025	22	3,199	\$1,923,853	\$40,603	\$137,350		\$78,500		\$1,667,400	3,199	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Broadway St. at Bordeaux Place	Asheville	DP	2009034	22	475	\$259,750	\$6,250	\$0		\$0		\$0		\$253,500	475	\$0		\$0		\$0		\$0		\$0		\$0	
Central Ave. @ I-240	Asheville	SA	2014180	37	1,224	\$1,020,750	\$6,000	\$2,000		\$25,500		\$987,250	1,224	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Chatham Road	Asheville	SA	2015019	19	1,330	\$627,925	\$4,800	\$53,500		\$16,000		\$553,625	1,330	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Chester Pl. @ Cranford Rd.	Asheville	TH	2019026	7	1,025	\$426,100	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$90,900		\$45,700		\$0		\$289,500	1,025
Covewood Trail @ Chunns Cove Rd.	Asheville	DP	2021005	17	1,120	\$455,500	\$0	\$0		\$0		\$8,500		\$9,150		\$33,850		\$404,000	1,120	\$0		\$0		\$0		\$0	
Cub Road	Asheville	TH	2018027	15	1,204	\$455,300	\$0	\$0		\$0		\$0		\$10,100		\$78,200		\$2,500		\$364,500	1,204	\$0		\$0		\$0	
Dover St. @ Merrimon Ave.	Asheville	TH	2023006	29	223	\$118,600	\$0	\$0		\$1,900		\$15,000		\$0		\$101,700	223	\$0		\$0		\$0		\$0		\$0	
Druid Drive	W. Asheville	SA	2020006	10	500	\$204,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$20,000		\$32,000		\$152,000	500	\$0	
East Chestnut Ave. @ Five Points	N. Asheville	SA	2015192	29	5,225	\$2,097,121	\$19,321	\$3,500		\$92,550		\$145,000		\$1,836,750	5,225	\$0		\$0		\$0		\$0		\$0		\$0	
Edgewood Rd. S @ Sweeten Crk Rd.	Asheville	TH	2021007	10	500	\$186,300	\$0	\$0		\$0		\$0		\$4,000		\$0		\$29,050		\$0		\$153,250	500	\$0		\$0	
Edwards Ave. @ US 70 Hwy.	Swannanoa	BD	2021004	29	2,400	\$963,750	\$11,000	\$0		\$6,800		\$40,350		\$905,600	2,400	\$0		\$0		\$0		\$0		\$0		\$0	
Elk Park Drive - PRP 35001	Woodfin	SA	2006028	8	2,242	\$767,046	\$50,046	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$717,000	2,242
Elkwood Ave. @ Norman Austin Dr.	Woodfin	DP	2014008	22	600	\$266,350	\$0	\$0		\$3,500		\$2,000		\$7,850		\$253,000	600	\$0		\$0		\$0		\$0		\$0	0
Fairmont Road	N. Asheville	DP	2015017	4	3,900	\$1,715,850	\$0	\$0		\$0		\$0		\$0		\$0		\$25,000		\$0		\$10,000		\$164,850		\$1,516,000	3,900
Forestdale Drive	S. Asheville	DP	2014002	14	2,900	\$1,456,050	\$25,500	\$0		\$0		\$0		\$500		\$154,000		\$14,050		\$1,262,000	2,900	\$0		\$0		\$0	
Forest Hill Dr. @ Warwick Rd.	Asheville	SA	2014020	10	3,400	\$1,481,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$24,000		\$1,000		\$1,456,000	3,400	\$0	
Harmony Lane	Asheville	DP	2016103	28	670	\$308,500	\$0	\$0		\$5,000		\$0		\$303,500	670	\$0		\$0		\$0		\$0		\$0		\$0	
Hazel Mill Rd. @ Richland St.	Asheville	SA	2014016	41	3,858	\$2,528,050	\$70,350	\$124,700		\$2,333,000	3,858	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2025-2026 through 2034-2035

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								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	7	2,550	\$887,725	\$0	\$0		\$0		\$0		\$0		\$0		\$15,300		\$33,450		\$1,850		\$837,125	2,550		
Herron Avenue	W. Asheville	SA	2014186	9	2,060	\$908,950	\$1,700	\$0		\$0		\$0		\$0		\$0		\$13,000		\$12,500		\$3,000		\$878,750	2,060	\$0	
Hill Street @ Cross Place	Asheville	TH	2016249	42	641	\$299,355	\$1,525	\$2,350		\$29,550		\$265,930	641	\$0		\$0		\$0		\$0		\$0		\$0		0	
Howland Rd. @ Sunset Trail	Asheville	DP	2012134	51	994	\$494,350	\$12,500	\$77,850		\$404,000	994	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Innsbrook Rd. @ GPI	North Asheville	BD	2023256	28	5,730	\$2,492,875	\$40,100	\$0		\$0		\$97,000		\$306,200		\$2,049,575	5,730	\$0		\$0		\$0		\$0		\$0	
Johnston Blvd. @ Providence Rd.	W. Asheville	DP	2014013	11	2,086	\$918,650	\$8,150	\$0		\$0		\$0		\$0		\$0		\$13,300		\$90,200		\$807,000	2,086	\$0		\$0	
Jonestown Road @ Riverside Drive	Woodfin	TH	2018028	52	1,992	\$794,500	\$63,000	\$725,000	1,992	\$6,500		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Kimberly Ave. @ Sedley Avenue	Asheville	TH	2018029	51	2,947	\$1,148,622	\$131,122	\$1,017,500	2,947	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Lakeview @ Glen Falls Rd.	N. Asheville	DP	2014007	39	3,070	\$1,721,200	\$6,000	\$0		\$261,500		\$190,700		\$1,263,000	3,070	\$0		\$0		\$0		\$0		\$0		\$0	
Lakewood Drive @ Dudley Ave.	Asheville	BD	2015016	7	280	\$122,050	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$2,000		\$2,600		\$24,350		\$93,100	280
Lincoln Avenue	Asheville	BD	2013103	4	1,415	\$609,570	\$2,870	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$606,700	1,415
Lining Contract #10	Various	TH	2024035	NA	12,015	\$3,604,500	\$0	\$0		\$3,604,500	12,015	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Logan Avenue	W. Asheville	SA	2017256	48	1,623	\$962,137	\$59,200	\$87,437		\$815,500	1,623	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Louisiana Avenue	W. Asheville	DP	2015174	12	2,150	\$1,023,500	\$0	\$0		\$0		\$0		\$0		\$0		\$15,000		\$0		\$1,008,500	2,150	\$0		\$0	
Lower Glendale Ave.	E. Asheville	BD	2012083	23	2,716	\$1,449,700	\$6,650	\$0		\$0		\$16,800		\$0		\$47,850		\$1,378,400	2,716	\$0		\$0		\$0		\$0	
Manetta Rd. @ Johnson Dr.	N. Asheville	TH	2014022	24	5,340	\$2,898,787	\$364,594	\$141,150		\$224,700		\$2,168,343	5,340	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Maplewood Rd. @ Griffing Circle	N. Asheville	SA	2025000	51	1,850	\$884,500	\$0	\$15,000		\$91,600		\$777,900	1,850	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
McDowell St. @ Lily Carmichael Dr.	Asheville	SA	2021011	21	1,660	\$721,500	\$0	\$0		\$11,000		\$0		\$1,000		\$0		\$709,500	1,660	\$0		\$0		\$0		\$0	
McDowell St. @ Myrtle St.	Asheville	DP	2019257	19	465	\$308,850	\$0	\$0		\$0		\$3,500		\$4,000		\$98,850		\$202,500	465	\$0		\$0		\$0		\$0	
Meadow Road @ Train Yard	Asheville	BD	2015207	6	2,001	\$2,271,350	\$7,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$3,000		\$95,350		\$2,166,000	2,001
Merrimon Ave. @ Clearview Terrace	Asheville	TH	2007012	6	500	\$313,950	\$6,044	\$0		\$0		\$0		\$0		\$0		\$0		\$68,360		\$4,546		\$0		\$235,000	500
Merrimon Ave. @ Coleman Ave.	N. Asheville	DP	2014009	6	2,800	\$1,282,000	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$20,000		\$0		\$1,262,000	2,800
Mitchell Avenue	W. Asheville	SA	2014185	8	3,360	\$1,518,750	\$0	\$0		\$0		\$0		\$0		\$0		\$24,000		\$9,500		\$79,500		\$1,405,750	3,360	\$0	
Montford Ave. @ Montford Park	Asheville	BD	2017144	59	1,129	\$754,739	\$95,179	\$659,560	1,129	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
New Haw Creek @ Cisco Rd.	Asheville	BD	2025002	54	700	\$316,200	\$0	\$10,700		\$71,000		\$234,500	700	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
New Haw Creek Rd. @ Dogwood Grove	E. Asheville	SA	2014021	8	3,000	\$982,775	\$8,525	\$0		\$0		\$0		\$46,000		\$20,750		\$3,000		\$0		\$0		\$904,500	3,000	\$0	
New Stock Road	Weaverville	DP	2015011	23	9,020	\$5,520,900	\$36,000	\$0		\$97,000		\$97,900		\$5,290,000	9,020	\$0		\$0		\$0		\$0		\$0		\$0	
North Market Street	Asheville	SA	2014019	6	1,064	\$443,300	\$3,875	\$0		\$0		\$0		\$0		\$0		\$0		\$1,425		\$500		\$0		\$437,500	1,064
North Street @ Broadway Street	Asheville	TH	2018030	12	1,067	\$459,500	\$0	\$0		\$0		\$0		\$13,000		\$0		\$42,500		\$0		\$404,000	1,067	\$0		\$0	
Oakland Drive @ Church Street	Black Mountain	DP	2015177	9	575	\$241,500	\$0	\$0		\$0		\$0		\$0		\$0		\$5,000		\$3,650		\$30,350		\$202,500	575	\$0	
Oakwood Street	W. Asheville	BD	2014155	9	976	\$445,350	\$0	\$0		\$0		\$0		\$0		\$7,000		\$2,600		\$0		\$41,350		\$394,400	976	\$0	
Old Toll Rd. @ Blue Briar Rd.	Asheville	TH	2018032	14	185	\$81,000	\$0	\$0		\$0		\$0		\$0		\$0		\$3,500		\$10,000		\$67,500	185	\$0		\$0	
Old Turnpike Rd. @ Azalea	Arden	TH	2023255	35	1,168	\$497,900	\$10,000	\$66,050		\$46,850		\$375,000	1,168	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Parkwood Avenue	Woodfin	TH	2021286	31	1,165	\$453,685	\$0	\$0		\$11,485		\$9,350		\$77,850		\$355,000	1,165	\$0		\$0		\$0		\$0		\$0	
Riverside Dr. @ Woodfin Ave.	Woodfin	SA	2019005	13	684	\$293,000	\$0	\$0		\$0		\$6,000		\$24,500		\$262,500	684	\$0		\$0		\$0		\$0		\$0	
Riverview Drive	Asheville	BD	2013104	54	2,507	\$1,566,080	\$17,380	\$0		\$1,548,700	2,507	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Rosewood Ave. @ Riverside Cemetery	Montford	BD	2019023	25	180	\$90,850	\$0	\$1,300		\$2,600		\$24,850		\$62,100	180	\$0		\$0		\$0		\$0		\$0		\$0	
Royal Pines Drive - PRP 47009	Arden	SA	2007020	18	7,050	\$3,093,100	\$10,100	\$0		\$30,000		\$14,000		\$33,000		\$0		\$3,006,000	7,050	\$0		\$0		\$0		\$0	
Sand Hill Road @ Baker Place	W. Asheville	SA	2015223	56	1,582	\$943,000	\$749,000	\$194,000	395			\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Starmount Drive	Asheville	SA	2023007	19	775	\$275,100	\$0	\$0		\$0		\$6,000		\$18,600		\$16,000		\$0		\$234,500	775	\$0		\$0		\$0	
Starnes Avenue	Asheville	BD	2014154	7	2,871	\$1,297,700	\$0	\$0		\$0		\$0		\$0		\$0		\$17,500		\$3,400		\$0		\$84,700		\$1,192,100	2,871
Stratford Road	N. Asheville	DP	2015013	13	1,820	\$834,500	\$0	\$0		\$0		\$14,000		\$60,150		\$102,850		\$0		\$657,500	1,820	\$0		\$0		\$0	
Sulphur Springs Rd. @ Covington	W. Asheville	DP	2014006	44	1,350	\$774,200	\$7,500	\$17,850		\$50,850		\$92,000		\$606,000	1,350	\$0		\$0		\$0		\$0		\$0		\$0	
Sweeten Creek Rd. @ Buck Shoals Rd.	S. Asheville	BD	2014015	51	790	\$520,705	\$53,501	\$467,204	790	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Sweeten Creek Rd. @ Holiday Dr.	Asheville	DP	2022022	43	3,053	\$1,229,000	\$0	\$24,000		\$18,300		\$37,000		\$38,700		\$1,111,000	3,053	\$0		\$0		\$0		\$0		\$0	
Sweeten Creek Rd. @ Mills Gap Rd.	Asheville	SA	2014189	4	2,572	\$1,512,300	\$11,300	\$0		\$0		\$0		\$0		\$0		\$65,000		\$101,500		\$27,500		\$0		\$1,307,000	2,572
Tunnel Rd. @ Pleasant Ridge Dr.	E. Asheville	SA	2019006	22	350	\$127,750	\$0	\$0		\$2,500		\$1,000		\$0		\$124,250	350	\$0		\$0		\$0		\$0		\$0	

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2025-2026 through 2034-2035

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								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	\$2,048,500	\$0	\$0		\$35,000		\$0		\$34,300		\$131,700		\$30,000		\$1,817,500	4,550	\$0		\$0		\$0	
Walnut St. @ N. Lexington Ave.	Asheville	DP	2017008	38	1,300	\$666,526	\$526	\$0		\$10,000		\$0		\$656,000	1,300	\$0		\$0		\$0		\$0		\$0		\$0	
Waynesville Ave. @ Brownwood Ave.	W. Asheville	SA	2014183	28	3,022	\$1,465,650	\$0	\$19,000		\$500		\$214,000		\$223,650		\$1,008,500	3,022	\$0		\$0		\$0		\$0		\$0	
Weaverville Rd. @ Reynolds Mtn.	Weaverville	TH	2018036	13	415	\$159,000	\$0	\$0		\$0		\$0		\$0		\$6,500		\$0		\$0		\$152,500	415	\$0		\$0	
W. City View Dr. @ Riverside Dr.	Asheville	DP	2024020	13	735	\$364,630	\$33,500	\$331,130	735	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Weston Road @ Tampa Blvd.	Skyland	BD	2015208	9	400	\$156,000	\$0	\$0		\$0		\$0		\$0		\$3,000		\$2,550		\$0		\$18,350		\$132,100	400	\$0	
Wildwood Park	Weaverville	DP	2015194	16	2,300	\$821,380	\$2,380	\$0		\$0		\$0		\$0		\$0		\$10,000		\$0		\$809,000	2,300	\$0		\$0	
SSD Rehab. & Replacement	Various	MS	2002101	N/A	150,000	\$51,425,000	\$5,142,500	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000	\$5,142,500	15,000
Surveys for Design	Various	HC	2002060	N/A	N/A	\$500,000	\$0	\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000		\$50,000	
SUBTOTAL					335,330	\$139,009,269	\$7,279,696	\$9,837,617	23,206	\$15,275,235	35,997	\$16,197,408	36,982	\$18,128,032	40,675	\$13,531,325	35,866	\$11,967,800	29,844	\$12,354,435	31,719	\$11,533,596	29,563	\$11,089,600	29,271	\$16,957,025	41,020
Inflation per ENR Const. Cost Index	3.32%					1.0000	1.0000	1.0000		1.0332		1.0675		1.1029		1.1396		1.1774		1.2165		1.2569		1.2986		1.3417	
SUBTOTAL with inflation					335,330	\$139,009,269	\$7,279,696	\$9,837,617	23,206	\$15,782,373	35,997	\$17,290,769	36,982	\$19,994,192	40,675	\$15,419,771	35,866	\$14,090,821	29,844	\$15,028,972	31,719	\$14,496,245	29,563	\$14,400,947	29,271	\$22,751,458	41,020

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
PRIVATE SEWER REHABILITATION																											
Carver Ave. @ Owenby Lane	Asheville	DP	2022253	71	0	\$57,350	\$5,000	\$47,000		\$2,850		\$2,500		\$0	0	\$0		\$0		\$0		\$0		\$0		\$0	
Douglas Place PSR	Asheville	SA	2011116	12	588	\$240,230	\$4,980	\$0		\$0		\$0		\$8,000		\$0		\$0		\$0		\$0		\$227,250	588	\$0	
Homeland Park	Asheville	TH	2016248	51	921	\$511,730	\$7,250	\$16,650		\$77,700		\$410,130	921	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Old County Home Rd PSR	W. Asheville	SA	2015221	55	4,592	\$3,225,300	\$179,300	\$3,046,000	4,592	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Patton Mountain - PSR	Asheville	BD	2000084	11	3,500	\$1,095,400	\$0	\$0		\$0		\$0		\$0		\$24,500		\$12,000		\$0		\$1,058,900	3,500	\$0		\$0	
SUBTOTAL					9,601	\$5,130,010	\$196,530	\$3,109,650	4,592	\$80,550	0	\$412,630	921	\$8,000	0	\$24,500	0	\$12,000	0	\$0	0	\$1,058,900	3,500	\$227,250	588	\$0	0
Inflation per ENR Const. Cost Index	3.32%					1.0000	1.0000	1.0000		1.0332		1.0675		1.1029		1.1396	1.2569	1.1774		1.2165		1.2569		1.2986		1.3417	
SUBTOTAL with inflation					9,601	\$5,130,010	\$196,530	\$3,109,650	4,592	\$83,224	0	\$440,483	921	\$8,824	0	\$27,919	0	\$14,129	0	\$0	0	\$1,330,901	3,500	\$295,107	588	\$0	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS																											
Arc Flash Labeling	District-Wide	BD	2023008	N/A	0	\$355,225	\$205,225	\$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	\$185,000		\$185,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Biological Treatment	MSD-Treatment Plant	HC	2016063	N/A	0	\$247,821,725	\$699,725	\$300,500		\$0		\$0		\$0		\$0		\$50,000		\$101,500		\$25,160,000		\$51,635,000		\$55,475,000	
Building and Facility Rehabilitation	MSD-Treatment Plant	HC	2002068	N/A	0	\$600,000	\$60,000	\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000		\$60,000	
Carrier Bridge PS Replacement	Asheville	DP	2019045	N/A	2,800	\$110,162,227	\$2,453,927	\$14,693,300		\$34,135,000		\$31,100,000	2,800	\$27,780,000		\$0		\$0		\$0		\$0		\$0		\$0	
Collection System Master Plan Update	District-Wide	HC	2020011	N/A	0	\$299,500	\$49,500	\$0		\$125,000		\$125,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Flow Monitoring	MSD-Treatment Plant	SA	2008013	N/A	0	\$1,000,000	\$75,000	\$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	HC	2025028	N/A	0	\$325,000	\$0	\$325,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
HVAC Rehabilitation	MSD-Treatment Plant	HC	2020051	N/A	0	\$110,000	\$70,000	\$20,000		\$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	\$3,641,350	\$301,350	\$285,000		\$375,000		\$335,000		\$335,000		\$335,000		\$335,000		\$335,000		\$335,000		\$335,000		\$335,000	
Incinerator Rehabilitation	MSD-Treatment Plant	DP	2022057	N/A	0	\$5,383,225	\$3,383,225	\$2,000,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Incinerator Ash Line Replacement	MSD-Treatment Plant	HC	2025030	N/A	500	\$400,000		\$400,000	500	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Incinerator Sand Transport System	MSD Treatment Plant	TH	2024036	N/A	0	\$400,125	\$275,125	\$125,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Interceptor Line Assess and Cleaning	District Wide	HC	2025029	N/A	143,000	\$5,180,000	\$0	\$2,590,000		\$2,590,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

TEN YEAR CAPITAL IMPROVEMENT PROGRAM

FY 2025-2026 through 2034-2035

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS Continued																											
Int. Clarifier Eff. Trough Rehab	MSD - Treatment Plant	SA	2022024	N/A	0	\$4,753,849	\$1,653,849	\$2,750,000		\$350,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
ITT Pump Station Upgrade	Henderson County	SA	2020061	N/A	2,750	\$5,779,411	\$296,649	\$825,762		\$4,425,000	2,750	\$232,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
MSD Fleet/Warehouse Resurface	Asheville	SA	2025035	N/A	0	\$1,500,000	\$0	\$1,500,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Mud Creek PS Replacement	Henderson County	TH	2021073	N/A	0	\$830,000	\$120,000	\$0		\$15,000		\$95,000		\$600,000		\$0		\$0		\$0		\$0		\$0		\$0	
Plant NPW Filter System	Asheville	SA	2023011	N/A	0	\$325,000	\$100,000	\$0		\$0		\$225,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
RBC Removal and Replacement	MSD-Treatment Plant	HC	2023029	N/A	0	\$2,357,750	\$677,750	\$840,000		\$840,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Solids Handling Capacity Improvements	MSD-Treatment Plant	HC	2019087	N/A	0	\$171,156,500	\$0	\$0		\$5,976,500		\$34,900,000		\$75,100,000		\$36,100,000		\$19,080,000		\$0		\$0		\$0		\$0	
South Storage Building	Arden	DP	2023009	N/A	0	\$1,646,000	\$0	\$130,000		\$1,516,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Weaverville PS Replacement	Weaverville	SA	2019080	N/A	18,174	\$24,479,509	\$12,090,934	\$12,388,575	12,000	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
General Capital Equipment	Varies	HC	2016072	N/A	0	\$1,550,000	\$150,000	\$200,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000		\$150,000	
SUBTOTAL					167,224	\$590,241,396	\$22,662,259	\$39,733,137	12,500	\$50,682,500	2,750	\$67,347,000	2,800	\$104,150,000	0	\$36,770,000	0	\$19,800,000	0	\$771,500	0	\$25,830,000	0	\$52,305,000	0	\$56,145,000	0
Inflation per ENR Const. Cost Index	3.32%					1.0000	1.0000	1.0000		1.0332		1.0675		1.1029		1.1396		1.1774		1.2165		1.2569		1.2986		1.3417	
SUBTOTAL with inflation					167,224	\$590,241,396	\$22,662,259	\$39,733,137	12,500	\$52,365,159	2,750	\$71,893,073	2,800	\$114,871,546	0	\$41,901,659	0	\$23,312,410	0	\$938,517	0	\$32,464,984	0	\$67,923,239	0	\$75,330,468	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
DESIGN, ROW, & CONSTRUCTION MANAGEMENT EXPENSES																											
Design, ROW, & Const. Mgmt. Exp.	MSD/ENG	HC	N/A	N/A	0	\$39,301,241	\$3,404,838	\$3,415,227		\$3,550,455		\$3,645,320		\$3,742,990		\$3,907,762		\$4,002,864		\$4,100,723		\$4,201,326		\$4,304,780		\$4,429,794	
SUBTOTAL					0	\$39,301,241	\$3,404,838	\$3,415,227	0	\$3,550,455	0	\$3,645,320	0	\$3,742,990	0	\$3,907,762	0	\$4,002,864	0	\$4,100,723	0	\$4,201,326	0	\$4,304,780	0	\$4,429,794	0

PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
DEVELOPER REIMBURSEMENTS																											
Black Mtn. Annex - Craigmont Rd.	Black Mountain	HC	1992173	N/A	0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Developer Reimbursements	Various	HC	2004051	N/A	0	\$1,083,000	\$183,000	\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000		\$100,000	
SUBTOTAL					0	\$1,083,000	\$183,000	\$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	\$100,000	0

BUDGET SUMMARY																											
PROJECT NAME	LOCATION OF PROJECT	PROJ. MGR.	PROJECT NUMBER	PIPE RATING	PROJECT FOOTAGE	TOTAL ESTIMATED COST	TOTAL EST. EXPENDS THRU FY 24	FY 25-26		FY 26-27		FY 27-28		FY 28-29		FY 29-30		FY 30-31		FY 31-32		FY 32-33		FY 33-34		FY 34-35	
								BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE	BUDGET	FOOTAGE
SUBTOTAL with Inflation					552,676	\$846,698,701	\$34,086,175	\$56,270,631	40,298	\$72,489,260	38,747	\$93,420,779	40,703	\$139,503,344	40,675	\$64,535,347	40,066	\$57,233,279	39,374	\$33,711,457	40,709	\$56,689,411	40,934	\$93,744,973	39,789	\$102,611,720	41,020
CONTINGENCY								\$1,000,000																			
TOTAL					552,676	\$846,698,701	\$34,086,175	\$57,270,631	40,298	\$72,489,260	38,747	\$93,420,779	40,703	\$139,503,344	40,675	\$64,535,347	40,066	\$57,233,279	39,374	\$33,711,457	40,709	\$56,689,411	40,934	\$93,744,973	39,789	\$102,611,720	41,020

INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 8, 2025
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 FY2026

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

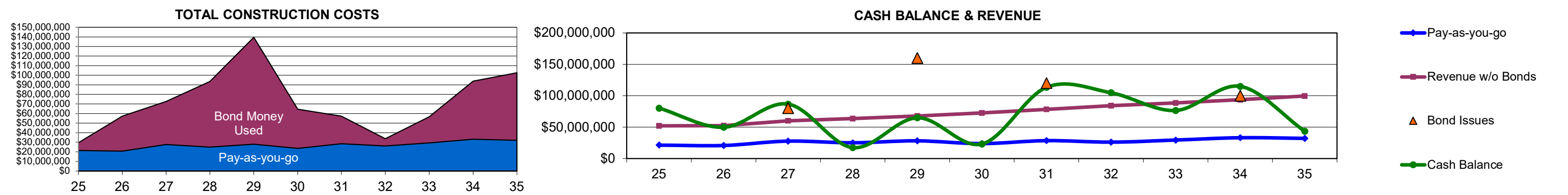
Also included are the FY2026 Personnel Committee recommendations for employee compensation and self-insurance funding as well as FY2026 CIP Committee recommendations for infrastructure improvements. (See Tabs 2 & 3).

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

Staff Recommendation

Staff recommends a 5.0% rate increase.

Business Plan - FY26	2.75%	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%	Sewer Rate Increase		
	\$33.04	\$34.10	\$35.83	\$37.59	\$39.46	\$42.27	\$45.17	\$48.28	\$51.64	\$55.20	\$59.03	\$63.13	\$67.39	\$71.97	Average Monthly Bill		
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	Assumptions		
July 1- Available for Construction	66,789,880	72,841,917	75,632,264	88,260,172	80,207,689	49,725,877	86,620,798	17,274,984	64,905,686	23,077,728	113,356,529	104,737,378	76,434,416	114,869,215	Minimum of 365 Days Cash on Hands		
REVENUE:																Consumption and Account Growth	
Domestic Users	36,647,180	38,556,584	40,739,250	38,825,740		41,647,839	49,235,906	53,046,292	57,153,079	61,632,693	66,427,986	70,746,857	75,403,445	79,889,132	86,141,950		
Industrial Users (No growth)	3,816,103	3,805,064	3,987,537	3,614,942		3,745,368	3,937,095	4,142,243	4,361,751	4,596,625	4,847,940	5,116,847	5,404,577	5,712,449	6,041,872		
Billing and Collections (User Fee)	1,021,457	1,060,476	1,120,845	1,165,679		1,212,306	1,260,798	1,311,230	1,363,679	1,418,226	1,474,956	1,533,954	1,533,954	1,533,954	1,595,312		
Tap Fees	716,432	693,708	495,868	450,000		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		
Facility Fees	5,249,579	4,649,553	9,045,356	4,750,000		3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000		
Interest & Non-operating Revenues	238,640	2,970,822	4,269,030	2,926,052		1,949,003	2,045,200	1,558,437	1,232,710	1,319,751	2,046,514	3,271,409	2,717,577	2,869,554	2,372,362		
City of Asheville (annex.-Enka)	29,274	27,962	8,610	0		0	0	0	0	0	0	0	0	0	0		
Rental Income	69,961	100,255	97,837	96,000		96,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
Transfer from Reserves (to / from)	(331,593)	(987,965)	(79,539)	0		0	0	0	0	0	0	0	0	0	0		
Miscellaneous	0	-	-	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000			
Total Revenues	47,457,033	50,876,459	59,684,794	51,968,412	52,090,517	59,943,999	63,523,202	67,576,219	72,432,295	78,262,396	84,134,067	88,524,553	93,470,090	99,616,496	Bond Issues figured at: 4.5% yield FY27 5.0% yield FY29 5.0% yield FY31 5.0% yield FY34		
State and Federal (FEMA) Grants	1000000				6,990,000	2,590,000											
Revenue Bonds/Stimulus						80,000,000	160,000,000		120,000,000		100,000,000						
Total Funds Available	114,246,913	123,718,376	135,317,058	141,228,584	139,288,206	192,259,877	150,144,000	244,851,203	137,337,981	221,340,124	197,490,595	193,261,932	269,904,505	214,485,711			
EXPENSES:																	
Operations & Maintenance	15,681,916	17,167,722	18,697,499	21,844,795		22,581,617	23,445,779	24,350,337	25,297,548	26,289,800	27,329,312	28,431,825	29,526,620	30,675,681	31,943,547		
Replacement Funds (WRF & Fleet)	850,000	850,000	905,000	905,000		905,000	905,000	905,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000		
Debt Service	9,797,850	8,829,772	8,833,835	8,805,928		8,805,081	8,799,038	14,192,901	14,184,625	22,475,106	22,461,005	29,649,935	29,651,485	29,654,635	35,682,206		
CIP (including Bond Projects)	15,075,230	21,238,618	18,620,553	29,465,172		57,270,631	72,489,261	93,420,778	139,503,344	64,535,347	57,233,278	33,711,457	56,689,411	93,744,974	102,611,720		
Total Expenses	41,404,996	48,086,112	47,056,887	61,020,895		89,562,329	105,639,078	132,869,016	179,945,517	114,260,253	107,983,595	92,753,217	116,827,516	155,035,290	171,197,473		
Pay-as-you-go (Current Revenue only)	21,977,267	24,878,965	32,153,460	21,317,690		20,703,819	27,699,182	24,979,963	28,094,046	23,667,389	28,472,079	26,052,307	29,346,448	33,139,774	31,990,743		
Debt Coverage (User Fees only)	2.6	3.2	3.5	2.8		2.9	3.7	2.5	2.7	1.9	2.1	1.8	1.9	2.0	1.8		
Debt Coverage with Total Revenue	3.2	3.8	4.6	3.4		3.3	4.1	2.8	3.0	2.1	2.3	1.9	2.0	2.1	1.9		
April 11, 2025						10-Year Capital Improvement Program										General Sewer Rehab to cover approx. 40,000 lineal ft / year	
Active Plan CIP	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035			
Interceptor/Wet Weather Rehabilitation	5,232,420	3,229,164	3,193,803	422,392	75,000	608,050	51,133	785,792	3,178,236	15,713,054	13,543,245	4,095,955	6,720,901	0			
General Sewer Rehabilitation	5,441,318	9,319,001	6,145,658	9,348,195	9,837,617	15,782,373	17,290,769	19,994,192	15,419,771	14,090,821	15,028,972	14,496,245	14,400,947	22,751,458			
Private Sewer Rehabilitation	221,500	210,250	177,900	74,000	3,109,650	83,224	440,483	8,824	27,919	14,129	0	1,330,901	295,107	0			
Treatment Plant / Pump Stations	1,179,021	5,363,362	5,679,202	12,132,747	39,733,137	52,365,159	71,893,073	114,871,546	41,901,659	23,312,410	938,517	32,464,984	67,923,239	75,330,468			
Engineering Force Account	2,900,971	3,076,816	3,281,040	3,404,838	3,415,227	3,550,455	3,645,320	3,742,990	3,907,762	4,002,864	4,100,723	4,201,326	4,304,780	4,429,794			
Reimbursements	100,000	40,025	142,950	183,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000			
Contingency	0	0	0	3,900,000	1,000,000												
Capital Improvement Program Totals	15,075,230	21,238,618	18,620,553	29,465,172	57,270,631	72,489,261	93,420,778	139,503,344	64,535,347	57,233,278	33,711,457	56,689,411	93,744,974	102,611,720	District 10yr CIP \$771.2 Million		
															District total 10yr Budget \$1.27 billion		



INFORMATIONAL ITEM

Finance Committee

Meeting Date: May 8, 2025
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 2023 index.

Discussion

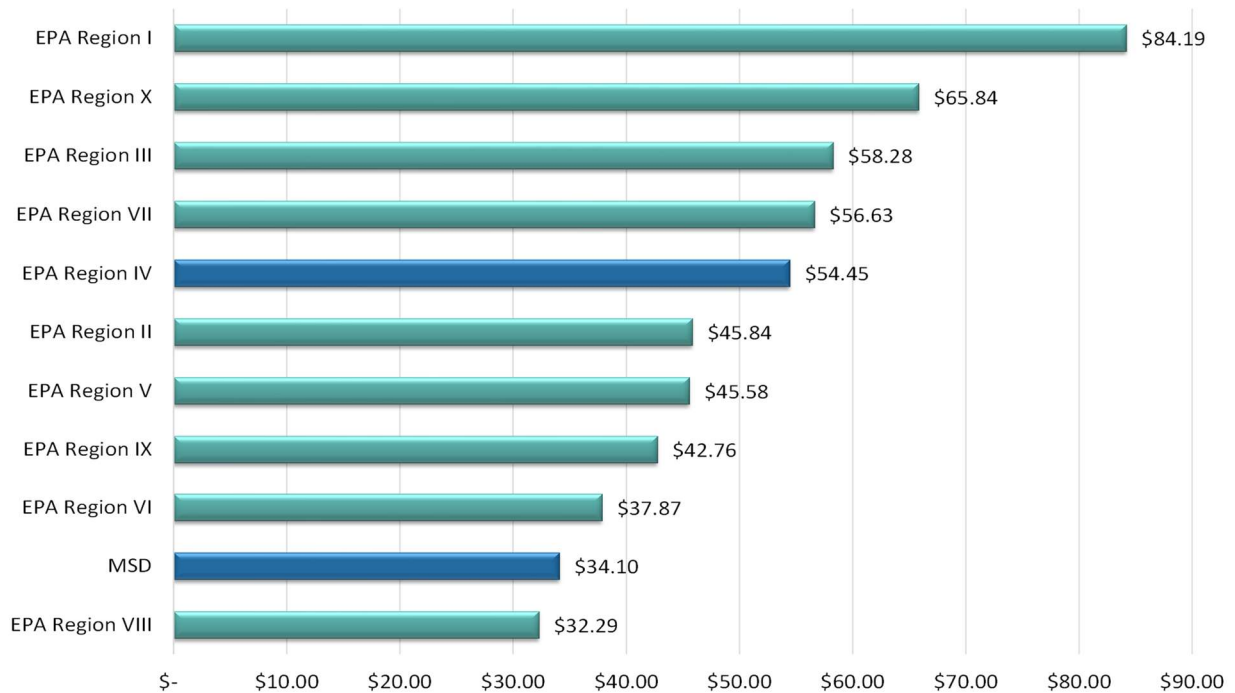
For 2023 NACWA's cost of clean water index survey, MSD's monthly residential charges are very competitive as compared to EPA Region IV (Exhibit 1). Additionally, MSD's average residential sewer bill compares well with the rest of the EPA regions across the country (Exhibit 1). Staff have also included a comparison of its average monthly bill to CPI and EPA Region IV (Exhibit 2) as well as a 2025 rate comparison for all AA & AAA sewer providers in North Carolina (Exhibit 3).

Staff Recommendation

None – Informational only.

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

EXHIBIT 1.

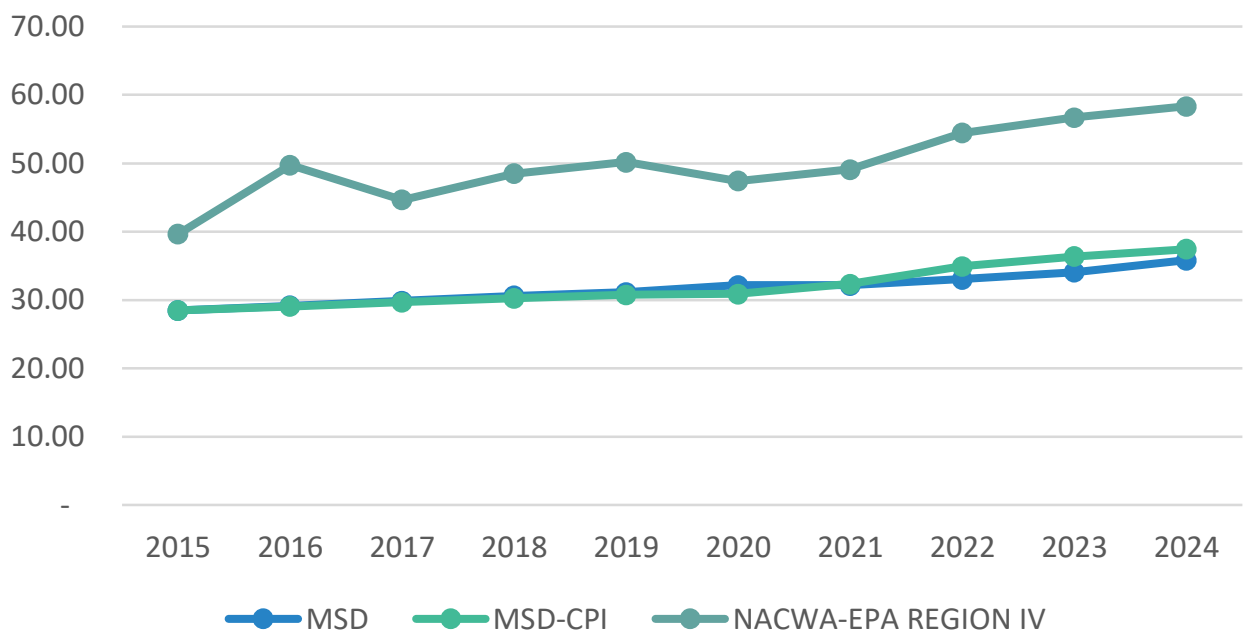


Source: 2023 NACWA Service Charge Index

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

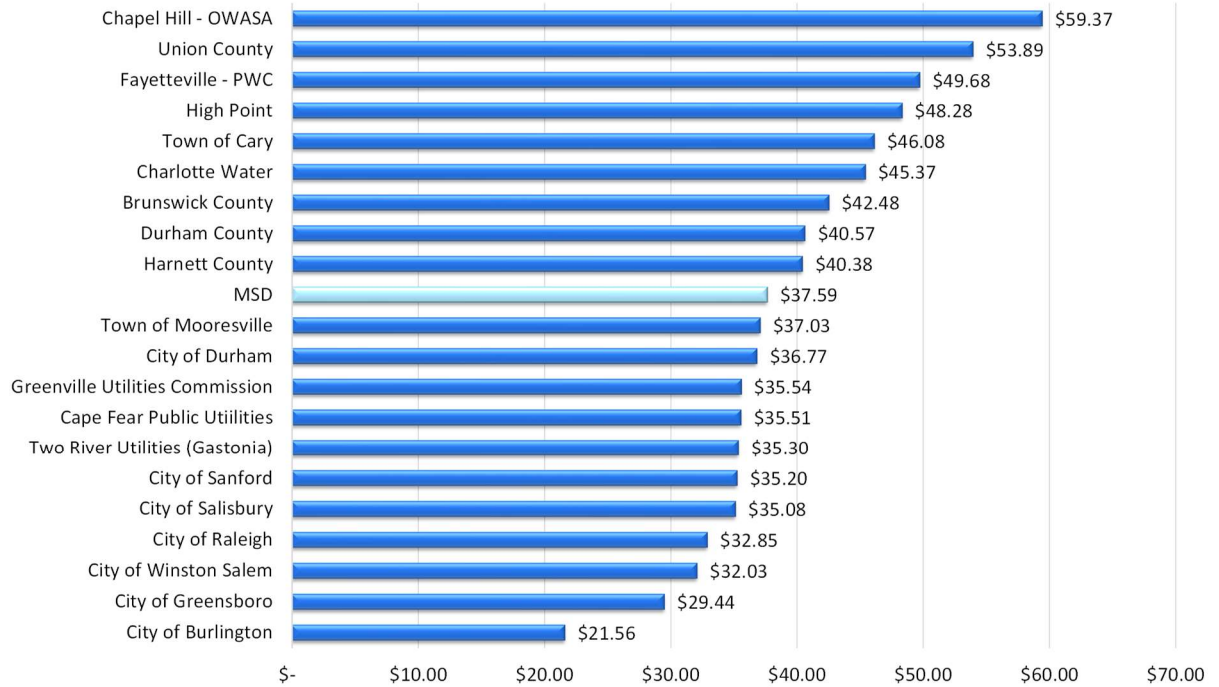
Average Monthly Bill

EXHIBIT 2.



**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 8, 2025
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, CLGFO, Director of Finance
Jody Germaine, Budget Analyst
Subject: Proposed FY2026 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 FY2026 Budget along with the Resolution be endorsed today and presented to the Board at the May 21, 2025 Board Meeting.



Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

May 8, 2025

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: FY2026 Budget and Proposed Sewer Rates

Dear Members of the Finance Committee,

We respectfully present the FY2026 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 22, 2025, the Capital Improvement Program Committee, which met on April 24, 2025.

We have developed the FY2026 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 FY2025, the District's industrial revenue will meet budgeted projections. However, the District's domestic revenue is not expected to meet budgeted projection due to Tropical Storm Helene in western North Carolina. The District has proposed a 5.00% rate increase for the upcoming year. Additionally, the District's long-range business plan incorporates this change and projects that future rate increases will be 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.

The SS Construction Department continues to expand its participation in 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.

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

Operating Budget

The proposed \$22.5 million Operating Budget represents routine expenditures and capital equipment acquisitions needed for the day-to-day operations of the District. Highlights of significant components and changes include:

- 📊 **Compensation and Benefits**—The staff and employees considered salary and health insurance increases together as part of a comprehensive compensation package.
 - A 2.8% salary adjustment—CPI for the Southern Urban Wage Earners increased 2.8% for the last twelve-month period; Division Directors in conjunction with Employee Advisory Committee have requested a cost-of-living increase to keep pace with industry salary increases as well as to encourage retention of valued employees. On April 22, 2025, the Personnel Committee has recommended a wage increase, which has an approximate \$105,000 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. Subsequently, LGERS raised the District's contribution rate from 7.75% to 8.95% of total salary and wages. Over the next five years, contribution rates are projected to increase to an amount slightly over 14.49%. This has an approximate \$101,000 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 FY2025 funding should remain at approximately \$283,000. Current funding has been implemented into the proposed FY2025 budget, in addition to the current business plan, and represents 1.20% of total operations.
- 📊 **Materials, Supplies, and Service expenditures increased 6.3% 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 \$578,000 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 FY2026 is \$57.3 million, which is comprised of an estimated \$56.2 million in construction, \$100,000 of reimbursement, and \$1 million in contingency. The total 10-year CIP budget is \$771.2 million.

A detailed list of individual projects and planned expenditures by year was presented at the April 24, 2025 CIP meeting. This signifies a large increase in the 10-year CIP due largely to major improvements at the

Plant along with upgrades to the interceptor network. MSD will be positioned to meet future regulations and to provide capacity to serve the estimated growth for the next 50 years.

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2025, the District will have \$70.6 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 \$248.5 million.

MSD's focus to rehabilitate over 402,000 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 FY2026 include Old County Home –Private Sewer Rehabilitation with 4,592 linear feet \$3.0 million, Kimberly Avenue at Sedley Avenue 2,947 linear feet \$1.0 million, Montford Avenue

at Montford Park 1,129 linear feet \$660,000, and Interceptor line assessment and cleaning \$2.6 million. In FY2026, MSD will incur \$14.7 million on the Carrier Bridge Pump Station Replacement, \$2.0 million on the Incineration Rehabilitation, \$2.8 million Intermediate Clarifier Effluent Trough Rehabilitation and \$12.4 million on the Weaverville Pump Station Replacement. These are in addition to numerous smaller projects completed throughout the collection system. Further details are available in the CIP section of the budget document.

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

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

Wastewater Treatment Plant Capital Improvements:

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

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

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

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

- Plant Headworks Project—This \$9.6 million project spanned 2 years and consisted of a new grit removal system to replace the existing problematic system, a fine screening facility which will supplement the WRF's existing bar screens, and equalization storage at the plant using existing decommissioned tanks to provide more effective treatment during peak flow events. The project was completed in FY2019.
- High Rate Primary Treatment Project—This \$17.2 million project will provide primary settling of solids to enhance the downstream biological process which will be upgraded starting in FY2028. The project was completed in FY 2023.
- Biological System Upgrades—This \$250.0 million project is being driven by the future water quality regulations as set forth in MSD's NPDES permit (effluent discharge permit). Compliance with effluent ammonia levels must be achieved by December 2037 and will require significant upgrades to the existing biological treatment system. The existing RBC system is 35 years old and will be reaching the end of its useful life in that period.

Impact of CIP on Operations

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

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

Sewer Rate Increase

Staff recommends a 5.0% increase in domestic and industrial sewer rates and meter fees for FY2026.

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 FY2026 are shown below:

	FY21	FY22	FY23	FY24	FY25	FY26
Rate Increase %	0%	2.75%	3.00%	5.0%	5.0%	5.0%
Meter, Maintenance & Billing Fees	\$9.74	\$9.99	\$10.38	\$10.94	\$11.45	\$11.96
Flow Rate (per ccf)	\$4.73	\$4.86	\$ 5.01	\$ 5.26	\$ 5.52	\$ 5.80
Avg. Monthly Bill (5ccf)	\$32.17	\$33.04	\$34.10	\$35.83	\$37.59	\$39.46

Distinguished Budget Award

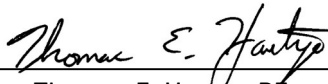
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2024. This is the twenty-seventh (27) 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 FY2026 budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

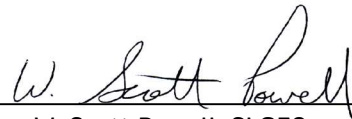
In Closing

The Budget represents the combined efforts and guidance of the Board, its Committees, and staff. A special thanks to Jody Germaine/Budget Analyst for assembling the budget documents, Pam Thomas/HR Director, Hunter Carson/CIP Director, and Cheryl Rice/Accounting Manager for assembling the CIP Section of the Budget. We look forward to working with you, staff, and our ratepayers as we implement this financial plan and policy document.

Respectfully submitted,

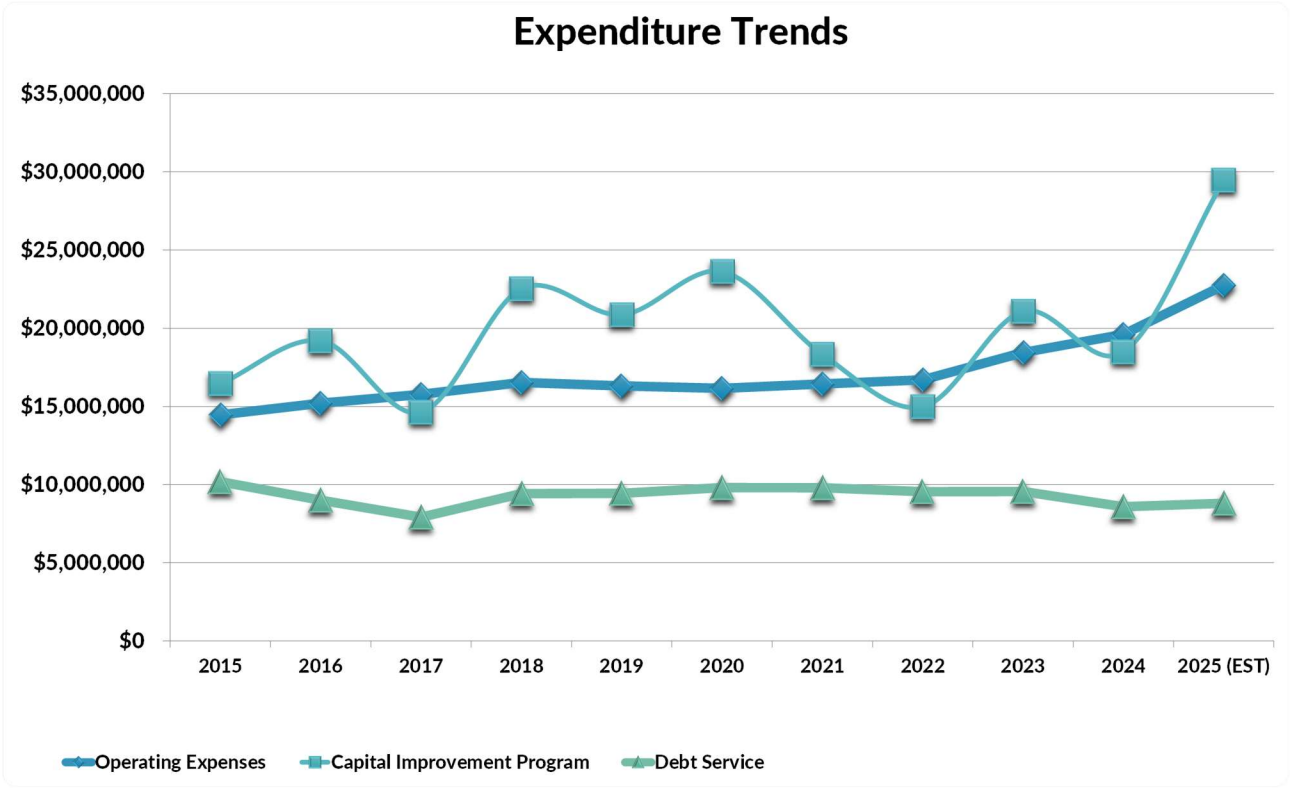
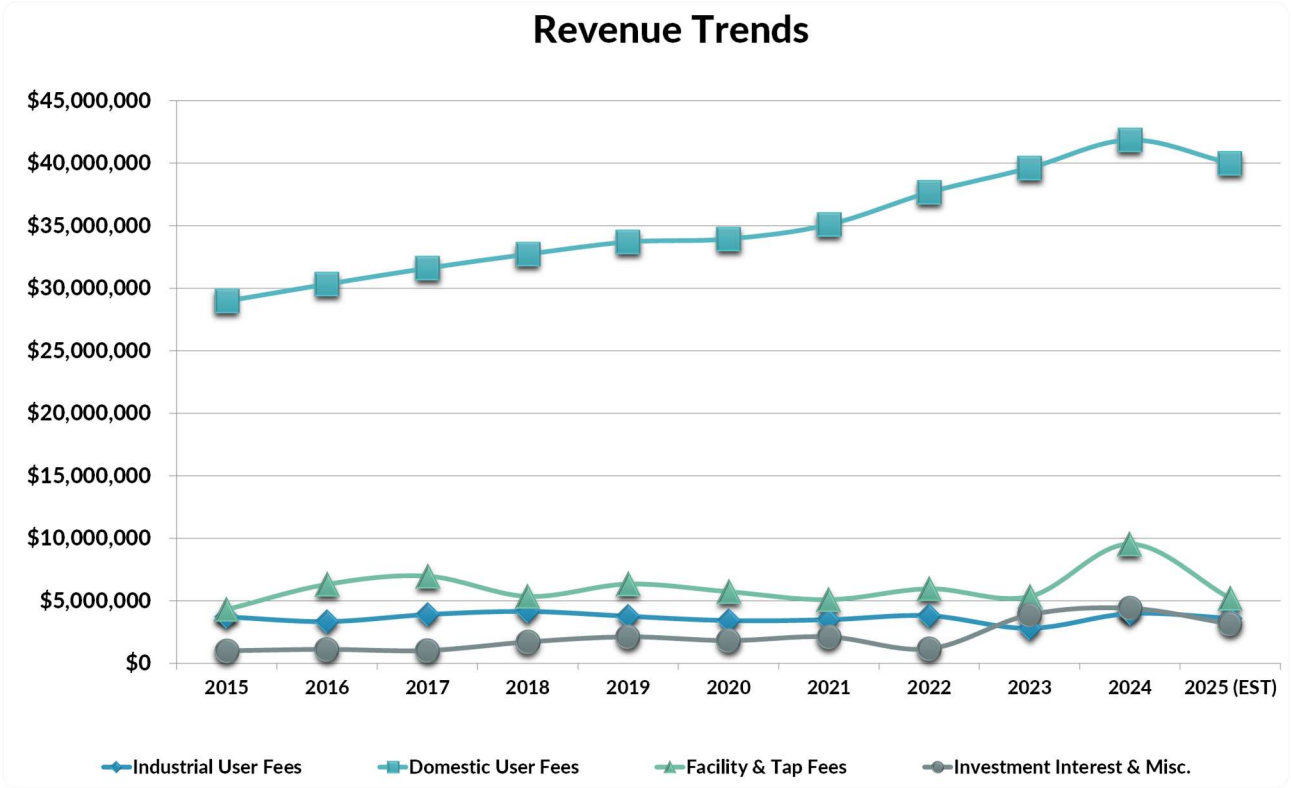


Thomas E. Hartye, PE
General Manager

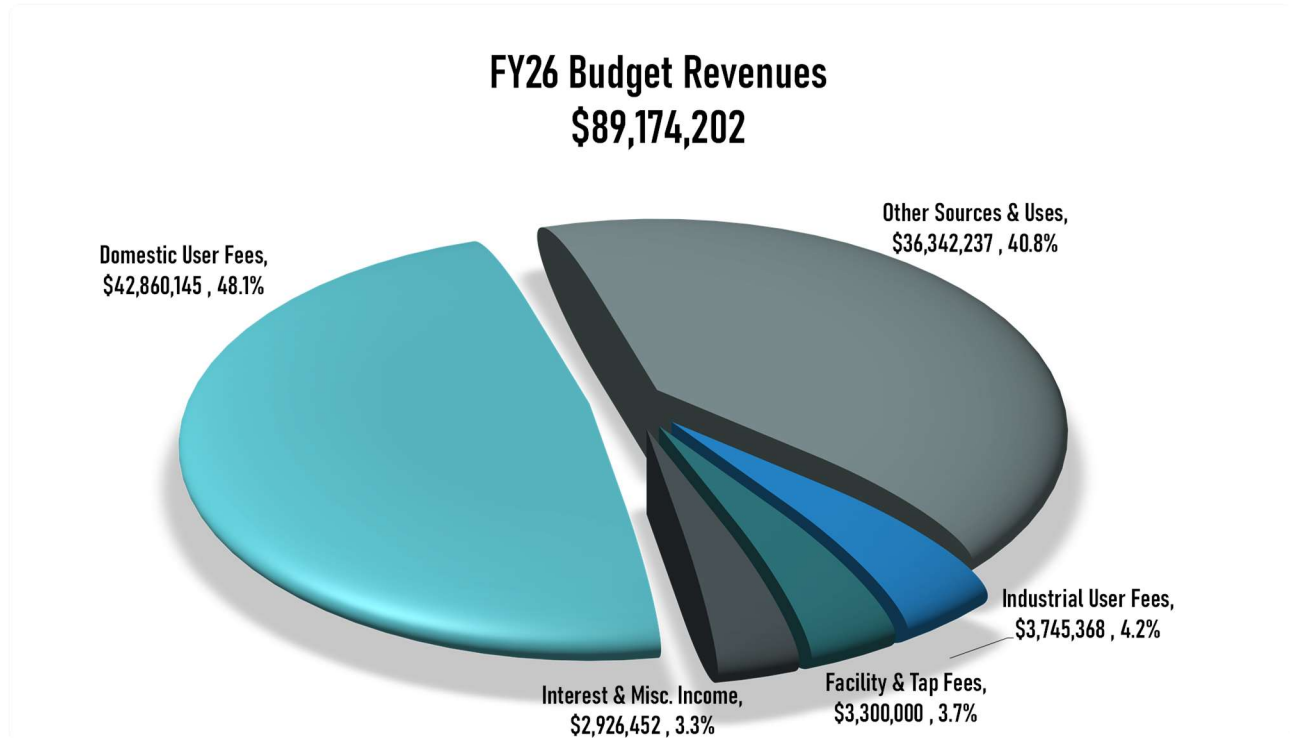


W. Scott Powell, CLGFO
Director of Finance

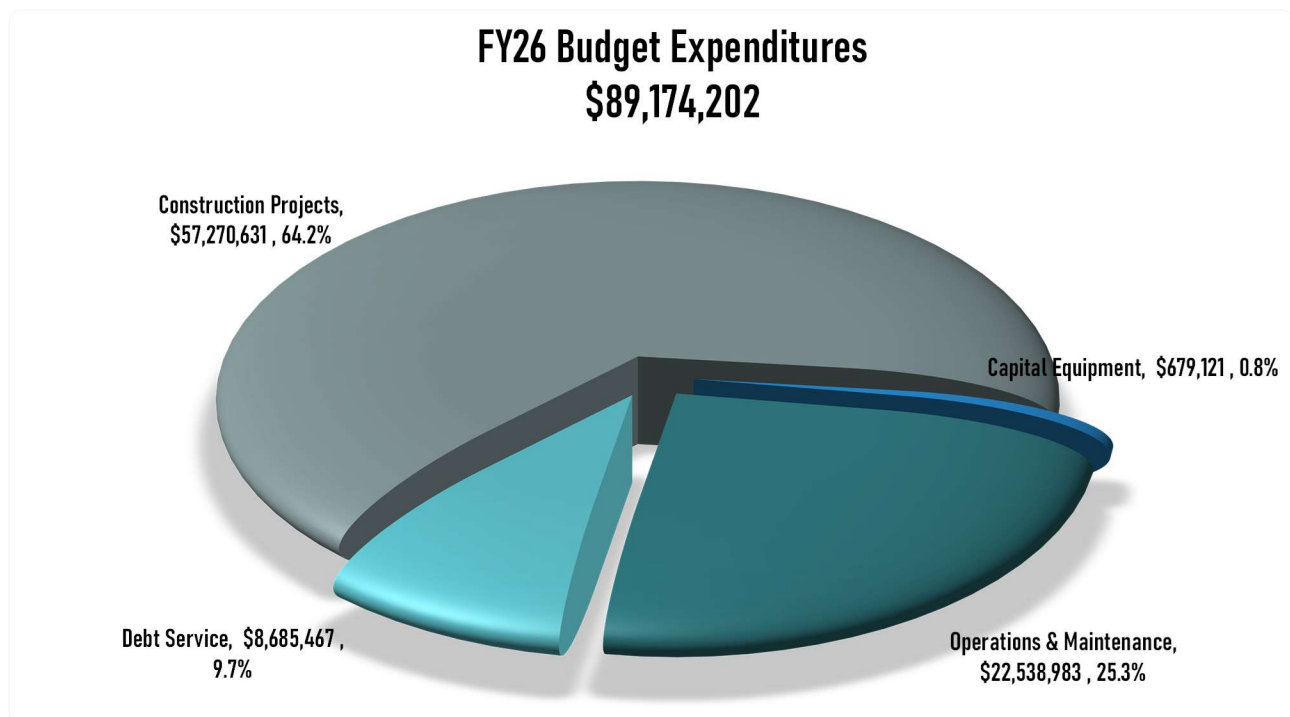
Trend Analysis



Revenue Summary for FY2026



Expenditures Summary FY2026



Consolidated Budget Summary FY2026

	FY 2024 Actual Total	FY 2025 Amended Budget	FY 2026 Proposed Budget	Increase (Decrease)	% Change
REVENUES & FINANCING SOURCES					
Domestic User Fees	\$ 40,951,557	\$ 43,125,740	\$ 41,647,839	\$ (1,477,901)	-3.43%
Industrial User Fees	3,987,537	3,536,962	3,745,368	208,406	5.89%
Billing and Collection	1,120,845	1,203,773	1,212,306	8,533	0.71%
Facility and Tap Fees	9,541,237	3,300,000	3,300,000	-	0.00%
Interest and Misc. Income	4,794,187	3,567,310	2,475,452	(1,091,858)	-30.61%
Rental Income	97,837	96,000	96,000	-	0.00%
City of Asheville (Enka Bonds)	8,610	-	-	-	N/A
Employee Contributions to Health Fund	370,501	355,000	355,000	-	0.00%
Use of (Contributions to) Available Funds	(13,726,230)	14,630,931	36,342,237	21,711,306	148.39%
Total Revenues & Financing Sources	\$ 47,146,081	\$ 69,815,716	\$ 89,174,202	\$ 19,358,486	27.73%
EXPENDITURES					
Operations and Maintenance	\$ 19,602,499	\$ 22,353,010	\$ 22,538,983	\$ 185,973	0.83%
Construction	18,559,305	37,475,712	57,270,631	19,794,919	52.82%
Capital Equipment	397,560	1,290,257	679,121	(611,136)	-47.37%
Bond Principal and Interest	8,586,717	8,696,737	8,685,467	(11,270)	-0.13%
Other Long-Term Obligation	-	-	-	-	N/A
Total Expenditures	\$ 47,146,081	\$ 69,815,716	\$ 89,174,202	\$ 19,358,486	27.73%

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.

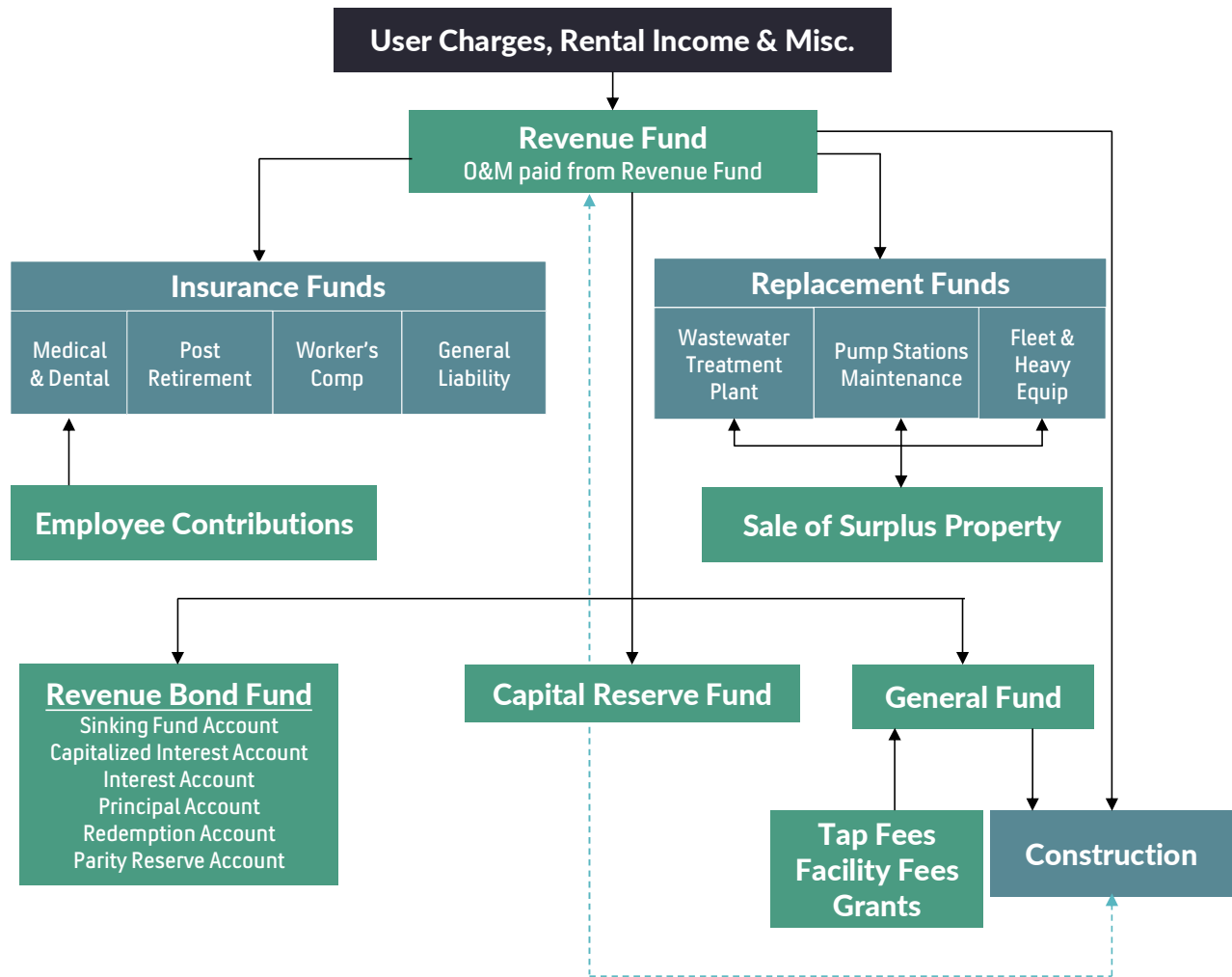
O & M Overview

	ACTUAL 2023-2024	APPROVED 2024-2025 BUDGET	ESTIMATED 2024-2025 ACTUAL	PROPOSED 2025-2026 BUDGET	INC(DEC) OVER PRIOR YR BUDGET
SALARIES & WAGES	\$ 10,807,993	\$ 11,432,860	\$ 11,432,860	\$ 11,537,357	0.91%
BENEFITS	6,241,317	6,574,127	6,574,127	6,702,110	1.95%
MATERIALS, SUPPLIES & SERVICES	7,129,024	9,186,789	9,096,823	9,765,188	6.30%
REPLACEMENT FUNDS & TRANSFERS	1,003,569	1,038,492	1,038,492	1,030,643	-0.76%
CAPITAL EQUIPMENT	109,969	162,825	156,825	150,775	-7.40%
SUB-TOTAL O&M FUND	25,291,872	28,395,093	28,299,127	29,186,073	2.79%
LESS:					
Capitalized Construction Expenses	(5,272,288)	(5,607,204)	(5,605,529)	(5,699,456)	1.65%
NET OPERATION & MAINTENANCE FUND	\$ 20,019,584	\$ 22,787,889	\$ 22,693,598	\$ 23,486,617	3.07%

FY2026 All Department Budget Summary

No.	Name	ACTUAL 2021-2022	ACTUAL 2022-2023	ACTUAL 2023-2024	ADOPTED 2024-2025 Budget	ESTIMATED Actual 6/30/2025	Percent Expended To Total Budget	PROPOSED 2025-2026 Budget	Inc (Dec) Over Prior Year
Salaries & Wages									
51100	Salaries & Wages	\$ 8,812,963	\$ 9,784,130	\$ 10,543,105	\$ 11,081,260	\$ 11,081,260	100.00%	\$ 11,185,757	0.94%
51150	Overtime	<u>236,235</u>	<u>255,895</u>	<u>264,888</u>	<u>351,600</u>	<u>351,600</u>	<u>100.00%</u>	<u>351,600</u>	<u>0.00%</u>
Total Salaries & Wages		9,049,198	10,040,024	10,807,993	11,432,860	11,432,860	100.00%	11,537,357	0.91%
Benefits									
51200	North Carolina Retirement	1,036,056	1,222,620	1,400,575	1,559,442	1,559,442	100.00%	1,660,227	6.46%
51250	Payroll Taxes	671,220	752,625	799,511	874,615	874,615	100.00%	882,607	0.91%
51300	Medical, Dental & Life	2,639,540	2,811,110	2,993,840	2,993,840	2,993,840	100.00%	2,993,840	0.00%
51325	Post Retirement Insurance	276,555	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	323	-	8,031	32,560	32,560	100.00%	32,560	0.00%
51450	Automobile Allowance	3,600	4,510	3,600	3,600	3,600	100.00%	-	-100.00%
51500	401-K/457 Plan	<u>411,949</u>	<u>441,422</u>	<u>479,760</u>	<u>554,070</u>	<u>554,070</u>	<u>100.00%</u>	<u>576,876</u>	<u>4.12%</u>
Total Benefits		5,312,244	5,788,287	6,241,317	6,574,127	6,574,127	100.00%	6,702,110	1.95%
Total Salaries, Wages & Benefits		<u>14,361,442</u>	<u>15,828,311</u>	<u>17,049,310</u>	<u>18,006,987</u>	<u>18,006,987</u>	<u>100.00%</u>	<u>18,239,467</u>	<u>1.29%</u>
Materials, Supplies & Services									
52010	Advertising	27,692	12,935	17,036	33,000	29,750	90.15%	32,500	-1.52%
52050	Dues & Subscriptions	48,441	55,604	51,867	66,729	66,279	99.33%	68,601	2.81%
52100	Postage	10,077	10,739	19,059	13,000	13,000	100.00%	14,000	7.69%
52150	Travel, Mtgs & Training	114,963	151,292	163,911	232,265	217,213	93.52%	239,990	3.33%
52160	Tuition Assistance	2,738	3,704	2,400	5,000	4,000	80.00%	1,600	-68.00%
52170	Directors Fees & Expenses	18,399	17,612	17,461	19,585	19,000	97.01%	21,000	7.23%
52180	Liability Insurance	602,521	662,775	662,775	663,605	663,605	100.00%	813,580	22.60%
52200	Telephone/Telefax	24,509	25,831	23,579	30,300	30,300	100.00%	30,300	0.00%
52210	Communications	124,267	127,473	135,653	179,630	179,510	99.93%	189,315	5.39%
52240	Uniforms	67,756	80,033	69,494	97,660	96,310	98.62%	98,085	0.44%
52250	Office Supplies	15,748	15,436	17,520	23,700	23,250	98.10%	23,150	-2.32%
52260	Special Dept Supplies	368,678	372,241	337,879	495,590	495,490	99.98%	502,635	1.42%
52270	Safety Equip/Supplies	65,393	80,696	71,860	90,500	89,800	99.23%	91,900	1.55%
52280	Maint Supp/Small Tools	116,553	115,444	130,784	154,200	154,200	100.00%	154,900	0.45%
52290	Chemical Supplies	341,289	623,058	806,303	1,320,500	1,320,500	100.00%	1,470,500	11.36%
52300	Line Cleaning Supplies	44,207	52,614	49,358	55,750	55,750	100.00%	55,750	0.00%
52330	Legal Fees	14,860	20,327	9,569	37,390	35,975	96.22%	39,500	5.64%
52350	Prof/Contractual Svcs	462,439	596,003	493,560	829,084	828,584	99.94%	806,857	-2.68%
52410	Maint-Buildings & Grounds	208,337	238,012	289,759	319,500	319,500	100.00%	326,500	2.19%
52420	Maintenance-Equipment	357,184	385,331	391,438	519,500	519,000	99.90%	539,000	3.75%
52430	Landscape Restoration	8,147	11,907	10,106	13,700	13,700	100.00%	13,700	0.00%
52440	Pump Maintenance	87,005	84,855	110,820	112,500	112,500	100.00%	127,200	13.07%
52450	Equipment Rental	8,703	6,758	16,759	41,500	21,500	51.81%	41,500	0.00%
52460	Motor Fuel & Lubricants	217,277	233,475	208,544	310,000	310,000	100.00%	310,000	0.00%
52470	Outside Vehicle Maint	23,237	45,562	20,432	30,000	30,000	100.00%	30,000	0.00%
52500	Rents/Leases	48,159	47,405	51,615	55,300	55,300	100.00%	55,800	0.90%
52510	Permits/Fees/Software Licenses	290,853	310,286	357,978	427,965	421,665	98.53%	486,019	13.57%
52650	Utilities	1,308,441	1,484,663	1,368,724	1,660,000	1,660,000	100.00%	1,825,000	9.94%
52690	Freight	7,926	9,851	7,962	8,000	8,000	100.00%	10,000	25.00%
52715	Safety Incentive Program	2,166	1,705	2,428	2,500	2,500	100.00%	2,500	0.00%
52725	Wellness Program	3,019	8,642	5,205	7,500	7,500	100.00%	7,500	0.00%
52730	Employee Asst Program	4,355	5,000	5,500	6,000	6,000	100.00%	6,500	8.33%
52900	Other Operating Expenses	390	1,083	(3)	3,166	3,166	99.99%	3,600	13.69%
52910	Non-Capital Equipment	65,693	101,907	79,211	113,397	113,397	100.00%	108,900	-3.97%
52915	Copiers Printers & Faxes	-	-	1,634	5,000	5,000	100.00%	5,000	0.00%
52920	Billing & Collections	<u>1,021,457</u>	<u>1,060,476</u>	<u>1,120,845</u>	<u>1,203,773</u>	<u>1,165,579</u>	<u>96.83%</u>	<u>1,212,306</u>	<u>0.21%</u>
Total Materials, Supplies & Services		6,132,881	7,060,734	7,129,024	9,186,789	9,096,823	99.02%	9,765,188	6.30%
Interfund Transfers									
52340	Debt Administration Expenses	122,582	110,847	98,569	133,492	133,492	100.00%	125,643	-5.88%
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	200,000	250,000	250,000	250,000	100.00%	250,000	0.00%
53070	Pump Replacement Charges	<u>55,000</u>	<u>55,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>100.00%</u>	<u>60,000</u>	<u>0.00%</u>
Total Interfund Transfers		972,582	960,847	1,003,569	1,038,492	1,038,492	100.00%	1,030,643	-0.76%
Capital Outlay									
54010	Capital Equipment - New	29,138	47,241	35,460	67,600	61,600	91.12%	62,800	-7.10%
54020	Capital Equip-Software	-	-	-	-	-	-	-	-
54030	Capital Equip - Replacement	<u>40,341</u>	<u>100,020</u>	<u>74,509</u>	<u>95,225</u>	<u>95,225</u>	<u>100.00%</u>	<u>87,975</u>	<u>-7.61%</u>
Total Capital Outlay		69,479	147,261	109,969	162,825	156,825	96.32%	150,775	-7.40%
Sub-Total O&M Fund		<u>\$ 21,536,383</u>	<u>\$ 23,997,154</u>	<u>\$ 25,291,872</u>	<u>\$ 28,395,093</u>	<u>\$ 28,299,127</u>	<u>99.66%</u>	<u>29,186,073</u>	<u>2.79%</u>
59200 LESS:									
	Chargebacks to General Fund for CIP	(2,659,532)	(2,875,271)	(3,101,759)	(3,404,838)	(3,403,163)	99.95%	(3,415,227)	0.31%
	Chargebacks to General Fund for SSD	(1,702,644)	(1,943,292)	(2,170,529)	(2,202,366)	(2,202,366)	100.00%	(2,284,229)	3.72%
Net Operation & Maintenance Fund		<u>\$ 17,174,208</u>	<u>\$ 19,178,591</u>	<u>\$ 20,019,584</u>	<u>\$ 22,787,889</u>	<u>\$ 22,693,598</u>	<u>99.59%</u>	<u>\$ 23,486,617</u>	<u>3.07%</u>

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, 2025 THRU June 30, 2026**

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 2025-2026 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, 2025 and ending June 30, 2026:

Operating and Maintenance Expenses	\$	18,218,197
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	\$	60,000
Subtotal O&M	\$	23,486,617
Transfer to the General Fund	\$	53,945,631
Transfer to Debt Service Fund	\$	8,685,467
	\$	<u>86,117,715</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Domestic User Fees	\$	41,647,839
Industrial User Fees	\$	3,745,368
Billing and Collection Fees	\$	1,212,306
Investment Interest	\$	2,068,003
Reimbursement for Debt Service from COA	\$	-
Rental Income	\$	96,000
Appropriated from Net Position	\$	<u>37,348,199</u>
	\$	<u>86,117,715</u>

- 2** The following amounts are hereby appropriated in the General Fund for the transfers to the Construction Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025:

Transfer into Construction	\$	<u>57,270,631</u>
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It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Facility and Tap Fees	\$ 3,300,000
Investment Income	\$ 1,000
Transfer In from Revenue Fund	\$ 53,945,631
Appropriated from Net Position	\$ 24,000
	<u>\$ 57,270,631</u>

- 3** The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2025 and ending June 30, 2026.

Capital Improvements Projects	<u>\$ 57,270,631</u>
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It is estimated that the following revenues will be available to the Construction Fund for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

Investment Income	\$ 20,000
Transfer In from General Fund	\$ 57,270,631
Contribution to Net Position	\$ (20,000)
	<u>\$ 57,270,631</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, 2025 and ending June 30, 2026 are:

Operating Expenditures	<u>\$ 4,471,561</u>
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It is estimated that the following revenues will be available in the Insurance Funds for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In from the Revenue Fund	\$ 4,363,420
Investment Income	\$ 272,000
Employee/Retirees Medical Contributions	\$ 355,000
Contribution To Net Position	\$ (518,859)
	<u>\$ 4,471,561</u>

- 5** The following amounts are presented as the financial plan of the Fleet & Heavy Equipment Fund designated for capital equipment expenditures for the fiscal year beginning July 1, 2025 and ending June 30, 2026 estimated as follows:

Transfer to Capital Reserve	\$ -
Capital Equipment	\$ 118,846
	<u>\$ 118,846</u>

It is estimated that the following revenues will be available in the Fleet & Heavy Equipment Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In from the Revenue Fund	\$ 595,000
Sale of Surplus Property	\$ 9,185
Investment Income	\$ 48,693
Contribution To Net Position	\$ (534,032)
	<u>\$ 118,846</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>\$ 289,000</u>
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It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In from the Revenue Fund	\$ 250,000
Investment Income	\$ 9,915
Transfer Out to Pump Station Replacement Fund	\$ -
Appropriated from Net Position	<u>\$ 29,085</u>
	<u>\$ 289,000</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, 2025 and ending June 30, 2026 estimated as follows:

Capital Equipment	<u>\$ 120,500</u>
	<u>\$ 120,500</u>

It is estimated that the following revenues will be available in the Pump Station Replacement Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In from the Revenue Fund	\$ 60,000
Investment Income	\$ 5,156
Appropriated from Net Position	<u>\$ 55,344</u>
	<u>\$ 120,500</u>

- 8 The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Debt Service	<u>\$ 8,685,467</u>
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It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2025 and ending June 30, 2026:

Transfer In from the Revenue Fund	\$ 8,685,467
Investment Income	\$ 500
Contribution To Net Position	\$ (500)
	<u>\$ 8,685,467</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, 2025.
- 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 21st day of May 2025

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

Attest:

Jackie Bryson
Secretary/Treasurer

ACTION ITEM

Finance Committee

Meeting Date: May 8, 2025
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 FY2026

Background

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

Discussion

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

The Base meter charge is a fixed rate based on meter size. **Staff is recommending a 5.0% increase in this charge.** Average monthly residential bill will be \$39.46 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 FY2026.**

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 FY2026.**

Other Fees: These fees were computed in connection with the review process of Planning and Development Division. **Staff is recommending no fee increase in FY2026.**

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 FY2026.**

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 FY2026.**

This fee schedule corresponds to the rates and fees presented in the updated business plan. The typical monthly bill for FY2026 will be \$39.46. **This is a \$1.87 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 21, 2025 Board Meeting.

Metropolitan Sewerage District of Buncombe County, North Carolina
Schedule of Rates, Fees, and Charges - FY2026

Effective July 1, 2025

	ADOPTED FY2025 RATE	PROPOSED FY2026 RATE
Collection Treatment Charge		
Residential & Commercial Volume Charges (per CCF) Inside	\$ 5.52	\$ 5.80
Industrial Volume Charges (per CCF) Inside	5.52	\$ 5.80
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	\$ 5.53	\$ 5.81
Industrial Volume Charges (per CCF) Outside	5.53	5.81
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"	\$ 8.52	\$ 8.95
3/4"	12.38	13.00
1"	21.99	23.09
1 1/2"	50.27	52.79
2"	88.91	93.36
3"	197.18	207.04
4"	351.88	369.47
6"	792.67	832.30
8"	1,407.45	1,477.83
10"	2,203.99	2,314.20
Billing Fee (per bill)	2.93	3.01
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.		
<i>Residential</i>		
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 - FY2026

Effective July 1, 2025

	ADOPTED FY2025 RATE	PROPOSED FY2026 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 - FY2026

Effective July 1, 2025

	ADOPTED FY2025 RATE	PROPOSED FY2026 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