

# **Woodfin Sanitary Water and Sewer District**

## **Meeting of Board of Trustees**

### **Minutes of April 20th, 2026**

Chairman Gordon Maybury called the meeting to order at 5 p.m. In attendance were Larry Hopkins, Vice Chair; Carter James, Secretary; Dr. Joseph Martin, Finance Officer; and Seth Eckard, Executive Director.

#### **Approval of Agenda**

The Board of Trustees approved the agenda by unanimous consent.

#### **Approval of Minutes**

Trustee James seconded Trustee Hopkins' motion to approve the March 16th, 2026, minutes. The motion carried unanimously.

#### **MSD Report**

Ms. Bryson was not available to attend the meeting.

#### **Public Comment**

Woodfin Mayor Jim McAllister thanked the Board and staff for their community involvement and partnership over the past few years.

#### **Director's Report**

Director Eckard provided the following updates:

##### **Reservoir Level:**

The District's reservoir is currently at 100% capacity; however, overflow is stopping earlier in the day. We expect reservoir levels to decline over the next month if dry conditions persist.

##### **Lead and Copper Service Line Inventory:**

The District has currently identified 2,322 lead and copper service lines as part of the ongoing inventory process.

##### **Woodfin Community Day:**

The District plans to participate in the Town of Woodfin's Community Day this year on August 8, 2026, from 9:00 a.m. to 1:00 p.m. We plan to have a booth and may also bring some of our heavy equipment.

##### **Boil Water Notices:**

Trustee Hopkins recommended that the District include a map of affected areas when issuing boil water notices and planned outage notifications. We have implemented this recommendation moving forward.

##### **Emergency Preparedness:**

I have been invited to join an EPA and North Carolina Emergency Management water utility task force to help plan a wildfire tabletop exercise to be conducted in late July for water utilities in western North Carolina. This planning effort is especially important because it gives utilities and partner agencies an opportunity to work through realistic emergency scenarios before an actual wildfire threatens water

system operations. By identifying vulnerabilities, clarifying roles and responsibilities, strengthening communication, and testing coordination in advance, the task force can help ensure utilities are better prepared to protect critical infrastructure, maintain service, and respond effectively during a crisis.

### **Capital Project Updates:**

Repairs at the Herron Cove Pump Station have been completed. Repairs to the backup generator have also been finished.

The District's water tanks have been inspected, and we are awaiting the final reports and repair recommendations.

Engineering for the second lagoon is still in progress. It may take another three to four months before the project is ready to go out for bid.

Engineering for the spillway repairs is also underway. We anticipate the project will be ready to go out for bid in approximately two to three months.

## **New Business**

### **A. Resolution 2026-04 Fiscal Year 2025-2026 Budget Amendment #3 (FEMA Revenue)**

Director Eckard explained that earlier in the fiscal year, the Board adopted a budget amendment to recognize FEMA-related expenditures associated with Hurricane Helene. That amendment increased the expenditure side of the budget to account for eligible storm-related costs. The District has now received FEMA revenues in the amount of **\$421,382.04**, and those revenues should be formally recognized in the FY 2025-2026 budget. The prior amendment reflects that same FEMA funding amount and the District's ongoing budget treatment of those storm-related funds.

#### **Purpose of Resolution:**

Resolution No. 2026-04 would amend the revenue side of the FY 2025-2026 budget to reflect receipt of FEMA funds already received by the District.

#### **Fiscal Impact:**

The current adopted revenue budget is **\$2,850,800**. Approval of this amendment would increase budgeted revenues by **\$421,382.04**, bringing the total revenue budget to **\$3,272,182.04**.

Trustee Hopkins seconded Trustee James' motion to approve Resolution 2026-04. The motion carried unanimously.

### **B. Resolution 2026-05 SRF-Helene Grant Project Ordinance Fund #3**

Director Eckard said the District has submitted an application for funding through the North Carolina Department of Environmental Quality's Division of Water Infrastructure for the Water System Improvements Project. The project is intended to improve system resiliency, redundancy, and emergency preparedness through a series of capital improvements at the water treatment plant and throughout the distribution system.

As outlined in the application packet, the proposed project budget totals **\$5,079,210** and includes the following major components: emergency backup power improvements, electrical upgrades, replacement of inoperable valves, chemical feed system upgrades, booster pump station generator improvements, SCADA improvements, transmission main resiliency and redundancy improvements, bridge repairs or replacement, engineering, emergency response planning, construction administration, environmental documentation, and related project costs. Because this project and its funding will extend beyond a single fiscal year, the District should establish a project ordinance pursuant to **G.S. 159-13.2** of the North Carolina Local Government Budget and Fiscal Control Act. A project ordinance allows the Board to authorize the full life-of-project budget in one ordinance rather than appropriating the project again each year through the annual budget process. The ordinance also establishes the legal framework for receiving and expending project funds over the life of the project. Under North Carolina law, the ordinance must identify the project, estimated revenues, and appropriations, and remain balanced.

The proposed project ordinance establishes a total project budget of **\$5,079,210**, equal to the amount shown in the application packet, and appropriates those funds by project component.

The proposed project ordinance establishes a total budget of **\$5,079,210** for the Water System Improvements Project. At this time, the project is expected to be funded from grant proceeds associated with the project, as reflected in the application materials. If the final award documents require revisions to the funding source descriptions or project budget categories, the Board may amend the ordinance as needed.

Adoption of the project ordinance does not by itself authorize expenditures beyond available funding or outside applicable grant requirements. All project obligations and disbursements will remain subject to preaudit requirements and all other provisions of North Carolina fiscal control law.

Chairman Maybury seconded Trustee Hopkins' motion to approve Resolution 2026-05. The motion carried unanimously.

### **C. Resolution 2026-06 Bylaws Update**

Director Eckard explained that the District's current bylaws provide that amendments must be made by resolution approved by a majority of the Board of Trustees, with public notice of the proposed change posted at the District offices at least thirty (30) days prior to the vote. The bylaws also provide that changes to the bylaws must be enacted by resolution.

Resolution 2026-06 proposes a targeted amendment to Section 3.05 of the District's bylaws regarding meeting procedures. Specifically, the amendment replaces the last sentence of Section 3.05 with the following language:

“All meetings shall be conducted in accordance with the UNC School of Government's Local Rules and Rules of Parliamentary Procedure.”

The purpose of this amendment is to clarify the parliamentary authority governing meetings of

the Board of Trustees and to ensure the bylaws expressly reference the UNC School of Government's *Local Rules and Rules of Parliamentary Procedure* as the governing procedural standard for Board meetings.

Trustee James seconded Trustee Hopkins' motion to approve Resolution 2026-06. The motion carried unanimously.

#### **D. Resolution 2026-07 McGill SRF-Helene Engineering and Grant Administration Contract**

McGill Associates Engineer Mike Waresak provided the Board with an overview of the SRF-Helene grant projects and information on the scope of services in the engineering contract. Task Order No. 2 with McGill Associates, P.A. supplements the existing Master Services Agreement dated November 12, 2024, and authorizes McGill to provide engineering and related professional services for the Water System Improvements Project. The project includes improvements such as a new emergency standby power generator and electrical upgrades at the water treatment plant, replacement of inoperable control valves, upgrades to chemical storage and feed equipment, improvements to the Versant (Herron Cove) booster pump station, SCADA upgrades, and replacement of aged and damaged water lines critical to transmission of finished water to the distribution system.

Under this task order, McGill Associates will provide services associated with the preparation of the Engineering Report / Environmental Information Document, Emergency Response Plan, funding administration, planning and design, bidding and award, and construction administration and observation for the project. These services are intended to support both the District's compliance with funding requirements and the successful implementation of the project.

The total fee for Task Order No. 2 is **\$825,000**, allocated as follows:

- Engineering Report, Environmental Document, and Emergency Response Plan: **\$115,000**
- Planning and Design: **\$400,000**
- Bidding and Award: **\$15,000**
- Construction Administration and Observation: **\$255,000**
- Funding Administration: **\$40,000**

These costs are expected to be eligible project-related costs under the SRF Helene funding program, subject to applicable funding approvals and reimbursements.

These expenses will be accounted for in the newly created SRF-Helene Capital Project Fund or Fund #3.

Trustee James seconded Trustee Hopkins' motion to approve Resolution 2026-07. The motion carried unanimously.

#### **E. Fiscal Year 2026-2027 Annual Budget First Reading**

Director Eckard presented the first reading of the proposed Fiscal Year 2026-2027 budget.

**Total Budgeted Revenue: 3,193,489**

*Represents a 12% increase over the adopted FY 2026 budget.*

## Revenue Highlights:

- We estimate a total net loss of approximately \$100,000 of revenue due to the closure of the Graggy Prison laundry facility and MSD repairing an ongoing water leak.
- We estimate a sharp decline in new tap and development fees of approximately \$70,000.

## Proposed Rate Adjustments:

- Monthly minimum charge increases by zone:
  - **Zone 1** (In-District): +\$3.40 base, \$0.75 per thousand
  - **Zone 2** (Outside District, mixed): +\$4.05 base, \$1.25 per thousand
  - **Zone 3** (Outside District, mixed): +\$4.70 base, \$1.75 per thousand
  - **Zone 4** (purchased water): +\$5.25 base, \$2.00 per thousand
- No increase in all other fees
- Budgeted revenue exceeds expenditures by \$35,679

## Total Budgeted Expenditures: \$3,157,811

*Represents a 2.2% decrease over the adopted FY 2026 budget.*

## Expenditure Highlights:

- The **33% wholesale water rate increase from the City of Asheville** remains the budget's single largest cost driver. Since FY 2023–2024, the wholesale cost of Asheville water has increased by **135.3%**. The District has absorbed these increases as much as possible over the past several years.
- **\$117,000** is allocated for Capital Improvements.
- This budget does **not** include repairs to the spillway. We expect to bid this project early in the next fiscal year and will need a budget amendment to cover the cost. We anticipate the total project cost will be **\$100,000 or less**. Fortunately, FEMA funding has already been received for this project, so it should not require the use of District reserves.
- A **5% across-the-board Cost-of-Living Adjustment (COLA)** is included for all staff. Although general inflation was **2.4% as of February 2026**, employees are expected to face higher out-of-pocket health insurance costs due to sharply increasing premiums, as well as higher fuel costs. As a result, the 5% adjustment is expected to provide only a modest net increase in employee income in the coming fiscal year.
- Funding is included for **merit-based salary adjustments** tied to certifications earned during FY 2027.
- Health insurance premiums are projected to increase to approximately **\$900 to \$950 per month** due to the required transition to an **ACA-compliant plan**. At renewal this fall, we will make every effort to maintain the current level of benefits for employees, if possible.

- The overtime budget is being increased to better reflect actual overtime trends over the past two years. Overtime has also been added to the production budget to account for the possibility that operators may occasionally need to stay overnight at the plants during winter weather events, as the Warden House is no longer available for that purpose.
- We had initially anticipated higher sludge handling costs while awaiting construction of the second lagoon. However, Canton has informed us that it will be able to continue accepting our sludge for one more year as we work toward that project.
- Earlier in 2026, we filled a previously budgeted vacant position, but the hire did not work out and the position is once again vacant. To help keep the proposed rate increase as low as possible, I am removing that position from next year's budget.

Additional Notes: This budget also does **not** include the construction cost of a **second lagoon**. We expect to bid that project early in the new fiscal year and will need a budget amendment to appropriate fund balance for the expense. This project will be funded from District reserves.

### **Capital Improvement Expenditures:**

Several of this year's Capital Improvement recommendations are aimed at reducing water loss from leaks and improving system efficiency. We plan to replace dead meters throughout the system, which will improve billing accuracy and increase metered water sales. The proposed correlator and leak detection equipment will allow staff to proactively identify leaks that are not visible at the surface. In addition, we will explore integrating flow meters into the SCADA system so we can detect abnormal water loss more quickly and respond to leaks sooner.

- Meter Replacement Program – **\$25,000**
- Hydrant Repairs/Replacements – **\$10,000**
- McGill CIP and Rate Study Update - **\$40,000** (\$10,000 less expensive than the first time we had this done)
- Sewerin SeCorrPhon AC200 SDR Combination Leak Correlator and Acoustic Leak Detector - **\$22,000**
- Treatment Plant Upgrades:
  - Propane Manifold Repair – **\$8,000**
  - Actuator Replacement – **\$12,000**

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### **SRF \$5 Million Grant Paying for: (Not part of annual budget)**

- Backup generator at WTP
- SCADA System Upgrades
- Transmission line creek crossing replacement
- Pump station improvements

- WTP Electrical Improvements, new pumps, and actuators

### **FEMA Grant Paying for: (Not part of annual budget)**

- Spillway repair - **\$100,000**

No action was taken at this time. Chairman Maybury encouraged the Board to review the materials provided and provide feedback to the Director.

### **Call of the Board**

Trustee James asked whether anyone was aware of any updates regarding MSD's consideration of removing the Craggy Dam. Mayor McAllister shared information he had learned in recent weeks, noting that MSD has placed a hold on any additional capital improvements to the dam. He also stated that both American Rivers and MSD are beginning the process of obtaining independent financial analyses to estimate the potential cost of dam removal.

Chairman Maybury requested that staff explore ways to prepare the public for potential voluntary or mandatory drought restrictions. He and the Board suggested providing customers with practical ways to reduce water usage while also communicating that the District is actively monitoring conditions.

Director Eckard stated that he would prepare a social media post and a website post to inform the public and encourage water conservation.

Trustee Hopkins asked whether staff had investigated any additional water leaks identified through the satellite imaging scans. Director Eckard stated that staff is actively working through those findings.

Trustee Hopkins also encouraged staff to consider adding valves throughout the system to reduce the number of customers affected during major water line breaks. Director Eckard agreed that this was a good recommendation and stated that staff would include additional valve installation as part of the District's 10-year capital improvement planning process.

### **Adjournment**

The meeting was adjourned at 6:32 p.m.