



CITY OF HENDERSONVILLE
WATER SEWER ADVISORY COUNCIL
City Hall-Council Chambers | 160 6th Avenue E. | Hendersonville, NC 28792
Monday, July 28, 2025 – 4:00 PM

MINUTES

Present: City of Hendersonville Council Member & Chair Jennifer Hensley; Town of Mills River Councilwoman Sandra Goode; County Commissioner Jay Egolf; Chamber of Commerce Jay Frazier; Partnership for Economic Development Representative Eddie Bingham; Town of Laurel Park Travis Bonnema; and Village of Flat Rock Cheryl Stuller

Absent: City of Hendersonville Water/Sewer Customer Representative Chuck McGrady; Henderson County Water/Sewer Customer Representative Andrew Riddle; Town of Fletcher Amber McKinney; and City of Saluda Kevin Burnett

Staff Present: City Manager John Connet, City Clerk Jill Murray, Communications Director Allison Justus, Utilities Director Adam Steurer, Public Services Director Brent Detwiler and others.

1. CALL TO ORDER

Chairwoman Jennifer Hensley called the meeting to order at 4:02 p.m. and welcomed those in attendance.

2. APPROVAL OF AGENDA

Eddie Bingham moved to approve the agenda as presented. A unanimous vote of the Committee Members present followed. Motion carried.

3. APPROVAL OF MINUTES

A. Approval of April 28, 2025 Minutes

Jay Frazier moved to approve the minutes of April 28, 2025, as presented. A unanimous vote of the Committee Members present followed. Motion carried.

4. OLD BUSINESS - None

5. NEW BUSINESS

A. Summary of 2025 Quarter 2 Activities – Adam Steurer, Utilities Director

Utilities Director Adam Steurer gave the following brief 2025 2nd Quarter Report presentation.



2025 – 2nd Quarter Report

City of Hendersonville - Water and Sewer Department 2025 2nd Quarter Report

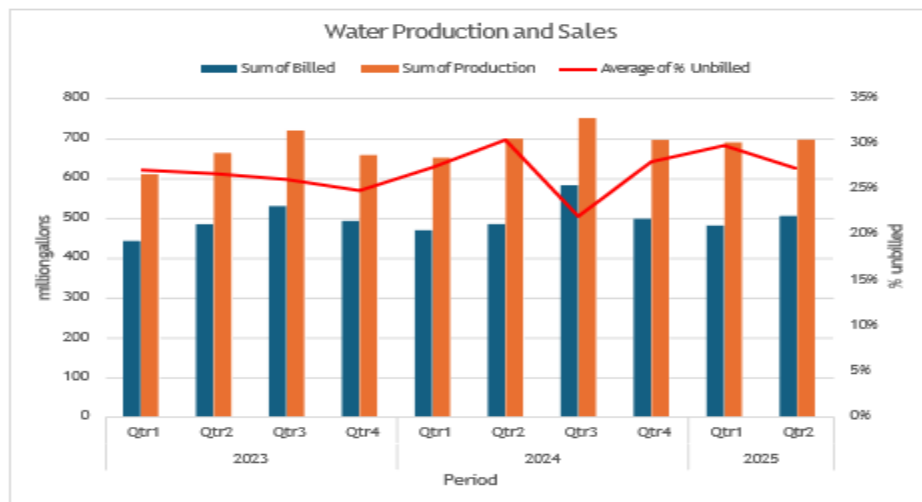
Publish Date: July 23, 2025

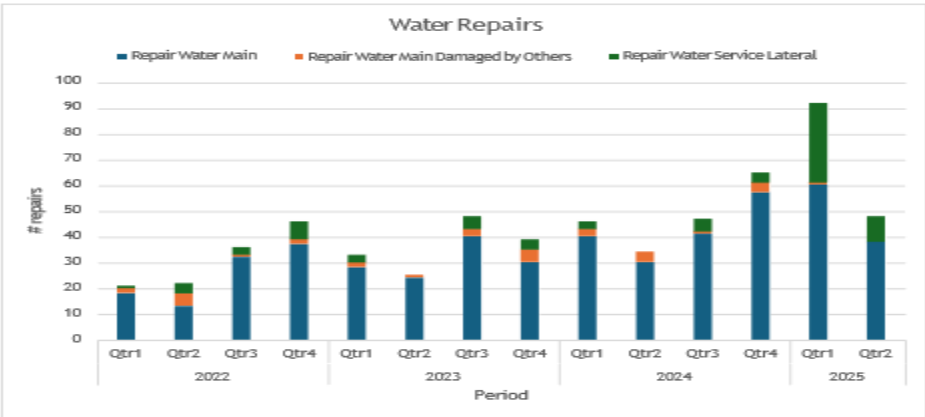
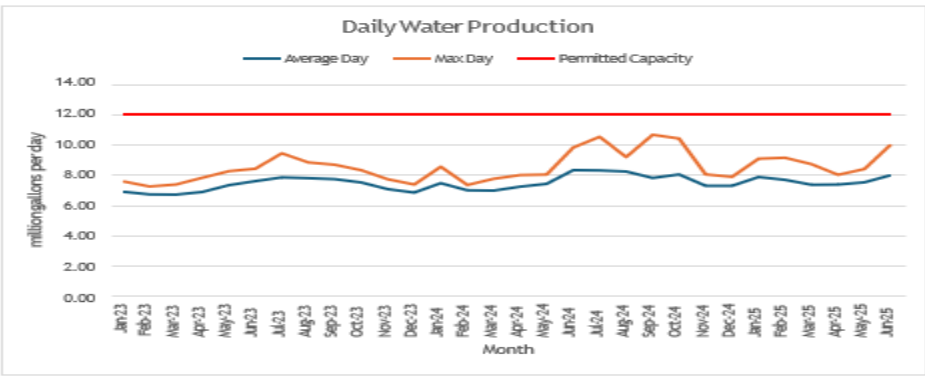
Utility Mission and Vision

Our mission is to operate a great utility for our customers.

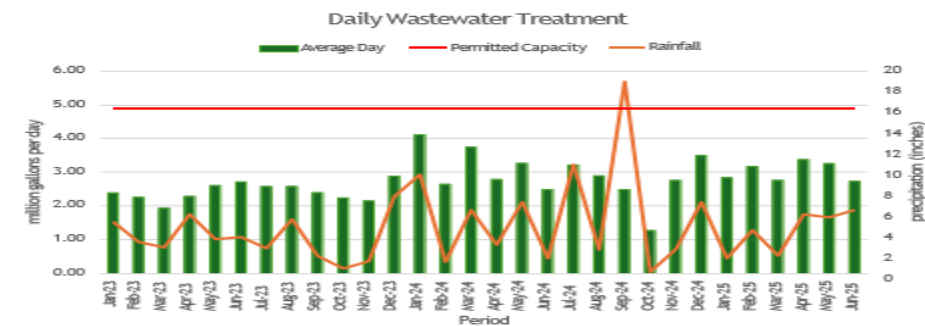
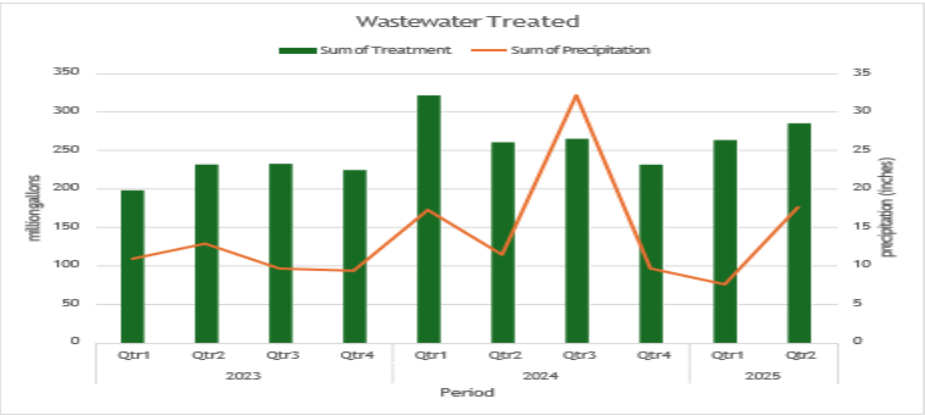
We envision a Hendersonville region with trusted, safe, high-quality, affordable water and wastewater service and a utility system that is responsive to the demands of its customers and regional growth.

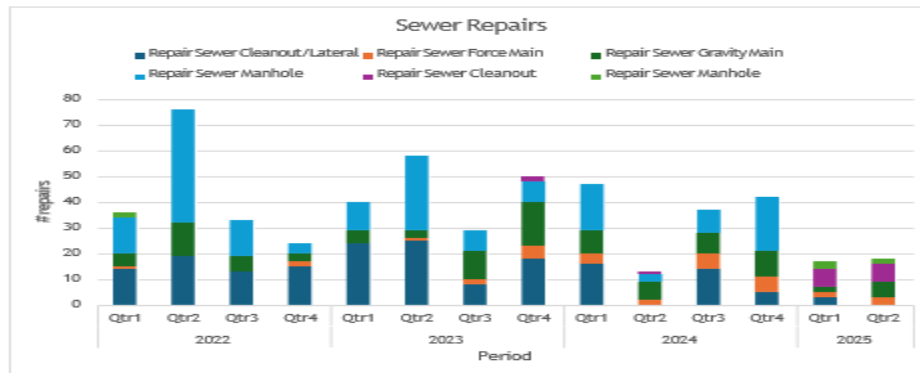
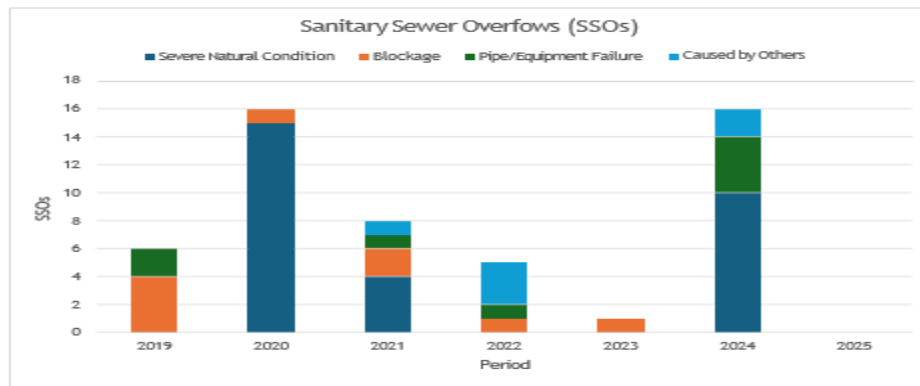
Water Operations





Wastewater Operations





Financial Management

Expenditures (Through Q4 FY2025)			
Expenditure Type	Actuals (Approximate)	Budget	% Expended
Capital	\$1,844,248*	\$1,017,760	181%
Personnel & Benefits	\$11,337,874	\$11,881,387	95%
Operating	\$7,890,126	\$8,940,417	88%
Debt Service	\$5,325,692	\$5,370,534	99%
FEMA Reimbursement Exp.	\$1,048,441	--	--
TOTAL	\$27,446,382	\$27,210,098	101%

Revenues (Through Q4 FY2025)			
Revenue Type	Actuals (Approximate)	Budgeted	% of Forecasted
Water Sales	\$ 16,020,870**	\$ 17,050,000	-6.0%
Sewer Sales	\$ 7,926,796**	\$ 7,940,000	-0.2%
Misc Revenue	\$ 1,898,621**	\$ 2,386,750	-20.4%
TOTAL	\$ 25,846,287	\$ 27,376,750	-5.6%

*Increase in capital expenditure due to vehicle and equipment replacements damaged by Hurricane Helene. FEMA Reimbursement of these replacements are currently unknown.

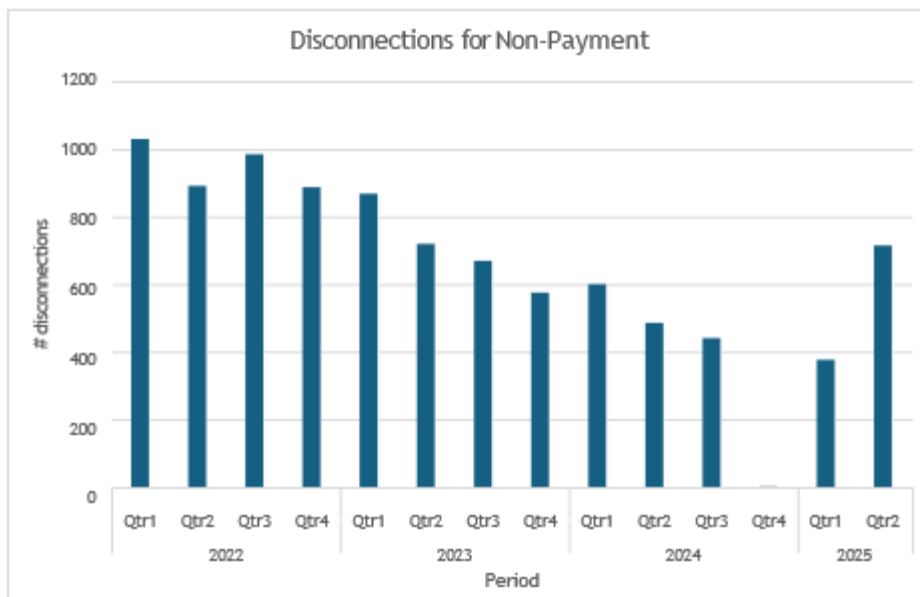
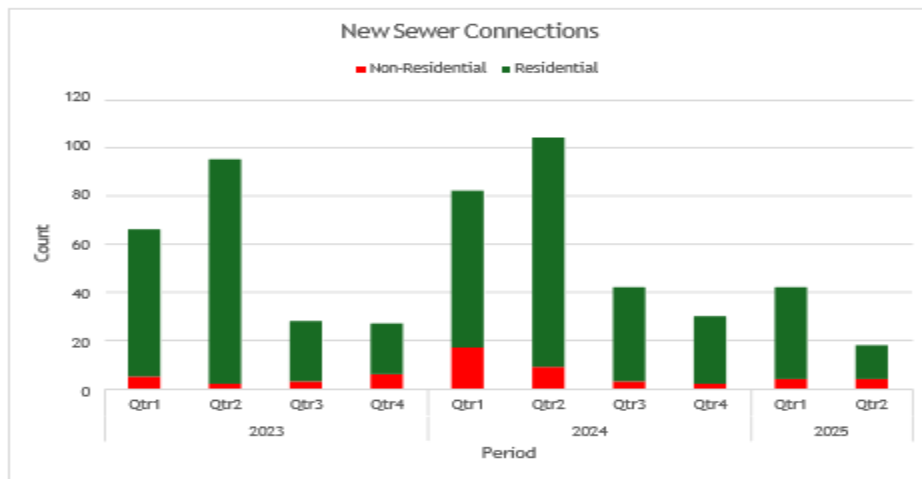
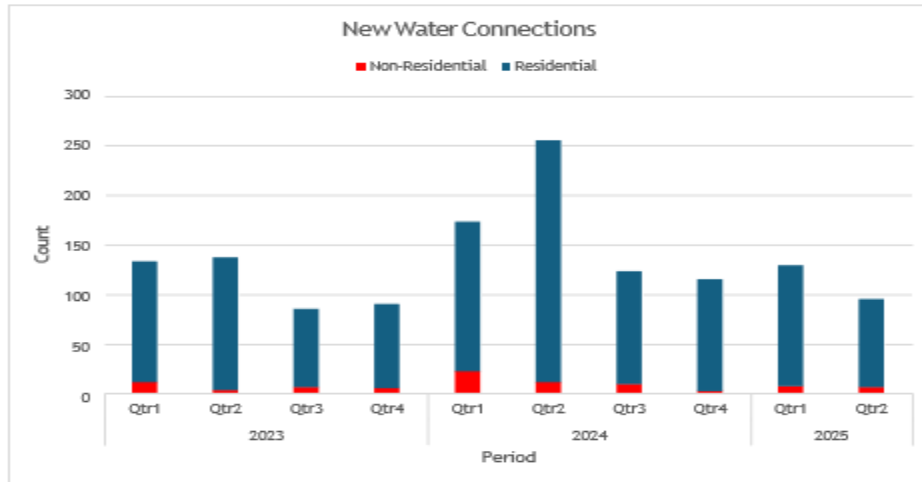
**Revenues are underreported. A few weeks of the reporting quarter revenue was not received at the publish date of this report.

Credit Rating

S&P Global Rating: A+

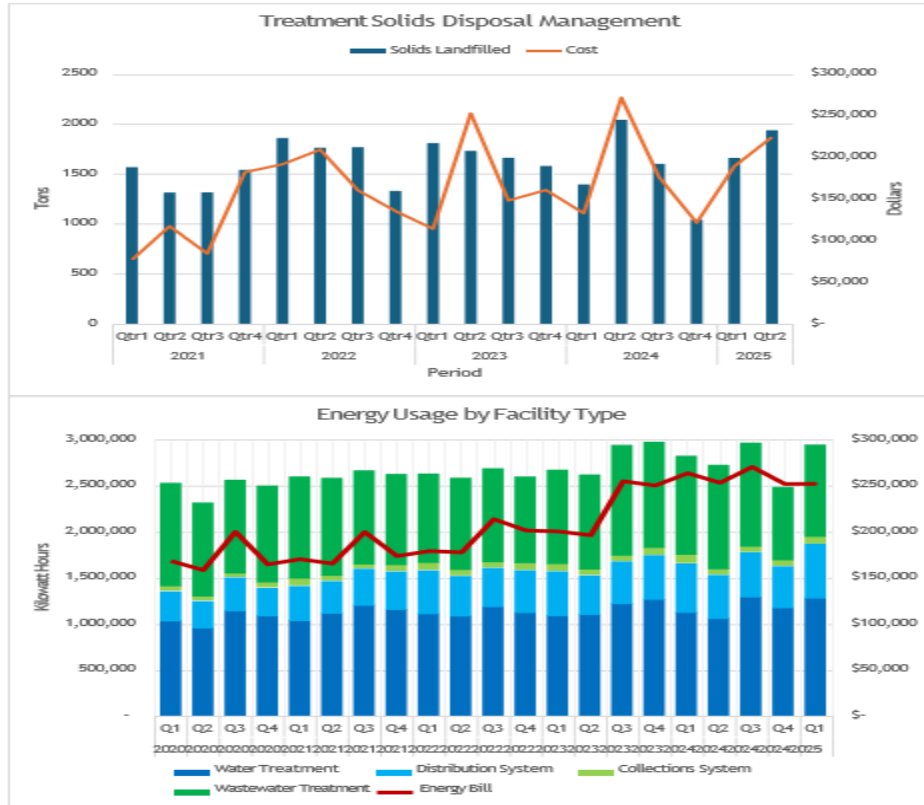
Moody's Rating: Aa3 (4th highest of 21 ratings)

Customer Service and Connections

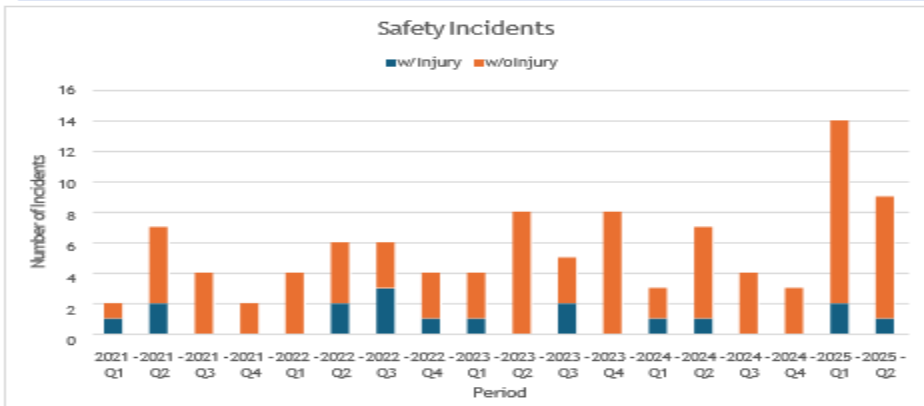


*Disconnections for non-payment suspended between 10/1/2024 and 2/28/2025 due to Hurricane Helene.

Sustainability



Staff



Current Vacancies

- Administration 0 of 7
- Field Operations 4 of 64
- Water Treatment 0 of 13
- Wastewater Treatment 0 of 10
- Technology and Metering 0 of 8

New Team Members

- Mark Cannon, Line Maintenance Mechanic

Staff Accomplishments and Accolades

- Justin Shipman- Sewer Collections 1 Operator Certification
- Sebastian Durall - Sewer Collection 2 Operator Certification
- Christopher Smith - C-Surface Water Treatment Operator Certification

Departmental Awards and Achievements

- **Sustainability Hero Award**- Environmental Sustainability Board awarded the Water & Sewer Department with the third annual Sustainability Hero Award at the April 3, 2025, City Council Meeting. The department was recognized for a long-standing record of prioritizing sustainability in all areas of operation, including water conservation, waste reduction, and operational efficiency. The award also highlighted the efforts of specific Water & Sewer staff members Bo Stepp, Damian Bingham, Chase Dowdy and Stephen Bell.



- **2025 City Mini-Golf Tournament Champions**- Dawson Heatherly, Jacob Nance, Clarence Gilbert, and Brian McCall were the winners of the city staff mini-golf tournament on May 28, 2025.



B. Business Review Summary - Adam Steurer, PE, Utilities Director

Business Review Presentation



Presented by
Gary Sanders
July 28, 2025

Utility Information
PIPELINE

Areas of Review

- Customer Service
- Cashiering
- Mail Payments
- Online Payments
- Service Applications
- Service Orders
- Meter Reading
- Billing
- Delinquent Processing
- Adjustments
- Reporting
- Accounting
- General Ledger Reconciliation
- Online Presence
- Backflow
- GIS
- Fees

Recommendations

Payments

- Conduct incentive campaign for ACH payments

Service Applications

- Update application form

Service Orders

- Automate reconnects using Muni-Link electronic service orders

Metering

- Monitor FlexNet for leaks daily
- Program meters when installed
- Monitor inactive meters with usage report
- Assign a field service technician to billing tasks
- Automatically add new customers to AquaHawk
- Inquire if AquaHawk can programmatically unlink inactive accounts

Recommendations

Billing

- Bill in individual gallons
- Show usage tiers on bills
- Evaluate redistributing billing cycles
- Investigate billing only property owners

Delinquent Processing

- Reduce Days of Exposure or increase security deposits
- Establish separate deposit schedules for Water Only and Water & Sewer customers
- Reinstate deposit for accounts on the cut-off list
- Monitor cut-off accounts still off after seven days

Adjustments

- Stop offering leak adjustments
- Investigate leak insurance
- Provide overbilling refunds and underbilling charges only as far back as required by statute
- Waive initial late fee if customer agrees to sign up for bank drafts



Recommendations

General Ledger Reconciliation

- Reconcile accounts receivable and deposit accounts monthly

Fees

- Increase returned check fee to state maximum
- Charge an Application Fee

Policies

- Formalize write-off policy
- Institute damaged meter repair policy
- Adopt coin acceptance policy
- Develop deceased customer policy
- Revise policy to only apply deposits after two years of good credit
- Update policies to comply with actual practices and changes based on recommendations from this business review
- Create a policy manual and make accessible on website

Recommendations

General Ledger Reconciliation

- Reconcile accounts receivable and deposit accounts monthly

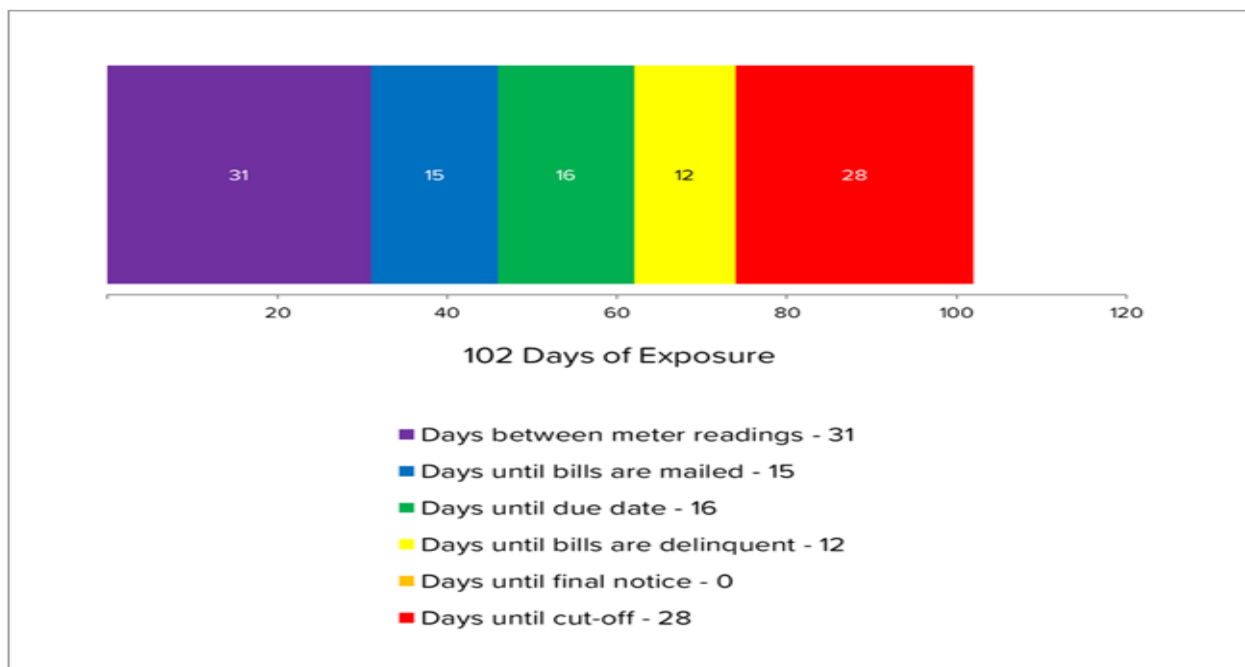
Fees

- Increase returned check fee to state maximum
- Charge an Application Fee

Policies

- Formalize write-off policy
- Institute damaged meter repair policy
- Adopt coin acceptance policy
- Develop deceased customer policy
- Revise policy to only apply deposits after two years of good credit
- Update policies to comply with actual practices and changes based on recommendations from this business review
- Create a policy manual and make accessible on website

Days of Exposure



Days of Exposure

Days of Exposure represents the total days of service a customer will owe for if the customer is disconnected for non-payment and leaves without paying.

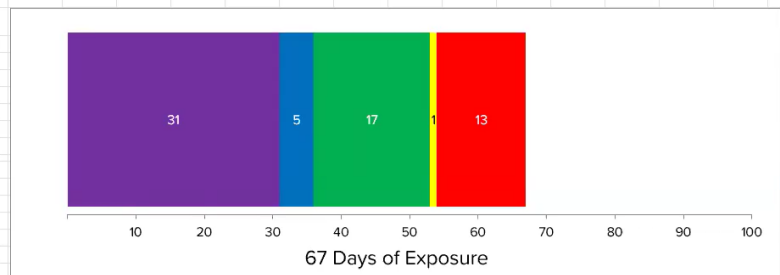
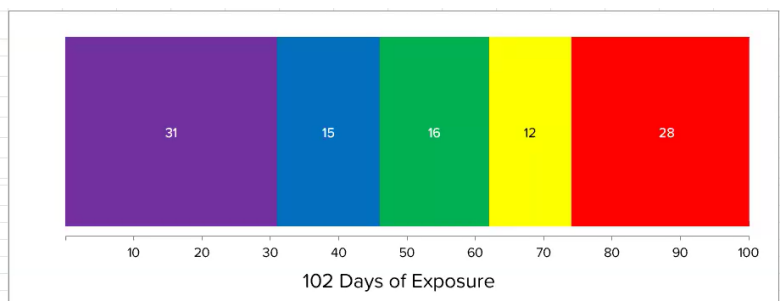
Days of Exposure, along with the amount of security deposit the customer has, directly impacts the potential bad debt write-off if the customer does not pay their final bill.

Recommendation

Reduce Days of Exposure and increase security deposits.

Let's look at an example:

Current			
3/20/2025	Previous reading date		
4/20/2025	Current reading date	Days between meter readings - 31	31
5/5/2025	Date bills mailed	Days until bills are mailed - 15	15
5/21/2025	Due date	Days until due date - 16	16
6/2/2025	Date penalty added	Days until bills are delinquent - 12	12
6/2/2025	Date final notice sent	Days until final notice - 0	
6/30/2025	Cut-off date	Days until cut-off - 28	28
		102 Days of Exposure	102
	Months of Exposure		3.29
	Deposit		120.00
	Average Bill for 3500 gal (W-27.68, S-41.86, S-30.00, SW-8.00)		107.54
	Total Due		353.82
	Average (write-off)/refund		(233.82)
Proposed			
3/27/2025	Previous reading date		
4/27/2025	Current reading date	Days between meter readings - 31	31
5/2/2025	Date bills mailed	Days until bills are mailed - 5	5
5/19/2025	Due date	Days until due date - 17	17
5/20/2025	Date penalty added	Days until bills are delinquent - 1	1
5/20/2025	Date final notice sent	Days until final notice - 0	
6/2/2025	Cut-off date	Days until cut-off - 13	13
		67 Days of Exposure	67
	Months of Exposure		2.16
	Deposit		200.00
	Average Bill for 3500 gal (W-27.68, S-41.86, S-30.00, SW-8.00)		107.54
	Total Due		232.41
	Average (write-off)/refund		(32.41)



City Manager Connet added that we are going to look at working on the internal stuff first (systems and policies) and then look at the biggest issues with our customers and of course ultimately go in front of Council with this. These will be decisions that our future Water & Sewer Commission will be talking about.

C. Water and Sewer Commission Update - *John Connet, City Manager*

City Manager John Connet gave a brief update on the establishment of a Water & Sewer Commission. It would be very similar to this committee, a nine-member and the city would appoint four members and the county would appoint four members, and they would alternate appointment of the chair. That commission will make a lot of policy decisions and will make recommendations to the county and the city based on our various systems and the utility rates, extensions policies. It will basically take a lot of the governance weight and delegate a lot of the day-to-day stuff to this commission. Our proposal is to be set up by January 1st. Adding the commission will take the need for this board, however, if you love to come to meetings the city and county will be recruiting folks to go on the water and sewer commission. The commission is going to be a very business-oriented commission. The idea is that there are no elected officials, no city staff, no county staff. We will have staff to serve to the commission, but it will really be an opportunity to provide more stakeholders with more of a direct say in the policy-making and we will be taking applications in October and November (tentatively) with the first commission meeting being in January and hopefully monthly thereafter. So, we will have one more meeting in October and give you an update and if everything goes as planned, this board will cease to exist, and we will have a Water & Sewer Commission. It will be a similar commission as Winston-Salem, Forsythe County that has been around since the 1970's.

6. **OTHER BUSINESS** - None

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:17 p.m.

Jennifer Hensley, Mayor Pro Tem & Chairwoman

ATTEST:

Jill Murray, City Clerk