

Albemarle County Service Authority
Charlottesville, Virginia



Operating and Capital Improvement Budget

Fiscal Year 2011

Proposed: March 18, 2010

Revised: May 18, 2010

Revised: June 2, 2010

Adopted: June 17, 2010

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Fiscal Year 2011 Budget At A Glance

MISSION STATEMENT

With pride and dedication we serve our customers by providing clean, safe water, exemplary wastewater services and fire protection systems. Together with our community partners, we maintain and improve infrastructure in a timely, cooperative, and financially responsible manner.



BOARD OF DIRECTORS

Mr. Clarence Roberts, Chairman
Rivanna District

Mr. John C. Martin, Vice Chairman
White Hall District

Mr. Richard E. Carter
Jack Jouett District

Mr. James E. Colbaugh
Scottsville District

Dr. Lizbeth A. Palmer
Samuel Miller District

Mr. David W. Thomas, Esq.
Rio District

VISION STATEMENT

Conserve today, sustain tomorrow, and protect water and environmental resources forever.



GUIDING PRINCIPLES

Value Honesty and Integrity

Maintain the Public Trust

Provide Responsive Customer Service

Recognize Pride and Dedication

Promote Professional Excellence

Foster Mutual Respect and Open Communication

Ensure a Safe Working Environment

Practice Strategic Foresight and Fiscal Responsibility

Collaborate Fully with our Community Partners

Commit to Conservation and Environment Stewardship



BUDGET HIGHLIGHTS

This budget summary presents an overview of the Authority's cost for completing our mission in fiscal year 2011. In light of the area's current economic distress, our goals in the coming fiscal year are:

- To meet anticipated operating and capital improvement expenses **without increasing¹ water and sewer volume charges**, and to ensure that current operating expenses will be paid with current operating revenues;
- To moderate increased customer buy-in and connection fees while maintaining policy of "growth paying for growth;" and
- To maintain, to improve, and to extend system infrastructure.

¹ We have, in fact, *reduced* water volume charges for our single-family customers.

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Albemarle County Service Authority

Operating and Capital Improvement Budget

Fiscal Year 2011

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June 2, 2010

Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

Gentlemen and Dr. Palmer:

We are pleased to present the Operating and Capital Improvement Budget for Fiscal Year 2011 for your review and approval. This budget was prepared in conjunction with historical trends and in anticipation of future events; however, the basis for revenue and expense projections as well as the recommendations for rate stabilization associated with user fees along with calculated increases in connection fees expressed in the budget was provided by the Water & Sewer Rate Model developed in 2004 and updated in 2009 by Municipal and Financial Services Group. Keeping in mind that the rate model is a tool, we used it again to address your concerns and inquiries regarding the budget as proposed.

The budget process is performance and zero based which means that all requests for funding in support of our mission start at zero, are necessary, productive, reasonable, and prudent in nature and practice, and are in keeping with the Authority's vision statement and guiding principles. Our goal in this process is to present a balanced budget meaning that estimated and projected revenues equal estimated and projected expenses.

Since many of our expenses are fixed, attention shifted naturally to the revenues required to meet these expenses. The Authority's **gross revenue requirement for fiscal year 2011 is \$34,689,010, including projected capital improvements expenses of \$15,673,700.** In order to meet gross revenue requirements **without increasing water and sewer volume and service charges²** in the midst of our community's economic recovery, a strong reliance on other estimated and projected revenues is required. This requirement is met by accurately assessing the value of the entire water and wastewater system and pricing customer buy-in and connection to the system accordingly, by accurately estimating other miscellaneous charges and fees, and, lastly, by applying the conservative use of established reserves and projected debt service. This process is illustrated graphically on the proceeding pages.

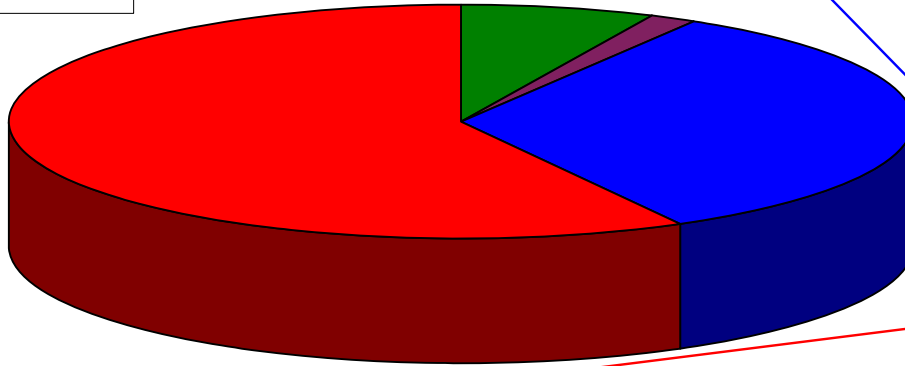
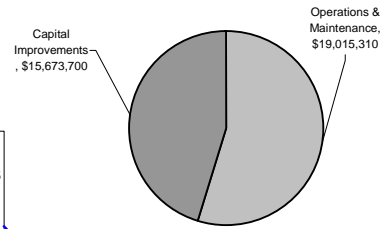
² In keeping with the Board's desire to provide an affordable rate in *Level 1* that is equal to the wholesale rate from which the ACSA buys treated water from the Rivanna Water and Sewer Authority, the rate proposed for *single-family residential users* was reduced. For a complete listing of rates and fees, please refer to page 24.

Gross Revenue Requirement = \$34,689,010

Less the Estimated Availability of Funds from Customer Buy-in and Connection Fees, \$2,425,618

Less Other Estimated Charges and Fees, \$560,475

Gross Revenue Requirements: \$34,689,010



Less the Projected Debt Funding of Capital Project plus the Estimated Use of Reserves, \$11,575,000

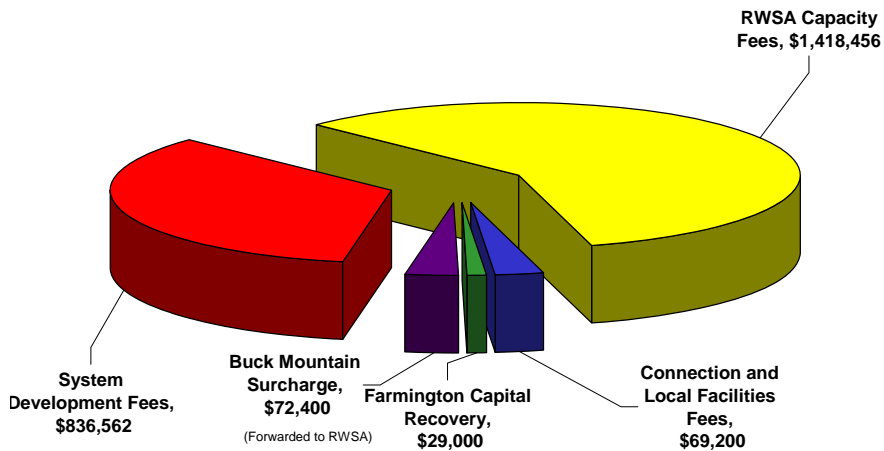
Net Revenue Requirement, \$20,127,917

* This is the basis for the rates and service charges proposed for fiscal year 2011. It is the projected amount we must collect from our ratepayers through volume and service charges. * Connection fees are based upon system values. (See page 28)

Revenues

The estimated availability of funds from customer buy-in and connection fees is \$2,425,618.

Estimated Availability of Funds from Customer Buy-in and Connection Fees

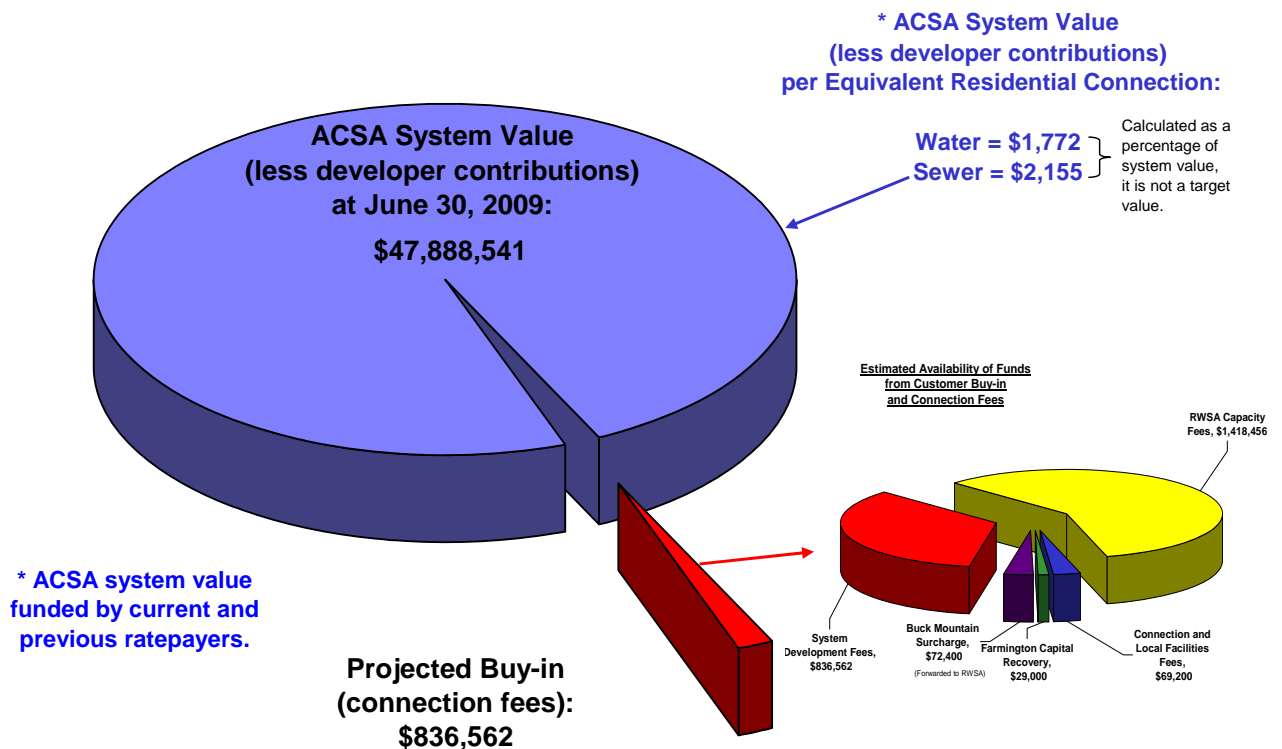


- ◆ System Connection Charges are based upon an estimated number of Equivalent Residential Connections (ERC) less any applicable off-site credits, as follows:
 - ◆ 206 Water System Development connections
 - ◆ 206 Sewer System Development connections
 - ◆ 202 Water Rivanna Capacity connections
 - ◆ 202 Sewer Rivanna Capacity connections
 - ◆ One 5/8" meter equals one Equivalent Residential Connection

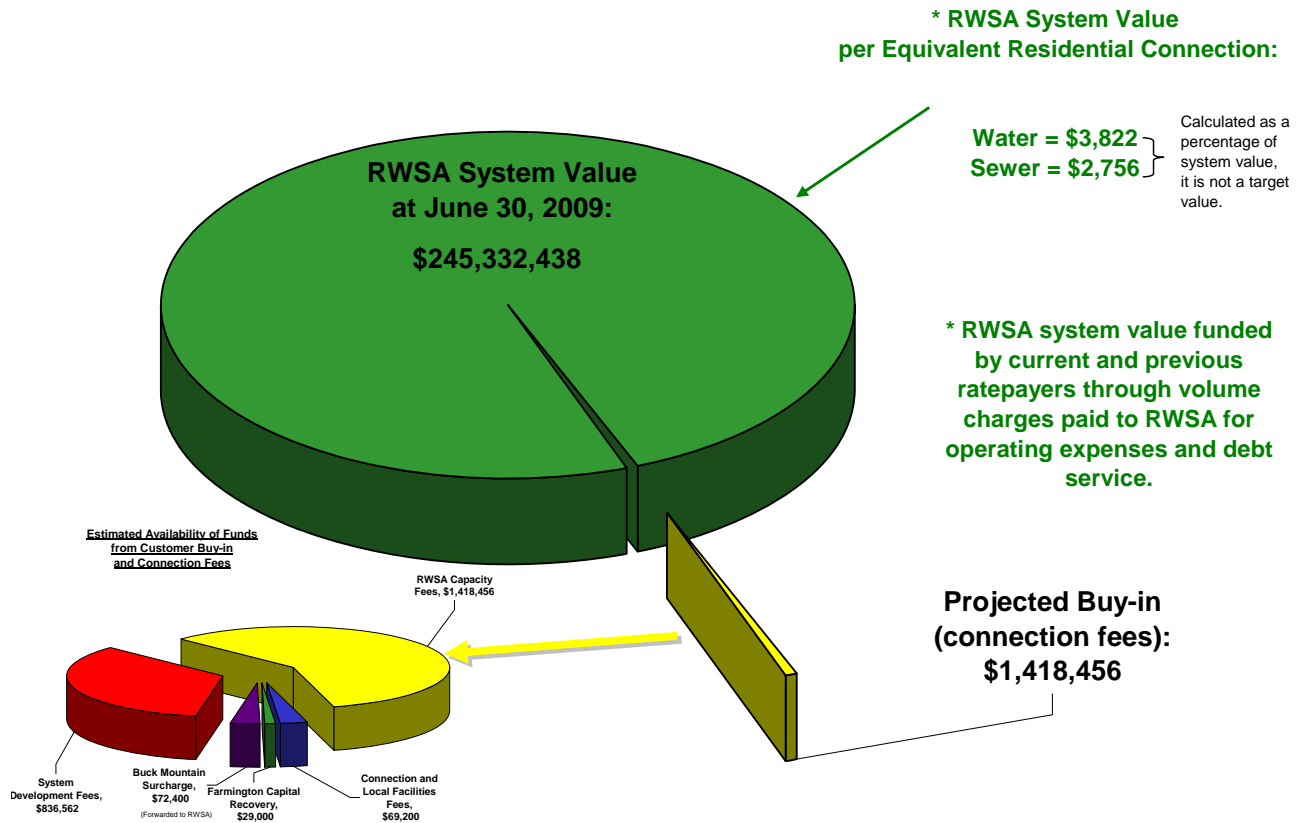
- ◆ Proposed Increase in System Development and Rivanna Capacity Fees – The following increases are based upon system value as follows:

	<u>2010</u>	<u>2011</u>	<u>% Increase</u>
Water System Development Fees per ERC	\$ 1,640	\$ 1,772	8%
Water Rivanna Capacity Fees per ERC	\$ 3,725	\$ 3,822	3%
Sewer System Development Fees per ERC	\$ 1,995	\$ 2,155	8%
Sewer Rivanna Capacity Fees per ERC	\$ 2,680	\$ 2,756	3%
Total	\$ 10,040	\$ 10,505	5%

ACSA Water & Sewer System Development FY 2011



RWSA Water & Sewer Capacity FY 2011



- ◆ Prepaid Connection Fees – According to current policy, payment of applicable fees will be accepted upon presentation of a current approved building permit. If this policy continues, an increase in connection fees will prompt many local builders/residents to prepay these fees before the new rates go into effect. Based upon anticipated development, more than 50% of the equivalent residential connections eligible for connection in fiscal year 2011 have already been prepaid. (Prior to the last increase in connection fees, we received 157 prepaid connection fees.)
- ◆ Interest Income projections are down significantly:
 - Interest earnings on long-term investments in the first two quarters of this fiscal year totaled \$122,908.66. For reporting purposes, however, these investments must be stated at fair value. According to GASB (Government Accounting Standards Board), “fair value is the amount the seller would be paid for an investment if it were to be sold currently in a transaction between a willing buyer and a willing seller.” As such, revenue is adjusted accordingly (meaning decreases in fair value reduce current interest earnings).

Annualized earnings at today’s rate and fair value are less than **\$82,000**.

Interest earnings on short-term investments this fiscal year-to-date have totaled \$8,208.91 and we anticipate \$1,900 more in the remaining months. The Local Government Investment Pool maintains a stable net asset value of \$1 per share so no adjustments to interest revenue are necessary.

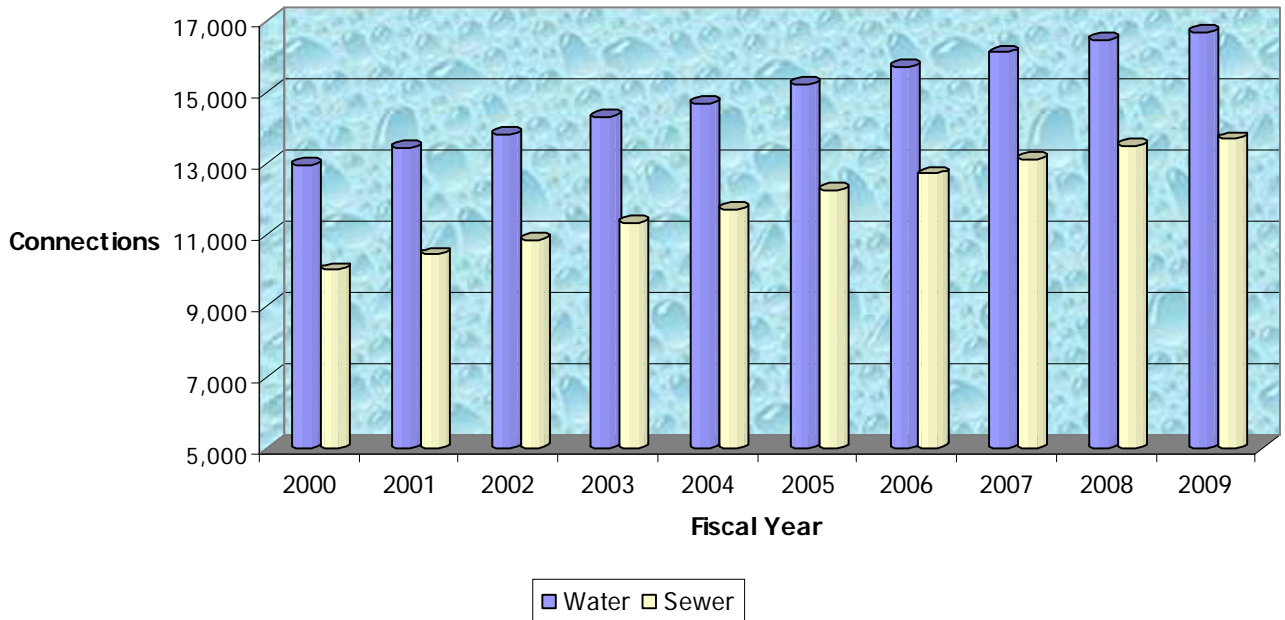
Annualized earnings at today's rate are over **\$9,900**.

- ◆ Miscellaneous Charges are projected as follows:
 - ◆ Miscellaneous - \$17,450 (customer requested taps, service lines, etc.)
 - ◆ Returned Check Fees, Initial Bill Fees, Reconnection Fees, Interest Charges - \$76,000
 - ◆ Billed Hydrant Usage (Water) - \$75,000
 - ◆ Late Payment Penalties (10%) - \$210,000

- ◆ Use of Established Reserves and Debt Service – In order to stabilize rates while maintaining, improving, and extending infrastructure, the Authority will use approximately \$1.925 million of established 3R reserves. The Authority will confine long-term borrowing to capital improvements or projects, such as the North Fork Regional Pump Station, that cannot be financed with current revenues.

- ◆ Billed Water and Sewer Accounts and Service Charges – Three-year trend information suggests growth in billed water connections and service charges of 1%.

Water & Sewer Connections



◆ Water and Sewer Volume is estimated as follows:

- ◆ Projected Water Volume (in 1,000 gallons) – 1,620,836
 - Residential (in 1,000 gallons)
 - ◆ Level 1 – 433,677
 - ◆ Level 2 – 179,577
 - ◆ Level 3 – 55,960
 - ◆ Level 4 – 51,835
 - Non-Residential – 899,787
- ◆ Projected Sewer Volume (in 1,000 gallons) – 1,290,856

The aforementioned estimates are based upon a comparison of previous years' consumption amounts and changes in user-type usage patterns plus an estimated amount of consumption for new connections. Drought years and unusually wet years (outliers) are filtered out of the projections.

	<i>Projected FY 2010</i>	<i>Five-Year Average</i>	<i>Three-Year Average</i>	<i>Projected FY 2011</i>
Single-family Residential	714,065,000	749,860,948	714,562,469	721,049,000
Multi-family Residential	381,626,837	363,339,555	350,695,522	383,126,837
Commercial - Offices	44,100,286	46,156,723	44,719,906	43,188,000
Commercial - Other	276,088,523	262,098,902	254,143,426	278,412,000
Industrial	32,081,000	25,775,167	22,520,144	20,746,000
Institutional	177,496,000	141,201,973	143,943,756	174,314,163
Non Single-family Residential	886,319,000	838,572,321	816,022,754	899,787,000
Total	1,600,384,000	1,588,433,269	1,530,585,223	1,620,836,000

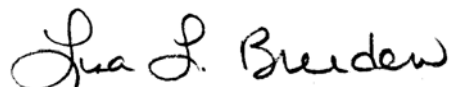
- ◆ Estimated Surplus – Should revenues exceed expenses as anticipated, the resulting surplus of approximately \$164,089 will be used to increase operating and 3R reserve contributions (savings).

Expenses

- ◆ RWSA. The costs associated with the purchase of water/wastewater (from Rivanna's FY 2010-2011 Budget Proposal) decreased by approximately 2.1% and represents 32.1% of all expenses.
- ◆ Departmental. After careful examination of all practices and expenses, direct and indirect, most departmental cost increases have been contained barring the following exceptions which are discussed in more detail at the end of the expenses section of the budget:
 - ◆ A one-time 3% performance cash payment, increased health and benefit dollar contributions, and continued full funding of life insurance premiums and retirement fund contributions,
 - ◆ 1 new position – instead of one LAN Technician and one SCADA Technician, one combined SCADA/LAN Technician is proposed until the SCADA system is up and running in FY 2012, and
 - ◆ Two (2) message board trailers and one (1) sewer camera.
- ◆ Reserve Calculations – Our rate model establishes revenue requirements and subsequent rates based upon a “set” reserve amount per year. The yearly operating reserve is set initially at 2% of current year operating expenses with a target balance equivalent to 90 days worth of operating expenses. The target 3R reserve contribution rate is set at 1% of total system value. In order to minimize rate fluctuations from year to year, this year's 3R reserve contribution amount has been capped at \$377,216. Furthermore, these amounts are adjusted proportionately with the utilization of prior year reserve funds and/or by any excess or shortage of revenue calculations based upon anticipated water and sewer volume.
- ◆ Capital Improvement Program – This year's capital improvement program includes water projects of almost \$2.5 million and wastewater projects of more than \$13 million.

In summary, we (staff) believe this budget is a reflection of the Authority's vision and is responsive to the Authority's mission. On behalf of the entire staff, I am pleased to present this proposed budget of the Albemarle County Service Authority for fiscal year 2011 to the Board of Directors for your consideration and approval.

Respectfully submitted,



Lisa L. Breeden
Finance Director

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Revenue and Expense Summary FY 2011

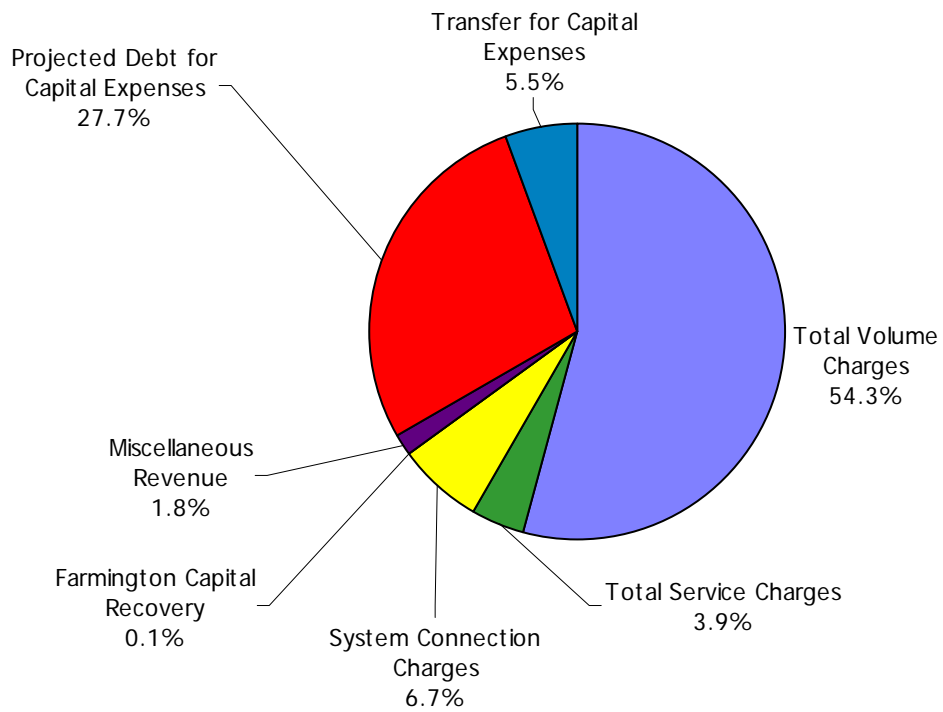
	FY 2010 Adopted Budget	FY 2011 Proposed & Adopted Budget	FY 2011 as % of FY 2010
OPERATING REVENUES			
Total Volume Charges	\$ 19,000,803	18,925,356	99.6%
Total Service Charges	1,353,119	1,366,650	101.0%
Total Operating Revenues	\$ 20,353,922	20,292,006	99.7%
NON-OPERATING REVENUES			
System Connection Charges	1,827,330	2,324,218	127.2%
Farmington Capital Recovery	29,000	29,000	100.0%
Rental Income	40,000	40,000	100.0%
Interest Income	274,000	81,525	29.8%
Buck Mountain Surcharge	72,400	72,400	100.0%
Misc. Utility Charges	345,000	378,450	109.7%
Inspection Fees	27,500	27,500	100.0%
Plan Review & FOG Permit Fees	15,000	33,000	220.0%
Total Non-Operating Revenues	\$ 2,630,230	2,986,093	113.5%
Total Operating & Non-Operating Revenues	\$ 22,984,152	23,278,099	101.3%
OPERATING EXPENSES			
Purchase of Water/Wastewater	\$ 11,401,844	11,099,426	97.3%
Administration Department	1,366,025	1,497,150	109.6%
Finance Department	1,326,000	1,374,084	103.6%
Engineering Department	1,273,300	1,295,727	101.8%
Maintenance Department	2,246,800	2,370,146	105.5%
Operating Reserve	0	355,826	
Total Operating Expenses	\$ 17,613,969	17,992,359	102.1%
NON-OPERATING EXPENSES			
800 Code Equipment Expenses	88,300	83,000	94.0%
Repair, Renewal, & Rehabilitation Reserves	123,574	377,216	305.3%
Buck Mountain Surcharge	72,400	72,400	100.0%
Existing Debt Service and Amortization	372,700	369,197	99.1%
Projected Debt Service	210,637	121,138	57.5%
Transfer for Capital Expenses	4,502,572	4,098,700	91.0%
Total Non-Operating Expenses	\$ 5,370,183	5,121,651	95.4%
Total Operating & Non-Operating Expenses	\$ 22,984,152	23,114,010	100.6%
Operating & Non-Operating Surplus (Deficit)	\$ 0	164,089	
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,502,572	4,098,700	91.0%
Transfer from 3R Reserves	2,490,678	1,925,000	77.3%
Projected Debt for Capital Expenses	5,000,000	9,650,000	193.0%
Total Capital Improvements Funding	\$ 11,993,250	15,673,700	130.7%
CAPITAL IMPROVEMENTS EXPENSES			
Water - Capital Improvement Projects	\$ 3,224,100	2,499,350	77.5%
Wastewater - Capital Improvement Projects	8,769,150	13,174,350	150.2%
Total Capital Improvements Expenses	\$ 11,993,250	15,673,700	130.7%
Capital Improvements Surplus (Deficit)	\$ 0	0	

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Operating and Capital Improvement Budget

Fiscal Year 2011

REVENUES



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Revenues and Other Sources of Funding

FY 2011

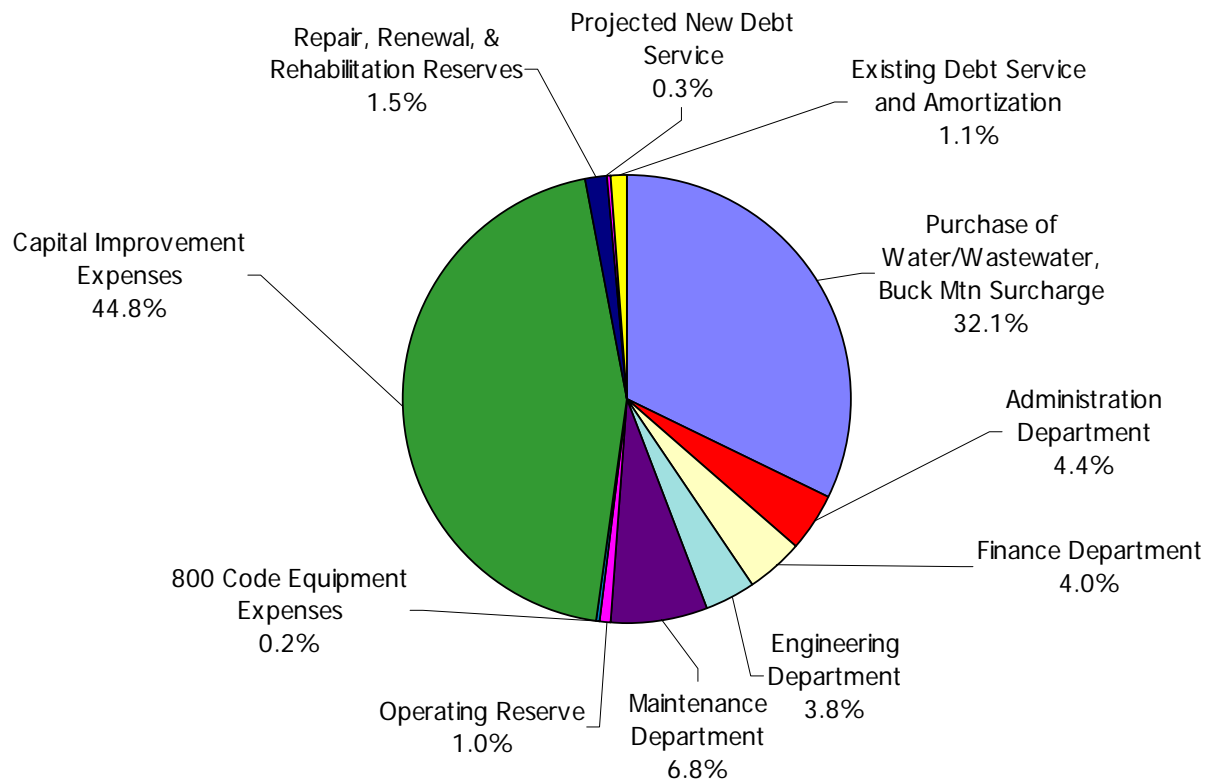
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Rental Income	40,000	40,000	100.0%
Interest Income	274,000	81,525	29.8%
Buck Mountain Surcharge	72,400	72,400	100.0%
Misc. Utility Charges	345,000	378,450	109.7%
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Total Operating & Non-Operating Revenues	\$ 22,984,152	23,278,099	101.3%
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Transfer from Operating Revenues	\$ 4,502,572	4,098,700	91.0%
Transfer from 3R Reserves	2,490,678	1,925,000	77.3%
Projected Debt for Capital Expenses	5,000,000	9,650,000	193.0%
Total Capital Improvements Funding	\$ 11,993,250	15,673,700	130.7%

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Operating and Capital Improvement Budget

Fiscal Year 2011

EXPENSES



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RWSA Expenses

	FY 2010 Adopted <u>Budget</u>	FY 2011 Proposed & <u>Adopted Budget</u>	FY 2011 as % of <u>FY 2010</u>
<i>RWSA EXPENSES</i>			
Buck Mountain Surcharge	\$ 72,400	72,400	100.0%
Purchase of Bulk Water	6,260,146	6,220,833	99.4%
Sewer Treatment Expense	5,141,698	4,878,593	94.9%
Subtotal:	\$ 11,474,244	11,171,826	97.4%
<i>RWSA EXPENSES BY SERVICE AREA</i>			
WATER	Rates <u>FY 2010</u>	Rates <u>FY 2011</u>	
Urban	\$3.323/TG	\$3.305/TG	\$ 5,245,451
Crozet	\$52,403/mo	\$50,712/mo	5,218,279
Scottsville	\$32,155/mo	\$32,834/mo	628,836
Buck Mountain Surcharge			385,859
			72,400
Total			\$ 6,332,546
			6,293,233
			99.4%
WASTEWATER			
Urban	\$3.073/TG	\$3.063/TG	\$ 4,524,166
Scottsville	\$25,420/mo	\$25,603/mo	4,287,358
Stone-Robinson School	Actual	Actual	305,043
Glenmore	\$24,252/mo	\$21,806/mo	21,467
			291,022
Total			\$ 5,141,698
			4,878,593
			94.9%

Administration Department

Code	Description	FY 2009 Expended	FY 2010	FY 2010	FY 2010 Budget	FY 2011	Supple-	Supple-	FY 2011	FY 2011	FY 2011
			Actual Expenses To-Date(Jan)	Anticipated Expenses To-EOFY 2010		Base Budget	mental Request #1	mental Request #2	Total Proposed Budget	as % of FY 2010	Total Adopted Budget
PERSONAL SERVICES											
503-510-205	Compensation of Board Members	\$ 21,456	11,018	18,900	18,900	27,000	0	0	27,000	142.9%	27,000
503-510-210	Salaries & Wages	468,221	280,450	480,771	475,100	483,065	35,000	0	518,065	109.0%	518,065
	Performance Cash Payment	0	0	0	0	10,458	0	0	10,458		10,458
503-510-220	Overtime	980	66	113	1,000	1,000	0	0	1,000	100.0%	1,000
503-510-220	Social Security	35,648	18,741	38,300	37,200	38,800	2,678	0	41,478	111.5%	41,478
503-510-230	Retirement	59,583	33,248	63,000	63,000	60,000	4,428	0	64,428	102.3%	64,428
503-510-240	Health & Benefit Dollars	56,435	33,411	59,600	59,600	64,970	8,040	0	73,010	122.5%	73,010
503-510-250	Life Insurance	3,705	1,965	4,200	4,200	5,260	389	0	5,649	134.5%	5,649
503-510-260	Workers' Compensation	552	658	658	625	875	62	0	937	149.9%	937
503-510-270	Meals	542	180	308	500	500	0	0	500	100.0%	500
503-510-280	Safety Incentive Program	375	50	600	700	750	0	0	750	107.1%	750
503-510-290	Employee Incentives	6,440	3,668	7,668	12,000	19,500	0	0	19,500	162.5%	19,500
	Subtotal:	\$ 653,938	383,454	674,118	672,825	712,178	50,595	0	762,773	113.4%	762,773
OPERATING SUPPLIES											
503-510-300	Office Supplies	\$ 13,669	5,097	10,800	17,000	14,630	250	0	14,880	87.5%	14,880
503-510-305	Copier Supplies	1,471	809	1,650	2,000	2,844	0	0	2,844	142.2%	2,844
503-510-310	Janitorial Supplies	3,721	2,111	3,000	2,800	4,487	0	0	4,487	160.3%	4,487
503-510-370	¹ Heating Fuel	3,674	1,922	3,295	4,300	0	0	0	0	0.0%	0
503-510-380	Small Tools & Equipment	31,574	2,307	32,500	32,500	34,850	4,500	0	39,350	121.1%	39,350
	Subtotal:	\$ 54,108	12,245	51,245	58,600	56,811	4,750	0	61,561	105.1%	61,561
REPAIR & MAINTENANCE SUPPLIES											
503-510-425	¹ Building/Grounds Supplies	\$ 7,535	2,780	8,500	12,200	0	0	0	0	0.0%	0
	Subtotal:	\$ 7,535	2,780	8,500	12,200	0	0	0	0	0.0%	0
PROFESSIONAL & CONTRACTUAL SERVICES											
503-510-500	Legal	\$ 32,226	21,246	36,421	44,000	46,850	0	0	46,850	106.5%	46,850
503-510-510	Audit	30,000	30,000	30,000	32,400	30,900	0	0	30,900	95.4%	30,900
503-510-520	Fiscal Agent	2,500	2,500	2,500	17,500	17,500	0	0	17,500	100.0%	17,500
503-510-550	Consultants' Fees	64,906	6,599	16,600	16,600	36,608	0	0	36,608	220.5%	36,608
503-510-560	¹ Service Contracts	40,533	49,648	50,300	50,300	117,950	0	0	117,950	234.5%	117,950
503-510-561	¹ Building/Grounds Service Contracts	52,788	33,655	60,700	60,700	0	0	0	0	0.0%	0
503-510-575	Telephone/Communications	43,779	24,386	42,000	47,600	48,054	255	0	48,309	101.5%	48,309
503-510-585	Printing and Duplicating	5,767	20	7,000	20,000	12,650	0	0	12,650	63.3%	12,650
503-510-590	¹ Other Contractual Services	13,876	2,559	12,800	12,800	1,025	0	0	1,025	8.0%	1,025
	Subtotal:	\$ 286,373	170,612	258,321	301,900	311,537	255	0	311,792	103.3%	311,792
REPAIRS AND MAINTENANCE											
503-510-600	Equipment Repair and Maintenance	\$ 5,226	1,338	5,900	5,900	2,500	0	0	2,500	42.4%	2,500
503-510-620	¹ Building/Grounds Repair & Maintenance	4,908	1,631	6,000	6,000	0	0	0	0	0.0%	0
	Subtotal:	\$ 10,134	2,969	11,900	11,900	2,500	0	0	2,500	21.0%	2,500

Administration Department

Code	Description	FY 2009 Expended	FY 2010	FY 2010	FY 2010 Budget	FY 2011	Supple-	Supple-	FY 2011	FY 2011	FY 2011
			Actual Expenses To-Date(Jan)	Anticipated Expenses To-EOFY 2010		Base Budget	mental Request #1	mental Request #2	Total Proposed Budget	as % of FY 2010	Total Adopted Budget
OTHER SERVICES AND CHARGES											
503-510-705	Software	\$ 33,700	865	15,500	15,500	79,100	0	0	79,100	510.3%	79,100
503-510-710	Insurance	64,931	58,827	63,350	63,350	68,409	0	0	68,409	108.0%	68,409
503-510-720	Dues and Memberships	4,404	4,496	5,800	5,800	10,130	0	0	10,130	174.7%	10,130
503-510-730	Books and Periodicals	2,022	565	1,000	1,000	2,435	0	0	2,435	243.5%	2,435
503-510-740	Education and Training	26,181	10,478	40,000	40,000	33,070	1,000	0	34,070	85.2%	34,070
503-510-741	Board Member Education and Training	755	30	1,000	5,000	2,000	0	0	2,000	40.0%	2,000
503-510-745	Travel	14,531	4,649	20,950	20,950	24,030	150	0	24,180	115.4%	24,180
503-510-750	Advertising	20,116	7,709	13,200	13,200	21,000	0	0	21,000	159.1%	21,000
503-510-755	Conservation	48,135	32,954	66,500	66,500	45,000	0	0	45,000	67.7%	45,000
503-510-777	Electricity - Shop/Office	37,625	14,643	30,000	42,300	37,200	0	0	37,200	87.9%	37,200
503-510-780	Permits	34,055	25,630	35,000	35,000	35,000	0	0	35,000	100.0%	35,000
	Subtotal:	\$ 286,456	160,846	292,300	308,600	357,374	1,150	0	358,524	116.2%	358,524
CAPITAL OUTLAYS											
503-510-800	Office Equipment	\$ 4,726	0	0	0	0	0	0	0	0.0%	0
503-510-810	Furniture and Fixtures	0	0	0	0	0	0	0	0	0.0%	0
503-510-830	Machinery and Equipment	0	0	0	0	0	0	0	0	0.0%	0
	Subtotal:	\$ 4,726	0	0	0	0	0	0	0	0.0%	0
	TOTAL ADMINISTRATION	\$ 1,303,270	732,906	1,296,384	1,366,025	1,440,400	56,750	0	1,497,150	109.6%	1,497,150

Supplemental Request #1: SCADA/LAN Technician, Grade 11

Supplemental Request #2: LAN Technician, Grade 13, Delayed until FY 2012

¹ All or most expenses moved to the Maintenance Department. Janitorial services were moved from Maintenance Services Contracts to Administration.

Finance Department

Code	Description	FY 2009 <u>Expended</u>	FY 2010 Actual Expenses <u>To-Date(Jan)</u>	FY 2010 Anticipated Expenses <u>To-EOFY 2010</u>	FY 2010 <u>Budget</u>	FY 2011 Proposed <u>Budget</u>	FY 2011 as % of <u>FY 2010</u>	FY 2011 Adopted <u>Budget</u>
PERSONAL SERVICES								
503-520-210	Salaries & Wages	\$ 600,044	368,918	610,918	605,700	594,820	98.2%	594,820
	Performance Cash Payment	0	0	0	0	17,800		17,800
503-520-220	Overtime Pay	9,116	1,547	5,500	8,000	10,000	125.0%	10,000
503-520-230	Social Security	44,481	25,874	47,200	47,000	47,650	101.4%	47,650
503-520-240	Retirement	77,341	46,756	80,256	80,200	75,100	93.6%	75,100
503-520-250	Health & Benefit Dollars	87,200	55,242	109,800	109,800	120,360	109.6%	120,360
503-520-260	Life Insurance	4,744	2,763	4,763	5,400	6,600	122.2%	6,600
503-520-270	Workers' Compensation	5,693	6,632	6,632	6,300	6,700	106.3%	6,700
	Subtotal:	\$ 828,618	507,731	865,069	862,400	879,030	101.9%	879,030
OPERATING SUPPLIES								
503-520-300	Office Supplies	\$ 10,540	4,283	11,000	11,500	10,175	88.5%	10,175
503-520-330	Personal Protective Equipment	14	122	122	100	625	625.0%	625
503-520-360	Fuel, Oil & Grease	12,476	5,869	14,369	20,200	18,000	89.1%	18,000
503-520-380	Small Tools & Equipment	6,238	251	1,151	1,600	1,800	112.5%	1,800
	Subtotal:	\$ 29,268	10,525	26,642	33,400	30,600	91.6%	30,600
REPAIR & MAINTENANCE								
503-520-400	Vehicle Supplies	\$ 3,386	1,218	2,318	3,000	3,500	116.7%	3,500
503-520-410	Materials - Water	174,738	69,645	139,645	219,800	200,000	91.0%	200,000
	Subtotal:	\$ 178,124	70,864	141,964	222,800	203,500	91.3%	203,500
PROFESSIONAL & CONTRACTUAL SERVICES								
503-520-535	Uniform Rental	2,883	1,739	3,139	3,400	3,503	103.0%	3,503
503-520-550	Consultants' Fees	0	0	500	500	500	100.0%	500
503-520-560	Service Contracts	26,820	21,259	30,759	32,100	43,740	136.3%	43,740
503-520-580	Postage	73,845	72,209	122,209	120,200	126,350	105.1%	126,350
503-520-585	Printing and Duplicating	16,797	7,235	13,735	14,900	20,229	135.8%	20,229
503-520-590	Other Contractual Services	14,967	8,202	20,702	8,600	25,975	302.0%	25,975
	Subtotal:	\$ 135,313	110,644	191,044	179,700	220,297	122.6%	220,297

Finance Department

Code	Description	FY 2009 <u>Expended</u>	FY 2010 Actual Expenses <u>To-Date(Jan)</u>	FY 2010 Anticipated Expenses <u>To-EOFY 2010</u>	FY 2010 <u>Budget</u>	FY 2011 Proposed <u>Budget</u>	FY 2011 as % of <u>FY 2010</u>	FY 2011 Adopted <u>Budget</u>
REPAIRS AND MAINTENANCE								
503-520-600	Equipment Repair and Maintenance	\$ 2,302	1,593	2,993	3,200	3,797	118.7%	3,797
503-520-650	Vehicle Repair and Maintenance	2,048	1,372	3,172	3,500	4,000	114.3%	4,000
	Subtotal:	\$ 4,350	2,965	6,165	6,700	7,797	116.4%	7,797
OTHER SERVICES AND CHARGES								
503-520-700	Rental of Equipment	\$ 1,238	688	1,188	1,300	1,320	101.5%	1,320
503-520-705	Software	3,825	3,846	3,846	4,000	4,500	112.5%	4,500
503-520-720	Dues and Memberships	283	123	323	350	375	107.1%	375
503-520-730	Books and Periodicals	1,245	1,008	1,500	1,550	1,625	104.8%	1,625
503-520-740	Education and Training	4,587	885	8,385	8,800	16,700	189.8%	16,700
503-520-745	Travel	3,864	17	2,017	5,000	8,340	166.8%	8,340
	Subtotal:	\$ 15,041	6,565	17,258	21,000	32,860	156.5%	32,860
CAPITAL OUTLAYS								
503-520-800	Office Equipment	\$ 2,400	0	0	0	0	0.0%	0
503-520-810	Furniture and Fixtures	0	0	0	0	0	0.0%	0
503-520-830	Machinery and Equipment	0	0	0	0	0	0.0%	0
	Subtotal:	\$ 2,400	0	0	0	0	0.0%	0
	TOTAL FINANCE	\$ 1,193,113	709,295	1,248,142	1,326,000	1,374,084	103.6%	1,374,084

Engineering Department

Code	Description	FY 2009 Expended	FY 2010	FY 2010	FY 2010 Budget	FY 2011	FY 2011	FY 2011
			Actual Expenses To-Date(Jan)	Anticipated Expenses To-EOFY 2010		Proposed Budget	as % of FY 2010	Adopted Budget
PERSONAL SERVICES								
503-540-210	Salaries & Wages	\$ 792,119	507,882	870,656	848,500	849,500	100.1%	849,500
	Performance Cash Payment	0	0	0	0	24,500		24,500
503-540-220	Overtime Pay (will be reimbursed by 3R)	2,029	8,112	10,000	10,000	10,000	100.0%	10,000
503-540-230	Social Security	59,590	36,903	67,370	66,000	67,625	102.5%	67,625
503-540-240	Retirement	97,875	63,149	108,500	108,500	102,650	94.6%	102,650
503-540-250	Health & Benefit Dollars	95,866	66,429	126,300	126,300	138,150	109.4%	138,150
503-540-260	Life Insurance	6,003	3,731	7,300	7,300	9,005	123.4%	9,005
503-540-270	Workers' Compensation	15,595	15,475	15,475	14,700	12,600	85.7%	12,600
Subtotal:		\$ 1,069,078	701,683	1,205,601	1,181,300	1,214,030	102.8%	1,214,030
OPERATING SUPPLIES								
503-540-330	Personal Protective Equipment	564	599	975	800	888	111.0%	888
503-540-360	Fuel, Oil & Grease	14,332	5,846	14,000	21,800	19,500	89.4%	19,500
503-540-380	Small Tools & Equipment	30,961	5,774	11,000	18,300	12,380	67.7%	12,380
Subtotal:		\$ 45,858	12,220	25,975	40,900	32,768	80.1%	32,768
REPAIR & MAINTENANCE SUPPLIES								
503-540-400	Vehicle Supplies	\$ 1,925	1,246	2,000	2,000	2,500	125.0%	2,500
Subtotal:		\$ 1,925	1,246	2,000	2,000	2,500	125.0%	2,500
PROFESSIONAL & CONTRACTUAL SERVICES								
503-540-535	Uniform Rental	\$ 2,498	1,614	2,767	2,100	2,354	112.1%	2,354
503-540-540	Engineering Services	2,400	0	0	0	0	0.0%	0
503-540-590	Other Contractual Services	9,162	4,646	16,000	18,200	16,400	90.1%	16,400
Subtotal:		\$ 14,060	6,248	18,767	20,300	18,754	92.4%	18,754
REPAIRS AND MAINTENANCE								
503-540-600	Equipment Repair and Maintenance	\$ 583	2,182	2,450	2,600	3,450	132.7%	3,450
503-540-650	Vehicle Repair and Maintenance	1,113	649	1,400	2,200	1,540	70.0%	1,540
Subtotal:		\$ 1,696	2,831	3,850	4,800	4,990	104.0%	4,990

Engineering Department

Code	Description	FY 2009 Expended	FY 2010 Actual Expenses To-Date(Jan)	FY 2010 Anticipated Expenses To-EOFY 2010	FY 2010 Budget	FY 2011 Proposed Budget	FY 2011 as % of FY 2010	FY 2011 Adopted Budget
OTHER SERVICES AND CHARGES								
503-540-720	Dues and Memberships	\$ 431	309	685	800	810	101.3%	810
503-540-740	Education and Training	7,332	2,318	10,100	11,500	10,950	95.2%	10,950
503-540-745	Travel	10,006	4,572	10,500	11,700	10,925	93.4%	10,925
Subtotal:		\$ 17,769	7,199	21,285	24,000	22,685	94.5%	22,685
CAPITAL OUTLAYS								
503-540-800	Office Equipment	\$ 0	0	0	0	0	0.0%	0
503-540-810	Furniture and Equipment	0	0	0	0	0	0.0%	0
503-540-830	Machinery and Equipment	52,789	0	0	0	0	0.0%	0
Subtotal:		\$ 52,789	0	0	0	0	0.0%	0
TOTAL ENGINEERING		\$ 1,203,175	731,426	1,277,478	1,273,300	1,295,727	101.8%	1,295,727

Maintenance Department

Code	Description	FY 2009 <u>Expended</u>	FY 2010	FY 2010	FY 2010 <u>Budget</u>	FY 2011	FY 2011	FY 2011
			Actual Expenses <u>To-Date(Jan)</u>	Anticipated Expenses <u>To-EOFY 2010</u>		Proposed Budget	as % of FY 2010	Adopted Budget
PERSONAL SERVICES								
503-550-210	Salaries & Wages	\$ 961,391	637,527	1,092,903	1,089,500	1,096,654	100.7%	1,096,654
	Performance Cash Payment	0	0	0	0	32,700		32,700
503-550-220	Overtime Pay	44,051	21,520	40,000	57,000	57,000	100.0%	57,000
503-550-225	Standby Pay	4,418	2,449	4,200	4,000	4,000	100.0%	4,000
503-550-225	Social Security	73,711	47,539	87,000	88,200	91,065	103.2%	91,065
503-550-230	Retirement	124,176	81,665	145,500	145,500	137,850	94.7%	137,850
503-550-240	Health & Benefit Dollars	192,690	123,909	230,600	230,600	252,250	109.4%	252,250
503-550-250	Life Insurance	7,616	4,856	9,700	9,700	12,100	124.7%	12,100
503-550-260	Workers' Compensation	30,533	36,058	36,058	33,900	35,800	105.6%	35,800
503-550-270	Meals - Overtime	647	194	500	2,500	2,500	100.0%	2,500
	Subtotal:	\$ 1,439,232	955,717	1,646,461	1,660,900	1,721,919	103.7%	1,721,919
OPERATING SUPPLIES								
503-550-320	Shop Supplies	5,718	2,173	7,000	7,800	12,805	164.2%	12,805
503-550-330	Personal Protective Equipment	15,909	5,148	13,000	15,300	16,906	110.5%	16,906
503-550-360	Fuel, Oil & Grease	50,586	26,028	77,000	81,800	79,255	96.9%	79,255
503-550-370	¹ Heating Fuel	0	0	0	0	5,250	0.0%	5,250
503-550-380	Small Tools & Equipment	48,613	33,801	75,000	77,000	54,260	70.5%	54,260
	Subtotal:	\$ 120,841	67,160	172,000	181,900	168,476	92.6%	168,476
REPAIR & MAINTENANCE SUPPLIES								
503-550-400	Vehicle Supplies	\$ 11,185	7,524	15,500	17,300	19,670	113.7%	19,670
503-550-410	Materials - Water	64,448	38,901	82,000	82,000	82,000	100.0%	82,000
503-550-415	Materials - Hydrants	11,671	3,784	7,500	12,500	12,500	100.0%	12,500
503-550-420	Materials - Sewer	9,079	1,107	6,500	12,000	12,000	100.0%	12,000
503-550-425	¹ Building & Grounds Supplies	0	0	0	0	11,875	0.0%	11,875
503-550-430	Equipment Supplies	8,109	8,014	14,000	15,000	21,060	140.4%	21,060
503-550-460	Water Pump Station Supplies	23,961	7,492	51,000	58,400	58,250	99.7%	58,250
503-550-480	Sewer Pump Station Supplies	18,124	10,359	39,000	41,500	38,600	93.0%	38,600
	Subtotal:	\$ 146,577	77,182	215,500	238,700	255,955	107.2%	255,955

¹ All or most expenses moved from the Administration Department to the Maintenance Department

Maintenance Department

Code	Description	FY 2009 <u>Expended</u>	FY 2010	FY 2010	FY 2010 <u>Budget</u>	FY 2011	FY 2011	FY 2011
			Actual Expenses <u>To-Date(Jan)</u>	Anticipated Expenses <u>To-EOFY 2010</u>		Proposed Budget	as % of FY 2010	Adopted Budget
PROFESSIONAL & CONTRACTUAL SERVICES								
503-550-530	Labor - Outside Contract	\$ 8,338	5,156	15,000	14,700	29,700	202.0%	29,700
503-550-535	Uniform Rental	14,261	7,936	15,000	19,500	20,025	102.7%	20,025
503-550-561	¹ Building & Grounds Services	0	0	0	0	10,610	0.0%	10,610
503-550-590	¹ Other Contractual Services	0	0	0	0	10,131	0.0%	10,131
	Subtotal:	\$ 22,599	13,092	30,000	34,200	70,466	206.0%	70,466
REPAIRS AND MAINTENANCE								
503-550-600	Equipment Repair and Maintenance	\$ 26,063	-1,728	19,000	19,900	26,075	131.0%	26,075
503-550-620	¹ Building & Grounds Repair and Maintenance	0	0	0	0	6,000	0.0%	6,000
503-550-650	Vehicle Repair and Maintenance	27,657	6,135	20,000	30,500	25,825	84.7%	25,825
	Subtotal:	\$ 53,721	4,407	39,000	50,400	57,900	114.9%	57,900
OTHER SERVICES AND CHARGES								
503-550-700	Rental of Equipment	\$ 57	0	5,000	5,000	5,000	100.0%	5,000
503-550-760	Electricity - Water Pump Station	40,241	16,871	39,000	52,100	49,920	95.8%	49,920
503-550-761	Electricity - Sewer Pump Station	12,344	5,694	12,500	21,500	37,510	174.5%	37,510
503-550-780	Permits	545	360	800	2,100	3,000	142.9%	3,000
	Subtotal:	\$ 53,187	22,926	57,300	80,700	95,430	118.3%	95,430
CAPITAL OUTLAYS								
503-550-800	Office Equipment	\$ 0	0	0	0	0	0.0%	0
503-550-810	Furniture and Fixtures	0	0	0	0	0	0.0%	0
503-550-830	Machinery and Equipment	308,685	0	88,000	88,300	83,000	94.0%	83,000
	Subtotal:	\$ 308,685	0	88,000	88,300	83,000	94.0%	83,000
	TOTAL MAINTENANCE	\$ 2,144,840	1,140,482	2,248,261	2,335,100	2,453,146	105.1%	2,453,146

¹ All or most expenses moved from the Administration Department to the Maintenance Department

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Operating and Capital Improvement Budget

Fiscal Year 2011

Requests for Additional Staffing and the Purchasing of Equipment

Staffing:

- ◆ LAN Technician, Grade 13, Administration Department¹ – As a result of growth in the Authority operations, demands for support and maintenance of computer software and systems have increased. The new programs that have been implemented for Cross Connection, FOG, Hydraulic Modeling, the addition of equipment for CCTV sewer monitoring and GIS Data collection have generated additional help desk as well as recurring daily tasks of updating these systems and security methods. These additional duties are exceeding the amount of time available for staff to maintain Authority systems optimally. It is now necessary to supplement the new systems with additional staff. (Requested by the Manager of Information Systems)
- ◆ SCADA Technician, Grade 11, Administration Department – During recent meetings with the term consultant for the SCADA project, discussion took place regarding support and training of Authority personnel that will be responsible for this new equipment and data collection process. These discussions led to the recommendation that we have a designated staff member hired who will be responsible for SCADA configuration and maintenance hired and involved with the project from the initial installation of equipment. Currently the project is in the design phase but the Strategic Plan objectives listed defined time lines and this project will be progressing during this next budget cycle. (Requested by the Manager of Information Systems)

Equipment:

- ◆ Message Board Trailers (2) – To be used (initially) during the Unidirectional Flushing Program specified in the strategic plan. Currently, notices are printed and hand delivered when these activities are planned. It is our intention to place these units at entrances to subdivisions as a method of notifying our customers of flushing activities and even as a notification for smoking sewers, etc.
- ◆ Cues Upgrade for #20 Pipe Ranger Crawler 6" – 15" Track Transporter – The replacement of the existing sewer camera in Unit 20 will allow us to merge information from both camera units into one storage base and files. Since we currently have two systems that cannot be integrated, we cannot store and compare data efficiently. We have been monitoring production from both camera crews since the camera van has been in service. As a result of the newer technology, we are able to inspect approximately 50% more sewer lines per month with the Cues System compared to the older Possom System. The replacement of the older equipment will provide us with an eventual cost savings on our sewer line inspections by locating our infiltration issues more quickly and by allowing us to inspect more pipe with less labor costs per foot. (Requested by the Operations Manager)

¹ Request deferred until Fiscal Year 2012

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Operating and Capital Improvement Budget

Fiscal Year 2011

CAPITAL IMPROVEMENTS

Proposed Capital Improvements Fiscal Years 2011 - 2015

CAPITAL IMPROVEMENT PROJECTS	2010	2011	2012	2013	2014	2015
<u>Water System</u>	Budget	Budget	Forecast	Forecast	Forecast	Forecast
ACSA Facilities Improvement	64,000	43,250				
ACSA Facilities Paving	45,000	51,800				
Scottsville Street Upgrades		39,000				
Ragged Mountain Water Phase II & III, I	150,000					80,000
St. George Ave./Buck Rd Water Main Replacement	462,400	125,000	920,400	920,400		
Ashcroft Water Improvements	211,200	162,000				
West Leigh Drive Water Line Replacement						
West Leigh - Williston & Emerson Dr Water Line Replacement			313,000	313,000		
Owensville Rd Water Main						
Crozet Streetscape	53,500	53,500				
Camelot Pressure Reducing Valve						
Berwick Road Water Replacement	75,000		514,800			
Canterbury Hills Water Main Replacement	144,300	500,000				
Glenmore Water Tank Study - Glenmore Tank	125,000		401,100	1,704,300		
West Leigh Tank Study	125,000					
Hardware St Water Main Extension	512,300	434,500				
Buckingham Cl Water	122,400	300,000				
Ashcroft Pump Station	15,000	15,000				
Key West Water Replacement		40,000	425,000	715,000	715,000	715,000
Kearsarge - Flordon Water Connection			645,000			
Orchard Acres Water Replacement			510,900	1,024,550	1,024,550	
Western Ridge - Foxchase Water Connection			340,000			
Proffit Rd - Jefferson Village Replacement						705,500
Berkeley Water Replacement					1,378,800	1,378,800
Carrsbrook Transite Water Replacement					330,000	1,102,000
Baker Butler - Forest Lakes Water Connection					142,700	
Hollymeade Water Main Replacement Ph. 1	376,000	175,000	376,000	176,000		
Arden Place		24,600				
Jackson St Water Replacement		95,700				
Shoppers World Water Relocation	176,800		170,000			
West Leigh Transite Water Replacement				200,000	200,000	200,000
SCADA System	75,000	190,000	185,000	216,500		
Pump Station Upgrades	160,000					
Valve Insertion	81,200					
Large Meter Testing, Random Meter Testing	200,000	200,000	250,000			
Developer Participation	50,000	50,000	50,000	50,000	50,000	50,000
Total Water Capital Projects	3,224,100	2,499,350	5,101,200	5,319,750	3,841,050	4,231,300

The projects proposed in this capital improvement program reflect the intent of the Albemarle County Service Authority at the date of adoption. Any number of factors could change the viability of any proposed project and, furthermore, projects not included in the program may be undertaken.

Proposed Capital Improvements Fiscal Years 2011 - 2015

CAPITAL IMPROVEMENT PROJECTS	2010	2011	2012	2013	2014	2015
<u>Wastewater System</u>	Budget	Budget	Forecast	Forecast	Forecast	Forecast
ACSA Facilities Improvement	64,000	43,250				
ACSA Facilities Paving	45,000	51,800				
Georgetown Green Sewer Replacement	109,400		109,400			
Oak Hill		828,300	605,000			
Boar's Head Inn Sewer Replacement	61,500					
Crozet SSES	148,400					
North Fork Regional Pump Station Project	5,770,450	9,675,700	4,837,900		300,000	
Meadowcreek Drainage Basin Sewer Rehab	2,000,000	1,294,000				
Northfields Sewer	173,600				288,000	
Scottsville Sewer Ph. II	58,200	131,300				
Buckingham CI Sewer	183,600	730,000				
Redfields Pump Station	19,000	19,000				
Glenmore Pump Station	11,000	11,000				
Biscuit Run Drainage Basin SSES		100,000	252,000			
Scottsville SSES		50,000				
Carrsbrook Collection System						320,000
Hessian Hills Sewer			81,300			
Miscellaneous Sewer Rehabilitation			350,000	350,000	350,000	350,000
Oak Forest Pump Station - Gravity Sewer					413,000	
Springfield Pump Station					207,500	
SCADA System	75,000	190,000	185,000	216,500		
Developer Participation	50,000	50,000	50,000	50,000	50,000	50,000
Total Wastewater Capital Projects	8,769,150	13,174,350	6,470,600	616,500	1,608,500	720,000

The projects proposed in this capital improvement program reflect the intent of the Albemarle County Service Authority at the date of adoption. Any number of factors could change the viability of any proposed project and, furthermore, projects not included in the program may be undertaken.

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Operating and Capital Improvement Budget

Fiscal Year 2011

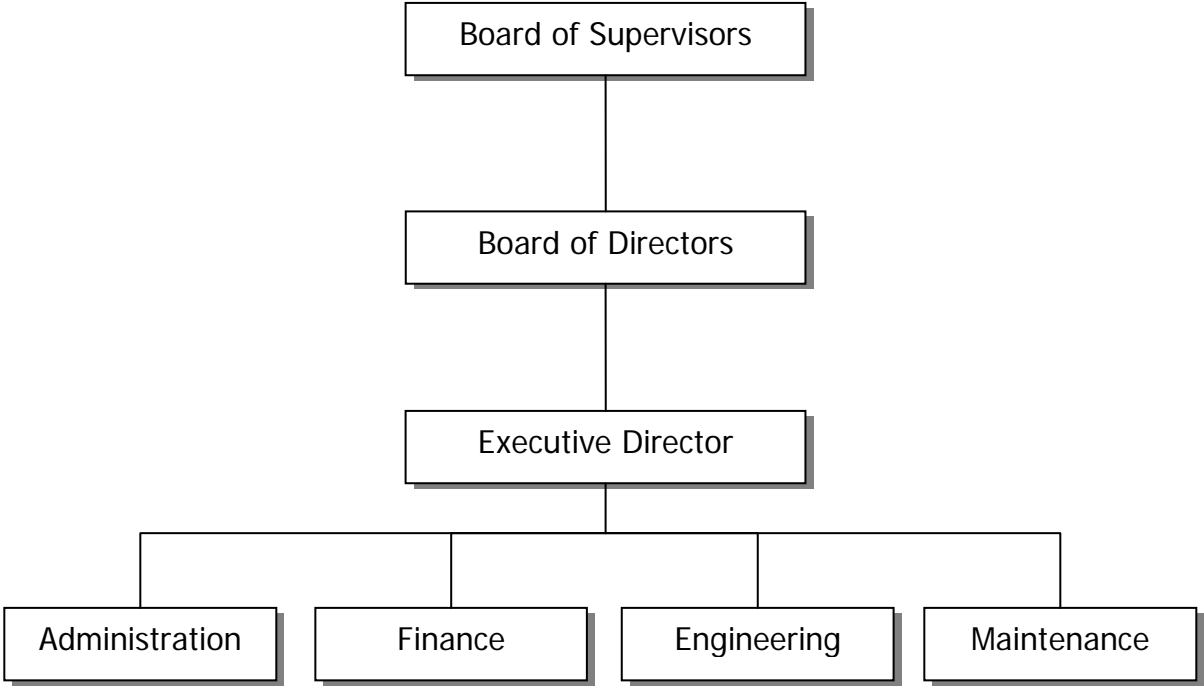
ORGANIZATIONAL CHART

&

STAFFING

Albemarle County Service Authority

Organizational Chart



Departmental Staffing

	<u>Current Number of Positions</u>	<u>Proposed & Adopted Number of Positions</u>
ADMINISTRATION		
Executive Director	1	1
Manager of Information Systems	1	1
Administration Supervisor	1	1
Applications Programmer	1	1
Information Systems Coordinator	1	1
SCADA/LAN Technician (was LAN Technician)	0	1
SCADA Technician	0	0
Administrative Associate	3	3
FINANCE		
Finance Director	1	1
Accountant	1	1
Meter Operations Supervisor	1	1
Customer Service Supervisor	1	1
Accounting Technician	2	2
Customer Service Representative	3	4
Meter Technician	4	4
Office Associate	1	0
ENGINEERING		
Engineering Director	1	1
Senior Civil Engineer	2	2
Civil Engineer	1	1
Modeling Engineer	1	1
Environmental Compliance Specialist	1	1
Regulatory Compliance Specialist	1	1
Construction Inspector	5	5
Senior Utility Location Technician	1	1
Utility Location Technician	1	1
Engineering Technician	1.6	1.6
MAINTENANCE		
Operations Manager	1	1
Operations Supervisor	1	1
Facilities Supervisor	1	1
Electrician/Pump Technician	1	1
System Quality Technician	2	2
Crew Leader	4	4
Equipment Operator	7	7
Utility Worker	13	13
TOTAL	67.6	68.6

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Operating and Capital Improvement Budget
Fiscal Year 2011

RATES, FEES, AND RESERVES

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Rate Projections

			Projected Increase 1% Per Year (3-year average)			
	2010	2011	2012	2013	2014	2015
(in 1,000 gallons)						
Single Family-Residential Water Consumption	721,049	721,049	728,259	735,542	742,898	750,326
Multi-Family Residential Water Consumption	380,427	381,907	385,726	389,583	393,479	397,414
Commercial (Offices) Water Consumption	38,075	36,577	36,943	37,312	37,685	38,062
Commercial (Other) Water Consumption	258,240	258,960	261,550	264,165	266,807	269,475
Industrial Water Consumption	32,081	20,746	20,953	21,163	21,375	21,588
Institutional Water Consumption	144,065	164,292	165,935	167,594	169,270	170,963
Non Single Family-Residential Irrigation	36,538	37,305	37,678	38,055	38,435	38,820
Non Single Family-Residential Water Consumption	889,426	899,787	908,785	917,873	927,051	936,322
Total Water Consumption	1,610,475	1,620,836	1,637,044	1,653,415	1,669,949	1,686,648
Total Sewer Consumption	1,288,134	1,290,856	1,298,293	1,311,276	1,324,389	1,337,632
Net Revenue - Water (Users)	\$ 9,713,436	\$ 9,618,284	\$ 10,313,275	\$ 11,017,770	\$ 11,466,182	\$ 11,916,325
Net Revenue - Sewer (Users)	\$ 9,287,367	\$ 9,307,072	\$ 9,737,198	\$ 10,227,953	\$ 10,634,844	\$ 11,062,217
Service Charges	\$ 1,353,119	\$ 1,366,650	\$ 1,435,529	\$ 1,507,880	\$ 1,568,648	\$ 1,631,864
Potential Surplus (Deficit)		\$ 164,089				

	2010	2011	% Increase	2012	2013	2014	2015
Billing Service Charge per Month	\$ 3.25	\$ 3.25		\$ 3.51	\$ 3.79	\$ 3.90	\$ 4.02
Meter Service Charge per Month (5/8" Meter) *	\$ 2.90	\$ 2.90		\$ 3.13	\$ 3.38	\$ 3.48	\$ 3.59
Total Service Charge (5/8" Meter) *	\$ 6.15	\$ 6.15	0%	\$ 6.64	\$ 7.17	\$ 7.38	\$ 7.61

* Meter service charges per month vary by meter size

	2010	2011	% Increase	2012	2013	2014	2015
Residential Water Rates per 1,000 Gallons				8%	8%	5%	3%
Level 1: 0 - 3,000 gallons per Month	\$ 3.32	\$ 3.31	-0.30%	\$ 3.59	\$ 3.87	\$ 3.99	\$ 4.11
Level 2: 3,001 - 6,000 gallons per Month	\$ 6.64	\$ 6.62	-0.30%	\$ 7.18	\$ 7.74	\$ 7.98	\$ 8.22
Level 3: Over 6,001 - 9,000 gallons per Month	\$ 9.96	\$ 9.93	-0.30%	\$ 10.77	\$ 11.61	\$ 11.97	\$ 12.33
Level 4: Over 9,000 gallons per Month	\$ 13.28	\$ 13.24	-0.30%	\$ 14.36	\$ 15.48	\$ 15.96	\$ 16.44
Non Single-Family Residential Water Rate - per 1,000 Gallons	\$ 6.19	\$ 6.19	0%	\$ 6.44	\$ 6.70	\$ 6.90	\$ 7.10
Sewer Rate per 1,000 Gallons	\$ 7.21	\$ 7.21	0%	\$ 7.50	\$ 7.80	\$ 8.03	\$ 8.27

Water Rates During Emergency Water Restrictions:

Residential Water Rates per 1,000 Gallons	
Level 1: 0 - 3,000 gallons per Month	\$ 4.15
Level 2: 3,001 - 6,000 gallons per Month	\$ 9.96
Level 3: Over 6,000 gallons per Month	\$ 19.92
Level 4: Over 9,000 gallons per Month	\$ 26.56
Non Single-Family Residential Water Rate - per 1,000 Gallons	\$ 9.29

Projected Capacity & Connection Fees

	2010	2011	Projected			
	2010	2011	2012	2013	2014	2015
Water System - Projected CIP Costs	\$ 3,224,100	\$ 2,499,350	\$ 5,101,200	\$ 5,319,750	\$ 3,841,050	\$ 4,231,300
Wastewater System - Projected CIP Costs	\$ 8,769,150	\$ 13,174,350	\$ 6,470,600	\$ 616,500	\$ 1,608,500	\$ 720,000

	2010	2011	% Increase
Water System Development Fees per ERC	\$ 1,640	\$ 1,772	8%
Water Rivanna Capacity Fees per ERC	\$ 3,725	\$ 3,822	3%
Sewer System Development Fees per ERC	\$ 1,995	\$ 2,155	8%
Sewer Rivanna Capacity Fees per ERC	\$ 2,680	\$ 2,756	3%

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Operating and 3R Reserves

Anticipated Reserves

	2010	2011	2012	Projected		2015
				2013	2014	
FY 2010 - Beginning Operating & Maintenance Reserve	\$ 3,015,000					
Water Reserves	\$ -	\$ 202,821	\$ 211,156	\$ 217,491	\$ 224,016	\$ 230,736
Sewer Reserves	\$ -	\$ 153,005	\$ 158,888	\$ 163,655	\$ 168,565	\$ 173,622
Accumulated Operating & Maintenance Reserve	\$ 3,015,000	\$ 3,370,826	\$ 3,740,870	\$ 4,122,016	\$ 4,514,597	\$ 4,918,955
FY 2011's % of Target Fund Balance		75.78%				
Equivalent Days		68				

	2010	2011	2012	Projected		2015
				2013	2014	
Beginning 3R Reserve	\$ 7,167,342					
Utilize Reserves for Anticipated Capital Projects	\$ (1,490,678)	\$ (1,925,000)	\$ (2,000,000)	\$ (500,000)	\$ (500,000)	\$ (500,000)
3R Reserve	\$ 123,574	\$ 377,216	\$ 300,000	\$ 300,000	\$ 600,000	\$ 600,000
Accumulated 3R Reserve	\$ 5,800,238	\$ 4,252,454	\$ 2,552,454	\$ 2,352,454	\$ 2,452,454	\$ 2,552,454
FY 2011's % of Target Contribution:		40.00%				

Projected Debt Service

Wastewater Capital Project	\$ -	\$ 9,650,000	\$ 4,850,000	\$ -	\$ -	\$ -
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Base Assumptions

Average Cost Increases:	3.0%
Interest Rate on Borrowings:	5.0%
Growth Rate Customer:	1.0%
Consumption Growth Rate:	1.0%
Interest Earned on Investments:	1.0%
Estimated Consumption:	270 gallons per day (1 ERC)
O&M Reserve:	Target 90 Days Operating Expense
Repair, Renewal & Replacement "3R" Reserve:	Target Contribution = 1% of System Assets

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Rate & Revenue Comparisons			Revenue Comparison FY 2010			Revenue Comparison FY 2011 with 1% Increase in Projected Consumption		
Customer Type	Projected Usage (1000 gal.)	Rates	Projected Revenue	Projected Usage (1000 gal.)	Rates	Projected Revenue		
Monthly Service Charge		Varies	\$ 1,353,119		Varies	\$ 1,366,650		
All Single-Family Residential Water								
Level 1 Domestic Irrigation	409,680	\$3.32	\$ 1,360,138	425,790	\$3.31	\$ 1,409,365		
	6,096		\$ 20,239	7,887		\$ 26,106		
Level 2 Domestic Irrigation	169,883	\$6.64	\$ 1,128,023	171,690	\$6.62	\$ 1,136,588		
	6,185		\$ 41,068	7,887		\$ 52,212		
Level 3 Domestic Irrigation	45,420	\$9.96	\$ 452,383	48,073	\$9.93	\$ 477,365		
	6,185		\$ 61,603	7,887		\$ 78,318		
Level 4 Domestic Irrigation	60,210	\$13.28	\$ 799,589	41,205	\$13.24	\$ 545,554		
	17,390		\$ 230,939	10,630		\$ 140,741		
Total Single-Family Residential Water	721,049		\$ 4,093,982	721,049		\$ 3,866,249		
Non Single-Family Residential Water (Domestic)	852,888	\$6.19	\$ 5,279,380	862,482	\$6.19	\$ 5,279,380		
Level 1 Irrigation	475	\$3.32	\$ 1,577	475	\$3.31	\$ 1,572		
Level 2 Irrigation	388	\$6.64	\$ 2,576	388	\$6.62	\$ 2,569		
Level 3 Irrigation	1,155	\$9.96	\$ 11,504	1,155	\$9.93	\$ 11,469		
Level 4 Irrigation	34,520	\$13.28	\$ 324,418	35,287	\$13.24	\$ 457,045		
Total Non-Single-Family Residential Water	889,426		\$ 5,619,454	899,787		\$ 5,752,035		
Total Projected Water Usage & Revenue	1,610,475		\$ 9,713,436	1,620,836		\$ 9,618,283		
Total Projected Sewer Usage & Revenue	1,288,134	\$7.21	\$ 9,287,367	1,290,856	\$7.21	\$ 9,307,072		
Total Operating Revenue			\$ 20,353,922			\$ 20,292,006		

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FY 2011 RATES PROPOSED - Comparison of Average Monthly Bills (per unit)

Rates:	<u>Current</u>	<u>Proposed</u>
Service Charge	\$6.15	\$6.15
Water, SFR - Level 1	\$3.32	\$3.31
Water, SFR - Level 2	\$6.64	\$6.62
Water, SFR - Level 3	\$9.96	\$9.93
Water, SFR - Level 4	\$13.28	\$13.24
Water, Non-Residential	\$6.19	\$6.19
All Sewer	\$7.21	\$7.21

Varies, based upon meter size.

Please note:

1) The figures for average monthly usage are based upon end of Fiscal Year 2009 information.

2) The service charge is calculated per meter, not per unit.

Single-Family Residential

Avg. Monthly Usage 4,100	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water - Level 1	\$9.96	\$9.93	-0.30%
Water - Level 2	\$7.30	\$7.28	-0.30%
Water - Level 3	\$0.00	\$0.00	0.00%
Sewer	\$29.56	\$29.56	0.00%
	<u>\$52.98</u>	<u>\$52.92</u>	<u>-0.10%</u>

Commercial (Other)

Avg. Monthly Usage per Unit 18,800	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water	\$116.37	\$116.37	0.00%
Sewer	\$135.55	\$135.55	0.00%
	<u>\$258.08</u>	<u>\$258.08</u>	<u>0.00%</u>

Multi-Family Residential

(per unit)

Avg. Monthly Usage per Unit 3,400	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water	\$21.05	\$21.05	0.00%
Sewer	\$24.51	\$24.51	0.00%
	<u>\$51.72</u>	<u>\$51.72</u>	<u>0.00%</u>

Industrial

Avg. Monthly Usage per Unit 82,900	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water	\$513.15	\$513.15	0.00%
Sewer	\$597.71	\$597.71	0.00%
	<u>\$1,117.01</u>	<u>\$1,117.01</u>	<u>0.00%</u>

Commercial (Offices)

Avg. Monthly Usage per Unit 11,100	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water	\$68.71	\$68.71	0.00%
Sewer	\$80.03	\$80.03	0.00%
	<u>\$154.89</u>	<u>\$154.89</u>	<u>0.00%</u>

Institutional

Avg. Monthly Usage per Unit 9,200	<u>Current</u>	<u>Proposed</u>	<u>Increase</u>
Service Charge	\$6.15	\$6.15	0.00%
Water	\$56.95	\$56.95	0.00%
Sewer	\$66.33	\$66.33	0.00%
	<u>\$129.43</u>	<u>\$129.43</u>	<u>0.00%</u>

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Calculation Details

ACSA System Development Fees

	<u>Water System</u>	<u>Sewer System</u>	<u>Total</u>
ACSA Asset Value (FY 2009 Audited Figures)	\$ 59,195,784	\$ 65,652,134	\$ 124,847,917
Less: Contributed Capital (From Developers)	<u>(35,401,313)</u>	<u>(41,558,064)</u>	<u>(76,959,377)</u>
ACSA Paid in Equity	\$ 23,794,470	\$ 24,094,070	\$ 47,888,540
 Plus Future Planned Improvements	 \$ 5,015,050	 \$ 12,764,900	
 Equivalent Number of Customers (Current System)	 16,065	 13,069	
Newly Served Customers (Future Planned Improvements)	114	4,031	

System Development Fee - Proposed Charge per ERC	\$ 1,772	\$ 2,155
Current System Development Fee - Charge per ERC	\$ 1,640	\$ 1,995
% Increase	8%	8%

Rivanna Capacity Fees

	<u>Water System</u>	<u>Sewer System</u>	<u>Total</u>
RWSA Capital Asset Value (1)	\$ 59,230,628	\$ 76,950,380	\$ 136,181,008
**Less Construction in Progress (FY 2006 New Debt, Capacity)	(1,773,430)		
FY 2008 New Debt (Maintain) (2)	<u>14,351,000</u>	<u>55,837,000</u>	<u>70,188,000</u> *
Total Capital Assets	\$ 71,808,198	\$ 132,787,380	\$ 206,369,008
 FY 2006 New Debt (New Capacity Cost) (2)	 1,773,430	 -	
FY 2008 New Debt (Expansion) (2)	<u>32,726,000</u>	<u>4,464,000</u>	
	\$ 34,499,430	\$ 4,464,000	
 Additional ERC's to be served (New ERCs = 6.7 mgd / 270 gpd)	 24,815	 20,611	
	<u>Water System</u>	<u>Sewer system</u>	
ACSA Portion of Rivanna Assets - 56% (4)	\$ 40,212,591	\$ 74,360,933	
Total Current and Available ERC's	<u>38,578</u>	<u>32,356</u>	
	\$ 1,042	\$ 2,298	
ACSA Portion of Expansion: Water is 65%, Sewer is 46% (3)	\$ 44,834,071	\$ 4,327,967	
ACSA Share of Total ERC's	<u>16,130</u>	<u>9,481</u>	
	\$ 2,780	\$ 456	

Rivanna Capacity Fee - Proposed Charge per ERC	\$ 3,822	\$ 2,756
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Current Rivanna Capacity Fee - Charge per ERC	\$ 3,725	\$ 2,680
% Increase	3%	3%

Notes:

- (1) - From Rivanna 2009 CAFR
- (2) - New Debt figures derived from Cost Allocation Agreement, 03/12/2008
- (3) - Renegotiation of Percentages from the South Rivanna Expansion and Community Water Supply 2003 Agreement
- (4) - Allocation of Assets based upon % of capacity used (56% for ACSA)

* The schedule for Rivanna Capacity fees has been modified (slightly) to account, not for ACSA's share of annual debt service payments, but for ACSA's share of total debt, refunding and new, as an increase in total capital assets.

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