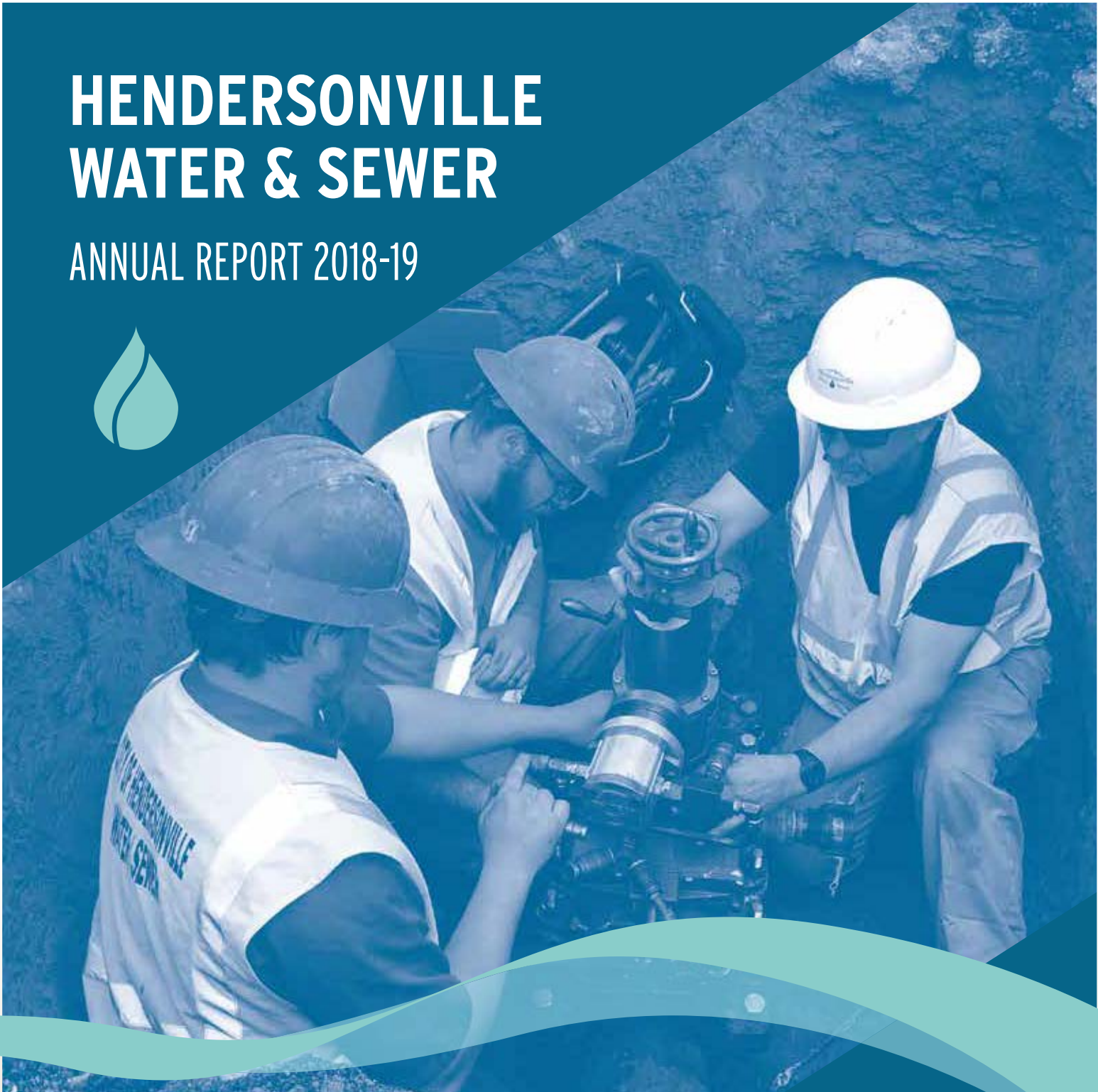


HENDERSONVILLE WATER & SEWER

ANNUAL REPORT 2018-19



A man wearing glasses and a lab coat is working in a laboratory. He is holding a pipette and looking down at it. The background shows laboratory equipment, including a beaker labeled "DEIONIZED WATER" and a sign that says "CAUTION EYE AND HAND PROTECTION MUST BE WORN WHEN HANDLING CHEMICALS".

MISSION

The City of Hendersonville's Mission is to operate a great utility for all customers: inside, outside, municipal, wholesale, industrial, or residential.

VISION

We are committed to earning and maintaining public trust. We will be open, ensure access, encourage involvement, and be accountable to our customers. We are cost conscious and will spend public funds responsibly and effectively to ensure the utility's short and long-term financial strength. We will have the highest standards for water and effluent. We are committed to affordable rates—keeping prices down and encouraging conservation.

VALUES

We are committed to protecting the environment and our utility. We will have redundancy and contingency plans. We will produce results through teamwork, partnerships, and customer participation. We are committed to proactive and comprehensive planning to guide the future of our utility in response to the needs of our customers.

FROM THE MAYOR & CHAIRMAN

Water and wastewater services are vital resources to our community. We rely on our infrastructure to supply high-quality drinking water and to release clean, treated wastewater into the environment to preserve downstream communities and ecosystems. Water and wastewater services are also critical for recruitment of industry and economic development.

Various community groups, local governments, businesses, and customers are continual partners as we build a culture of transparency and community engagement. Strategic planning, capital improvements, rates, environmental preservation, and sustainability have been key areas of conversation we have discussed and acted upon.

Our team will continue funding various capital improvements and support the vitality of our infrastructure and community. We will continue to seek community involvement on infrastructure and utility matters.

Sincerely,

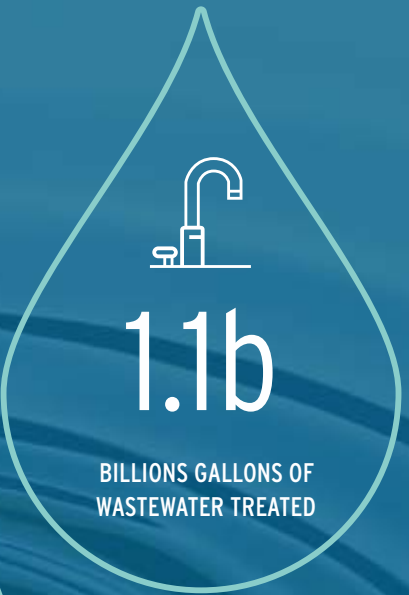
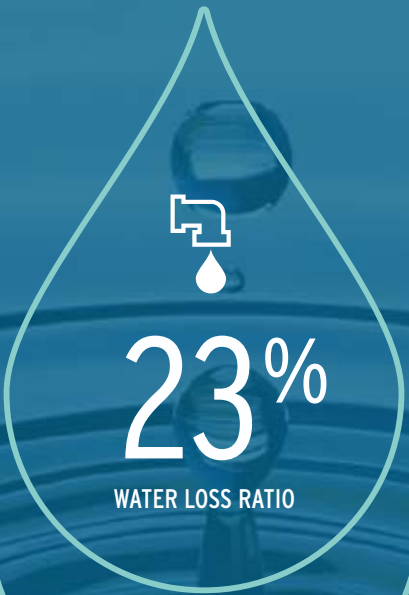


Barbara G. Volk,
MAYOR



Steve Caraker,
CHAIRMAN, WATER &
SEWER ADVISORY COUNCIL





COMPLETED PROJECTS

- ◆ Bradley Creek Dredging
- ◆ Water Treatment Plant High Service Pumps
- ◆ Wastewater Treatment Plant Emergency Generator
- ◆ Wastewater Treatment SCADA Upgrades
- ◆ Inflow and Infiltration Master Planning
- ◆ Water & Sewer District Metering
- ◆ Highland Square Sanitary Sewer Improvements



PROTECT OUR PIPES!

Sewer overflows and clogged pipes are the result of blockages. Please assist the City in protecting our pipes by not using the toilet or sink as a trash can! Help us prevent overflows.



NO DIAPERS
OR LINERS



NO FATS, OILS,
OR GREASE



NO PAPER TOWELS
OR RAGS



NO "FLUSHABLE" OR
DISPOSABLE WIPES



NO CLEANING
SPONGES OR PADS

New Cross-Connection and Backflow Prevention Ordinance Section 52-500 of the City of Hendersonville Code of Ordinances

SERVICE EXCELLENCE MVPS

Adam Steurer	Richard Ledford	Stephen Bell	Sarah Wykle
Lee Smith	Tim Laughter	Zach Cody	Brad Duncan
Jonathan Owen	Caleb Smathers	Chris Duncan	LB Heatherly
Adam Rice	James Clugh	Cindy Robertson	Andrew Jones
Kyle Kirchner	Brandon Smith	Rhonda Wiggins	Sherman Johnson
Robert Taylor	Austin Williams	Ricky Levi	



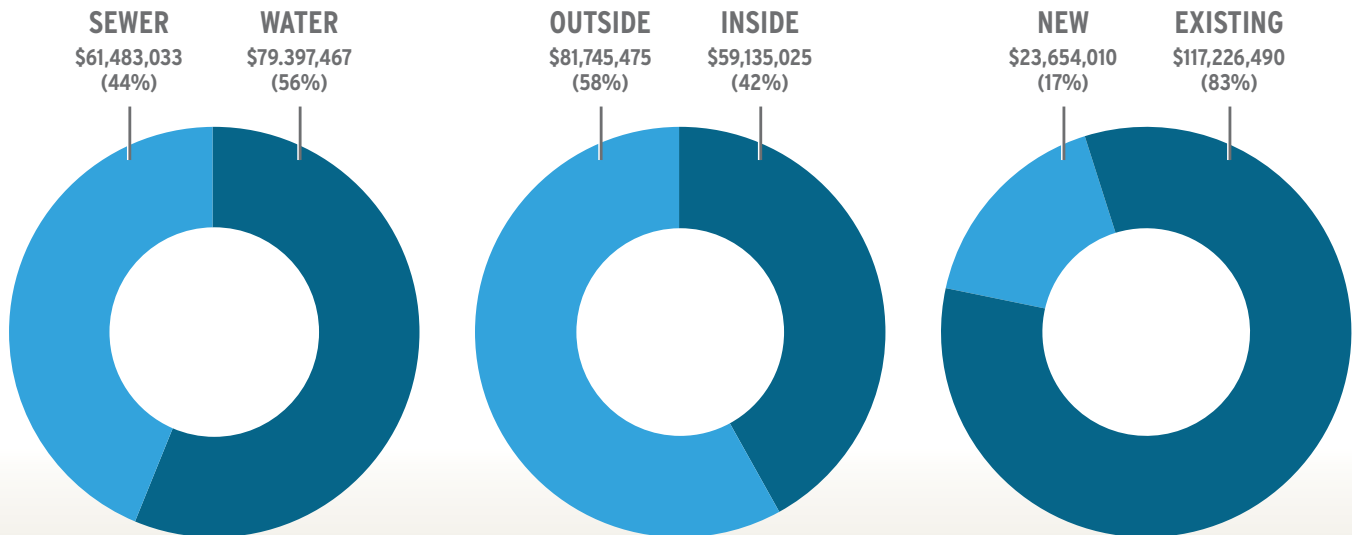
INFRASTRUCTURE STATISTICS

This table summarizes key Water and Sewer Department Statistics from fiscal year (FY) 2016 through 2019.

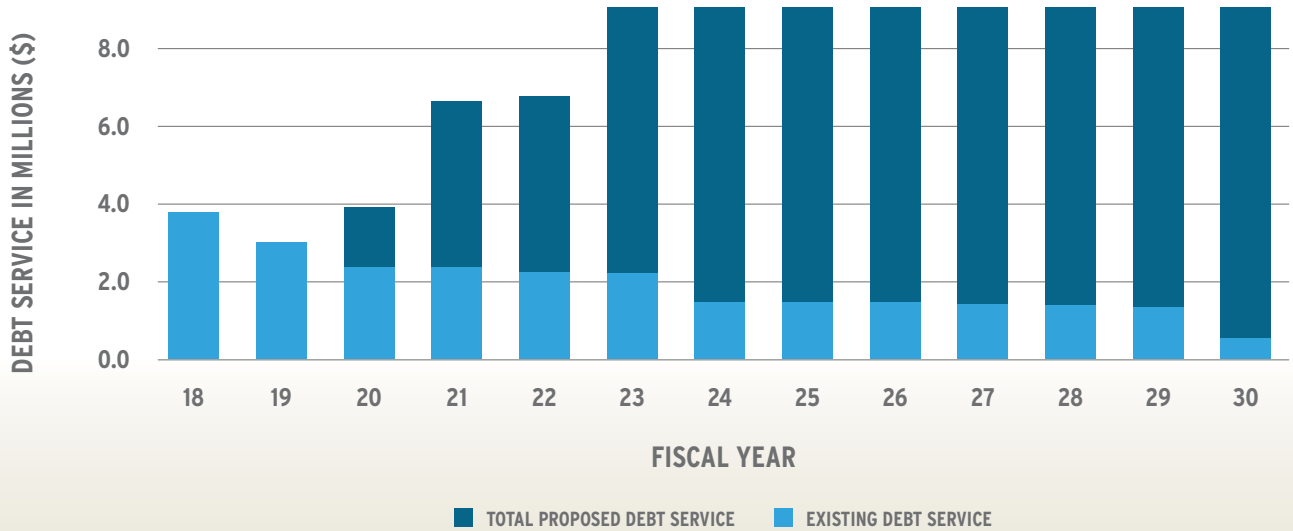
FISCAL YEAR	2017	2018	2019
CALLS FOR SERVICE	12,216	9,634	12,305
METER DROP IN STUB OUT	201	161	102
ANNUAL WATER PRODUCTION	2,540,603,000	2,556,015,000	2,562,992,000
AVERAGE DAILY PRODUCTION (MGD)	6.961	7.003	7.022
NEW WATER TAPS	154	128	174
WATER MAIN LEAKS/BREAKS REPAIRED	98	83	107
WATER LOSS,%	20%	23%	24%
ANNUAL WASTEWATER/SEWER TREATMENT	1,011,901,000	1,099,379,800	1,147,408,000
NEW SEWER TAPS	99	163	54
SEWER LINES CLEARED (ft)	132,683	153,842	98,162
SEWER INFLOW/INFILTRATION	26%	34%	34%

RATES

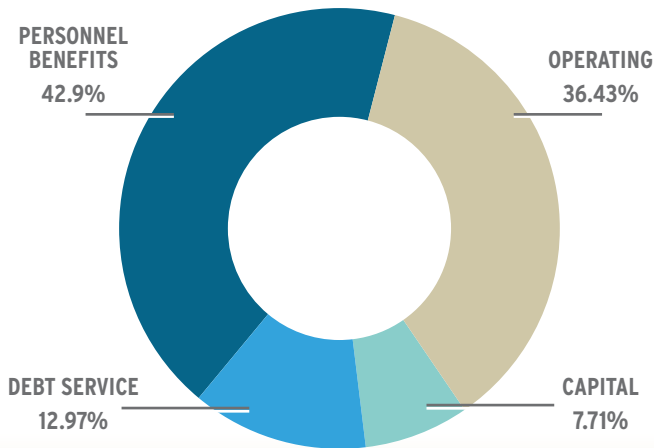
We have collaborated with a private financial firm specializing in municipal utility rates to identify best practices. We continually advertise and seek feedback on our rates from various advisory councils and committees. Rates provide the revenue needed to fund a planned \$140.1 million capital improvement program through fiscal year 2030. Of the \$140.1 million, funds will be expended on the following basis:



DEBT SERVICE FORECAST THROUGH FISCAL YEAR 2030



PERFORMANCE HIGHLIGHTS



FY18-19 TOTAL INVESTMENT \$17.2 MILLION
 FY19-20 BUDGETED INVESTMENT \$17.6 MILLION

The City's utility fund collected **\$17.2 million** in FY18-19. The majority of revenues came from charges for water and wastewater service. The City expended these funds according to the chart above.

The City is budgeted in FY19-20 to collect **\$17.6 million**. The increase in budgeted revenues is due to rate changes recommended by utility rate experts and reviewed by the Water and Sewer Advisory Council in partnership with the Hendersonville City Council. Earned revenues will support the water and wastewater system's daily operations and capital projects. In future years, debt service expenses will increase to fund a high volume of capital projects.