

Woodfin Sanitary Water & Sewer District
FY 2027 Proposed Budget
April 21, 2026

**Woodfin Sanitary Water and Sewer District
Proposed Fiscal Year 2027 Budget
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Introduction



Elected Officials

Board of Trustees

Gordon Maybury – Chair

Larry Hopkins – Vice-Chair

Carter James – Secretary



District Staff

Seth Eckard – Executive Director

Sam Chattin – Distribution System Supervisor

Chandler Henn – Water Treatment System Supervisor



Our Mission

- **Provide water of the highest quality in a fair, efficient, and responsible manner.**
- **Manage the District's assets in a prudent fashion.**
- **Promote the goals of the District as set by the Board of Trustees.**
- **Maintain an adequate supply of water for current customers while meeting the needs of a growing service area to the greatest extent practical.**



April 21, 2026

Honorable Board of Trustees members:

I am pleased to present the proposed Fiscal Year 2027 Budget for the Woodfin Sanitary Water and Sewer District. This budget reflects a careful effort to balance rising operating costs, maintain reliable service, and continue making strategic investments in our system infrastructure. The proposed budget responds to ongoing financial pressures, most notably the City of Asheville's continuing wholesale water rate increases, while also supporting the District's long-term capital needs and operational priorities.

The proposed expenditure level for FY 2027 is **\$3,157,811**, supported by projected budgeted revenues of **\$3,193,489**. This represents a **12% increase in revenue** over the adopted FY 2026 budget and a **2.2% decrease in expenditures** from the adopted FY 2026 budget. Overall, budgeted revenues exceed expenditures by **\$35,679**, allowing the District to maintain a balanced financial position while continuing to meet service demands.

This budget is shaped by several significant revenue challenges. We estimate a net revenue loss of approximately **\$100,000** due to the closure of the Craggy Prison laundry facility and MSD's repair of an ongoing water leak. To address these pressures, the proposed budget includes rate adjustments by zone, with increases to both monthly minimum charges and volumetric rates. No increases are proposed for other fees.

The District continues to face substantial expenditure pressures as well. The **33% wholesale water rate increase** from the City of Asheville remains the single largest cost driver in this budget. Since FY 2023–2024, the wholesale cost of Asheville water has increased by **135.3%**, and the District has absorbed as much of that increase as possible over the past several years. Despite this pressure, the budget includes **\$117,000** in capital improvements and continues to support critical operational needs.

Several of this year's capital improvement recommendations are specifically intended to reduce water loss, improve efficiency, and strengthen system performance. These projects will help the District improve billing accuracy, proactively locate hidden leaks, and respond more quickly to abnormal water loss.

I would like to express my sincere appreciation to the District's employees for their continued hard work and dedication. Their efforts make it possible to provide dependable service while managing significant financial and operational challenges. I also want to thank Dr. Joseph Martin for his assistance in preparing this budget. Finally, I thank Chairman Maybury and the Board of Trustees for your continued leadership and support as we work together to responsibly manage the District's resources and meet the needs of our customers.

Respectfully submitted,

Seth Eckard, ICMA-CM
Executive Director



Overview



About the District

The Woodfin Sanitary Water and Sewer District is a municipal corporation, created by the State of North Carolina in 1931 and organized under Chapter 130A of the General Statutes of North Carolina, to serve the sanitary needs of the areas around North Asheville & Woodfin, North Carolina. The District was created through merging the existing Woodfin Sanitary District (created in 1923) with the Woodfin Water District (created in 1927). This area, now wholly contained within the Town of Woodfin and City of Asheville, stretched from Beaver Lake in the east to the French Broad River in the west, south to the intersection of Riverside Drive and Broadway, and north to Reynolds Mountain. Since its creation, the District has expanded its service area (but not its official corporate boundaries) to include areas of North and West Buncombe County as well as the areas within the corporate limits of the Towns of Woodfin and Weaverville and the City of Asheville.

Under North Carolina General Statutes Chapter 130A, the District is vested with the power to operate and maintain water and wastewater treatment and distribution facilities, collect and dispose of solid waste, maintain fire protection, levy and collect taxes, abate public nuisances, and virtually all other functions of a municipality within the State of North Carolina. In practice, the District only exercises its rights to provide water treatment, production, and distribution services, as all other services are provided by other entities; the District's boundaries and service areas include three separate municipalities, six fire districts and departments, and a metropolitan sewage treatment system.

The District's water production capacity at its founding consisted of a single creek intake in the Beech community and a single storage reservoir atop Reynolds Mountain. Since then, the District's water supply system has evolved to include an impoundment dam, a modern water treatment plant, and several storage reservoirs. The District also maintains a number of interconnections with the City of Asheville for supplemental and emergency water needs. This evolution has mirrored the District's increased distribution service area, which has expanded since 1927 to include large service areas in West Buncombe County and north to the Town of Weaverville, as well as customers in the Reems Creek area. Today, the District services a twenty-four square-mile geographic area, providing water to a population of nearly ten thousand people through 100 miles of water mains. Average daily water consumption is approximately 1 million gallons, twenty-five percent of which is finished water purchased from the City of Asheville for resale.

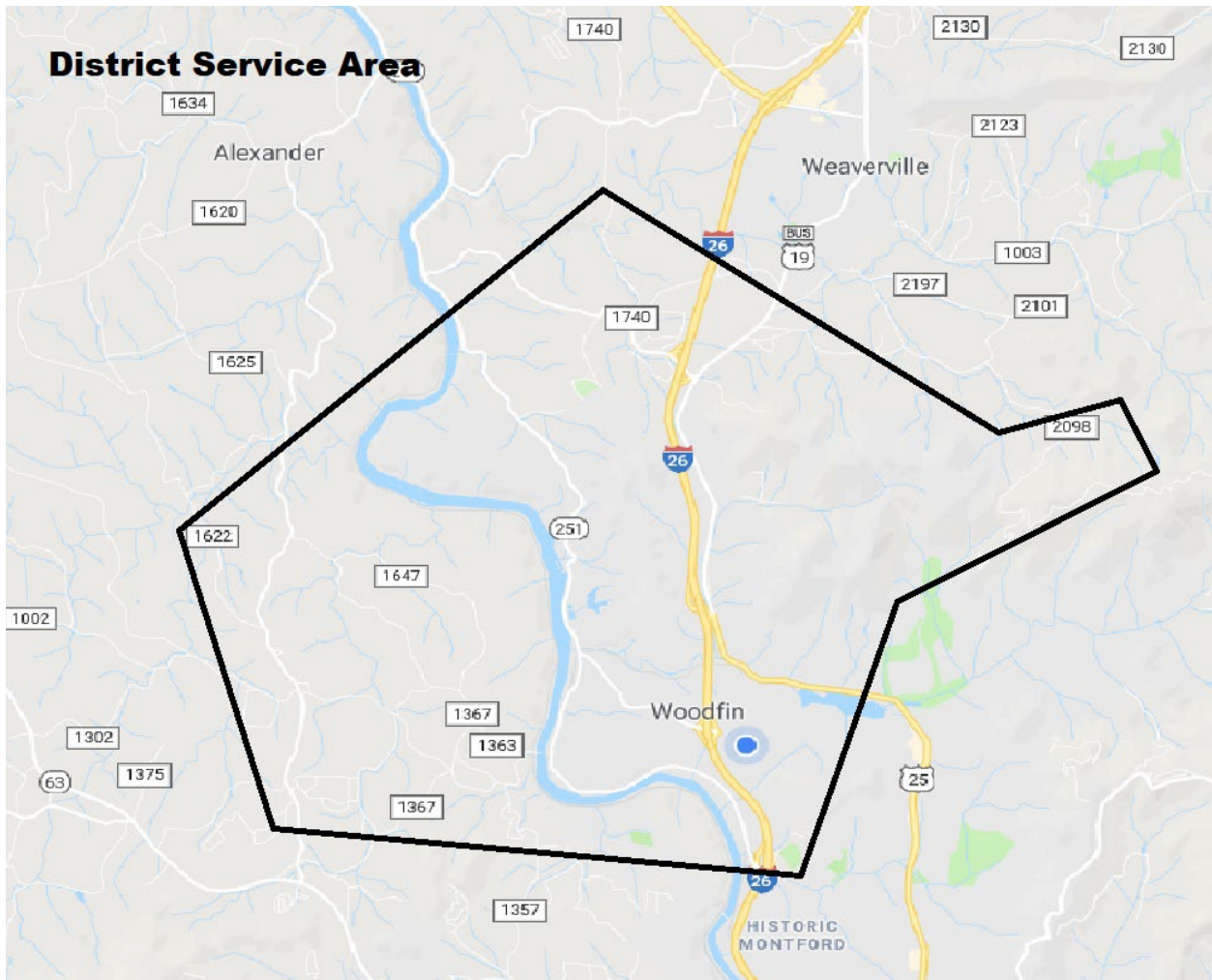
The District operates under a three-member Board of Trustees, elected at large for concurrent 2-year terms from within the District's boundaries. The Board is responsible for appointing an Executive Director, who serves at the pleasure of the Board and is charged with handling the day-to-day operations of the District and implementing Board policies and procedures. The Board also appoints a representative for a three-year term to the governing board of the Metropolitan Sewerage District of Buncombe County (MSDBC); the District turned over its sewer infrastructure to MSD in the early 1990's as part of a consolidation agreement with all other municipalities in Buncombe County. The Board may recall and reappoint its MSD representative at any time.

As part of the consolidation agreement, the District provides billing and collection services for MSD and remits those funds on a regular basis. The District provides similar billing and collection



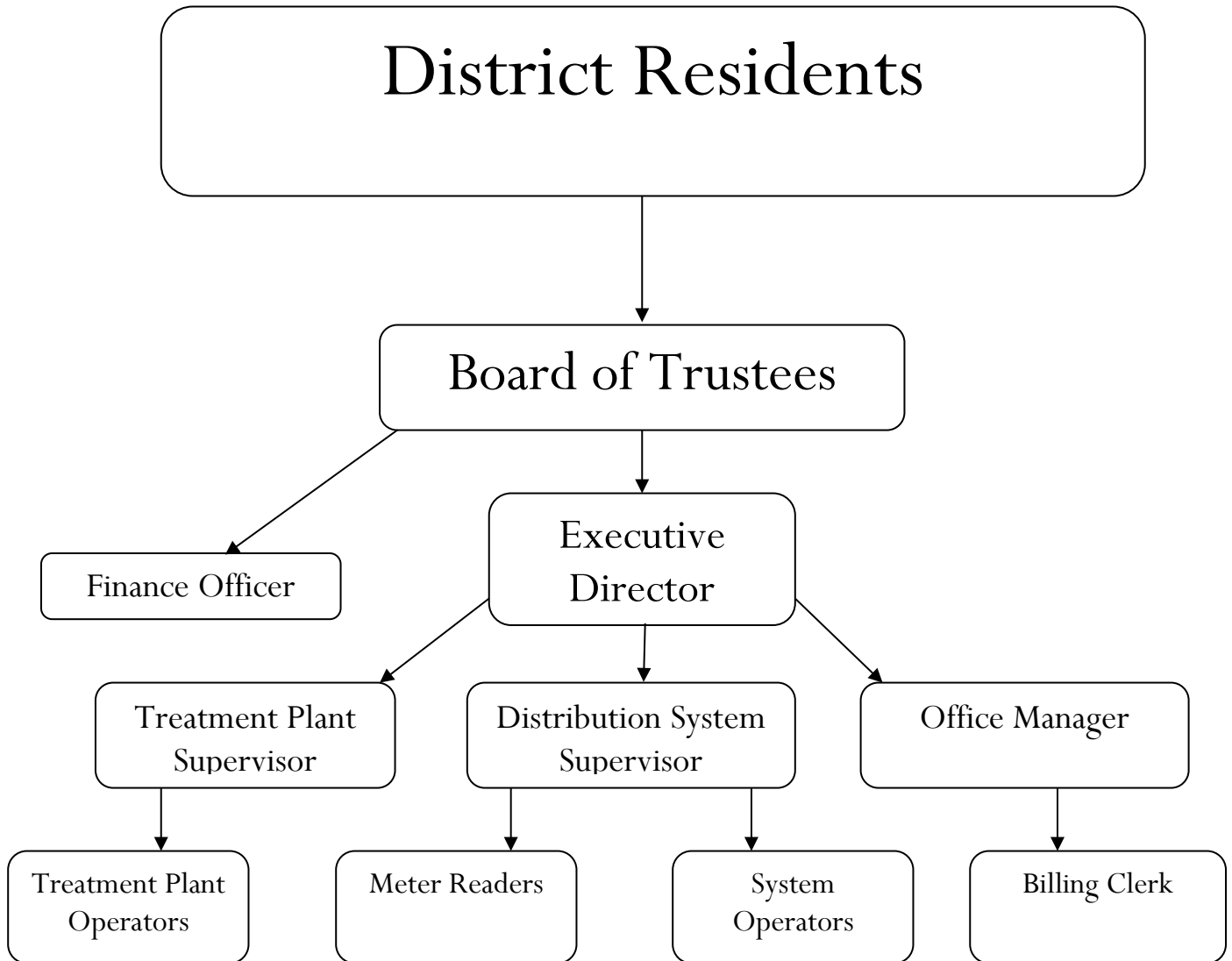
services for the Town of Weaverville to collect recycling fees for those residents who are District customers.

District Service Area Map





Woodfin Sanitary Water and Sewer District Organizational Chart





Strategic Goals

The primary mission of the Woodfin Sanitary Water and Sewer District is to provide high quality water to its customers both within and outside the District's boundaries. In order to meet this mission, the District focuses on the following strategic goals:

- ***Water Resource Management*** – The District recognizes that water is a finite and precious resource and thus endeavors to manage its treatment and distribution of treated water as efficiently as possible through efforts such as encouraging water conservation, identification and repair of water line leaks and breaks, best watershed management practices, and citizen education about the value of potable water.
- ***Fiscal Responsibility*** – The District realizes that meeting its mission depends on prudent and responsible management of its assets and revenue base, and thus strives to maintain fair but adequate pricing, strong revenue collection efforts, identify waste and fraud, create a balanced budget, and reinvesting carefully and prudently in its infrastructure.
- ***Democracy & Transparency*** – The District believes that a democratic and transparent organization provides the best vehicle for fair service delivery to all and maintaining an engaging the community it serves, and to that end provides for open and advertised public meetings, provision of documentation and information on its public website, social media outreach efforts, bilingual educational material, and a well-crafted budget intended to communicate these efforts to the community.
- ***Customer Service*** – The District recognizes that the District's customers are its reason for existence and strives to provide the greatest possible product at the lowest possible cost for its customers.
- ***Workforce Development*** – The District believes that its employees are its greatest asset, and therefore supports efforts to provide employees with the salary, benefits, training and development efforts necessary to ensure a highly-qualified and productive staff for the benefit of the District's customers.



Policies and Process



Budget Document

As a municipal corporation, the District is required to follow the same budget requirements and legal obligations of all other municipal corporations within the State of North Carolina, as provided for within the Local Government Budget and Fiscal Control Act (G.S. 159, Article 3). These requirements include:

1. The passage of the annual budget – The District is required to pass an annual budget in order to determine expected revenue and authorize expenditures for the period covering July 1st through June 30th of the following year, otherwise known as the fiscal year. The budget document is named for the calendar year in which the last date of authorized expenditures occurs.
2. The delivery of the budget message – The Director is responsible for delivering the budget message within the proposed budget. The message includes proposed changes to service rates and fees, significant changes in revenues or expenditures, important upcoming projects and purchases, and any other information important for the elected Board to make an informed decision regarding the budget.
3. The crafting of a balanced budget – The District, like all other municipal corporations within the state, is prohibited from passing a budget wherein expenditures exceed revenues without authorization and explanation of funding for such expenditures. This may include issuance of bonds, borrowing of money, drawdown of reserves, or other legal avenues for funding appropriations.
4. The creation of the budget document – The District must create a budget document that may be reviewed and commented upon by any interested party.

Budget Process

In accordance with state law, the District must create a budget for each fiscal year, which begins on July 1. However, the budget document and budget process serves a number of purposes beyond meeting state requirements:

- ***As a financial plan*** – The District’s annual budget serves as a blueprint to maintain financial stability and predictability, through careful estimation of revenue and expenditure totals for the year, selection of capital projects to protect and further the District’s mission, and comparison of income and expenses against past year levels and forecasting future needs.
- ***As a policy tool*** – Through the budget document, the Board of Trustees – the elected representatives of the District’s citizens – are able to exercise policy direction for the District’s staff to implement.
- ***As a communications device*** – The District’s budget, through the open and deliberate process of budgeting, allows for input from interested parties regarding District priorities and upcoming projects.
- ***As an effort towards transparency*** – A carefully crafted budget, with ample opportunity for comment and critique, helps ensure good democratic governance.



The budget document is created by the Director with the assistance of the District’s staff and presented to the Board of Trustees prior to the start of the fiscal year. The budget must have a public hearing and a majority approval by the Board before it officially goes into effect.

The budget takes into account Board objectives and priorities and provides for the operation of the utility district for the year. Contained within the budget are estimated revenues for the upcoming year, reserve funds on hand, operational expenses, capital projects, and debt service requirements. The District utilizes a mixture of formal and informal calendar planning in order to present a proposed budget to the Board of Trustees in time for any proposed changes to the budget to be made and presented in time for the budget to be passed by July 1st. In cases where a full budget cannot be passed or agreed upon by the July 1st deadline, the Board of Trustees are required to pass a continuing resolution authorizing normal and customary operational expenditures only until such time as the formal budget can be passed. Without this resolution, District staff lacks authorization to continue to pay expenditures necessary to keep the District operational.

Budget Calendar

The District’s budget calendar can be thought of as a circle, in which the process of budgeting never ceases but continues ad infinitum as new information is gathered, expenditures made and revenues received. Nevertheless, there is some structure involved in the creation of the budget document as follows:

<u>Month</u>	<u>Activity</u>
January	Six-month (50%) comparisons of revenue collection and expenditures are made; capital projects are compared to budgeted expectations and adjustments considered.
February	Director discusses upcoming planned capital projects with District staff, reviews operational expenditures against expectations, staff requests for the upcoming budget are considered.
March	Preliminary budget figures for the upcoming budget are compiled; capital projects within the capital improvement plan are added to the proposed budget document; current year expenses and revenues are reviewed for accuracy.
April	A proposed budget is compiled and presented to the Board of Trustees for review and posted on the District’s web site for transparency. The budget is reviewed within the official meeting, comments taken and revisions or changes requested by the Board considered.



May

The proposed budget is presented to the Board of Trustees in resolution form for its first reading. District by-laws require presentation of the proposed budget to the Board no later than the regularly scheduled May meeting of each year. No action is taken by the Board and any public comment is received at this time.

June

The proposed budget is presented in a public hearing, allowing for official comment on the budget. The budget is then presented for its second and final reading. The Board of Trustees votes to approve or reject the budget at this time. In cases of rejection, the Board is responsible for either setting a special meeting to consider a revised version of the budget, or passing a continuing resolution allowing for customary expenditures into the new fiscal year, and must reconsider the budget at its next meeting.

Budget Basis

Because the District provides only water services, the District maintains a single fund – an “enterprise” fund (so-named because all revenue collected is earmarked for a specific municipal function) that the District refers to as its General Fund. The annual budget document is passed by Resolution by the District’s Board of Trustees authorizing a single bottom-line limit for expenditures (also known as appropriations). The Executive Director is responsible for implementation of the budget and is authorized to expend funds for the operations, maintenance, and capital improvement projects of the District up to this bottom-line limit. Once this limit has been reached, District staff lacks any further authorization to make expenditures on behalf of the District. The Board of Trustees appoints an official to act as the District’s Finance Officer in accordance with North Carolina General Statute 159-24, who is responsible for verifying expenditures are in-line with budgetary authorizations in both amount and purpose. The Executive Director has the authority to reallocate line item and department funds as necessary for the operations of the District, so long as reallocations do not alter the District’s budget to include programs inappropriate for the District nor exceed the authorized bottom-line budget figure. District budget figures are reported to the Board of Trustees on a monthly basis.

Budget Amendments

In a typical fiscal year, the District will reach the end of the fiscal year (June 30th) without having expended all funds authorized during the year. On occasion, however, situations arise in which District staff becomes aware that anticipated expenses will exceed budgeted appropriations, new or emergency projects or repairs will arise unexpectedly, or anticipated revenue will not be realized – or, less commonly, that revenue will greatly exceed budgeted levels. In these situations, District staff provides amendments to the authorized budget to be considered by and voted upon by the Board of Trustees. These amendments, which generally increase authorized expenditures, become



part of the overall authorized District budget. Because of the District’s planning and forecasting process, the need for budget amendments is minimal and typically occurs no more than once or twice during a fiscal year.

Budget Accounting

For purposes of day-to-day budgeting and financial reporting, the District utilizes what is known as a modified accrual budgeting basis. In a modified accrual system, District revenue is realized when it is received – i.e., when customers remit funds to pay current water bills – while expenses are reported when they are realized, rather than when they are paid. With this method, District staff and the Board of Trustees are able to track the actual expenditure level of the District on a regular basis, rather than simply tracking bills as they are paid. For monthly reporting purposes, the Board of Trustees receives reports on revenue as it is accrued, since virtually all District revenue is eventually received due to the nature of the product being sold.

Auditing

On an annual basis, and by state law, the District’s financial statements are prepared by staff and audited through an independent auditing agency selected by the Board of Trustees. The audit uses Generally Accepted Accounting Principles (GAAP) to review the District’s overall financial health, determine whether expenditures have been made lawfully, and provide a system of checks and balances between District staff and the Board of Trustees. The audit includes financial items such as depreciation, amortization, and other adjustments and inclusions that have less applicability for day-to-day operations but provide a “big picture” framework for the Board of Trustees and the State’s Local Government Commission to help determine whether the District is meeting its obligations and ensuring its long-term viability.

Financial Policies

The District utilizes written financial policies to safeguard District finances and ensure Board of Trustee policies are being met. These policies include:

- ***Internal Controls*** – Internal controls provide mechanisms to safeguard District cash and receivables through such methods as requiring reconciliation of accounts, ensuring all cash disbursements contain at least two authorized signatures, and providing for maintaining of records and receipts for later auditing and verification.
- ***Investment Policy*** – The District’s investment policy provides a blueprint for District staff to properly protect District cash reserves and invest in a manner such that those reserves will be protected for the future while returning maximum value relative to risk. Invested reserves must meet minimum standards set by the State of North Carolina.



Budget Summary



Fund Information

As a special unit of government charged with a specific focus (water treatment & distribution), all of the financial resources of the District are accounted for in a single enterprise fund. Enterprise funds are used to account for operations that are primarily financed by user fees and expenditures made for the defined purposes of those operations. The District considers its enterprise fund to be the **General Fund**. All revenue and expenses of the District are accounted for within the General Fund at this time. Exceptions to this might be cases in which the District has issued debt or grants or loans received from other entities for specific project purposes; in those cases, separate funds to account for that income and expenses related to those projects may be established.

Within the General Fund, the District accounts for three operational subdivisions as well as planned capital projects for the budget year. Funding for all of the District's operations and capital projects in Fiscal Year 2027 are accomplished through user fees and existing District reserves; the District carries no debt and has no plans of issuing debt or receiving any grants or loans to fund budgeted line items for FY 2026.

FY 2027 Highlights

For fiscal year 2026, the District's budget for all expenditures is **\$3,157,811**. This figure represents an approximate 2.2% decrease from FY 2026's amended budget of \$3,226,145. Excluding capital expenditures, operating expenses increased 14.4% year over year. Expected resources for FY 2027 total **\$6,554,689**, leaving the District with a net reserve fund balance of **\$3,396,878**. The District's invested funds and cash on hand more than adequately maintain an acceptable amount of reserve funding for operational expenses – approximately 108% of annual operation costs, excluding capital projects. When considered against the District's expected revenues for FY 2027, revenue exceeds operations by \$35,679. Projected revenue exceeds all expenditures, including capital projects, leaving the budget balanced without the use of reserve assets.

No new personnel positions are funded for FY 2027; one authorized position has been left vacant pending verification of future need and consideration of revenue generation. Two positions have been eliminated from the District's construction crew, and the remaining position has been transferred to the distribution crew. Capital expenditures have been reduced significantly in anticipation of a revamped long-term capital improvements plan and expected federal and state grant revenue. All other expenses are customary and incidental to the district's operations.

Resources Highlights

The expected income revenue generated for FY 2027 totals **\$3,193,489**, a 12% increase from budgeted FY 2026 revenue. The District has largely avoided rate increases for its customers over the past twenty years, but recent challenges has reduced the ability of the District to absorb costs. In the last several years, the District has faced an increasingly challenging labor market, extreme inflationary pressures on everything from replacement materials to utilities to labor expenses, and significant (100% over the previous three years) cost increases on repurchased water from the City



of Asheville. As the District shifted to a zoned rate system several years ago, some of these costs are allocated across the board in rate increases while others are placed more specifically in the zones that generate those costs.

Even with these new challenges, the District's water rates continue to remain among the lowest in all of Western North Carolina; since 2004, average water rates for District and out-of-District customers have increased below the rate of inflation and far lower than that of any other water system in the region, many of whom have enacted single-year rate increases higher than the District's cumulative increases over the past twenty years.

Recourse Assumptions

The FY 2027 budget and Capital Improvement Plan (CIP) incorporate a reduced growth rate in new water connections. This reflects a slowing local building economy and the limited availability of developable land within the District, as well as the inability to expand our service area due to surrounding jurisdictions (City of Asheville and Town of Weaverville). Revenue projections are based on historical consumption and collection trends, adjusted to exclude one-time anomalies to ensure realistic forecasting.

Given current national economic uncertainty, particularly in financial markets, our projection for investment income is conservative. We are assuming a 3% rate of return on investments, anticipating the possibility of further interest rate reductions during the fiscal year.

To maintain financial sustainability and continue funding our long-term infrastructure needs, we propose an overall rate increase of 17% for FY 2027, which reflects the significant cost increases of water purchased from the City of Asheville. Considering Woodfin Water currently offers some of the most affordable rates in the region, we do not anticipate any meaningful decline in consumption due to rate increases (i.e., negative elasticity).

Expenditure Highlights

Expenditures in FY 2027 largely mirror those of FY 2026, adjusted for inflation, with the exception of City of Asheville water purchases, which have increased in cost nearly \$500,000 in the past three years due to more than 100% worth of rate increases from the City. All expenditures within the FY 2027 budget are accomplished through generated revenue, as the District continues to pursue a "pay as you go" philosophy towards capital projects and the accumulation of debt. The District remains debt-free for FY 2027. The largest single increase in expenditures is for repurchased water from the City of Asheville, anticipated to increase in cost by about \$200,000 from FY 2026 budgeted levels.

For FY 2027, employees will receive an across-the-board increase of five percent, with some additional increase possible for personnel as they obtain additional training and experience in order to maintain an adequate and qualified workforce.



Expenditure categories contained within the FY 2027 budget include: Administration (22% of the FY 2027 budget), Production (41%), Distribution (33%), and Capital Improvements (4%).

Expenditures on the following pages are broken down by functional area as well as anticipated department needs; all figures are rounded to the nearest dollar. While the budget is passed as a whole, bottom-line figure, it is useful to enumerate expenses attributable to various District functions as a way of controlling costs, exploring opportunities for saving resources, and tracking increases that may be important in future budget years.

Expenditure Assumptions

We have assumed a general inflation rate of 3% for operational costs, consistent with the national inflation rate over the past year, and applied this to anticipated increases in materials, supplies, and contracted services.

Due to the competitive regional labor market and high cost of living in Buncombe County, we propose a 5% cost-of-living adjustment (COLA) for all full-time employees. This adjustment helps us retain skilled personnel and remain competitive with neighboring utilities and municipalities.

In 2024, the City of Asheville implemented a three-year 100% increase in wholesale water rates, the last year of which is incorporated in FY 2027's budget. Starting in FY 2028, we have assumed annual increases between 5% and 7% for wholesale water purchases based on prior trends and market forecasts.

For capital planning purposes, we have used a 5% annual construction inflation factor to estimate project costs over the next 10 years. Although there is potential for further inflation driven by federal tariff policies under the Trump Administration, the lack of clear guidance or quantifiable impacts has led us to exclude tariff-related inflation from the current budget cycle. We will continue to monitor these developments and adjust future budgets accordingly.



Summary of Resources & Expenditures

Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	FY 2025 Budgeted
Resources				
Existing Funds				
General Fund	845,000	725,278	800,000	1,100,000
Invested Assets	2,516,200	2,441,608	2,645,000	2,118,500
Total Existing Funds	3,361,200	2,913,253	3,265,000	3,218,500
Projected Revenue				
Water Sales	2,764,189	2,448,025	2,330,000	2,275,000
Development Fees	150,000	148,250	220,000	175,000
Charges for Services	171,800	167,324	178,800	169,800
Interest Income	100,000	109,850	100,000	50,000
Misc. Income	7,500	6,516	22,000	43,000
Total Projected Revenue	3,193,489	2,879,965	2,850,800	2,712,800
Total Resources	6,554,689	6,046,851	6,115,800	5,931,300
Expenditures				
Personnel/Benefits	1,301,282	1,226,730	1,292,625	1,044,815
Admin & Operations	398,275	364,227	320,700	275,195
Supplies & Materials	1,049,500	852,200	743,000	536,500
Outside Services	291,754	271,161	300,750	179,150
Capital Projects	117,000	346,795	569,070	462,375
Total Expenditures	3,157,811	3,061,113	3,226,145	2,498,035



Summary of Revenue by Category

Annual revenue includes water sales from within and outside District boundaries, billing services for other government organizations, development fees, charges for connecting and disconnecting service, and miscellaneous other minor sources of income. In recent years, water sales and new connection fees have been created as single categories due to the changing nature of District billing and administration.

Income Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/ decrease
Interest Income	100,000	109,850	100,000	0
Misc. Income	7,500	6,516	22,000	(14,500)
Returned Check Fees	1,800	1,800	1,800	0
MSD Contract Services	60,000	56,700	60,000	0
Water Sales	2,764,189	2,448,025	2,330,000	434,189
New Connection Fees	150,000	148,250	220,000	(70,000)
New Service Fees	55,000	50,424	66,000	(11,000)
Reconnect Fees	20,000	20,000	20,000	0
Late Fees	35,000	38,400	31,000	4,000
Total Annual Revenue	3,193,489	2,879,965	2,850,800	342,689



Summary of Expenditures by Category

Category	FY 2027	FY 2026 Projected	FY 2026 Budgeted	FY 2025 Budgeted
Salary & Wages	853,452	817,805	868,875	690,745
Bonus Pay	8,488	7,789	13,264	12,908
Payroll Taxes	67,392	64,841	68,248	54,594
Overtime	19,000	22,000	10,000	10,000
Uniforms	8,225	5,135	3,225	1,125
Health Insurance	204,601	182,025	196,705	173,827
Retirement Contributions	133,374	122,138	128,558	97,866
Training	6,750	4,997	3,750	3,750
Board Expenses	40,000	38,000	40,000	16,000
Communication Services	19,780	23,356	20,140	20,540
Utilities	64,860	58,716	54,680	54,680
Vehicle Repairs & Maintenance	23,000	23,160	14,500	8,000
Contracted Services	227,270	209,626	237,250	116,750
Parts & Supplies	205,000	207,420	214,000	151,000
Liability & WC Insurance	56,500	50,637	56,500	53,500
Financial Services	55,700	56,550	56,300	55,200
Leased Equipment	5,000	2,635	5,000	5,000
Technical Services	3,784	2,350	2,200	2,200
Water Purchases	815,000	617,000	500,000	360,000
Postage & Office Supplies	13,000	14,400	11,000	7,500
Travel & Vehicle Reimbursement	14,240	8,800	10,340	6,340
Equipment Repairs & Maintenance	7,000	5,590	10,000	10,000
Facility Repairs & Maintenance	14,000	13,350	7,500	6,000
Membership Fees & Dues	7,000	6,754	7,920	7,345
Audit & Legal Expenses	38,500	25,150	26,500	21,100
Miscellaneous Expenses	11,600	4,100	1,600	1,600
Rebate & Low-Income Programs	3,750	3,750	3,750	3,750
Street Permits & Repairs	90,250	95,604	60,250	60,250
Consumable Fuels	16,500	13,380	18,000	18,000
State Permits & Fees	7,795	7,260	7,020	6,090
Capital Projects	117,000	346,795	569,070	462,375
Total Expenditures	3,157,811	3,061,113	3,226,145	2,498,035



Summary of Expenses by Department

Department	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	FY 2025 Budgeted
Administration				
Personnel & Benefits	332,982	259,418	332,982	359,167
Administration & Operations	150,630	129,538	150,630	114,595
Supplies & Materials	11,000	7,800	11,000	7,500
Outside Services	180,750	236,350	180,750	124,670
Total Administration	675,362	633,106	675,362	605,923
Production				
Personnel & Benefits	313,792	308,110	291,250	258,186
Administration & Operations	44,645	41,798	38,570	37,235
Supplies & Materials	915,000	722,100	629,000	436,000
Outside Services	32,000	26,111	40,000	21,480
Total Production	1,305,437	1,098,119	998,820	752,901
Distribution				
Personnel & Benefits	651,016	567,977	668,392	427,462
Administration & Operations	189,840	181,426	131,500	123,365
Supplies and Materials	121,500	115,700	103,000	93,000
Outside Services	75,000	76,100	80,000	33,000
Total Distribution	1,037,356	941,203	982,892	676,827
Construction				
Personnel & Benefits	0	0	0	253,625
Administration & Operations	0	0	0	28,250
Supplies and Materials	0	0	0	79,500
Outside Services	0	20,800	163,370	15,000
Total Construction	0	20,800	163,370	376,375



Authorized Full-Time Personnel by Position

Position Title	FY 2027	FY 2026	FY 2025	FY 2024
Executive Director	1	1	1	1
WTP Supervisor	1	1	1	1
Dist. System Supervisor	1	1	1	1
Office Manager	1	1	1	1
WTP Operator	2	2	2	2
Dist. System Operator	5	5	7	7
Billing Clerk	1	1	1	1
Meter Reader	1	1	1	1



**RATE AND FEE SCHEDULE
EFFECTIVE JULY 1, 2026**

Water Rates: Residential per housing unit (Bimonthly)

- Zone 1: \$46.80 first 3,000 gallons - \$4.50 per thousand gallons thereafter
- Zone 2: \$55.60 first 3,000 gallons - \$8.50 per thousand gallons thereafter
- Zone 3: \$64.40 first 3,000 gallons - \$11.25 per thousand gallons thereafter
- Zone 4: \$72.50 first 3,000 gallons - \$14.00 per thousand gallons thereafter

Seasonal Conservation Rate Surcharge (meter readings between June 1 & November 30)

- Zone 1: \$4.95 per thousand gallons on consumption between 14,960 – 22,440 gallons
\$5.63 per thousand gallons on consumption between 22,440 – 29,920 gallons
\$6.75 per thousand gallons on all consumption beyond 29,920 gallons
- Zone 2: \$9.35 per thousand gallons on consumption between 14,960 – 22,440 gallons
\$10.63 per thousand gallons on consumption between 22,440 – 29,920 gallons
\$12.75 per thousand gallons on consumption beyond 29,920 gallons
- Zone 3: \$12.38 per thousand gallons on consumption between 14,960 – 22,440 gallons
\$14.06 per thousand gallons on consumption between 22,440 – 29,920 gallons
\$16.88 per thousand gallons on consumption beyond 29,920 gallons
- Zone 4: \$15.40 per thousand gallons on consumption between 14,960 – 22,440 gallons
\$17.50 per thousand gallons on consumption between 22,440 – 29,920 gallons
\$21.00 per thousand gallons on consumption beyond 29,920 gallons

Water Rates: Multi-Family per housing unit, Commercial & Industrial (Monthly)

- Zone 1: \$23.40 per 1,500 gallons – then \$4.50 per thousand gallons thereafter
- Zone 2: \$27.80 per 1,500 gallons – then \$8.50 per thousand gallons thereafter
- Zone 3: \$32.20 per 1,500 gallons – then \$11.25 per thousand gallons thereafter
- Zone 4: \$36.25 per 1,500 gallons – then \$14.00 per thousand gallons thereafter

New Connection Charges

Tap Fees

5/8" Tap: \$2,200	1" Tap: \$3,000	2" Tap: \$4,200	2"+: \$4,200 + \$1,000 per inch
Road Crossing (no cut): \$600		Road Crossing (cut): \$430 + \$95/SF Paving	

System Reduction Fees Zones 1 & 2

5/8" Tap: \$2,000	1" Tap: \$3,000	2" Tap: \$4,200	2"+: \$4,200 + \$1,000 per inch
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System Reduction Fees Zones 3 & 4

5/8" Tap: \$2,500	1" Tap: \$3,500	2" Tap: \$4,700	2"+: \$4,700 + \$1,000 per inch
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Administrative Charges

New Service Connection: \$130

Rental Account Transfer: \$10

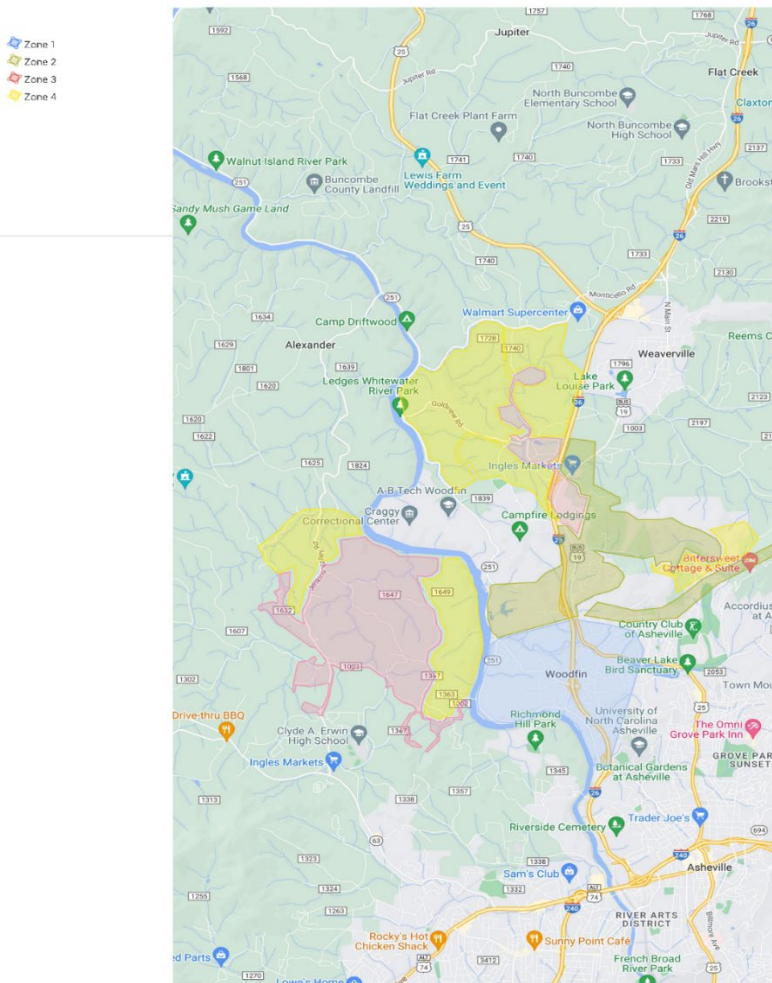


Non-payment Reconnection Fee: \$60
 Returned check fee: \$35
 Late Payment Penalty: Greater of \$6 or 10% of water & sewer charges
 Meter Re-Read (One free annually): \$25
 Debit/Credit Card Convenience Fee: \$3 per transaction
 Vacation connect/disconnect: \$25
 After-hours reconnect: \$100
 Hydrant bulk water: \$50 + \$12/thousand gallons

Construction Charges

New Construction Application: \$150
 Miscellaneous Labor: \$80/hr
 Meter testing Fee: \$60
 Materials: Cost + 15%
 Meter Relocation: \$1,550 + paving/road crossing fees
 Heavy Equipment: \$75/hr per individual equipment
 GIS Recording: \$.25 per linear foot, minimum \$160
 Document Recording: \$60 + \$5 per page

Rate Zone Map





Capital Improvements & Debt



Capital Improvement Plan & Policy

The Woodfin Sanitary Water & Sewer District's Five-Year Capital Improvements Plan is a tool developed by the District in order to help plan, in an orderly fashion, improvements and upgrades to the District's system that are financially, or *capitally*, intensive in nature. By creating a Capital Improvements Plan (CIP), the District can better utilize its revenues, apply for state and federal assistance for projects, and anticipate future disruptions to the system. As the first District water lines approach one hundred years of age, and the system continues to realize growing pains, attention is required to infrastructure that is considered a long-term investment yet as a whole expensive enough to warrant a multi-year budgeting strategy.

The objectives of the Five-Year Capital Improvements Plan are:

A. Provide for an orderly manner of long-range financial planning and management – The District's primary responsibility lies with its existing customers within and outside District boundaries. The District's infrastructure continues to age, and a lack of viable planning for replacing that infrastructure could compromise the District's financial position.

B. Encourage a transparent method for planning system improvements – The hallmark of good government is its willingness to provide a system of transparency and openness regarding its operations. This helps ensure that all of the District's citizens are being treated fairly and have an ongoing ability to examine and comment on future District improvements.

C. Ensure adequate revenue collection and protection – Recognizing that capital improvements are expensive and instrumental to the operations of the District, it is imperative that the District have a firm grasp on the level of funding necessary to operate the system and pay for needed improvements.

Planning and Implementation Process

The planning and implementation process for the CIP utilizes the following format:

- **Project Definition** – In order to create the plan, and to provide for its continual evolution, projects must be identified for inclusion. For a project to be considered capital in nature, and therefore included in the CIP, it must be
 - A permanent purchase or useful for perpetuity,
 - Identifiable by one-time purchasing costs, and
 - Significantly expensive in cost.

Projects of this nature are usually unsuitable for inclusion in the District's normal operating budget, and therefore fit the criteria for inclusion.

- **Project Identification and Selection** – Once a project has been accepted as meeting the criteria for inclusion in the District's CIP, it must be considered within the context of the District's overall operations – available revenue sources, applicability to operating costs, benefits to the District's customers versus cost, and timeliness are all factors used to



finalize projects for inclusion in the CIP. Since revenue in any given year is limited, and project need is usually greater than available revenue, this step must be carefully considered. Other steps considered within this construct include the necessity of obtaining easements or property, confidence in cost estimates, availability of qualified firms or personnel to construct improvements, and so on.

- **Plan Passage** – Once the yearly CIP is created, it is presented to the District’s Board of Trustees for passage. Projects included in any given year of the CIP are funded as a subset of the District’s overall budget. Funding for projects can be from general District revenues or reserves, special assessment, private, state and federal grants and/or loans, or any combination of the above.
- **Implementation** – After passage, projects are implemented individually, depending on criteria such as immediate District needs, statutory requirements for bidding, and similar considerations. Implementation of projects commonly occurs as follows:
 - Design and approval – Improvements such as water line construction or treatment plant alterations generally require design by a licensed engineer and approval from the State before they can begin. Most projects of this nature are designed through a private engineering firm retained by the District for such work. Depending on the scope of the project, this step may also include assorted items such as outside consultations, meetings with affected customers, negotiation for easements or property purchases.
 - Bid, Award, and Contract – Depending on the project, a bidding process may be required or, alternatively, desired in order to procure the greatest cost savings and consideration of qualified providers. This also helps ensure cost efficiency for the District and that awarding of contracts or projects are based on ability to perform.
 - Construct and Complete – Once a supplier or contractor has been selected, District personnel work with consultants, engineers, state officials, or other individuals to verify performance as contracted and within funds budgeted for the improvement.

Future Preparations

The District’s Capital Improvements Plan is designed to be constantly evolving; to that end, preparation for future capital improvement plans are ongoing – new projects continue to be identified based on current needs; incomplete projects may be reinserted into future plans; projects no longer considered necessary may be dropped. Thus, planning and developing the CIP is a continual process. Finally, it is important to note that the Capital Improvements Plan is just that – a plan. Projects may be accelerated, deferred, or unfunded depending upon revenue conditions, emergency situations, immediate District needs, and a host of other conditions that may affect the District’s ability to fully implement the CIP as presented.



Debt Policy

The District retired the last of its outstanding debt in 2012. Since then, the District has paid for all operations and improvements to the system on a “pay as you go” method. Because of this philosophy, and the existence of state guidelines that already limit the issuance of debt to permanent improvements to the system of a capital nature, the District has not foreseen the need to implement an official debt policy. Should the need arise, however, in the future, the District will proceed with debt issuance the way all other major initiatives are approached: with deliberation, transparency, and an eye towards the future needs and security of the District.

Summary of 5-year CIP

Expenditures by Category

Year	Distribution System Projects	Treatment System Projects	Buildings and Improvements	Vehicles and Equipment	Current Total
2027	97,000	20,000	0	0	117,000
2028	TBD*	TBD	TBD	TBD	TBD
2029	TBD	TBD	TBD	TBD	TBD
2030	TBD	TBD	TBD	TBD	TBD
2031	TBD	TBD	TBD	TBD	TBD
Total by Category	\$97,000	\$20,000	\$0	\$0	\$117,000

* Note: Due to the reconfiguration of pipeline installation projects from outside contractors to in-house construction, future year CIP expenditures were still to be determined (TBD) at the time of budget completion for FY 2026.

FY 2027 Capital Projects Summary

Expense Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/decrease
Meter Replacement Program	25,000	45,000	25,000	0
Hydrant Repair/Replace	10,000	24,000	24,000	(14,000)
Treatment Plant Upgrades	8,000	57,000	57,000	(49,000)
Rate & CIP Study	40,000	0	0	40,000
Field Tool Replacement	0	8,725	10,000	(10,000)
Website Improvements	0	22,265	20,000	(20,000)
Flagging Machine	0	41,750	35,000	(35,000)
Leak Correlator	22,000	0	0	22,000
Asheville Interconnect	0	0	100,000	(100,000)
Pipeline Installation	0	20,800	163,370	(163,370)
Actuator	12,000	0	0	12,000
Feasibility Study	0	32,000	32,000	(32,000)
Lagoon Project	0	95,255	102,700	(102,700)
Total CIP Expenses	117,000	346,795	569,070	(452,070)



Department Information



Administration

Administration functions cover the general day-to-day operational functions of the District, which include such items as customer billing, arranging water connections and disconnections, and setting up new accounts. It covers the salaries of personnel required to formulate budgets, run the daily operations of the District, and collect and process billing payments.

Expense Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/ decrease
Other Pay/Bonus	2,228	2,467	6,849	(4,622)
Salaries & Wages	227,510	254,055	227,510	0
Auto Expense	6,240	5,800	3,840	2,400
Federal Taxes	17,575	19,624	17,929	(354)
Medical Insurance	51,378	34,450	45,423	5,956
Retirement	34,782	36,965	33,771	1,011
Employee Training	3,000	3,082	1,500	1,500
Board Expenses	40,000	38,000	40,000	0
Communication Services	2,940	4,226	3,500	(560)
Utilities	3,360	3,686	3,120	240
Travel	5,000	0	5,000	0
Postage	2,000	1,150	2,000	0
Office Supplies	11,000	13,250	9,000	2,000
Professional Services – Auditor	35,500	22,000	21,500	14,000
Professional Svcs – Attorney	3,000	3,150	5,000	(2,000)
Contract Services	120,270	107,415	117,250	3,020
Fees/Permits/Dues	7,000	6,754	7,920	(920)
Insurance/Bonds	56,500	50,637	56,500	0
Miscellaneous	500	3,000	500	0
Financial Services	55,700	56,550	56,300	(600)
Technical Services	3,784	2,350	2,200	1,584
Leased Equipment	5,000	2,635	5,000	0
Low Income Program	3,500	3,500	3,500	0
Rebate Program	250	250	250	0
				0
Total Administration Expenses	698,018	674,996	675,362	22,655



Production

Water production refers to the process of filtering, disinfecting, and treating water from its source to provide water that meets all state and federal standards. Costs involved in this area include items such as chemicals, salaries of water treatment plant operators, and equipment and maintenance. Also included in the cost of raw water are purchases made from the City of Asheville to supplement the District's water supplies.

Expense Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/ decrease
Other pay/bonus	2,113	1,898	2,043	69
Salaries & Wages	211,287	212,500	204,339	6,948
Overtime	4,000	2,000	0	4,000
Federal Taxes	16,631	16,554	15,788	843
Medical Insurance	43,622	41,575	38,615	5,007
Retirement	32,914	31,183	29,740	3,175
Employee Training	2,000	1,415	500	1,500
Communication Services	1,980	4,760	4,640	(2,660)
Utilities	35,440	30,680	27,480	7,960
Uniforms	1,225	985	225	1,000
Property Maintenance	1,000	1,000	1,000	0
Equipment Maintenance	1,000	1,000	1,000	0
Truck Maintenance	1,000	1,000	1,000	0
Contracted Services	16,000	16,211	15,000	1,000
Department Supplies	25,000	24,715	19,000	6,000
Chemical Supplies	75,000	80,385	60,000	(35,000)
Fees/Permits/Dues	4,125	3,258	3,350	775
Sludge Removal	16,000	9,900	25,000	(9,000)
Asheville Water Purchases	815,000	617,000	500,000	315,000
Miscellaneous	100	100	100	0
Total Production Expenses	1,305,437	1,098,119	998,820	306,617



Distribution

Water distribution costs are those incurred by the District to distribute treated water to the customer. Repairs to water main lines, connections for new customers, and replacement of water fixtures such as valves would be considered water distribution costs, as would the salaries of personnel employed for these purposes.

Expense Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/ decrease
Other Pay/Bonus	4,147	3,424	4,370	(224)
Salaries and Wages	414,655	351,250	437,026	(22,371)
Overtime	15,000	20,000	10,000	5,000
Federal Taxes	33,186	28,663	34,532	(1,346)
Medical Insurance	109,601	106,000	112,668	(3,066)
Retirement	65,678	53,991	65,046	631
Mileage	3,000	3,000	1,500	1,500
Communication Services	14,860	14,370	12,000	2,860
Utilities	26,060	24,350	24,080	1,980
Uniforms	7,000	4,150	3,000	4,000
Employee Training	1,750	500	1,750	0
Asphalt Repair	90,000	95,604	60,000	30,000
Property Maintenance	13,000	12,350	6,500	6,500
Truck Maintenance	22,000	22,160	13,500	8,500
Equipment Maintenance	6,000	4,590	9,000	(3,000)
Department Fuel	16,500	13,380	18,000	(1,500)
City Permits	250	0	250	0
Department Supplies	105,000	102,320	85,000	20,000
Fees/Permits/Dues	3,670	4,002	3,670	0
Miscellaneous	11,000	1,000	1,000	10,000
Contracted Services	75,000	76,100	80,000	(5,000)
				0
Total Distribution Expenses	1,037,356	941,203	982,892	54,464



Construction

Construction costs are all allocated to capital improvements as contained within the annual budget, and include all salaries, benefits, parts and services required to construct capital improvements. Expense categories are similar to that of the Distribution system categories. Construction expenditures for FY 2027 have been eliminated in anticipation of a revised Capital Improvements Plan to address line construction beyond the capacity of District staff.

Expense Category	FY 2027 Proposed	FY 2026 Projected	FY 2026 Budgeted	Annual increase/ decrease
Other Pay/Bonus	0	0	0	0
Salaries and Wages	0	0	0	0
Overtime	0	0	0	0
FICA	0	0	0	0
Medicare	0	0	0	0
Medical Insurance	0	0	0	0
Retirement	0	0	0	0
Uniforms	0	0	0	0
Employee Training	0	0	0	0
Asphalt Repair	0	0	0	0
Equipment Maintenance	0	0	0	0
Department Fuel	0	0	0	0
Construction Permits	0	0	0	0
Parts and Supplies	0	0	0	0
Miscellaneous	0	0	0	0
Contracted Services	0	20,800	163,370	(163,370)
Total Construction Expenses	0	20,800	163,370	(163,370)



Statistical Information



Community Demographics

Because the District’s service area extends over part, but not all, of three municipal corporations (the City of Asheville and the Towns of Woodfin and Weaverville), as well as a portion of unincorporated Buncombe County, providing an accurate count of population and demographics is difficult and would require considerable effort deciphering US Census tracts that correlated with the service area of the District. For that reason, specific demographic data is not included within this budget document. More information on general community demographics can be found on Buncombe County’s website at www.buncombecounty.org, the City of Asheville’s website at www.ashevillenc.gov, the Town of Weaverville’s website at www.weavervillenc.org, and the Town of Woodfin’s website at www.woodfin-nc.gov.

District Historical Data

Budget by Fiscal Year, 2018-2027

Year	Amount	Year	Amount
2018	\$2,157,124	2023	\$2,403,515
2019	2,486,945	2024	2,359,846
2020	1,966,831	2025	2,498,035
2021	1,939,795	2026	3,226,145
2022	2,169,660	2027	3,157,811



Glossary & Appendix



Definition of Terms

Accrual basis: Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related economic activity at the end of a fiscal period.

Capital project: A capital project is generally considered a high-dollar activity or purchase by the District that has a long estimated useful life, may be permanent, and is considered an asset rather than an operational cost.

Depreciation: Depreciation is the accrual accounting concepts using various methods to expense capitalized costs of an asset over its estimated useful life.

Enterprise fund: A fund established to account for operations that are financed and operated in a manner similar to a private business, wherein the cost of providing services are recovered through user charges and other fees specifically related to the activity and to be used only for those purposes.

Expenditure: The cost of goods and services delivered without regard to payment.

Fiscal year: The twelve-month period to which the authorized budget applies. The District's fiscal year runs from July 1st through June 30th each year as set by state law.

Full-time equivalent (FTE): A method to determine the total number of positions authorized based on one full year of work activity (2,080 hours).

Generally Accepted Accounting Principles (GAAP): Conventions, rules and procedures that serve as the basis for the fair presentation of financial statements and budgeting principles.

General fund: The District's enterprise fund, used to fund all financial activity except those specifically excluded by law (such as debt or loan & grant proceeds).

Operating budget: The authorized revenue projections and expenditures as passed by the District's Board of Trustees.

Revenue: The charges and fees collected by the District used to fund operations.



Summary of Capital Projects

*Note: All Capital Improvement Projects derived from District’s proposed Five-Year Capital Improvements Plan.

Meter Replacement Program

Project Description:

This project funds the replacement of existing analog meters. This year’s replacement is estimated at approximately 300 meters.

Estimated Project Costs:

Water meters & fixtures	150 meters @ \$150/meter	\$22,500
Related supplies		2,500

Total Project Cost	150 meters	\$25,000
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Source of Funds:

General reserves & operational revenues

Hydrant Repair & Replacement

Project Description:

This project will continue to fund repair and upgrades to the District’s hydrants in FY 2027. Hydrant repair and replacement at this point is limited to those damaged during the fiscal year or impractical to operate/repair due to age, location and other factors.

Estimated Project Costs:

Hydrant Repair	5 @ \$1,000 each	5,000
Hydrant Replacement	1 @ \$5,000 each	5,000
Related Supplies		0

Total Project Cost:	6 hydrants	\$10,000
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Source of Funds:

General reserves & operational revenues



Actuator

Project Description:

This project funds a replacement valve actuator at the treatment plant.

Estimated Project Costs:

Actuator & installation \$12,000

Total Project Cost: \$12,000

Source of Funds:

General reserves & operational revenues

Water Treatment Plant Upgrades

Project Description:

This project funds replacement and upgrades for the water treatment plant's treatment, monitoring and pumping equipment and security needs.

Estimated Project Costs:

General equipment replacement \$ 8,000

Total Project Costs: \$ 8,000

Source of Funds:

General reserves & operational revenues



Rate Study & CIP

Project Description:

This project allocates funds for reviewing the District's rate structure and creating a new Capital Improvements Plan through outside consulting.

Estimated Project Costs:

Administrative	\$ 40,000
Construction	0
Design	0
Contingencies	0

Total Project Costs: \$ 40,000

Source of Funds:

General reserves & operational revenues

Leak Detection Correlator

Project Description:

This project funds the purchase of a leak detection correlator to locate hidden leaks in the District.

Estimated Project Costs:

Leak Detection Correlator	\$ 22,000
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Total Project Costs: \$ 22,000

Source of Funds:

General reserves & operational revenues