



CITY OF HENDERSONVILLE
WATER SEWER ADVISORY COUNCIL
Hendersonville WWTP | 99 Balfour Rd. | Hendersonville, NC 28791
Monday, April 27, 2026 – 4:00 PM

MINUTES

Present: City of Hendersonville Council Member & Chair Jennifer Hensley; City of Saluda Kevin Burnett; Village of Flat Rock Cheryl Stuller; Town of Laurel Park Travis Bonnema; Town of Mills River Councilwoman Sandra Goode; City of Hendersonville Water/Sewer Customer Representative Chuck McGrady and Town of Fletcher Amber McKinney

Absent: Chamber of Commerce Jay Frazier; Partnership for Economic Development Representative Eddie Bingham; Henderson County Water/Sewer Customer Representative Andrew Riddle

Staff Present: City Manager John Connet; City Clerk Jill Murray; Budget & Evaluation Director Adam Murr; Utilities Director Adam Steurer; Communications Director Allison Justus; Assistant City Manager- Public Works; Brent Detwiler; Finance Director Krystal Powell and Utilities Revenue Manager Wendy Williams

1. CALL TO ORDER

Chairwoman Jennifer Hensley called the meeting to order at 4:00 p.m. and welcomed those in attendance.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES – July 28, 2025 & October 27, 2025 - Jill Murray, City Clerk

Travis Bonnema moved to approve the minutes of July 28, 2025 & October 27, 2025, as presented. A unanimous vote of the Committee Members present followed. Motion carried.

4. OLD BUSINESS - None

5. NEW BUSINESS

A. Adopt 2026 Meeting Schedule - Adam Steuer, Utilities Director

Travis Bonnema moved to adopt the 2026 Meeting Schedule as presented. A unanimous vote of the Committee Members present followed. Motion carried.

NOTICE

City of Hendersonville Water/Sewer Advisory Council | 160 6th Avenue E., Hendersonville, NC 28792

CITY OF HENDERSONVILLE

Water & Sewer Advisory Council

ANNUAL SCHEDULE OF REGULAR MEETINGS 2026

The following Regular Meetings of the City of Hendersonville Water & Sewer Advisory Council are held **Quarterly on the fourth Monday of January, April, July, and October, at 4:00 p.m.** in the 2nd Floor Meeting Room of City Hall, 160 6th Avenue East, Hendersonville NC, unless otherwise noticed. The regular meetings will be conducted in person.

The following Water & Sewer Advisory Council meetings have been scheduled for 2026.

January 26, 2026

April 27, 2026

July 27, 2026

October 26, 2026

Meetings are open to the public.

Jill Murray, City Clerk

The Water and Sewer Advisory Council is a requirement of the 2002 Mud Creek Sewer District Purchase and Interlocal Cooperation and Settlement Agreement with Henderson County.

The City of Hendersonville is committed to providing accessible facilities, programs, and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or a particular accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.

B. Summary of Recent Quarterly Activities - *Adaam Steurer, Utilities Director*

Utilities Director Adam Steurer gave the following PowerPoint presentation.



2026 – 1st Quarter Report

City of Hendersonville - Water and Sewer Department

2026 1st Quarter Report

Reporting Period: January - March 2026

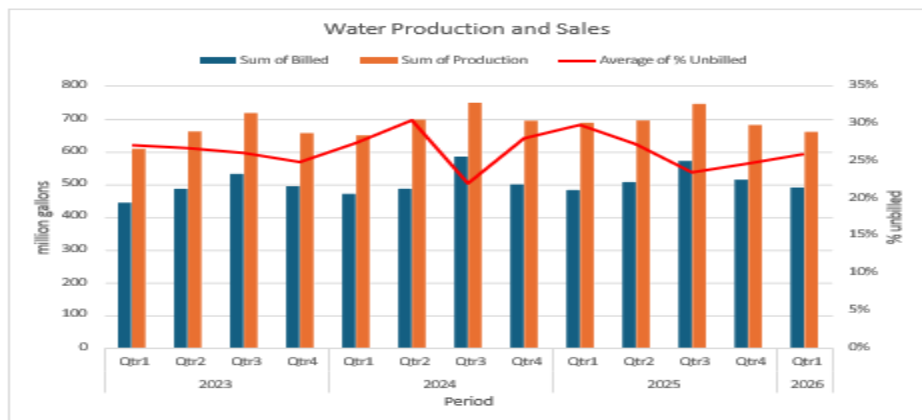
Publish Date: April 21, 2026

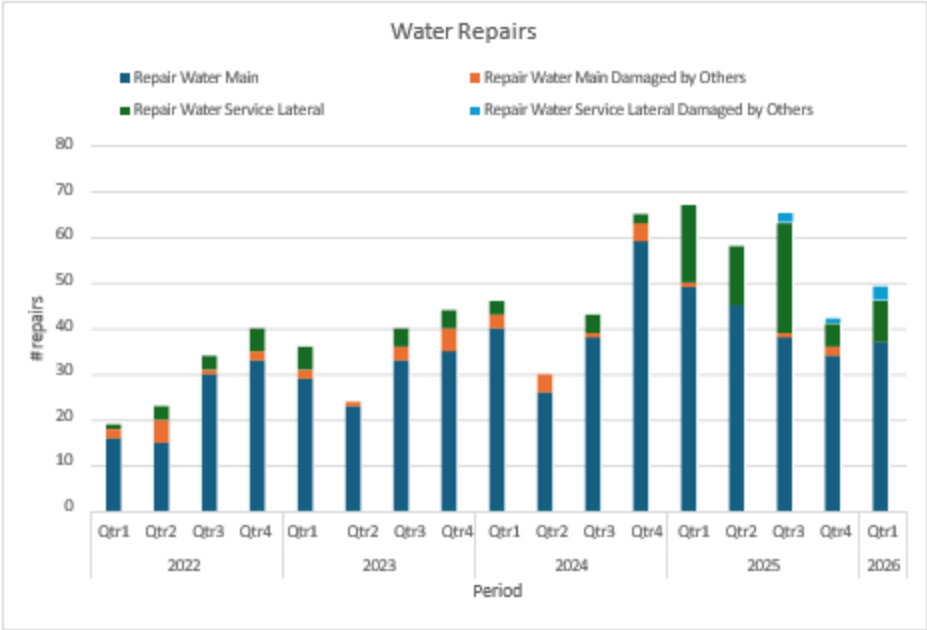
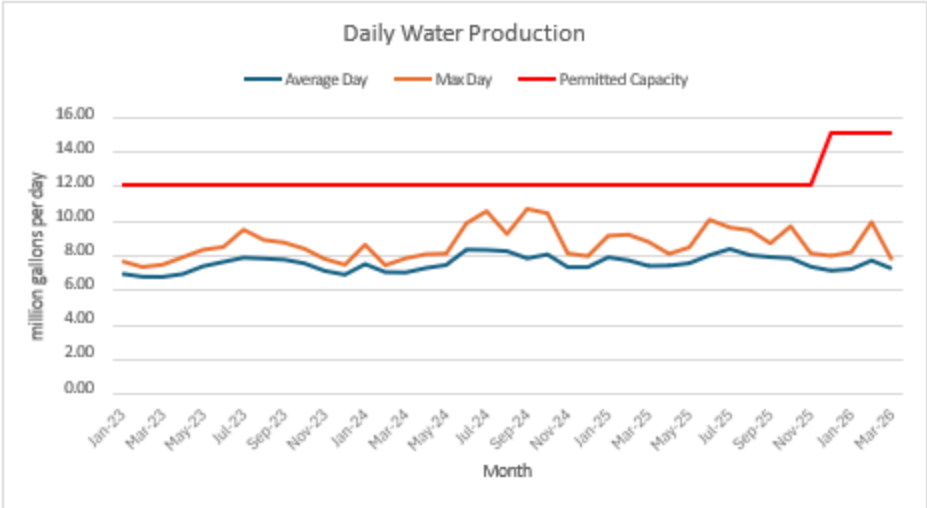
Utility Mission and Vision

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

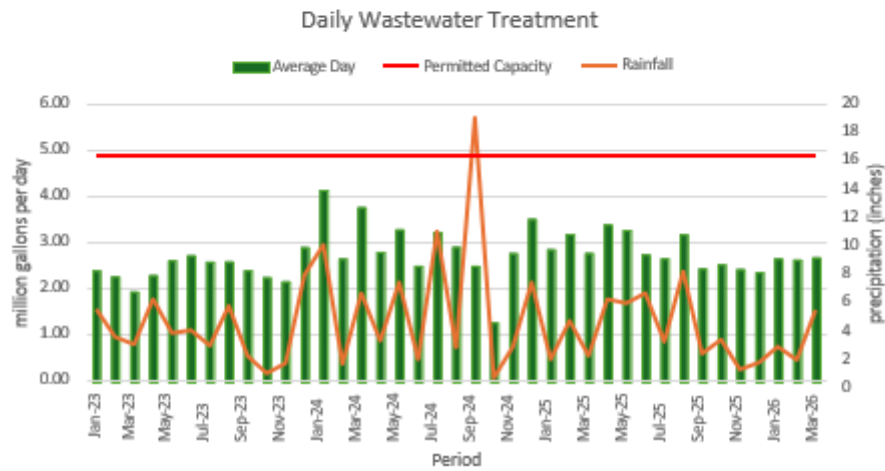
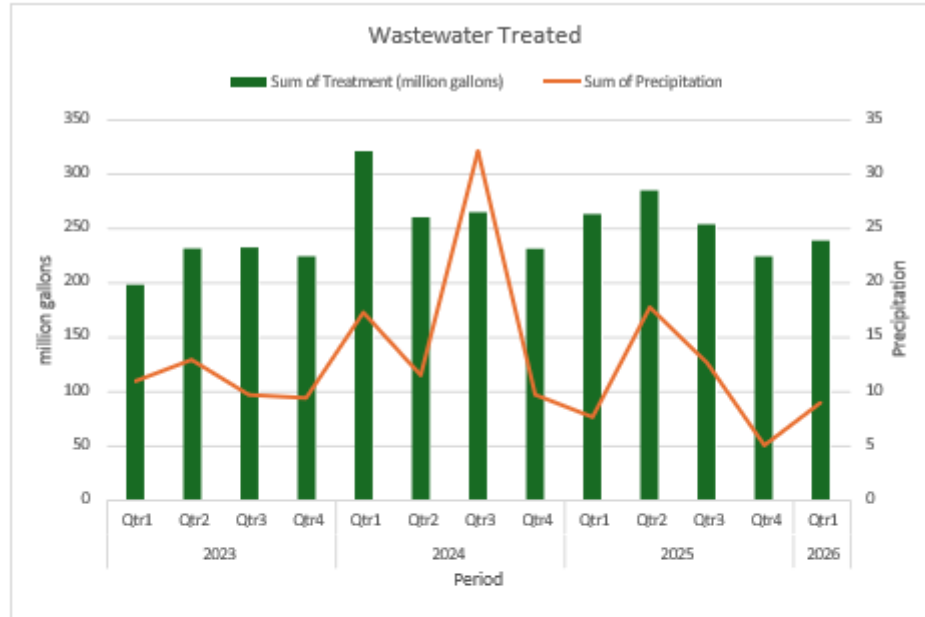
We envision a Hendersonville region with trusted, safe, high-quality, affordable water and wastewater service and a utility system that is responsive to the demands of its customers and regional growth.

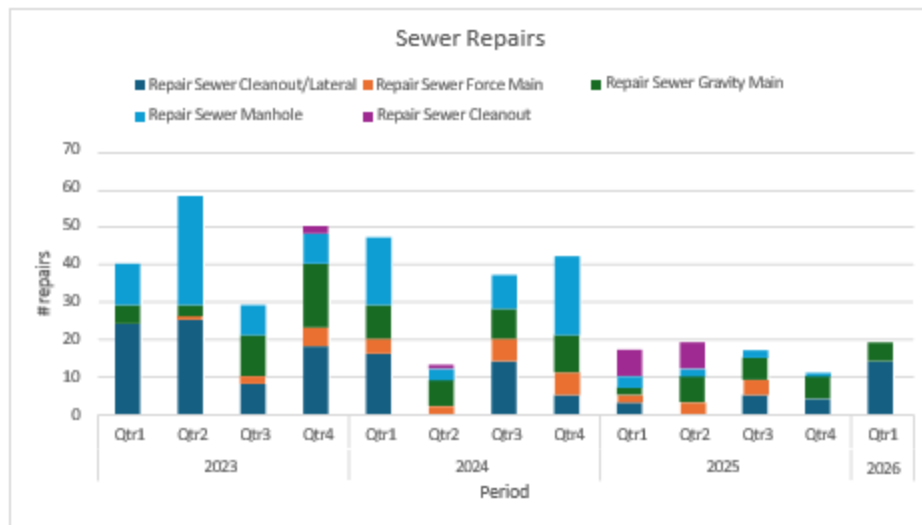
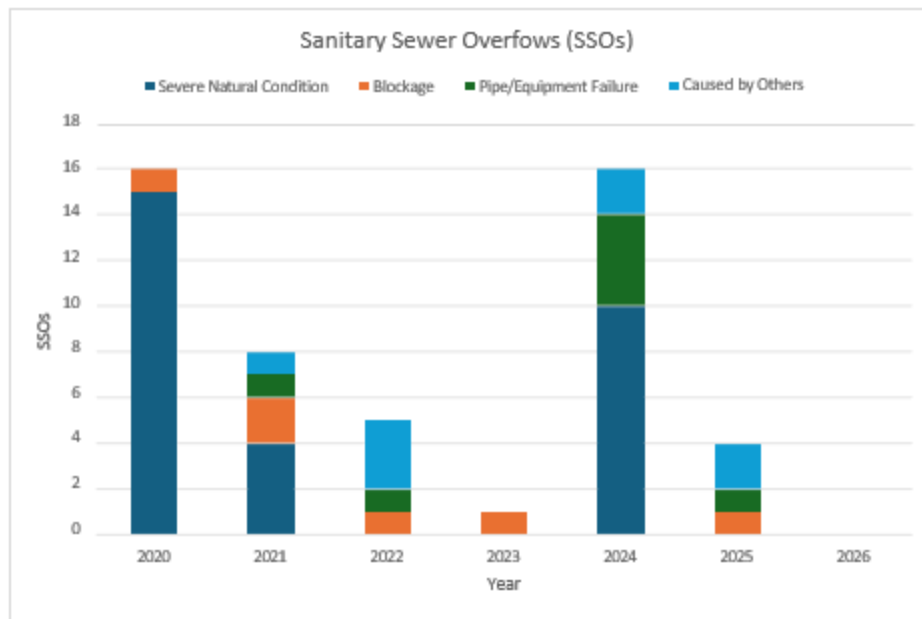
Water Operations





Wastewater Operations





Financial Management

Expenditures (Through Q3 FY2026)

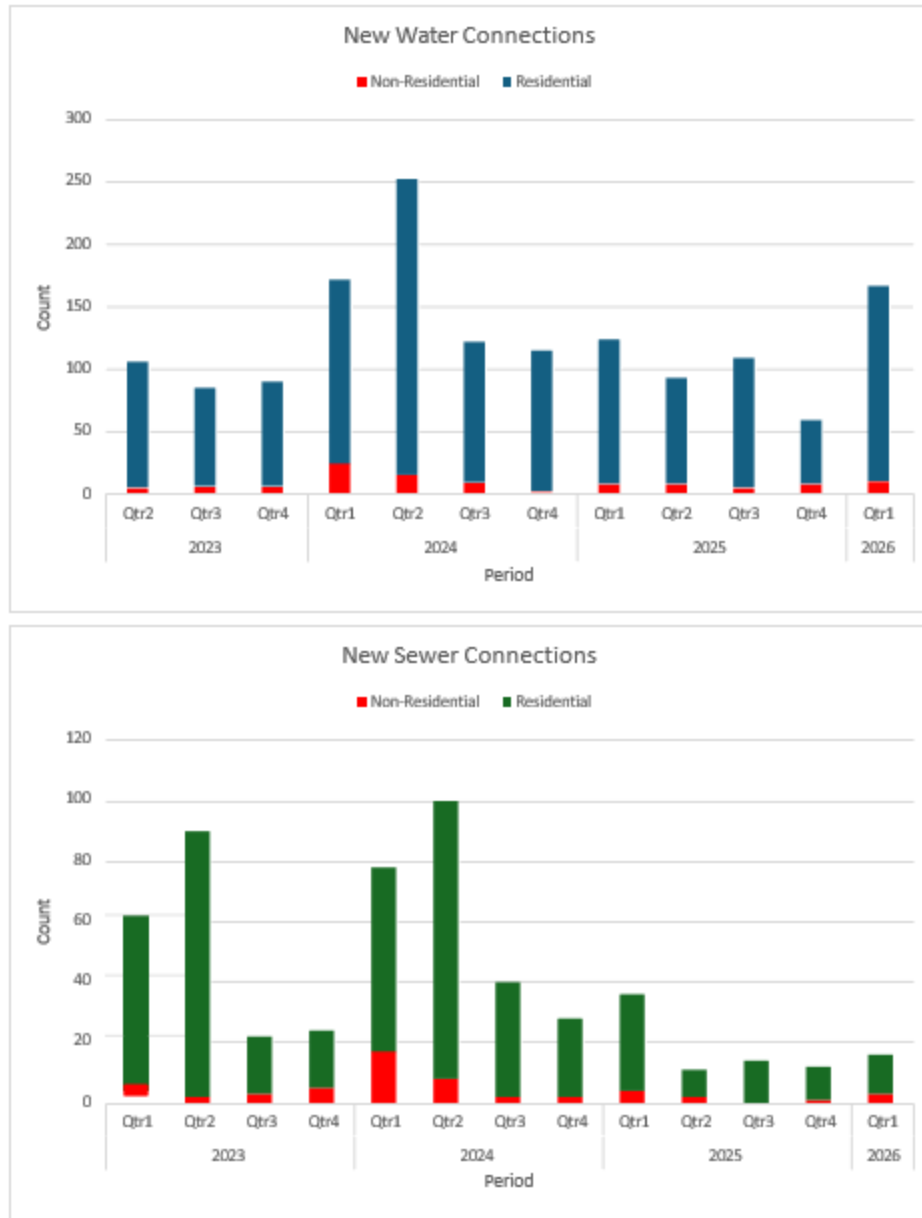
Expenditure Type	Actuals (Approximate)	Amended Budget	% Expended
Personnel & Benefits	\$9,544,041	\$14,356,658	66.5%
Operating	\$6,191,037	\$9,568,917	64.7%
Capital	\$330,819	\$1,114,821	29.7%
Debt Service	\$708,442	\$6,144,553	11.5%
TOTAL	\$16,774,340	\$31,184,949	53.8%

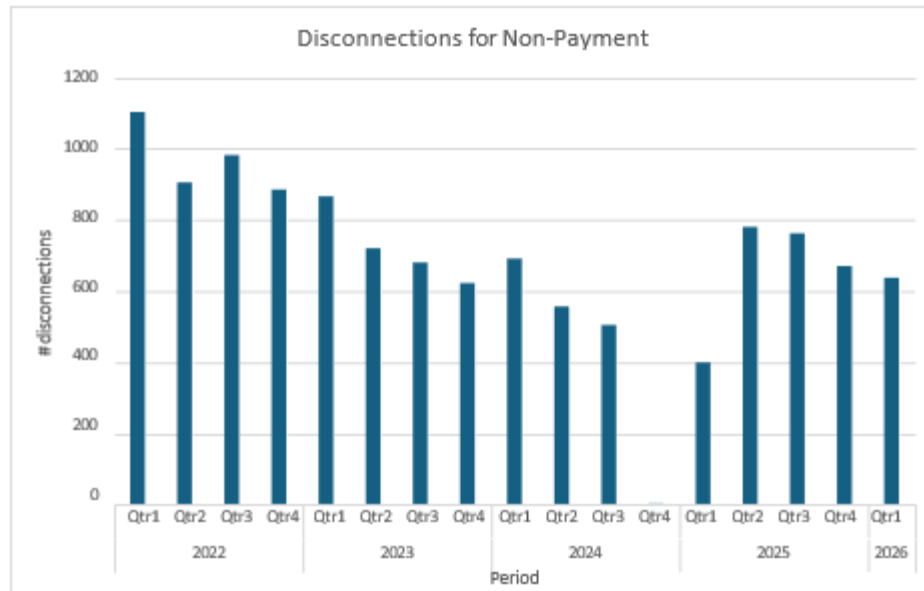
Revenues (Through Q3 FY2026)

Revenue Type	Actuals (Approximate)	Amended Budget	% of Forecasted
Water Sales	\$12,245,832*	\$17,788,215	(6.2%)
Sewer Sales	\$5,923,425*	\$8,441,865	(4.8%)
Misc. Revenue	\$2,579,410*	\$2,488,428	28.7%
Fund Balance Appropriation	\$0	\$2,466,441	--
TOTAL	\$20,748,668	\$31,184,949	(8.5%)

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

Customer Service and Connections

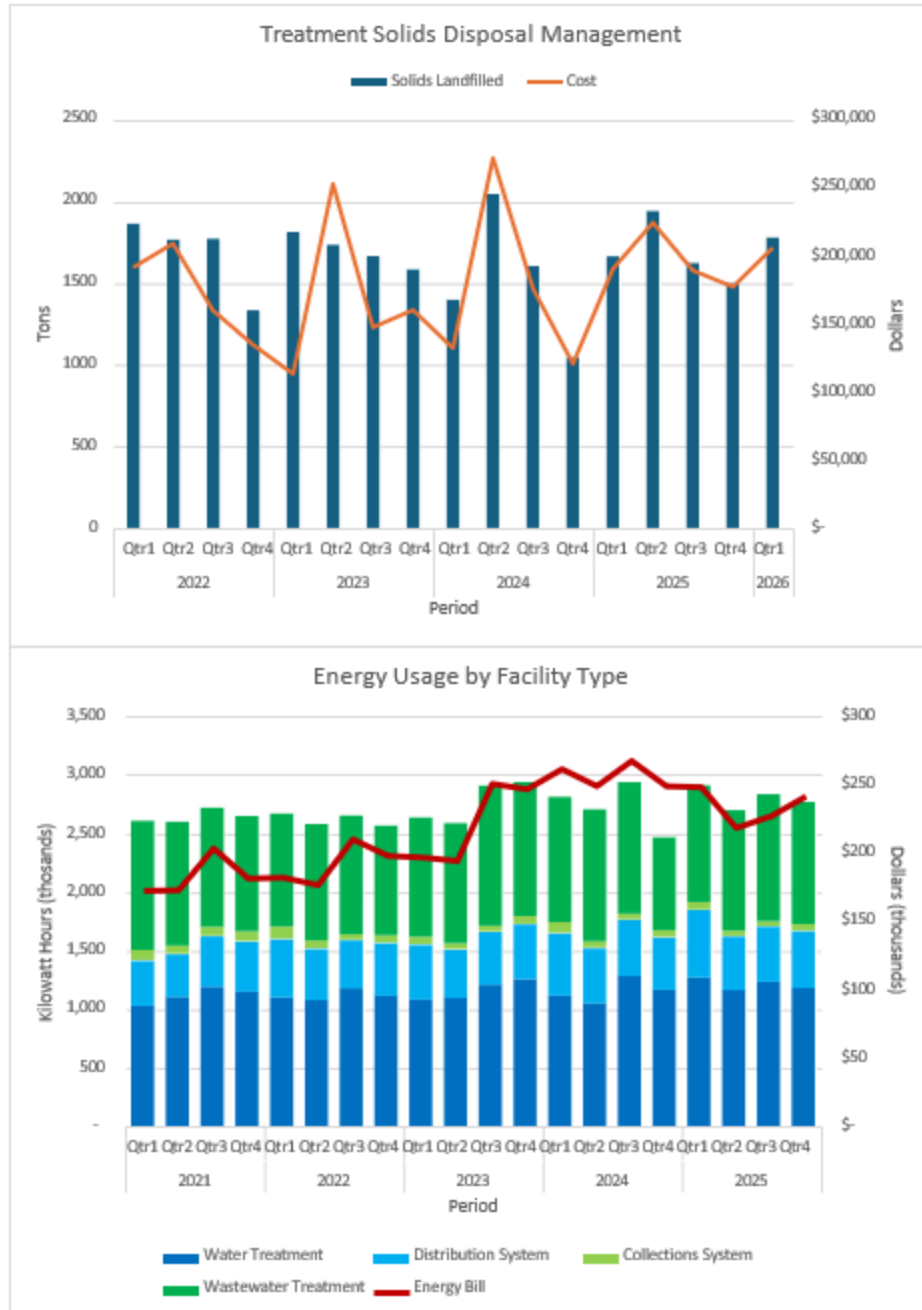


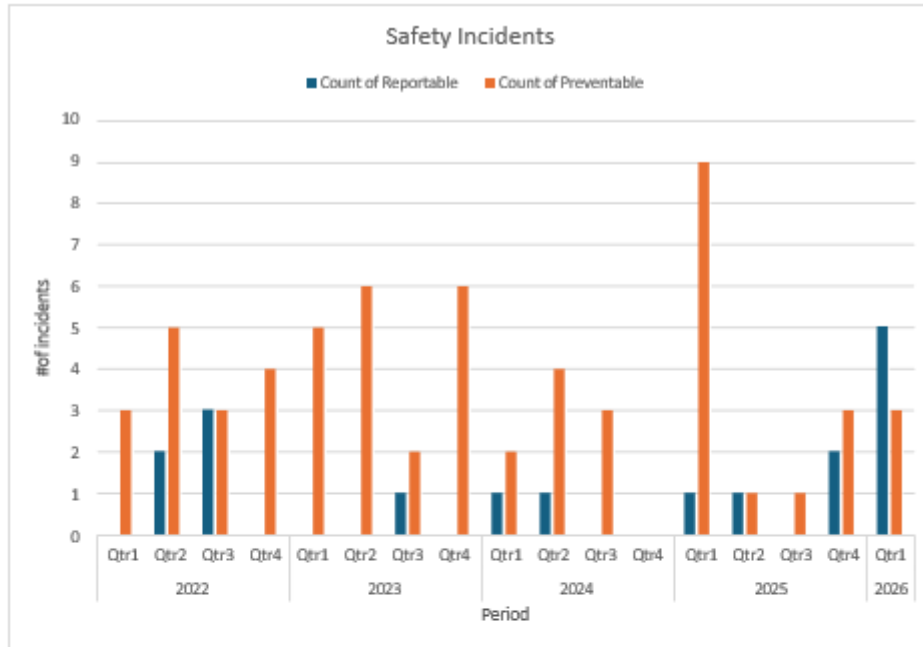


On Time Bill Collection Rate Q1- 2026 = 99.35%

On Time Bill Collection Rate Goal = 99.50%

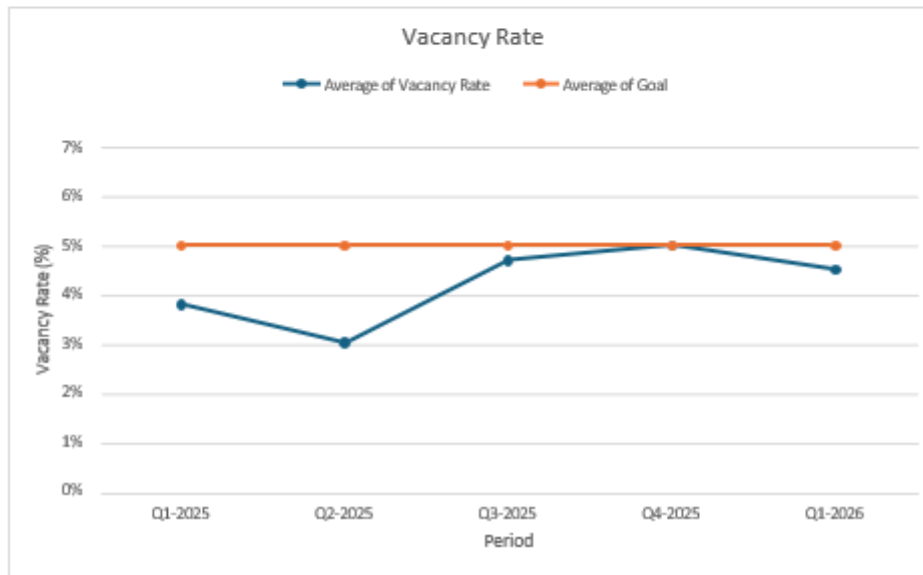
**Disconnections for non-payment suspended between 10/1/2024 and 2/28/2025 due to Hurricane Helene.*





2025 Total Recordable Case (TRC) rate: 4.18 (2024 State Average 4.47)

Estimated 2026 Q1 TRC rate: 21.04



Current Vacancies

- Administration 0 of 7
- Field Operations 3 of 64
- Water Treatment 1 of 13
- Wastewater Treatment 0 of 10
- Technology and Metering 0 of 8

New Team Members

- Brandon Mundy: Facilities Maintenance Mechanic
- David Baldwin: Facilities Maintenance Mechanic
- Chris Davis: Wastewater Treatment Plant Operator
- McIntyre Sudderberg: Wastewater Treatment Operator
- Michael Bradley: Wastewater Treatment Plant Operator

Staff Accomplishments and Accolades

- **Chad Freeman** – MVP – Chad was recognized for assisting Public Works during the January winter storm by providing great wisdom and leadership throughout the event.
- **Austin Williams and Justin Shipman** – MVP – A water customer sent a note of appreciation for Austin and Justin when the water pipes in her residence froze during an extreme cold weather weekend. Austin and Justin showed up within 10 minutes of calling the City, and while they couldn't fix the issue, they were pleasant, helpful, and encouraging.

Operator Certifications Obtained

- Timothy Calderazzo – Grade C Distribution Operator
- Timothy Calderazzo – Backflow Prevention Assembler Tester
- Stephen Bell – Grade 2 Physical Chemical Treatment Certification
- Kasey Lyons Sudderberg – Cross Connection Control System Operator
- Chad Freeman – Grade 3 Collections Operator
- Bryson Metcalf – Grade C Distribution Operator
- Katie Bandurraga – Meter Technician Certification
- Richard Burchell – Meter Technician Certification
- Sammantha Cannon – Grade 2 Wastewater Laboratory Technician

Departmental Awards and Achievements

- The Utility was awarded an additional **\$3.5 million** (50% grant 50% 0%-interest loan), towards its **Water System Resiliency Looping** project through the North Carolina Department of Environmental Quality (NCDEQ) Helene SRF program. Total funding awarded for this project to date is now up to **\$13.5 million**. The project generally provides redundant water supply pipelines to Mountain Home/Fletcher and Dana/Upward Road areas that are currently served by single feeds. The grant application was prepared by **Devin Owen**, Utilities Engineer.
- The Utility was awarded an additional **\$4 million** (\$3 million grant, \$1 million 0% interest loan) through the NCDEQ Helene SRF program and **\$6 million**, (50% grant 50% low-interest loan) through the normal SRF program to partially fund its **Wastewater Treatment Facility Flood Mitigation and Expansion** projects through the NCDEQ Helene SRF program. Total funding awarded for this project is now up to **\$17 million**. Utility staff continue to aggressively pursue additional opportunities to completely fund the project.
- The Utility was awarded a **\$3 million** SRF low-interest loan towards its **Water Treatment Facility Sludge Transfer and Backwash Pump Improvements** project. The project generally replaces existing pumps that have reached the end of their useful lives and adds additional redundant pumps to improve water treatment operational resiliency.

Notable Project Updates

- After decades of thoughtful planning, the launch of the **French Broad River Water Intake and Pumping Station** was celebrated at a 'First Sip Ceremony' on February 13, 2026. The new water intake collects and pumps water from the French Broad River to the Water Treatment Facility where it is purified into high quality drinking water. The utility's water supply area is currently experiencing extreme drought, however with the addition of the new French Broad River Intake the utility does not foresee implementing water use restrictions in the near future.



Elected officials, external partners, and utility staff celebrate the launch of the new French Broad River Intake. February 13, 2026.

- The **WWTF Biosolids Thermal Dryer** project has seen significant construction progress in recent months. The thermal drying equipment is expected to arrive in May 2026 with completion of the project scheduled in Fall 2026. The project greatly reduces the amount of treatment solids landfilled by producing a biosolid material that can be beneficially reused as fertilizer/soil amendment while significantly reducing disposal costs.



Biosolids Thermal Dryer Facility Construction. April 2026.

C. Draft FY27 Budget - Adam Steuer, Utilities Director

Utilities Director Adam Steuerer gave the following PowerPoint presentation.



Draft FY 2027 Budget

April 27, 2026

FY27 Priorities

1. Continue progress on capital projects and prioritize investments improving resilience.
2. Secure funding for projects while balancing rate increases with customer affordability.
3. Grow asset and workorder management practices to improve operational efficiency.
4. Engage the public to promote the value of utility services and system investment.
5. Promote staff development and succession planning while improving retention.



Recommended Rates/Fees

- 8% Water Rate Increase
- 9% Sewer Rate Increase
- 115% inside/outside water differential (decrease 5% - year 7 of equalization plan)
- 150% inside/outside sewer differential (unchanged)
- System Development Fees: 50% ➡ 100% cost recovery
- Water Average Residential Customer (3,500 gal/month)
 - \$34.64/ month inside
 - \$41.56/ month outside
- Sewer Average Residential Customer (3,500 gal/month)
 - \$45.21/ month inside
 - \$67.82/ month outside

FY27 Budget

Revenue Type	FY27 Budget
Water Revenue	\$18,400,000
Wastewater Revenue	\$9,100,000
Misc. Revenue	\$2,171,000
Fund Balance Appropriation	\$2,352,855
TOTAL	\$32,023,855

Expenditure Type	FY27 Budget	% Change FY26 rev.
Personnel	\$15,193,027	+5.80%
Operating	\$8,890,253	-1.36%
Capital	\$1,688,070	+20.0%
Debt Service	\$6,252,505	+1.73%
TOTAL	\$32,023,855	+2.69%

D. Customer Service & Billing Policy Revisions - Adam Steuer, Utilities Director

Utilities Director Adam Steuerer gave the following PowerPoint presentation.

Billing Policy and Procedures

- Meter Tampering
- Delinquent Processing
- Security Deposits
- Corrective Billing
- Adjustments (Leak & Swimming Pools)
- Credit Card Processing Fees



Meter Tampering Fines

Issue: Meter Tampering Fines are not enforceable in North Carolina

Current:

- Meter Tampering fines are still referenced in the billing policy.

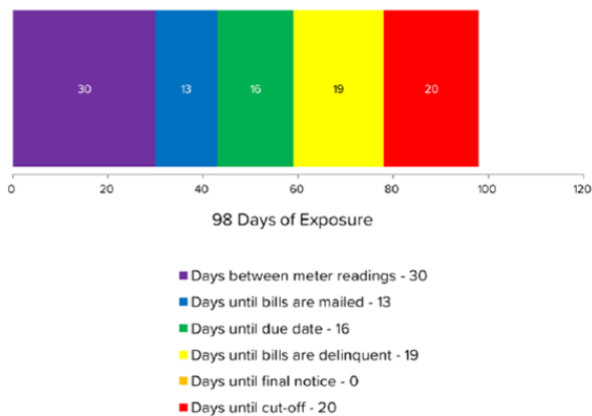
Proposed:

- Remove language of Meter Tampering Fines from the billing policy.
- Send notification of violation and cost recovery invoice in the amount of losses and damages sustained. And ability to pursue civil damages and maximum recovery allowed under law (Min. \$5,000. NCGS 14-151) if non-payment of damages and service charges.

Delinquent Processing

Issue: Days of Exposure are too long resulting in uncollected bad debt

Current:



Proposed:

- Reduce bill preparation time as much as possible
 - This varies based on billing schedule (4 cycles) and days in month
- Apply late date and corresponding fees sooner.
 - Encourages customers to pay sooner
 - Reduces total days of exposure
- Total Days Exposure: 67 days

Security Deposits

Issue: Security Deposits are not accurately set AND could be utilized more effectively to reduce utility's uncollectable debt

Current:

- Deposit structure is tiered based on credit risk and ownership status
- Deposit amounts do not reflect exposure amounts
- Don't allow new service location for an accountholder that has an unpaid balance

Residential Water & Sewer Deposit	
Tier 1 - Based on Credit Risk	\$0.00
Tier 2 - Based on Credit Risk	\$80.00
Tier 3 - Based on Credit Risk	\$120.00
Customer unable to perform utility credit check - Residential	\$240.00
Residential - Rental Water & Sewer Deposit	
Tier 1 - Based on Credit Risk	\$60.00
Tier 2 - Based on Credit Risk	\$80.00
Tier 3 - Based on Credit Risk	\$120.00
Customer unable to perform utility credit check - Residential Rental	\$240.00
Non-Residential Water & Sewer Deposit	
Tier 1 - Based on Credit Risk	\$125.00
Tier 2 - Based on Credit Risk	\$175.00
Tier 3 - Based on Credit Risk	\$250.00
Customer unable to perform utility credit check - Non-Residential	\$500.00

Security Deposits

Issue: Security Deposits are not accurately set AND could be utilized more effectively to reduce utility's uncollectable debt

Proposed:

- Water only and water/sewer/sanitation/stormwater
- Unable to perform credit check considered high risk instead of separate, higher tier for residential. Remove risk tiers for non-residential
- Update deposit amounts to better reflect exposure amounts
- Allow new service location for an accountholder with an unpaid balance at the highest-risk tier

Residential Water Only Deposit	
Tier 1 - Low Risk	\$0.00
Tier 2 - Medium Risk and Tenant Minimum	\$50.00
Tier 3 - High Risk or Unable to Perform Credit Check	\$75.00
Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
Tier 1 - Low Risk	\$0.00
Tier 2 - Medium Risk and Tenant Minimum	\$150.00
Tier 3 - High Risk or Unable to Perform Credit Check	\$200.00
Non-Residential Water Only Deposit	
No Tiers - All	\$75.00
Non-Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
No Tiers - All	\$225.00

Security Deposits

CURRENT:

Residential Water & Sewer Deposit	
Tier 1 - Based on Credit Risk	\$0.00
Tier 2 - Based on Credit Risk	\$80.00
Tier 3 - Based on Credit Risk	\$120.00
Customer unable to perform utility credit check - Residential	\$240.00
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Non-Residential Water & Sewer Deposit	
Tier 1 - Based on Credit Risk	\$125.00
Tier 2 - Based on Credit Risk	\$175.00
Tier 3 - Based on Credit Risk	\$250.00
Customer unable to perform utility credit check - Non-Residential	\$500.00

PROPOSED:

Residential Water Only Deposit	
Tier 1 - Low Risk	\$0.00
Tier 2 - Medium Risk and Tenant Minimum	\$50.00
Tier 3 - High Risk or Unable to Perform Credit Check	\$75.00
Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
Tier 1 - Low Risk	\$0.00
Tier 2 - Medium Risk and Tenant Minimum	\$150.00
Tier 3 - High Risk or Unable to Perform Credit Check	\$200.00
Non-Residential Water Only Deposit	
No Tiers - All	\$75.00
Non-Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
No Tiers - All	\$225.00

Corrective Billing

Issue: Inconsistent corrective billing practices. Does not align with NC General Statutes

Current:

- Unlimited if overcharged
- One year if undercharged

Proposed:

- 2 years if overcharged (NCGS Statute of Limitation)
- 2 years if undercharged (NC Uniform Commercial Code)
 - Can legally go up to 4 years for water
 - Can legally go up to 3 years for sewer
- Allow payment plans for large debts.
- Customer may request refund for balance above 3-month average bill amount

Swimming Pool Sewer Adjustments

Issue: Customers request swimming pool adjustments

Current:

- Swimming pool adjustments are **not permitted**.
- Customers may purchase irrigation meters to forgo sewer charges on swimming pools.

Proposed:

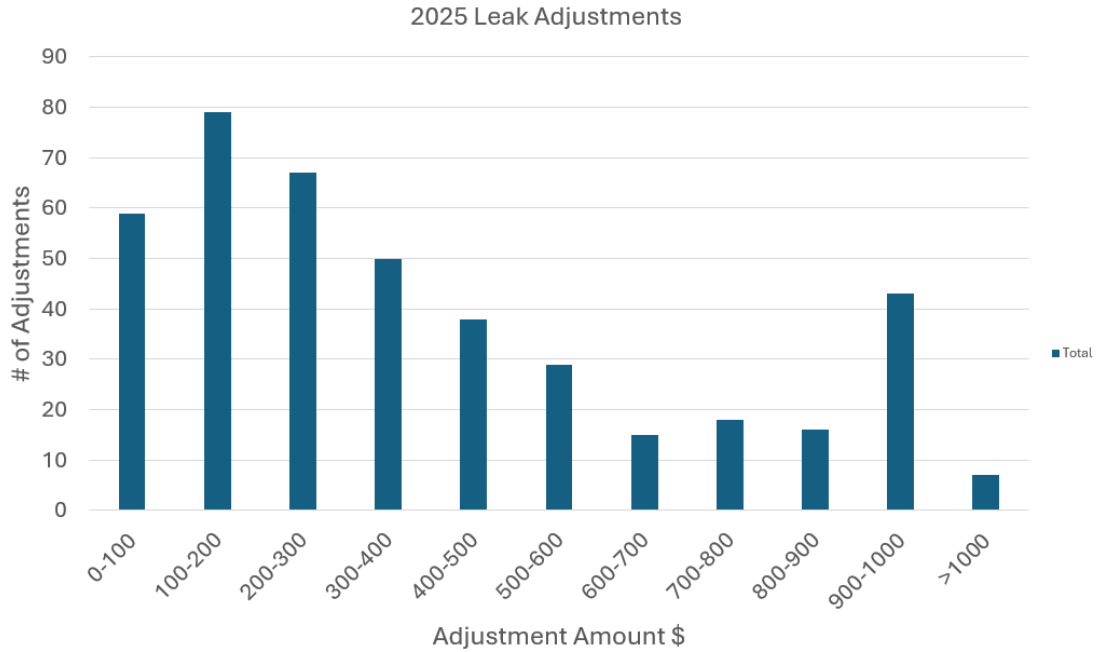
- Allow adjustments for pools, spas, decorative water features.
- One adjustment every 12 months per connection.
- Billing adjustments requests made within 60 days of usage.
- Customer provide dimensions of pool, and date/time of fill.
- Fill ups of less than 5,000 gallons are not eligible for adjustment (\$40.85 value–FY26 Inside Rate)

Leak Adjustments - 2025

Total Adjustments	\$172,459
Water	\$124,041
Sewer	\$48,418
MSD Adjustments	\$8,036

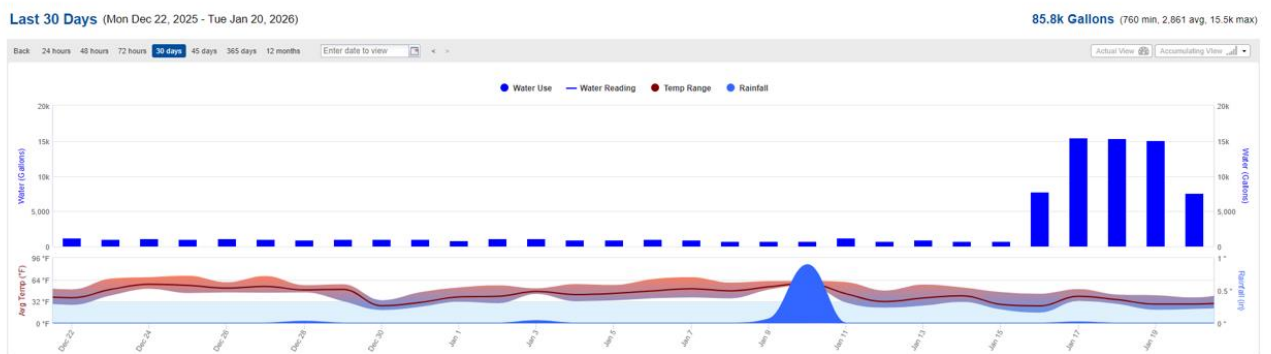
Customer Class	Count	Average	Adjustments Capped @ \$1000
Water Res Outside	268	\$319	19
Water Res Inside	98	\$191	6
Water Com Inside	22	\$199	2
Water Com Outside	15	\$740	2
Water Irrigation	3	\$753	2
Sewer Inside	54	\$226	7
Sewer Outside	115	\$398	3

Leak Adjustments - 2025



Leak Adjustments

Identify and stop leaks as soon as possible!



Leak Adjustment

Issue: Staff recommends revisions to current leak adjustment policy

Current:

- Non-preventable leaks only
- One adjustment every 36 months
- Adjustments are applied as a credit
- \$5.00 minimum leak adjustment
- Max adjustment amount of \$1,000

Proposed:

- Clarify definition of non-preventable leak
- One adjustment every 24 months
- Customer may request refund for balance above 3-month average bill amount
- \$20.00 minimum adjustment
- Max adjustment \$1,000 for water only. Leaks not returned to sewer will have sewer charges removed from bill – do not count towards \$1,000 cap
- Max adjustment \$1,500 for water and sewer

Leak Adjustment

Issue: Staff feels current adjustment policy requires revisions

Current:

- If the leak exceeds the max adjustment amount, the leak volume charge is changed to the 'lowest volumetric rate'
- Non-residential customers have no maximum cap amount
- 90 days from when leak is fixed to submit adjustment request

Proposed:

- No change to 'lowest volumetric rate'. Rate is billed by customer class and usage tier
- All customers regardless of class follow same policy provisions
- 90 days from when leak is fixed to submit adjustment request

Credit Card Processing Fees

Issue: The Utility encumbers a large amount annually to allow customers to pay bills using credit cards. These costs are passed along to all customers

- Best Practice: Encourage online payments and automatic drafts
- 85% of government utility billers using our same contracted billing system pass along CC processing fees

Payment Method	% Customers Utilizing	Processing Cost	Annual Cost to Utility	Annual Cost per account
ACH/ <u>eCheck</u>	~55%	\$0.45/transaction \$0.25/transaction	~\$120,000	~\$6.61
Credit Card	~30%	3.15%	~\$400,000	~\$40.40
Cash/Check	~15%	0%	<\$10,000	~\$2.02

Credit Card Processing Fees

Issue: The Utility encumbers a large amount annually to allow customers to pay bills using credit cards. These costs are passed along to all customers

Current:

- The utility absorbs the cost of CC processing and ACH
- CC processing fees are 'paid' by all customers through the rates
- Revenue from System Development Fees and other one-time fees paid by CC are reduced due to processing fees (3%)

Proposed:

- Include a 'service fee' to customers utilizing CC from utility payments. Minimum \$1.95 or 2.95%
- Continue to absorb cost of ACH. Payments utilizing ACH will remain free to customer
- Pass along SDF processing fees (3%) to applicants. Continue to allow a pay by cash/check method for SDFs for customers to avoid fees

E. Project and Funding Awards Update - Adam Steuer, Utilities Director

Utilities Director Adam Steuerer gave the following PowerPoint presentation.



Projects and Funding Awards

April 27, 2026

French Broad River Intake and Pumping Station

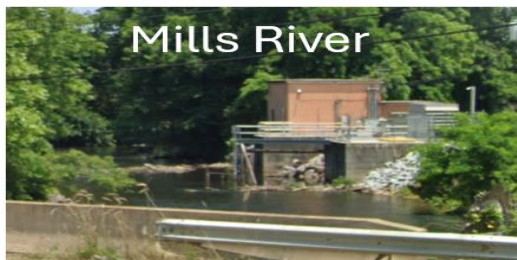
- Drought-resilient water source
- 15 mgd firm capacity and expandable to 21 mgd
- **Completed December 2025**
- ~\$24.5M; SRF Loan



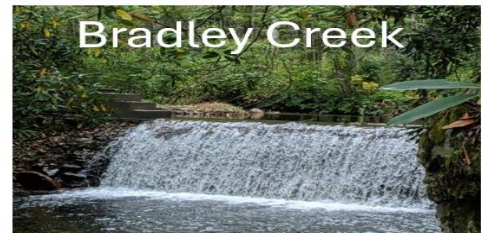
Current Water Supply



North Fork
Mills River



Mills River



Bradley Creek



French Broad

Brand New!

Previous Water Supply

Source	Normal Conditions	Drought Conditions*
Mountain Reservoirs	4.5 mgd	~0 mgd
Mills River	12 mgd	0 - 12 <u>mgd</u>
TOTAL	16.5 mgd	<12 mgd

- 2025 Average Day Demand: 7.7 mgd
- 2025 Max Day Demand: 9.9 mgd
- 2040 Average Day Demand: **11.4 mgd**
- 2040 Max Day Demand: **17.0 mgd**

* Drought Conditions are defined as when the Mills River USGS gauge drops below 55 cfs

Current Water Supply

Source	Normal Conditions	Drought Conditions*
Mountain Reservoirs	4.5 mgd	~ 0 mgd
Mills River	12 mgd	0 - 12 <u>mgd</u>
French Broad River	15 <u>mgd</u>	15 <u>mgd</u>
TOTAL	31.5 mgd	> 15 mgd

- 2025 Average Day Demand: 7.7 mgd
- 2025 Max Day Demand: 9.9 mgd
- 2040 Average Day Demand: **11.4 mgd**
- 2040 Max Day Demand: 17.0 mgd

* Drought Conditions are defined as when the Mills River USGS gauge drops below 55 cfs

Cane Creek Industrial Park Redundant Water Main

- Redundant Water Main on Mills Gap Road
- Status: Design
- \$850,000 Grant – NC Dept Commerce [SmallBiz](#)



Sewer Collection System Master Plan Update

- Update to 2019 Master Plan
- Data Gathering (capacity, condition, elevations, etc.)
- Identify deficiencies
- Service Area Review and Population Projections
- Prioritize Projects



Sewer Collection System Master Plan Update

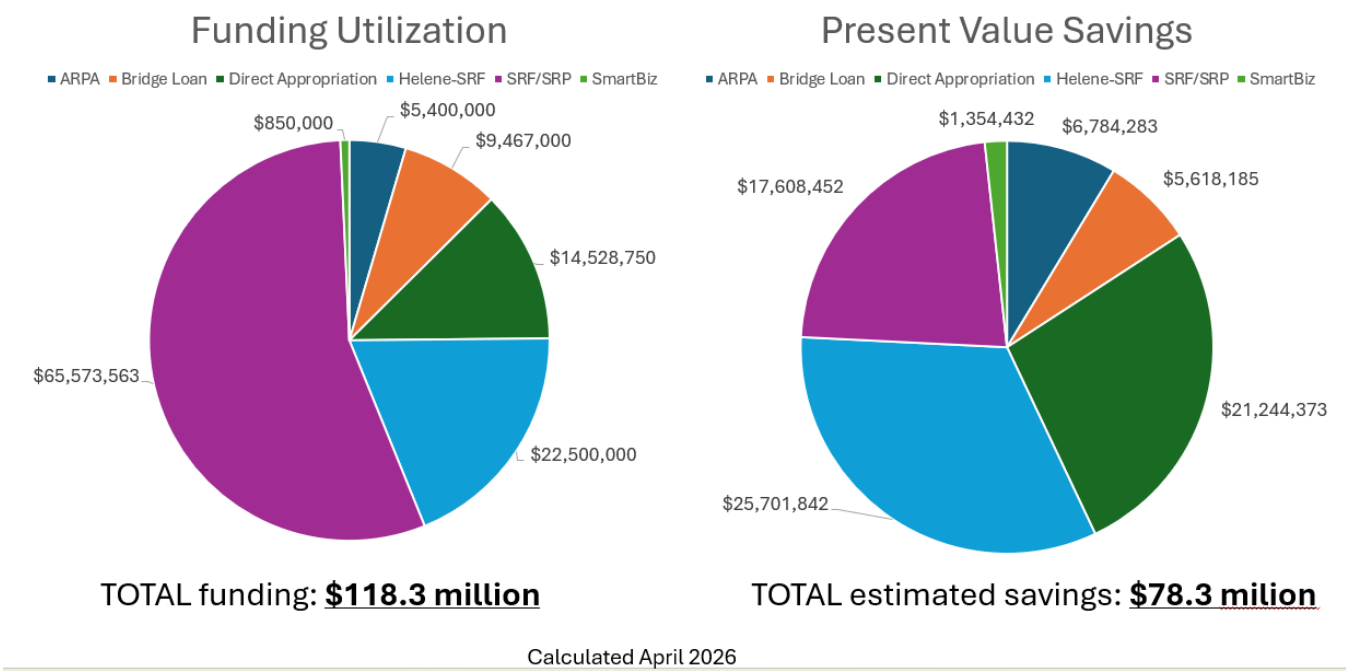
- Project Drivers
 - New Industrial Development – Economic Development
 - New Residential Development – Where is growth going to happen? When?
 - Septic Tank Conversions – Public Health
 - Existing Capacity Restrictions – Reduce SSOs / Accept Future Growth
 - Replace Aging Infrastructure / Pipes
 - Abandon Existing Pump Stations – Reduction in Operational Costs

Stakeholder Input to be Requested... stay tuned

10 years of Funding W/S Investments

- \$79.1M in Low-Interest Loans
 - Interest rates typically ½ the 20-year municipal bond rate
 - Some project interest rates 0%
 - Ex. French Broad River Intake: \$24.5 million @ 1.04% interest, 20-year
- \$39.2M in Grants/Direct Appropriations
 - Ex. Biosolids Thermal Dryer: \$14.5 million
- 20 Projects
 - 16 Construction
 - 3 Asset Inventory Assessments/Master Planning
 - 1 Emergency Bridge Loan (Helene)

10 years of Funding W/S Investments



6. OTHER BUSINESS – None

7. ADJOURNMENT

There being no further business, the meeting was adjourned at 5:16 p.m.

Jennifer Hensley, Mayor Pro Tem & Chairwoman

ATTEST:

Jill Murray, City Clerk