

# Woodfin Sanitary Water and Sewer District

## Meeting of Board of Trustees

### Minutes of May 18th, 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 Hopkins seconded Trustee James' motion to approve the April 20th, 2026, minutes. The motion carried unanimously.

#### MSD Report

Ms. Bryson provided the board with the MSD project and budget updates. She informed the Board of an update on the Craggy Dam demolition project, stating that American Rivers and MSD are conducting independent financial analyses. The results of these studies are expected to be completed in the next few months.

#### Public Comment

No one from the public spoke.

#### Director's Report

Director Eckard provided the following updates:

##### **Reservoir Level**

The District's reservoir is currently at **100% capacity**. Recent rainfall has been beneficial; however, staff has observed that reservoir overflow is stopping earlier in the day than it has in recent weeks. Staff will continue to monitor reservoir levels closely as conditions change.

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

As part of the District's ongoing Lead and Copper Service Line Inventory process, staff has identified **2,830 lead and copper service lines** to date. The inventory remains an active project, and staff will continue updating the Board as additional information is verified.

##### **Capital Project Updates**

North Carolina Dam Safety recently completed its five-year inspection of the District's dam. Staff is awaiting the official inspection report. Based on the field inspection, staff anticipates that Dam Safety may require the District to address slope damage caused by Hurricane Helene. The District has received FEMA funding that may be used toward eligible dam repairs. Once the inspection report is received, staff will engage an engineer to evaluate the required repairs and recommend next steps.

##### **Articles for Reading**

Chairman Maybury shared two newspaper articles for the Board's review. Links to the articles are included in the reading materials. A copy of the 2025 Consumer Confidence Report is also

included for reading.

## **Inflation**

Director Eckard shared information from a CNBC report that showed that consumer prices rose 3.8% annually in April, the highest since May 2023.

## **New Business**

### **A. Budget Questions and Discussion**

Field Supervisor Sam Chatting shared the following with the Board.

#### **Asheville Water Purchases:**

##### How we use Asheville water to supplement Reynold's Mountain Tank

The treatment plant operators run the plant until the clearwell is full. Once the clearwell is full, plant operations must stop because there is no other place to put the water. Water from the clearwell flows to town through a valve on the main transmission line. This valve is adjustable from 0% to 100% open. This valve is currently set to remain 100% open at all times and has been set that way since around the end of February 2026.

The main transmission line fills Baird Cove Tank and Reynold's Mountain Tank. One of these tanks is always being filled. While either of these tanks is being filled, the other is being drained. There are no provisions in place to put water into either of these tanks other than through the main transmission line.

Baird Cove Tank feeds Weaverville Road and Audubon Drive. There is currently no realistic way to provide water to these areas long term other than through Baird Cove Tank. Therefore, Baird Cove Tank must have water in it at all times.

Similarly, Reynolds Mountain Tank can only be filled by the main transmission line. However, the area served by Reynolds Mountain Tank can be served by water purchased from Asheville. Baird Cove Tank must have water in it at all times. Once the level of water in Baird Cove tank falls to a predetermined level (which can be any level we choose) the pumps turn on, a valve closes on the main transmission line, and flow is diverted from Reynold's Mountain Tank to Baird Cove Tank. While Baird Cove tank is filling, Reynold Mountain Tank continues to serve its area and begins to lose water. Once Baird Cove tank is full, the process reverses and Reynold's Mountain Tank begins to gain water while Baird Cove Tank starts to lose water. Ideally, Reynold's Mountain Tank would fill completely before Baird Cove Tank reaches its trigger point of low water. Then we could throttle the flow to town at the treatment plant to keep Reynold's Mountain Tank from overflowing. Over the years, this has proven impossible to maintain. Reynold's Mountain Tank does not refill completely before Baird Cove Tank needs water. If we let the process described above continue uninterrupted, eventually Reynold's Mountain Tank would run out of water.

Currently, when the water level in Reynold's Mountain Tank falls to around 8 or 10 feet remaining, we open up our interconnection with Asheville and close the outlet valve at Reynold's Mountain Tank. This keeps all of our customers supplied with water and holds the water level in Reynold's Mountain steady until Baird Cove Tank gets full. Then, when flow

resumes into Reynold's Mountain Tank, it can fill quickly since no water is flowing out of it. Once Reynold's Mountain Tank approaches capacity, we open the outlet valve again, shut our interconnection with Asheville, and begin using 100% treatment plant water.

### Asheville Water

The primary issue we are facing at the moment is the large amount of Asheville water we are purchasing, and the negative impact that purchase is having on our budget. Possible solutions include using less Asheville water or generating more revenue from Asheville water.

### Using less Asheville water

One way to use less Asheville water would be to produce more of our own water.

Flow to town is around 520 GPM with the pumps off and around 590 GPM with the pumps on.  
24 hours x 60 minutes/hour x 520 GPM = 748,800 gallons in 24 hours

24 x 60 x 590 = 849,600

1 ft = 25,000 gallons in Baird Cove tank

1 ft = 42,553 gallons in Reynolds Mountain tank

Running the treatment plant longer will only be beneficial if we can increase the flow to town. We could make close to 2 million gallons per day, but can only send 750,000 to 850,000 to town in 24 hours.

If we could pump into Reynolds we might be able to send more but Reynolds is downhill from the pump station at Herron Cove. In order to pump water into Reynolds Mountain tank we believe that we would have to turn down the pump velocity in order to maintain sufficient suction pressure at the pumps. Current thinking is that this point would be just marginally more flow than what we are currently sending under gravity flow. We are planning on doing some experiments with the pumps to determine this point more exactly, but any attempts to modulate the flow will involve tinkering with expensive and delicate equipment.

Another, perhaps less risky alternative, is to connect the Baird Cove pressure zone with the Reynolds Mountain pressure zone. This would involve installing a pressure-reducing valve and a gate valve on Weaverville Road. Then, when Reynolds Mountain needed to recover, we could open the valve on Weaverville Road and feed all the zones from off Baird Cove Tank, and pump nonstop into Baird Cove Tank with the system we already have in place. We don't know how long this would be sustainable, but it would result in at least a temporary reduction in Asheville water use. This would also likely require longer hours at the treatment plant and perhaps additional personnel.

Both of these options are being investigated by McGill Engineering. Currently, we are making all the water we can make and are sending all we can to town. Another reason we might be using more Asheville water now than we have in the past is the presence of leaks in the system. This would result in unmetered water loss, making it difficult to keep the tanks full. It would also make both of the prior options unnecessary.

We have been searching for leaks since about mid-March. So far we have found and fixed two. One was a main line break on Merrimon Avenue, estimated to be about 60 to 100 Gallons per minute. The other was on Elkwood Avenue, estimated to be 5 gallons per minute. Neither of

these leaks were visible from the surface. Acquiring a correlator will speed this process up considerably. A correlator is a type of listening device that can be attached to a line between 2 valves. The correlator analyzes the flow characteristics and identifies potential leaks and the approximate location of the leak, which can then be investigated by handheld listening devices and exploratory excavation. Currently, searching for a leak involves using a handheld listening device to listen for the sound of running water near valves and meters. This is effective as long as the leak is close, but also random and time-consuming.

We have had personnel from the NCRWA and the City of Asheville assist us in investigating a few locations where appropriate. We will continue searching until we find a leak or discover some other reason for the large Asheville water usage.

### Increasing revenue

It is possible that there is no leak and that all the water we are purchasing is being used by customers, and that the negative effect on the budget is due to a large number of dead meters. We are currently generating a list of all meters that had zero consumption on the last reading. We will investigate each meter and determine its status.

### **Summary and recommended actions**

We are having difficulty keeping our tanks, specifically Reynolds Mountain tank, full of water. This requires the purchase of substantial amounts of water from the City of Asheville, and given the recent large increase in the cost of Asheville water, it is resulting in negative effects on our annual budget.

### Recommended actions

**Install flow meters** – each tank needs flow meters to measure the flow into and out of the tank. These flow meters need to be added to our SCADA system so we can see what is happening over hours and days. This will enable us to instantly identify when there has been a significant change in either the flow into or out of a tank. We also need some flow meters inside the system to help us further determine which area is having the problem. We are currently in the process of having the flow into and out of Reynold’s Mountain added to SCADA. We hope this will be completed in the next 6 to 8 weeks, but it may take longer.

**Look for leaks** – purchase a correlator to speed up this process and enable a thorough, systematic investigation. If there is a leak, it will probably have to be detected in this manner, since we can’t see it on the surface anywhere, and no one is experiencing low pressure or outages.

**Check for dead meters** – sometimes meters stop working and no longer register water usage. We identify these meters once every billing cycle and replace them as needed.

**Use more of our own water** – consider pumping into Reynolds Mountain tank or connecting Baird Cove pressure zone to Reynold Mountain pressure zone and then using Baird Cove tank the way we are currently using our Asheville interconnection, with the understanding that we would have to pump water into Baird Cove tank for much longer time intervals.

Dr. Martin shared the following updates.

## **Revenue by Zones:**

There's not going to be any easy way of getting a revenue report by Zone unless I can get Springbrook to try to build something - the AR numbers that generate are by cycle, and each cycle has every zone within it. We can get an approximation based on current rates and customers in each Zone and consumption numbers, the same formulas on the spreadsheet that gives an approximation of how rate changes affect overall revenue but it makes a lot of assumptions - everyone pays, usage is factored evenly across accounts, etc.

If we wanted to have that actual information in real time we would have to restructure the existing cycles by zone. It could be done but it's not for the faint of heart. The existing cycles (7,8,9) are legacy from the original route & cycle setup many years ago. We made it slightly simpler by combining cycles 1&2 and 4&5 into one cycle, and leaving the monthly as its own cycle - but it doesn't break by rate zones.

## **Budget Questions:**

I reviewed the request from Gordon and offer the following comments.

First, I have always essentially looked at each year's budget as ZBB. Line items are not continuous nor increased based on incrementalism but rather a blow-by-blow review of actual expenses, consideration of future expenses within those categories, and application of knowledge or best-guess estimates on variables such as inflation, material cost increases and the like. This is already demonstrated within the budget if one looks at each department's line item figures and compares them to the previous FY. For example, within Production, 8135 - Chemicals, we budgeted \$110,000 for FY 2026, are projected to end up at just over \$80,000 for the year, and have budgeted \$75,000 for the upcoming year. This reflects the increased chemical usage in FY26 due to the manganese issue and the short truck delivery cost issue, both of which are (presumed) to be concluded and thus unnecessary for FY27, to which end chemical costs are projected based on presumed water consumption based on historical data. Similarly, within Administration, attorney fees were budgeted at \$5k for FY26 but \$3k for FY27, based on actual attorney usage in FY26 and considering the major use of attorney time in 26 (the land purchase) has been concluded/aborted and it is thus less likely to need much attorney assistance in the coming year.

Next, with regards to discretionary spending, this is fairly minimum within an enterprise fund budget, which is essentially what the District's budget is - we take in essentially only user fees in the form of water bill payments and spend essentially only water administration/distribution/production functions. Of course even within those types of budgets there will be some softer areas that can be adjusted but they're already pretty minimal within the District's budget. Most functional categories are going to have equal or increased expenditures from previous fiscal years because they're ongoing expenses that are largely fixed. Electricity, for example, cannot be easily reduced any further than current levels because we already optimized electric use over the previous 20+ years by converting the entire system (save the BC pump station for BC tank) to a pure gravity system, which eliminated a number of heavy electrical use pump stations. This same logic applies to most items already within the budget. The softer costs that might be able to be rationed or eliminated revolve around the relatively few items that are not strictly necessary to keep the District running. This would include most travel & training, "board" expenses such as the annual Christmas party, 5k sponsorship, some contracted services such as cleaning or shredding services, and some capital

expenditures. These items together add very little to the actual budget and eliminating them would have a negligible effect on the budget.

The majority of the District's budget (in this order) is personnel, water purchases, and supply & chemical purchases. Controlling budget costs is always going to depend on limiting these expenditures to the greatest extent practical. To that end, your options are eliminating personnel, reducing or eliminating benefits, reducing water purchases, and limiting material and parts purchases. None of these things are going to be easy answers. Reduce personnel enough and you're likely to burn out your remaining personnel and churn through employees. Reducing or eliminating benefits will likely have the same result. Reducing water purchases may be possible if leaks can be located or more water used at the plant, but there are limits there especially if you get into a drought situation, and in any case more water produced at the plant increases chemical, electricity and personnel costs so it's not a zero-sum game but it's not a free lunch either. Materials & chemicals are unlikely to be able to be reduced simply because the cost of pipe, fittings, chemicals, shipping and the like have increased substantially over the last 10+ years and are unlikely to come down. Less breaks in the system will reduce the need for parts but as the system expands and ages this is unrealistic.

There are no real right or wrong answers. That's part of the process - staff proposes a budget, and the Board determines if the budget aligns with its philosophy.

Chairman Maybury thanked Sam and Dr. Martin for their hard work. He asked staff to work with Springbrook to generate a revenue report by zone. Director Eckard stated that he would provide the report at the next meeting.

The Board agreed that this information could be useful in evaluating future rate adjustments. The Board also discussed the possibility of adjusting rates in the next fiscal year to better align revenue with Asheville water usage.

## **B. Fiscal Year 2026-2027 Annual Budget Second Reading**

Director Eckard presented the second reading of the proposed Fiscal Year 2026-2027 budget. No changes were made from the previous presentation.

**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**

### **Call of the Board**

Trustee James asked staff to outline the District's plan for identifying and addressing system leaks. Director Eckard explained that, between now and June 30, staff will focus on replacing inactive meters throughout the system, which may help identify a portion of the District's water loss.

Director Eckard said that after July 1, the District plans to purchase a new correlator and listening device. Once the equipment is received, Assistant Field Supervisor Jeremy Fink will begin the time-

intensive process of systematically investigating potential hidden leaks in distribution lines served by the Reynolds Mountain Tank. This work will likely take six months to complete.

### **Closed Session**

At 6:20 p.m., Chairman Maybury made a motion to go into Closed Session Pursuant to NC General Statute 143-318.11(a)(6), seconded by Trustee Hopkins. The vote was unanimous. At 6:28 p.m., Trustee Hopkins made a motion to go out of Closed Session, seconded by Chairman Maybury. The vote was unanimous.

### **Adjournment**

The meeting was adjourned at 6:30 p.m.