



2015

Metropolitan Sewerage District of Buncombe County, NC

Budget Document

2015 BUDGET

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Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina (MSD) for its annual budget for the fiscal year beginning July 1, 2013. This is the seventeenth consecutive year that the MSD has received this award.

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

This award is valid for a period on one year only. We believe our FY2015 budget continues to conform to the program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.



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Introduction



Metropolitan Sewerage District

OF BUNCOMBE COUNTY, NORTH CAROLINA

June 11, 2014

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

Subject: FY14-15 Budgets and Proposed Sewer Rates

Dear Members of the Board,

We respectfully present the FY15 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 29, 2014, the Capital Improvement Program Committee, which met on May 1, 2014, and the Finance Committee, which met on May 14, 2014.

We have developed the FY15 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 FY14, the District's domestic and industrial revenue is expected to meet budgeted projections. While some light and medium commercial consumers are still feeling the effects of the recession, the District continues to achieve growth in the number of residential customers.

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

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

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The Systems Services Department continues to expand its participation in sewerline rehabilitation and replacement efforts to minimize SSOs. Goals for FY15 include utilizing Infrastructure Rehabilitation System (IRS) lining, pipe bursting, and dig-and-replacement construction to rehabilitate and replace at least 20,000 linear feet, while providing preventative maintenance for approximately 500,000 linear feet of the system by employing in-house jet wash cleaning and both chemical and mechanical root control. In addition, the Systems Services 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 Management Plan. In FY15, the District will initiate an update of the District's facilities plan in addition to prepare for future increased regulations.

Operating Budget

The proposed \$15.4 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 2.5% salary adjustment—CPI increased 1.5% for the last twelve-month period; Division Directors in conjunction with Employee Advisory Committee have requested a cost of living increase to keep pace with industry salary increases as well as to encourage retention of valued employees. The Personnel Committee has recommended a wage increase, which has an \$117,000 net impact on current year expenditures.
 - ◆ A 0% increase in funding for Self-Insured Medical Plan—During FY12/FY13, staff worked with the Employee Advisory Committee and initiated a top to bottom review of our existing broker and medical insurance providers. The effort has resulted in substantial savings in brokerage fees, drug cost, reinsurance savings, and the opportunity to further reduce medical insurance service costs to employees. The two groups continue to work on a long-term strategic plan to address controllable medical issues. Staff has been able to hold employer contributions to FY13 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 FY09, GASB 45 required recognition of cost for Post-Employment Health Benefits. An actuarial study was done in the current year, which stated that FY15 funding should be \$265,700. Current funding has

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been implemented into the proposed FY15 budget and the current business plan and represents 1.7% of total operations.

- Materials, Supplies, and Service expenditures increased 4.2% over prior year—The District has made a concerted effort to hold materials, supplies, and services cost close to the prior year's level, taking into account inflationary cost increases. The District has increased specific line items to address regulatory and operational needs. Discretionary expenditures have been limited where practicable. This has a \$253,000 impact on current year expenditures.

Capital Improvement Program

The District prepares a ten-year Capital Improvement Program as required by its State Collection System Permit and the Consolidation Agreements. The estimated construction expenditure for FY15 is \$22.8 million, which is comprised of an estimated \$21.6 million in construction, \$200,000 of reimbursement and \$1 million in contingency. A detailed list of individual projects and planned expenditures by year was presented at the May 1, 2014 CIP meeting.

The Board has consistently financed its Capital Improvement Program through revenue bonds and pay-as-you-go moneys. As of June 30, 2014, the District will have \$106.9 million in outstanding revenue bond debt, with total debt service of \$10.4 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 has initiated a major program to rehabilitate its Wastewater Collection System. This program will conform to the North Carolina Department of Environmental and Natural Resources (NCDENR) Collection System Permit requirements, and will improve the operational performance and extend the life of the collection system. The estimated cost over a 10-year period is approximately \$185.9 million. This Permit ushers in a change in focus of the District's Capital Improvement Plan. In the previous decade, efforts had been directed to expediting completion of certain projects identified by the member agencies and assumed by the District during the consolidation process. For example, construction of the 23.8-mile North Swannanoa Interceptor begun in 1993 was completed during FY2004 at a cost in excess of \$44 million. Now that most of these "consolidation" projects have been completed, our focus has been redirected to rehabilitation of the State-mandated 250,000 feet of sewerline every five (5) years and other projects identified in the Master Plan.

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

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

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

Major projects for FY15 include the \$1.3 million Broadview Avenue with over 4,524 linear feet, \$634,400 Crockett Road with over 2,562 linear feet, \$816,00 Mount Vernon Place Phase 2 with over 2,476 linear feet, \$759,900 Old US-70 at Pine Circle with over 2,779 linear feet, and \$955,000 Shadowlawn Drive Phase 1, with over 4,122 linear feet. In FY15 Treatment Plant incinerator upgrades are scheduled to cost \$3.1 million. These are in addition to numerous smaller projects completed throughout the collection system. Further details are available in the CIP section of the budget document.

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

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

➤ **Wastewater Treatment Plant Capital Improvements**

During FY07, a Treatment Facilities Plan was completed for the Water Reclamation Facility. Although there has been no major increase in flow, some equipment at the Facility was reaching the end of their useful life. Consulting engineers met with staff to evaluate current operations and equipment and to prepare recommendations for maintenance and improvements.

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Four (4) of the major projects recommended are completed:

- **Grit and Grease Removal**—Grit and grease facilities were not working effectively and were causing problems with downstream processes. This process was rehabilitated during FY08 by both WRF maintenance staff and contractors at a cost of \$554,000. This represents approximately 10% of the cost to completely replace the equipment.
- **Intermediate Pumps**—These aging pumps are hydraulically driven which is highly inefficient, and there is concern of contaminating the effluent with hydraulic fluid should the system leak. The FY07 Facilities Plan called for installing new variable-speed electric pumps. The cost of replacing the aging pumps will be approximately \$2.5 million. The project was completed in FY11.
- **Secondary Microscreens**—Rusty and no longer performing satisfactorily, this equipment has become an operational and maintenance headache. Being the critical barrier between the WRF and the river, the secondary microscreens have been scheduled for replacement. Total cost of the project is estimated to be \$10.4 million. The project was completed in FY13.
- **Plant Electrical System Upgrade**—The upgrade including adding an additional transmission feed as well as transformers at the Progress Energy substation, increasing the back-up generation at the Plant from 2MW to 4MW, and constructing back-up electrical feeds to unit processes throughout the Plant. The cost of the project is estimated at \$2.2 million. The project will be completed at the end of FY13.

In addition, many other improvements have been made throughout the Plant and Hydroelectric Facility. The District is currently updating the Treatment Plant Facilities Plan with results being available by the end of the fiscal year.

Impact of CIP on Operations

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

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

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

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

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

Sewer Rate Increase

Staff recommends a 2.5% increase in domestic sewer rates and meter fees for FY15, including a previously approved plan to achieve flow rate parity between industrial and domestic users. This amount is in line with past increases. We believe this rate increase is prudent under the current economic situation and is necessary to provide for the following District responsibilities and objectives:

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

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

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Domestic sewer rates for the past five years as well as FY15 are shown below:

	FY10	FY11	FY12	FY13	FY14	FY15
Rate Increase %	3.75%	3.5%	3.0%	2.5%	2.5%	2.5%
Meter, Maintenance & Billing Fees	\$6.64	\$6.87	\$7.05	\$8.34	\$8.53	\$8.73
Flow Rate (per ccf)	\$3.64	\$3.77	\$3.88	\$3.98	\$4.08	\$4.18
Avg. Monthly Bill (5ccf)	\$24.84	\$25.72	\$26.45	\$27.14	\$27.81	\$28.49

Distinguished Budget Award

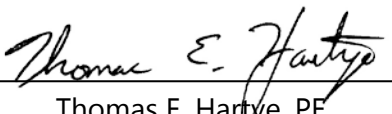
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Sewerage District of Buncombe County, North Carolina for its annual budget for the fiscal year beginning July 1, 2013. This is the seventeenth consecutive 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.

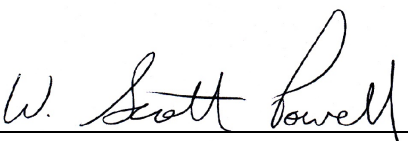
This award is valid for a period of one year only. We believe our FY15 budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

In Closing

The Budget represents the combined efforts and guidance of the Board, its Committees and staff. A special thanks to Teresa Gilbert for assembling the budget documents, Ed Bradford, CIP Director, and Sharon Walk for assembling the CIP Section of the Budget, and to Peter Weed for updating the sewer rate projections. We look forward to working with you, staff, and our ratepayers as we implement this financial plan and policy document.

Respectfully submitted,


Thomas E. Hartye, PE
General Manager


W. Scott Powell, CLGFO
Director of Finance

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Policies & Budget Process

Financial Plan

Guide to the Budget Document

This Budget presentation has four major objectives:

- **Policy Document**—To show how resources have been allocated in response to the mission statement and supporting goals/objectives set forth by the Board of Directors.
- **Financial Plan**—To present the District's Financial Plan for the fiscal year, showing where the money will come from and how it will be spent.
- **Operations Guide**—To describe services provided along with goals and objectives for each unit within the District, and a method for measuring progress towards the District's mission of providing cost-effective and efficient wastewater collection and treatment. In addition, a Budget is a required management tool for compliance with state wastewater management licensure and local government fiscal control regulations.
- **Communications Device**—To explain the District budgetary procedures and interactions with other District planning processes and within the larger context of local and regional economic and environmental conditions.

This document has been divided into sections as follows to assist the reader's understanding and ability to easily locate information:

- **Introduction**—The transmittal letter provides current year trends and highlights.
- **Policies & Budget Process**—Presents the policies forming the basis for all management decisions, a narrative of the overall budget process, the underlying fund structure, and a discussion of revenue.
- **Operation & Maintenance Fund**—Provides detail of departmental expenditure budgets including underlying goals and objectives, as well as accomplishments and performance measures.
- **Insurance Funds**—Describes internal service-type funds used to allocate premiums and associated expenses among various departments.
- **Replacement Funds**—Provides funding status of various replacement and reserve funds.
- **CIP Program**—Details the Capital Improvement Program, including budgetary process, current year highlights, and summarizes planned projects for the upcoming 10 years.

Financial Plan (continued)

Guide to the Budget Document (continued)

- **Debt Financing**—Provides further detail on debt philosophy and management, including current and future debt service.
- **Statistical Information**—Includes historical summaries of District financial information, plant operational data, and local demographic and economic statistics.
- **Appendix**—Provides supplemental narrative about the District and local economy, details of capital equipment expenditures budgeted and staffing information.
- **Glossary**—Definitions of technical terms and acronyms.

Background of Entity

The Metropolitan Sewerage District of Buncombe County, North Carolina (the District), established under an act of the state legislature, is a local governmental agency providing wastewater collection and treatment services to approximately 50,000 residences and businesses located in several municipalities and certain unincorporated areas in Buncombe County. The governing board is comprised of twelve members appointed by eight local governments who serve three-year overlapping terms.

The District owns a 40 million gallon per day (MGD) wastewater treatment plant and the associated collection network of approximately 977 miles of collector sewers, 29,000 manholes, and 31 pump stations. The District is responsible for current operation and maintenance of this infrastructure, as well as for planning for future operations and capacity. An expanded section on the history and composition of the District along with an overview of the regional economy is located in the Appendix.

Mission Statement and Goals

The budgetary process starts with the mission statement promulgated by the District Board. To achieve the purpose articulated in the mission statement, staff is charged with developing long-term goals and the short-term objectives designed to achieve these goals. Using this framework, annual operating and construction budgets are proposed to fulfill these short-term objectives and thus meet or reach toward long-term goals.

Therefore, an understanding of the mission statement and the underlying goals and objectives provide a context for the decisions made in developing the annual budget. Each departmental goal and objective is tied to one or more of the non-financial or financial policies to coordinate and prioritize the District's focus, initiatives, and efforts.

Financial Plan (continued)

Mission Statement and Goals (continued)

Mission Statement—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.

Long-Term Goals—Staff has developed four goals to be pursued in support of the Mission Statement adopted by the Board:

1. Protection of health, safety, and the environment
2. Excellence in customer service
3. Cost-effectiveness
4. Continuous improvement

Managers and employees use these goals to determine appropriateness of and to enhance coordination and consistency of decisions, activities, and initiatives throughout the District.

Short-Term Objectives—Objectives are specific achievements or strategies, which support or lead to long-term goals and are used to determine how resources are allocated in this budget.

1. Maintain Collection System Permit. (Goal #1)
2. Maintain Discharge Permit to French Broad River for Water Reclamation Facility. (Goal #1)
3. Maintain a qualified and motivated workforce. (Goals #1-4)
4. Coordinate, to the extent practicable, with other governmental and private entities for cooperative provision of sewer service to gain optimum economies of scale, reduced capital cost, and improved efficiency. (Goals # 1-4)
5. Participate in two-way communications with customers, elected officials, and other stakeholders in matters of mutual concern such as regulations, policies, and fees. (Goals # 1-4)
6. Provision of information and education concerning stewardship of water resources. (Goals # 1-4)

Authority for the District's first goal of protection of health, safety, and the environment is received from the Collection System and Discharge Permits issued by the North Carolina Department of Environment and Natural Resources, Division of Water Quality. Therefore, the major emphasis of the District's activities is to fulfill or comply with the terms of these permits. In addition to specifying certain measures of water quality and minimum standards for maintenance of lines, the permits expect steady progress towards rehabilitation of aged lines and planned replacement of plant assets.

Financial Plan (continued)

Mission Statement and Goals (continued)

The remaining four objectives are strategies designed to complement the efforts to fulfill the requirements of the permits in achieving the District's goals. Obviously, a competent, well-trained, and committed workforce will not only be technically accomplished, but will also provide excellent customer service, and will explore ways to do the job better and at less cost. Similarly, leveraging resources with others can improve service delivery and reduce costs.

Finally, communication with and education of stakeholders is designed result in wide-ranging improvements to service delivery, customer relations, and cost containment.

Using key objectives identified as critical to the District's mission, Departments develop their individual initiatives and objectives, and the performance measures by which to assess progress. As the budgets for each division or department are presented in the next section, each departmental goal will reference the number of the overall District's goal, objective, or the fiscal policy supported. In this way, each department establishes its accountability and demonstrates the linkage between activities and the achievement of the District's objectives.

The Systems Services Division bears responsibility for maintaining the Collection System Permit (Objective #1) and the Water Reclamation Facility for maintaining the Discharge Permit (Objective #2). Details of the requirements of these permits and related performance measurements may be found in these respective departmental budgets behind the "Operation & Maintenance Fund" tab. The other objectives have no legal or regulatory basis, but are underlying principles of how the Board intends the District to carry out the primary mission, and are referenced as appropriate in the departmental goals and objectives.

Rate Projections & Budgetary Forecast

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

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

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

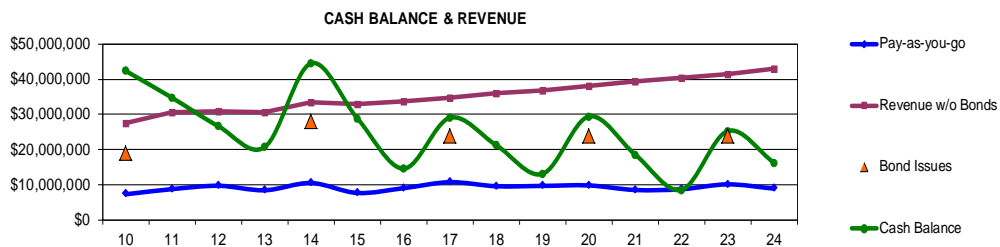
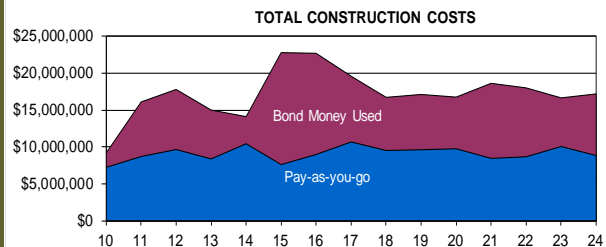
Operating expenditures are anticipated to increase at the regional cost of living rate, and capital expenditures at the general inflation rate. Future debt service is projected to be issued at slightly above prevailing rates. As this forecast is updated at least semiannually, management is able to adjust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

Using consumption data projected from the recent historical population growth statistics within the Asheville-Buncombe County area, the District anticipates annual rate increases of 2.5% for the next ten years. Construction costs are fairly level reflecting the District's Master Plan to consistently rehabilitate approximately 50,000 linear feet of pipe per year. The CIP expenditure forecast for FY15 reflects a continuation of a major rehabilitation project at the Wastewater Treatment Plant.

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

Budgetary Forecast Based on Current Business Plan

Business Plan FY15 Budget	3.75%	3.5%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	Sewer Rate Increase
	\$24.84	\$25.72	\$26.45	\$27.14	\$27.81	\$28.49	\$29.20	\$29.93	\$30.68	\$31.45	\$32.23	\$33.04	\$33.87	\$34.71	\$35.58	Average Monthly Bill
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Assumptions
July 1- Available for Construction	25,496,310	42,331,200	34,698,658	26,606,688	20,669,346	44,500,027	28,848,943	14,534,519	29,020,697	21,204,472	13,050,555	29,383,357	18,531,064	8,512,055	25,232,104	Minimum of 365 Days Cash on Hands
REVENUE:																Consumption and Account Growth
Domestic Users	23,242,077	24,686,228	25,586,768	25,989,919	27,367,458	28,445,115	29,337,277	30,301,029	31,280,667	32,076,476	33,146,859	34,234,872	35,340,831	36,465,057	37,667,753	
Industrial Users (No growth)	1,498,529	1,565,402	1,599,819	1,577,916	1,762,109	1,835,438	1,943,310	2,096,917	2,185,090	2,278,266	2,375,503	2,434,891	2,495,763	2,558,157	2,622,111	
Billing and Collections (User Fee)	629,212	643,264	662,589	701,015	712,870	725,702	747,473	769,897	792,994	816,784	841,287	866,526	892,522	919,297	946,876	
Tap Fees	278,100	211,165	236,850	313,040	308,250	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	
Facility Fees	1,375,910	2,027,006	2,084,624	2,253,595	2,670,175	1,250,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0.75% Increase
Interest & Non-operating Revenues	457,815	383,248	212,648	160,909	269,692	366,745	325,376	326,664	502,252	342,550	424,339	479,144	270,431	337,442	414,233	
City of Asheville (annex-Enka)	37,003	37,000	37,290	37,023	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	37,000	
Rental Income	16,560	20,507	70,356	70,356	68,597	68,742	69,950	71,399	71,641	71,641	71,641	71,641	71,641	71,641	71,641	
Transfer from Reserves (to / from)	0	0	0	(768,978)	0	0	0	0	0	0	0	0	0	0	0	
Miscellaneous	10,651	963,786	449,426	219,456	130,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	Bond Issues figured at: 5.0% yield FY17 5.5% yield FY20 5.5% yield FY23
Total Revenues	27,545,857	30,537,606	30,940,370	30,554,251	33,326,151	32,883,742	33,615,386	34,757,906	36,024,644	36,777,717	38,051,629	39,279,074	40,263,188	41,543,594	42,914,614	
State and Federal (EPA) Grants																
Revenue Bonds/Stimulus	19,072,980				28,000,000			24,000,000			24,000,000			24,000,000		
Total Funds Available	72,115,147	72,868,806	65,639,028	57,160,939	81,995,498	77,383,769	62,464,329	73,292,425	65,045,341	57,982,189	75,102,184	68,662,431	58,794,252	74,055,648	68,146,718	
EXPENSES:																3% inflation in O & M, Replacement Funds and Engineering Force Account
Operations & Maintenance	12,454,727	13,272,468	13,632,269	12,888,006	14,393,280	14,884,782	15,456,475	16,054,495	16,774,028	17,441,488	18,142,935	18,880,737	19,657,142	20,478,242	21,343,483	
Replacement Funds (WRF & Fleet)	300,000	250,000	350,000	500,000	500,000	500,000	625,000	625,000	625,000	675,000	675,000	700,000	700,000	700,000	700,000	
Debt Service	7,855,989	8,565,201	7,274,680	8,114,665	8,502,191	10,389,488	9,181,121	8,028,852	9,733,272	9,719,327	10,159,679	11,946,244	11,938,655	11,009,924	12,738,447	
CIP (including Bond Projects)	9,173,231	16,082,479	17,775,391	14,988,922	14,100,000	22,760,555	22,667,215	19,563,381	16,708,569	17,095,819	16,741,213	18,604,386	17,986,400	16,635,378	17,173,594	
Total Expenses	29,783,947	38,170,148	39,032,340	36,491,593	37,495,471	48,534,825	47,929,811	44,271,728	43,840,869	44,931,634	45,718,827	50,131,367	50,282,197	48,823,544	51,955,524	General Sewer Rehab to cover 50,000 lineal ft / year
Pay-as-you-go (Current Revenue only)	7,235,141	8,699,937	9,650,613	8,377,997	10,430,681	7,609,471	8,977,790	10,674,559	9,517,344	9,616,902	9,749,015	8,452,093	8,667,391	10,055,428	8,832,683	
Debt Coverage (User Fees only)	1.7	1.6	2.0	1.9	1.8	1.6	1.8	2.2	1.8	1.8	1.8	1.6	1.6	1.8	1.6	
Debt Coverage with Total Revenue	1.9	2.0	2.4	2.2	2.2	1.7	2.0	2.3	2.0	2.0	2.0	1.7	1.7	1.9	1.7	
April 28, 2014	10-Year Capital Improvement Program															
Active Plan CIP	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Interceptor/Wet Weather Rehabilitation	1,391,413	3,496,305	2,039,068	15,698	634,790	65,000	728,967	563,698	1,634,934	1,723,056	1,185,031	6,251,297	1,748,111	0	0	
General Sewer Rehabilitation	4,162,068	5,916,825	5,056,420	7,947,823	9,407,910	14,072,223	10,016,842	10,947,068	11,944,924	11,483,968	12,470,597	9,188,361	13,035,224	13,363,559	13,831,069	
Private Sewer Rehabilitation	12,171	134,473	282,765	17,920	40,700	34,000	760,778	5,369	5,563	5,764	5,973	6,189	6,413	6,645	6,886	
Treatment Plant / Pump Stations	993,867	3,496,305	7,737,401	4,567,989	1,579,600	5,028,300	8,536,216	5,357,600	273,694	967,245	95,567	112,643	87,220	90,377	93,649	
Engineering Force Account	2,547,454	2,635,451	2,659,737	2,439,492	2,437,000	2,361,032	2,424,412	2,489,646	2,649,454	2,715,786	2,784,045	2,845,896	2,909,432	2,974,797	3,041,990	
Reimbursements	66,258	403,120	0	0	0	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Contingency	0	0	0	0	0	1,000,000										
Capital Improvement Program Totals	9,173,231	16,082,479	17,775,391	14,988,922	14,100,000	22,760,555	22,667,215	19,563,381	16,708,569	17,095,819	16,741,213	18,604,386	17,986,400	16,635,378	17,173,594	



Fiscal Policy

Overview

The Metropolitan Sewerage District of Buncombe County, North Carolina (the District) fiscal policies compiled below comprises the basic framework for the overall financial management of the District. These policies assist Board and Management decision-making and provide guidelines for evaluating both current and long-range activities and programs. They are reviewed annually in conjunction with the budgetary process to verify continued applicability and benefit to the District.

The primary objectives of these policies are: ❶to ensure that moderate rate increases will be adequate to provide current and future funds to support the District's mission and goals; and ❷to provide accountability for cost-effective stewardship of ratepayer's funds to stakeholders through fairly presented financial information supported by full disclosures.

Revenue Policy

1. **Revenue Recognition**—Revenues shall be recorded on the full accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary governmental entities.
2. **Setting User Charges**—Charges for domestic and industrial sewer users shall be set at such a level to provide sufficient revenues to cover all annual operating and debt service expenditures, to accumulate funds for timely acquisition and replacement of capital equipment and facilities, and to finance the pay-as-you-go portion of the long-term Capital Improvement Plan as approved by the Board.
3. **Revenue Projections**—To assist in setting annual user rate charges, District staff will prepare projections of revenues and expenditures for a minimum of five years.
4. **Daily Deposits**—In accordance with NC General Statutes Section 159-32, the Board shall require daily deposits of receipts only when the moneys on hand amount to at least two hundred fifty dollars (\$250.00). Any funds not immediately deposited shall be appropriately safeguarded.
5. **Monitoring Revenue**—District staff shall monitor revenues as billed and collected by participating entities for reasonableness and completeness and shall report to the Board no less than quarterly.
6. **Direct Billing**—For those users who are billed directly by District staff, such bills shall be computed accurately, recorded properly, and distributed in a timely manner.
7. **Billing Adjustments**—The Billing Coordinator shall be authorized to create and post credit memoranda for adequately documented adjustments incurred by customers billed directly by the District. The Billing Coordinator may also make adjustments of up to \$10 to correct errors or remove disputed charges.

Fiscal Policy (continued)

Revenue Policy (continued)

8. **Bad Debt**—The District shall consider as bad debt any domestic revenue for customers when written off by the member agencies who provide collection services. All delinquent customer accounts billed directly by the District shall be subject to reasonable collection efforts.

After such efforts have been exhausted, writing off uncollectible accounts shall be authorized as follows: the billing coordinator may write off amounts up to \$10, the Director of Finance amounts up to \$1,000, and the General Manager amounts over \$1,000. The Director of Finance shall prepare an annual reporting of bad debts to be submitted to the Finance Committee.

9. **Authority for Revenue Procedures**—The Director of Finance shall be responsible for designing, implementing, monitoring, and amending as necessary, accounting procedures, including internal controls, for the billing, recording, and reporting of all revenues of the District in compliance with GAAP and State law. Any changes to revenue procedures will be reported to the Finance Committee at their next meeting.

Operating Budget Policy

1. **Funding**—Debt or bond financing will not be used to finance current expenditures.
2. **Service Efforts and Accomplishments**—The District will integrate performance measures and productivity indicators into its budgetary process.
3. **Planning**—The District will prepare a ten-year operating budget projection, which will include projections of annual growth plus allowances for operating costs of new capital facilities.
4. **Risk Management**—The District will utilize a risk management program to protect against loss and reduce exposure to liability. A comprehensive safety program shall be an integral component and will investigate property damage and workers' compensation incidents to minimize liability and take proactive measures to reduce the number and severity of future claims.
5. **Authority for Budget Procedures**—The District will prepare the budget in accordance with GAAP and the Local Government Budget and Fiscal Control Act (LGBFCA) established by the state legislature.
6. **Periodic Reporting**—The Finance Department shall submit quarterly budget to actual financial reports to the Board of Directors and monthly to Division Heads.

Fiscal Policy (continued)

Operating Budget Policy (continued)

7. **Balanced Budget**—The District shall submit a balanced budget wherein budgeted expenditures shall equal budgeted revenues. Budgeted revenues may include transfers from another fund, reserves, or fund equity (available funds) defined as the excess of revenues over expenditures accumulated from prior years that are present in the form of cash at the beginning of the fiscal year.

Asset Management Policy

1. **Planning for Operational and Maintenance Assets**—The District shall utilize an Equipment Replacement Review Committee to plan major operational and maintenance asset acquisitions on a systematic, comprehensive, and entity-wide basis.
2. **Asset Condition**—The District will maintain all assets at a level adequate to comply with all regulatory requirements and to minimize future replacement and maintenance costs. This process will be coordinated with the planning in the Capital Improvement Program.

Capital Improvement Policy

1. **Planning**—The District will annually update and re-adopt a ten-year Capital Improvement Program, identifying and describing each capital project along with the estimated cost and funding source, in accordance with requirements of the State of North Carolina Collection System Permit.
2. **Capitalization**—The District will charge engineering division salaries and related costs used to plan for and oversee construction of major infrastructure to the Capital Improvement Program.
3. **Reporting**—The District will provide annual reports of expenditures by project to the Capital Improvement Program Committee.
4. **Funding**—The District will fund the construction program from revenue bonds and current revenues including grants as available.

Accounting Policy

1. **Authority for Accounting Procedures**—The District will establish and maintain the accounting system according to the North Carolina Local Government Budget and Fiscal Control Act (LGBFCA), generally accepted accounting principles (GAAP) for governments, and in compliance with applicable provisions in the Bond Order.

Fiscal Policy (continued)

Accounting Policy (continued)

2. **Annual Audit**—An annual audit will be performed by an independent public accounting firm, which will issue an official opinion on the annual financial statements, and a management letter indicating any suggestions for improvement or areas of concern.
3. **Transparency**—Full disclosure will be provided in the financial statements and bond representations.
4. **Due Diligence**—The District will monitor the audited financial statements of member agencies and compare with reports of revenues remitted to the District and accounts receivable billed by member governments.
5. **Financial Reporting**—The District shall prepare a comprehensive annual financial report (CAFR) upon completion of the financial audit, which will be submitted to the Government Finance Officers' Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award.
6. **Written Accounting Procedures**—The District will maintain currently updated written accounting procedures.

Debt Policy

1. **Duration**—Capital projects financed through the issuance of bonds shall be financed for a period not to exceed the lesser of the expected useful life of the project, or thirty years.
2. **Capitalization**—Interest, operating, and/or maintenance expenses will be capitalized only for facilities of enterprise activities and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
3. **Ratings**—The District will endeavor to maintain its financial condition at no lower than Moody's "A1" and Standard & Poor's "AA-" bond rating.
4. **Unfunded Liabilities**—The District's debt policy extends beyond capital financing and includes not knowingly entering into any contracts creating significant unfunded liabilities.
5. **Coverage Ratio**—The District shall prepare an annual budget to maintain a debt ratio (coverage) of at least 1.5 net revenues to bonded debt. This exceeds the minimum 1.2 ratio as set forth in the Bond Order.
6. **Compliance**—The District shall follow terms and conditions of its Bond Order and any requirements of the Local Government Commission.

Fiscal Policy (continued)

Cash Management and Investment Policy

1. **Written Policy**—The District Board's investment policy, written to be in compliance with NC General Statutes and its Bond Order, shall be reviewed on an annual basis by the Board's Finance Committee.
2. **Objectives**—The primary objectives of investment activities, in priority order, shall be preservation of principal, liquidity, and yield.
3. **Periodic Reporting**—The District shall provide monthly investment reports to its Board and submit semi-annual reports to the North Carolina Local Government Commission.
4. **Treasury Services**—The District shall consider the advisability of preparing a Request for Proposal (RFP) for banking services every three (3) years.

Reserve Policy

1. **Capital Reserves**—The District shall maintain a Capital Reserve Fund in the amount of 6% of current expenses in the adopted annual Operation & Maintenance Fund Budget as set forth in the Bond Order. This fund may be used only for debt service payments in the event of inadequate revenues or for unusual and extraordinary repair and maintenance expenses.
2. **Fleet**—The District shall maintain a Fleet Equipment Replacement Fund for vehicles and rolling stock with a value greater than \$10,000. Periodic budgeted transfers from the operating fund along with proceeds from sale of equipment shall be deposited in said fund along with interest earnings to provide funding to replace vehicles on a systematic basis as required.
3. **Plant Equipment**—The District shall maintain a Wastewater Treatment Equipment Replacement Fund for capital expenditures of \$10,000 or more with a useful life of at least (3) years. Periodic budgeted transfers from operations are intended to stabilize rate increases by planning funding for major repairs and rehabilitations.

Purchasing Policy

1. **Authority for Purchasing Procedures**—The District will follow procedures and guidelines as prescribed by North Carolina General Statutes and Board approved resolutions.
2. **Centralized Procurement**—The District shall operate centralized purchase and warehouse functions to obtain materials, supplies, and services in the most cost-efficient manner for the District.

Budget Process

Budgetary Adoption

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

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

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

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

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

Budget Process (continued)

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

Budget Administration

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

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

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

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

Budget Amendment

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

Budget Calendar

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

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

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

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

D A T E	T I M E	S U B J E C T
April 29	9:00 a.m.	Personnel Committee Meeting
		<ul style="list-style-type: none"> Cost of Living & Merit Pay
		<ul style="list-style-type: none"> Benefit Allocations
May 1	8:30 a.m.	CIP Committee Meeting
		<ul style="list-style-type: none"> Update of Ten-Year Capital Improvement Program
		<ul style="list-style-type: none"> Update Construction Program Financing
		<ul style="list-style-type: none"> 2014-2015 Construction Fund Budget
May 14	9:00 a.m.	Finance Committee Meeting
		<ul style="list-style-type: none"> Nine Month Revenue/Expenditure Report
		<ul style="list-style-type: none"> Self-Funded Medical & Dental Program
		<ul style="list-style-type: none"> Proposed FY15 Construction Fund Budget
		<ul style="list-style-type: none"> Proposed FY15 Operating Budget & Sewer Rates
May 21	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Preliminary FY15 Budgets & Sewer Rates
June 11	2:00 p.m.	Board Meeting
		<ul style="list-style-type: none"> Public Hearing
		<ul style="list-style-type: none"> Adoption of FY15 Budgets & Sewer Rates
July 1		Start of Fiscal Year 2014-2015

Budgetary Basis of Accounting

The District accounts for its activities as an Enterprise Fund, which is similar to that of a private business where the costs of providing wastewater collection and treatment on a continuing basis are recovered primarily from user charges. Therefore, the accrual basis of accounting is used for financial reporting purposes, where revenues are recognized as soon as they are earned and expenses at the time the liability is incurred.

However, state law requires local governments to budget on the modified accrual basis, wherein revenues are only recognized to the degree that they are available to finance expenditures of the current period. Similarly, debt service payments and other liabilities are recognized when payment is due because it is only at that time that they normally are liquidated with expendable available financial resources.

There are no significant differences between the full and modified accrual basis of budgeting for District revenues, because the majority of revenues are collected shortly after billing, and as such, are available to pay period liabilities. The major difference resulting from the modified accrual method is noted in budgeting debt service and capital expenditures.

The Bond Order requires the District to have remitted all debt service to the Trustee at least one business day prior to the payment date, so that in the event of default, the Trustee will have time to secure payment for the bondholders from the Debt Service Reserve Fund for payment on the due date. Therefore, the District budgets for the amount of principal due on July 1 of the subsequent fiscal year, but reports the principal reduction paid on July 1 of the current year as reducing loans payable in the audited financial statements.

Capital outlays, which are defined as equipment or construction with an acquisition value over \$1,000 and a useful life of three years or longer, are budgeted as an expense in the year incurred, but depreciation is not budgeted, as it does not involve expenditure of cash. In the audited financial statements, buildings and equipment over \$15,000 are capitalized and depreciated over future years. The District does not budget for barter transactions such as the exchange of building space for laboratory services, but the fair market value of such transactions are reflected as income and expense in the audited financial statements in accordance with generally accepted accounting principles.

The ten-year Capital Improvement Plan presented in this budget manual documents the District's long-term asset management strategy to achieve and maintain compliance with state environmental permit conditions, but does not authorize expenditures for any years beyond the current budget year. The Capital Improvement Plan identifies specific projects with anticipated expenditures broken down by each year, but based on the best estimates of the District. The General Manager is authorized to accelerate or postpone the start date of any particular project and to authorize the encumbrance of funds for projects continuing into a future fiscal year, provided that the total amount of funds expended and encumbered for any one year does not exceed the total appropriation in the Construction Fund for that fiscal year.

Budgetary Basis of Accounting (continued)

However, any projects included in a Capital Projects Ordinance may have expenditures authorized for the entire project crossing fiscal years, regardless of when contracts are signed or costs are incurred or paid.

In accordance with the District's Bond Order, separate accounts for debt service and extraordinary maintenance reserves have been established. The District utilizes other reserve accounts to minimize or moderate the effect of unanticipated large expenditures and substantial equipment replacement on rate increases.

Fund Structure

For financial statement purposes, all the District's transactions are reported in one enterprise fund. However, to be in compliance with the District's Bond Order, which prescribes certain procedures for financial planning and budgetary process, the enterprise fund is divided into several funds. Appropriated major funds whose expenditures exceed 10% of the budget include: ❶ the Revenue Fund from which operational and maintenance expenditures are made, ❷ the General Fund that transfers pay-as-you-go funding authorized for construction, ❸ the Construction Fund that incorporates CIP expenditures, ❹ the Insurance Funds that provides funding for self-funded employee medical, general liability, worker's compensation and post-employment, ❺ the Replacement Funds that provides funding for Fleet and WRF equipment and ❻ the Debt Service Funds.

Financial plans are prepared for other non-appropriated funds whose expenditures are determined by external parties and contractual agreements, namely the insurance funds, debt reserve, and the capital reserve fund.

- ◀ **Revenue Fund**—The Bond Order requires all revenues from user charges to be deposited to a revenue fund. The first order of payments is current expenses, defined as the costs of controlling, operating, managing, and maintaining the sewerage system and wastewater treatment plant, which are paid directly from the revenue fund. Remaining revenues may be transferred as budgeted to other funds for use in debt service, construction, or any other lawful purpose.
- ◀ **General Fund**—The District may use funds from the General Fund for any lawful purpose. Due to the provisions of the 1985 and 1999 Bond Orders, the former which provided that operating expenses were to be paid from the O&M fund, and the latter which calls for current expenditures to be paid from the Revenue Fund, the General Fund has been used primarily to accumulate pay-as-you-go financing for construction.
- ◀ **Construction Fund**—This fund was established in accordance with the bond order to account for construction projects funded by sewer revenue bonds. The fund is currently used to record expenditures of capital construction, regardless of funding source.
- ◀ **Insurance Funds**—Financial plans for the four insurance funds – Self-Funded Employee Medical, General Liability, Worker's Compensation, and Post Employment are included in the FY14 budget document. Each Department, Division, and Section budget is charged a proportionate share of employer insurance costs based upon the number of covered employees. Separate funds are maintained to track the excess or deficit of actual expenses over estimated cost. To ameliorate the effect of large unanticipated losses on the annual rate setting process, any excess of cost assessed over claims paid is retained by the fund as designated for any deficit in future years. There are no trust documents or other legal restrictions on these funds, and they are combined with other funds and accounts into one

Fund Structure (continued)

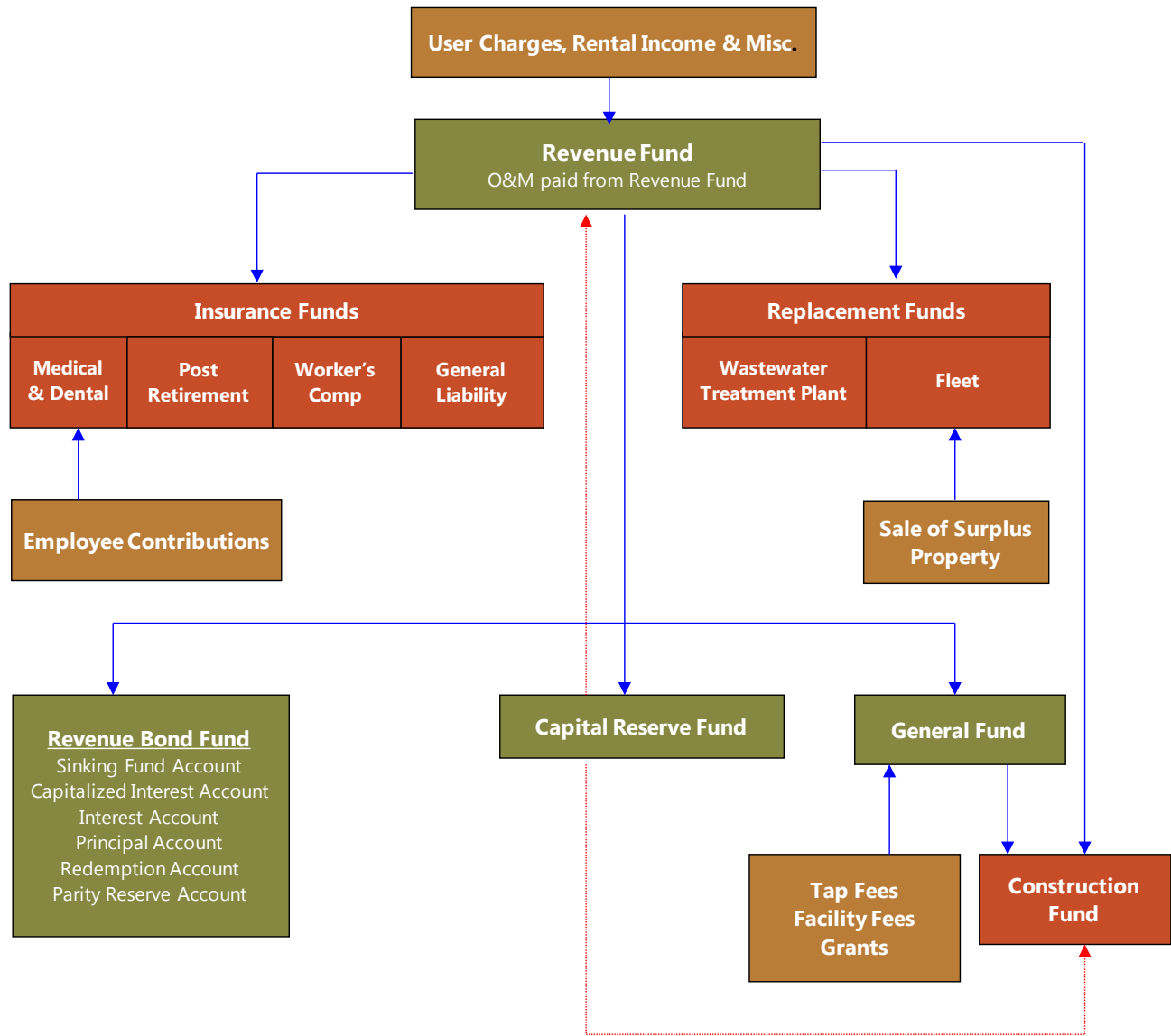
enterprise fund for financial reporting purposes. A brief discussion of each follows.

- ▶ **Self-Funded Employee Medical**—Revenues consist of both employee and employer contributions. Expenditures include charges for stop-loss and aggregate premiums, third party administration of claims, as well as medical, dental, and prescription claims. Employer contributions are currently based on actuarially determined expected funding, which is approximately 80% of potential maximum cost if stop-loss and aggregate limits are reached. Prudent management of reserves should provide adequate funding for claims in excess of those anticipated, as well as for claims incurred during the year but paid after the year-end outside of the aggregate coverage.
- ▶ **General Liability**—The District purchases commercial coverage for Automobile, General Liability, Public Officials Liability, and Employee Blanket Bond. Each year, the Engineer of Record reviews the adequacies of the Districts' insurance coverage to comply with the District's Bond Order. Reimbursement for each loss is reduced by the amount of the particular coverage deductible, so the budgeted expenditure includes both contractual premiums and an estimate of the potential liability to be incurred from paying the deductible amount on each claim. Any excess of amounts transferred from the Operations and Maintenance Fund over premiums and deductibles expense is retained in the fund to be appropriated in a future year with unanticipated losses.
- ▶ **Worker's Compensation**—The District purchases commercial insurance coverage for Worker's Compensation. This policy also includes provisions for deductible amounts for each claim; so similarly, budgeted insurance expense includes both contractual premium and an estimate of deductible amounts. Any excess is retained in the fund to be appropriated in a future year in the event of unanticipated losses.
- ▶ **Post-Employment**—The District has established a post-employment insurance fund to accumulate funds now, which will reduce future operational expenditures when retirees begin taking advantage of this benefit. The District will annually fund the equivalent of the annual required contribution less expenses as determined by an actuarial study as required by GASB45.
- ◀ **Equipment Replacement Funds**—Two equipment replacement funds are included with the budget. Responsible departments are assessed proportional amounts to provide planned funding for the systematic replacement of assets and to moderate the impact in any one year on sewer rates from major capital acquisitions. Any excess of revenues over expenditures are retained in fund equity to provide for large future capital expenditures, and for replacement or repair of any mission-critical equipment resulting from an accident, natural disaster, or other unforeseeable event.

Fund Structure (continued)

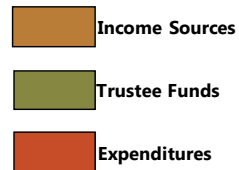
- ▶ **Fleet Replacement**—The District owns a variety of vehicles including pickup trucks, specialized vans, dump trucks, tankers, and excavating equipment, some costing up to \$250,000. The Fleet Supervisor and Administrative Services Director are responsible for maintaining an inventory of all equipment including anticipated replacement dates and costs for all items. Departments are assessed determined amounts in the annual budget, which are estimated to provide funding for new vehicles when those in their use may no longer be efficiently maintained.
- ▶ **Wastewater Treatment Plant**—Various large pumps and specialized machinery require replacement from time to time, usually at costs well in excess of what may be budgeted as routine maintenance. The Plant Director and Supervisors have prepared a schedule by year of anticipated major projects needed to refurbish or replace obsolete equipment. The plant maintenance department is assessed amounts in the annual operations budget estimated to provide adequate funding for these projects when needed in the future.
- ◀ **Debt Service Funds**—These funds are required under the District's Bond Order to accumulate and transmit all District debt service payments.
- ▶ **Revenue Bond Fund**—This fund is used to accumulate periodic deposits from the revenue fund to pay principal and interest as scheduled.
- ▶ **Capital Reserve Fund**—While technically not a debt service fund, this fund is mandated by the Bond Order to contain six percent (6%) or such greater percentage, as may be determined from time to time by the Board, of the amount shown by the annual budget to be necessary for current expenses for the current fiscal year. As this fund is to be kept for unusual and unforeseen expenditures, none is included in the financial plan as coming from this account.

Flow of Funds – Bond Order



Priority of expenditures per Bond Order

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



— Flow of Funding

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

Budget Summary

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

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

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

	FY 2013 Actual Total	FY 2014 Budget	FY 2015 Proposed Budget	Increase (Decrease)	% Change
REVENUES & FINANCING SOURCES					
Domestic User Fees	\$ 26,158,293	\$ 27,367,458	\$ 28,445,115	\$ 1,077,657	3.9%
Industrial User Fees	1,577,916	1,710,390	1,835,438	125,048	7.3%
Billing and Collection	701,015	689,062	725,702	36,640	5.3%
Facility and Tap Fees	2,566,635	1,355,000	1,355,000	-	0.0%
Interest and Misc. Income	661,746	430,396	486,618	56,222	13.1%
Rental Income	70,356	68,597	68,742	145	0.2%
City of Asheville (Enka Bonds)	37,023	37,000	37,000	-	0.0%
Employee Contributions to Health Fund	401,522	389,000	417,800	28,800	7.4%
Proceeds from Revenue Bonds	-	28,000,000	-	(28,000,000)	N/A
Use of (Contributions to) Available Funds	4,084,630	(19,199,450)	15,802,036	35,001,486	-182.3%
Total Revenues & Financing Sources	\$ 36,259,136	\$ 40,847,453	\$ 49,173,451	\$ 8,325,998	20.4%
EXPENDITURES					
Operations and Maintenance	\$ 13,388,006	\$ 14,674,435	\$ 15,391,058	\$ 716,623	4.9%
Construction	14,988,922	16,737,527	22,760,555	6,023,028	36.0%
Capital Equipment	609,874	933,300	632,350	(300,950)	-32.2%
Bond Principal and Interest	7,272,334	8,502,191	10,389,488	1,887,297	22.2%
Total Expenditures	\$ 36,259,136	\$ 40,847,453	\$ 49,173,451	\$ 8,325,998	20.4%

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

Component Fund Chart

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

	Operating and Construction			Equipment Replacement		Debt Services	Appropriated Funds
	Revenue/O&M	General	Construction	Fleet Repl. Reserve	WWTP Reserve	Bond Service	
Projected Net Position at 6/30/14	\$ 32,440,107	\$1,420,175	\$ 10,639,745	\$ 300,726	\$ 440,910	\$ 6,378,947	\$ 51,620,610
Revenues and Other Financing Sources:							
Domestic User Charges	28,445,115	-	-	-	-	-	28,445,115
Industrial User Charges	1,835,438	-	-	-	-	-	1,835,438
Billing and Collection Fees	725,702	-	-	-	-	-	725,702
Facility and tap fees	-	1,355,000	-	-	-	-	1,355,000
Proceeds from Revenue Bonds	-	-	-	-	-	-	-
Stimulus Loan/Grant	-	-	-	-	-	-	-
Sale of Surplus Property	-	-	-	35,803	-	-	35,803
Non-governmental Grants	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-
Investment interest & misc.	336,745	5,000	75,000	4,511	4,409	50	425,715
City of Asheville for Enka Bond	37,000	-	-	-	-	-	37,000
Rental Income	68,742	-	-	-	-	-	68,742
Employee/Retirees Medical Contributions	-	-	-	-	-	-	-
Total Revenues and Fin. Sources	31,448,742	1,360,000	75,000	40,314	4,409	50	32,928,515
Expenditures and Other Financing Uses							
Operating Expenses	(11,927,920)	-	-	-	-	-	(11,927,920)
Debt--Principal	-	-	-	-	-	(6,107,824)	(6,107,824)
Debt--Interest	-	-	-	-	-	(4,281,664)	(4,281,664)
Construction	-	-	(22,760,555)	-	-	-	(22,760,555)
Capitalized Equipment Expenditures	(135,300.00)	-	-	(269,550)	(227,500)	-	(632,350)
Total Expenditures and Other Financing Uses	(12,063,220)	-	(22,760,555)	(269,550)	(227,500)	(10,389,488)	(45,710,313)
Interfund/account transfers	(22,976,935)	(2,780,175)	12,046,060	400,000	100,000	10,389,488	(2,821,562)
Excess (Deficit) of Revenues over Expenditures	(3,591,413)	(1,420,175)	(10,639,495)	170,764	(123,091)	50	(15,603,360)
Projected Net Position at 06/30/15	\$ 28,848,694	\$ -	\$ 250	\$ 471,490	\$ 317,819	\$ 6,378,997	\$ 36,017,250

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

Component Fund Chart (continued)

The net assets of non-appropriated funds are decreasing because, as debt principal is repaid, amounts held in the debt service reserve, which are based on a percentage of outstanding debt, correspondingly are reduced, and may be transferred to the general fund.

	Designated for Insurance				Bond Covenant Requirement	Non-Appropriated	Budget Summary
	Insurance Medical	Insurance Post Employment	Insurance Prop & Liab	Insurance Work Comp	Capital Reserve		District Totals
Projected Net Position at 6/30/14	\$ 1,157,199	\$ 83,800	\$ 474,870	\$ 396,841	\$ 936,797	\$ 3,049,507	\$ 54,670,117
Revenues and Other Financing Sources:							
Domestic User Charges	-	-	-	-	-	-	28,445,115
Industrial User Charges	-	-	-	-	-	-	1,835,438
Billing and Collection Fees	-	-	-	-	-	-	725,702
Facility and tap fees	-	-	-	-	-	-	1,355,000
Proceeds from Revenue Bonds	-	-	-	-	-	-	-
Stimulus Loan/Grant	-	-	-	-	-	-	-
Sale of Surplus Property	-	-	-	-	-	-	35,803
Non-governmental Grants	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-
Investment interest & misc.	5,000	7,500	1,000	2,000	9,600	25,100	450,815
City of Asheville for Enka Bond	-	-	-	-	-	-	37,000
Rental Income	-	-	-	-	-	-	68,742
Employee/Retirees Medical Contributions	389,000	28,800	-	-	-	417,800	417,800
Total Revenues and Fin. Sources	394,000	36,300	1,000	2,000	9,600	442,900	33,371,415
Expenditures and Other Financing Uses							
Operating Expenses	(2,322,505)	(265,700)	(622,542)	(252,391)	-	(3,463,138)	(15,391,058)
Debt--Principal	-	-	-	-	-	-	(6,107,824)
Debt--Interest	-	-	-	-	-	-	(4,281,664)
Construction	-	-	-	-	-	-	(22,760,555)
Capitalized Equipment Expenditures	-	-	-	-	-	-	(632,350)
Total Expenditures and Other Financing Uses	(2,322,505)	(265,700)	(622,542)	(252,391)	-	(3,463,138)	(49,173,451)
Interfund/account transfers	1,735,116	265,700	605,434	215,312	-	2,821,562	-
Excess (Deficit) of Revenues over Expenditures	(193,389)	36,300	(16,108)	(35,079)	9,600	(198,676)	(15,802,036)
Projected Net Position at 06/30/15	\$ 963,810	\$ 120,100	\$ 458,762	\$ 361,762	\$ 946,397	\$ 2,850,831	\$ 38,868,081

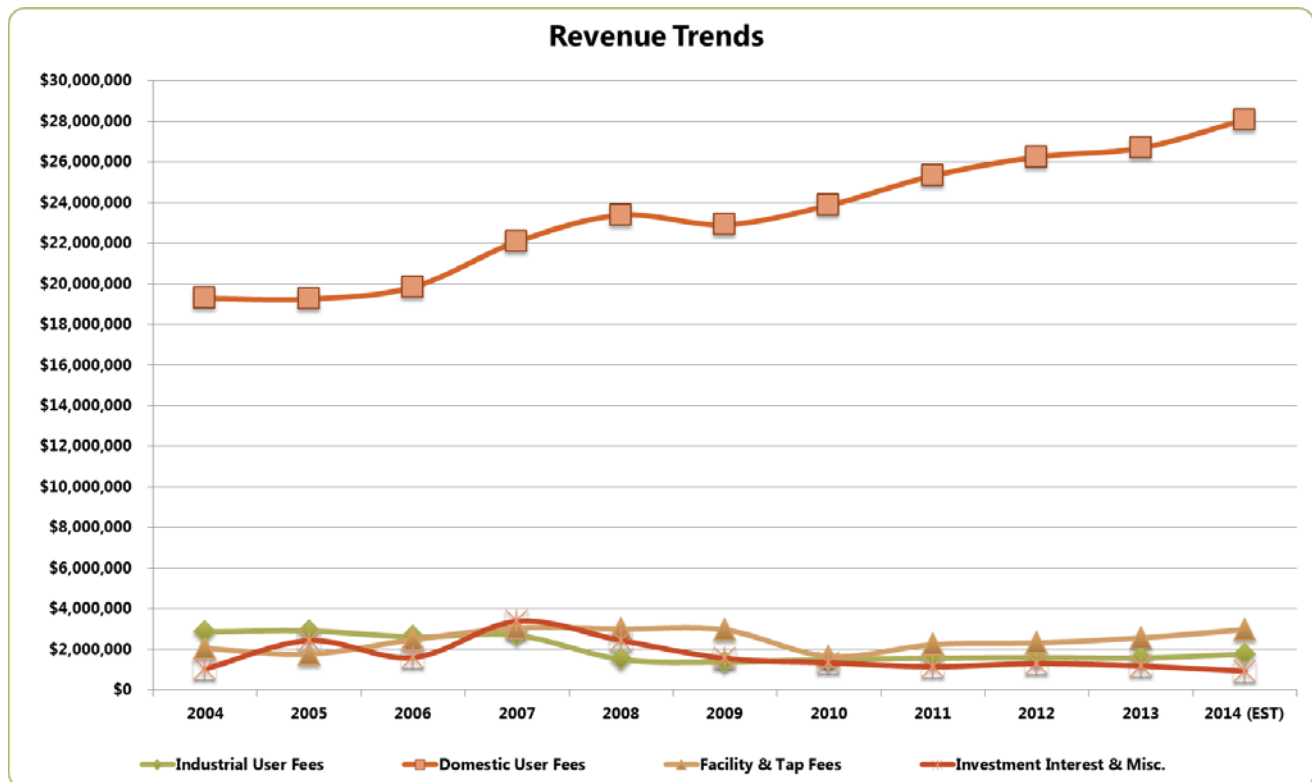
Now that the Districts' financial overview has been presented, we will examine revenues and various expenditures in greater detail.

Revenue

Overview

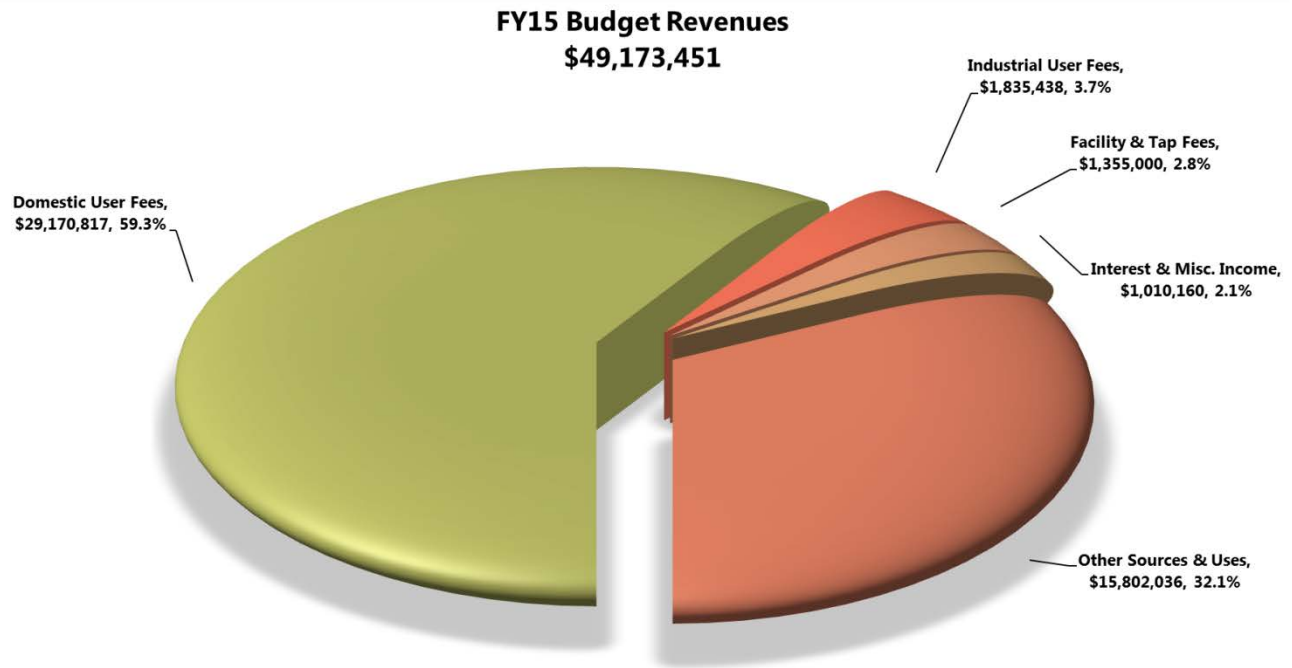
The District has the authority to establish rates and charges for service to be approved by a budget resolution of the District Board of Directors. The District has established separate rates for domestic and industrial customers, adopted a schedule of facility and tap fees applying to new customers,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

A graph of historical revenues by type reveals the overwhelming percentage of the District's income derives from domestic (residential & commercial) customers and has increased for the past ten consecutive years. Industrial user fees clearly show the effect of the shrinking textile industry in Buncombe County and are diminishing as larger industries wind down and are replaced with smaller new enterprises. Facility and tap fees testify to the growth fueled by population in-migration and expansion of non-industrial type businesses. The decline of investment income in FY13 will continue in FY14. Overall, income for FY14 is estimated to be slightly higher than in FY13.



Revenue (continued)

Revenue Summary



When projecting FY15 revenues, a 2.5% domestic customer rate increase was considered in conjunction with a projected .75% increase in domestic consumption. In addition, the budget reflects no growth in industrial users. Conservative assumptions based on recent income trends underlie other budgeted income amounts as explained below.

Domestic User Charges

The primary source of District revenues are domestic charges. The District has approximately 50,000 accounts. The District direct bills approximately 350 of these domestic users all of which are on private well systems but are connected to MSD's sewer collector system. Billing and collection of the remainder of District domestic customers is performed by the member agencies providing water, who charge a fee for this service, which is added to the monthly bill and paid by MSD customers.

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

<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
3.75%	3.5%	3.0%	2.5%	2.5%	2.5%

Revenue (continued)

Industrial User Charges

Prior to FY 2001, industrial users were charged decreasing tiered rates based on total volume so that actual rates charged were considerably below those paid by residential consumers. In FY 2001, the Board approved a plan to achieve rate parity between industrial and residential customers over the upcoming twenty years. The annual increases from this parity plan are incorporated in adopted rates. Industrial revenue has been declining over several years as local industrial facilities contracted operations or closed. The FY15 estimated industrial revenue is expected to increase marginally compared to FY14.

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

Investment Interest

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

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

Facility Fees

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

In FY10, the District instituted a one-year moratorium on the five-year sewer facility fee parity plan due to the recession. As of the end of FY12, the District has completed the aforementioned plan. Effective in FY14, sewer facility fees ranged from \$670 to \$2,500 for residential users based on size of structure, and from \$2,500 to \$237,500 for nonresidential customers based on meter size.

Tap Fees

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

Revenue (continued)

Billings & Collections

The District will pay the municipalities \$2.29 per customer bill for meter reading, billing, and collection services.

Rental Income

Buncombe County Partnership for Children has entered into a lease to utilize the District's former Administration Building. The lease is for the period of five years starting October 1, 2010. The District also leases land to a private company for a cell tower.

City of Asheville (Enka Bonds Annexation)

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

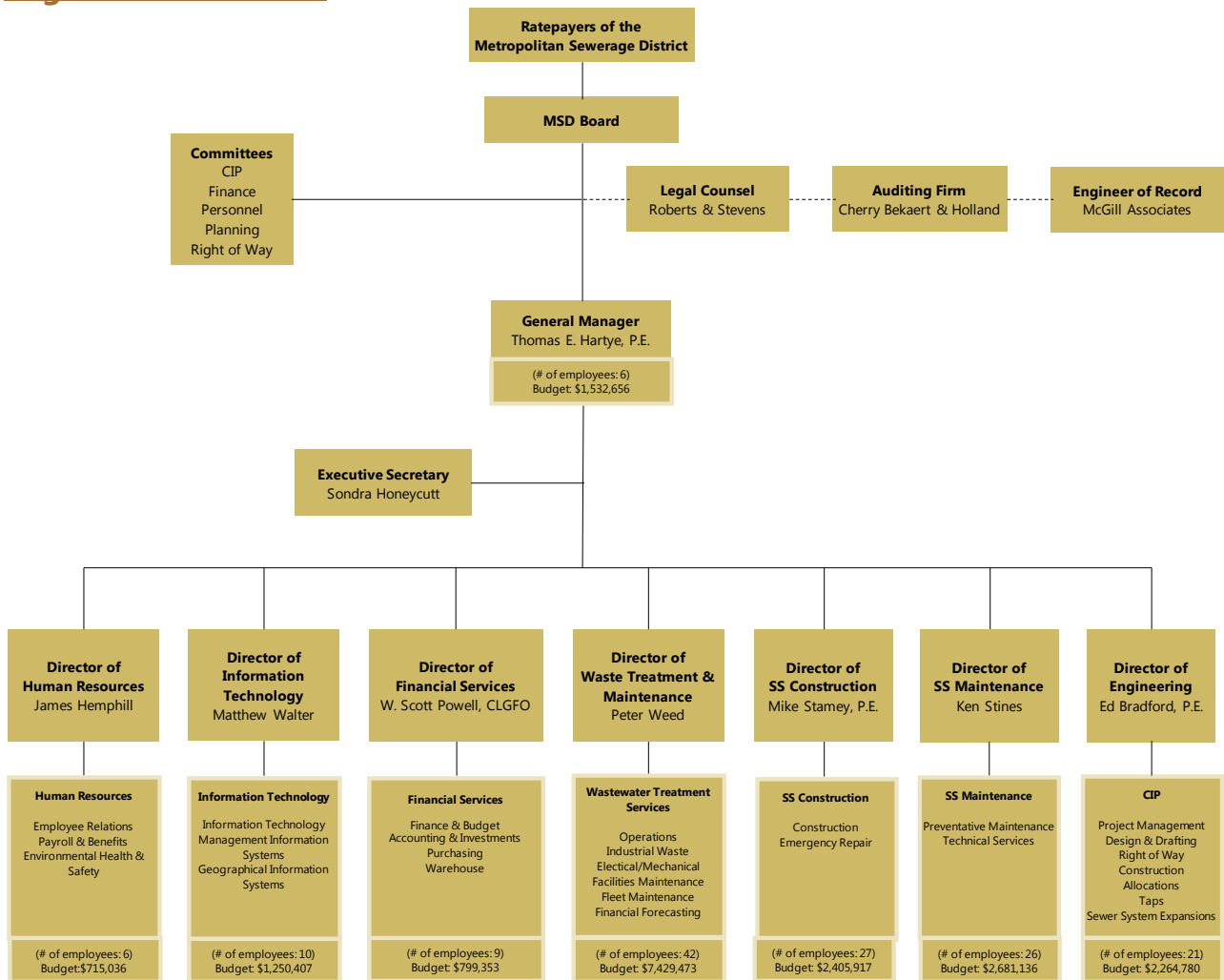
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Operation & Maintenance

Operation & Maintenance Fund

Organizational Chart



Operation & Maintenance Fund (continued)

Overview

The Operation & Maintenance Fund budget finances the program and administrative activities for the wastewater treatment plant, pump stations, and collection system. The FY15 Operation & Maintenance Fund budget totals \$15,384,782. This represents a 2.93% increase over the previous year. The District budgets to the Departmental level and are as follows:

Office of the General Manager	\$ 1,532,656
Human Resources	715,036
Information Technology	1,250,407
Financial Services	799,353
Wastewater Treatment Plant	7,429,473
SS Maintenance	2,681,136
SS Construction	2,405,917
Engineering	2,264,780
Total Expenditures	\$19,078,758
Less: Capitalized in Construction Funds	(3,693,976)
Net Operation & Maintenance Fund	<u>\$15,384,782</u>

	ACTUAL 2012-2013	APPROVED 2013-2014 BUDGET	ESTIMATED 2013-2014 ACTUAL	PROPOSED 2014-2015 BUDGET	INC(DEC) OVER PRIOR YR BUDGET
SALARIES & WAGES	\$ 7,830,097	\$ 8,051,022	\$ 8,024,412	\$ 8,135,509	1.05%
BENEFITS	3,569,028	3,822,025	3,819,527	3,838,123	0.42%
MATERIALS, SUPPLIES & SERVICES	5,302,731	5,995,825	5,963,298	6,264,915	4.49%
REPLACEMENT FUNDS & TRANSFERS	838,507	793,066	793,066	704,911	-11.12%
CAPITAL EQUIPMENT	292,310	130,300	130,300	135,300	3.84%
SUB-TOTAL O&M FUND	\$ 17,832,673	\$ 18,792,238	\$ 18,730,604	\$ 19,078,758	1.52%
LESS:					
Capitalized Construction Expenses	\$ (3,733,585)	\$ (3,845,272)	\$ (3,837,323)	\$ (3,693,976)	-3.93%
NET OPERATION & MAINTENANCE FUND	\$ 14,099,088	\$ 14,946,966	\$ 14,893,280	\$ 15,384,782	2.93%

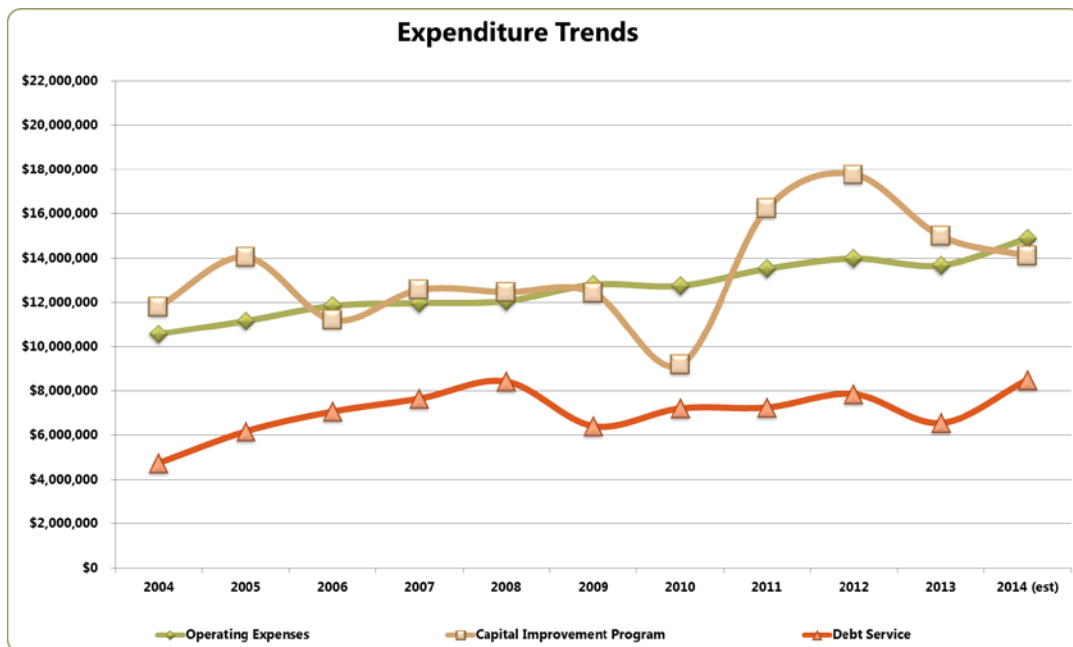
The major factors that impact our operating and maintenance budget include:

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

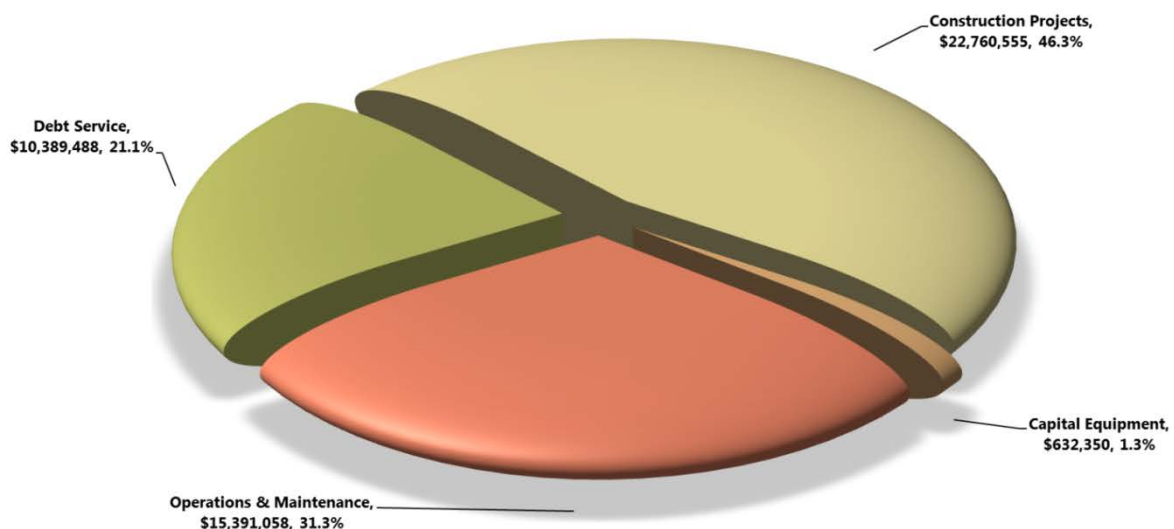
The District has budgeted significant amounts for maintenance of equipment, buildings, and grounds as well as for in-house sewer line repair and maintenance.

Operation & Maintenance Fund (continued)

2. **Salaries and Benefits**—A 2.5% salary adjustment as well as a 0.0% increase for the Self-Funded Health Insurance Plan. Personnel costs represent over 59% of the Operating and Maintenance budget.
3. **Post-Employment Health Benefit**—Starting in FY09, GASB45 requires the recognition of cost for Post-Employment Health Benefits. Current funding represents 1.7% of total operations.



FY 15 Budget Expenditures \$49,173,451



FY15 Budget – All Departments Summary

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 7,292,462.77	\$ 7,517,590.51	\$ 7,558,876.73	\$ 7,733,512.00	\$ 7,733,512.00	100.0%	\$ 7,842,009.00	1.40%
51150	Overtime	\$ 245,616.93	\$ 211,731.44	\$ 271,219.95	\$ 300,481.45	\$ 290,900.45	96.8%	\$ 293,500.00	-2.32%
Total Salaries & Wages		\$ 7,538,079.70	\$ 7,729,321.95	\$ 7,830,096.68	\$ 8,033,993.45	\$ 8,024,412.45	99.9%	\$ 8,135,509.00	1.26%
Benefits									
51200	North Carolina Retirement	\$ 501,064.51	\$ 529,253.87	\$ 524,754.70	\$ 568,811.00	\$ 567,324.00	99.7%	\$ 575,179.00	1.12%
51250	Payroll Taxes	\$ 549,447.06	\$ 558,564.87	\$ 565,237.14	\$ 615,498.00	\$ 613,869.00	99.7%	\$ 622,366.00	1.12%
51300	Medical, Dental & Life	\$ 1,687,079.00	\$ 1,775,175.92	\$ 1,782,116.00	\$ 1,735,116.00	\$ 1,735,116.00	100.0%	\$ 1,735,116.00	0.00%
51325	Post Retirement Insurance	\$ 182,000.00	\$ 196,000.00	\$ 175,900.00	\$ 254,800.00	\$ 254,800.00	100.0%	\$ 265,700.00	4.28%
51350	Worker's Compensation	\$ 181,738.00	\$ 176,674.88	\$ 215,312.00	\$ 215,312.00	\$ 215,312.00	100.0%	\$ 215,312.00	0.00%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 46,352.00	\$ 46,352.00	100.0%	\$ 32,340.00	-30.23%
51450	Automobile Allowance	\$ 6,553.68	\$ 3,078.85	\$ 1,848.08	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 309,016.20	\$ 295,376.42	\$ 303,860.03	\$ 386,754.00	\$ 386,754.00	100.0%	\$ 392,110.00	1.38%
Total Benefits		\$ 3,416,898.45	\$ 3,534,124.81	\$ 3,569,027.95	\$ 3,822,643.00	\$ 3,819,527.00	99.9%	\$ 3,838,123.00	0.40%
Total Salaries, Wages & Benefits		\$ 10,954,978.15	\$ 11,263,446.76	\$ 11,399,124.63	\$ 11,856,636.45	\$ 11,843,939.45	99.9%	\$ 11,973,632.00	0.99%
Materials, Supplies & Services									
52010	Advertising	\$ 28,237.69	\$ 24,813.15	\$ 31,010.30	\$ 32,599.55	\$ 32,399.00	99.4%	\$ 34,000.00	4.30%
52050	Dues & Subscriptions	\$ 40,743.28	\$ 47,341.76	\$ 47,654.78	\$ 52,408.04	\$ 50,713.04	96.8%	\$ 50,815.00	-3.04%
52100	Postage	\$ 11,321.92	\$ 9,412.65	\$ 7,252.03	\$ 10,000.00	\$ 10,000.00	100.0%	\$ 10,000.00	0.00%
52150	Travel, Mtgs & Training	\$ 99,098.27	\$ 111,662.43	\$ 105,335.73	\$ 156,401.00	\$ 142,971.00	91.4%	\$ 157,224.00	0.53%
52160	Tuition Assistance	\$ 2,269.50	\$ 1,467.60	\$ 468.50	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 2,500.00	25.00%
52170	Directors Fees & Expenses	\$ 26,385.88	\$ 30,885.65	\$ 42,108.87	\$ 35,000.00	\$ 30,000.00	85.7%	\$ 35,000.00	0.00%
52180	Liability Insurance	\$ 574,439.00	\$ 576,762.20	\$ 605,434.00	\$ 605,434.00	\$ 605,434.00	100.0%	\$ 605,434.00	0.00%
52200	Telephone/Telefax	\$ 34,345.00	\$ 37,912.73	\$ 36,119.13	\$ 40,050.00	\$ 32,600.00	81.4%	\$ 33,050.00	-17.48%
52210	Communications	\$ 66,389.14	\$ 70,089.33	\$ 79,331.49	\$ 105,474.00	\$ 102,874.00	97.5%	\$ 109,020.00	3.36%
52240	Uniforms	\$ 57,477.70	\$ 76,553.37	\$ 62,558.89	\$ 72,081.00	\$ 70,470.00	97.8%	\$ 76,450.00	6.06%
52250	Office Supplies	\$ 28,385.89	\$ 24,340.80	\$ 28,039.19	\$ 31,550.00	\$ 30,050.00	95.2%	\$ 31,550.00	0.00%
52260	Special Dept Supplies	\$ 356,853.31	\$ 381,688.41	\$ 391,430.23	\$ 391,039.92	\$ 389,179.30	99.5%	\$ 413,950.00	5.86%
52270	Safety Equip/Supplies	\$ 43,180.02	\$ 43,433.11	\$ 53,934.71	\$ 53,433.72	\$ 53,408.00	100.0%	\$ 54,750.00	2.46%
52280	Maint Supp/Small Tools	\$ 103,530.25	\$ 113,303.45	\$ 120,497.91	\$ 118,194.66	\$ 118,150.00	100.0%	\$ 120,250.00	1.74%
52290	Chemical Supplies	\$ 355,485.23	\$ 447,987.35	\$ 406,339.32	\$ 503,996.00	\$ 503,000.00	99.8%	\$ 542,750.00	7.69%
52300	Line Cleaning Supplies	\$ 61,085.51	\$ 66,497.55	\$ 61,508.17	\$ 62,000.00	\$ 62,000.00	100.0%	\$ 62,000.00	0.00%
52330	Legal Fees	\$ 33,359.55	\$ 39,912.59	\$ 40,270.87	\$ 46,227.00	\$ 45,200.00	97.8%	\$ 47,500.00	2.75%
52350	Prof/Contractual Svcs	\$ 557,274.99	\$ 565,869.10	\$ 439,167.56	\$ 530,012.00	\$ 520,335.00	98.2%	\$ 575,660.00	8.61%
52410	Maint-Buildings & Grounds	\$ 129,775.10	\$ 127,948.80	\$ 138,346.20	\$ 138,953.00	\$ 135,953.00	97.8%	\$ 140,000.00	0.75%
52420	Maintenance-Equipment	\$ 384,572.64	\$ 453,047.29	\$ 463,133.22	\$ 452,278.66	\$ 451,088.13	99.7%	\$ 475,600.00	5.16%
52430	Landscape Restoration	\$ 10,338.67	\$ 11,381.06	\$ 13,728.61	\$ 17,000.00	\$ 17,000.00	100.0%	\$ 17,000.00	0.00%
52440	Pump Maintenance	\$ 35,538.14	\$ 43,408.08	\$ 23,104.28	\$ 35,000.00	\$ 35,000.00	100.0%	\$ 37,500.00	7.14%
52450	Equipment Rental	\$ 25,680.73	\$ 11,201.20	\$ 5,658.74	\$ 23,000.00	\$ 13,500.00	58.7%	\$ 25,000.00	8.70%
52460	Motor Fuel & Lubricants	\$ 232,031.50	\$ 232,268.76	\$ 239,881.43	\$ 310,000.00	\$ 310,000.00	100.0%	\$ 300,000.00	-3.23%
52470	Outside Vehicle Maint	\$ 6,187.90	\$ 2,917.10	\$ 3,746.03	\$ 9,000.00	\$ 9,000.00	100.0%	\$ 12,000.00	33.33%
52500	Rents/Leases	\$ 23,921.76	\$ 28,880.75	\$ 29,318.53	\$ 33,000.00	\$ 32,500.00	98.5%	\$ 37,000.00	12.12%
52510	Permits/Fees/Software Licenses	\$ 133,287.82	\$ 88,249.18	\$ 119,522.17	\$ 122,748.00	\$ 113,310.60	92.3%	\$ 199,140.00	62.23%
52650	Utilities	\$ 1,139,830.55	\$ 1,003,170.83	\$ 903,570.19	\$ 1,220,000.00	\$ 1,218,000.00	99.8%	\$ 1,220,000.00	0.00%
52690	Freight	\$ 4,256.58	\$ 4,639.09	\$ 4,976.68	\$ 4,900.00	\$ 4,900.00	100.0%	\$ 4,900.00	0.00%
52715	Safety Incentive Program	\$ 1,705.11	\$ 1,839.58	\$ 1,069.45	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 2,500.00	25.00%
52720	Health Fair	\$ 1,652.53	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ 6,035.99	\$ 5,629.58	\$ 4,128.82	\$ 10,000.00	\$ 10,000.00	100.0%	\$ 10,000.00	0.00%
52730	Employee Asst Program	\$ 4,255.00	\$ 4,363.24	\$ 4,255.00	\$ 4,255.00	\$ 4,255.00	100.0%	\$ 4,500.00	5.76%
52900	Other Operating Expenses	\$ 1,583.12	\$ 5,132.14	\$ 1,240.91	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52910	Non-Capital Equipment	\$ 64,654.16	\$ 74,301.53	\$ 87,573.72	\$ 83,138.00	\$ 83,138.00	100.0%	\$ 82,170.00	-1.16%
52915	Copiers Printers & Faxes	\$ -	\$ 364.19	\$ -	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52920	Billing & Collections	\$ 643,263.66	\$ 662,589.22	\$ 701,014.95	\$ 689,062.00	\$ 712,870.12	103.5%	\$ 725,702.00	5.32%
Total Materials, Supplies & Services		\$ 5,328,433.09	\$ 5,431,264.85	\$ 5,302,730.61	\$ 6,012,235.55	\$ 5,963,298.19	99.2%	\$ 6,264,915.00	4.20%
Interfund Transfers									
52340	Debt Administration Expenses	\$ 433,432.47	\$ 415,958.52	\$ 338,507.16	\$ 293,066.00	\$ 293,066.00	100.0%	\$ 204,911.00	-30.08%
53040	Fleet Replacement Charges	\$ 200,000.00	\$ 300,000.00	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	100.0%	\$ 400,000.00	0.00%
53050	Wwtp Replacement Charges	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	100.0%	\$ 100,000.00	0.00%
Total Interfund Transfers		\$ 683,432.47	\$ 765,958.52	\$ 838,507.16	\$ 793,066.00	\$ 793,066.00	100.0%	\$ 704,911.00	-11.12%
Capital Outlay									
54010	Capital Equipment - New	\$ 130,686.38	\$ 8,413.42	\$ 192,750.73	\$ 18,700.00	\$ 18,700.00	100.0%	\$ 20,500.00	9.63%
54020	Capital Equip-Software	\$ 50,845.00	\$ 8,775.00	\$ 18,555.81	\$ 39,000.00	\$ 39,000.00	100.0%	\$ 22,500.00	-42.31%
54030	Capital Equip - Replacement	\$ 45,100.49	\$ 51,654.12	\$ 81,003.95	\$ 72,600.00	\$ 72,600.00	100.0%	\$ 92,300.00	27.13%
Total Capital Outlay		\$ 226,631.87	\$ 68,842.54	\$ 292,310.49	\$ 130,300.00	\$ 130,300.00	100.0%	\$ 135,300.00	3.84%
Sub-Total O&M Fund		\$ 17,193,475.58	\$ 17,529,512.67	\$ 17,832,672.89	\$ 18,792,238.00	\$ 18,730,603.64	99.7%	\$ 19,078,758.00	1.52%
59200 LESS:									
	Chargebacks to General Fund for CIP	\$ (2,635,451.13)	\$ (2,659,737.32)	\$ (2,439,492.20)	\$ (2,566,219.00)	\$ (2,558,270.47)	99.7%	\$ (2,383,993.00)	-7.10%
	Chargebacks to General Fund for SSD	\$ (1,209,710.45)	\$ (1,302,758.35)	\$ (1,294,092.88)	\$ (1,279,053.00)	\$ (1,279,053.00)	100.0%	\$ (1,309,983.00)	2.42%
Net Operation & Maintenance Fund		\$ 13,348,314.00	\$ 13,567,017.00	\$ 14,099,087.81	\$ 14,946,966.00	\$ 14,893,280.17	99.6%	\$ 15,384,782.00	2.93%

Classification of Accounts

- 51100 Salaries & Wages**—This includes salaries & wages for 149 department personnel. Also includes a Cost of Living increase of 2.1%.
- 51150 Overtime**—This includes compensation as necessary for non-exempt personnel.
- 51200 NC Retirement**—The District contributes 7.07% of gross salaries and wages to the North Carolina Local Government Employees' Retirement System. The employees contribute an additional 6.00% through payroll deduction, but the employee portion is not budgeted, as it is not an expense of the District.
- 51250 Payroll Taxes**—The District contributes 6.20% of gross salaries and wages to Social Security and 1.45% for Medicare as the employer share. The employees contribute equal amounts through payroll deduction, but this is not included in the budgeted amount.
- 51300 Medical, Dental & Life**—This includes the employer allocation of the self-funded employee medical and dental program.
- 51325 Post-Employment Insurance**—The District implemented GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Included are postretirement benefits other than pension, for example, medical, dental, and vision.
- 51350 Worker's Compensation**—This includes the allocation of worker's compensation premiums and deductible costs.
- 51360 State Unemployment Benefits**—Beginning FY14, the District is being required to maintain a reserve equaling 1% of unemployment insurance taxable wages. In August of 2014, and every August subsequent, the Division of Employment Security (DES) will calculate the amount that each employer should have in its reserve. Unemployment claims for 2014 will be deducted from the reserve in the fall of that year. Employers will then receive a bill from the DES indicating the amount they must pay to replenish their reserve to the 1% level. This payment will cover both the costs of unemployment claims and increases in the employer's total number of employees or total taxable wages.
- 51450 Automobile Allowance**—The District has authorized certain management personnel to receive an automobile allowance for the use of their personal vehicle in conducting District business.
- 51500 401(k)**—The District contributes up to 5.0% of matching contributions based upon the level of employee participation in the 401(k)-retirement plan. A professional investment institution administers this as contracted with the North Carolina Retirement System.

Classification of Accounts (continued)

- 52010 Advertising**—This includes newspaper ads for vacant positions, quarterly informational reports, and mandatory public SSO notices. In addition, the advertising account covers Annual Report and System Performance Annual Report distribution, door hangers and any other miscellaneous communications from the District to the public.
- 52050 Dues & Subscriptions**—This includes memberships to professional organizations and subscriptions to water utility periodicals, local newspapers, etc.
- 52100 Postage**—This includes the charges for mailing of all official correspondence.
- 52150 Travel, Meetings & Training**—This includes attendance at regional, state, and national professional associations and various continuing education requirements including supervisory training, skill-based pay training, operators seminar, etc.
- 52160 Tuition Assistance**—This includes pre-authorized monetary assistance to employees who take educational courses that directly relate to their positions at the District.
- 52170 Director's Fees & Expenses**—This includes all costs pertaining to the Board of Directors such as stipends, meeting expenses, and travel to national water and wastewater conferences.
- 52180 Insurance**—This represents allocation of general liability insurance premium and deductible costs.
- 52210 Communications (other than landline telephone)**—This includes charges for cellular telephones, mobile radios, and pagers.
- 52240 Uniforms**—This includes charges for the purchase of work shirts, pants, outerwear, safety boots and other related items, as well as the rental and cleaning of certain uniforms.
- 52250 Office Supplies**—This includes paper, printing charges, and other miscellaneous office-related supplies.
- 52260 Special Departmental Supplies**—This includes specialty paper, bindery supplies, and printing services for employee manual, index tabs, ID badges, film, film developing, business cards, and vellum.
- 52270 Safety Equipment/Supplies**—This includes goggles, vests, trench-shoring equipment, gas monitors, and related items to prevent work-related injuries.
- 52280 Supplies/Small Tools**—This includes chainsaw blades, drill bits, gloves, miscellaneous hand tools, axes, shovels, batteries, sewer tape, paint and paint brushes, etc.

Classification of Accounts (continued)

- 52290 Chemicals**—This includes all chemicals used in the treatment of wastewater.
- 52300 Line Cleaning & Supplies**—This includes chemicals, rat bait, nozzles, hose, root cutters & replacement rods, root killer, degreaser, etc.
- 52330 Legal Fees**—This includes professional services of the District's attorney for various matters not related to capital projects.
- 52340 Debt Administration Fees**—This includes trustee fees, liquidity facility fees for variable debt, arbitrage calculation fees, and incidental expenditures incurred by the Bond Trustee.
- 52350 Professional & Contractual Services**—This includes external audit fees, building security, emissions testing, effluent analysis, testing of samples, service contract on pumps, lab instrumentation, emergency line repairs, plumbing repairs, tree service, fence service, software annual support fees, and other outsourced services.
- 52400 Repairs (Office Equipment)**—This includes charges for repairs of various office equipment not under a maintenance agreement.
- 52410 Maintenance (Bldgs. & Grounds)**—This includes janitorial fees, outsourced repairs, mowing services and landscaping supplies, and elevator inspections.
- 52420 Maintenance (Equipment)**—This includes maintenance expense on the forklift and pallet jack for the Purchasing/Warehouse Division, maintenance and repair of various equipment items, such as gas detectors, chlorinators, parts and repairs for the camera equipment, cable, pumps, and various other maintenance of non-vehicular equipment.
- 52430 Landscape Restoration**—This includes manholes, rims & lids, blacktop patch and concrete materials, asphalt & concrete work, pipe, couplings, adapters, straw, grass seed, mulch, pine needles and plants required to recover excavated areas, etc.
- 52440 Pump Maintenance**—This includes all parts and supplies necessary to maintain all MSD pumps.
- 52450 Equipment Rental**—This includes the rental of equipment used occasionally like chippers and bulldozers.
- 52460 Motor Fuel and Lubricants**—This includes gasoline, diesel fuel, motor oil, brake fluid, and similar supplies to operate and maintain the District fleet of trucks, vans, and heavy equipment.

Classification of Accounts (continued)

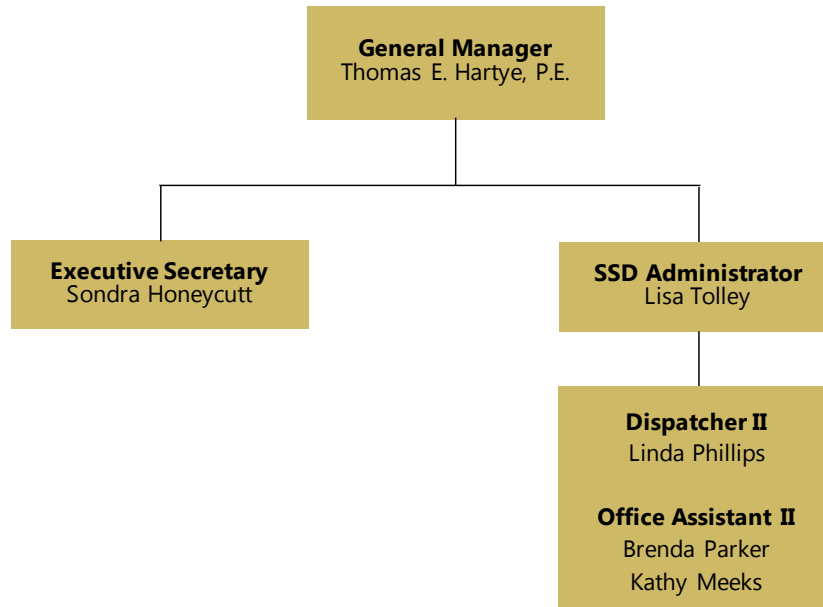
- 52470 Outside Vehicle Maintenance**—This includes expenditures paid to factory-authorized dealer service departments or similar enterprises to perform needed repairs to vehicles beyond the capabilities of the District's in-house fleet maintenance employees.
- 52500 Rents & Leases**—This includes the rental of any equipment for the treatment plant, and operating leases for copiers and other office equipment.
- 52510 Permits, Fees, & Software Licenses**—This includes charges for annual radiation license, stormwater permit, lab certification renewal, state operating permits, air permit, City of Asheville pavement cutting permits, and MSD manholes raised by the City during their paving programs and water usage by preventative maintenance trucks.
- 52650 Utilities**—This includes charges for electricity, gas, water, and trash collection.
- 52690 Freight**—This includes freight charges ONLY for items that are not clearly and easily defined as pertaining to a certain division and/or line item(s).
- 52715 Safety Incentive Program**—Rewards to employees for compliance with safety rules and procedures are distributed by the Safety Officer based upon observations during routine and surprise inspections.
- 52720 Health Fair**—This includes costs for physical examinations and lab work, facility rental, refreshments, and supplies for annual employees' health fair.
- 52725 Wellness Program**—One of the ways the District attempts to manage costs for self-funded health insurance plan is to encourage employees to achieve and maintain healthy lifestyles. Wellness program costs include education, fitness equipment, and auxiliary supplies.
- 52730 Employee Assistance Program**—The District contracts with an agency to provide resources for dealing with employee performance issues to assist management.
- 52910 Non-Capital Equipment**—This includes any item under \$1,000 consisting of various tools and assorted information technology components such as computers or monitors.
- 52915 Copiers, Printers and Faxes**—This includes routine supplies and purchase of any machines under \$1,000.
- 52920 Billing & Collections**— This represents the billing and collection of sewer charges by the member agencies.

Classification of Accounts (continued)

- 53040 Fleet Equipment Replacement Fund**—This includes the proposed annual funding for the future acquisition of vehicles, trucks, and trailers. Current acquisition of replacement vehicles is budgeted in the replacement fund itself.
- 54010 Capital Equipment (New)**—This includes requests for new equipment over \$1,000 or more and having a useful life of three years or longer.
- 54020 Capital Equipment (Software)**—This includes license and other nonrecurring software charges of at least \$1,000 and having a useful life of three years or longer.
- 54030 Capital Equipment (Replacement)**—This includes requests for replacement equipment over \$1,000 or more and having a useful life of three years or longer.
- 59200 Chargebacks to Construction Fund**—Direct labor and materials costs incurred to acquire right-of-ways, design, plan, and monitor construction projects budgeted in the Systems Services, Engineering Services, and Capital Improvement departments are transferred to the capital projects fund to be included in the capitalized cost of self-constructed assets.

Office of the General Manager

Organizational Chart



Office of the General Manager (continued)

Mission Statement

The mission of Office of the General Manager is to provide overall direction, leadership and coordination of the District and Department activities to ensure that the most efficient and effective services possible are provided within the policies established by the District's Board of Directors and the resources authorized.

Key Responsibilities

Carry out policies and directives of the Board. Monitor and control resources to ensure that the District is operated in a responsible and cost-efficient manner. Operate and maintain a reliable wastewater, collection, and treatment system. Maintain effective communications and relationships with member agencies and the public. Maintain positive media relations through news releases and prompt, accurate responses to media inquiries. Represent MSD in various meetings, forums, and special events. Oversee intermediate and long-range planning. Review and submit the board and committee agenda items; prepare minutes for board meetings; coordinate travel arrangements for board members and staff; provide public relations assistance.

Accomplishments for FY 2013-2014

1. Replaced or rehabilitated approximately 50,000 feet of sewer main.
2. Completed construction of new electrical improvements and adding 2 MW generation at the
3. Completed replacement of Influent pump at Treatment Plant
4. Selected Consultant and began Treatment Plant Facilities Plan update.
5. Began design and Pilot Study for new venturi, heat exchanger, and air Equipment.
6. ISO 14001 Recertification for entire organization.
7. Issued 2014 Bonds of approximately \$28 million for future capital reinvestment.

Budget Highlights/Changes for FY 2014-2015

1. Keep rate increases low and consistent based on long-term financial model
2. Includes completing Capital Improvements of over \$22,760,000 Million
3. Reflects no increase in medical plan costs
4. A 2.5% salary adjustment
5. Includes GASB 45 requirements and increase to LGERS contribution

Goals & Objectives

- ◀ **Goal:** Oversee compliance with all State & Federal requirements for collection, treatment, and disposal of wastewater. (MSD Objectives 1& 2)
- ◀ **Goal:** Manage District in a financially sound manner. (MSD Goal 3)

Office of the General Manager (continued)

Goals & Objectives (continued)

- ◀ **Goal:** Implement District programs in accordance with Board approved schedules, as modified from time to time as appropriate to provide project flexibility and accommodate ongoing changes in the community. (MSD Goal 4)
- ◀ **Goal:** Manage community relations and education efforts. (MSD Objective 5)
- ◀ **Goal:** Establish departmental goals & objectives. (MSD Goal 4)

Performance Measures

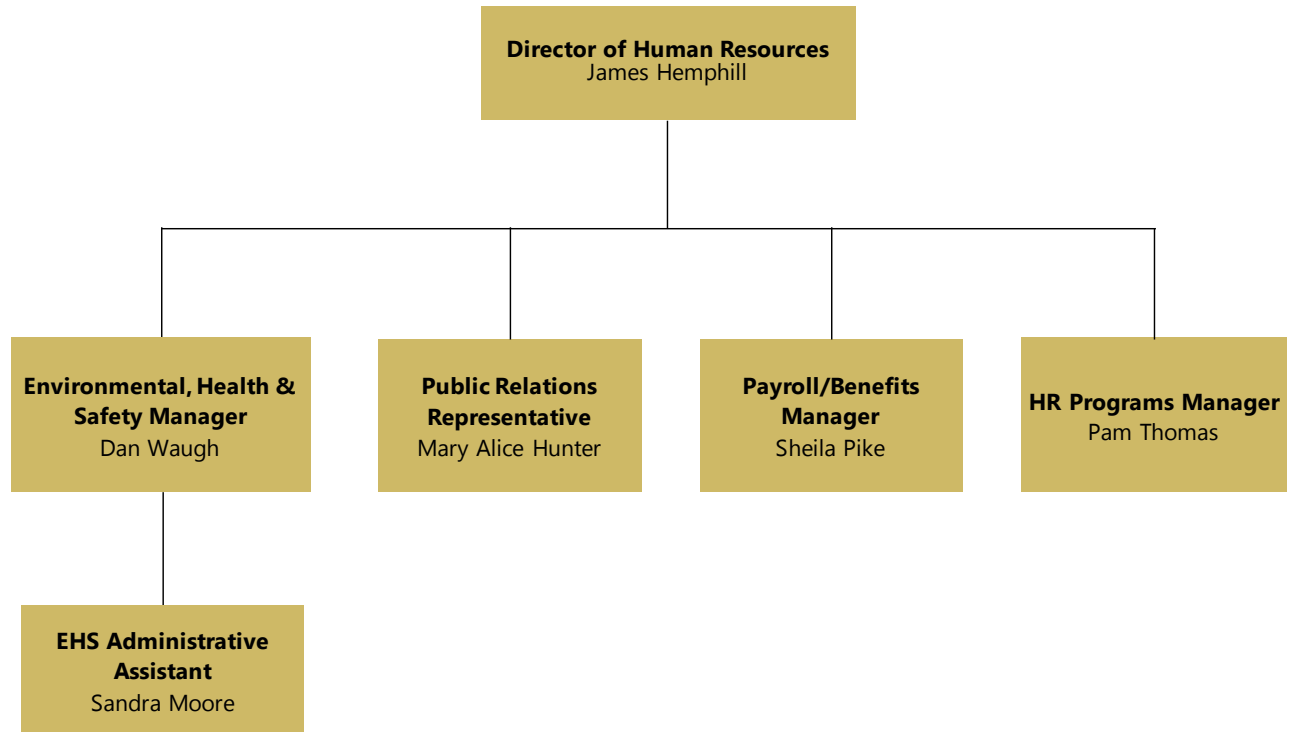
1. Oversight of compliance matters—see performance measures for Systems Services and Water Reclamation facility departments
2. Fiscal management—see performance measures for Finance Department

FY15 Budget – Office of the General Manager

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 196,572.36	\$ 211,396.97	\$ 218,679.16	\$ 212,373.00	\$ 212,373.00	100.0%	\$ 217,682.00	2.50%
51150	Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Salaries & Wages	\$ 196,572.36	\$ 211,396.97	\$ 218,679.16	\$ 212,373.00	\$ 212,373.00	100.0%	\$ 217,682.00	2.50%
Benefits									
51200	North Carolina Retirement	\$ 13,166.31	\$ 14,649.83	\$ 14,746.57	\$ 15,015.00	\$ 15,015.00	100.0%	\$ 15,390.00	2.50%
51250	Payroll Taxes	\$ 13,949.85	\$ 13,207.83	\$ 14,892.81	\$ 16,247.00	\$ 16,247.00	100.0%	\$ 16,653.00	2.50%
51300	Medical, Dental & Life	\$ 26,958.06	\$ 27,718.43	\$ 23,920.87	\$ 23,290.00	\$ 23,290.00	100.0%	\$ 23,607.00	1.36%
51325	Post Retirement Insurance	\$ 2,426.41	\$ 2,613.00	\$ 2,361.13	\$ 3,420.00	\$ 3,420.00	100.0%	\$ 3,615.00	5.70%
51350	Worker's Compensation	\$ 2,422.39	\$ 2,354.67	\$ 2,890.00	\$ 2,890.00	\$ 2,890.00	100.0%	\$ 2,929.00	1.35%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 440.00	\$ 440.00	100.0%	\$ 440.00	0.00%
51450	Automobile Allowance	\$ 4,534.70	\$ 692.32	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 7,414.29	\$ 7,513.62	\$ 7,783.89	\$ 10,619.00	\$ 10,619.00	100.0%	\$ 10,885.00	2.50%
	Total Benefits	\$ 70,872.01	\$ 68,749.70	\$ 66,595.27	\$ 71,921.00	\$ 71,921.00	100.0%	\$ 73,519.00	2.22%
	Total Salaries, Wages & Benefits	\$ 267,444.37	\$ 280,146.67	\$ 285,274.43	\$ 284,294.00	\$ 284,294.00	100.0%	\$ 291,201.00	2.43%
Materials, Supplies & Services									
52010	Advertising	\$ 8,865.98	\$ 11,360.33	\$ 10,832.62	\$ 11,000.00	\$ 10,800.00	98.2%	\$ 11,000.00	0.00%
52050	Dues & Subscriptions	\$ 9,122.67	\$ 9,439.37	\$ 10,447.57	\$ 12,000.00	\$ 11,500.00	95.8%	\$ 12,000.00	0.00%
52100	Postage	\$ 11,321.92	\$ 9,412.65	\$ 7,252.03	\$ 10,000.00	\$ 10,000.00	100.0%	\$ 10,000.00	0.00%
52150	Travel, Mtgs & Training	\$ 3,089.81	\$ 2,928.82	\$ 4,411.87	\$ 6,000.00	\$ 6,000.00	100.0%	\$ 6,800.00	13.33%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ 26,385.88	\$ 30,885.65	\$ 42,108.87	\$ 35,000.00	\$ 30,000.00	85.7%	\$ 35,000.00	0.00%
52180	Liability Insurance	\$ 110,220.14	\$ 110,665.90	\$ 116,167.00	\$ 116,167.00	\$ 116,167.00	100.0%	\$ 116,167.00	0.00%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 2,051.01	\$ 1,678.53	\$ 1,805.93	\$ 2,500.00	\$ 2,250.00	90.0%	\$ 2,400.00	-4.00%
52240	Uniforms	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52250	Office Supplies	\$ 337.85	\$ 603.91	\$ 646.65	\$ 800.00	\$ 750.00	93.8%	\$ 800.00	0.00%
52260	Special Dept Supplies	\$ 1,771.85	\$ 614.53	\$ 219.63	\$ 600.00	\$ 600.00	100.0%	\$ 600.00	0.00%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ 33,281.65	\$ 39,533.34	\$ 40,090.37	\$ 38,000.00	\$ 38,000.00	100.0%	\$ 40,000.00	5.26%
52350	Prof/Contractual Svcs	\$ 14,917.12	\$ 92,760.42	\$ 18,765.88	\$ 20,000.00	\$ 18,000.00	90.0%	\$ 20,000.00	0.00%
52410	Maint-Buildings & Grounds	\$ 121,059.62	\$ 112,580.28	\$ 111,772.55	\$ 118,000.00	\$ 118,000.00	100.0%	\$ 118,000.00	0.00%
52420	Maintenance-Equipment	\$ 35.64	\$ 392.28	\$ 215.70	\$ 480.00	\$ 300.00	62.5%	\$ 400.00	-16.67%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ 3,783.23	\$ 4,113.04	\$ 3,803.32	\$ 5,000.00	\$ 4,500.00	90.0%	\$ 5,000.00	0.00%
52510	Permits/Fees/Software Licenses	\$ -	\$ -	\$ 140.00	\$ 140.00	\$ 140.00	100.0%	\$ 140.00	0.00%
52650	Utilities	\$ 120,180.78	\$ 101,773.20	\$ 107,236.64	\$ 120,000.00	\$ 118,000.00	98.3%	\$ 120,000.00	0.00%
52690	Freight	\$ 4,256.58	\$ 4,639.09	\$ 4,976.68	\$ 4,900.00	\$ 4,900.00	100.0%	\$ 4,900.00	0.00%
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ (3,014.16)	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ 1,583.12	\$ 5,132.14	\$ 1,240.91	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52910	Non-Capital Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ 643,263.66	\$ 662,589.22	\$ 701,014.95	\$ 689,062.00	\$ 712,870.12	103.5%	\$ 725,702.00	5.32%
	Total Materials, Supplies & Services	\$ 1,112,514.35	\$ 1,201,102.70	\$ 1,183,149.17	\$ 1,194,649.00	\$ 1,207,777.12	101.1%	\$ 1,233,909.00	3.29%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 6,383.00	\$ 9,574.00	\$ 6,937.00	\$ 7,546.00	\$ 7,546.00	100.0%	\$ 7,546.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Interfund Transfers	\$ 6,383.00	\$ 9,574.00	\$ 6,937.00	\$ 7,546.00	\$ 7,546.00	100.0%	\$ 7,546.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Sub-Total O&M Fund	\$ 1,386,341.72	\$ 1,490,823.37	\$ 1,475,360.60	\$ 1,486,489.00	\$ 1,499,617.12	100.9%	\$ 1,532,656.00	3.11%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Net Operation & Maintenance Fund	\$ 1,386,341.72	\$ 1,490,823.37	\$ 1,475,360.60	\$ 1,486,489.00	\$ 1,499,617.12	100.9%	\$ 1,532,656.00	3.11%

Human Resources

Organizational Chart



Human Resources (continued)

Mission Statement

The mission of the Human Resource Management Division is to develop and implement a comprehensive, consistent program of human resource activities and maintain a qualified, diverse, career-oriented work force.

The mission of the Payroll and Employee Benefits Division is to process bi-weekly payroll for the District employees and to provide an attractive employee benefits package at a reasonable cost to the District and employees.

The mission of the Environmental Safety Division is to eliminate avoidable personal injuries and accidents through compliance with applicable federal, state, local and MSD rules and regulations governing environmental health and safety.

Key Responsibilities

Human Resources—Includes compliance with all Federal/State regulations and MSD Personnel Policies; coordinate recruitment process and new employee orientation; coordinate employee six-month and annual evaluations; maintain employee personnel files; coordinate updates to personnel pay plan & job descriptions; maintain positive employer-employee relations and develop training program for supervisors.

Payroll & Benefits—Includes bi-weekly processing of payroll and related reports; administering the following benefits: group medical, dental and life insurance; social security, North Carolina Retirement Defined Benefit Plan, 401(k) and 457 Defined Contribution Plans, Section 125 Cafeteria Plan, and voluntary employee deductions such as cancer, disability and life insurance.

Environmental Safety—To ensure District compliance with laws of regulatory agencies such as OSHA, the North Carolina Department of Transportation, and EPA; to reduce losses to the District such as high worker's compensation premiums, lost production time, damage to property, etc.; and to promote awareness of and participation in environmental, health and safety among all employees.

Accomplishments for FY 2013-2014

1. Increased Wellness activities to reduce medical insurance costs
2. Coordinated retirement and replacement activities
3. Promoted people as part of the Succession Plan
4. Transitioned Maintenance staff to labor grade classification system
5. Implemented new gas monitors use
6. Established plan for Arc Flash studies
7. Identified and corrected shoring deficiencies

Human Resources (continued)

Accomplishments for FY 2013-2014 (continued)

8. Modified/ updated respirator use program

Budget Highlights/Changes for FY 2014-2015

1. Funds allocated for Wage survey
2. Funds allocated for additional atmosphere monitors
3. Funds allocated for Arc Flash training

Goals & Objectives

- ◀ **Goal:** Provide supervisory leadership development training. (MSD Objective 3)
 - ▶ *Objective:* Provide appropriate training sessions for employees
- ◀ **Goal:** Train supervisors in improving employee relations and managing employee personnel issues. (MSD Objective 3)
- ◀ **Goal:** Maintain consistency throughout District on disciplinary actions. (MSD Objective 3)
 - ▶ *Objective:* Train supervisors to keep personnel informed/involved in all dealings leading up to a disciplinary step.
- ◀ **Goal:** Improve the pool of applicants to reflect the diversified community. (MSD Objective 3)
- ◀ **Goal:** Promote District employment opportunities at community job fairs. (MSD Objective 3)
 - ▶ *Objective:* Attend at least one job fair annually in Buncombe and Madison Counties
- ◀ **Goal:** Ongoing review of new position classifications or positions with added responsibilities. (MSD Objective 3)
 - ▶ *Objective:* Review Labor Grade of new & existing positions as necessary
- ◀ **Goal:** Keep personnel policies up to date. (MSD Objective 3)
 - ▶ *Objective:* Review 20% of policies per year
- ◀ **Goal:** Keep job descriptions up to date. (MSD Objective 3)
 - ▶ *Objective:* Review 20% of job descriptions per year
- ◀ **Goal:** Promote Wellness Program.(MSD Objective 3)
 - ▶ *Objective:* Have at least 75% of employees participate in Health Fair
- ◀ **Goal:** Minimize time positions are vacant. (MSD Goals 1 & 2)
 - ▶ *Objective:* Have positions filled within 20 days
- ◀ **Goal:** Minimize cost to fill vacancies. (MSD Goal 3)
 - ▶ *Objective:* Limit average cost to \$400
- ◀ **Goal:** Process payroll in a timely and accurate manner. (Objective 3)
 - ▶ *Objective 1:* No errors in paychecks
 - ▶ *Objective 2:* All payroll tax and benefit withholdings remitted within prescribed deadlines
- ◀ **Goal:** Promote efficient utilization of employee benefits. (Objective 3)
 - ▶ *Objective 1:* Provide quarterly education or updates to employees concerning different types of benefits or other personal financial issues

Human Resources (continued)

Goals & Objectives (continued)

- ◀ **Goal:** Promote efficient utilization of employee benefits. (Objective 3)
 - ▶ *Objective 2:* Resolve employee payroll and benefit concerns within two business days
- ◀ **Goal:** To guard the occupational health and safety of MSD's workforce (MSD Goal #1)
 - ▶ *Objective:* Maintain an "Incident Rate" below industry standards of 5.30 per 100 employees.
 - ▶ *Objective:* Promote safety by focusing on training and compliance inspections.
 - ▶ *Objective:* Maintain health focus including disease prevention and workers compensation.
 - ▶ *Objective:* Continuously evaluate current safety practices and improve/change as needed.
 - ▶ *Objective:* Manage safety related contractual efforts including Drug Testing, Hoist Testing, Fire Protection, and Hearing Conservation.
- ◀ **Goal:** Maintain full compliance with all applicable legal requirements and governmental standards.
 - ▶ *Objective:* Have zero (0) OSHA violations.
 - ▶ *Objective:* Stay abreast of changes and regulations and how they apply to the District.

Performance Measures

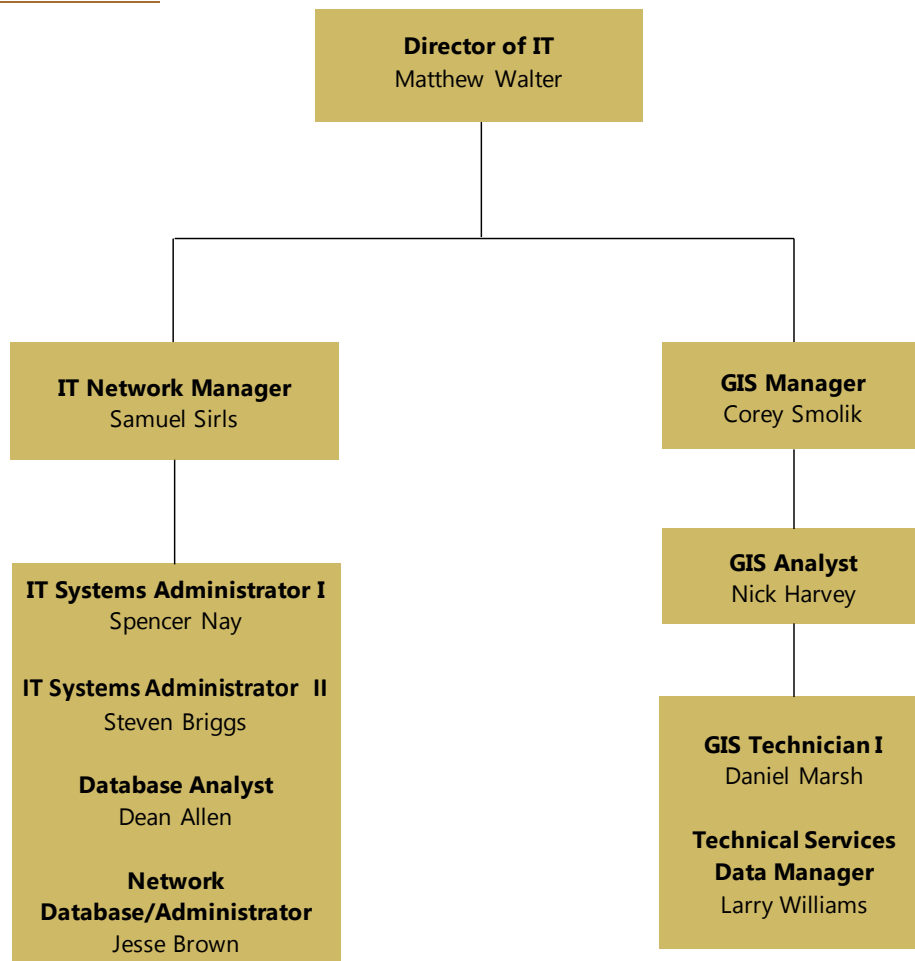
	Task	11-12	12-13	13-14^{est}
1.	Monitor and evaluate Skill Based Pay System	Yes	Yes	Yes
2.	Assist in the administration of the Employee Wellness Program	Yes	Yes	Yes
3.	# of external vacancies	5	8	7
4.	Avg. # of days to fill vacancies	18	25	25
5.	Avg. advertising cost per vacancy	\$700	\$800	\$500
6.	Increase participation in Health Risk Assessments	0	N/A	N/A
7.	Participation in annual Health Fair	56	0	0
8.	Percentage of paychecks reissued or modified	<.1%	<.1%	<.1%
9.	Percentage of payroll tax and benefit withholdings timely remitted	100%	100%	100%
10.	Number of employee benefit education sessions	22	25	22
11.	Percentage of employee payroll and benefit concerns resolved within two business days	99%	99%	99%
12.	Number of Injuries (calendar year)	11	5	12
13.	Number of Lost Time Injuries (calendar year)	3	1	3
14.	Incident Rate NAICS (calendar year)	5.52	3.46	7.85
15.	Inspections/Audits (calendar year)	30	10	36
16.	Random Alcohol and Drug Tests for CDL drivers (calendar year)	26	10	30
17.	EHS Training classes conducted (calendar year)	45	26	77

FY15 Budget – Human Resources

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 297,604.36	\$ 313,627.17	\$ 338,062.87	\$ 379,220.00	\$ 379,220.00	100.0%	\$ 387,877.00	2.28%
51150	Overtime	\$ 599.49	\$ 390.50	\$ 280.01	\$ 150.45	\$ 150.45	100.0%	\$ -	-100.00%
Total Salaries & Wages		\$ 298,203.85	\$ 314,017.67	\$ 338,342.88	\$ 379,370.45	\$ 379,370.45	100.0%	\$ 387,877.00	2.24%
Benefits									
51200	North Carolina Retirement	\$ 19,727.45	\$ 21,799.60	\$ 22,525.34	\$ 26,810.00	\$ 26,821.00	100.0%	\$ 27,423.00	2.29%
51250	Payroll Taxes	\$ 21,641.37	\$ 24,142.41	\$ 24,323.75	\$ 29,011.00	\$ 29,022.00	100.0%	\$ 29,673.00	2.28%
51300	Medical, Dental & Life	\$ 66,560.56	\$ 70,171.13	\$ 71,762.61	\$ 69,870.00	\$ 69,870.00	100.0%	\$ 70,821.00	1.36%
51325	Post Retirement Insurance	\$ 7,280.79	\$ 7,840.00	\$ 7,083.39	\$ 10,260.00	\$ 10,260.00	100.0%	\$ 10,845.00	5.70%
51350	Worker's Compensation	\$ 7,269.97	\$ 7,067.00	\$ 8,670.00	\$ 8,670.00	\$ 8,670.00	100.0%	\$ 8,788.00	1.36%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 1,320.00	\$ 1,320.00	100.0%	\$ 1,320.00	0.00%
51450	Automobile Allowance	\$ 2,018.98	\$ 2,086.53	\$ 1,848.08	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 14,726.61	\$ 14,105.38	\$ 16,497.85	\$ 18,962.00	\$ 18,962.00	100.0%	\$ 19,394.00	2.28%
Total Benefits		\$ 139,225.73	\$ 147,212.05	\$ 152,711.02	\$ 164,903.00	\$ 164,925.00	100.0%	\$ 168,264.00	2.04%
Total Salaries, Wages & Benefits		\$ 437,429.58	\$ 461,229.72	\$ 491,053.90	\$ 544,273.45	\$ 544,295.45	100.0%	\$ 556,141.00	2.18%
Materials, Supplies & Services									
52010	Advertising	\$ 7,318.45	\$ 2,842.95	\$ 5,445.18	\$ 4,099.55	\$ 4,099.00	100.0%	\$ 5,000.00	21.96%
52050	Dues & Subscriptions	\$ 4,026.45	\$ 9,116.18	\$ 7,566.06	\$ 6,963.04	\$ 6,963.04	100.0%	\$ 5,950.00	-14.55%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 17,469.86	\$ 20,589.34	\$ 15,249.40	\$ 24,500.00	\$ 24,225.00	98.9%	\$ 25,570.00	4.37%
52160	Tuition Assistance	\$ 2,269.50	\$ 1,467.60	\$ 468.50	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 2,500.00	25.00%
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 1,776.68	\$ 1,783.87	\$ 1,873.00	\$ 1,873.00	\$ 1,873.00	100.0%	\$ 1,873.00	0.00%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 958.94	\$ 1,707.79	\$ 2,345.88	\$ 2,450.00	\$ 2,450.00	100.0%	\$ 2,500.00	2.04%
52240	Uniforms	\$ 319.01	\$ 308.57	\$ 886.88	\$ 1,300.00	\$ 1,175.00	90.4%	\$ 1,300.00	0.00%
52250	Office Supplies	\$ 2,824.33	\$ 3,097.94	\$ 3,647.52	\$ 3,400.00	\$ 3,200.00	94.1%	\$ 3,400.00	0.00%
52260	Special Dept Supplies	\$ 2,784.14	\$ 979.11	\$ 2,642.90	\$ 1,425.96	\$ 925.96	64.9%	\$ 1,500.00	5.19%
52270	Safety Equip/Supplies	\$ 43,180.02	\$ 43,433.11	\$ 5,133.99	\$ 5,953.00	\$ 5,953.00	100.0%	\$ 6,000.00	0.79%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ 37.90	\$ 360.00	\$ -	\$ 4,000.00	\$ 4,000.00	100.0%	\$ 4,000.00	0.00%
52350	Prof/Contractual Svcs	\$ 27,013.11	\$ 47,103.59	\$ 41,486.46	\$ 49,752.00	\$ 45,500.00	91.5%	\$ 61,700.00	24.02%
52410	Maint-Buildings & Grounds	\$ -	\$ 5,205.02	\$ 7,797.67	\$ 9,500.00	\$ 6,500.00	68.4%	\$ 1,000.00	-89.47%
52420	Maintenance-Equipment	\$ 889.46	\$ 872.50	\$ 3,129.22	\$ 1,000.00	\$ -	0.0%	\$ -	-100.00%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ -	\$ -	\$ 2,660.88	\$ 2,650.00	\$ 2,650.00	100.0%	\$ 2,650.00	0.00%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ 1,705.11	\$ 1,839.58	\$ 1,069.45	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 2,500.00	25.00%
52720	Health Fair	\$ 1,652.53	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ 9,050.15	\$ 5,629.58	\$ 4,128.82	\$ 10,000.00	\$ 10,000.00	100.0%	\$ 10,000.00	0.00%
52730	Employee Asst Program	\$ 4,255.00	\$ 4,363.24	\$ 4,255.00	\$ 4,255.00	\$ 4,255.00	100.0%	\$ 4,500.00	5.76%
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 9,268.64	\$ 12,048.54	\$ 16,688.37	\$ 9,500.00	\$ 9,500.00	100.0%	\$ 15,000.00	57.89%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 136,799.28	\$ 162,748.51	\$ 126,475.18	\$ 146,621.55	\$ 137,269.00	93.6%	\$ 156,943.00	7.04%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ -	\$ -	\$ 1,952.00	\$ 1,952.00	100.0%	\$ 1,952.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ -	\$ -	\$ -	\$ 1,952.00	\$ 1,952.00	100.0%	\$ 1,952.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ -	\$ 24,246.76	\$ 3,000.00	\$ 3,000.00	100.0%	\$ -	-100.00%
54020	Capital Equip-Software	\$ 9,245.00	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ 9,245.00	\$ -	\$ 24,246.76	\$ 3,000.00	\$ 3,000.00	100.0%	\$ -	-100.00%
Sub-Total O&M Fund		\$ 583,473.86	\$ 623,978.23	\$ 641,775.84	\$ 695,847.00	\$ 686,516.45	98.7%	\$ 715,036.00	2.76%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 583,473.86	\$ 623,978.23	\$ 641,775.84	\$ 695,847.00	\$ 686,516.45	98.7%	\$ 715,036.00	2.76%

Information Technology

Organizational Chart



Information Technology (continued)

Mission Statement

To provide information technology support, training, management, and development that will benefit the District divisions by ❶facilitating completion of work objectives, ❷improving communication, and ❸creating better and easier access to information.

Key Responsibilities

Information Technology (IT)—Support new systems development based on the plans of the District divisions. Provide ongoing support and enhancements to major on-line operational and administrative systems. Maintain the existing computer equipment and data communications network. Plan and manage the acquisition and installation of new computer equipment, software, and peripherals. Provide computer equipment support, including installations, moving and troubleshooting. Develop new software applications to meet specific MSD needs. Provide daily operations and product support. Develop long-range goals for computer systems development. Support responsibilities also include the telephone system, radio system, and process control equipment at the Plant. Offer computer software training programs for District staff. All IT work done 100% in-house. No vendor or contractors used for IT support.

Geographical Information Systems (GIS)—Develop, manage and maintain data sets and digital maps related to the operations of the District. Provide data access and data analysis services for all divisions. Coordinate the acquisition of updated information from the field, external sources (such as other governmental agencies), and the Engineering Division and incorporate it into the GIS data sets. Develop, maintain, and train others in the use of tools for accessing spatial information to support all District activities.

Accomplishments for FY 2013-2014

1. Implemented a new LG digital phone system district wide. This new phone system replaced an aging PBX system that had been in use for the past 15 years.
2. Implemented an upgraded CallWare voicemail system. This voicemail server replaced the previous 5-year-old system and added new features such as email notification of new voicemail.
3. Installed two new Dell EqualLogic SANs (storage arrays) in the server room for holding MSD data. These new SANs replaced the three that were in use, and doubled the previous storage capacity to accommodate future storage needs.
4. Installed a new Dell EqualLogic SAN in the disaster recovery storage group, as well as the three decommissioned SANs from the server room. With a total of five SANs, the disaster recovery storage is equivalent to that in the server room. This allows us to have disaster recovery backups of all data on the two primary SANs over an extended period of time.
5. Upgraded the primary Domain Controller to a new Dell Blade server. This integral server monitors all security authentications and logins for all computers at MSD.
6. Installed a Dell blade server, GIS Staging, for testing in the GIS department.

Information Technology (continued)

Accomplishments for FY 2013-2014 (continued)

7. Worked with Cues to implement Granite XP software that categorizes and maintains video files collected by the Cues video trucks.
8. Worked with Woolpert to begin staged rollout of CityWorks software. Initial implementation with the System Services department to replace "home grown" OSIRIS software for tracking service requests and SSOs.
9. Rolled out over 15+ laptop replacements/installations and 30+ desktop replacements/installations for MSD users.
10. Upgraded the audio recording system in the Board Room with new ceiling mounted microphones and Soniclear digital recording system to replace the desk microphones and cassette tape recorder.
11. Implemented a mobile audio/visual cart with 90" Sharp TV and Apple Mac Minicomputer for meeting use in the Mull building.
12. Implemented a mobile cart with Apple iPads to use for Board meeting agendas instead of paper binders.
13. Installed new Polycom speakerphones in the Board Room and 3rd floor Mull conference room.
14. Implemented larger wireless coverage for fleet laptops and data continuity.
15. Upgraded and standardized Adobe Acrobat Pro for 40+ MSD employees who had previously been on a variety of Acrobat versions.
16. Extended FLEX functionality by introducing new websites customized for P and E and Sanitary Sewer overflows. A new identify tool has been added to allow users to select multiple features (this was highly requested by many).
17. Quality control and evaluation of existing data is underway, but not complete. This is a multi-team effort between GIS and System Services.
18. Primary legacy video entry is now complete, "specialty" videos (interceptors, large diameter, and sonar) are now being processed into Granite XP.
19. GIS Web applications have been developed on-demand. Notable additions are the P and E custom website, which is modified to let users print maps suitable for P and E with little button clicking needed by the end user.
20. Another GIS WEB application of note is a custom viewer specialized for sanitary sewer overflows and describing conditions surrounding MSD handling of the overflows
21. Development (ongoing) of a successful PACP Index that can be directly viewed in GIS. This will be used at some point for enhanced pipe rating efforts.
22. GIS has produced a popular "Pipe Video Finder" application, which searches all video directories. The user enters a facility ID, and the application searches based on all naming conventions used to find likely matches. It finds videos not yet input into granite, and is reportedly the fastest means of verifying if pipe has been "TV'd" or not.
23. GIS has introduced data layers to warn collection system maintenance staff about potential issues when performing duties (i.e. alerting owner, flooding danger to houses, etc...) This can be readily modified by sending GIS data entry request. Can be populated by tablet in the future.

Information Technology (continued)

Accomplishments for FY 2013-2014 (continued)

24. GIS has introduced data layers to indicate lined pipe. This ongoing effort will require feedback from engineering.
25. GIS has been involved with identifying customer data needs and attempting to streamline data products to better meet the needs of end users
26. GIS has achieved full ownership of past vendor supplied applications and data products (This does not include some ESRI web based applications, which facilitates our mobile applications). With the exception of one application, which has an externally hosted application pool.

Goals & Objectives

- ◀ **Goal:** Provide all MSD staff with outstanding customer service.
- ◀ **Goal:** Continue to provide on-going training, support and application customization to all divisions. Maintain the servers, network, email, websites, public map access, phones, copiers, fax machines, printers, and security systems.
- ◀ **Goal:** Continue testing and researching in preparation for upgrades, including Windows, Server, Cloud Computing, and Storage.
- ◀ **Goal:** Implement mobile solution for CityWorks to aid in paper reduction as well expanding use of Flex/ESRI Mapping systems
- ◀ **Goal:** Assist in continued implementation of Granite XP & CityWorks software. Continued support for both products.
- ◀ **Goal:** Implement CCTV security system at the Plant.
- ◀ **Goal:** Implement redundant loop for the .192 network at the Plant.
- ◀ **Goal:** Move completely away from using old Work Order Management System, (WOMS).
- ◀ **Goal:** Complete reporting structure for CityWorks.
- ◀ **Goal:** Normalize data within the CityWorks system.
- ◀ **Goal:** Create specific plans for projects in each area of MSD in regards to software needs so that end-users will know whom to contact.
- ◀ **Goal:** Assist in providing IT hardware support as needed.
- ◀ **Goal:** Continue application and geospatial data support for CityWorks, Granite XP, Flex, ArcGIS Desktop, and AR for Trucks software and processes.
- ◀ **Goal:** Implement tighter Quality Control measures on existing data as well as research and correct any errors founds through these tighter controls.
- ◀ **Goal:** Quantify existing data sources such as As-Built to ensure they have been entered into the GIS system and scanned for digital copies. Field edits and tap maps should already be archived through Granite XP and/or CityWorks software and attachments available in CityWorks.
- ◀ **Goal:** Continue to input geospatial data changes as requested by users.
- ◀ **Goal:** Continue to process map requests and customer inquiries.
- ◀ **Goal:** Complete the conversion of all legacy videos from previous file system into Granite XP environment.

Information Technology (continued)

Goals & Objectives (continued)

- ◀ **Goal:** Continue to implement Local Government Information Model for Water Utilities maps and apps as well as utilizing ArcGIS Online environment.
- ◀ **Goal:** Develop GIS web applications for additional environments.

Performance Measures

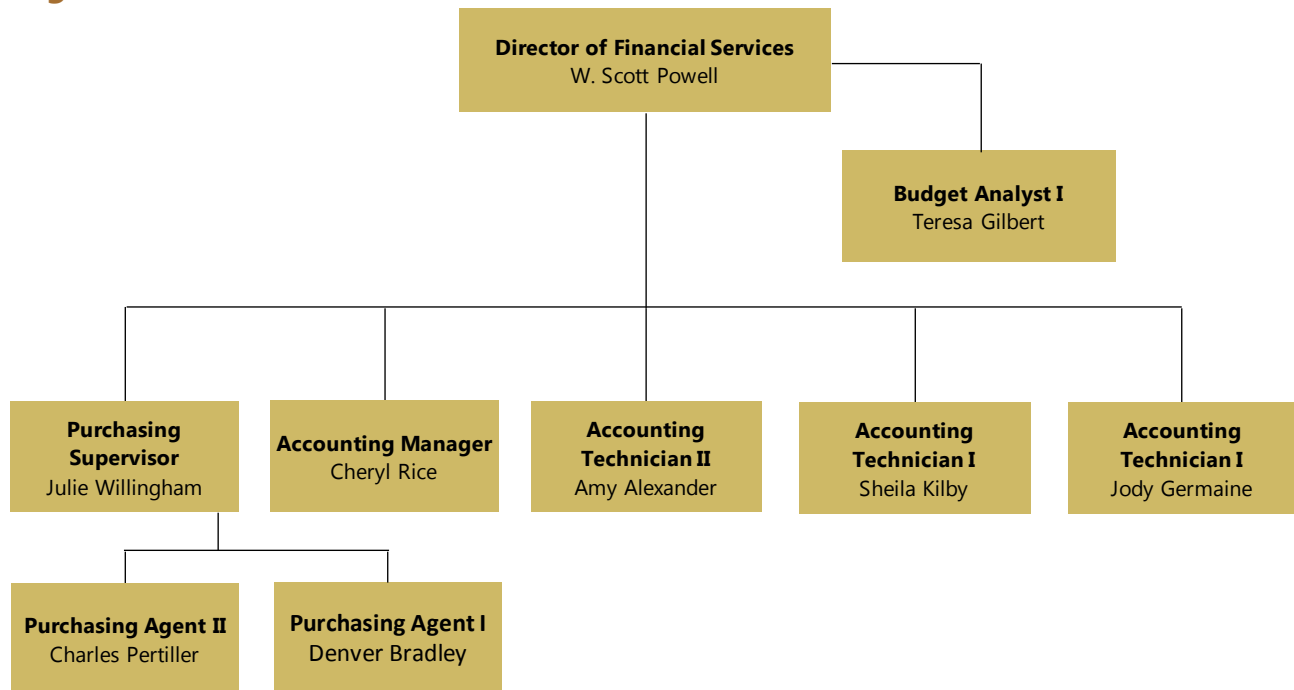
Task		11-12	12-13	13-14^{est}
1.	In-house direct labor (except fiber optic repairs)	100%	100%	100%
2.	Same day turnaround on user issues/assistance	94%	94%	93%

FY15 Budget – Information Technology

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 505,441.15	\$ 530,931.40	\$ 560,089.31	\$ 593,686.00	\$ 593,686.00	100.0%	\$ 605,319.00	1.96%
51150	Overtime	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	0.0%	\$ 3,500.00	16.67%
	Total Salaries & Wages	\$ 505,441.15	\$ 530,931.40	\$ 560,089.31	\$ 596,686.00	\$ 593,686.00	99.5%	\$ 608,819.00	2.03%
Benefits									
51200	North Carolina Retirement	\$ 33,075.63	\$ 35,301.24	\$ 37,214.43	\$ 43,146.00	\$ 41,973.00	97.3%	\$ 43,043.00	-0.24%
51250	Payroll Taxes	\$ 36,885.70	\$ 37,415.67	\$ 40,068.67	\$ 46,685.00	\$ 45,417.00	97.3%	\$ 46,575.00	-0.24%
51300	Medical, Dental & Life	\$ 100,206.88	\$ 105,588.57	\$ 119,604.35	\$ 116,450.00	\$ 116,450.00	100.0%	\$ 118,035.00	1.36%
51325	Post Retirement Insurance	\$ 10,920.00	\$ 11,760.00	\$ 11,804.65	\$ 17,100.00	\$ 17,100.00	100.0%	\$ 18,075.00	5.70%
51350	Worker's Compensation	\$ 10,904.95	\$ 10,600.50	\$ 14,450.00	\$ 14,450.00	\$ 14,450.00	100.0%	\$ 14,647.00	1.36%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 15,772.00	\$ 15,772.00	100.0%	\$ 2,200.00	-86.05%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 12,331.61	\$ 12,602.92	\$ 14,688.43	\$ 30,365.00	\$ 30,365.00	100.0%	\$ 30,268.00	-0.32%
	Total Benefits	\$ 204,324.77	\$ 213,268.90	\$ 237,830.53	\$ 283,968.00	\$ 281,527.00	99.1%	\$ 272,843.00	-3.92%
	Total Salaries, Wages & Benefits	\$ 709,765.92	\$ 744,200.30	\$ 797,919.84	\$ 880,654.00	\$ 875,213.00	99.4%	\$ 881,662.00	0.11%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 708.00	\$ 343.00	\$ 50.00	\$ 1,610.00	\$ 850.00	52.8%	\$ 715.00	-55.59%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 4,787.27	\$ 10,724.41	\$ 2,417.92	\$ 16,405.00	\$ 4,750.00	29.0%	\$ 3,950.00	-75.92%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 11,071.17	\$ 11,115.93	\$ 11,670.00	\$ 11,670.00	\$ 11,670.00	100.0%	\$ 11,670.00	0.00%
52200	Telephone/Telefax	\$ 32,443.42	\$ 35,952.57	\$ 33,597.07	\$ 37,450.00	\$ 30,000.00	80.1%	\$ 30,150.00	-19.49%
52210	Communications	\$ 6,375.26	\$ 2,661.25	\$ 4,714.59	\$ 4,000.00	\$ 3,500.00	87.5%	\$ 3,500.00	-12.50%
52240	Uniforms	\$ 175.96	\$ -	\$ 159.53	\$ 600.00	\$ 600.00	100.0%	\$ 600.00	0.00%
52250	Office Supplies	\$ 532.65	\$ 381.45	\$ 400.41	\$ 1,000.00	\$ 650.00	65.0%	\$ 650.00	-35.00%
52260	Special Dept Supplies	\$ 243.28	\$ 612.30	\$ 390.41	\$ 500.00	\$ 500.00	100.0%	\$ 500.00	0.00%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ 78.52	\$ 50.00	\$ 75.00	150.0%	\$ 100.00	100.00%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 30,375.00	\$ 36,051.35	\$ 3,357.81	\$ 12,500.00	\$ 12,500.00	100.0%	\$ 10,000.00	-20.00%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ 20,138.53	\$ 24,767.71	\$ 25,515.21	\$ 28,000.00	\$ 28,000.00	100.0%	\$ 32,000.00	14.29%
52510	Permits/Fees/Software Licenses	\$ 57,807.89	\$ 60,126.10	\$ 63,988.14	\$ 65,450.00	\$ 65,450.00	100.0%	\$ 141,150.00	115.66%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 43,041.78	\$ 48,912.97	\$ 49,422.27	\$ 51,150.00	\$ 51,150.00	100.0%	\$ 55,060.00	7.64%
52915	Copiers Printers & Faxes	\$ -	\$ 364.19	\$ -	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Materials, Supplies & Services	\$ 207,700.21	\$ 232,013.23	\$ 195,761.88	\$ 235,385.00	\$ 214,695.00	91.2%	\$ 295,045.00	25.35%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Interfund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Capital Outlay									
54010	Capital Equipment - New	\$ 33,753.17	\$ -	\$ 86,521.91	\$ -	\$ -	-	\$ 6,700.00	-
54020	Capital Equip-Software	\$ 41,600.00	\$ 8,775.00	\$ 13,598.61	\$ 39,000.00	\$ 39,000.00	100.0%	\$ 22,500.00	-42.31%
54030	Capital Equip - Replacement	\$ 7,845.97	\$ 34,113.05	\$ 17,977.12	\$ 41,300.00	\$ 41,300.00	100.0%	\$ 44,500.00	7.75%
	Total Capital Outlay	\$ 83,199.14	\$ 42,888.05	\$ 118,097.64	\$ 80,300.00	\$ 80,300.00	100.0%	\$ 73,700.00	-8.22%
	Sub-Total O&M Fund	\$ 1,000,665.27	\$ 1,019,101.58	\$ 1,111,779.36	\$ 1,196,339.00	\$ 1,170,208.00	97.8%	\$ 1,250,407.00	4.52%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ (292,702.96)	\$ (303,466.75)	\$ (255,974.39)	\$ (301,000.00)	\$ (301,000.00)	100.0%	\$ (281,968.00)	-6.32%
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Net Operation & Maintenance Fund	\$ 707,962.31	\$ 715,634.83	\$ 855,804.97	\$ 895,339.00	\$ 869,208.00	97.1%	\$ 968,439.00	8.16%

Financial Services

Organizational Chart



Financial Services (continued)

Mission Statement

The mission of the Finance, Accounting, and Budget Division is to provide timely, useful, and accurate financial data to all internal and external customers including but not limited to staff, division directors, Board, investors, and the public and to assure prudent control of District cash and investments.

The mission of the Purchasing and Warehouse Division is to provide procurement services to District Departments in the timeliest and cost-effective manner in compliance with all requirements of the District's Purchasing Policy and NC General Statutes while maintaining a complete and sufficient supply of parts and materials required for District operations and asset maintenance.

Key Responsibilities

Finance, Accounting, and Budget—Coordinates and manages the District's Operating and Capital budget preparation; monitors the annual budget through pre-audit of purchase orders and invoice payment; prepares monthly operation and capital projects financial reports for management and the Board; assists in financial analysis as directed by the General Manager or Board; monitors all debt financing obligations for timely payment and reporting; coordinates issuance of debt with professional advisors; oversees the Insurance Programs; prepares billing for industries and customers using well water.

Purchasing and Warehouse—To provide a proper system of internal control for all District acquisitions; to ensure compliance with the North Carolina General Statutes and the Board-approved District Purchasing Policy; to assist and train division requisitioners as required; to effect timely acquisitions and disposals of property.

Accomplishments for FY 2013-2014

1. Received the GFOA "Excellence in Financial Reporting" award for the Comprehensive Annual Financial Report (CAFR) for FY ending June 30, 2013.
2. Received the GFOA "Distinguished Budget" award for the Budget Document prepared for FY ending June 30, 2013.
3. Continue to offer high level of Customer Service to all customers internal and external to the District.
4. Successfully bid a number of high cost items, allowing those items to be procured under budget.
5. Purchasing and Finance Team continue to implement and enhance its E-Payables program with Bank of America.
6. Successfully auctioned MSD surplus materials.

Financial Services (continued)

Accomplishments for FY 2013-2014 (continued)

7. Enhanced paper reduction initiative by scanning and attaching receipts, quotations, emails, and other pertinent information and documentation to purchase orders and the vendor database. Also increased use of email and pdf for Request for Quotations (RFQ) and other communications with vendors.

Budget Highlights/Changes for FY 2014-2015

1. Maintaining current staffing and expenditure levels.

Goals & Objectives

- ◀ **Goal:** Prepare and administer budget, which effectively meets the short and long-term needs of the District. (Operating Budget Policy #6)
 - ▶ **Objective:** Obtain outside verification of the effectiveness of the budget document as a policy, operations, and communications guide by earning GFOA Distinguished Award for Budget Document.
 - ▶ **Objective:** Maximize accuracy of budgeted revenues and expenditures by striving for variances between budget and actual amounts of less than 5%.
 - ▶ **Objective:** Maintain affordability of rate increases by limiting rate increase to southern urban cost of living percentage.
- ◀ **Goal:** Prepare CAFR and other financial information, which effectively meet manager, investor, regulator, and other user needs.
 - ▶ **Objective:** Obtain outside verification of the effectiveness of the CAFR by earning Government Finance Officers' Association Award of Excellence.
 - ▶ **Objective:** Maximize availability of financial information to all users by offering CAFR and budget documents on District Website.
- ◀ **Goal:** Manage the District's debt rating to obtain the lowest cost of borrowing. (Debt Policy #3)
 - ▶ **Objective:** Achieve compliance with all provisions of Bond Order. (Debt Policy #6)
 - ▶ **Objective:** Maintain or improve District's debt rating.
 - ▶ **Objective:** Make efficient use of district funds used for debt service.
- ◀ **Goal:** Manage District's investments to maximize rate of return while maintaining safety and meeting cash flow needs.
 - ▶ **Objective:** Achieve a total rate of return at least that of a 6-Month T-bill.
- ◀ **Goal:** Prepare sewage treatment bills, which are accurate and collected in a timely manner.
 - ▶ **Objective:** Limit rebilling due to errors to less than 1% of total bills.
 - ▶ **Objective:** Collect a minimum of 98% of all residential fees and 90% of industrial fees billed.

Financial Services (continued)

Goals & Objectives (continued)

- ◀ **Goal:** Pay for all services rendered and goods delivered to the District in a timely and accurate manner.
 - ▶ *Objective:* Not be assessed any late charges on any District accounts.
 - ▶ *Objective:* Limit voided accounts payable checks to 10% of total checks written.
- ◀ **Goal:** Operate Finance Department in an efficient manner.
 - ▶ *Objective:* Minimize finance department expenditures in relation to total expenditures.
- ◀ **Goal:** Provide services and supplies in a timely manner (LT6 and Purchasing Policy #2)
 - ▶ *Objective:* Place purchase orders within three business days of requisition.
 - ▶ *Objective:* Bid capital equipment within two weeks of requisition.
- ◀ **Goal:** Maintain cost-effective and sufficient inventory levels.
 - ▶ *Objective:* To maintain an inventory loss level below 3%. (Purchasing Policy #2)
 - ▶ *Objective:* To minimize emergency purchases.

Performance Measures

Task		11-12	12-13	13-14 ^{est}
1.	Receive the Distinguished Budget Presentation Award	yes	yes	yes
2.	Receipt of GFOA Excellence in Financial Reporting Award for CAFR	yes	yes	yes
3.	CAFR and budget document available on website	yes	yes	yes
4.	District debt rating Moody's/Standard & Poor's/Fitch Ratings	Aa2/AA/AA+	Aa2/AA+/AA+	Aa2/AA+/AA+
5.	Compliance with all provisions of bond order	yes	yes	yes
6.	Southern Urban COL % increase	3.90%	2.10%	1.50%
7.	MSD rate increase	2.50%	2.50%	2.50%
Comments: Assesses affordability of sewer rate increases when compared to overall regional price increases.				
8.	Ratio of actual to budgeted sewer revenues	99.50%	99.59%	99.00%
9.	Ratio of operating and maintenance total expenditures actual to budgeted	97.00%	91.98%	98.95%
Comments: These illustrate the accuracy of financial projections and adequacy of revenues to meet expenditures.				
10.	Interest and debt management costs as a percentage of outstanding debt	3.40%	3.82%	3.35%
11.	MSD Investment Yield	0.90%	0.74%	0.55%
12.	NC Cash Management Trust (Money Market)	0.06%	0.04%	0.01%
13.	6-Month T-Bill Secondary Market (Calendar)	0.08%	0.09%	0.08%
Comments: Rates of return reflect overall declining interest rates in the fixed income market.				
14.	Collection of internally billed residential accounts	96.75%	95.00%	95.00%
15.	Collection of internally billed industrial accounts	98.00%	100.00%	100.00%

Financial Services (continued)**Performance Measures** (continued)

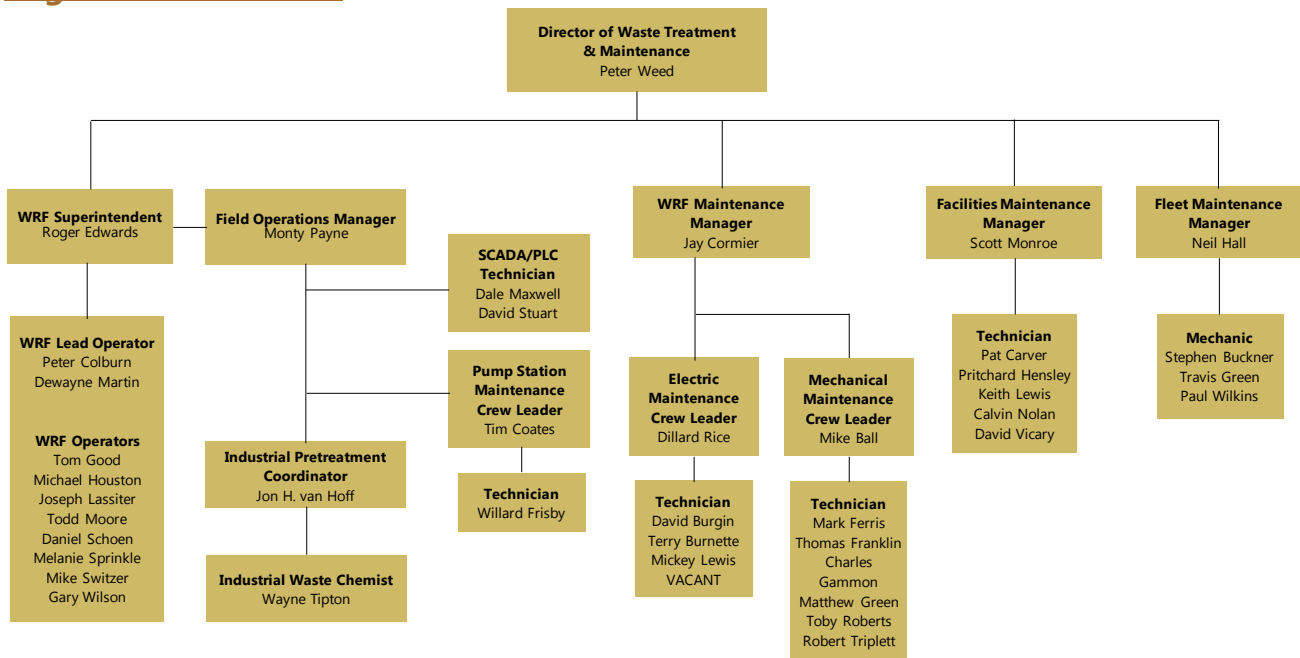
Task	11-12	12-13	13-14^{est}
16. Percentage of voided accounts payable checks Comments: This ratio illustrates the effectiveness of the cash disbursement process.	4.75%	4.25%	4.50%
17. Percentage of total O&M costs expended on Finance function	5.00%	5.35%	5.18%
18. Purchase orders placed within 3 business days	97%	98%	98%
19. Requisitions for capital equipment to be bid within two (2) weeks from receipt of detailed specifications from division	99%	99%	99%
20. Maintain loss of inventory at Warehouse below 3% in value (Goal 2)	1.75%	0.86%	2.00%
21. Obtain the 12% goal for purchases with minority owned/operated businesses	12.25%	11.90%	11.90%

FY15 Budget – Financial Services

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 396,115.66	\$ 422,370.70	\$ 464,619.84	\$ 472,038.00	\$ 472,038.00	100.0%	\$ 488,459.00	3.48%
51150	Overtime	\$ -	\$ -	\$ -	\$ 500.00	\$ -	0.0%	\$ 500.00	0.00%
Total Salaries & Wages		\$ 396,115.66	\$ 422,370.70	\$ 464,619.84	\$ 472,538.00	\$ 472,038.00	99.9%	\$ 488,959.00	3.48%
Benefits									
51200	North Carolina Retirement	\$ 26,652.82	\$ 28,851.68	\$ 31,834.97	\$ 33,408.00	\$ 33,373.00	99.9%	\$ 34,569.00	3.48%
51250	Payroll Taxes	\$ 29,124.92	\$ 30,391.13	\$ 34,077.87	\$ 36,149.00	\$ 36,111.00	99.9%	\$ 37,405.00	3.47%
51300	Medical, Dental & Life	\$ 88,644.23	\$ 93,466.34	\$ 107,644.94	\$ 104,810.00	\$ 104,810.00	100.0%	\$ 106,232.00	1.36%
51325	Post Retirement Insurance	\$ 9,706.41	\$ 10,453.00	\$ 10,625.06	\$ 15,391.00	\$ 15,391.00	100.0%	\$ 16,267.00	5.69%
51350	Worker's Compensation	\$ 9,692.36	\$ 9,422.66	\$ 13,008.00	\$ 13,008.00	\$ 13,008.00	100.0%	\$ 13,183.00	1.35%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 1,980.00	\$ 1,980.00	100.0%	\$ 1,980.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 18,153.00	\$ 18,492.28	\$ 21,518.32	\$ 23,602.00	\$ 23,602.00	100.0%	\$ 24,423.00	3.48%
Total Benefits		\$ 181,973.74	\$ 191,077.09	\$ 218,709.16	\$ 228,348.00	\$ 228,275.00	100.0%	\$ 234,059.00	2.50%
Total Salaries, Wages & Benefits		\$ 578,089.40	\$ 613,447.79	\$ 683,329.00	\$ 700,886.00	\$ 700,313.00	99.9%	\$ 723,018.00	3.16%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 1,460.00	\$ 1,747.95	\$ 1,575.00	\$ 1,800.00	\$ 1,800.00	100.0%	\$ 1,800.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 11,749.29	\$ 7,066.25	\$ 6,236.40	\$ 12,966.00	\$ 12,966.00	100.0%	\$ 13,430.00	3.58%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 1,129.92	\$ 1,115.01	\$ 1,316.88	\$ 1,400.00	\$ 1,400.00	100.0%	\$ 2,595.00	85.36%
52240	Uniforms	\$ 515.73	\$ 498.94	\$ 869.24	\$ 1,250.00	\$ 1,250.00	100.0%	\$ 1,250.00	0.00%
52250	Office Supplies	\$ 3,733.14	\$ 3,485.04	\$ 3,086.60	\$ 3,000.00	\$ 3,000.00	100.0%	\$ 3,000.00	0.00%
52260	Special Dept Supplies	\$ 1,315.78	\$ 1,176.46	\$ 597.02	\$ 1,200.00	\$ 1,200.00	100.0%	\$ 1,200.00	0.00%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 55,652.56	\$ 47,248.82	\$ 56,121.44	\$ 49,960.00	\$ 49,960.00	100.0%	\$ 51,960.00	4.00%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 1,075.84	\$ -	\$ 942.86	\$ 1,547.00	\$ 1,547.00	100.0%	\$ 1,100.00	-28.89%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 76,632.26	\$ 62,338.47	\$ 70,745.44	\$ 73,123.00	\$ 73,123.00	100.0%	\$ 76,335.00	4.39%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Capital Outlay									
54010	Capital Equipment - New	\$ -	\$ 1,889.21	\$ -	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ -	\$ 1,889.21	\$ -	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 654,721.66	\$ 677,675.47	\$ 754,074.44	\$ 774,009.00	\$ 773,436.00	99.9%	\$ 799,353.00	3.27%
59200	LESS:								
	Chargebacks to General Fund for CIF	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 654,721.66	\$ 677,675.47	\$ 754,074.44	\$ 774,009.00	\$ 773,436.00	99.9%	\$ 799,353.00	3.27%

Water Reclamation Facility

Organizational Chart



Water Reclamation Facility (continued)

Mission Statement

The mission of the Wastewater Treatment Facility Division is to maintain the highest level of wastewater quality by meeting Federal and State environment regulations; operating and maintaining facilities in a productive and cost effective manner; and above all to protect the environment.

The mission of the Fleet Maintenance Division is to oversee the maintenance of all District rolling stock in a timely and cost efficient manner.

Key Responsibilities

Include the operation of the District's regional water reclamation facility and 32 remote pump stations; maintain 24 hour shift operation and emergency response; assure that all treated wastewater meets all discharge requirements; maintain all mechanical, electrical, pneumatic equipment and instrumentation; maintain a preventive & proactive maintenance program; assure that residuals management program complies with Federal and State regulations; operate and maintain the Craggy Dam Hydro Electric Power Generation facility.

Provide fleet maintenance and management; coordinate Fleet Replacement; write specifications for new and replacement vehicles and equipment; manage fueling facilities; inspections at District owned facilities; maintain fleet inventory; service vehicles on a regular basis.

Accomplishments for FY 2013-2014

1. Maintaining full compliance with NPDES and WNC Air Quality permits and standards.
2. Achieving greater reduction in Total Suspended Solids (TSS) due to AquaDisk Filtration operations.
3. SCADA – continued improvements to WRF, remote pump stations & flow monitoring sites for faster response.
4. Elevating Preventative Maintenance schedule on RBC's and reducing loads as Basins are drained.
5. Began process of updating the 2007 WRF Facilities Plan with consultant.
6. Revamping of Grit & Grease process area for extreme wind and cold weather protection.
7. Successful replacing of #3 Raw Pump and repacking of all troublesome knife gates.
8. Working with contractor to replace all faulty slide gates located within RBC Basins I & II (31 in total).
9. Establishing additional Bioxide dosing station on S. French Broad Interceptor for H₂S & odor control.
10. Assisting in installation, testing, and training of two new 1-meg generators and redundant feed-loop electrical system.

Water Reclamation Facility (continued)

Accomplishments for FY 2013-2014 (continued)

11. Adding safe work platforms and several patch repairs to Incinerator ductwork & relining of Venturi
12. Complete rehab of key biosolids pumps after seven continuous years of hard service.
13. Reconfiguration of CCTV security system for treatment plant, septage receiving, hydro power plant, and flume.
14. Installation of new HVAC controls and major replacements for Mull Administration building.
15. Replacement of Incinerator, Blower building, and several pump station roofs maintaining 15-year service life.
16. Completing over 1500 work orders; Motor Fleet, WRF Maintenance, and Facilities Maintenance combined.

Goals & Objectives

- ◀ **Goal:** Operate the Water Reclamation Facility in the most efficient and effective manner and in compliance with all requirements of the Discharge Permit (NPDES) (MSD Objective #2)
 - ▶ *Objective:* Achieve a carbonaceous biochemical oxygen demand (CBOD) removal efficiency of at least 85%
 - ▶ *Objective:* Achieve a total suspended solids (TSS) removal efficiency of 85%
 - ▶ *Objective:* Have NPDES permit non-compliance occurrence of zero (0)
 - ▶ *Objective:* Limit odor complaints by maintaining dissolved hydrogen sulfide (H₂S) levels below 0.5 mg/L.
- ◀ **Goal:** Timely and cost-efficient maintenance and rehabilitation of plant buildings and equipment (MSD Goals # 1 and 3)
 - ▶ *Objective:* Maintain annual rehab and replacement of key Building systems according to long-range plan (roofs, HVAC systems, Mechanical systems, exteriors, etc.)
 - ▶ *Objective:* Maintain a preventative to corrective maintenance ratio of at least 60/40
 - ▶ *Objective:* Maintain an equipment availability ratio of at least >95%
 - ▶ *Objective:* Maintain treatment costs (cost/MG) at/below NACWA average
- ◀ **Goal:** Continual improvement of operations (MSD Goal #4)
 - ▶ *Objective:* Effectively manage divisional objective(s) identified in the ISO 14001 Environmental Management System
 - ▶ *Objective:* Continual development of WRF SCADA–integration of controls, reviews of standard operating procedures affecting Operations and Maintenance
- ◀ **Goal:** For the MSD fleet to have minimal environmental impact to the service area (MSD Goal #1)
 - ▶ *Objective:* Monitor all vehicles use of biodiesel (B20) and ethanol (E10) for any fuel related problems or repairs
- ◀ **Goal:** Provide high level of quality of service and proficiency
 - ▶ *Objective:* Continuous improvement and training on software upgrades, diesel engine maintenance, and repairs

Water Reclamation Facility (continued)

Goals & Objectives (continued)

- ◀ **Goal:** Maintain and replace only vehicles and equipment required for efficient and effective operation
 - ▶ **Objective:** With System Services, continue to evaluate heavy-duty vehicles essential for sewer line preventative maintenance

Budget Highlights/Changes for FY 2014-2015

1. Continuation RBC bearing replacements with sensors and additional controls.
2. Continuation of WRF Process Monitoring & Evaluation–Incineration and the new Air Quality Regulations.
3. Continuation of WRF SCADA conversion project with additional RBC and Hydro controls.
4. Remote Facilities (Pump Stations & Flow Monitoring) SCADA Improvements.
5. Continuation of roof replacements & structural rehab projects at WRF, Mull Building, & remote Pump Stations.
6. Capital purchases adhere to phased replacement of vehicles to maximize efficiency, effectiveness and even out budgetary demands over the next five years.

Performance Measures

	Task	11-12	12-13	13-14^{est}
1.	Daily (average) flow, treated MGD	18.7	21.9	22
2.	Maximum daily flow treated, MGD	50.2	60.5	60
3.	Dry tons of bio-solids processed	4416	5788	5700
4.	Cost per million gallons (MG), treated	\$774	\$703	\$700
5.	Energy costs per MG, treated	\$162	\$119	\$110
6.	Carbonaceous biochemical oxygen demand (CBOD)	93%	93%	93%
7.	Total suspended solids (TSS) removal efficiency, %	90%	93%	96%
8.	Number of NPDES permit non-compliance	1*	0	0
9.	Preventative to corrective maintenance ratio	50/50	60/40	60/40
10.	Equipment availability percentage	>95%	>95%	>95%
11.	In-house direct labor	98%	98%	97%
12.	Direct labor spent on work orders	85%	85%	85%
13.	Same day turnaround PM vehicles	95%	95%	95%

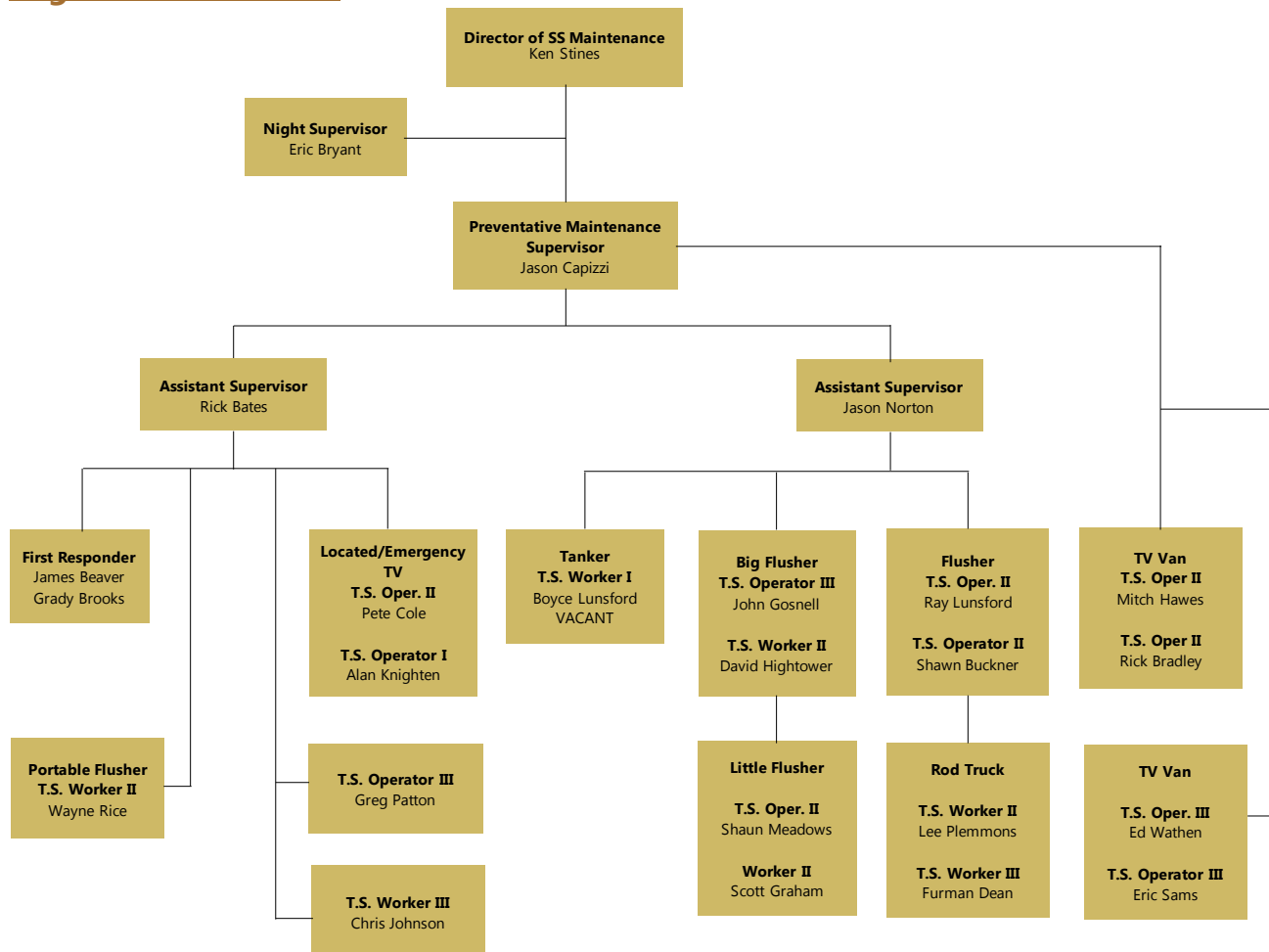
* MSD received Notice of Violation for a failed Bioassay test in November 2011. The follow-up testing in December and January required monitoring in February, which all passed. The failure was because of high chlorine concentration during a high flow period and no detention time.

FY15 Budget – Water Reclamation Facility

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 2,180,382.05	\$ 2,227,428.12	\$ 2,257,970.03	\$ 2,310,670.00	\$ 2,310,670.00	100.0%	\$ 2,384,531.00	3.20%
51150	Overtime	\$ 85,567.34	\$ 81,530.64	\$ 99,472.40	\$ 120,331.00	\$ 118,500.00	98.5%	\$ 115,000.00	-4.43%
Total Salaries & Wages		\$ 2,265,949.39	\$ 2,308,958.76	\$ 2,357,442.43	\$ 2,431,001.00	\$ 2,429,170.00	99.9%	\$ 2,499,531.00	2.82%
Benefits									
51200	North Carolina Retirement	\$ 154,437.13	\$ 159,572.64	\$ 158,338.91	\$ 171,731.00	\$ 171,741.00	100.0%	\$ 176,716.00	2.90%
51250	Payroll Taxes	\$ 164,932.94	\$ 166,873.07	\$ 170,288.59	\$ 185,841.00	\$ 185,831.00	100.0%	\$ 191,214.00	2.89%
51300	Medical, Dental & Life	\$ 498,204.33	\$ 523,735.39	\$ 514,301.75	\$ 489,092.00	\$ 489,092.00	100.0%	\$ 495,748.00	1.36%
51325	Post Retirement Insurance	\$ 53,387.17	\$ 57,494.00	\$ 50,763.25	\$ 71,823.00	\$ 71,823.00	100.0%	\$ 75,913.00	5.69%
51350	Worker's Compensation	\$ 53,310.30	\$ 51,826.62	\$ 62,137.00	\$ 60,691.00	\$ 60,691.00	100.0%	\$ 61,518.00	1.36%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 9,240.00	\$ 9,240.00	100.0%	\$ 9,240.00	0.00%
51450	Automobile Allowance	\$ -	\$ 300.00	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 98,921.32	\$ 90,742.09	\$ 91,031.91	\$ 114,075.00	\$ 114,075.00	100.0%	\$ 119,228.00	4.52%
Total Benefits		\$ 1,023,193.19	\$ 1,050,543.81	\$ 1,046,861.41	\$ 1,102,493.00	\$ 1,102,493.00	100.0%	\$ 1,129,577.00	2.46%
Total Salaries, Wages & Benefits		\$ 3,289,142.58	\$ 3,359,502.57	\$ 3,404,303.84	\$ 3,533,494.00	\$ 3,531,663.00	99.9%	\$ 3,629,108.00	2.71%
Materials, Supplies & Services									
52010	Advertising	\$ 11,885.26	\$ 10,052.34	\$ 13,841.44	\$ 15,000.00	\$ 15,000.00	100.0%	\$ 13,500.00	-10.00%
52050	Dues & Subscriptions	\$ 15,551.87	\$ 15,504.17	\$ 16,107.20	\$ 16,100.00	\$ 16,100.00	100.0%	\$ 16,150.00	0.31%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 16,112.48	\$ 19,951.71	\$ 16,987.24	\$ 16,750.00	\$ 16,750.00	100.0%	\$ 22,600.00	34.93%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 244,982.20	\$ 245,972.99	\$ 258,200.00	\$ 258,200.00	\$ 258,200.00	100.0%	\$ 258,200.00	0.00%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 25,305.54	\$ 27,506.54	\$ 31,991.70	\$ 44,434.00	\$ 44,434.00	100.0%	\$ 48,850.00	9.94%
52240	Uniforms	\$ 20,284.19	\$ 29,222.27	\$ 23,112.09	\$ 24,911.00	\$ 23,500.00	94.3%	\$ 25,400.00	1.96%
52250	Office Supplies	\$ 4,413.90	\$ 4,403.89	\$ 5,160.24	\$ 5,550.00	\$ 5,550.00	100.0%	\$ 5,550.00	0.00%
52260	Special Dept Supplies	\$ 347,666.63	\$ 373,922.58	\$ 384,297.97	\$ 378,452.62	\$ 378,452.00	100.0%	\$ 399,500.00	5.56%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ 11,527.35	\$ 10,322.72	\$ 10,322.00	100.0%	\$ 11,400.00	10.44%
52280	Maint Supp/Small Tools	\$ 23,100.70	\$ 27,970.92	\$ 30,504.65	\$ 38,194.66	\$ 38,150.00	99.9%	\$ 40,000.00	4.73%
52290	Chemical Supplies	\$ 355,485.23	\$ 447,987.35	\$ 406,339.32	\$ 503,996.00	\$ 503,000.00	99.8%	\$ 542,750.00	7.69%
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 352,375.36	\$ 279,752.90	\$ 242,145.68	\$ 306,300.00	\$ 304,000.00	99.2%	\$ 342,000.00	11.66%
52410	Maint-Buildings & Grounds	\$ 8,715.48	\$ 10,163.50	\$ 16,700.84	\$ 10,000.00	\$ 10,000.00	100.0%	\$ 20,000.00	100.00%
52420	Maintenance-Equipment	\$ 360,681.02	\$ 409,729.21	\$ 408,056.34	\$ 395,500.00	\$ 395,500.00	100.0%	\$ 420,000.00	6.19%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ 35,538.14	\$ 43,408.08	\$ 23,104.28	\$ 35,000.00	\$ 35,000.00	100.0%	\$ 37,500.00	7.14%
52450	Equipment Rental	\$ 2,786.10	\$ 3,792.00	\$ 3,337.94	\$ 500.00	\$ 500.00	100.0%	\$ 2,500.00	400.00%
52460	Motor Fuel & Lubricants	\$ 232,031.50	\$ 232,268.76	\$ 239,881.43	\$ 310,000.00	\$ 310,000.00	100.0%	\$ 300,000.00	-3.23%
52470	Outside Vehicle Maint	\$ 6,187.90	\$ 2,917.10	\$ 3,746.03	\$ 9,000.00	\$ 9,000.00	100.0%	\$ 12,000.00	33.33%
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 7,969.00	\$ 8,266.00	\$ 14,242.60	\$ 11,850.00	\$ 11,850.00	100.0%	\$ 15,650.00	32.07%
52650	Utilities	\$ 1,019,649.77	\$ 901,397.63	\$ 796,333.55	\$ 1,100,000.00	\$ 1,100,000.00	100.0%	\$ 1,100,000.00	0.00%
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 777.27	\$ 2,739.67	\$ 11,876.23	\$ 3,900.00	\$ 3,900.00	100.0%	\$ -	-100.00%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 3,091,499.54	\$ 3,096,929.61	\$ 2,957,494.12	\$ 3,493,961.00	\$ 3,489,208.00	99.9%	\$ 3,633,550.00	4.00%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 51,064.00	\$ 76,594.00	\$ 49,329.00	\$ 60,815.00	\$ 60,815.00	100.0%	\$ 60,815.00	0.00%
53050	Wwtp Replacement Charges	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	100.0%	\$ 100,000.00	0.00%
Total Interfund Transfers		\$ 101,064.00	\$ 126,594.00	\$ 149,329.00	\$ 160,815.00	\$ 160,815.00	100.0%	\$ 160,815.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ 2,728.80	\$ -	\$ 19,935.24	\$ 8,500.00	\$ 8,500.00	100.0%	\$ 6,000.00	-29.41%
54020	Capital Equip-Software	\$ -	\$ -	\$ 4,957.20	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ 15,785.28	\$ 5,298.94	\$ 40,453.09	\$ 4,000.00	\$ 4,000.00	100.0%	\$ -	-100.00%
Total Capital Outlay		\$ 18,514.08	\$ 5,298.94	\$ 65,345.53	\$ 12,500.00	\$ 12,500.00	100.0%	\$ 6,000.00	-52.00%
Sub-Total O&M Fund		\$ 6,500,220.20	\$ 6,588,325.12	\$ 6,576,472.49	\$ 7,200,770.00	\$ 7,194,186.00	99.9%	\$ 7,429,473.00	3.18%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 6,500,220.20	\$ 6,588,325.12	\$ 6,576,472.49	\$ 7,200,770.00	\$ 7,194,186.00	99.9%	\$ 7,429,473.00	3.18%

SS Maintenance

Organizational Chart



SS Maintenance (continued)

Mission Statement

The mission of the System Services Maintenance Division is to maintain MSD's Collection System in a way to convey all wastewater to MSD's Water Reclamation Facility without any stoppages, discharges, or spills of wastewater. In short, our mission is to "Keep it in the Pipe" while maintaining the highest level of customer service both internally and externally, to be continuous "Stewards of the Environment", and provide exceptional service to the rate payers of the District.

Key Responsibilities

Include preventive maintenance and inspection of over 1,000 miles of sanitary sewer lines; provide customer services and emergency response 24 hours/day, 365 days/year; maintain compliance with our Collection System Permit; work closely with MSD's System Services Construction Division in achieving System Services departmental goals.

Accomplishments for FY 2013-2014

1. Cleaned over 650,000 LF of pipeline with in-house crews.
2. CCTV'd over 400,000 LF of sanitary sewer lines.
3. Mechanically rodded over 64,000 lf of pipeline for root removal.
4. Achieved one-hour response time goal during working hours, nights, and weekends.
5. Implemented a Sewer Line Rapid Assessment Tool (SL-RAT). This is an acoustic inspection tool used to identify line blockages or the potential of a blockage.
6. Increased I/I program, smoke tested over 144,000 LF and continuing to assist in flow monitor studies finding numerous I/I issues.
7. Routine maintenance of pump station wet wells and treatment plant.
8. Expanded High Priority List.
9. Purchased a new 2100 Plus Vactor truck. This is a combination hydraulic sewer line cleaning system mounted on a Kenworth chassis with hydro-excavation capabilities.
10. Increased public awareness education/FOG by handing out information packets to all customer service calls.

Budget Highlights/Changes for FY 2014-2015

1. Purchase a Blue 100 Pipe Cleaning tool for heavy root and grease removal.
2. Replacement of Portable Push Camera that has been in service for 14 years with a new Pierpoint P340 Push Camera System.

SS Maintenance (continued)

Goals & Objectives

- ◀ **Goal:** Promote safety first (MSD Goals #1 - 4)
 - ▢ **Objective:** Training
 - Personal Protective Equipment
 - Traffic Control
 - Confined Space
 - Vehicle/Equipment Operation
- ◀ **Goal:** Reduce number of Sanitary Sewer Overflows (MSD Goals #1 - 4)
 - ▢ **Objective:** Continue to identify areas with heavy Inflow and Infiltration
 - Flow Monitoring Investigation
 - Smoke testing Investigation
 - Identify major/minor sources of I & I
 - ▢ **Objective:** Continue implementation of Work Order Management System (Cityworks)
 - Extend installation of Cityworks to next tier of employees
 - Continue education on Cityworks to better utilize more of the program features
 - ▢ **Objective:** Maintain an aggressive Preventive Maintenance Program
 - Clean 600,000 LF of sanitary sewer lines
 - Utilize SL-RAT to help strengthen impact of lines cleaned
 - Increase hydraulic root removal by utilizing new technology cleaning nozzles (Blue 100)
 - Complete high priority system inspection
 - ▢ **Objective:** Evaluate/update priorities for increased preventive maintenance areas and recommendations of areas for rehabilitation
 - CCTV Inspection/score 400,000 LF sewer pipeline
 - Continue to expand pipe rating program
 - Utilize SL-RAT to prioritize preventive maintenance program to gain optimal performance and save resources
 - Completion of CCTVing and re-scoring of all current CIP lines in Collection System into new PACP format
- ◀ **Goal:** Provide excellent customer service internal/external (MSD Goals #1 – 4)
 - ▢ **Objective:** Maintain on call status 24 hours/day, 7 days/week
 - ▢ **Objective:** Respond to all customer service requests within one hour
 - ▢ **Objective:** Cross train to promote positive employee relationships and teamwork
 - ▢ **Objective:** Maintain great relationship with outside entities and internal divisions

Performance Measures

	Task	11-12	12-13	13-14^{est}
1.	Customer Service Response calls during normal working hours	1,420	1,373	1,230
2.	Average Response Time	0.55 hr.	0.51	0.52

SS Maintenance (continued)**Performance Measures** (continued)

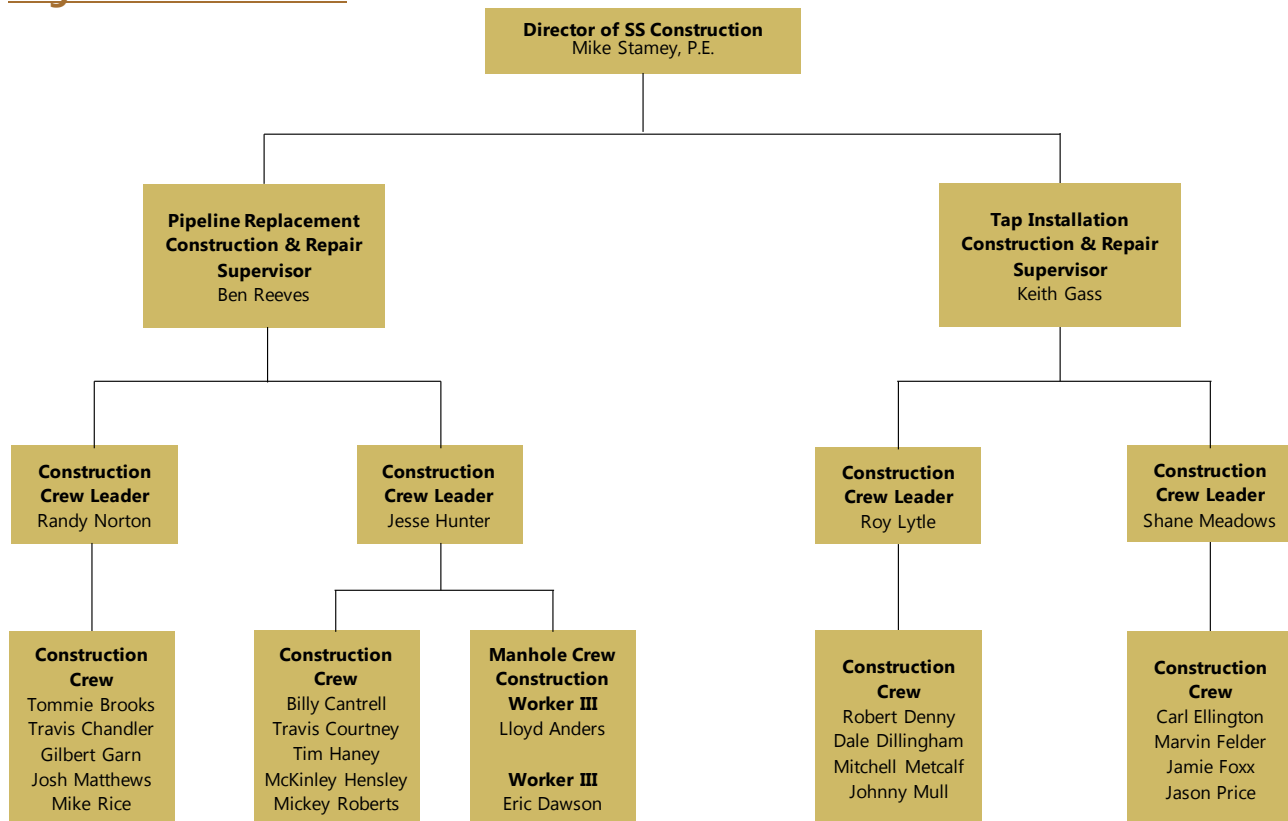
Task	11-12	12-13	13-14^{est}
3. Customer Service Request calls (after hours & holidays)	1,061	937	960
4. Average Response Time (after hours & holidays)	0.56 hr.	0.6	0.68
5. Lines Washed (lineal feet)	873,077	709,739	660,000
6. Root Control chemical & rod (lineal feet)	110,929	97,324	64,000
7. TV Report (lineal feet)	355,007	420,482	371,000
8. Sanitary Sewer Overflow Totals	25	37	40
9. Smoke Testing	0	98,700	144,000
10. SL Rat Testing	0	0	159,000

FY15 Budget – SS Maintenance

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 2,347,728.04	\$ 2,396,777.32	\$ 1,225,608.46	\$ 1,232,065.00	\$ 1,232,065.00	100.0%	\$ 1,265,645.00	2.73%
51150	Overtime	\$ 154,269.01	\$ 129,037.06	\$ 110,610.38	\$ 110,000.00	\$ 110,000.00	100.0%	\$ 110,000.00	0.00%
	Total Salaries & Wages	\$ 2,501,997.05	\$ 2,525,814.38	\$ 1,336,218.84	\$ 1,342,065.00	\$ 1,342,065.00	100.0%	\$ 1,375,645.00	2.50%
Benefits									
51200	North Carolina Retirement	\$ 165,171.08	\$ 173,109.58	\$ 88,099.50	\$ 94,884.00	\$ 94,884.00	100.0%	\$ 97,258.00	2.50%
51250	Payroll Taxes	\$ 181,616.07	\$ 181,808.04	\$ 94,260.68	\$ 102,668.00	\$ 102,668.00	100.0%	\$ 105,237.00	2.50%
51300	Medical, Dental & Life	\$ 638,479.54	\$ 672,197.89	\$ 334,894.21	\$ 326,062.00	\$ 326,062.00	100.0%	\$ 330,498.00	1.36%
51325	Post Retirement Insurance	\$ 69,160.00	\$ 74,481.00	\$ 33,054.79	\$ 47,882.00	\$ 47,882.00	100.0%	\$ 50,610.00	5.70%
51350	Worker's Compensation	\$ 69,060.03	\$ 67,135.45	\$ 40,461.00	\$ 40,461.00	\$ 40,461.00	100.0%	\$ 41,012.00	1.36%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 6,160.00	\$ 6,160.00	100.0%	\$ 6,160.00	0.00%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 96,590.49	\$ 92,654.35	\$ 48,849.33	\$ 61,980.00	\$ 61,980.00	100.0%	\$ 63,283.00	2.10%
	Total Benefits	\$ 1,220,077.21	\$ 1,261,386.31	\$ 639,619.51	\$ 680,097.00	\$ 680,097.00	100.0%	\$ 694,058.00	2.05%
	Total Salaries, Wages & Benefits	\$ 3,722,074.26	\$ 3,787,200.69	\$ 1,975,838.35	\$ 2,022,162.00	\$ 2,022,162.00	100.0%	\$ 2,069,703.00	2.35%
Materials, Supplies & Services									
52010	Advertising	\$ 168.00	\$ 557.53	\$ 477.56	\$ 2,000.00	\$ 2,000.00	100.0%	\$ 4,000.00	100.00%
52050	Dues & Subscriptions	\$ 5,231.02	\$ 6,267.93	\$ 4,523.51	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 22,509.73	\$ 34,575.11	\$ 23,005.22	\$ 28,410.00	\$ 28,410.00	100.0%	\$ 27,910.00	-1.76%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 158,305.43	\$ 158,945.66	\$ 81,849.00	\$ 81,849.00	\$ 81,849.00	100.0%	\$ 81,849.00	0.00%
52200	Telephone/Telefax	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications	\$ 25,941.55	\$ 30,591.42	\$ 20,141.80	\$ 26,400.00	\$ 26,400.00	100.0%	\$ 26,400.00	0.00%
52240	Uniforms	\$ 32,978.79	\$ 42,566.87	\$ 15,845.25	\$ 20,000.00	\$ 20,000.00	100.0%	\$ 22,000.00	10.00%
52250	Office Supplies	\$ 7,015.04	\$ 5,958.70	\$ 6,980.62	\$ 6,500.00	\$ 6,500.00	100.0%	\$ 6,500.00	0.00%
52260	Special Dept Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52270	Safety Equip/Supplies	\$ -	\$ -	\$ 14,763.35	\$ 13,750.00	\$ 13,750.00	100.0%	\$ 13,750.00	0.00%
52280	Maint Supp/Small Tools	\$ 80,429.55	\$ 85,332.53	\$ 36,994.92	\$ 35,000.00	\$ 35,000.00	100.0%	\$ 35,000.00	0.00%
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ 61,085.51	\$ 66,497.55	\$ 61,054.79	\$ 61,000.00	\$ 61,000.00	100.0%	\$ 61,000.00	0.00%
52330	Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs	\$ 42,229.36	\$ 36,142.49	\$ 28,046.72	\$ 45,000.00	\$ 45,000.00	100.0%	\$ 43,000.00	-4.44%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ 69.99	\$ 1,000.00	\$ 1,000.00	100.0%	\$ 1,000.00	0.00%
52420	Maintenance-Equipment	\$ 22,966.52	\$ 42,053.30	\$ 50,142.91	\$ 49,000.00	\$ 49,000.00	100.0%	\$ 49,000.00	0.00%
52430	Landscape Restoration	\$ 10,338.67	\$ 11,381.06	\$ 3,854.73	\$ 5,300.00	\$ 5,300.00	100.0%	\$ 5,300.00	0.00%
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ 22,894.63	\$ 7,409.20	\$ -	\$ 2,500.00	\$ 2,500.00	100.0%	\$ 2,500.00	0.00%
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ 67,510.93	\$ 19,753.08	\$ 23,830.90	\$ 20,800.00	\$ 13,000.00	62.5%	\$ 20,800.00	0.00%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ 10,490.63	\$ 10,600.35	\$ 4,090.11	\$ 6,199.00	\$ 6,199.00	100.0%	\$ 4,560.00	-26.44%
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Materials, Supplies & Services	\$ 570,095.36	\$ 558,632.78	\$ 375,671.38	\$ 409,708.00	\$ 401,908.00	98.1%	\$ 409,569.00	-0.03%
Interfund Transfers									
52340	Debt Administration Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges	\$ 134,043.00	\$ 201,067.00	\$ 176,348.00	\$ 167,064.00	\$ 167,064.00	100.0%	\$ 167,064.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Total Interfund Transfers	\$ 134,043.00	\$ 201,067.00	\$ 176,348.00	\$ 167,064.00	\$ 167,064.00	100.0%	\$ 167,064.00	0.00%
Capital Outlay									
54010	Capital Equipment - New	\$ 74,450.41	\$ 6,524.21	\$ 43,334.88	\$ 4,200.00	\$ 4,200.00	100.0%	\$ 7,800.00	85.71%
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ 21,469.24	\$ 12,242.13	\$ -	\$ 10,800.00	\$ 10,800.00	100.0%	\$ 27,000.00	150.00%
	Total Capital Outlay	\$ 95,919.65	\$ 18,766.34	\$ 43,334.88	\$ 15,000.00	\$ 15,000.00	100.0%	\$ 34,800.00	132.00%
	Sub-Total O&M Fund	\$ 4,522,132.27	\$ 4,565,666.81	\$ 2,571,192.61	\$ 2,613,934.00	\$ 2,606,134.00	99.7%	\$ 2,681,136.00	2.57%
59200	LESS:								
	Chargebacks to General Fund for CIP	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD	\$ (1,209,710.45)	\$ (1,302,758.35)	\$ -	\$ -	\$ -	-	\$ -	-
	Net Operation & Maintenance Fund	\$ 3,312,421.82	\$ 3,262,908.46	\$ 2,571,192.61	\$ 2,613,934.00	\$ 2,606,134.00	99.7%	\$ 2,681,136.00	2.57%

SS Construction

Organizational Chart



SS Construction (continued)

Mission Statement

The mission statement of the System Services Construction Division is to undertake construction and repair activities on the existing MSD Collection Sewer System as "Good Stewards of the Environment" while demonstrating the highest level of customer service and professionalism toward all customers and employees.

Key Responsibilities

Include timely, quality, and cost effective connections, repairs, and rehabilitation to the existing MSD Collection Sewer System while protecting the waters of the state and the environment of Buncombe County and the District; working closely with the MSD System Services Maintenance Division in maintaining a properly operating collection system; and being exceptional public servants in all activities and interactions with others.

Accomplishments for FY 2013-2014

1. Rehabilitated 20,000 LF of main sewer line with in-house construction crews.
2. Utilized Trenchless Technologies for over 3,700 LF of mainline rehabilitation and 100 LF of service line installation. Through these efforts approximately 2,000 LF of existing asphalt surfaces were maintained.
3. Cleared over 46,000 LF of sewer line Right-of-Way with in-house crews.
4. Completed over 1200 work order requests during the year.
5. Coordinated (7) joint venture projects with the City of Asheville Departments to facilitate overall cost savings.
6. Continued annual paving contract with the City of Asheville Street Department to expedite economical, efficient repairs and restoration to City streets affected by MSD construction and repair work.
7. Replaced a 160 LF private sewer system on Dew Waite Road in Ridgecrest to address public health concerns.
8. Provided equipment and other needed assistance to address public safety concerns related to the January 10, 2014 gas line explosion on Sand Hill Road. Local emergency officials and PSNC Energy of NC requested this assistance.
9. SSD Construction continued participation in the Buncombe County Utility Coordinating Committee, which promotes safe digging and improved coordination between utility agencies. The activity included the MSD Construction Director continuing in the chairperson role for the committee for the year of 2014.
10. Two construction employees participated as members of MSD's ISO team.
11. MSD's "Flow Motion" Operations Challenge Team won 2nd place overall in the statewide Operations Challenge Event which was held at the annual NC AWWA State Conference. The team also represented North Carolina at the National Competition Event held at the 2013 WEFTEC Conference. In that event, they finished 15th out of 31 teams.

SS Construction (continued)

Budget Highlights/Changes for FY 2014-2015

1. Purchase replacement backhoe, which includes hose, burst protection.
2. Will recycle excavated concrete and asphalt materials by contracting with a grinding contractor. The remains will be used as trench backfill material saving MSD expenses replated to the purchase of needed stone materials.

Goals & Objectives

- ◀ **Goal:** Operate collection system in compliance with all provisions of State Permit (MSD Goal #1)
 - *Objective:* Clear a minimum of 20,000 LF of sewer line easement each year
 - *Objective:* Rehabilitate 20,000 LF of sewer line with Dig-and-Replace, IRS, and other trenchless technology rehabilitation methods
- ◀ **Goal:** Work with City of Asheville Street, Storm Water, and Water Departments as well as other agencies where possible on strategic planning and joint projects. (MSD Goal #4)
 - *Objective:* Conduct yearly meetings with departments
 - *Objective:* Remove service lines from water meter boxes
 - *Objective:* Coordinate tap installation to reduce permit fees
 - *Objective:* Establish joint ventures for paving overlays
 - *Objective:* Coordination of service line renewals
- ◀ **Goal:** Promote a "Safety First" work environment. (MSD Goal #1)
 - *Objective:* Continue developing the role and responsibilities of the Construction Safety Committee to facilitate discussion, review, and updates to safety procedures and policies for the Construction Division
 - *Objective:* Continue working closely with the MSD Safety Division to insure safety policies and procedures are followed
- ◀ **Goal:** Represent MSD in the Operations Challenge (Pipe Tapping) Competition at the North Carolina AWWA-WEA State Conference in the fall of 2014 (MSD Goal #3)
 - *Objective:* Achieve the best place possible while maintaining a spirit of competition and team cooperation
- ◀ **Goal:** Explore various cost savings options for the division. (MSD Goal #3)
 - *Objective:* Continue exploring and developing pipe-bursting, boring, and other trenchless technology options
 - *Objective:* Facilitate cost savings through the recycling and reuse of excavated concrete and asphalt materials
- ◀ **Goal:** Maintain a qualified and motivated work force. (MSD Goal #1-4)
 - *Objective:* Continue cross training schedule for "worker" and "operator" employees
 - *Objective:* Continue training program for "excavator" employees
 - *Objective:* Provide opportunities for additional trainings that promote increased knowledge and abilities for all construction staff

SS Construction (continued)**Performance Measures**

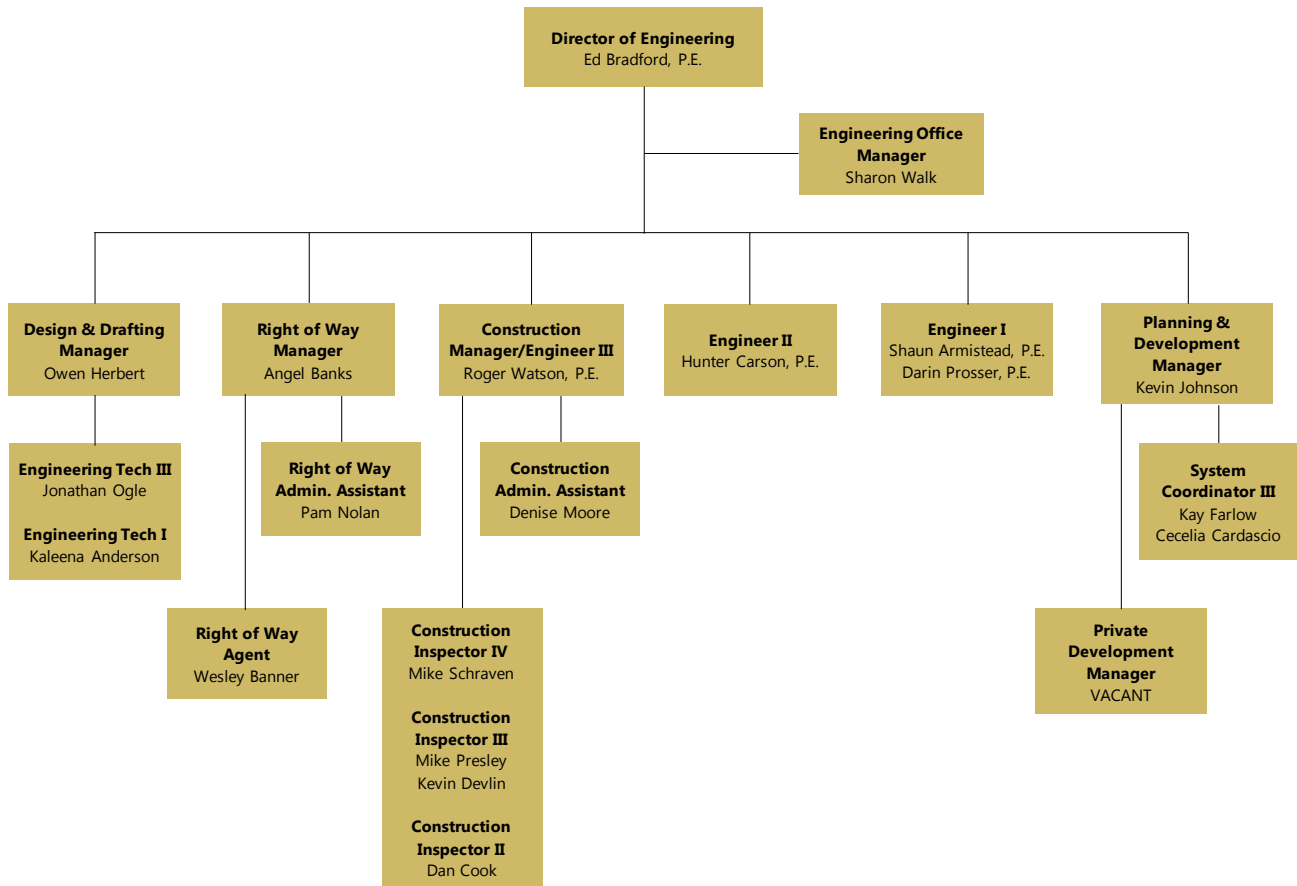
	Task	11-12	12-13	13-14^{est}
1.	Construction Repairs	523	507	560
2.	Taps Installed	208	199	215
3.	Manhole Repairs	436	342	375
4.	Right-of-Way Clearing (lineal feet)	90,005	61,525	46,000
5.	Other Trenchless Line Rehabilitation (lineal feet)	366	94	100
6.	Dig & Replace Rehabilitation (lineal feet)	12,239	13,302	15,000
7.	IRS (lineal feet)	2,134	1,900	1,000
8.	Construction Rehabilitation (lineal feet)	3,803	2,186	1,300
9.	Pipebursting Main Line (lineal feet)	968	3,098	1,700
10.	Boring Main Line (lineal feet)	1,937	1,255	1,000
11.	Total Construction Rehabilitation Footage (lineal feet) <small>(Items 6, 7, 8, 9, 10)</small>	21,081	21,741	20,000

FY15 Budget – SS Construction

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages		\$ 1,193,491.65	\$ 1,178,079.44	\$ 1,163,152.00	\$ 1,163,152.00	100.0%	\$ 1,196,820.00	2.89%
51150	Overtime		\$ 68,075.78	\$ 56,769.70	\$ 57,000.00	\$ 57,000.00	100.0%	\$ 57,000.00	0.00%
Total Salaries & Wages			\$ 1,261,567.43	\$ 1,234,849.14	\$ 1,220,152.00	\$ 1,220,152.00	100.0%	\$ 1,253,820.00	2.76%
Benefits									
51200	North Carolina Retirement		\$ 87,689.44	\$ 84,852.69	\$ 86,265.00	\$ 86,265.00	100.0%	\$ 88,645.00	2.76%
51250	Payroll Taxes		\$ 90,119.50	\$ 90,534.95	\$ 93,342.00	\$ 93,342.00	100.0%	\$ 95,917.00	2.76%
51300	Medical, Dental & Life		\$ 328,251.57	\$ 346,855.67	\$ 337,706.00	\$ 337,706.00	100.0%	\$ 342,301.00	1.36%
51325	Post Retirement Insurance		\$ 36,587.00	\$ 34,235.33	\$ 49,592.00	\$ 49,592.00	100.0%	\$ 52,417.00	5.70%
51350	Worker's Compensation		\$ 34,297.81	\$ 41,906.00	\$ 41,906.00	\$ 41,906.00	100.0%	\$ 42,476.00	1.36%
51360	State Unemployment Benefits		\$ -	\$ -	\$ 6,380.00	\$ 6,380.00	100.0%	\$ 6,380.00	0.00%
51450	Automobile Allowance		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan		\$ 44,025.68	\$ 43,032.49	\$ 58,633.00	\$ 58,633.00	100.0%	\$ 59,842.00	2.06%
Total Benefits			\$ 620,971.00	\$ 641,417.13	\$ 673,824.00	\$ 673,824.00	100.0%	\$ 687,978.00	2.10%
Total Salaries, Wages & Benefits			\$ 1,882,538.43	\$ 1,876,266.27	\$ 1,893,976.00	\$ 1,893,976.00	100.0%	\$ 1,941,798.00	2.52%
Materials, Supplies & Services									
52010	Advertising		\$ 16.97	\$ 413.50	\$ 500.00	\$ 500.00	100.0%	\$ 500.00	0.00%
52050	Dues & Subscriptions		\$ 1,993.23	\$ 2,087.00	\$ 3,000.00	\$ 3,000.00	100.0%	\$ 3,000.00	0.00%
52100	Postage		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training		\$ 21,480.54	\$ 20,855.59	\$ 29,920.00	\$ 29,920.00	100.0%	\$ 27,420.00	-8.36%
52160	Tuition Assistance		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance		\$ -	\$ 84,997.00	\$ 84,997.00	\$ 84,997.00	100.0%	\$ 84,997.00	0.00%
52200	Telephone/Telefax		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52210	Communications		\$ 11,245.57	\$ 12,672.72	\$ 17,600.00	\$ 17,600.00	100.0%	\$ 17,600.00	0.00%
52240	Uniforms		\$ 21,614.57	\$ 19,677.38	\$ 20,000.00	\$ 20,000.00	100.0%	\$ 22,200.00	11.00%
52250	Office Supplies		\$ 2,483.29	\$ 2,287.64	\$ 3,400.00	\$ 3,400.00	100.0%	\$ 3,400.00	0.00%
52260	Special Dept Supplies		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52270	Safety Equip/Supplies		\$ -	\$ 21,979.83	\$ 22,908.00	\$ 22,908.00	100.0%	\$ 23,000.00	0.40%
52280	Maint Supp/Small Tools		\$ 54,728.07	\$ 52,998.34	\$ 45,000.00	\$ 45,000.00	100.0%	\$ 45,000.00	0.00%
52290	Chemical Supplies		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies		\$ 774.22	\$ 453.38	\$ 1,000.00	\$ 1,000.00	100.0%	\$ 1,000.00	0.00%
52330	Legal Fees		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52350	Prof/Contractual Svcs		\$ 5,261.00	\$ 5,181.07	\$ 4,000.00	\$ 4,000.00	100.0%	\$ 5,500.00	37.50%
52410	Maint-Buildings & Grounds		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52420	Maintenance-Equipment		\$ 68.80	\$ 1,589.05	\$ 5,000.00	\$ 5,000.00	100.0%	\$ 5,000.00	0.00%
52430	Landscape Restoration		\$ 10,001.97	\$ 9,873.88	\$ 11,700.00	\$ 11,700.00	100.0%	\$ 11,700.00	0.00%
52440	Pump Maintenance		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental		\$ 7,409.20	\$ 2,320.80	\$ 20,000.00	\$ 10,500.00	52.5%	\$ 20,000.00	0.00%
52460	Motor Fuel & Lubricants		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses		\$ 9,550.00	\$ 13,968.95	\$ 19,500.00	\$ 19,500.00	100.0%	\$ 18,000.00	-7.69%
52650	Utilities		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment		\$ 4,778.98	\$ 4,553.88	\$ 10,842.00	\$ 10,842.00	100.0%	\$ 6,450.00	-40.51%
52915	Copiers Printers & Faxes		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services			\$ 151,406.41	\$ 255,910.01	\$ 299,367.00	\$ 289,867.00	96.8%	\$ 294,767.00	-1.54%
Interfund Transfers									
52340	Debt Administration Expenses		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
53040	Fleet Replacement Charges		\$ -	\$ 153,481.00	\$ 148,552.00	\$ 148,552.00	100.0%	\$ 148,552.00	0.00%
53050	Wwtp Replacement Charges		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers			\$ -	\$ 153,481.00	\$ 148,552.00	\$ 148,552.00	100.0%	\$ 148,552.00	0.00%
Capital Outlay									
54010	Capital Equipment - New		\$ 2,037.00	\$ 18,711.94	\$ 3,000.00	\$ 3,000.00	100.0%	\$ -	-100.00%
54020	Capital Equip-Software		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement		\$ 5,232.80	\$ 22,573.74	\$ 16,500.00	\$ 16,500.00	100.0%	\$ 20,800.00	26.06%
Total Capital Outlay			\$ 7,269.80	\$ 41,285.68	\$ 19,500.00	\$ 19,500.00	100.0%	\$ 20,800.00	6.67%
Sub-Total O&M Fund			\$ 2,041,214.64	\$ 2,326,942.96	\$ 2,361,395.00	\$ 2,351,895.00	99.6%	\$ 2,405,917.00	1.89%
59200	LESS:								
	Chargebacks to General Fund for CIP		\$ -	\$ -	\$ -	\$ -	-	\$ -	-
	Chargebacks to General Fund for SSD		\$ (84,719.41)	\$ (1,294,092.88)	\$ (1,279,053.00)	\$ (1,279,053.00)	100.0%	\$ (1,309,983.00)	2.42%
Net Operation & Maintenance Fund			\$ 1,956,495.23	\$ 1,032,850.08	\$ 1,082,342.00	\$ 1,072,842.00	99.1%	\$ 1,095,934.00	1.26%

Engineering

Organizational Chart



Engineering (continued)

Mission Statement

The mission of the Engineering Division is to produce, manage, and complete engineering projects for the planning, repair, and rehabilitation of the District's Collection System and Water Reclamation Facility (WRF); and to provide quality control associated with expansion of the system. This shall be undertaken in the most efficient and effective manner necessary to ensure the reliable delivery and treatment of wastewater at an equitable price and in an environmentally sensitive manner.

Key Responsibilities

Prepare a complete budget and schedule for all Capital Improvement Projects each fiscal year, and adhere to it. For all capital projects: ❶ Produce quality, timely, and cost-effective engineering designs, plans, and specifications; ❷ Acquire necessary rights-of-way; and ❸ Administer construction through each project's completion. Prepare CIP cash flows quarterly to be submitted to the Finance Director for accurate cash flow management. Procure, manage, and direct design work performed by various consulting engineers, as needed. Provide various special studies and analyses, including master planning of collection system and treatment facilities, evaluation of projected flow allocations, plan review, and quality control of developer-constructed projects; perform specialized related duties; and serve as a technical resource for the District.

Accomplishments for FY 2013-2014

1. 43,519 Linear Feet (LF) of collection system were rehabilitated during FY13. This included 22,447 LF rehabilitated through contract construction, 20,552 LF rehabilitated in-house by System Services, and 520 LF rehabilitated through development projects.
2. Managed over 102 projects and line items within the CIP. Projects are within the various stages of lifecycles - from preliminary design, to active construction, to complete/closeout.
3. Processed over 1,560 applications and reviewed 90 plans for extensions and new connections to collection system.
4. Updated the District's Pipe Rating Program to include additional rating parameters. All collection system projects now have an objective pipe rating, which is used to help prioritize projects within the program.
5. Acquired Rights-of-Way across 92 properties. Settled two (2) condemnation actions, saving expense of trial. (*)
6. Designed eight (8) in-house projects for System Services. These are designed and constructed by in-house forces. (*)
7. Completed the Electrical System Upgrades project at the plant. The total cost for this project was \$2.5 million and spanned over four years from preliminary design to final completion. This significant project provides greatly increased reliability and redundancy of the plant's power source.
8. Began design phase for the Incinerator System Emissions Upgrades at the treatment plant. This is a major project, which is required as a result of new regulations set forth by the EPA.

Engineering (continued)

Accomplishments for FY 2013-2014 (continued)

9. Began the Facilities Plan Update project for the treatment plant. This significant project will result in capital planning for major projects at the treatment plant - considering existing plant processes, available technologies, and future regulations.

Goals & Objectives

- ◀ **Goal:** Rehabilitate approximately 51,000 feet of the collection system, in close collaboration with System Services. This will meet the requirement for the final year of the Collection System Permit. (MSD Objective #1)
- ◀ **Goal:** Verify adequate capacity of lines prior to authorizing construction of new lines or connection of any new facility, and ensure that all developer-constructed projects conform to MSD requirements (MSD Goal #1)
- ◀ **Goal:** Complete the Facilities Plan Update Project for the plant.
- ◀ **Goal:** Meet the time and budget predictions established in the CIP for FY15. (MSD Goal #3)
- ◀ **Goal:** Utilize consulting engineers for unexpected rehabilitation projects, or those requiring specialized expertise, as necessary to produce a timely response for other Divisions' engineering requests. (MSD Goal #2)
- ◀ **Goal:** Coordinate projects with member agencies whenever possible. This is accomplished by sharing information on upcoming work.
- ◀ **Goal:** Prepare special studies and designs as necessary for other Divisions. (MSD Goal #2)
- ◀ **Goal:** Safeguard the structural integrity and accessibility of MSD sewer lines against damage from grading activities by other jurisdictions and private parties (MSD Objective #4)
- ◀ **Goal:** Obtain feedback from developers and engineers concerning the District's regulations and process for sewer lines to be accepted for public use. (MSD Objective #5)
- ◀ **Goal:** Reduce use of paper and minimize file space needs.

Performance Measures

	Task	11-12	12-13	13-14^{est} (*)
1.	Linear footage rehabilitated	52,641	43,519	48,395
2.	CIP expenditures	\$17.8M	\$15.0M	\$14.0M
3.	CIP projections vs. actual expenditures (**)	96%	90%	84%
4.	Allocations	78	132	130
5.	Sewer Tap Applications	876	1,356	1,563
6.	Plans Reviewed	33	92	90
7.	Value of accepted systems	\$1,997,550	\$3,075,119	\$1,200,000

(*) Estimated as of May 20, 2014

(**) CIP Projections included \$1.2M for contingency plus developer reimbursements

FY15 Budget – Engineering

No.	Name	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Approved 2013-2014 Budget	Estimated Actual 6/30/2014	Percent Expended To Total Budget	Proposed 2014-2015 Budget	Inc (Dec) Over Prior Year Budget
Salaries & Wages									
51100	Salaries & Wages	\$ 1,368,619.15	\$ 1,415,058.83	\$ 1,315,767.62	\$ 1,370,308.00	\$ 1,370,308.00	100.0%	\$ 1,295,676.00	-5.45%
51150	Overtime	\$ 5,181.09	\$ 773.24	\$ 4,087.46	\$ 9,500.00	\$ 5,250.00	55.3%	\$ 7,500.00	-21.05%
Total Salaries & Wages		\$ 1,373,800.24	\$ 1,415,832.07	\$ 1,319,855.08	\$ 1,379,808.00	\$ 1,375,558.00	99.7%	\$ 1,303,176.00	-5.55%
Benefits									
51200	North Carolina Retirement	\$ 88,834.09	\$ 95,969.30	\$ 87,142.29	\$ 97,552.00	\$ 97,252.00	99.7%	\$ 92,135.00	-5.55%
51250	Payroll Taxes	\$ 101,296.21	\$ 104,726.72	\$ 96,789.82	\$ 105,555.00	\$ 105,231.00	99.7%	\$ 99,692.00	-5.55%
51300	Medical, Dental & Life	\$ 268,025.40	\$ 282,298.17	\$ 263,131.60	\$ 267,836.00	\$ 267,836.00	100.0%	\$ 247,874.00	-7.45%
51325	Post Retirement Insurance	\$ 29,119.22	\$ 31,359.00	\$ 25,972.40	\$ 39,332.00	\$ 39,332.00	100.0%	\$ 37,958.00	-3.49%
51350	Worker's Compensation	\$ 29,078.00	\$ 28,267.98	\$ 31,790.00	\$ 33,236.00	\$ 33,236.00	100.0%	\$ 30,759.00	-7.45%
51360	State Unemployment Benefits	\$ -	\$ -	\$ -	\$ 5,060.00	\$ 5,060.00	100.0%	\$ 4,620.00	-8.70%
51450	Automobile Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
51500	401-K/457 Plan	\$ 60,878.88	\$ 59,265.78	\$ 60,457.81	\$ 68,518.00	\$ 68,518.00	100.0%	\$ 64,787.00	-5.45%
Total Benefits		\$ 577,231.80	\$ 601,886.95	\$ 565,283.92	\$ 617,089.00	\$ 616,465.00	99.9%	\$ 577,825.00	-6.36%
Total Salaries, Wages & Benefits		\$ 1,951,032.04	\$ 2,017,719.02	\$ 1,885,139.00	\$ 1,996,897.00	\$ 1,992,023.00	99.8%	\$ 1,881,001.00	-5.80%
Materials, Supplies & Services									
52010	Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52050	Dues & Subscriptions	\$ 4,643.27	\$ 4,923.16	\$ 5,298.44	\$ 5,935.00	\$ 5,500.00	92.7%	\$ 6,200.00	4.47%
52100	Postage	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52150	Travel, Mtgs & Training	\$ 23,379.83	\$ 15,826.79	\$ 16,172.09	\$ 21,450.00	\$ 19,950.00	93.0%	\$ 29,544.00	37.73%
52160	Tuition Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52170	Directors Fees & Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52180	Liability Insurance	\$ 48,083.38	\$ 48,277.85	\$ 50,678.00	\$ 50,678.00	\$ 50,678.00	100.0%	\$ 50,678.00	0.00%
52200	Telephone/Telefax	\$ 1,901.58	\$ 1,960.16	\$ 2,522.06	\$ 2,600.00	\$ 2,600.00	100.0%	\$ 2,900.00	11.54%
52210	Communications	\$ 4,626.92	\$ 4,828.79	\$ 4,341.99	\$ 6,690.00	\$ 4,840.00	72.3%	\$ 5,175.00	-22.65%
52240	Uniforms	\$ 3,204.02	\$ 3,956.72	\$ 2,008.52	\$ 4,020.00	\$ 3,945.00	98.1%	\$ 3,700.00	-7.96%
52250	Office Supplies	\$ 9,528.98	\$ 6,409.87	\$ 5,829.51	\$ 7,900.00	\$ 7,000.00	88.6%	\$ 8,250.00	4.43%
52260	Special Dept Supplies	\$ 3,071.63	\$ 4,383.43	\$ 3,282.30	\$ 8,861.34	\$ 7,501.34	84.7%	\$ 10,650.00	20.18%
52270	Safety Equip/Supplies	\$ -	\$ -	\$ 451.67	\$ 450.00	\$ 400.00	88.9%	\$ 500.00	11.11%
52280	Maint Supp/Small Tools	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 250.00	-
52290	Chemical Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52300	Line Cleaning Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52330	Legal Fees	\$ 40.00	\$ 19.25	\$ 180.50	\$ 4,227.00	\$ 3,200.00	75.7%	\$ 3,500.00	-17.20%
52350	Prof/Contractual Svcs	\$ 34,712.48	\$ 26,809.53	\$ 44,062.50	\$ 42,500.00	\$ 41,375.00	97.4%	\$ 41,500.00	-2.35%
52410	Maint-Buildings & Grounds	\$ -	\$ -	\$ 2,005.15	\$ 453.00	\$ 453.00	100.0%	\$ -	-100.00%
52420	Maintenance-Equipment	\$ -	\$ -	\$ -	\$ 1,298.66	\$ 1,288.13	99.2%	\$ 1,200.00	-7.60%
52430	Landscape Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52440	Pump Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52450	Equipment Rental	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52460	Motor Fuel & Lubricants	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52470	Outside Vehicle Maint	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52500	Rents/Leases	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52510	Permits/Fees/Software Licenses	\$ -	\$ 104.00	\$ 690.70	\$ 2,358.00	\$ 720.60	30.6%	\$ 750.00	-68.19%
52650	Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52690	Freight	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52715	Safety Incentive Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52720	Health Fair	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52725	Wellness Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52730	Employee Asst Program	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52900	Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52910	Non-Capital Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52915	Copiers Printers & Faxes	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
52920	Billing & Collections	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Materials, Supplies & Services		\$ 133,192.09	\$ 117,499.55	\$ 137,523.43	\$ 159,421.00	\$ 149,451.07	93.7%	\$ 164,797.00	3.37%
Interfund Transfers									
52340	Debt Administration Expenses	\$ 433,432.47	\$ 415,958.52	\$ 338,507.16	\$ 293,066.00	\$ 293,066.00	100.0%	\$ 204,911.00	-30.08%
53040	Fleet Replacement Charges	\$ 8,510.00	\$ 12,765.00	\$ 13,905.00	\$ 14,071.00	\$ 14,071.00	100.0%	\$ 14,071.00	0.00%
53050	Wwtp Replacement Charges	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Interfund Transfers		\$ 441,942.47	\$ 428,723.52	\$ 352,412.16	\$ 307,137.00	\$ 307,137.00	100.0%	\$ 218,982.00	-28.70%
Capital Outlay									
54010	Capital Equipment - New	\$ 19,754.00	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54020	Capital Equip-Software	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
54030	Capital Equip - Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Total Capital Outlay		\$ 19,754.00	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Sub-Total O&M Fund		\$ 2,545,920.60	\$ 2,563,942.09	\$ 2,375,074.59	\$ 2,463,455.00	\$ 2,448,611.07	99.4%	\$ 2,264,780.00	-8.06%
59200 LESS:									
	Chargebacks to General Fund for CIP	\$(2,342,748.17)	\$(2,356,270.57)	\$(2,183,517.81)	\$(2,265,219.00)	\$(2,257,270.47)	99.6%	\$(2,102,025.00)	-7.20%
	Chargebacks to General Fund for SSD	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	-
Net Operation & Maintenance Fund		\$ 203,172.43	\$ 207,671.52	\$ 191,556.78	\$ 198,236.00	\$ 191,340.60	96.5%	\$ 162,755.00	-17.90%

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Insurance Funds

Insurance Funds

Overview

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

☀ Self-funded Employee Medical Program

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

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

Employees pay a nominal amount for individual medical and dental coverage and pay approximately 30% to 36% of the cost for dependent coverage. After employee payment of specified deductibles and co-payments for medical and dental services, the Plan covers the remaining authorized charges in total. Employer contributions for FY15 are to remain at the same level as FY14 (0% increase).

☀ Post-Employment Insurance

The District has established a post-employment insurance fund to accumulate funds now, which will reduce future operational expenditures when retirees begin taking advantage of this benefit. The District will annually fund the equivalent of the annual required contribution less expenses as determined by an actuarial study as required by GASB 45. The accumulated funds will only be used for post-employment insurance. However, the District's Board does reserve the right to use the reserve funds for unforeseen emergencies. FY15 funding of \$265,700 represents 1.7% of total operations. As of May 2014, the District has thirteen (13) eligible participants in the post-employment insurance plan.

☀ Worker's Compensation

The District established a separate insurance fund for worker's compensation, which will facilitate allocation of costs to respective department, division, and section budgets. The Safety Officer acts as liaison with the insurance carrier to administer claims and to minimize future claims by providing training and equipment designed to prevent injuries. District contributions for FY15 are to remain at the same level as FY14 (0% increase).

Insurance Funds (continued)**General Liability**

The District's general liability insurance fund was established to: ❶ allocate insurance costs to all departments, divisions and sectional budgets, ❷ provide funds for payment of no-fault sewer back-ups and ❸ establish reserves to offset future unanticipated increases in sewer back-up liabilities in excess of budgeted amounts. District contributions for FY15 are to remain at the same level as FY14 (0% increase).

FY15 SELF-FUNDED EMPLOYEE MEDICAL PROGRAM BUDGET

	Actual 2012-2013	Estimated Actual 2013-2014	Budget 2014-2015
Beginning Balance	\$ 909,289	\$ 1,150,083	\$ 1,157,199
Income:			
District Contributions	1,735,116	1,735,116	1,735,116
Employee Contributions	401,522	389,000	389,000
Transfer from Other Insurance Funds	47,000	-	-
Interest	6,132	5,000	5,000
Total Income	2,189,770	2,129,116	2,129,116
Total Funds Available	3,099,059	3,279,199	3,286,315
Expenses:			
Expected Claim Liability	1,582,293	1,739,000	1,875,934
Fixed Costs (see note below)	366,683	383,000	446,571
Total Expenses	1,948,976	2,122,000	2,322,505
Ending Balance	\$ 1,150,083	\$ 1,157,199	\$ 963,810

Insurance Funds (continued)**FY15 POST EMPLOYMENT INSURANCE BUDGET**

	Actual 2012-2013	Estimated Actual 2013-2014	Budget 2014-2015
Beginning Balance	\$ 26,450	\$ 44,058	\$ 83,800
Income			
District Contributions	175,900	254,800	265,700
Employee Contributions	6,822	21,942	28,800
Interest Income	10,786	8,000	7,500
Total Income	193,508	284,742	302,000
Total Funds Available	219,958	328,800	385,800
Expenses	175,900	245,000	265,700
Transfer to Other Insurance Funds	-	-	-
Total Expenses	175,900	245,000	265,700
Ending Balance	\$ 44,058	\$ 83,800	\$ 120,100

FY15 WORKER'S COMPENSATION FINANCIAL PLAN

	Actual 2012-2013	Estimated Actual 2013-2014	Budget 2014-2015
Beginning Balance	\$ 281,076	\$ 364,912	\$ 396,841
Income			
District Contributions	215,312	215,312	215,312
Interest Income	2,049	1,917	2,000
Total Income	178,193	217,229	217,312
Total Funds Available	498,436	582,141	614,153
Expenses			
Interfund Transfer	-	-	-
Deductibles for Individual Claims	15,053	11,643	17,000
Premiums to commercial carrier	118,472	173,657	235,391
Total Expenses	133,525	185,300	252,391
Ending Balance	\$ 364,912	\$ 396,841	\$ 361,762

Insurance Funds (continued)**FY15 GENERAL LIABILITY FINANCIAL PLAN**

	Actual 2012-2013	Estimated Actual 2013-2014	Budget 2014-2015
Beginning Balance	\$ 396,784	\$ 442,949	\$ 474,870
Income			
District Contributions	605,434	605,434	605,434
Interest Income	<u>1,849</u>	<u>1,300</u>	<u>1,000</u>
Total Income	607,283	606,734	606,434
Total Funds Available	1,004,067	1,049,683	1,081,304
Expenses			
Premiums to commercial carrier	419,475	444,721	480,442
No Fault Sewer Back-Up Claims	44,164	47,000	51,400
Claim Deductibles	89,952	75,000	82,000
Flood Insurance	<u>7,526</u>	<u>8,092</u>	<u>8,700</u>
Total Expenses	561,117	574,813	622,542
Ending Balance	<u>\$ 442,949</u>	<u>\$ 474,870</u>	<u>\$ 458,762</u>



Replacement Funds

Replacement Funds

Overview

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

◀ Fleet Equipment Replacement

The District has projected replacement dates and estimated prices for all vehicles and construction-type equipment over \$10,000. This information has been used to develop a funding plan whereby relatively constant amounts are to be transferred in from the annual Operations and Maintenance budget, with annual expenditures to be made in varying amounts to secure new vehicles and equipment as indicated in the plan's timetable. The projected balance in the fund at the end of FY14 is anticipated to approximate \$300,726. The FY15 contribution is \$400,000, with anticipated expenditures of \$269,550, including (1) 1-ton Pickup, (2) ¾ Ton Pickups, Backhoe, and Trench Roller.

◀ Wastewater Treatment Plant Replacement

The replacement fund for the wastewater treatment plant and pump stations was set up to develop a reserve to address general equipment replacement cost at these facilities. A similar strategy of periodic, uniform contributions from the Operations and Maintenance Fund and withdrawals for planned equipment rehabilitation or replacement are employed. The FY15 contribution is \$100,000 with anticipated expenditures of \$227,500 including Southside Barscreens Rehab, Traveling Bridges Rehab @ Grit & Grease, RBC Bearing Replacements, Clarifiers – SE & SW Track Rehab, Thickener–Seepex Pump, Pump Stations Rehab, and General Rehab.

◀ Capital Reserve Fund

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

Replacement Funds (continued)**FY15 FLEET EQUIPMENT REPLACEMENT FUND BUDGET**

	Actual 2012-2013	Projected 2013-2014	Budget 2014-2015
Beginning Balance:	\$ 402,079	\$ 441,646	\$ 300,726
Revenue:			
District Contributions	400,000	400,000	400,000
Sale of Surplus Property	71,420	59,838	35,803
Interest Income	<u>3,821</u>	<u>4,242</u>	<u>4,511</u>
Total Revenue	475,241	464,080	440,314
Expenditures:			
Various	435,674	605,000	
(1) 1-Ton Pickup			57,550
(2) ¾ Ton Pickups			67,000
Backhoe			105,000
Trench Roller	<u>-</u>	<u>-</u>	<u>40,000</u>
Total Expenditure Replacements	435,674	605,000	269,550
Ending Balance:	<u>\$ 441,646</u>	<u>\$ 300,726</u>	<u>\$ 471,490</u>

Replacement Funds (continued)**FY15 WASTEWATER TREATMENT PLANT REPLACEMENT FUND BUDGET**

	Actual 2012-2013	Projected 2013-2014	Budget 2014-2015
Beginning Balance:	\$ 627,978	\$ 535,520	\$ 440,910
Revenue:			
District Contributions	100,000	100,000	100,000
Interest Income	4,450	5,390	4,409
Total Revenue	104,450	105,390	104,409
Expenditures:			
Various	196,958	200,000	
Southside Barscreens Rehab			3,000
Grit & Grease – Traveling Bridges Rehab			10,000
RBC's Bearings Replacement			75,000
Clarifiers – SE & SW Track Rehab			20,000
Thickener – Seepex Pump			12,000
General Rehab			15,000
Pump Stations Rehab	-	-	92,500
Total Expenditure Replacements	196,958	200,000	227,500
Ending Balance:	\$ 535,520	\$ 440,910	\$ 317,819

Replacement Funds (continued)**FY15 CAPITAL RESERVE FUND**

	Actual 2012-2013	Projected 2013-2014	Budget 2014-2015
Beginning Balance:	\$ 916,696	\$ 927,195	\$ 936,797
Revenue:			
Interfund Transfer	-	-	-
Interest Income	10,501	9,600	9,600
Total Revenue	10,502	9,600	9,600
Ending Balance:	\$ 927,197	\$ 936,797	\$ 946,397

NOTE: Ending balance must be at least 6% of the annual O&M current expenses. FY2014-2015 O&M Budget (\$15,384,782 - \$500,000 transfer to reserves - \$135,300 capital equipment) x 6% = \$884,969



Capital Improvement Program

Capital Improvement Program

Overview

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

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

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

In accordance with the State Collection System Permit, the District maintains a Ten Year CIP and rehabilitates a minimum of 50,000 Linear Feet (LF) of the collection system every year. Significant plant projects include renovation of the slide gate as well as updating the District's facility plan.

The ten-year CIP prioritizes projects identified by the Board as fulfilling the District's mission but does not obligate District resources for their construction past the end of the current budget year. The District has a capital projects ordinance, which is periodically updated as necessary, to make available funds for all projects scheduled for construction in the upcoming budget year and certain other projects to be begun in the current year but completed in a subsequent year.

Current Year Highlights

The proposed capital budget for FY14-15 is \$22,760,555, which includes a contingency of \$1,000,000. The \$1,000,000 contingency line item is used for the entire program, rather than having a separate contingency for each project. This is more efficient and continues to provide sufficient reserves for the District's capital program.

Capital Improvement Program (continued)

Approximately 96 infrastructure projects are included in the CIP for FY15, ranging in length from 400 linear feet to over 22,000 linear feet. In-house forces as well as outside contractors will be used to rehabilitate the regulated amounts as prescribed by the District's Collection System Permit. The CIP has adapted to the recent loss of industrial revenue by rebalancing the proportion of relining and dig-and-replace projects to maintain the required footage within tighter cost constraints.

Collection System—Significant collection system projects scheduled for the upcoming year include: ❶ \$1.3M Broadview Avenue with over 4,524 linear feet, ❷ \$634,400 Crockett Road with over 2,562 linear feet, ❸ \$816,000 Mount Vernon Place Phase 2 with over 2,476 linear feet, ❹ \$759,900 Old US-70 at Pine Circle with over 2,779 linear feet, and ❺ \$955,000 Shadowlawn Drive Phase 1, with over 4,122 linear feet.

Water Reclamation Facility—During FY07, a Treatment Facilities Plan was completed for the Water Reclamation Facility. Although there has been no major increase in flow, some equipment at the Facility was reaching the end of their useful life. Consulting engineers met with staff to evaluate current operations and equipment and to prepare recommendations for maintenance and improvements.

Four (4) of the major projects recommended are completed:

- ◆ **Grit and Grease Removal**—Grit and grease facilities were not working effectively and were causing problems with downstream processes. This process was rehabilitated during FY08 by both WRF maintenance staff and contractors at a cost of \$554,000. This represents approximately 10% of the cost to completely replace the equipment.
- ◆ **Intermediate Pumps**—These aging pumps are hydraulically driven which is highly inefficient, and there is concern of contaminating the effluent with hydraulic fluid should the system leak. The FY07 Facilities Plan called for installing new variable-speed electric pumps. The cost of replacing the aging pumps will be approximately \$2.5 million. The project was completed in FY11.
- ◆ **Secondary Microscreens**—Rusty and no longer performing satisfactorily, this equipment has become an operational and maintenance headache. Being the critical barrier between the WRF and the river, the secondary microscreens have been scheduled for replacement. Total cost of the project is estimated to be \$10.4 million. The project was completed in FY13.
- ◆ **Plant Electrical System Upgrade**—The upgrade including adding an additional transmission feed as well as transformers at the Progress Energy substation, increasing the back-up generation at the Plant from 2MW to 4MW, and constructing back-up electrical feeds to unit processes throughout the Plant. The cost of the project is estimated at \$2.2 million. The project will be completed at the end of FY13.

Capital Improvement Program (continued)

In addition, many other improvements have been made throughout the Plant and Hydroelectric Facility. The District is currently updating the Treatment Plant Facilities Plan with results being available by the end of the fiscal year.

Background

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

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

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

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

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

Capital Improvement Program (continued)

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

Wastewater System Master Planning

- **Comprehensive Master Plan**—This plan was prepared in 2001 by Camp, Dresser & McKee (CDM). It is a comprehensive sewer system management program, which was prepared to identify system improvements needed to handle wet-weather flow conditions, to improve performance at the wastewater treatment plant, and to prepare the system to handle future system wastewater flows. The report contains recommendations for improvements to the collection system as well as the treatment plant. A CIP was developed which included specific projects and their associated costs.

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

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

- **Facilities Plan**—This plan was prepared in 2007 by Camp, Dresser & McKee (CDM). It is a focused, specific study of the Water Reclamation Facility (WRF). The plan is the result of a process evaluation of the WRF, including a detailed capacity evaluation of the Rotating Biological Contactors (RBC's). The report also includes a physical facilities evaluation for the major process equipment at the WRF. Recommendations to improve the performance of each process were included in the report.

Several projects have been successfully completed as a direct result of this plan as noted herein above. In 2014, the District is having HDR Engineering update the Facilities Plan and make recommendations on improvements necessary for the plant to meet future regulations and performance goals.

Capital Improvement Program (continued)

- **Collection System Master Plan**—In 2008, McGill Associates completed a Collection System Master Plan (the “2008 Collection System Plan”). The 2008 Collection System Plan focuses on the District’s comprehensive growth issues by incorporating all of the recent planning and zoning changes from the District’s member agencies. This plan also describes where and how areas will be served and provides for orderly growth of the sewer system to meet the needs of the region as a whole for the future. The 2001 Master Plan, the 2007 Facilities Plan, and the 2008 Collection System Plan are sometimes collectively referred to as the “Master Plans”.

Types of Projects

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

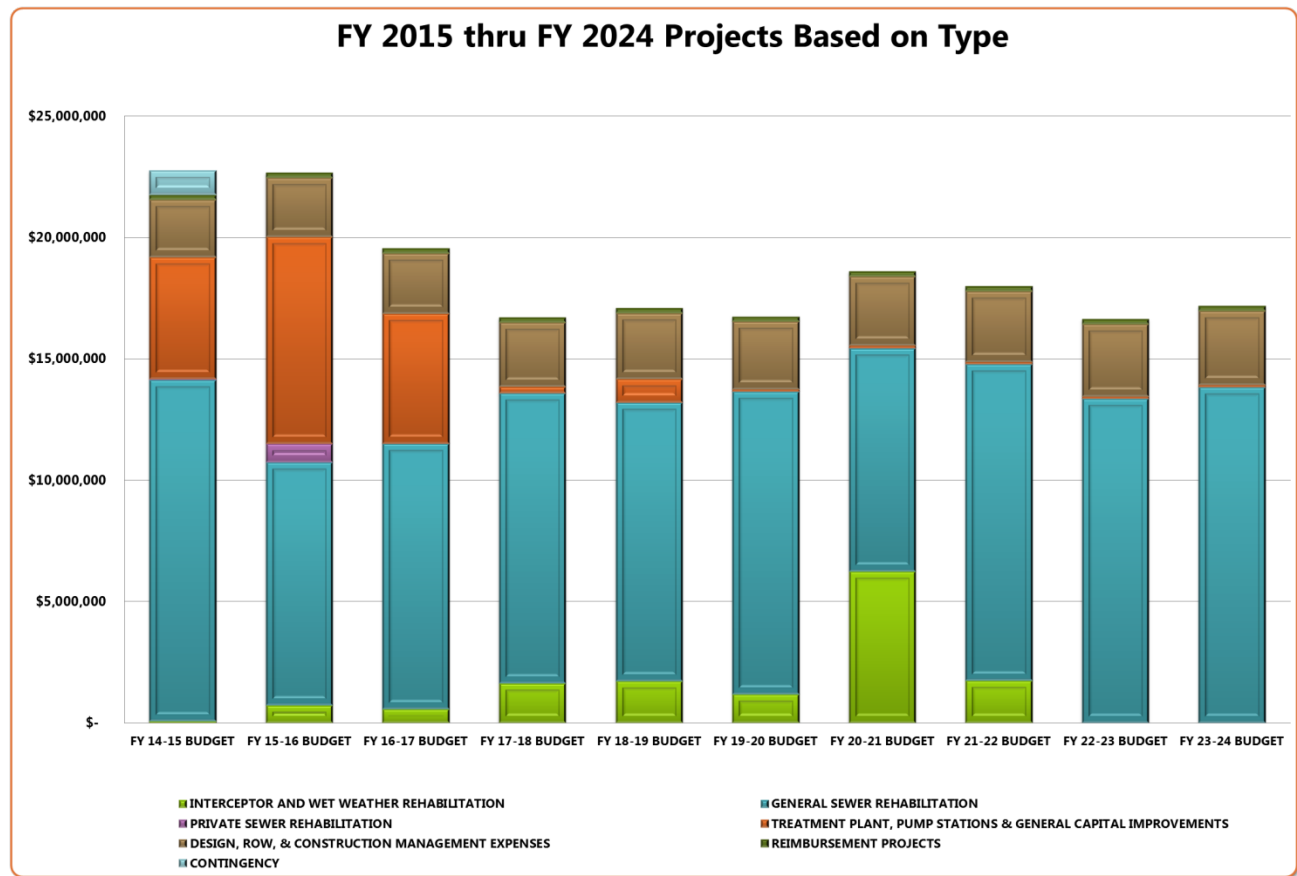
The District’s Capital Improvement Program is divided into the following six areas, generally based upon type of project or expense category:

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

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

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

Capital Improvement Program (continued)



Program Summary

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
INTERCEPTOR AND WET WEATHER REHABILITATION							
Christian Creek Interceptor	\$ 3,150,600	\$ 4,000	\$ 116,500	\$ 36,000	\$ 1,469,500	\$ 1,494,600	\$ -
This project includes the replacement of approximately 13,045 LF of existing 8-inch and 18-inch sewer pipe. The portion to be replaced runs from US Hwy 70 at Rowland Road in Swannanoa, west to Porters Cove Road at I-40. The line is undersized and has experienced multiple SSO's.							
Dingle Creek Interceptor	2,473,110	-	-	-	-	-	2,404,100
This project is located along Dingle Creek between the Blue Ridge Parkway and the Ramble Subdivision. The existing 18-inch vitrified clay pipe main will be replaced with a new 18-inch ductile iron pipe main. The approximate length of this project is 7,871 LF.							
Lower Swannanoa Interceptor	5,471,700	-	-	-	-	-	-
This project is to eliminate problems associated with the splitter box and the downstream twin 36-inch lines.							
South French Broad Interceptor - Grouting	1,076,000	-	587,000	489,000	-	-	-
This project is located within the Biltmore Estate along the French Broad River. The southern terminus of the project is located where the Dingle Creek Interceptor flows into the South French Broad Interceptor. The project consists of grouting joints along approx. 6,450 LF of existing 36-inch Reinforced Concrete Pipe. The line is a major source of inflow and infiltration.							
West French Broad M.P. Interceptor	479,100	61,000	-	-	-	-	-
This project is a joint MSD - Private Developer project which will extend a 16-inch main along the west side of the French Broad River from the Clayton Road Pump Station to Long Shoals Road in Skyland. This line will serve significant upstream areas in the future.							
Beaverdam Creek WW (CDM #10)	992,000	-	-	-	-	-	992,000
This was identified as a potential rehabilitation project to improve wet weather flow conveyance, as specified in the Master Plan developed by CDM. It is located in the North French Broad Interceptor area and is comprised of 5,500 LF of 8-inch through 12-inch diameter pipe.							
Biltmore WW (CDM #3)	462,000	-	-	-	-	-	462,000
This was identified as a potential rehabilitation project to improve wet weather flow conveyance, as specified in the Master Plan developed by CDM. It is located in the Biltmore area near the Swannanoa Interceptor, and is comprised of 2,200 LF of 18-inch diameter pipe.							
Four Mile Creek WW (CDM #1)	629,000	-	-	-	-	-	629,000
This was identified as a potential rehabilitation project to improve wet weather flow conveyance, as specified in the Master Plan developed by CDM. It is located in the Southeast French Broad Interceptor area, and is comprised of 3,400 LF of 12-inch diameter pipe.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
INTERCEPTOR AND WET WEATHER REHABILITATION (continued)							
Haw Creek WW (CDM #6)	\$ 703,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,000
This was identified as a potential rehabilitation project to improve wet weather flow conveyance, as specified in the Master Plan developed by CDM. It is located in East Asheville and is comprised of 3,800 LF of 12-inch DIP.							
South Swannanoa WW (CDM #4)	2,215,000	-	-	-	-	-	2,215,000
This was identified as a potential rehabilitation project to improve wet weather flow conveyance, as specified in the Master Plan developed by CDM. It is located in the Biltmore area near Sweeten Creek, and is comprised of 8,040 LF of 18-inch through 42-inch diameter pipe.							
SUBTOTAL	\$ 17,651,510	\$ 65,000	\$ 703,500	\$ 525,000	\$ 1,469,500	\$ 1,494,600	\$ 7,405,100
Inflation per ENR Const. Cost Index	1.0000	1.0000	1.0362	1.0737	1.1126	1.1529	1.240286
SUBTOTAL with inflation	\$ 17,651,510	\$ 65,000	\$ 728,967	\$ 563,698	\$ 1,634,934	\$ 1,723,056	\$ 9,184,439
GENERAL SEWER REHABILITATION							
Adams Street	\$ 353,500	\$ 7,000	\$ 11,000	\$ 83,000	\$ -	\$ 252,500	-
This project is located in downtown Asheville near South French Broad Avenue and is comprised of 1,250 LF of 8-inch ductile iron pipe. The existing line is aging 6-inch vitrified clay pipe, is in poor condition, and runs under several houses.							
Arco Road	505,200	-	496,700	-	-	-	-
This project is located in the Haw Creek neighborhood of E. Asheville along Arco Road, adjacent to New Haw Creek Road. It consists of replacing approx. 335 LF of 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing line is in very poor condition with offset joints, roots, and fractures.							
Atkins Street	455,250	9,000	-	2,250	43,000	401,000	-
This project is located in Arden just north of Lake Julian. Approximately 1,581 LF of existing 6-inch vitrified clay pipe will be replaced with new 8-inch ductile iron pipe. The existing sewer line is in poor condition due to roots, fractures, and sags in the line. The line is undersized and has flooded houses in the							
Beale Road at Copney Lane	1,041,200	16,200	90,200	-	-	-	919,000
This project ties into the Lake Julian Phase 4 project just west of Glen Bridge Road and extends northward to Ducker Road and Lower Glen Bridge Road. It serves several major manufacturing sites. The lines are in poor condition with broken segments and leaking joints, have resulted in SSO's, and are difficult to access for maintenance and repairs.							
Bear Creek Road at School Road (SS)	123,300	10,400	105,000	-	-	-	-
This project is located in W. Asheville and is comprised of 1550 LF of 8-inch ductile iron pipe. The existing line is aging 8-inch vitrified clay pipe. The line has multiple fractures, sags, misaligned joints, and root intrusion.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Braddock Way - PRP 20002	\$ 1,012,500	\$ -	\$ -	\$ -	\$ 4,500	\$ 19,837	\$ 969,800
This project will replace, line, and pipe burst several existing sewer mains in Park Avenue and Braddock Way subdivisions. Problems with these lines include leaking joints, broken pipes and high inflow and infiltration. In some areas, the existing lines will be relocated from private property to public rights of way for better access and maintenance.							
Broadview Avenue	1,408,500	1,320,000	-	-	-	-	-
This project is located in the Oakley neighborhood of Asheville and consists of line replacement of 4,524 LF of 8-inch ductile iron pipe along Broadview Avenue, Lincoln Avenue, Raleigh Road, and Winston Avenue, among others. The existing 8-inch sewer line is in poor condition and has experienced multiple SSO's.							
Broadway St. at Bordeaux Place	206,050	25,700	-	-	-	-	134,200
This project is on Broadway Avenue just north of I-240. The existing 18-inch sewer will be pipe burst and replaced with 18-inch high density polyethylene line. An aerial crossing, which is in poor condition and ties into the Broadway Avenue main, will also be replaced as part of this project.							
Buchanan Avenue	367,500	-	12,000	29,000	-	-	326,500
This project is located in downtown Asheville near Biltmore Ave and is comprised of 1400 LF of 8-inch ductile iron pipe. The existing line is 6-inch clay with heavy root intrusion, fractures, and one section exposed along a steep grade.							
Cherokee Road	732,000	66,500	11,000	-	639,300	-	-
This project will replace (or pipe burst) the existing sewer main from the end of the Macon Avenue @ Sunset Parkway project to an existing manhole east of Cambridge Road in North Asheville. The line is old vitrified clay pipe and is in very poor condition. Several segments are under houses, walls or other physical features which make repairs very difficult.							
Chestnut Lodge Road	930,300	26,000	84,000	-	820,300	-	-
This project is located in Black Mountain near Blue Ridge Road and is comprised of 4,150 LF of 8-inch ductile iron pipe. The existing line is 6-inch and 8-inch clay with root problems, fractures, and multiple SSO's.							
Commerce Street	159,800	500	-	-	156,300	-	-
This project is located in downtown Asheville near Church Street and is comprised of 8- inch ductile iron pipe. The existing line is 6-inch vitrified clay pipe and PVC pipe and has had excessive maintenance problems due to multiple pipe defects.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Crockett Road - PRP 36002	\$ 680,451	\$ 634,400	\$ -	\$ -	\$ -	\$ -	\$ -
This project is along Crockett Road, off US Hwy 70 and just east of I-240. This project will replace an existing sewer main in portions of Crockett Road, Beechwood Road, and Dogwood Court. The line is in poor condition and several repairs have been made by System Services. The project will require bore and jack across Tunnel Road. Additional work at 22 Woodfin Street has been added to this project. 480 LF of 12-inch fold and form or 12-inch cured in place pipe will be installed.							
Cumberland Avenue	1,347,500	26,000	-	-	-	-	1,321,500
This project is located in Montford and runs the entire length of Cumberland Avenue. Approximately 5,228 LF of existing 6-inch vitrified clay pipe will be replaced with 8-inch ductile iron pipe. This line is in very poor condition and has required multiple, frequent point repairs.							
Dellwood Avenue	184,750	22,850	159,400	-	-	-	-
This project is for the relocation of an existing sewer main between Dellwood Avenue and Northwest Avenue in Swannanoa (Grovemont) area. The existing 6-inch vitrified clay pipe is in very poor condition and runs between closely spaced houses making access for maintenance and repairs very difficult.							
Dilling Avenue	207,300	201,600	-	-	-	-	-
This project is in Black Mountain and consists of 692 LF of 8-inch ductile iron pipe. The existing line is 8-inch vitrified clay pipe and 4-inch PVC pipe and has had repeated maintenance issues due to being undersized and in poor condition.							
East State Street @ West Street	535,800	526,000	-	-	-	-	-
This project will replace an existing sewer main in East State Street (US 70) in Black Mountain between West Street and Padgettown Road. The existing line is 6-inch and 8-inch vitrified clay pipe and is in poor condition. It will be replaced with a new 8-inch ductile iron pipe main.							
Elk Mountain Place	880,000	24,800	116,000	-	721,200	-	-
This project is located south of Elk Mountain Rd between I-26 and the French Broad river. It is comprised of approximately 4,101 LF of 8-inch ductile iron pipe. The existing vitrified clay pipe sewer line is in poor condition and has experienced SSO's.							
Elk Park Drive - PRP 35001	580,020	529,000	-	-	-	-	-
This project is located in Woodfin and is comprised of 2,242 LF of 8-inch ductile iron pipe. The existing line is 6-inch vitrified clay pipe and PVC with numerous sags and root problems, as well as a PVC creek crossing, which will be replaced during construction of the new line.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Elkwood Avenue	\$ 1,442,950	\$ -	\$ -	\$ 18,750	\$ 125,000	\$ 1,288,200	\$ -
This project is located in Woodfin, east of I-26 along Elkwood Avenue and Old Burnsville Hill Road. It consists of replacement of approximately 5,105 LF of 8-inch ductile iron pipe. The existing line has offset joints, fractures, root intrusion, multiple point repairs, and is the source of frequent problems.							
Elkwood @ Norman Austin Drive	178,100	-	-	-	2,800	1,500	173,800
This project runs through properties along Elkwood Avenue, starting at Norman Austin Drive. The existing pipe is 4-inch and 6-inch, is undersized and has misaligned joints. There is a manhole that is located under a property owner's porch. The proposed 8-inch ductile iron pipe will run mainly on Elkwood Avenue to get the system in the road.							
Fairfax Avenue - PRP 65001	682,000	679,000	-	-	-	-	
This project is located in West Asheville and runs approximately 2,042 LF along Fairfax Ave., just south of Haywood Rd. The existing 6-inch vitrified clay pipe is in poor condition and will be replaced with 8-inch ductile iron							
Fair Oaks Road @ Green Road (SS)	78,550	14,750	46,000	-	-	-	-
This project is for the replacement of an existing 8-inch main along the rear side of lots fronting Fair Oaks Drive between Near Oaks Drive and Royal Oaks Drive in South Asheville. This is an old vitrified clay pipe line with leaking joints and broken pipes which runs along a creek. Major inflow and infiltration occurs along this line.							
Forestdale Drive	833,500	-	-	17,000	20,500	84,000	712,000
This project begins at Carnell Street and ends at Caribou Road. The system runs along side roads and properties parallel to Hendersonville Road. System Services crews have reported numerous problems including multiple SSO's. The existing pipes will be replaced with 8-inch ductile iron pipe.							
Forest Hill Drive @ Warwick Road	970,150	-	17,000	500	-	-	952,650
This project is in Asheville in the Kenilworth neighborhood and consists of 3400 LF of 8-inch ductile iron pipe. The current pipe is undersized 6-inch clay in poor condition, with roots and fractures.							
Four Inch Main - College Street	433,100	-	4,000	1,600	202,000	-	225,500
This project is located in downtown Asheville near Beaucatcher Tunnel and is comprised of 8-inch ductile iron pipe. The existing line is 4-inch Orangeburg and 6-inch vitrified clay pipe in poor condition, with several buildings constructed over the existing line.							
Four Inch Main - Dry Ridge Road	237,900	-	5,800	30,000	197,000	-	-
This project is a 4-inch main and extends from Dry Ridge Road to Lucky Lane and Windsor Road in Asheville. This project is in the area north of Merrimon Avenue and east of Stratford Road. The existing line is a 4-inch Orangeburg pipe which is in poor condition.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Four Inch Main - Oakland Drive @ Pine Street	\$ 226,600	\$ 35,300	\$ 187,000	\$ -	\$ -	\$ -	\$ -
This project will to replace an existing 4-inch main running between the 200 block of Pine Street and the 100 block of Oakland Drive in Black Mountain. A new 8-inch ductile iron pipe main will be installed.							
Hazel Mill Road @ Richland Street	905,200	-	17,000	61,000	-	-	827,200
This project is located in West Asheville, near the Bowen Bridge, and consists of 3,300 LF of 8-inch ductile iron pipe. The current pipe is 6-inch and 8-inch clay and PVC. Lines are undersized and in poor condition with multiple pipe sags, cracks, and fractures.							
Hendersonville Road @ Mills Gap Road	1,302,000	264,200	995,200	8,000	-	-	-
This project will replace an existing 8-inch and 12-inch sewer line serving properties along US 25 (Hendersonville Hwy.) near Mills Gap Road. The existing lines are in poor condition with cracked and broken pipes and leaking joints. Both open trench and pipe bursting construction techniques will be							
Hendersonville Road @ Peachtree Road	531,900	-	1,100	2,500	521,100	-	-
This project will replace an existing 6-inch vitrified clay pipe line in Hendersonville Road (US 25 South) between Peachtree Road and the Racquet Club Village Condo development. The line condition is very poor.							
Hendersonville Road @ Rosscraggon Phase 2	1,357,800	58,500	102,000	1,171,800	-	-	-
This project begins at US 25 just south of the railway spur line that goes into the Progress Energy and will include lines on Old Furnace Road and Azalea Road. The existing lines are in very poor condition with high infiltration due to cracks, broken pipes and bad joints.							
Hilliard Avenue @ Aston Park	644,750	62,000	-	528,000	30,000	-	-
This project is located in downtown Asheville near Aston Park. It is comprised of 2,375 LF of 8-inch ductile iron pipe, eliminates a small pump station, gets sewer pipe out of the creek, and gives better maintenance access for System Services crews.							
Horizon Hill Road (Hy-Vu Drive)	233,700	216,000	-	-	-	-	-
This project is located in Asheville near Merrimon Avenue. It consists of 712 LF of 8-inch ductile iron pipe. The current 8-inch Orangeburg and vitrified clay line has had repeated overflows due to root intrusion and pipe collapse.							
Howland Road @ Sunset Trail	299,900	-	-	4,300	49,000	239,100	-
This project will replace an existing 8-inch main from No. 5 Howland Road up to the rear of No. 371 Sunset Drive. System Services recently completed another portion of this system due to SSO's and line condition.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Johnston Boulevard @ Providence Road	\$ 215,200	\$ 4,700	\$ -	\$ 8,500	\$ 24,000	\$ 178,000	\$ -
This project is located in West Asheville, approx. 0.6 miles west of New Leicester Hwy. The project consists of replacing 779 LF of existing 6-inch vitrified clay and PVC pipe with new 8-inch ductile iron pipe. The existing line contains many offset joints and bends, and is in poor structural condition.							
Kanawha Drive	134,850	-	-	-	-	-	117,800
This project is located in Montreat. The new line will consist of 495 LF of 8-inch ductile iron pipe. The current line is 8-inch vitrified clay pipe with many bends and cleanouts, but no manholes. The new line will improve maintenance access.							
Kenilworth @ Springdale Road	603,650	13,000	-	8,250	41,000	541,400	-
This project is located in Kenilworth at the intersection of Kenilworth Rd. and Springdale Rd. Approximately 2,135 LF of existing 6-inch vitrified clay pipe will be replaced with 8-inch ductile iron pipe. The existing line has voids, cracks, roots, and fractures, and has experienced multiple SSOs.							
Lakeview @ Glen Falls Road	1,213,000	-	-	-	21,000	16,000	1,176,000
This project is just south of Beaver Lake on Lakeview Road, Glen Falls Road, and through properties on Glen Falls Road. The existing 6-inch clay pipe will be replaced with 8-inch ductile iron pipe. System Services has experienced numerous problems with this line.							
Laurel Road	207,150	185,750	-	-	-	-	-
This project is located in Royal Pines in southern Buncombe County. Approximately 686 LF of 8-inch ductile iron pipe will replace existing vitrified clay and Orangeburg pipe along Laurel Road and Laurel Court. The existing lines are in poor condition.							
Lincoln Avenue	361,400	-	-	-	-	-	358,500
This project is located in the Oakley neighborhood in southeast Asheville, just north of I-40. It consists of replacing approximately 1,415 LF of existing 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing line is in very poor structural condition.							
Long Shoals Road @ Allen Avenue	401,600	2,000	6,000	38,000	344,500	-	-
This project is located at the west end of Allen Avenue, close to the intersection of Hendersonville Road and Long Shoals Road in Arden. It is comprised of approximately 2,263 LF of 8-inch ductile iron pipe. The existing sewer line is deformed in various locations and is in poor condition.							
Louisiana Avenue @ Brucemont Circle	102,900	-	5,500	93,200	-	-	-
This project is for the replacement of an existing line from Louisiana Avenue to Brucemont Circle. The present line goes under at least two houses and will be relocated to an existing alleyway. System Services has had maintenance issues with blockages due to broken joints and pipes.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Lower Glendale Avenue This project is located in S.E. Asheville near the Oakley neighborhood. It consists of replacing approx. 2,716 LF of existing 10-inch and 12-inch vitrified clay pipe along Glendale Avenue. The existing line is subject to inflow and infiltration, is in poor condition, and undersized.	\$ 733,200	\$ 2,000	\$ -	\$ 6,000	\$ 28,000	\$ -	\$ 690,500
Lower Melody Lane This project is a continuation of Upper Melody Lane. The system runs through the back of properties on Melody Lane and along the Right of Way of Norfolk Southern Railroad. The existing 6-inch Orangeburg pipe will be replaced with 8-inch ductile iron pipe. The existing Orangeburg pipe is deteriorating and has extensive root problems.	342,900	-	-	-	8,000	55,000	273,000
Manetta Road @ Johnson Drive This project is located in North Asheville near Merrimon Ave and consists of 6500 LF of 8-inch ductile iron pipe. The existing clay pipe is undersized and has multiple SSO's, voids, fractures, and root intrusions.	1,701,250	-	32,500	5,500	160,000	-	1,503,250
Meadowbrook Drive (SS) This project includes complete replacement of existing 8-inch vitrified clay pipe with new 8-inch ductile iron pipe. The vitrified clay lines are in poor condition with cracks and bad joints and also run under two houses, making the line difficult to maintain.	46,600	42,300	-	-	-	-	-
Melody Circle This project is located in Swannanoa, adjacent to US Hwy 70 on Melody Circle. It is comprised of approximately 4,120 LF of 8-inch ductile iron pipe. The existing clay line has deteriorated from multiple root penetrations as well as various cracks and/or breaks in the pipe.	1,336,500	98,000	1,209,300	-	-	-	-
Merrimon Avenue @ Clearview Terrace The line begins at an existing manhole in Farrwood Avenue and extends to the intersection of Edgewood Knoll Road and Merrimon Avenue. The line is in poor condition with bad joints and broken pipes which has resulted in several maintenance calls.	316,550	-	5,200	-	750	-	304,500
Merrimon Avenue @ Coleman Avenue This project is on Merrimon Avenue, Coleman Avenue, and Austin Avenue. Existing clay pipe is old and has numerous defects. The 6-inch clay pipe on Coleman and Austin, and the 8-inch clay pipe on Merrimon will all be replaced with 8-inch ductile iron pipe.	723,600	-	-	-	12,600	-	711,000
Middle Beaverdam Creek @ US 19-23 This project will replace 24-inch ductile iron pipe along Beaverdam Creek. Project will also replace a 4-inch main at rear of lots on Washington Avenue and along the East side of US 19-23 just North of railroad. Lines are in poor condition, and the 4-inch lines are undersized.	1,337,250	-	-	-	-	-	1,329,750

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Mountainbrook Road @ Chunns Cove Road	\$ 693,100	\$ -	\$ 12,500	\$ 668,400	\$ -	\$ -	\$ -
This project will relocate lines from the rear yards of lots fronting on Mountainbrook Road (off Chunns Cove Road) where access and maintenance is extremely difficult and will move those lines to public street rights of way. This project will also eliminate one high aerial creek crossing where existing support piers are failing due to erosion.							
Mountainview Road	553,500	17,600	43,000	492,900	-	-	-
This project is located in E. Asheville between Tunnel Rd. and New Haw Creek Rd. The project consists of replacing approx. 1,948 LF of existing 4, 6 and 8-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing line has multiple fractures and small holes, and portions of the line are undersized.							
Mount Vernon Place Phase 2	822,700	816,200	-	-	-	-	-
This project is located in north Asheville, near the intersection of Merrimon Avenue and Lakeshore Drive. It consists of the replacement of approximately 2,256 LF of existing 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing sewer is in poor condition and has experienced numerous leaks.							
New Haw Creek Road @ Dogwood Grove	355,600	7,000	5,000	35,000	308,600	-	-
This project is in E. Asheville near Haw Creek Rd, and consists of 1,400 LF of 8-inch ductile iron pipe. Existing 4-inch and 6-inch clay pipe is undersized, with fractures, root intrusion, and misaligned joints. Existing 8-inch ductile iron pipe has corrosion issues. Existing manholes are in poor condition.							
New Haw Creek Road @ Trinity Chapel Road	204,100	6,800	192,800	-	-	-	-
This project is located in the Haw Creek neighborhood of E. Asheville along New Haw Creek Road. It consists of replacing approx. 748 LF of existing 8-inch and 10-inch vitrified clay pipe with new 8-inch and 10-inch ductile iron pipe. This line segment has had multiple point repairs, backups, and							
New Salem Road	918,600	30,900	875,000	-	-	-	-
This project is located in Swannanoa along New Salem Road, adjacent to US Hwy 70. Approximately 3,000 LF of existing 8-inch vitrified clay pipe will be replaced with ductile iron pipe. This line has experienced multiple backups and SSO's.							
North Market Street	324,150	5,300	1,500	66,000	-	-	251,350
This project is located in downtown Asheville and consists of 1,050 LF of 8-inch ductile iron pipe. The existing 6-inch clay line is undersized, has multiple structural issues, and has caused flooded structures.							
Old Haw Creek Road @ Greenbriar Road	946,500	6,450	-	10,500	63,000	855,000	-
This project is located in the Haw Creek neighborhood of E. Asheville along Old Haw Creek Road and Greenbriar Road. It consists of replacing approximately 1,095 LF of existing 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing line is in poor condition and has been subject to							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Old Haywood Road @ Starnes Cove	\$ 452,470	\$ 424,750	\$ -	\$ -	\$ -	\$ -	\$ -
This project is located in West Asheville along Old Haywood Road, west of Smokey Park Highway. It consists of installing approximately 1,491 LF of 8-inch ductile iron pipe to replace existing Orangeburg and vitrified clay sewer line. The existing lines are in poor condition.							
Old US 70 @ Pine Circle	792,300	759,900	-	-	-	-	-
This project is located in Swannanoa and runs between US 70 and Old US 70. The project extends onto the NC Veterans Cemetery. Approximately 327 LF of 8-inch ductile iron pipe and 2,465 LF of 12-inch ductile iron pipe will be installed. The existing line is undersized and has experienced multiple SSO's.							
Old West Chapel Road	1,767,000	34,000	16,000	97,000	1,620,000	-	-
This project is located near the intersection of Sweeten Creek Road and I-40. The I-40 crossing will be performed by bore and jack construction. The existing 8-inch clay pipe will be replaced with 8-inch ductile iron pipe. There have been multiple sanitary sewer overflows in this area.							
Panola Street Rehabilitation (SS)	45,500	42,600	-	-	-	-	-
This project is located in the Montford neighborhood of Asheville on Panola Street, adjacent to Montford Park. The existing pipe runs under houses and other structures and is in poor condition. Approximately 460 LF of 8-inch ductile iron pipe will be installed as part of this project.							
Riverside Drive @ Silverline Plastic	108,300	-	-	5,000	-	-	101,300
This project is located in Woodfin and is comprised of 400 LF of 8-inch ductile iron pipe. The existing line is 4-inch, 6-inch, and 8-inch vitrified clay pipe, runs under a building, and is in poor condition.							
Riverview Drive	591,800	-	-	-	-	-	583,800
This project is located in Asheville near the Haywood Rd. bridge. The project consists of replacing approx. 2,302 LF of existing 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The existing line is in poor condition and has experienced multiple overflows.							
Robinhood Road	182,000	2,200	33,000	-	142,800	-	-
This project is located in North Asheville and is comprised of 800 LF of 8-inch ductile iron pipe. The existing line is 6-inch vitrified clay pipe and PVC pipe in poor condition with repeated maintenance issues.							
Robinwood Avenue	514,500	503,600	-	-	-	-	-
This project is for the replacement of an existing 6-inch vitrified clay pipe line which extends from Evergreen Avenue to Robinwood Avenue. The current location of this line is between houses, and makes access and maintenance very difficult. The new line will be located within the public right of way. The existing line is also in very poor condition.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Royal Pines Drive - PRP 47009	\$ 795,500	\$ 2,500	\$ 10,000	\$ -	\$ -	\$ -	\$ 767,400
This project is located in South Asheville and is comprised of 2,888 LF of 8-inch ductile iron pipe. The existing line is 8-inch vitrified clay pipe which has had a history of root problems.							
Sandhill @ Russell/Davenport	722,900	89,500	-	604,000	-	-	-
This project is located in West Asheville and is comprised of 2,890 LF of 8-inch ductile iron pipe. The existing line is 8-inch vitrified clay pipe in poor condition with a history of overflows at various sites.							
Shadowlawn Drive Phase 1	1,078,263	955,000	-	-	-	-	-
This project will begin at an existing manhole just north of Southern Railway and Tivou Drive (just north of Smokey Park Highway) and extend to Appalachian Way. This line will replace an existing vitrified clay pipe line which is in very poor condition.							
Shadowlawn Drive Phase 2	441,850	53,350	382,500	5,000	-	-	-
This project is for the replacement of an existing 8-inch vitrified clay pipe line from the Kailee Court greenway up to Rhudy Street and the rear of Blue Mountain Properties. It is a continuation of Shadowlawn Drive Phase 1, and is in poor condition, with heavy inflow and infiltration.							
Short Coxie @ Southside	1,533,000	98,423	-	-	-	-	-
This project will replace existing 8-inch and 15-inch vitrified clay pipe in Southside Avenue, Biltmore Avenue, Short Coxie Avenue, and McCormick Place. The existing lines are under buildings and a major drainage culvert, making them difficult to maintain. The system is in poor condition with broken pipe and leaking manholes.							
Springside Road @ Overlook Road	913,200	21,000	9,200	78,000	-	805,000	-
This project is located in South Asheville near Overlook Road and is comprised of 8-inch ductile iron pipe. The existing line is 6-inch and 8-inch vitrified clay pipe in poor condition, with a history of SSO's at various points.							
Stratford Road @ Oxford Court	149,850	3,950	14,000	127,700	-	-	-
This project will replace an existing 6-inch main which serves houses along Oxford Court, near the Merrimon Avenue @ Stratford project. Three SSO's have occurred at manholes on this line.							
Sulphur Springs Road @ Covington Street	208,300	-	3,000	7,500	38,000	159,800	-
This project begins in the area of the Sulphur Springs Road / Delaware Avenue intersection and runs through the back properties along Belmont Avenue. The existing 6-inch clay pipe will be replaced with 8-inch ductile iron pipe. The 6-inch clay lines have numerous problems and runs under a house.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
Sunset Drive @ Bee Tree Road	\$ 249,000	\$ 228,000	\$ -	\$ -	\$ -	\$ -	\$ -
This project is located in Swannanoa and is comprised of 1,054 LF of 8-inch ductile iron pipe. The existing line is 4-inch through 8-inch vitrified clay pipe with heavy root problems and a history of overflows at various sites.							
Sutton Avenue	806,000	-	15,000	-	5,000	786,000	-
This project is on Sutton Avenue and extends up Ridgeway Avenue, Richardson Boulevard, and Broadway Street. The existing 6-inch and 8-inch clay pipe will be replaced with 8-inch ductile iron pipe. System Services crews report that the pipes are in poor condition, and have caused flooded structures and sanitary sewer overflows.							
Sweeten Creek @ Buck Shoals	348,200	6,700	-	4,000	337,500	-	-
This project is located in Royal Pines on Buck Shoals Rd. between Hendersonville Rd (US 25) and Sweeten Creek Rd (US 25A). Approx. 1,330 LF of existing 6-inch vitrified clay pipe will be replaced with 8-inch ductile iron pipe. The existing line is in poor condition and is undersized.							
Sweeten Creek Road @ Busbee View	260,500	4,800	18,000	230,500	-	-	-
This project is for the rehabilitation of an existing line which begins at Sweeten Creek Road and extends to Ona Berry Lane (off Busbee Lane). A portion of this line goes under a concrete loading dock and in some places the pipe cannot be located without extensive work on private property. There have been several service calls for repairs on this line.							
Upper Grassy Branch Road @ Maxwell Road	261,250	2,000	18,000	-	4,000	232,000	-
This project is located in East Asheville and is comprised of 739 LF of 8-inch ductile iron pipe. The existing sewer line is 6-inch vitrified clay pipe with root problems and has triggered odor complaints.							
Walnut Street @ Rankin Avenue	698,200	1,500	500	684,700	-	-	-
This project is located in downtown Asheville and consists of 2,273 LF of 8-inch ductile iron pipe. The current 6-inch clay line is undersized and deteriorated, with many structural problems.							
Weaver Boulevard @ US 19-23	1,187,700	7,250	256,000	919,200	-	-	-
This project is located in Weaverville at the intersection of Weaver Blvd. and US 19-23. It consists of replacing approx. 1,398 LF of 6-inch vitrified clay pipe with 8-inch ductile iron pipe. The line is very deep and is difficult to access for cleaning and inspection. The new line will be re-routed to a							
Wendover Road	836,650	774,500	-	-	-	-	-
This project will replace an existing 10-inch vitrified clay pipe sewer line serving the Wendover Road area west of Sandhill Road. The existing line has broken pipes, leaking joints, and is in need of being replaced. There have been several SSO's, and the line is a high source of inflow and infiltration.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)							
West Crabapple Lane	\$ 184,000	\$ -	\$ -	\$ -	\$ 2,500	\$ 4,000	\$ 177,500
This project is on West Crabapple Lane which is a private road. The existing 8-inch clay pipe is in bad condition and will be replaced with 8-inch ductile iron pipe. System Services crews have reported multiple structural defects which are resulting in major infiltration and inflow.							
SSD Rehabilitation & Replacement	39,930,000	3,993,000	3,993,000	3,993,000	3,993,000	3,993,000	19,965,000
This line item is for the replacement of capital assets using in-house construction crews and materials. This includes new taps, small repairs, lining, as well as larger rehabilitation projects. Also included is paving when required for these repairs and rehabilitation projects. The total estimated project cost shown is the total within the ten year window.							
Surveys for Design	500,000	50,000	50,000	50,000	50,000	50,000	250,000
New rehabilitation projects are generated continuously throughout the year. This line item provides for surveying needs for these new projects, in order that preliminary work may begin prior to being formally incorporated into the next year's CIP. This helps to ensure projects are completed efficiently.							
Future Projects - General Rehabilitation	13,000,000	-	-	-	-	-	13,000,000
Rehabilitation projects are added each fiscal year based upon sanitary sewer overflows, structural condition, maintenance frequency, etc. This line item is a placeholder to budget for future (unidentified) projects within the ten year window.							
SUBTOTAL	\$ 105,223,104	\$ 14,072,223	\$ 9,666,900	\$ 10,195,550	\$ 10,736,250	\$ 9,961,337	\$ 48,122,800
Inflation per ENR Const. Cost Index	1.00	1.00	1.0362	1.0737	1.1126	1.1529	1.286060
SUBTOTAL with inflation	\$ 105,223,104	\$ 14,072,223	\$ 10,016,842	\$ 10,947,068	\$ 11,944,924	\$ 11,483,968	\$ 61,888,810
PRIVATE SEWER REHABILITATION							
Douglas Place PSR (SS)	\$ 14,500	\$ 9,500	\$ -	\$ -	\$ -	\$ -	\$ -
This project is in Asheville near Biltmore Village. Property owners received a Notice of Violation from NCDENR in June 2010 and opted to enroll in the Private Sewer Rehabilitation Program. Six parcels have signed agreements to grant easements at no cost to MSD.							
Freno Drive PSR (Lower)	757,400	19,500	729,200	-	-	-	-
This project is located in the Oakley neighborhood of Asheville, south of I-40. It encompasses a private system which was taken over by MSD in 2007 for maintenance. Approximately 2,605 LF of existing lines will be replaced. The old lines do not meet current design standards and are in poor condition.							
Transfer of Private Sewers to MSD	50,000	5,000	5,000	5,000	5,000	5,000	25,000
This is for legal fees, etc. for transfer of Developer Constructed Sewer Systems to MSD for ownership and maintenance.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
PRIVATE SEWER REHABILITATION (continued)							
SUBTOTAL	\$ 821,900	\$ 34,000	\$ 734,200	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Inflation per ENR Const. Cost Index	1.0000	1.0000	1.0362	1.0737	1.1126	1.1529	1.284260
SUBTOTAL with inflation	\$ 821,900	\$ 34,000	\$ 760,778	\$ 5,369	\$ 5,563	\$ 5,764	\$ 32,107
TREATMENT PLANT, PUMP STATIONS, & GENERAL CAPITAL IMPROVEMENTS							
Building and Facility Rehabilitation	\$ 888,000	\$ 147,000	\$ 100,000	\$ 87,000	\$ 90,000	\$ 89,000	\$ 375,000
This item is for the replacement of larger capital items such as roofing systems, HVAC, and subcontracts on buildings and structures within the MSD campus and treatment plant facility.							
Bypass Pump Staging Areas	70,000	50,000	-	-	-	-	-
Two 5 mgd emergency bypass pumps were purchased in FY 12/13 for use at the treatment plant, Carrier Bridge Pump Station, and other locations as may be needed. A staging area will be constructed at the treatment plant and the Carrier Bridge Pump Station to provide prompt bypass pumping setup at these locations.							
Carrier Bridge Pump Station Bypass & Improvements	1,345,800	5,300	8,000	1,172,800	156,000	-	-
A bypass line will be installed at the Carrier Bridge Pump Station as an emergency backup to the existing 24-inch force main. This project will require re-laying 1,225 LF of existing 8-inch and 10-inch sewer line. Once installed, the new bypass line will allow for the pump station to be bypassed in the event of an emergency, or for major maintenance at the pump station.							
Clayton Road Pump Station Rehabilitation	180,000	180,000	-	-	-	-	-
This project will upgrade the pumps at the Clayton Road pump station to handle future projected flows in this basin.							
Facilities Plan Update	475,000	375,000	25,000	-	-	-	-
This project will be an update to the 2007 Water Reclamation Facility Plan. The study will evaluate future treatment regulation requirements at the Treatment Plant and will focus specifically on primary treatment and rotating biological contactors. This study will also include an ammonia removal evaluation per 2011 NPDES permit requirements.							
Flow Monitoring	265,305	30,000	30,000	-	-	-	-
This project is for expenses related to the continued operation, maintenance, and improvements of the District's flow monitoring program.							
Incinerator Bldg. MCC Replacement	220,000	20,000	200,000	-	-	-	-
This is a continuation of the upgrades for the aged electrical system at the plant. This project is to replace the motor control center located within the Incinerator Building. The existing system has deteriorated due to the aggressive environmental conditions and must be replaced. The new MCC's will be moved to a new, properly ventilated location within the building.							

Program Summary (continued)

PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
TREATMENT PLANT, PUMP STATIONS, & GENERAL CAPITAL IMPROVEMENTS (continued)							
Incinerator System Emissions Upgrades	\$ 11,230,000	\$ 3,001,000	\$ 7,415,000	\$ 525,000	\$ -	\$ -	\$ -
This project is required as a result of new emissions regulations which will go into effect March 2016.							
Influent Pump Station Rehabilitation	1,262,500	920,000	-	160,000	-	-	-
This project is to rehabilitate the influent pump station at the plant. The existing motor controls have deteriorated over the years and must be replaced. New controls will be installed and the air space will be conditioned. One pump was replaced in FY13-14. The other two pumps have been re-built multiple times and are approximately 25 years old. These remaining two pumps will be replaced in FY14-15 and FY16-17.							
Plant Electrical Arc-Flash Study	125,000	125,000	-	-	-	-	-
This project is at the request of the EHS supervisor. It is a continuation of updates for the plant's aged electrical system. The plan will specify safety ratings and required levels of personal protective equipment when operating and/or maintaining the various electrical panels throughout the treatment plant facility.							
RBC Replacement	925,000	175,000	-	-	-	750,000	-
This project is for the replacement of the existing Rotating Biological Contactors (RBC's). The existing RBC's were installed in the 1980's, and as time progresses, some will need to be replaced as they age.							
Weaverville Pump System Rehabilitation	3,505,000	-	460,000	3,045,000	-	-	-
The Weaverville Pumping System Study recommended rehabilitation of Pump Station No. 1 and No. 2. The new Pump Station No. 1 will include larger submersible pumps than the old station; a deeper wet well; a grinder on the influent pipe; installation of a bypass; and new electrical system. Modifications to Pump Station No. 2 include a new generator and installation							
SUBTOTAL	\$ 20,491,605	\$ 5,028,300	\$ 8,238,000	\$ 4,989,800	\$ 246,000	\$ 839,000	\$ 375,000
Inflation per ENR Const. Cost Index	1.0000	1.0000	1.0362	1.0737	1.1126	1.1529	1.2785460
SUBTOTAL with inflation	\$ 20,491,605	\$ 5,028,300	\$ 8,536,216	\$ 5,357,600	\$ 273,694	\$ 967,245	\$ 479,455
DESIGN, ROW, & CONSTRUCTION MANAGEMENT EXPENSES							
Design, ROW, & Constuction Management Expenses	\$ 27,196,488	\$ 2,361,032	\$ 2,424,412	\$ 2,489,646	\$ 2,649,454	\$ 2,715,786	\$ 14,556,160
This line item is for expenses related to the District's Capital Improvement Program (CIP). Included are salaries for the CIP Division, capital equipment, and bond debt expenses related to the financing of the CIP program.							
SUBTOTAL	\$ 27,196,488	\$ 2,361,032	\$ 2,424,412	\$ 2,489,646	\$ 2,649,454	\$ 2,715,786	\$ 14,556,160

Program Summary (continued)

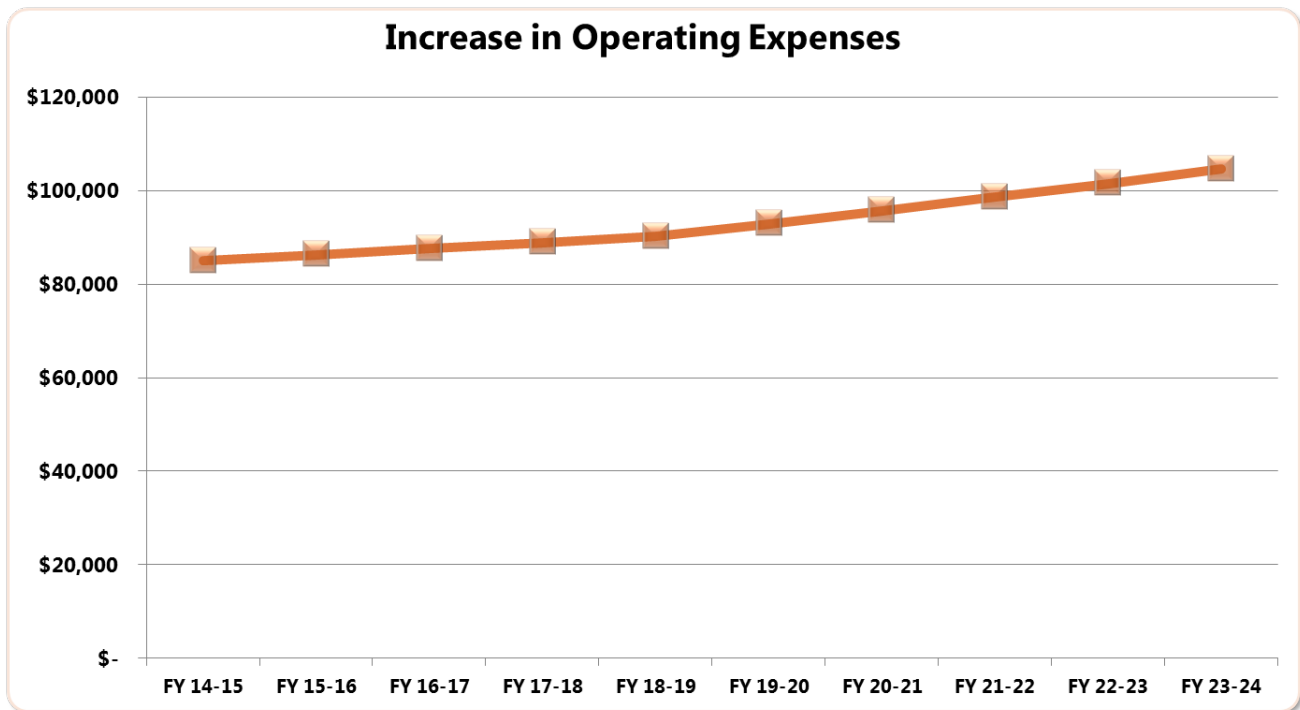
PROJECT NAME	TOTAL ESTIMATED COST	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
BUDGET SUMMARY							
<i>SUBTOTAL with Inflation</i>	\$ 171,384,607	\$ 21,560,555	\$ 22,467,214	\$ 19,363,381	\$ 16,508,569	\$ 16,895,819	\$ 86,140,971
<i>CONTINGENCY</i>		1,000,000					-
The District utilizes a flat contingency of \$1,000,000 per fiscal year. In years past, this amount was ten percent of the total budget, which unnecessarily inflated the budget because actual project costs typically track estimated costs closely. Using this amount provides adequate cushion for unexpected projects, events, or emergencies – yet it does not overly raise the approved budget for each fiscal year.							
<i>REIMBURSEMENT PROJECTS</i>	2,000,000	200,000	200,000	200,000	200,000	200,000	1,000,000
This is for reimbursements for extensions that qualify under the District's Extension Policy. Refer to the "Policy and Procedures for the Extension of Sewer Service" for further information.							
TOTAL	\$ 173,384,607	\$ 22,760,555	\$ 22,667,214	\$ 19,563,381	\$ 16,708,569	\$ 17,095,819	\$ 87,140,971

Impact of CIP on Operations

One of the purposes of a budget document is to describe the impact of significant non-routine capital expenditures on a government's current and future operating budgets. For most municipal and county governments, non-routine capital improvements consist of expansion of facilities, which often result in higher operating costs. For example, larger buildings increase utility expenses, and new structures such as libraries or swimming pools involve hiring additional staff. In addition, for most municipal and county governments, non-routine capital improvements are, for the most part, based upon the decisions of the local governing authority.

The District's CIP is different in two respects. First, almost all non-routine capital expenditures involve rehabilitation of already existing sewer pipe infrastructure, and secondly, the District's capital improvements to infrastructure are mandated by the state environmental regulatory department, imposing limits on discretionary action and cost.

Through major capital improvements to the sewer collection system, the District expects to realize long-term cost reduction in wastewater treatment operations. The following detail illustrates the impact of the Capital Improvement Program on the District's current and future operational budgets.



Operational Impact Summary

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
INTERCEPTOR AND WET WEATHER REHABILITATION						
Christian Creek Interceptor: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Dingle Creek Interceptor: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Lower Swannanona Interceptor: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
South French Broad Interceptor - Grouting: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
West French Broad M.P. Interceptor: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Beaverdam Creek WW (CDM #10): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Biltmore WW (CDM #3): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Four Mile Creek WW (CDM #1): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Haw Creek WW (CDM #6): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
South Swannanoa WW (CDM #4): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
INTERCEPTOR AND WET WEATHER REHABILITATION						
Total Interceptor & Wet Weather Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
GENERAL SEWER REHABILITATION						
Adams Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Arco Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Atkins Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Beale Road at Copney Lane: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Bear Creek Road at School Road (SS): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Braddock Way - PRP 20002: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Broadview Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Broadway Street at Bordeaux Place: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Buchanan Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Cherokee Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Chestnut Lodge Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Commerce Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Crockett Road - PRP 36002: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Cumberland Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Dellwood Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Dilling Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
East State Street at West Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Elk Mountain Place: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Elk Park Drive - PRP 35001: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Elkwood Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Elkwood @ Norman Austin Drive: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Fairfax Avenue - PRP 65001: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Fair Oaks Rd at Green Road (SS): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Forestdale Drive: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Forest Hill Drive @ Warwick Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Four Inch Main - College Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Four Inch Main - Dry Ridge Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Four Inch Main - Oakland Drive at Pine Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Hazel Mill Road @ Richland Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Hendersonville Road at Mills Gap Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Hendersonville Road at Peachtree Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Hendersonville Road at Rosscraggon Phase 2: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Hilliard Avenue at Aston Park: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Horizon Hill Road (Hy-Vu Drive): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Howland Road at Sunset Trail: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Johnston Boulevard @ Providence Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Kanawha Drive: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Kenilworth @ Springdale Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Lakeview @ Glen Falls Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Laurel Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Lincoln Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Long Shoals Road at Allen Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana Avenue at Brucemont Circle: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Lower Glendale Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Lower Melody Lane: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Manetta Road @ Johnson Drive: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Meadowbrook Drive (SS): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Melody Circle: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Merrimon Avenue at Clearview Terrace: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Merrimon Avenue at Coleman Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Middle Beaverdam Creek at US 19-23: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Mountainbrook Road at Chunns Cove Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Mountainview Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Mount Vernon Place Ph. 2: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
New Haw Creek Road @ Dogwood Gr.: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
New Haw Creek Road at Trinity Chapel Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
New Salem Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
North Market Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Old Haw Creek Road at Greenbriar Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Old Haywood Road at Starnes Cove Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Old US 70 at Pine Circle: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Old West Chapel Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Panola Street Rehabilitation (SS): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Riverside Drive at Silverline Plastic: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Riverview Drive: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Robinwood Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Royal Pines Drive - PRP 47009: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sandhill at Russell/Davenport: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Shadowlawn Drive Ph. 1: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Shadowlawn Drive Ph. 2: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Short Coxe at Southside: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Springside Road at Overlook Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Stratford Road at Oxford Court: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sulphur Springs Road @ Covington Street: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sunset Drive @ Bee Tree Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sutton Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sweeten Creek @ Buck Shoals: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Sweeten Creek Road @ Busbee View: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Upper Grassy Branch Road @ Maxwell Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Walnut Street @ Rankin Avenue: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Weaver Boulevard @ US 19-23: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
GENERAL SEWER REHABILITATION (continued)						
Wendover Road: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
West Crabapple Lane: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
SSD Rehabilitation & Replacement (Annual): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Surveys for Design: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Future Projects - General Rehabilitation: No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Total General Sewer Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
PRIVATE SEWER REHABILITATION						
Douglas Place PSR (SS): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Freno Drive PSR (Lower): No Impact to Operating Budget - efficiencies gained will be used in the District's collector system preventative maintenance program.	\$0	\$0	\$0	\$0	\$0	\$0
Transfer of Private Sewers to MSD: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Total Private Sewer Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
TREATMENT PLANT, PUMP STATIONS, & GENERAL CAPITAL IMPROVEMENTS						
Building and Facility Rehabilitation: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Bypass Pump Staging Areas: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Carrier Bridge Pump Station Bypass & Improvements: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Clayton Road Pump Station Rehabilitation: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0

Operational Impact Summary (continued)

PROJECT NAME: OPERATING EFFECT	FY 14-15 BUDGET	FY 15-16 BUDGET	FY 16-17 BUDGET	FY 17-18 BUDGET	FY 18-19 BUDGET	FY 19-20 thru FY 23-24 BUDGET
TREATMENT PLANT, PUMP STATIONS & GENERAL CAPITAL IMPROVEMENTS (continued)						
Facilities Plan Update: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Flow Monitoring: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Incinerator Building MCC Replacement: No Impact to Operating Budget.						
Incinerator System Emissions Upgrades: Currently being studied, Impact to Operating Budget includes additional materials, energy, and disposal costs.	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216	\$493,338
Influent Pump Station Replacement: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Arc-Flash Study: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
RBC Replacement: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Weaverville Pump System Rehabilitation: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Total Treatment Plant, Pump Stations & General Capital Improvements	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216	\$493,338
DESIGN, ROW, & CONSTRUCTION MANAGEMENT EXPENSES						
Design, ROW, & Const. Mgmt. Exp.: No Impact to Operating Budget.	\$0	\$0	\$0	\$0	\$0	\$0
Total Design, ROW, & Construction Management Expenses	\$0	\$0	\$0	\$0	\$0	\$0
OPERATIONAL IMPACT SUMMARY						
Interceptor & Wet Weather Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
General Sewer Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
Private Sewer Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0
Treatment Plant, Pump Station and General Capital Improvements	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216	\$493,338
Design, ROW, & Construction Management Expenses	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216	\$493,338



Debt Financing

Debt Financing

Debt Management

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

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

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

Moody's Investors Service

Aa2

Standard & Poor's

AA+

Fitch Ratings

AA+

In March 2013, the District received a ratings upgrade from AA to AA+ from Standard & Poor's. Standard & Poor's Rating Services recognized the District's consistently strong financial profile facilitated by managements' demonstrated willingness to adjust rates on a regular recurring basis coupled with conservative and proactive management practices and policies. These high ratings enable the District to pay a lower rate of interest than many other utilities, which has a positive effect on the current and future budgets.

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

The District maintains a ten year forecast to budget capital improvements financed by a combination of debt and current fees. Based on projections using modest, consistent rate increases and capital improvement projects as outlined in the District's 10-year Capital Improvement Plan, an additional \$24 million in debt is anticipated to be issued in FY2017 without affecting the planned rate of user charge increases.

Debt Financing (continued)

Capital Projects Funding

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

During FY14, the District issued \$26.2 million fixed rate revenue bonds. The District anticipates expending the entire amount of proceeds within the next six months. During this time, the District will also accumulate funding from operations to finance a portion of the capital budget until the next debt issuance, anticipated to be in FY17.

As of June 30, 2014, the District will have \$106.8 million par value of outstanding revenue bond debt. During FY15, over \$5.4 million in principal will be repaid. The District anticipates issuing an additional \$24 million in revenue bonds in FY17. Debt service from this future bond issue has been included in the District's long-term business plan and sewer rate increases. A summary of outstanding debt at June 30, 2014 and anticipated principal repayment during FY15 are on the following two (2) pages.

Debt Financing (continued)**Outstanding Debt as of June 30, 2014**

	Original Issue Amount	Balance 6/30/2014	Additions	Retirements	Balance 6/30/2015
Enka-Candler Water and Sewer District Bonds liability assumed by Metropolitan Sewerage District of Buncombe County, North Carolina on July 2, 1990 as stated in the sewer consolidated agreement:					
5.00% serial bonds assumed July 2, 1990 with maturities on each June 1 through 2024 varying from \$19,000 to \$64,000, interest payable annually.	1,500,000	593,000	-	61,000	532,000
Total Bonds, Enka Candler Series	\$ 1,500,000	\$ 593,000	\$ -	\$ 61,000	\$ 532,000
Revenue Bonds, Series 2008A issued to refund Series 2005 Revenue Bonds					
Interest at variable rates in the weekly mode, payable monthly, due serially until 2031.	33,635,000	32,185,000	-	765,000	31,420,000
Total Bond, Series 2008A	\$ 33,635,000	\$ 32,185,000	\$ -	\$ 765,000	\$ 31,420,000
Revenue Bonds, Series 2009A issued to construct certain sewerage projects					
2.0% to 5.00% serial bonds issued October 7, 2009, with maturities on each July 1, 2010 through 2024 varying from \$400,000 to \$700,000; interest payable semi-annually	7,920,000	6,230,000	-	460,000	5,770,000
5.00% term bonds issued October 7, 2009, at 109.001%, due July 1, 2029; interest payable semi-annually.	4,065,000	4,065,000	-	-	4,065,000
5.00% term bonds issued October 7, 2009, at 107.240%, due July 1, 2034; interest payable semi-annually.	5,220,000	5,220,000	-	-	5,220,000
Total Bond, Series 2009A	\$ 17,205,000	\$ 15,515,000	\$ -	\$ 460,000	\$ 15,055,000

Debt Financing (continued)**Outstanding Debt as of June 30, 2014**

	Original Issue Amount	Balance 6/30/2014	Additions	Retirements	Balance 6/30/2015
Revenue Bonds, Series 2009B used to refund portions of Series 1999					
2.0% to 5.00% serial bonds issued October 7, 2009, with maturities on each July 1, 2010 through 2019 varying from \$595,000 to \$3,100,000; interest payable semi-annually	13,360,000	1,845,000	-	-	1,845,000
Total Bond, Series 2009B	\$ 13,360,000	\$ 1,845,000	\$ -	\$ -	\$ 1,845,000
Revenue Bonds, Series 2013 used to refund Series 2003 and Series 2008B					
2.0% to 5.00% serial bonds issued May 1, 2013, with maturities on each July 1, 2014 through 2029 varying from \$1,065,000 to \$4,255,000; interest payable semi-annually	30,230,000	30,230,000	-	4,080,000	26,150,000
Total Bond, Series 2013	\$ 30,230,000	\$ 30,230,000	\$ -	\$ 4,080,000	\$ 26,150,000
Revenue Bonds, Series 2014 issued to construct certain sewerage projects					
2.0% to 5.00% serial bonds issued May 21, 2014 with maturities on each July 1, 2015 through 2039 varying from \$510,000 to \$1,710,000; interest payable semi-annually	26,195,000	26,195,000	\$ -	\$ -	26,195,000
Total Bond, Series 2014	\$ 26,195,000	\$ 26,195,000	\$ -	\$ -	\$ 26,195,000
2009 North Carolina Water Pollution Control Revolving Fund used to construct certain sewerage projects					
\$707,346 revolving loan issued August 18, 2009 unpaid principal sum is reduced by one-half as "Principal Forgiveness", interest accrues at 0%, 20 annual installments May 1, 2011 to 2030	336,490	269,190	-	16,825	252,365
Total State Revolving Fund	\$ 336,490	\$ 269,190	\$ -	\$ 16,825	\$ 252,365
Total Bonds--All Series	\$ 122,461,490	\$ 106,832,190	\$ -	\$ 5,382,825	\$ 101,449,365

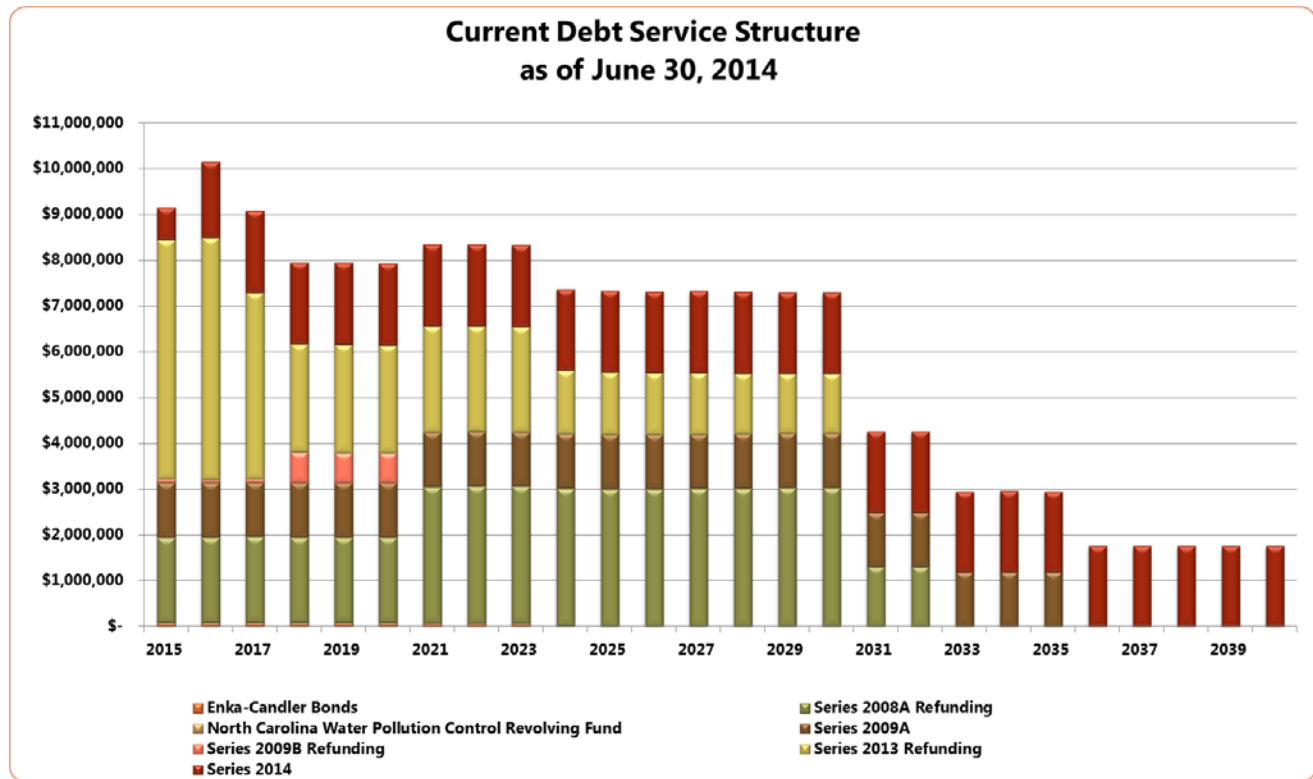
Aggregate Debt Service

Year Ending June 30	Enka-Candler Bonds	Series 2008A Refunding	Series 2009A	Series 2009B Refunding
2015	\$ 90,650	\$ 1,851,743	\$ 1,182,850	\$ 73,800
2016	90,600	1,850,168	1,180,300	73,800
2017	87,400	1,857,849	1,180,900	73,800
2018	84,200	1,858,620	1,180,700	656,900
2019	81,000	1,859,120	1,179,700	652,700
2020	77,800	1,863,272	1,182,800	647,700
2021	74,600	2,967,245	1,180,000	-
2022	71,400	2,979,356	1,183,150	-
2023	68,200	2,979,445	1,180,200	-
2024	21,000	2,986,599	1,180,875	-
2025	-	2,986,194	1,181,750	-
2026	-	2,987,324	1,180,875	-
2027	-	3,000,803	1,178,250	-
2028	-	3,010,738	1,178,750	-
2029	-	3,017,451	1,182,125	-
2030	-	3,025,226	1,178,375	-
2031	-	1,304,929	1,182,375	-
2032	-	1,306,777	1,179,000	-
2033	-	-	1,178,250	-
2034	-	-	1,179,875	-
2035	-	-	1,178,750	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
	\$ 745,500	\$ 43,692,859	\$ 24,789,850	\$ 2,178,700

Aggregate Debt Service (continued)

Year Ending June 30	North Carolina Water Pollution Control Revolving Fund	Series 2013 Refunding	Series 2014	Aggregate Debt Service
2015	\$ 16,825	\$ 5,224,394	\$ 707,323	\$ 9,147,584
2016	16,825	5,273,494	1,662,338	10,147,524
2017	16,825	4,079,194	1,782,563	9,078,530
2018	16,825	2,368,094	1,779,588	7,944,925
2019	16,825	2,363,094	1,782,388	7,934,825
2020	16,825	2,350,794	1,779,088	7,918,277
2021	16,825	2,322,594	1,775,938	8,337,201
2022	16,825	2,302,844	1,784,338	8,337,912
2023	16,825	2,298,219	1,776,363	8,319,251
2024	16,825	1,377,719	1,775,113	7,358,130
2025	16,825	1,363,469	1,780,713	7,328,949
2026	16,825	1,352,944	1,769,688	7,307,655
2027	16,825	1,341,444	1,782,538	7,319,859
2028	16,825	1,323,644	1,768,513	7,298,469
2029	16,825	1,304,644	1,777,069	7,298,113
2030	16,825	1,294,922	1,768,500	7,283,847
2031	-	-	1,768,625	4,255,929
2032	-	-	1,766,000	4,251,777
2033	-	-	1,765,500	2,943,750
2034	-	-	1,768,500	2,948,375
2035	-	-	1,765,500	2,944,250
2036	-	-	1,758,375	1,758,375
2037	-	-	1,756,375	1,756,375
2038	-	-	1,755,750	1,755,750
2039	-	-	1,756,250	1,756,250
2040	-	-	1,752,750	1,752,750
	\$ 269,192	\$ 37,941,503	\$ 44,865,679	\$ 154,484,633

Aggregate Debt Service (continued)



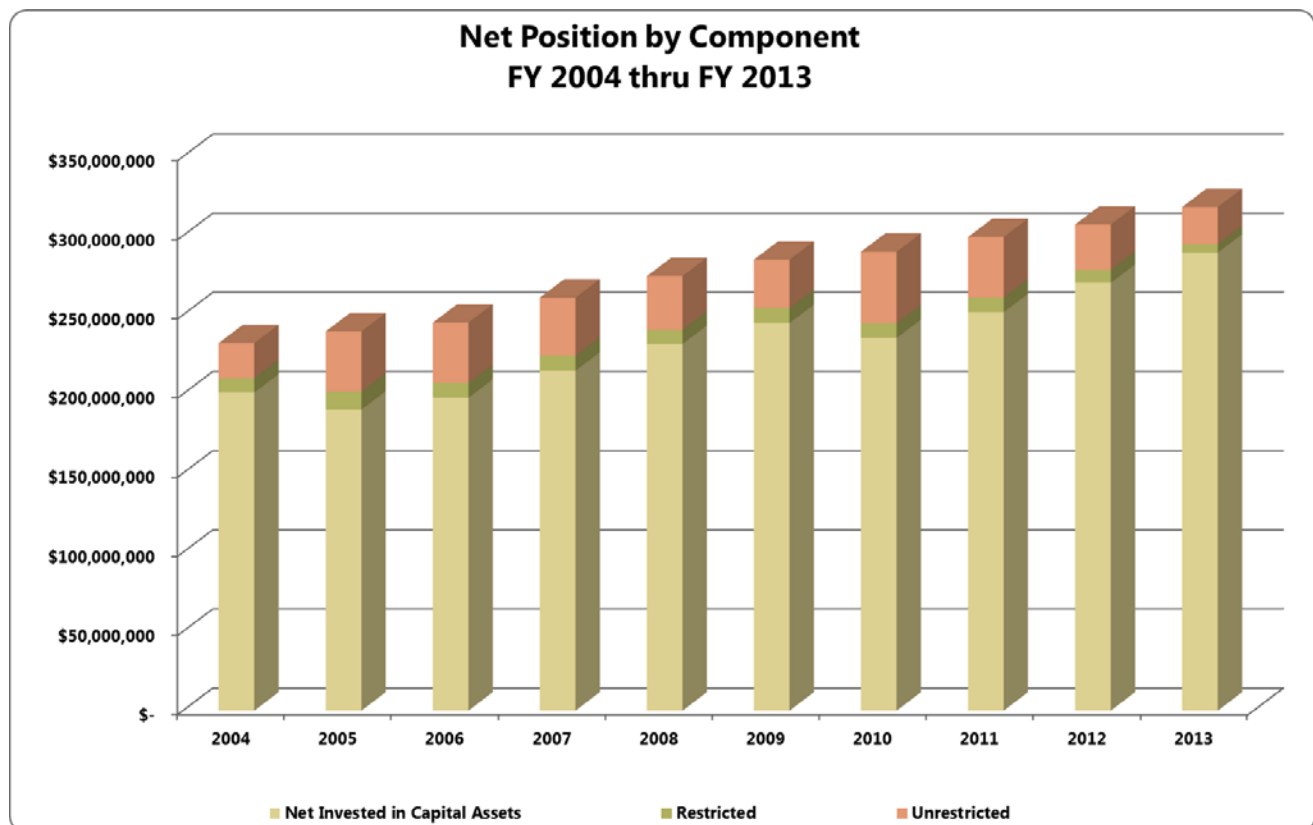
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Statistical Information

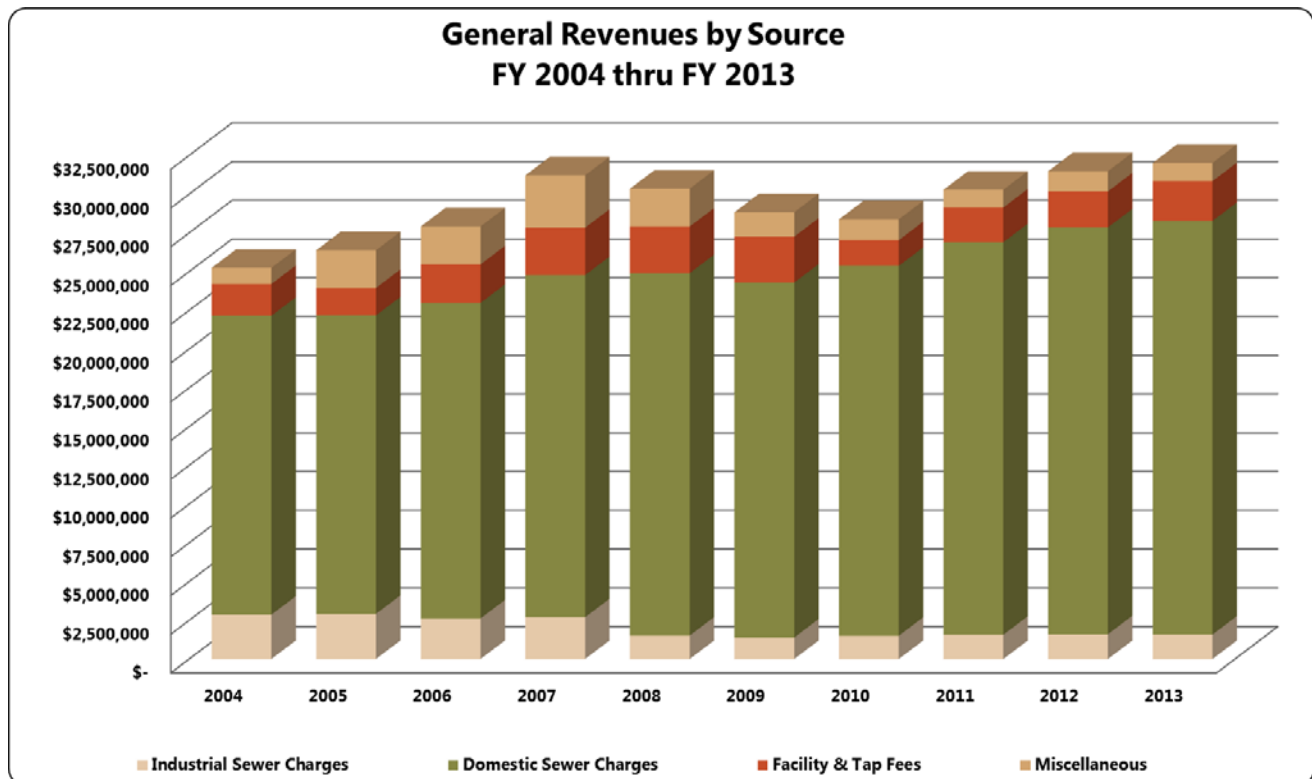
Net Position by Component***FY 2004 to FY 2013***

Fiscal Year Ended June 30	Net Invested in Capital Assets	Restricted	Unrestricted	Total Net Position
2004	\$ 200,997,207	\$ 9,156,422	\$ 22,071,391	\$ 232,225,020
2005	190,156,068	11,404,911	38,055,205	239,616,184
2006	197,656,088	9,446,269	38,041,095	245,143,452
2007	214,808,683	9,447,494	36,699,672	260,955,849
2008	231,678,011	8,886,108	33,968,233	274,532,352
2009	244,875,790	9,493,497	30,570,139	284,939,426
2010	235,471,938	9,248,713	45,195,178	289,915,829
2011	251,754,578	9,294,955	38,170,812	299,220,345
2012	270,297,021	8,117,494	28,687,702	307,102,217
2013	289,369,009	5,472,550	23,332,868	318,174,427



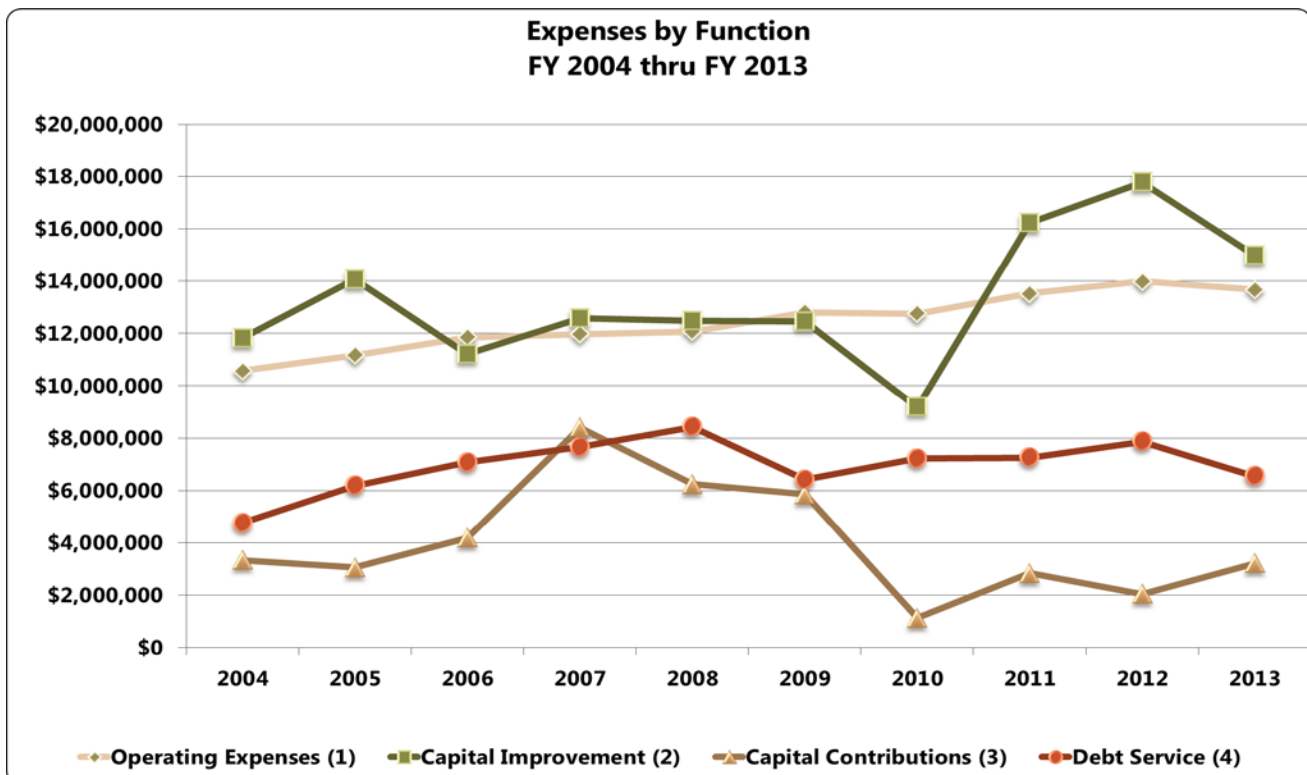
General Revenue by Source***FY 2004 to FY 2013***

Fiscal Year Ended June 30	Industrial Sewer Charges	Domestic Sewer Charges	Facility & Tap Fees	Miscellaneous	Total
2004	\$ 2,858,675	\$ 19,287,996	\$ 2,050,380	\$ 1,042,025	\$ 25,239,076
2005	2,912,188	19,257,393	1,769,620	2,436,753	26,375,954
2006	2,617,298	20,363,671	2,481,850	2,447,394	27,910,213
2007	2,693,328	22,077,774	3,054,950	3,384,897	31,210,949
2008	1,510,669	23,385,025	3,005,184	2,444,885	30,345,763
2009	1,386,132	22,904,587	2,959,115	1,578,976	28,828,810
2010	1,498,529	23,871,289	1,654,010	1,348,691	28,372,519
2011	1,565,402	25,329,492	2,238,171	1,147,955	30,281,020
2012	1,599,819	26,249,357	2,321,474	1,305,959	31,476,609
2013	1,577,916	26,690,934	2,566,635	1,185,057	32,020,542

Note: Does not include Capital Contributions.

Expenses by Function**FY 2004 to FY 2013**

Fiscal Year Ended June 30	Operating Expenses ⁽¹⁾	Capital Improvement ⁽²⁾	Capital Contributions ⁽³⁾	Debt Service ⁽⁴⁾	Total
2004	\$ 10,575,873	\$ 11,816,018	\$ 3,340,566	\$ 4,754,836	\$ 30,487,293
2005	11,169,148	14,055,591	3,053,623	6,179,174	34,457,536
2006	11,853,663	11,213,052	4,184,135	7,071,308	34,322,158
2007	11,977,241	12,574,902	8,404,343	7,650,737	40,607,223
2008	12,070,195	12,471,794	6,244,304	8,419,405	39,205,698
2009	12,808,349	12,447,791	5,856,798	6,413,405	37,526,343
2010	12,754,727	9,173,231	1,128,684	7,212,980	30,269,622
2011	13,522,468	16,226,145	2,841,859	7,255,856	39,846,328
2012	13,982,269	17,775,391	2,047,550	7,859,771	41,664,981
2013	13,674,518	14,988,922	3,217,846	6,553,956	38,435,242

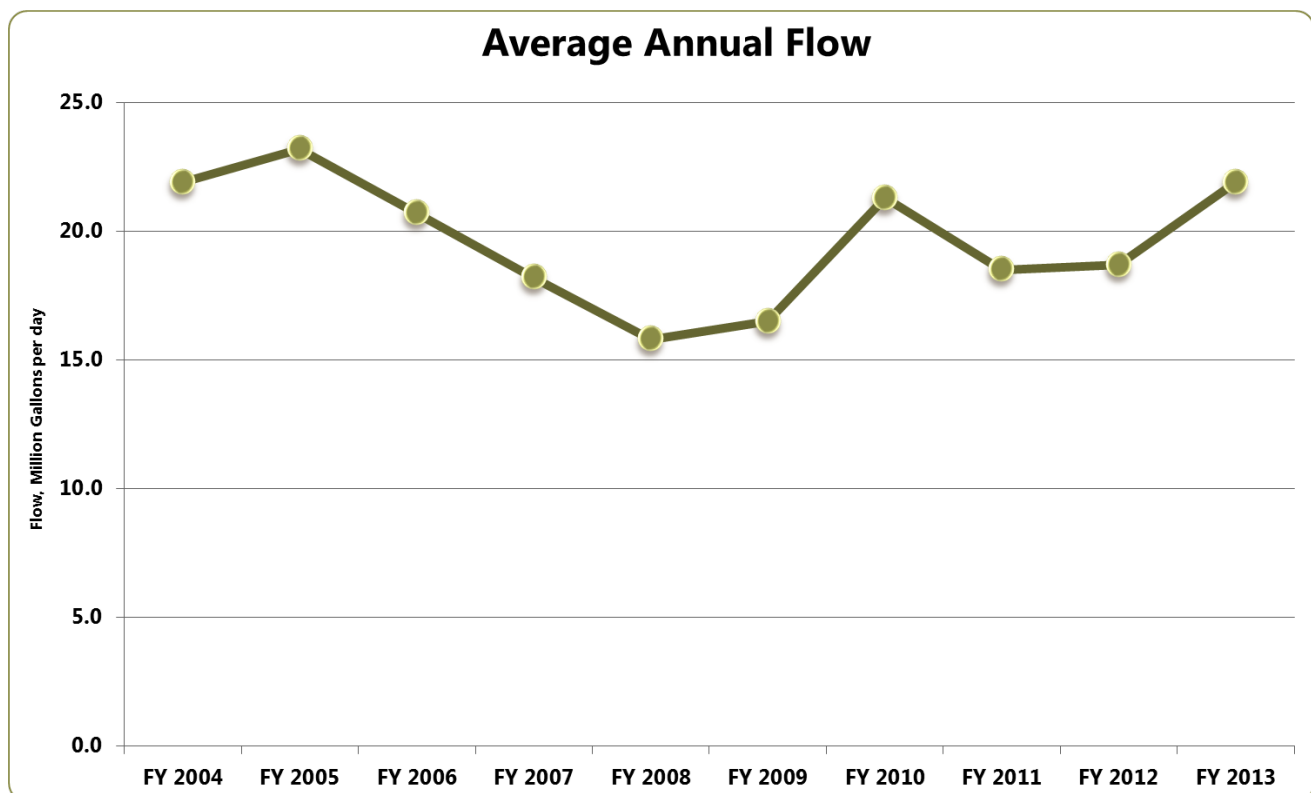
¹ Includes general operations² Excludes depreciation expense.³ This includes collection system infrastructure contributed by developers.⁴ Includes Bond Principal Expense and Bond Interest Less Capitalized Interest Portion and excludes early retirement of long-term debt.

Wastewater Flow Table**FY 2004 to FY 2013**

Fiscal Year Ended June 30	ADF (A) (mgd)	Total Operating Expenses (B)
2004	21.9	\$ 10,575,873
2005	23.2	11,169,148
2006	20.7	11,853,663
2007	18.2	11,977,241
2008	15.8	12,070,195
2009	16.5	12,808,349
2010	21.3	12,754,727
2011	18.5	13,522,468
2012	18.1	13,982,269
2013	21.9	13,674,518

(A) ADF=Average Daily Flow

(B) Includes Collection System Operations and Administrative Expenses in addition to Wastewater Treatment Expenses but excludes depreciation.



Demographic Statistics – Service Area Population

Year	Asheville	Biltmore Forest	Black Mountain	Montreat	Weaverville	Woodfin	Buncombe County (B)
1960	60,186	1,004	1,313	(A)	1,041	(A)	130,074
1970	57,681	1,298	3,204	581	1,280	(A)	145,056
1980	54,022	1,499	4,083	741	1,495	3,260	160,897
1990	64,625	1,346	6,537	799	2,056	3,002	174,727
2000	68,555	1,434	7,499	884	2,474	3,169	206,330
2010	74,140	1,522	7,646	774	2,894	3,395	233,932

Note: (A) Population figures were not available during the years indicated because the cities were not incorporated.

(B) Represents the entire population of Buncombe County. MSD serves only a portion of the population.

Source: North Carolina Office of State Planning

Demographic & Economic Statistics *FY 2004 to FY 2013*

	Population Estimates ¹	Per Capita Income ²	Median Age ¹	Civilian Labor Force ³		
				Employed	Unemployed	Unemployment Rate
2004	217,323	\$ 29,620	39.96	109,230	5,250	4.6%
2005	219,247	30,750	40.23	110,282	5,492	4.7%
2006	225,065	32,777	40.39	115,390	4,797	4.0%
2007	229,526	34,243	40.49	116,794	4,525	3.7%
2008	232,814	34,987	40.65	117,857	5,983	4.8%
2009	235,879	32,873	40.84	112,303	10,648	8.7%
2010	238,846	33,351	40.68	115,094	10,964	8.7%
2011	243,707	34,467	40.91	116,007	10,636	8.4%
2012	245,535	Unavailable	41.19	118,067	10,084	7.9%
2013	248,578	Unavailable	41.37	120,304	9,154	7.1%

Note: The information above is for Buncombe County, North Carolina. The District believes that the above information is representative of the service area, which extends over approximately 80% of the county.

Sources:

¹ North Carolina Office of State Budget and Management

² Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

³ North Carolina Employment Security Commission

*Principal Commercial Users**FY 2004 to FY 2013*

Commercial User	Type of Business	FY 2004			FY 2013		
		Total Charges	Rank	% of Total Charges	Total Charges	Rank	% of Total Charges
Milkco, Inc.	Dairy Products & Juices	\$ 501,409	2	2.26%	\$ 486,928	1	1.72%
Mission Health System	Health & Emergency Services	153,556	6	0.69	257,420	2	0.91
Ridgecrest Baptist Conference Center	Christian Conference Center	-	-	-	173,986	3	0.62
Givens Estates	Retirement Community	-	-	-	139,403	4	0.49
Mission Hospital Laundry – (formerly Cooperative Laundry Services)	Laundry Service Provider	-	-	-	110,296	5	0.39
Jacob Holms Industries	Textile Manufacturing	-	-	-	108,275	6	0.38
Continental Automotive Systems	Automotive Supplier	-	-	-	107,558	7	0.38
VA Medical Center – Asheville Department of Veterans Affairs	Veterans Hospital	92,217	7	0.42	107,367	8	0.38
BONAR – (formerly Colbond)	Chemical Manufacturer	-	-	-	104,016	9	0.37
The Biltmore Company	Resort/Winery/Tourist Attraction	-	-	-	74,364	10	0.26
Lustar Dyeing & Finishing	Textile Manufacturing	368,130	3	1.66	-	-	-
Anvil Knitwear - (formerly Asheville Dyeing & Finishing)	Textile Manufacturing	850,808	1	3.84	-	-	-
Grove Park Inn	Resort & Convention Services	239,270	4	1.08	-	-	-
Spring Global - (formerly Owen Manufacturing Company, Inc.)	Textile Manufacturing	223,629	5	1.01	-	-	-
ArvinMeritor (Commercial Vehicle Systems Division)	Manufacturer of Commercial Truck Axles	55,105	8	0.25	-	-	-
Ralph Wilson Plastics	Manufacturer	51,600	9	0.23	-	-	-
Flint Group - (formerly Day International)	Textile Machine Parts	47,463	10	0.21	-	-	-
Total for Principal Commercial Users		\$2,583,187		11.65%	\$1,665,479		5.90%

Source: District Billing Records

*Principal Employers**FY 2004 to FY 2013*

Employer	FY 2004			FY 2013		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Mission Health Systems	5,125	1	4.69%	6,994	1	5.81%
Buncombe County Public Schools	3,650	2	3.34%	4,000	2	3.32%
The Biltmore Company	875	9	0.80%	1,770	3	1.47%
VA Medical Center - Asheville	1,068	7	0.98%	1,593	4	1.32%
Buncombe County Government	1,882	4	1.72%	1,380	5	1.15%
Ingles Markets, Inc.	2,225	3	2.04%	1,137	6	0.95%
The Grove Park Inn Resort & Spa	1,000	8	0.92%	1,100	7	0.91%
Asheville-Buncombe Technical Community College				1,019	8	0.85%
City of Asheville	1,245	5	1.14%	1,000	9	0.83%
CarePartners	1,100	6	1.01%	950	10	0.79%
Sonopress, Inc. (now known as Arvato Digital Services)	725	10	0.66%			
Total for Principal Employers	18,895		17.30%	20,943		17.41%

Note: The information above is for Buncombe County, N.C. The District believes that the above information is representative of the entire service area, which extends over approximately 80% of the County.

Sources: Asheville Area Chamber of Commerce, Economic Development Department
North Carolina Employment Security Commission



Appendix

About MSD, City of Asheville & Buncombe County

About MSD

The MSD is a public body and body politic and corporate of the State of North Carolina, exercising public and essential governmental functions and organized under the provisions of the North Carolina Metropolitan Sewerage Districts Act, being Article 5, Chapter 162A of the General Statutes of North Carolina, as amended. The District was established in 1962 by the North Carolina State Stream Sanitation Committee to construct and operate facilities for sewage treatment for municipalities and sanitary districts within Buncombe County.

In 1967, the District completed the construction of a 25 million gallon per day (MGD) wastewater treatment plant adjacent to the French Broad River. Nineteen miles of interceptor sewer were initially built, connecting the collector sewer systems located within the municipalities and other political subdivisions, which comprised the District. Then, in the late 1980's, the District expanded the capacity of the Water Reclamation Facility to its current capacity of 40 MGD, rehabilitated the hydroelectric dam and powerhouse to mitigate energy costs, and built a thermal converter for sludge disposal.

In July 1990, the political subdivisions comprising the District transferred their respective sewerage systems to the District. These systems had been previously owned, operated, and maintained separately by each political subdivision. The purpose of this sewer consolidation was to create a consolidated sewerage system in the urbanized portion of Buncombe County with ownership of all components of the system and responsibility for their operation, maintenance, and capital improvement centralized with the District. Before the sewer consolidation, the District had little control over the condition, operation, and maintenance of individual collector systems, which significantly affect the operational efficiency of the wastewater plant.

Buncombe County is located in the Blue Ridge Mountains of Western North Carolina. The District is comprised of the following political subdivisions located within Buncombe County:

City of Asheville	Fairview Sanitary Sewer District
Town of Montreat	Skyland Sanitary Sewer District
Town of Biltmore Forest	Busbee Sanitary Sewer District
Town of Black Mountain	Swannanoa Water & Sewer District
Town of Weaverville	Caney Valley Sanitary Sewer District
Town of Woodfin	Woodfin Sanitary Water & Sewer District
Beaverdam Water & Sewer District	Crescent Hill Sanitary Sewer District
Enka-Candler Water & Sewer District	Venable Sanitary District

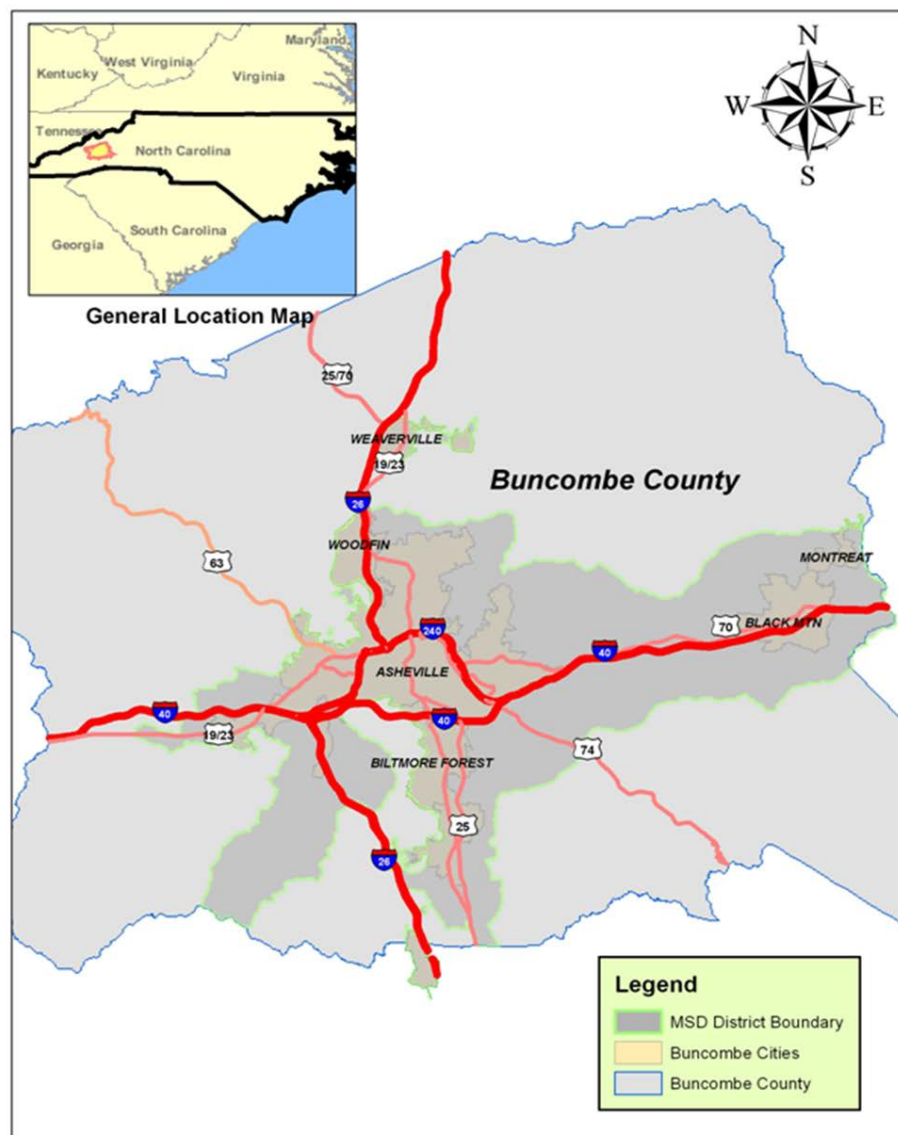
The District Board consists of twelve appointed members. Three (3) from the County of Buncombe, three (3) from the City of Asheville, and one (1) each from the Woodfin Sanitary Water & Sewer District, and the Towns of Biltmore Forest, Black Mountain, Montreat, Woodfin and Weaverville.

About MSD, City of Asheville & Buncombe County (continued)

About MSD (continued)

Under the North Carolina Metropolitan Sewerage Districts Act, the District is authorized, among other things, to: (a) acquire, lease, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain, and operate any sewerage system or part thereof (including facilities for the generation and transmission of electric power and energy) within or without the District; (b) to issue revenue bonds to pay the costs of any of the foregoing; and (c) to fix and revise from time to time and collect rents, rates, fees and other charges for the use of or the services and facilities furnished by any sewerage system.

District Boundary Map



About MSD, City of Asheville & Buncombe County (continued)

Population and Growth Statistics

Population growth in Buncombe County has occurred largely in a linear fashion along major transportation routes, which is reflected in the configuration of the District's service area. The District is approximately a 180 square mile service area, comprising nearly 25% of the total land area of Buncombe County. The District's service area corresponds generally with the urbanized core of Buncombe County, and includes small portions of northern Henderson County.

The population of the area has steadily increased, as illustrated in the following chart:

Year	Buncombe County	Henderson County
1970	145,056	42,804
1980	160,897	58,580
1990	174,727	69,378
2000	206,330	89,173
2010	238,870	105,221
2013 (est.)	247,912	108,340

Located in approximately the geographic center of Buncombe County, the City of Asheville is the major population center in the District. About 35% of the County's residents live in Asheville. Five (5) incorporated towns in Buncombe County-Black Mountain, Biltmore Forest, Weaverville, Woodfin, and Montreat are included in the District's service area. Weaverville and Woodfin are north of Asheville, Black Mountain and Montreat are located in eastern Buncombe County, and Biltmore Forest is contiguous to the City of Asheville on its southern boundary. Approximately seven percent (7%) of the county's population lives in these five towns.

Buncombe County's topography ranges from fertile valleys to rugged mountains. Mt. Mitchell, the highest point in eastern North America (6,684 feet), is located 35 miles northeast of the City of Asheville in adjacent Yancey County. The topography of Buncombe County's urbanized core is, however, a long flat plain, which has allowed Buncombe County to develop differently from the more mountainous counties of Western North Carolina. The plain, with an elevation of 2,000 feet, averages about 45 miles in width. It is bisected from south to north by the French Broad River and from east to west by the Swannanoa River and Hominy Creek, two major tributaries of the French Broad. Because of extremes in elevation, the climate varies significantly from one section of Buncombe County to another. The mean elevation of the City of Asheville is about 2,300 feet, and the summers are cool and the winters are moderate with small amounts of snow. The higher elevations in Buncombe County receive considerable amounts of snow and the summers are cooler. The average January temperature is 33° for the City of Asheville and the average temperature in July is 77°. The City of Asheville receives an average of 46 inches of rainfall a year. However, because the City of Asheville is located within a "rain shadow" caused by the shielding effect of the nearby mountain barriers, other

About MSD, City of Asheville & Buncombe County (continued)

Population and Growth Statistics (continued)

areas of Buncombe County, especially to the south and southwest, receive significantly higher amounts of rainfall.

Employment and Major Industries

Buncombe County serves as a regional economic center for Western North Carolina. Its diverse commercial and industrial base includes manufacturing, distribution, travel and tourism, retail trade, health care and governmental services. According to the North Carolina Employment Security Commission, 122,653 people were employed in Buncombe County as of April 2014. The number of persons in the labor force has increased by 2,759 over the previous year.

Buncombe County's economy has been expanding and becoming more diverse. Recognizing that textile industries no longer dominate the manufacturing base, the public and private sectors in Buncombe County have been working together to encourage the relocation and development of new industries and other economic endeavors. In addition, the Buncombe County Tourism Development Authority works to foster the continued growth of tourism and convention business. Downtown redevelopment efforts by the City of Asheville have also provided additional office, retail shop, and parking space.

Employment in the service sector is increasing, but manufacturing remains a significant part of the local economy. The diverse products manufactured include food, textiles, apparel, wood products, printing and publishing, rubber and plastic products, fabricated metal products, industrial machinery and equipment, electrical equipment, and transportation equipment. Health care, retail sales, education, and government services are the principal employers in the growing service sector of Buncombe County's labor force. Buncombe County serves as a regional medical center for most of western North Carolina. There are two major hospital complexes located in Buncombe County: Mission Hospital, an acute care medical center licensed for more than 735 beds on (2) two adjoining campuses, *Memorial and St. Joseph*, and the federally funded Veteran's Administration Medical Center, *Charles George VA Medical Center* consisting of a 119-bed acute care hospital and 120-bed nursing facility serving veterans from a 19-county area in Western North Carolina, parts of Eastern Tennessee, and upstate South Carolina and Georgia. Also located in Buncombe County is *CarePartners Rehabilitation Hospital*, a private, nonprofit 80-bed facility for the rehabilitation and treatment of stroke and ambulation dysfunction victims, traumatic brain/head injuries, and amputation.

Tourism and the hospitality industry also constitute major segments of employment in the service sector and are projected to increase significantly. The impact of tourism is multi-dimensional and includes conventioners, commercial visitors, and tourists taking advantage of the mountain scenery, moderate climate, and craft skills of persons living in the area. Closely related to the tourism industry is the growth of discount malls and outlet stores. The seasonal influx of persons from outside the

About MSD, City of Asheville & Buncombe County (continued)

Employment and Major Industries (continued)

region is strengthening Buncombe County's position as the primary regional retail center for area and tourist commerce. To provide a source of funds for promoting the recreational, cultural, and other attractions of the area, Buncombe County has imposed an occupancy tax on hotel and motel rooms in Buncombe County. The revenues from this tax are used by Buncombe County's Tourism Development Authority to promote the growth of tourism and convention business.

Western North Carolina is known as a recreational area, which makes tourism and the hospitality industry a major contributing force to the economic vitality of Buncombe County. The Great Smoky Mountains National Park is located 70 miles west of the City of Asheville. Approximately 160 miles of the Blue Ridge Parkway are in western North Carolina, and the Parkway bisects Buncombe County from east to west. Two national forests, Pisgah and Nantahala, are located within an easy drive of the City of Asheville. These outdoor recreational resources attract thousands of visitors each year to the area for such activities as camping, hiking, canoeing, white-water rafting, fishing, and hunting. Also, immediately south of the City of Asheville is the 255-room "chateau" known as the *Biltmore House*. Constructed from 1889 to 1895 by George Vanderbilt, the Biltmore House is one of North Carolina's most visited tourist attractions, which includes self-guided tours of the House & Gardens, Antler Hill Village, featuring the Winery, The Biltmore Legacy, Village Green, and Farm. Another attraction is the *Grove Park Inn* with 510 guest rooms, 42 meeting rooms, an 18-hole, 6,720 yard, par 70 Donald Ross designed golf course, a 43,000 square-foot spa with 31 treatment rooms and over 60 treatment selections which has augmented its appeal to the tourism and hospitality industry.

This favorable economic environment has resulted in lower unemployment rates for Buncombe County than across the state and nation. In addition, median household income has increased by 17% in Buncombe County and 18% in the City of Asheville since 2000. According to the U. S. Department of Commerce, for the year 2012, median household income in the City of Asheville was \$38,999 and in Buncombe County was \$42,900. This compares with \$45,546 for the State of North Carolina and \$52,822 for the nation as a whole.

Education

Buncombe County has two public school systems: the Asheville City Administrative Unit, which serves about 3,700 students, consisting of (5) elementary schools and (2) secondary (high schools) and the Buncombe County Administrative Unit, which serves approximately 25,000 students, consisting of (23) elementary schools, (17) secondary schools (high schools) and (2) combined schools.

Asheville-Buncombe Technical Community College is a public, two-year college, serving more than 27,000 students in a variety of business, technical, and health care curricula. In addition, community enrichment classes, such as art, languages, and practical skills are offered year-round at each campus location throughout the College's service area.

About MSD, City of Asheville & Buncombe County (continued)

Education (continued)

Warren Wilson College is a private, four-year liberal arts college with an enrollment of about 1,000 students offering academics with work for the school (15 hours per week) and service to the community (100 hours over four years).

Montreat College is a private four-year liberal arts college with an enrollment of about 810 students at the (4) campuses which strives to be Christ-centered, student-focused, and service-driven. In addition, Montreat College offers accelerated programs for adult students, including graduate, professional, and online degree programs.

The University of North Carolina at Asheville ("UNCA") is an undergraduate, state-supported liberal arts college with an enrollment of about 3,600 students from 38 states and 24 countries. UNCA is one of the nation's top public liberal arts universities and one of the (17) institutions in the University of North Carolina system offering more than 30 majors.

Transportation

Buncombe County is served by an integrated network of highway, rail, and air services. Interstate Highway 40, Interstate Highway 26, Interstate 240 (Billy Graham Freeway), U.S. Highway 19-23 and U.S. Highway 74 link Buncombe County to the Piedmont area of North Carolina (including the cities of Charlotte, Greensboro, Raleigh and Winston-Salem), the Piedmont area of South Carolina (including the cities of Greenville and Spartanburg) and the Tennessee-Ohio Valley area.

Rail service to Buncombe County is served by the Norfolk Southern Railroad Corporation providing rail lines through Knoxville, Tennessee to the west and Greenville, South Carolina to the south. To the east, rail lines adjoin North Carolina's 3,600-mile rail network approximately an hour away in Greer, South Carolina.

Major air passenger and cargo services are available through the Asheville Regional Airport and served by Allegiant, Delta, Comair, United, and US Airways. These carriers offer approximately 30 daily non-stop flights and emplaned 670,000 passengers in the calendar year ending December 31, 2013.

Job Classification by Grade Order (effective July 1, 2014)

Grade	Annual Salary Range - July 1, 2014			Title
	Minimum	Mid-Point	Maximum	
5	\$ 26,027	\$ 32,945	\$ 39,862	Construction Worker I Technical Services Worker I
8	28,028	35,478	42,927	Public Relations Representative
9	28,727	36,364	44,000	Construction Crew Worker II Technical Services Worker II
11	30,636	38,432	46,228	Construction Worker III Technical Services Worker III
12	32,656	40,020	47,384	Construction Operator I Dispatcher II Heavy Equipment Excavator I Office Assistant II Technical Services Operator I
13	33,472	41,020	48,568	Environmental, Safety & Health Administrative
14	34,308	42,046	49,784	Construction Administrative Assistant Construction Operator II Electrician II Heavy Equipment Excavator II Mechanic II Right of Way Administrative Assistant Technical Services Operator II
15	35,167	43,098	51,028	Accounting Technician I Purchasing Agent I
16	36,047	44,175	52,302	Accounting Technician II System Coordinator III Technical Services Operator III
17	36,948	45,279	53,609	Purchasing Agent II Senior Electrician Senior Mechanic
18	37,872	46,411	54,950	Executive Secretary/GM & Board
19	38,818	47,571	56,324	Engineering Technician I

Job Classification by Grade Order (effective July 1, 2014) (continued)

Grade	Annual Salary Range - July 1, 2014			Title
	Minimum	Mid-Point	Maximum	
19	\$ 38,818	\$ 47,571	\$ 56,324	Payroll/Benefits Manager Technical Services Data Manager
20	39,788	48,761	57,734	Electrical Specialist Fleet Mechanic III Instrumentation Specialist Mechanical Specialist WWTP Operator
21	40,783	49,981	59,178	First Responder Industrial Waste Chemist
22	41,802	51,230	60,657	Assistant Supervisor - SS Maintenance Construction Crew Leader Construction Inspector II Engineering Technician II HR Programs Manager IT Technician I Lead Operator
23	42,850	52,513	62,176	Budget Analyst I Engineering Office Manager
24	43,919	53,824	63,729	Construction Inspector III GIS Technician II Purchasing Supervisor
25	45,017	55,170	65,323	Collection System Maintenance Supervisor Construction & Repair Supervisor Electrical Maintenance Crew Leader IT Systems Administrator II Mechanical Maintenance Crew Leader Pump Station Maintenance Crew Leader SSD Administrator
26	46,145	56,551	66,957	Construction Inspector IV
28	48,479	59,413	70,347	Industrial Pretreatment Coordinator Private Development Project Manager Right of Way Agent

Job Classification by Grade Order (effective July 1, 2014) (continued)

Grade	Annual Salary Range - July 1, 2014			Title
	Minimum	Mid-Point	Maximum	
29	\$ 49,690	\$ 60,897	\$ 72,104	Database Analyst Environmental, Health & Safety Manager GIS Analyst SCADA/PLC Technician
30	50,933	62,421	73,909	Design/Drafting Manager Construction Manager
32	53,513	65,581	77,649	Database/Network Administrator Planning & Development Manager
33	54,850	67,220	79,589	Right of Way Manager
34	56,221	68,901	81,580	Engineer I
36	59,068	72,389	85,709	Accounting Manager Engineer II Facilities Maintenance Manager Field Operations Manager Fleet Maintenance Manager Maintenance Manager
38	62,061	76,055	90,049	GIS Manager IT Network Manager
40	65,203	79,904	94,605	Senior Engineer/Construction Manager
43	70,215	86,049	101,882	Operations Manager
47	77,506	94,982	112,458	Director of Finance Director of Human Resources Director of Information Technology Director of SS Construction Director of SS Maintenance
49	81,429	99,790	118,150	Director of Waste Treatment & Maintenance Facility
53	89,880	110,148	130,416	Director of Engineering
		contract		General Manager
	Skill-Based			
	33,472	44,898	56,324	Facilities Maintenance Technician

Staffing History (FTE's)

Division & Position	Approved Positions 12-13	Budgeted Positions 13-14	Budgeted Positions 14-15
Management			
Division Heads:			
Director of Capital Improvement Program	1	1	0
Director of Engineering	0	0	1
Director of Financial Services	1	1	1
Director of Human Resources	1	1	1
Director of Planning & Development	1	1	0
Director of Information Technology	1	1	1
Director of System Services – Construction	1	1	1
Director of System Services – Maintenance	1	1	1
Director of Water Reclamation Facility	1	1	1
Total Division Heads	8	8	7
Department of Office of the General Manager			
General Manager	1	1	1
Total General Manager	1	1	1
Office Support:			
Executive Secretary	1	1	1
Total Office Support	1	1	1
Department of Human Resources			
Public Relations Representative	1	1	1
HR Programs Manager	1	1	1
Payroll/Benefits Manager	1	1	1
Total Human Resources	3	3	3
Environmental, Health & Safety:			
EHS Administrative Assistant	1	1	1
Environmental, Health & Safety Manager	1	1	1
Total Environmental, Health & Safety	2	2	2
Department of Information Technology			
Information Systems (IT):			
IT Technician I	1	1	1
IT Technician II	1	1	1
IT Network Manager	1	1	1
Total IT	3	3	3
Management Information Systems (MIS):			
Database Analyst	1	1	1
Database Administrator/Developer	1	1	1
Total MIS	2	2	2

Staffing History (FTE's) (continued)

Division & Position	Approved Positions 12-13	Budgeted Positions 13-14	Budgeted Positions 14-15
Department of Information Technology (continued)			
Geographic Information Systems(GIS):			
Technical Services Data Manager	1	1	1
GIS Analyst	0	1	1
GIS Technician I	1	1	1
Lead GIS Technician	1	0	0
GIS Manager	1	1	1
Total GIS	4	4	4
Department of Financial Services			
Finance & Budget:			
Budget Analyst	1	1	1
Total Finance & Budget	1	1	1
Accounting, Investments & Cash Flow Management:			
Accounting Technician I	1	2	2
Accounting Technician II	1	1	1
Accounting Manager	1	1	1
Total Acct., Investments & Cash Flow Management	3	4	4
Purchasing & Warehouse:			
Purchasing Agent I	1	1	1
Purchasing Agent II	1	1	1
Purchasing Supervisor	1	1	1
Total Purchasing & Warehouse	3	3	3
Department of Engineering			
Construction Administration:			
Administrative Assistant – Construction	1	1	1
Construction Inspector II	2	1	1
Construction Inspector III	1	2	2
Construction Inspector IV	0	1	1
Construction Manager	1	0	0
Total Construction Administration	5	5	5
Planning & Development			
Systems Coordinator III	2	2	2
Private Development Inspector	1	1	0
Private Development Project Manager	1	1	1
Private Development Coordinator/Plan Review	1	1	1
Total Planning and Development	5	5	4

Staffing History (FTE's) (continued)

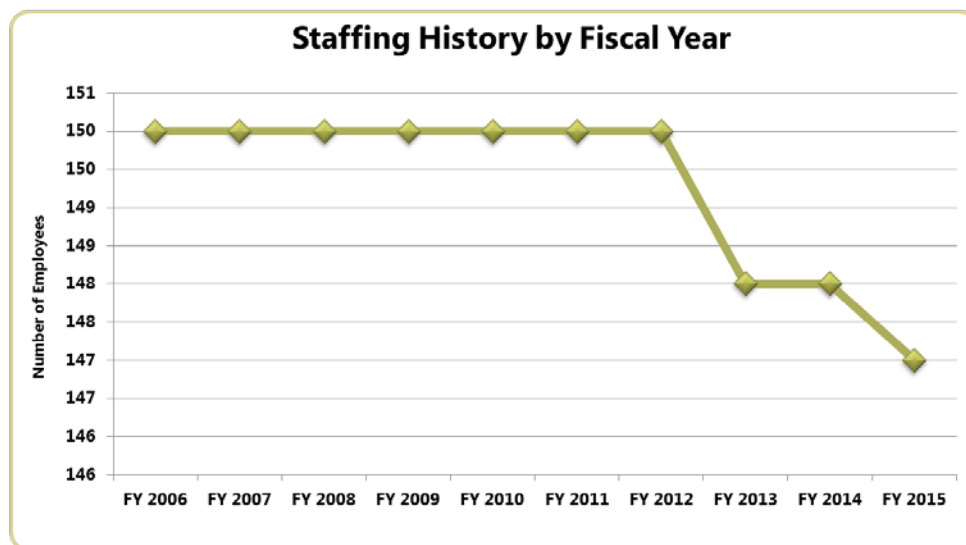
Division & Position	Approved Positions 12-13	Budgeted Positions 13-14	Budgeted Positions 14-15
Department of Engineering (continued)			
Design and Drafting:			
Engineering Technician I	0	1	1
Engineering Technician II	0	0	1
Engineering Technician III	1	0	0
Engineering Technician IV	1	2	0
Design and Drafting Manager	1	1	1
Total Design and Drafting	3	4	3
Engineers:			
Engineering Associate	1	0	0
Engineer I	0	1	2
Engineer II	1	1	1
Engineer III	1	1	0
Senior Engineer/Construction Manager	0	0	1
Total Engineers	3	3	4
Office Support:			
Office Manager	1	1	1
Total Office Support	1	1	1
Right of Way:			
Administrative Assistant – Right of Way	1	1	1
Right of Way Agent	1	1	1
Right of Way Manager	1	1	1
Total Right of Way	3	3	3
Department of Water Reclamation Facility			
Plant Operations:			
Lead Operator	0	0	2
Operations Manager	0	0	1
Senior Plant Operator	0	1	0
WWTP Operator	10	8	8
WRF Superintendent	1	1	0
Total Plant Operations	11	10	11
Fleet Maintenance:			
Fleet Mechanic III	3	3	3
Fleet/Mechanical Maintenance Supervisor	1	1	1
Total Fleet Maintenance	4	4	4

Staffing History (FTE's) (continued)

Division & Position	Approved Positions 12-13	Budgeted Positions 13-14	Budgeted Positions 14-15
Department of Water Reclamation Facility (continued)			
Mechanical/Electrical Maintenance:			
Electrician II	0	0	1
Electrical Maintenance Technician	14	4	0
Electrical Maintenance Foreman	1	0	0
Electrical Maintenance Crew Leader	0	1	1
Electrical Specialist	0	0	1
Instrumentation Specialist	0	0	1
Mechanic II	0	0	2
Mechanical Maintenance Technicians	0	6	0
Mechanical Maintenance Crew Leader	0	1	1
Mechanical Specialist	0	0	1
Pump Station Maintenance Technician	0	1	0
Pump Station Maintenance Crew Leader	0	1	0
Senior Electrician	0	0	2
Senior Mechanic	0	0	2
Electrical Maintenance Manager	1	1	1
Total Mechanical/Electrical Maintenance	16	15	13
Industrial Waste:			
Industrial Waste Chemist	1	1	1
Industrial Pretreatment Coordinator	1	1	1
Pump Station Maintenance Technician	0	0	1
Pump Station Maintenance Crew Leader	0	0	1
SCADA/PLC Technician	2	2	2
Field Operations Manager	1	1	1
Total Industrial Waste	5	5	7
Facilities Maintenance:			
Facility Maintenance Technician	5	5	5
Facilities Maintenance Manager	1	1	1
Total Structural Maintenance	6	6	6
Department of System Services (Construction & Maintenance)			
Office Support:			
Dispatcher	1	1	1
Office Assistant II	2	2	2
SSD Administrator	1	1	1
Total Office Support	4	4	4

Staffing History (FTE's) (continued)

Division & Position	Approved Positions 12-13	Budgeted Positions 13-14	Budgeted Positions 14-15
Department of System Services – Construction (continued)			
Construction:			
Construction Worker I	3	5	1
Construction Worker II	3	0	6
Construction Worker III	5	6	4
Construction Operator I	3	2	1
Construction Operator II	3	2	2
Construction Operator III	3	0	0
Construction Crew Leader	3	4	4
Construction & Repair Supervisor	2	2	2
Heavy Equipment Excavator I	1	5	5
Heavy Equipment Excavator II	0	0	1
Total System Services Construction	26	26	26
Department of System Services - Maintenance			
Maintenance:			
First Responder	3	3	2
Technical Services Worker I	0	0	2
Technical Services Worker II	5	5	4
Technical Services Worker III	1	1	2
Technical Services Operator I	2	2	1
Technical Services Operator II	6	6	3
Technical Services Operator III	4	4	7
Assistant Supervisor - SS Maintenance	2	2	2
Collection System Maintenance Supervisor	2	2	2
Total System Services - Maintenance	25	25	25
Total:	148	148	147



FY15 reduction of position was due to restructuring.



Glossary of Terms

Glossary of Terms

A

Accrual Basis of Accounting—Method of accounting where revenues are recognized as soon as they are earned and expenses as soon as the liability is incurred. Used most frequently with business-type governmental funds.

Actuary—A professional trained in mathematics, statistics and economic techniques that allow them to put a financial value on future events. The District retains a consulting actuarial firm to perform the regular annual actuarial valuations of the post retirement plan.

Actuarial Report—A report performed annually by the actuary to examine whether the contributions made to a post-retirement plan is adequate.

Adopted Budget—The budget approved by District Board of Directors and enacted via a budget resolution, on or before June 15 of each year.

AMSA (American Metropolitan Sewerage Association)—nationwide organization established to help improve operations.

Annual Budget—The District's adopted budget for a fiscal year.

B

Basis of Accounting—The criteria governing the timing of the recognition of financial transactions and events. There are three major methods of accounting—cash, accrual, and modified accrual.

Billing Fee—Charge assessed by member agencies that collect sewer user fees from ratepayers to recover the administrative cost of collection.

BOD (Biochemical Oxygen Demand)—A measure of the amount of oxygen used up in the anaerobic decomposition of organic matter. The BOD test utilizes the oxygen from air dissolved in water and reflects treatability or stage of decomposition. It gives a direct measurement of the strength of wastewater, usually expressed in mg/l (milligrams per liter).

Bond—A written promise to pay a specific sum of money (the principal) at a date or dates in the future (the maturity) together with periodic interest at a specified rate.

Glossary of Terms (continued)

B

Bond Rating—Rating for bonds to be issued that primarily reflects the ability of the issuer to repay the bonds. Better bond ratings result in lower interest rates for the bonds issued. Current bond rates for the District are Aa2 by Moody's and AA+ by Standard and Poor's and Fitch Ratings.

Budget—A plan of financial operation comprised of an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenue estimates).

Budget Calendar—The schedule of key dates or milestones, which the District follows in the preparation and adoption of the budget.

Budget Document—The official written statement prepared by the District's Director of Finance, which presents the proposed budget to the District Board of Directors.

Budget Resolution—The official statement by the District Board of Directors establishing the legal authority for the District Budget administrative staff to obligate and expend funds.

Budget Transmittal—A general discussion of the proposed budget presented to the Board by the General Manager and the Director of Finance as a part of the budget document. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the General Manager.

C

Capital Budget—The capital budget is responsible for all infrastructure projects in excess of the \$15,000 infrastructure capitalization threshold. Projects include replacing and rehabbing structurally defective sewer lines, handling wet-weather flow conditions, improving the performance at the wastewater treatment plant, and preparing the system to handle expected future wastewater flows over the upcoming decade. A capital budget appropriation is limited to the cost of a project and may be expended over a long period until the project is completed.

Glossary of Terms (continued)

Capital Expenditure—An amount paid out that creates a benefit in more than one year, usually costs that are incurred in the acquisition or improvement of real or personal property.

Capital expenditure includes both the cost of the asset itself as well as expenditures necessary to put it in place. Capital expenditure for equipment, for example, means the net invoice price of the equipment including the cost of any modifications, attachments and accessories or auxiliary apparatus necessary to make it usable for the purposes for which it is acquired. Ancillary charges such as taxes, duty, and protective in transit insurance, freight, and installation are also included in the total purchase price.

Capital Improvement Program (CIP)—Projects established to account for the cost of capital improvements. Typically, the District's capital projects include a purchase of land and/or the construction or rehabilitation of infrastructure such as major interceptors and pump stations as well as major renovations and additions to the hydroelectric and wastewater treatment plant facilities.



Capital Reserve Fund—The Metropolitan Sewerage District of Buncombe County Capital Reserve Fund, a special fund created by the provisions the District's Bond Order established to provide funding for unusual and extraordinary expenditures and debt service in the event of insufficient revenues.

Cash Basis of Accounting—Under cash basis, all transactions are recognized when cash is received or expended. This method is not acceptable for use by governmental entities.

Collector Sewers—That portion of the collection and transportation system, which gathers wastewater from individual buildings and transports it through a network of sanitary sewers to interceptor sewers.

Coverage Ratio—The excess of current revenues over current expenses divided by required debt service expressed as a ratio. This ratio is used to gauge the adequacy of utility rates to provide cash required for current operations and debt payments.

Current Expenses—The District's reasonable and necessary annual expenses of maintenance, repair, and operation of the Sewerage System.

Glossary of Terms (continued)

D

Debt Service—Payment of interest and repayment of principal on bonded indebtedness.

Department—A management unit.

District—The Metropolitan Sewerage District of Buncombe County, North Carolina, a public body and body politic and corporate in the County of Buncombe, State of North Carolina exercising public and essential governmental functions to provide for the preservation and promotion of the public health and welfare.

District Board—The sewerage district board established under the provisions of the Enabling Act as the governing body of the District.

Division—A term used to describe a cost center with distinct objectives and activities within a Department.

Domestic User—Users whose sewer charges are based upon flow and meter size, predominately residences and small businesses.

E

Enabling Act—The North Carolina Metropolitan Sewerage Districts Act (Article 5, Chapter 162A, General Statutes of North Carolina, 1982 Replacement Volume, as amended) and, pursuant to the provisions thereof, The State and Local Government Revenue Bond Act (Article 5, Chapter 159, General Statutes of North Carolina, 1982 Replacement)

Encumbrance—Commitment of money to meet an obligation that is expected to be incurred to pay for goods or services received by the District.

Enterprise Funds—A type of proprietary fund set up to account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of user charges.

Environmental Protection Agency (EPA)—The federal agency responsible for regulating water quality and the Federal Clean Water Act.

Expansion—Expenditures to enlarge capacity of facilities or extend system to new areas.

Glossary of Terms (continued)

E

Expenditures—The cost of goods received or services rendered whether payment for such goods and services has been made or not.

F

Federal Energy Regulatory Commission (FERC)—An independent government agency, officially organized as part of the Department of Energy, and is responsible for regulating the interstate transmission of natural gas, oil, and electricity.

Fiscal Year—The calendar on which the District operates for financial and budget purposes. The District's fiscal year begins on July 1 and ends on June 30. The current fiscal year, 2014, began on July 1, 2013, and will continue until June 30, 2014.

Flow—Volume of domestic or industrial wastewater.

Full-time equivalent (FTE)—A method of calculating employment and enrollment to adjust for part-time or part-year participation. One FTE is equivalent to one full-time employee who works 40 per week for 52 weeks, for a total of 2,080 work hours.

Fund—A fiscal entity with a self-balancing set of accounts used to account for an activity(s) with common objectives.

Fund Equity—The excess of revenues over expenditures accumulated from prior years within a fund that are present in the form of cash at the beginning of the fiscal year.

G

GAAP (Generally Accepted Accounting Principles)—These are standards for measuring and reporting financial data promulgated by an authoritative body.

GIS (Geographical Information System)—An organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.

Glossary of Terms (continued)

G

Goal—The underlying reason(s) for the provision of essential District services.

I

Improvements—Betterments or upgrades to increase value, quality or usefulness.

Industrial User—Any user of the Sewerage System who discharges industrial waste (the liquid and waterborne pollutants resulting from processes or operations employed in industrial establishments). Charges based on flow, BOD and TSS.

I/I (Inflow/Infiltration)—Water entering the collection system from rain, water table, streams, and other non-user sources, unnecessarily driving up cost of treatment and likelihood of SSOs.

Influent—The wastewater entering the reclamation facility.

Infrastructure Rehabilitation System (IRS)—A method of lining existing deteriorating sewer pipes in the ground to save the cost of having to dig them up and replace them. This procedure is performed by in-house staff, at a lower cost than hiring contractors.

Interceptor—A sewer that carries sanitary waste that is built by the District. These are large sewers that collect wastewater from local trunk sewers and convey it to the water reclamation facility.

L

Laterals—Privately owned building sewer lines and smaller collection system lines (4-6 inch in diameter) which connect to larger public main sewer lines.

Lift Station—A facility in a sewer system consisting of a receiving chamber, pumping equipment, and associated drive and control devices which collect and lift wastewater to a higher elevation when the continuance of the sewer at reasonable slopes would involve excessive trench depths; or that collects and raises wastewater through the use of force mains from areas too low to drain into available sewers.

Glossary of Terms (continued)

L

Line-item Budget—A budget detailing categories of expenditure for goods and services that the District intends to purchase during the fiscal year.

Local Government Budget & Fiscal Control Act—The legal guidelines of the State of North Carolina, which govern budgetary and fiscal affairs of local governments, found in Chapter 159 of the North Carolina General Statutes.

Local Government Commission (LGC)—The nine-member body established as a division of the Department of the State Treasurer to serve the citizens of North Carolina by issuing debt for units of local government and public authorities, monitoring the repayment of their debt, and overseeing the fiscal activities and financial soundness of all local governments and public authorities.

M

Modified Accrual Basis of Accounting—Under modified accrual, revenue is recognized when earned provided it is collected in time to pay liabilities of the current period. Similarly, liabilities are recognized as expenditures when payment is due because it is only at that time that they normally are liquidated with expendable available financial resources.

N

Net Assets—The difference of total assets and total liabilities for any period.

Net Revenues—The excess of revenues over current expenses for any period.

NPDES (National Pollutant Discharge Elimination System)—permit to operate wastewater treatment issued by the EPA.

O

Objective—A measurable statement of the actual service(s), which the District expects to achieve.

Operations and Maintenance (O&M) Budget—The annual budget for activities related to controlling, operating, managing, and maintaining the sewerage system. Operating costs include such expenses as personal services (salaries and benefits for classified employees and hourly workers), contractual services, and supplies.

Glossary of Terms (continued)

O

Order—The Amended and Restated 1999 Bond Order. To request a copy, contact the Director of Finance at the address on the cover of this document.

OSHA (Occupational Safety and Health Administration)—Federal agency responsible for issuing and monitoring standards to minimize workplace deaths, injuries and illnesses.

P

PER—Preliminary Engineering Report.

PLC (Programmable Logic Controller)—instrumentation hardware used for automated control of equipment.

Preliminary Budget—Budget that Board approves prior to adoption of final budget.

Pretreatment—Any process used by local industries to reduce pollution load before wastewater is introduced into a main sewer system or delivered to a reclamation facility.

Proprietary Fund—A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users of services provided.

Pumping Station—A relatively large sewage pumping installation designed not only to lift sewage to a higher elevation but also to convey it through force mains to gravity flow points located relatively long distances from the pumping station.

R

Recommended Budget—The budget proposed by the General Manager and Director of Finance to District Board for adoption.

Rehabilitation—Expenditures for repair due to damage, wear, or decay to restore facilities to normal or optimum condition.

Replacements—Expenditures for components replacing existing units.

Glossary of Terms (continued)

R

Revenue (for purposes of Bond Order coverage)—All payments, proceeds, fees, charges, and all other income derived by or for the account of the District from its ownership and operation of the Sewerage System, excluding all acreage, connection, front-footage, tap-on, assessment and similar fees and charges and grants derived by the District in connection with the provision of or payment for capital improvements constituting a part of the Sewerage System and excluding the proceeds of any taxes levied by the District.

Rotating Biological Contactor (RBC)—Large rotating plates housing bacteria, which consume dissolved solids in wastewater.

S

Satellite System—Any sewer system maintained by another entity without a state-issued discharge permit but which is connected to a MSD line for wastewater treatment and discharge by MSD. The State requires reporting for all satellite systems with a flow over 200,000 gallons per day. MSD has one reportable satellite system.

Sewage—Sewage refers to the wastewater flow from residential, commercial, and industrial establishments, which flows through the pipes to a reclamation facility.

Sewerage—Sewerage refers to the system of sewers and physical facilities employed to transport, treat, and discharge sewage.

SCADA (Supervisory control and data acquisition)—a computer system for gathering and analyzing real time data. SCADA systems are used to monitor and control a plant or equipment in industries such as telecommunications, water and waste control, energy, oil and gas refining and transportation.

Sludge—The accumulated settled solids deposited from sewage or industrial wastes, raw or treated, in tanks and basins, and containing more or less water forming a semi-liquid mass.

SS (Suspended Solids)—Solid matter that either floats on the surface of or is suspended in wastewater and which is removable by laboratory filtration.

SSO (Sanitary System Overflow)—Untreated wastewater escapes from the collection system.

Glossary of Terms (continued)

T

Treatment System—Wastewater Treatment Plant of the District.

U

User Charge—Fees levied upon residential, commercial, and industrial users of a wastewater treatment system based upon the volume and characteristics of the waste.

W

Water Reclamation Facility—Wastewater Treatment Plant of the District.

WNCRAQA Western North Carolina Regional Air Quality Agency—a self-supporting, local air quality regulatory agency formed by an interlocal agreement between Buncombe County and the City of Asheville.