



# Fiscal Year 2023 Annual Operating and Capital Improvement Budget

July 1, 2022 to June 30, 2023



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April 21, 2022

Board of Directors  
Albemarle County Service Authority  
Charlottesville, Virginia

Dear Board Members:

The Albemarle County Service Authority (ACSA) mission remains serving our customers by providing safe, clean, and reliable Albemarle water for an excellent value. This has been especially important in this past year to ensure safe drinking water as the community continues to recover and move forward from the COVID-19 pandemic. We remain committed to working with our community partners as we maintain and improve our utility system in a timely, cooperative, and financially responsible manner. The proposed Fiscal Year 2023 Budget totals \$46,212,150 and reflects our continuing commitment to safe, clean, reliable Albemarle Water at a good value.

Over the past ten years, the ACSA has invested nearly \$67 million in capital improvements to ensure system reliability, redundancy, and high-quality water and sewer systems. In Fiscal Year 2023, the ACSA proposes to spend \$8,178,050 on ACSA capital improvements to further enhance safe drinking water delivery, the collection of wastewater for treatment and modernization of critical infrastructure and processes. We continue our investment in improving our water and sewer infrastructure through this proposed budget.

Our regional partner, the Rivanna Water and Sewer Authority (RWSA), is also continuing their needed investment and upgrades in the water and wastewater systems over the next five years. These projects strategically address the water supply, drinking water and wastewater treatment facilities required to meet the requirements of State and Federal regulations, as well as the reliability, capacity, and quality expectations of our community. During this five-year period, the RWSA CIP will significantly strengthen the drinking water systems with expenditures of \$155M for essential projects and include:

- Renovations and Upgrades to the South Rivanna and Observatory Water Treatment Plants
- Additional granular activated carbon water filtering facilities at the Observatory Water Treatment Plant
- Replacement of raw water piping and pumping stations from Ragged Mountain Reservoir to the Observatory Water Treatment Plant
- An additional water pumping station and piping location near Airport Road to better serve the northern portion of the ACSA water system

- Modifications to the Beaver Creek Reservoir Dam, pump station and piping.
- A major urban area water distribution pipe, the Central Water Line to enhance hydraulic connectivity and improve system flexibility and reliability

The RWSA will also work to complete significant improvements to the wastewater treatment and piping facilities to ensure our environment is protected. The five-year CIP includes \$45M for essential wastewater projects and include:

- Replacement of major electrical systems at Moores Creek
- Renovations and repairs to wastewater facilities (Moores Creek, Scottsville, Glenmore, and Crozet pump stations and piping)
- Repairs and replacement of wastewater piping and manholes

Additionally, the RWSA is upgrading its asset management, security system, and radio upgrades which are not water or wastewater specific but are budgeted in the RWSA CIP totaling \$5M.

Combined, these critical projects listed above and others throughout the system carry an expected cost over the five-year period of over \$205M, and as one of the RWSA's two customers, the ACSA is responsible for nearly 60% of RWSA's annual debt service. Charges from the RWSA make up nearly 62% of the ACSA's total operating budget, thus when these costs increase, it dramatically impacts our budget and customer rates.

The ACSA and RWSA continuously collaborate to ensure our customers are well served, and that the rate increases that we must pass along to our customers are fair, provide good value, and don't significantly fluctuate year-to-year. Staff from both the ACSA and RWSA work closely to ensure critical projects are completed in a timely and financially responsible manner.

The Fiscal Year 2023 Budget considers continued impacts from the pandemic and the need for continued investment in our water and wastewater systems. We anticipate leveraging financial reserves strategically in conjunction with a modest increase in customer rates at a time of rapid inflationary costs. This increase is explained in greater detail throughout this document and necessary as we responsibly plan for the future. We expect future capital project needs of both the ACSA and RWSA to continue and expect costs related to these projects to continue to increase.

We are pleased to present the ACSA's Proposed Operating and Capital Improvement Budget for Fiscal Year 2023 (July 1, 2022 to June 30, 2023). The FY 2023 budget continues to address long-term strategic initiatives that benefit our customers, while being especially mindful of economic restraints. After a comprehensive rate study and review of RWSA costs for water and wastewater treatment, we project an increase of \$2.4M or 10.9% for water/wastewater treatment and debt service. We will continue to invest in improving our water and sewer infrastructure through this proposed budget.

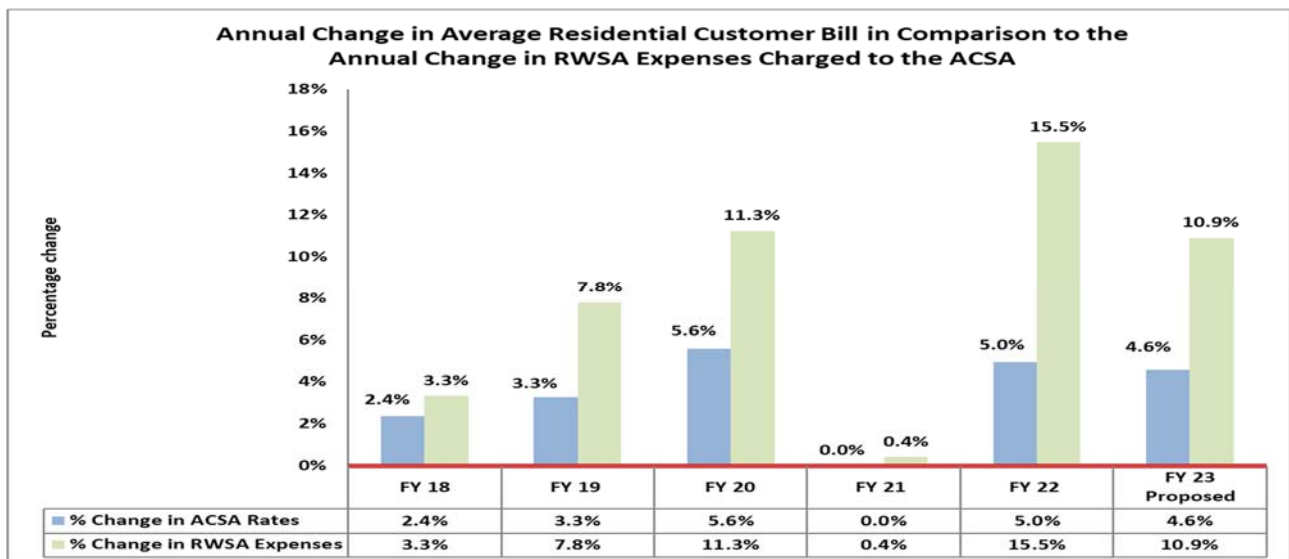
The average residential customer using 3,200 gallons, will see an increase in their water and sewer bill of 4.6% or \$2.60 per month. The proposed rates support increases in water/sewer treatment costs and other operational/capital initiatives that enable the ACSA to continue to provide safe, clean reliable service to our customers.

### ACSA Water and Sewer Monthly User Rates

	FY 2022	FY 2023
<b>Service Charge</b>	\$ 9.00	\$ 9.45
<b>Volume Charge - Single-Family Residential (per 1,000 gallons)</b>		
Level 1 (0-3,000 gallons)	\$ 4.70	\$ 5.05
Level 2 (3,001-6,000 gallons)	\$ 9.43	\$ 10.14
Level 3 (6,001-9,000 gallons)	\$14.13	\$ 15.19
Level 4 (over 9,000 gallons)	\$18.86	\$ 20.27
<b>Multi-Family/Non-Residential (per 1,000 gallons)</b>	\$ 9.09	\$ 10.14
<b>Sewer/All Users (per 1,000 gallons)</b>	\$ 9.94	\$ 10.24

Even with the rate increase, one penny continues to buy nearly two gallons of water, which is a very good value for the ACSA’s reliable, high quality, and safe drinking water.

Four of the last five years, ACSA customers have seen changes in the monthly user rates. The ACSA did not increase rates in FY 21 as a way to limit economic impacts on our customers in the early stages of the pandemic. This budget, beginning July 1, 2022, proposes an increase of 4.6% for an average water/sewer customer. The average increase over the prior five years is 3.2%.



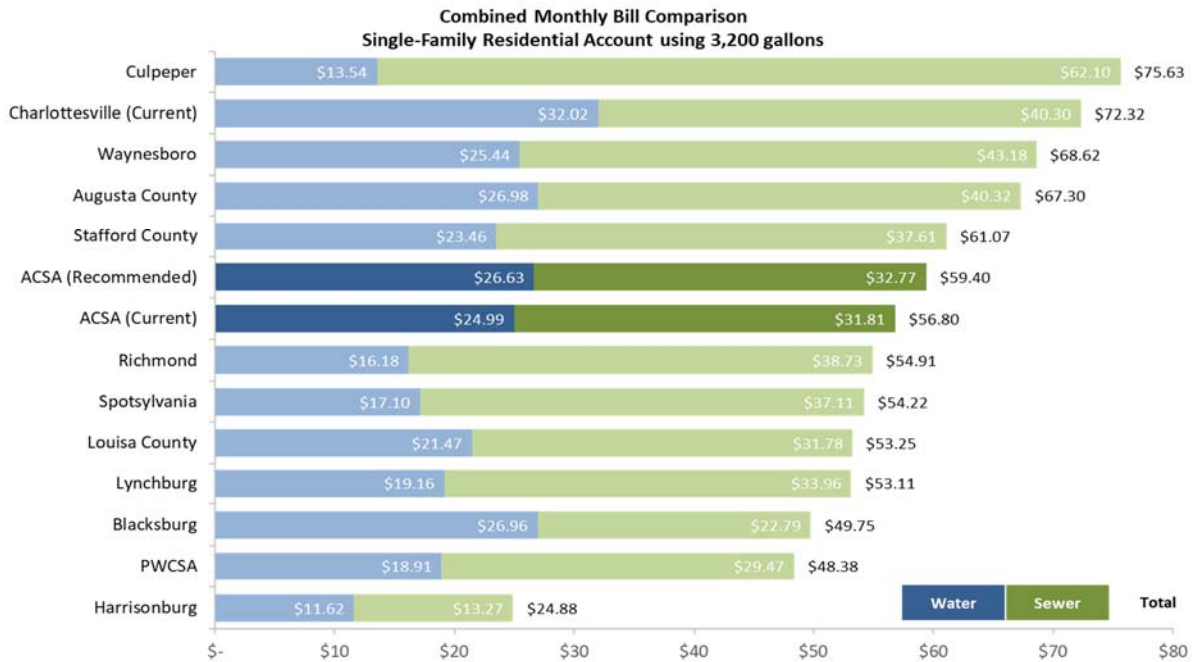
Following an extensive analysis of costs through a formal rate study, we propose that the monthly service charge be increased. The service charge for a 3/4" meter will increase to \$9.45 per month, a \$0.45 increase over the prior year. This update reflects the actual base cost of services provided.

### Rate Design – Monthly Service Charges

Meter Size (inches)	Approx. # of Water Customer Accounts by Size	Current	Recommended
		FY 2022	FY 2023
3/4	20,100	\$9.00	\$9.45
1	720	\$ 17.28	\$ 23.63
1 ½	420	\$ 31.13	\$ 47.25
2	160	\$ 47.72	\$ 75.60
3	55	\$ 92.02	\$ 151.20
4	20	\$ 141.83	\$ 236.25
6	0	\$ 272.03	\$ 472.50

The service charge covers the cost to appropriately allocate ACSA revenue requirements among users of the entire system based on the cost of providing service. This includes the costs for distribution, metering and administration which is shared among the customer classes. Additionally, the rate study identified a need to adjust service charges for meters ranging in size from 1"-6" and align with American Water Works Association (AWWA) standard meter size equivalents. This change mirrors the ACSA's Equivalent Residential Connection (ERC) calculation for new connections and provides a consistent basis for this charge.

The ACSA average customer bill has been less than the statewide average and is less than the City of Charlottesville’s current comparable residential bill by nearly 18%.



The Proposed ACSA Fiscal Year 2023 Operating Expenses total \$31,485,400, as compared to \$28,258,600 for the current budget year (FY 2022). This represents an increase of \$3,226,800, or 11.4% over the previous year. Our Capital Improvement Program (CIP) is proposed to be \$8,178,050, as compared to the current budget of \$11,169,265, and includes a continuation of major capital investment in our system, with an emphasis on needed water/wastewater main replacements, pump station upgrades and extension of public sewer to existing subdivisions. Additionally, the Authority has proposed a number of “non-utility” projects to address operational improvements, such as: mitigation of risk to increase resiliency of critical water and wastewater assets; Geographic Information System (GIS) and Computerized Maintenance Management System (CMMS) consulting services for Information Technology (IT) system improvements; recommendations from the IT Security Assessment; analysis of a new billing system; increased energy conservation throughout all our operations; and development of a satellite maintenance yard.

This budget also proposes that water and sewer connection charges for new development remain at the current total rate, water at \$6,650 per Equivalent Residential Connection (ERC) and sewer at \$6,820 per ERC. This is based on a formal rate model and detailed analysis, conducted in 2022, of the cost of providing new connections to the ACSA and RWSA systems, and the needed capacity to be able to serve new development. Capacity related projects create the need to re-evaluate connection charges on an annual basis to assure that growth is paying for growth.



Balancing the delivery of quality water and wastewater treatment, investing in the ACSA's water and sewer system infrastructure, improving service delivery, and providing an elevated level of service to our customers in an era of increasing inflation are some of the most important challenges facing the ACSA. To manage these challenges, these budgets are built on a solid foundation of over 58 years of water and sewer utility service to our customers in the Albemarle, Crozet, and Scottsville communities.

Two years ago, the ACSA released its 2020-2022 Strategic Plan, a roadmap for the immediate future that is specifically focused on efforts designed to benefit the ACSA and its customers as it lays the groundwork for a successful decade. Consistent with our Strategic Plan, this proposed budget includes several new initiatives to help leverage our assets and technology, which will improve operational efficiency throughout the ACSA. These initiatives are presented in detail throughout the budget document.

The ACSA will increase efficiency by upgrading or replacing all of our meters to incorporate an advanced metering infrastructure (AMI) system. This proven technology, under the program name MyWater, will enable our customers to view their water usage in near real-time, allowing them to keep a close eye on their bills. Customers will even be able to setup text, phone, and email alerts that will notify them about potential leaks and high bills before they can harm their bank accounts or unnecessarily waste water.

At the same time, ACSA staff will use MyWater to gain valuable information about how the water system is performing. We will be able to more rapidly identify problem areas and expedite leak detection. This will enable us to make repairs before volumes of water are wasted. We will also be able to alert customers about possible leaks on their property.

The ACSA, through its benchmarking work with the American Water Works Association (AWWA), also determined that its previous maintenance management system was not meeting the long-term needs of the utility. A new Computerized Maintenance Management System (CMMS) has been deployed and has advanced our ability to manage essential work assignments and introduce new levels of efficiency throughout our entire organization. This new system will also provide customer online service requests, allowing customers to initiate requests 24 hours a day and 7 days a week; improved inventory and asset management; and enhanced tracking of work orders and asset inspections for greater efficiency and customer response.

To everyone involved in the budget development process, we thank you. We also would like to thank the ACSA Leadership Team of Mike Lynn, Pete Gorham, April Walker, Emily Roach, and the ACSA staff for their work in developing the operating budget, and to Pete Gorham, Jeremy Lynn, Alexander Morrison and the Engineering staff for the development of the Capital Improvement Program (CIP) Budget. The proposed FY 2023 Budget allows the ACSA to meet our vision for a strong operational and financial future, while ensuring improvements to the system and a high level of service to our customers continues.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary O'Connell". The signature is fluid and cursive, with the first name "Gary" being the most prominent.

Gary O'Connell  
Executive Director

A handwritten signature in black ink, appearing to read "Quin Lunsford". The signature is cursive and somewhat stylized, with a long horizontal stroke at the end.

Quin Lunsford  
Director of Finance

**History:**

In 1964, the Albemarle County Service Authority (ACSA) was created by action of the Albemarle County Board of Supervisors. Beginning in Crozet and growing into the Urban Areas of Albemarle County and the Town of Scottsville, the ACSA is Albemarle County's water and sewer retail provider. The ACSA celebrates its 58<sup>th</sup> year of water and sewer service to the Albemarle Community.

**Employees:**

Nearly 80 dedicated employees work within five different operating departments within the ACSA: Administration, Engineering, Finance, Information Technology, and Maintenance. Our employees are the backbone of the quality services that the ACSA provides to its customers.

**Drinking Water Quality:**

With a strong emphasis on water quality, the ACSA maintains the water system, provides ongoing system upgrades, and provides water quality testing to meet and exceed all regulatory requirements. The ACSA ensures high quality drinking water to all our customers by performing over 400,000 tests annually. Additional testing information can be found in our annual drinking water quality report at [www.serviceauthority.org](http://www.serviceauthority.org).

**Age of Pipes:**

The ACSA water system has a variety of ages, types and conditions of pipes and facilities. We have an ongoing assessment to be sure our water mains deliver reliable water service. We have been active in water main replacement and our annual capital program investment meets our replacement needs. A recent analysis indicated that 50% of our water and sewer mains are less than 25 years old, when a 60-year life can be expected.

**Water Distribution System:**

ACSA delivers water through 364 miles of interconnected pipes, 9 water pumping stations, 8 water storage tanks, and 3,121 fire hydrants.

**Sewer Collection System:**

Over 316 miles of sanitary sewer mains and 11 sewer pumping stations comprise the ACSA sewer collection systems for businesses and residences in our service area.

**Cost for Gallon of Water:**

ACSA water is an excellent value, with over 1.98 gallons of ACSA water costing one cent.

**ACSA Service Area:**

The ACSA provides service to over 81,800 residents, with over 21,400 retail accounts in six magisterial districts: Rio, Jack Jouett, Rivanna, Scottsville, Samuel Miller, and White Hall.

**Financial Performance:**

The ACSA's financial performance remains very strong and sustainable. With a very low level of debt, the ACSA can fund most capital projects out of the annual budgets and use of financial reserves. The ACSA's Annual Comprehensive Financial Report for the year ended June 30, 2021, from which the information within the Budget Appendices/Supplemental Section (Section VI) has been drawn, has been submitted to the Government Finance Officers Association of the United States and Canada (GFOA) for award consideration for the Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Albemarle County Service Authority, for its Annual Budget for the fiscal year beginning July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**Customer Service:**

ACSA communicates valuable customer related information through bill inserts, quarterly newsletters, the website [www.serviceauthority.org](http://www.serviceauthority.org), Twitter, Facebook, and Instagram. An after-hours emergency phone service receives and routes alerts staff to emergencies or other matters that require immediate attention. We can be contacted at (434) 977-4511 or [www.serviceauthority.org](http://www.serviceauthority.org) by selecting "Service Request."

**Governance:**

ACSA's Board of Directors establishes policies and guides the overall strategic direction of our organization. The Board is composed of six members representing the six magisterial districts of Albemarle County. The ACSA Board members also set rates, charges, and fees, and approve the budget for the Authority. The Executive Director reports to the Board and manages the day-to-day operations and performance of the ACSA.

**ACSA Financial Information:**

- FY 2023 Total Op./Non-Op. Budget: \$38,034,100
- FY 2023 Capital Improvements Budget: \$8,178,050



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Albemarle County Service Authority  
Virginia**

For the Fiscal Year Beginning

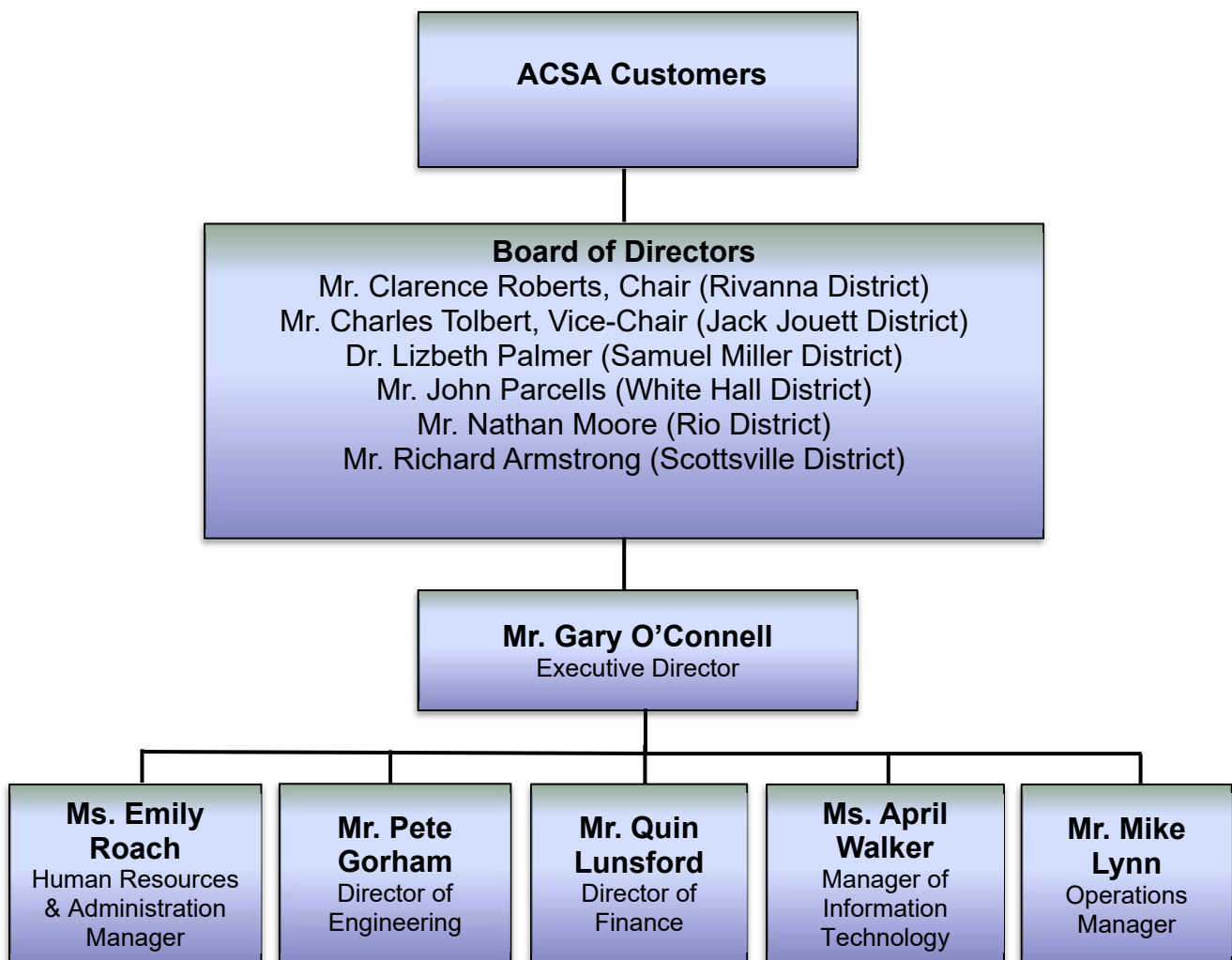
**July 01, 2021**

*Christopher P. Morill*

Executive Director

# Albemarle County Service Authority

Serving  Conserving 



### Strategic Goals and Strategies

The ACSA was created by the Albemarle County (County) Board of Supervisors in 1964 with the Crozet community as its sole customer. In the 1960s, the South Rivanna Dam was constructed, and several subdivisions were developed through the County, such as Carrsbrook, Woodbrook, Westmoreland, Northfields, Berkeley, Hessian Hills, Montvue, Colthurst, Flordon and West Leigh. In the late 1960s and early 1970s, these systems were acquired by the County for the ACSA, and the County purchased water from the City of Charlottesville supply to provide all these areas with public water and eliminate their well systems. In 1972, the Rivanna Water and Sewer Authority (RWSA) was formed and became the wholesale provider of water and wastewater treatment for the City and ACSA.

The ACSA, now 58 years later, provides water distribution and wastewater collection services to 21,400+ accounts with over 363 miles of water mains and over 316 miles of sanitary sewer mains within our service area, including the urban areas of Albemarle County, and nearby communities of Scottsville and Crozet. Our customers enjoy water drawn from a protected watershed contained almost entirely within the County's borders. The ACSA is governed by a six-member Board of Directors each appointed by the Board of Supervisors of Albemarle County. We distribute treated water, and collect wastewater for treatment, while maintaining, expanding, and replacing the infrastructure within the service area.

The ACSA's three-year Strategic Plan for FY's 2020-2022 outlines the ACSA's vision, mission, and guiding principles. The plan helps chart our future as we look to our next 50 years and establishes clear strategic actions that will be taken. We believe the Strategic Plan is a true reflection of the ACSA's vision to "serve and conserve" and helps us establish goals for years to come. The ACSA is proud to provide services that positively touch the lives of all our customers, every day. We continue to strengthen the ACSA's role in water leadership in our community, and with the Strategic Plan we identify and communicate our intentions for the future.

The ACSA's Strategic Plan sets forth two major initiatives. The first initiative includes deployment of an Advanced Metering Infrastructure (AMI) system that integrates technologically advanced water meters, communications networks, and data management systems that enable enhanced two-way communication between our utility and customers. This upgrades the customer experience, supports green initiatives, adds efficiencies, and provides strategic information for utility decision making. The second major initiative implements a Computerized Maintenance Management System (CMMS) which enables scheduling, tracking, and monitoring of maintenance activities to provide cost, inventory, personnel, and reporting history. This implementation will improve the overall efficiency of utility operations and will apply the latest technologies toward streamlining operational processes. In addition to these two major initiatives, the 2020 - 2022 strategic plan will also aim to address multiple goals that will set the utility on a positive course for the future. These areas of focus under the plan include:

- **Succession Planning:** Utilities across the country are facing the impacts of an aging workforce and loss of institutional knowledge. The ACSA will continue its succession planning efforts, using mentoring and professional development initiatives to prepare the ACSA for future waves of managerial retirement.
- **Best Practice Inclusion:** The ACSA will continue learning from the most highly effective water utilities and schedule visits with these utilities to engage with leaders from other jurisdictions.
- **Emergency Response Plan:** Under the America's Water Infrastructure Act, the ACSA will complete training and checklists and our emergency preparedness to avoid water disruptions to our customers, building on our goal to be a highly reliable water provider. We will also incorporate a formal business continuity plan for operations in times of crisis, adding to system reliability.
- **Improved Data Management and Utilization:** The ACSA will explore the creation of a strategic implementation plan to best manage for upcoming data: GIS, Financial, SCADA, CMMS, AMI, and System Modeling. We will also implement an updated financial system.
- **Implementation of IT Risk Assessment:** The ACSA is taking a proactive approach to cybersecurity, implementing measures to further protect our computer/IT assets and data.
- **Facility Master Planning:** A long-term plan to ensure the ACSA can and will grow to meet the operational requirements to provide high quality customer service.

- **Water and Energy Audits:** The ACSA will incorporate utility best practices to reduce water loss using tools to identify water leaks throughout our system. The ACSA has completed water audits for our Crozet and Scottsville Water Systems and will be repeating those efforts this year to begin trending analysis. These audits will continue to be carried out on an annual basis. The ACSA has recently completed a comprehensive Energy Audit of the Operations Center and all pump stations and will begin implementing Audit recommendations in FY 2023.
- **Employee Pay Plans:** The ACSA, in addition to its succession planning, conducted a formal compensation study and is proposing “market rate” recommendations to stay competitive as an employer in our area. We will emphasize competitiveness and internal equity to keep top performers working on behalf of our customers to provide the best service possible.

Further information related to these initiatives and the entire 3-year Strategic Plan can be found on our website at <https://serviceauthority.org/wp-content/uploads/2020/01/ACSA-Strategic-Plan-2020-2022-Brochure.pdf>.



Pictured above: Ragged Mountain Reservoir

### **Fund Descriptions and Fund Structure**

The Authority operates and reports as a single enterprise fund, meaning that all departments are included in a single accounting and reporting entity. An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The Authority's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, and management control and accountability.

### **Basis of Accounting and Budgeting**

The Authority follows the accrual basis of accounting. Under this basis of accounting, revenue is recognized when earned and expenses are recorded when incurred. Operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of the Authority. Operating revenues consist primarily of charges for water consumption and wastewater collection. Operating expenses consist of bulk water purchases, wastewater treatment, and administrative expenses. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from non-exchange transactions or ancillary services.

### **Basis of Budgeting**

The Authority's annual budget is based on the accrual method of accounting and is structured to reflect the same formats as the Authority's audited financial statements. Both the "basis of accounting" and the "basis of budgeting" are on an accrual basis which recognizes revenues when earned and expenses when incurred.

### **Financial Policies**

The Authority has developed and adopted Comprehensive Financial Management Policies (Policies) to ensure that the Authority is financially capable of meeting its immediate and long-term objectives. A financial management policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. An effective financial management policy:

- Contributes to the Authority's ability to prepare for and insulate itself from fiscal crisis by being able to better manage stressful internal and external financial events.
- Enhances the ability to realize the most favorable rates in the event the Authority deems debt financing necessary.
- Promotes long-term financial stability by establishing clear and consistent guidelines.
- Directs attention to the total financial picture of the Authority rather than single issue areas.
- Promotes the view of linking long-term financial planning with day-to-day operations.

The adopted Policies specifically related to the budget process are as follows:

### **Operating Budget Policies**

- The Authority will budget for all current operating expenditures to be paid for with operating revenues.
- The Authority will maintain operating reserves, as defined in the Reserve policy below, to help offset reductions in revenues related to low flow periods. This policy helps maintain the operations and maintenance functions that would otherwise have to be deferred or require sporadic rate increases, however:
- Management and staff should, not only during the preparation of the budget but in budget execution, use due care and promote cost savings and operating efficiencies at all times, especially during period of revenue shortfall.



### **Operating Budget Policies (cont.)**

- In preparing the annual budget, the Authority will base its revenue and expenditure projections on historic performance while also taking into consideration operational needs, current trends, events, and developments in regulatory requirements, local markets, building developments and environmental activities.
- System development charges, RWSA capacity charges or other special revenues will not regularly be used to finance continuing Authority operations, but instead will be used for funding specific one-time projects, servicing capacity related debt, expansion and replacement of system infrastructure or adding to Authority reserves.

### **Capital Budget Policies**

- The Authority will prepare and update annually for adoption a Capital Improvement Plan (CIP) that is developed for a ten-year planning period.
- The first year of the adopted ten-year CIP will become the most current capital budget for the Authority and will serve as authorization for project execution by the Board.
- The Authority will maintain all capital assets at a level adequate to protect the Authority's capital investment, meet permitted regulatory requirements, and to minimize future maintenance and replacement costs.

### **Reserve Policies**

- The Authority has implemented "best management practices" which dictate that cash/investment reserves be accumulated to provide for contingencies and planned/unplanned major expenses. The Authority has established three types of reserves for its water and wastewater systems:
  - Operating and Maintenance Reserve (O&M): The O&M reserve serves as working capital and is important to provide funds for the potential lag between operating revenues and operating expenditures, as well as unplanned minor repairs or fluctuations in the operating budget. This type of reserve is also valuable during unusually wet years, which can result in reduced revenue due to lower than anticipated water usage. This reserve combined with the Repair, Renewal, and Replacement Reserve, Capacity and Growth Reserves, and unrestricted cash and investments are to maintain a Days Cash on Hand floor of 270 days. Water and wastewater rates will be set accordingly to replenish these reserves if cash/investment levels dip below the Days Cash on Hand floor.
  - Repair, Renewal, and Replacement Reserve (3R): The 3R reserve provides funds to pay for unexpected major repairs and planned replacement or rehabilitation of system assets. This reserve may be used to pay for capital costs to avoid or minimize the amount that would otherwise be recovered through user fees. Typically, the annual 3R reserve contribution is calculated based on the estimated useful life and replacement cost of equipment held by the Authority.
  - Capacity and Growth Reserves: The Capacity and Growth Reserves are established to fund capacity or growth-related costs or charges. These reserves are funded by the ACSA System Development Charge and the RWSA Capacity Charge.

### **Revenue and Expenditure Policies**

- A diversified and stable revenue system will be maintained to shelter services from short-run fluctuations.
- Rate studies are to be conducted every five years to ensure that the rates will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation/amortization of capital assets, and system development. Annually, staff will analyze projections performed by the consultant and adjust as necessary during the budgetary and rate development process.

## **Revenue and Expenditure Policies (continued)**

- Costs related to the expansion of system capacity (i.e., growth-related) should be funded via new/future customers who cause the need for such additional capacity through connection fees. “Growth pays for growth.”
- Water and Wastewater rates and charges shall be kept as low as possible over time without sacrificing continual maintenance of infrastructure already in service.
- The Authority’s operating expenditures are to be funded with on-going operating revenues to the extent possible.

## **Debt Policies**

- The ACSA will utilize a balanced approach to capital funding utilizing debt financing. CIP planned current-year revenues (pay-as-you-go) and planned capital reserve fund transfers from ACSA reserves.
- The ACSA will analyze all sources of debt financing when it has been determined that there is a need for debt.
- When the ACSA finances capital improvements or other projects by issuing bonds or entering capital leases, it will repay the debt within a period not to exceed the expected average useful life of the project(s) and equipment being financed.
- When assessing capital project funding approaches and the issuance of debt, the ACSA will conduct a series of financial analyses to demonstrate its financial ability to incur such debt under its current rate structure, and to determine if, when and to what degree rate structures need to be adjusted in the event that the current rate structure is not able to accommodate new additional debt.
- The ACSA will review its current debt structure periodically as interest rates fluctuate and optional bond redemption dates arise for refunding or advance refunding opportunities.
- The ACSA will remain in compliance with all debt covenants as they are provided. The Authority shall maintain net revenues, excluding connection fees, such that they are equal to 1.20x of annual debt service. Regular analyses of covenants will be performed by staff in conjunction with other periodic duties.
- The Authority is not subject to legal debt limitations and has issued no debt which is overlapping with other jurisdictions during the last ten fiscal years.

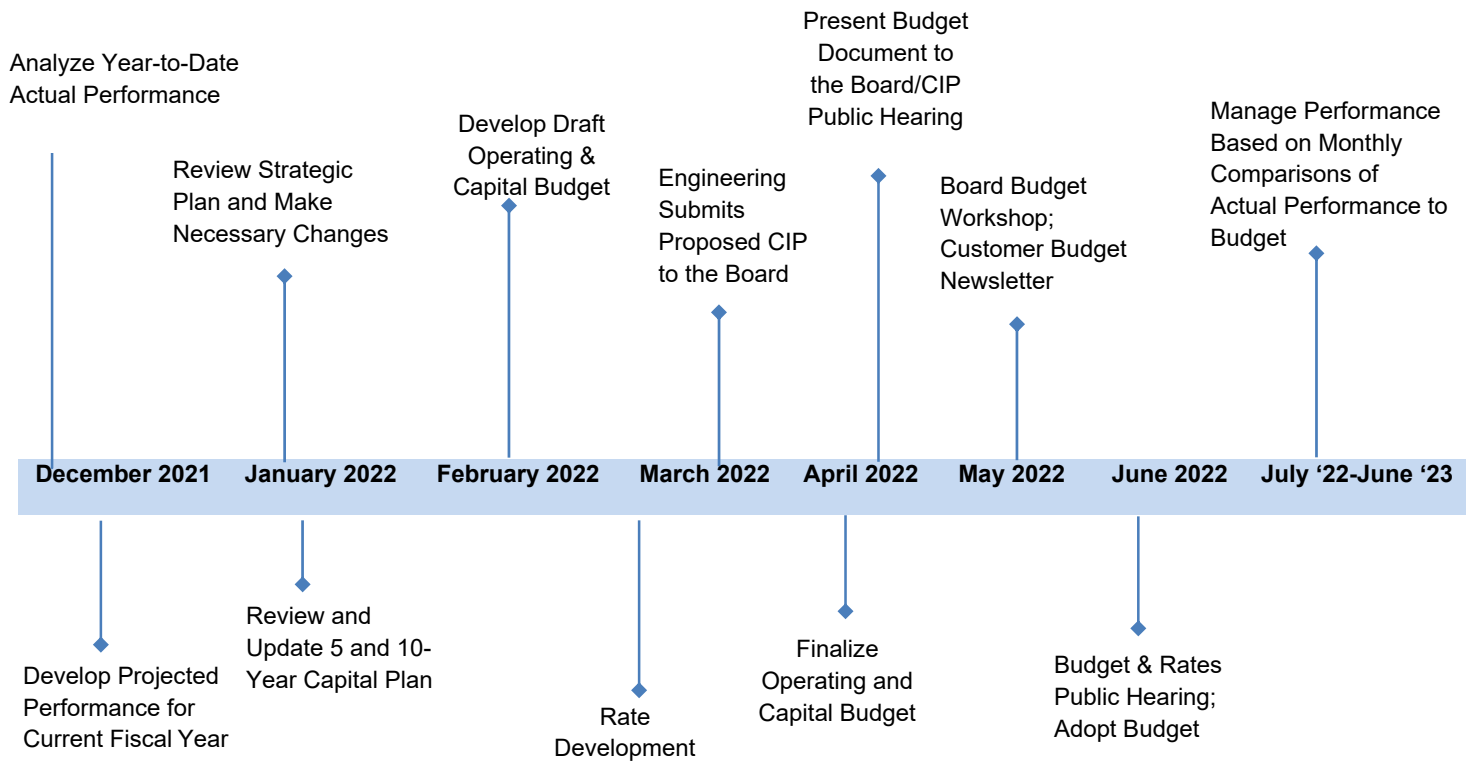
## **Budget Process**

The Authority must adopt its budget prior to July 1<sup>st</sup> of each year. Development of the budget is influenced by the strategic plan, organization goals and objectives, external factors such as growth, development, and water consumption trends. The Board, Authority staff, and the public participate in the development of the budget. A public workshop is held to review the draft budget and receive public input prior to the public hearing to adopt the budget.

The Engineering department develops the Capital Improvement Program (CIP) budget using the strategic plan and organizational goals as well as any new development that may impact infrastructure needs. Project costs are estimated based on our asset management assumptions at the time of budget development. Any necessary adjustments are presented as amendments to the Board when those circumstances arise. Once the CIP is completed, it is presented to the Board in April of each fiscal year. The CIP budget determines the budget requirements for our 3R reserve, operating budget, and Capacity and Growth Reserves for capital projects, as well as influencing decisions regarding any existing or future debt requirements for infrastructure or projects.

During this same time, the Finance Department is developing the overall operating budget for the Authority. The team meets with each individual department to develop operating expenses using trend, usage data, and inflation factors to determine any increase/decrease in expenses. Along with this, discussions of any new personnel requirements are developed to ensure appropriate budgetary coverage. For purposes of revenue development, the team reviews historical and current year trend analysis, such as customer growth, consumption analysis, and the rate study recommendations to develop the revenue budget. Statistical information and performance metrics are also reviewed and updated.

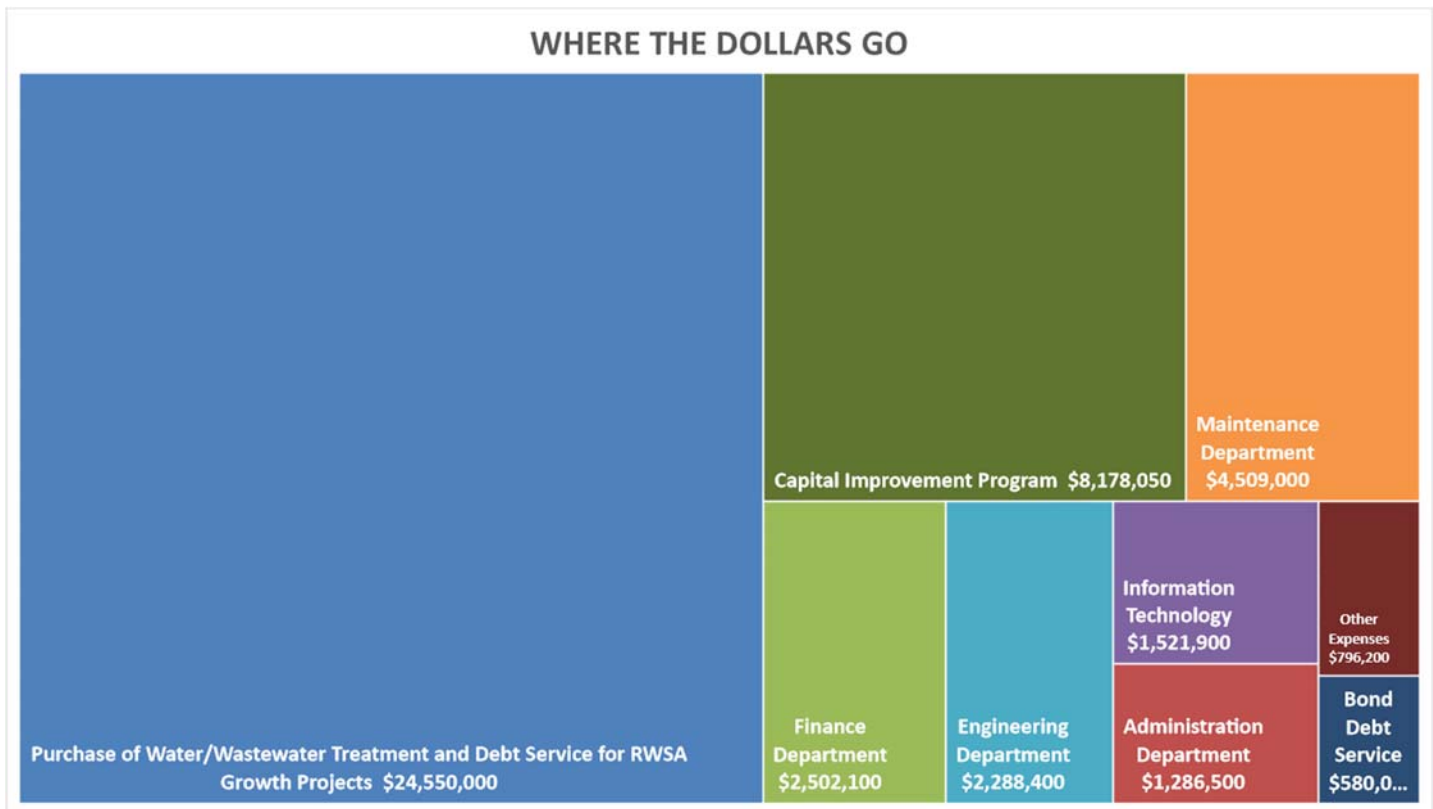
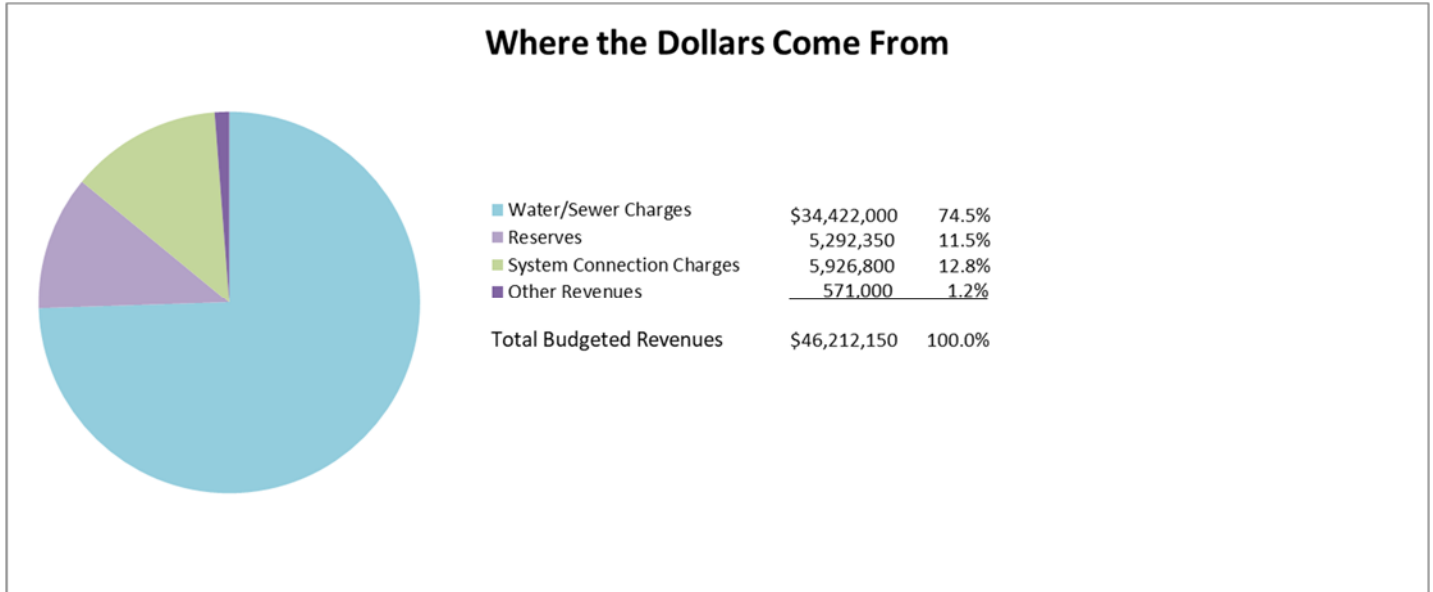
The CIP, revenue, and expense budgets are then combined and presented to the Board in April each year. Public comment and budget workshops are held for discussion in May and amendments before the final budget is adopted in June. A timeline of our budget process is included on the next page to further illustrate the budget process at the Authority.



Pictured above: Beaver Creek Reservoir

**OVERVIEW**

The ACSA's Fiscal Year 2023 Total Operating and Non-Operating Budget is \$46,212,150:



**Operating Expenses:**

- Proposed FY 2023 Operating Budget Expenses total \$31,485,400
- Approved FY 2022 Operating Budget Expenses total \$28,258,600

**Purchased Water/Wastewater treatment from Rivanna Water & Sewer Authority (RWSA):**

- Proposed FY 2023 totaled \$19,377,500 or 61.5% of the Operating Expense Budget
- Approved FY 2022 total \$17,607,400
- Increase of \$1,770,100

**Departmental Operating Budgets:**

- Proposed FY 2023 - \$12,107,900
- Approved FY 2022 - \$10,651,200
- Increase of \$1,456,700

**Debt Service (Principal and Interest) Expense:**

- Proposed FY 2023 - \$580,000
- Approved FY 2022 - \$795,500

**Top Budget Priorities:**

- Provide service and support to our customers throughout the recovery from the COVID-19 Pandemic
- High quality water delivered to our customers
- Maintain current Authority programs and services
- Meet financial obligations and financial sustainability

**Top Budget Priorities (cont.):**

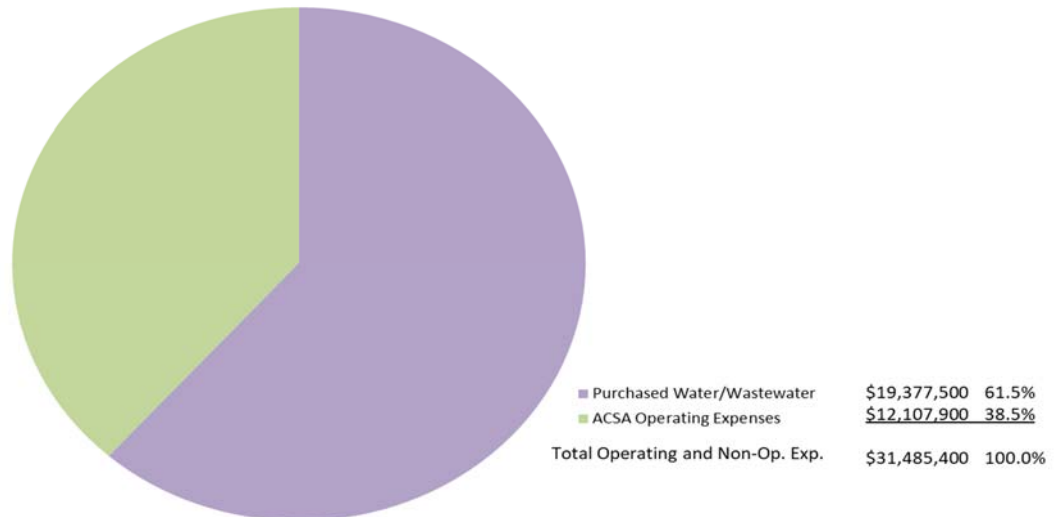
- Elevated level of customer service
- Strategic initiatives
- Investment in our infrastructure

**Top Operating Initiatives:**

- Continue high level of emergency response times
- Emergency planning
- Continue enhancements to water quality:
  - Regulatory compliance
  - Water system maintenance and replacement
  - Advanced water filtering process (GAC)
- Meet all wastewater standards:
  - Continue sewer system rehabilitations
  - Regulatory compliance

**Other ACSA Initiatives:**

- Continued implementation of the Strategic Plan
- Succession planning for employee continuity
- Advanced metering infrastructure (AMI)
- Computerized maintenance management system (CMMS) – workorder management, customer requests, asset management and inventory
- Modernizing electronic bill presentment and payment options
- New position – Information Technology Project Manager



Water and Sewer Rates – Fiscal Year 2023 Proposed:

The proposed monthly user water and sewer rate increase is driven by the following factors:

- The cost of purchased water from the RWSA is expected to increase 10.6% or \$1.32 million.
- The cost of wastewater treatment from the RWSA is expected to increase 11.3% or \$1.09 million.
- ACSA departmental budget increase of 13.7%
- Capital Improvement Program of \$8.18 million.

**ACSA Water and Sewer Monthly User Rates**

	FY 2022	FY 2023
<b>Service Charge</b>	\$ 9.00	\$ 9.45
<b>Volume Charge - Single-Family Residential (per 1,000 gallons)</b>		
Level 1 (0-3,000 gallons)	\$ 4.70	\$ 5.05
Level 2 (3,001-6,000 gallons)	\$ 9.43	\$10.14
Level 3 (6,001-9,000 gallons)	\$14.13	\$15.19
Level 4 (over 9,000 gallons)	\$18.86	\$20.27
<b>Multi-Family/Non-Residential</b>	\$ 9.09	\$10.14
<b>Sewer/All Users (per 1,000 gallons)</b>	\$ 9.94	\$10.24

Based on usage noted below, customers will see moderate increases in their monthly bill.

**Sample Monthly Combined  
(Water and Sewer) Bills**

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2023 Bill	Monthly \$ Change
<b>Single-Family</b>					
Minimal User	3/4"	1,200	\$ 26.57	\$ 27.80	\$ 1.23
Small User	3/4"	2,500	\$ 45.60	\$ 47.68	\$ 2.08
Average User	3/4"	3,200	\$ 56.80	\$ 59.40	\$ 2.60
Large User	3/4"	6,200	\$ 115.84	\$ 121.55	\$ 5.71
Excessive User	3/4"	7,700	\$ 151.95	\$ 159.69	\$ 7.74
<b>Multi-Family/Non-Residential</b>					
Multi-Family	1"	33,700	\$ 658.59	\$ 710.44	\$ 51.85
Com. (Offices)	1"	6,300	\$ 137.17	\$ 152.02	\$ 14.85
Com. (Other)	3/4"	4,700	\$ 98.44	\$ 105.24	\$ 6.80
Industrial	1 1/2"	16,500	\$ 345.13	\$ 383.52	\$ 38.39
Institutional	3/4"	13,000	\$ 256.39	\$ 274.39	\$ 18.00

### **Why does the Authority need a rate increase?**

While the ACSA has been able to maintain its high level of service through the pandemic, costs associated with providing these services have increased and must be supported by sustainable rate increases. The RWSA is our single largest cost, and we anticipate an increase in charges of approximately 10.9%. This increase supports continued improvements to the quality, reliability, and efficiency of the water and wastewater system. Additionally, the ACSA's cost of doing business which include operating costs, proactive maintenance and improvements to system infrastructure have increased, especially during these inflationary times, as related to changes in supplies, services, salaries, and maintenance costs.

### **Why are Water and Wastewater treatment costs increasing?**

The ACSA purchases treated water and distributes that water to our customers. Costs related to these purchases from the RWSA are expected to increase by more than 10%. The cost increase of purchased water is due to a variety of factors but water treatment plant expansions in the Urban and Crozet systems as well as water treatments costs related to Granular Activated Carbon (GAC) contribute to this increase. The ACSA also returns all collected wastewater to the RWSA for treatment. Costs associated with the treatment of wastewater is expected to increase by 11%. The increase in expected treatment expenses is due to a variety of factors but continued investment in infrastructure and increases in chemical and energy costs are the main driver.

### **How much will my bill increase?**

The average ACSA customer will see a 4.6% increase in their bill or \$2.60 per month, which is comparable to the five-year average of rate changes. The five-year average increase has been 3.2%. The Authority was able to strategically utilize financial reserves to keep the proposed increase near the historical average.

### **Why doesn't the ACSA just cut costs rather than increase the rate?**

We review spending very carefully throughout the year and during the budget process, but as a growing utility, adding 1-2% or 500 new customers annually, our costs to provide service continue to increase each year. Purchased water and wastewater treatment comprises 62% of our costs, which our customers must bear that major increasing expense.

### **For Small Water Users, does the ACSA have a special rate?**

The ACSA has four levels of residential water rates to encourage water conservation. This is an incentive for our customers to conserve water as the greater the use the higher the rate.

### **How do the ACSA's water and sewer rates compare to other utilities?**

On the average residential bill, ACSA rates compare favorably. We consistently have been below the state-wide average on residential water and sewer bills and are less than a comparable bill for customers within the City of Charlottesville.

### **Why is the ACSA spending over \$8 million this year on Capital Projects?**

Many parts of the ACSA are aging with some components more than 50-60 years old. As part of our capital planning, we continue to make improvements in our system through rehabilitation and replacement. This is done to ensure you, the customer, reliable water and sewer service, to exceed water quality standards, and wastewater environmental requirements.

### **Who pays for growth?**

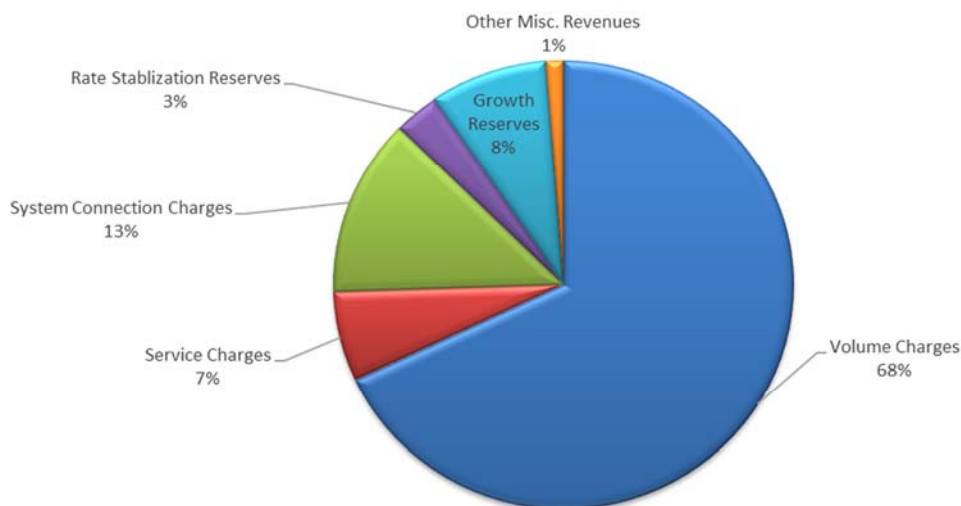
The ACSA has a philosophy that "growth pays for growth." New development water and sewer systems are installed to ACSA standards and specifications by developers at their cost. To fund additional water and sewer capacity in the system, new development pays a "connection charge" per unit that equates to a single water and sewer residential connection at the proposed FY 2023 charges or \$13,470.

	<b>FY 2022 Approved Budget</b>	<b>FY 2023 Proposed Budget</b>	<b>Proposed as % of FY 2022</b>
<b>OPERATING REVENUES</b>			
Total Volume Charges	\$ 27,968,200	31,422,000	112.3%
Total Service Charges	2,610,000	3,000,000	114.9%
Rate Stabilization Reserves	5,200,912	1,476,150	28.4%
<b>Total Operating Revenues</b>	<b>35,779,112</b>	<b>35,898,150</b>	<b>100.3%</b>
<b>NON-OPERATING REVENUES</b>			
System Connection Charges	7,000,000	5,926,800	84.7%
Use of Growth Reserves	1,831,453	3,816,200	208.4%
Misc. Utility Charges	400,000	400,000	100.0%
Interest Income	200,000	100,000	50.0%
Build America Bond Subsidy	87,000	-	-
Inspection Fees	35,000	35,000	100.0%
Plan Review & FOG Permit Fees	20,000	20,000	100.0%
Rental Income	16,000	16,000	100.0%
<b>Total Non-Operating Revenues</b>	<b>9,589,453</b>	<b>10,314,000</b>	<b>107.6%</b>
<b>Total Operating &amp; Non-Operating Revenues</b>	<b>45,368,565</b>	<b>46,212,150</b>	<b>101.9%</b>
<b>OPERATING EXPENSES</b>			
Purchase of Water/Wastewater	17,607,400	19,377,500	110.1%
Maintenance Department	4,005,600	4,509,000	112.6%
Finance Department	2,238,300	2,502,100	111.8%
Engineering Department	2,101,800	2,288,400	108.9%
Information Technology Department	1,052,100	1,521,900	144.7%
Administration Department	1,253,400	1,286,500	102.6%
<b>Total Operating Expenses</b>	<b>28,258,600</b>	<b>31,485,400</b>	<b>111.4%</b>
<b>NON-OPERATING EXPENSES</b>			
Transfer for Capital Expenses - CIP	11,169,265	8,178,050	73.2%
Debt Service for RWSA Growth Projects – Water/WW	4,529,000	5,172,500	114.2%
Existing Debt Service and Amortization	795,500	580,000	72.9%
Repair, Renewal, & Rehabilitation Reserves	320,000	362,000	113.1%
Planned Equipment Replacement	211,700	234,600	110.8%
Capital Equipment Acquisition	84,500	199,600	236.2%
<b>Total Non-Operating Expenses</b>	<b>17,109,965</b>	<b>14,726,750</b>	<b>86.1%</b>
<b>Total Operating &amp; Non-Operating Expenses</b>	<b>\$ 45,368,565</b>	<b>46,212,150</b>	<b>101.9%</b>
<b>CAPITAL IMPROVEMENTS FUNDING</b>			
Transfer from Operating Revenues	\$ 4,185,900	4,269,800	102.0%
Transfer from 3R Reserves	5,200,912	1,476,150	28.4%
Transfer from Growth Reserves	1,782,453	2,432,100	136.4%
<b>Total Capital Improvements Funding</b>	<b>11,169,265</b>	<b>8,178,050</b>	<b>73.2%</b>
<b>CAPITAL IMPROVEMENTS EXPENSES</b>			
Water - Capital Improvement Projects	7,450,475	4,861,550	65.3%
Wastewater - Capital Improvement Projects	3,718,790	3,316,500	89.2%
<b>Total Capital Improvements Expenses</b>	<b>\$ 11,169,265</b>	<b>8,178,050</b>	<b>73.2%</b>



	<b>FY 2022 Approved Budget</b>	<b>FY 2023 Proposed Budget</b>	<b>Proposed as % of FY 2022</b>
<b>OPERATING REVENUES</b>			
Total Volume Charges	\$ 27,968,200	31,422,000	112.3%
Total Service Charges	2,610,000	3,000,000	114.9%
Rate Stabilization Reserves	5,200,912	1,476,150	28.4%
<b>Total Operating Revenues</b>	<b>35,779,112</b>	<b>35,898,150</b>	<b>100.3%</b>
<b>NON-OPERATING REVENUES</b>			
System Connection Charges	7,000,000	5,926,800	84.7%
Use of Growth Reserves	1,831,153	3,816,200	208.4%
Misc. Utility Charges	400,000	400,000	100.0%
Interest Income	200,000	100,000	50.0%
Build America Bond Subsidy	87,000	-	-
Inspection Fees	35,000	35,000	100.0%
Plan Review & FOG Permit Fees	20,000	20,000	100.0%
Rental Income	16,000	16,000	100.0%
<b>Total Non-Operating Revenues</b>	<b>9,589,453</b>	<b>10,314,000</b>	<b>107.6%</b>
<b>Total Operating &amp; Non-Operating Revenues</b>	<b>45,368,565</b>	<b>46,212,150</b>	<b>101.9%</b>
<b>CAPITAL IMPROVEMENTS FUNDING</b>			
Transfer from Operating Revenues	\$ 4,185,900	4,269,800	102.0%
Transfer from 3R Reserves	5,200,912	1,476,150	28.4%
Transfer from Growth Reserves	1,782,453	2,432,100	136.4%
<b>Total Capital Improvements Funding</b>	<b>11,169,265</b>	<b>8,178,050</b>	<b>73.2%</b>

Operating and Non-Operating Budgeted Revenues



■ Volume Charges ■ Service Charges ■ System Connection Charges ■ Rate Stabilization Reserves ■ Growth Reserves ■ Other Misc. Revenues

	FY 2022	FY 2023
<b>Total Volume Charges (monthly user rates)</b>	\$27,968,200	\$31,422,000
<b>Total Service Charges (cost of service)</b>	\$2,610,000	\$3,000,000
<b>System Connection Charges (new development fees)</b>	\$7,000,000	\$5,926,800
<b>Rate Stabilization/Growth Reserves</b>	\$7,032,365	\$5,292,350
<b>Other Revenues</b>	\$758,000	\$571,000
<b>Total Revenues</b>	\$45,368,565	\$46,212,150

**Total Volume Charges** - \$31,422,000; water and sewer usage billed to ACSA customer monthly; proposed rate increases primarily driven by increased costs of water and wastewater treatment and departmental initiatives.

**Total Service Charges** - \$3,000,000; monthly service charge to reflect actual costs for meter reading, billing and customer service; the budget proposes to increase the monthly service charge from \$9.00 to \$9.45 for our average customer (service charge dependent upon meter size).

**System Connection Charges** - \$5,926,800; budgeted revenues are expected to decrease in FY 2023 compared to FY 2022, for new development per new ERC connections based on proposed development within the service area and engineering estimates.

**ACSA System Development Charges** offset the capital costs of backbone capacity in the ACSA water and sewer system mains, pumping stations, water tanks, and facilities.

**RWSA Capacity Charges** offset the capital costs of backbone capacity in the Rivanna Water and Sewer Authority's (wholesale water and wastewater treatment provider) water and sewer systems for which the ACSA is responsible for covering the costs per agreements.

		FY 2022	FY 2023
<b>ACSA System Development Charge</b>	Water	\$1,890*	\$1,890*
	Wastewater	\$2,970*	\$2,970*
<b>RWSA Capacity Charge</b>	Water	\$4,760*	\$4,760*
	Wastewater	\$3,850*	\$3,850*
	<b>Total</b>	<b>\$13,470*</b>	<b>\$13,470*</b>
*per ERC (equivalent residential connection)			

		<b>FY 2021 <u>Actual</u></b>	<b>FY 2022 <u>Estimated</u></b>	<b>FY 2023 <u>Proposed</u></b>
<b>Beginning Net Position</b>	\$	<b>200,275,110</b>	<b>211,960,707</b>	<b>218,960,707</b>
Change in Net Position		11,685,597	7,000,000	<b>7,000,000</b>
<b>Ending Net Position</b>	\$	<b>211,960,707</b>	<b>218,960,707</b>	<b>225,960,707</b>
Net investment in capital assets	\$	165,640,741	174,600,000	<b>186,860,707</b>
Restricted for debt service		272,895	260,000	<b>260,000</b>
Unrestricted		46,047,071	44,100,707	<b>38,840,000</b>
<b>Ending Net Position</b>	\$	<b>211,960,707</b>	<b>218,960,707</b>	<b>225,960,707</b>

Note: The schedule above reflects audited FY 2021 changes in net position and estimates changes for FY 2022 and FY 2023. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant, and estimates related to the timing of the formal dedication of these assets can vary. Please see "Changes in Net Position" in the Budget Appendix for a schedule of historical audited data.

### Long-range Financial Plans

#### **The ACSA uses the following guiding principles in its evaluation of current and future financial sustainability:**

- Water and sewer rates and charges shall be kept as low as possible over time. It is possible to keep rates low for a period of time by not investing sufficiently in the maintenance of the water and sewer systems, but eventually the systems will deteriorate and require substantial investments leading to the need for significant and immediate rate increases, poor service to our customers and lowered water quality. The assumption that the Authority will continually reinvest in the water and sewer systems to replace assets as they reach the end of their useful lives is built into our analysis to allow for timely and predictable rate increases.
- “Growth pays for growth” – that is, costs related to the expansion of system capacity (i.e., growth related) should be funded via new/future customers who cause the need for such additional capacity. However, if anticipated growth does not occur as expected, existing customers would have to make up the difference via higher user rates.
- The ACSA should maintain reserves to provide for contingencies and unplanned expenses and to ensure that funds are generated to allow for appropriate future system replacement.

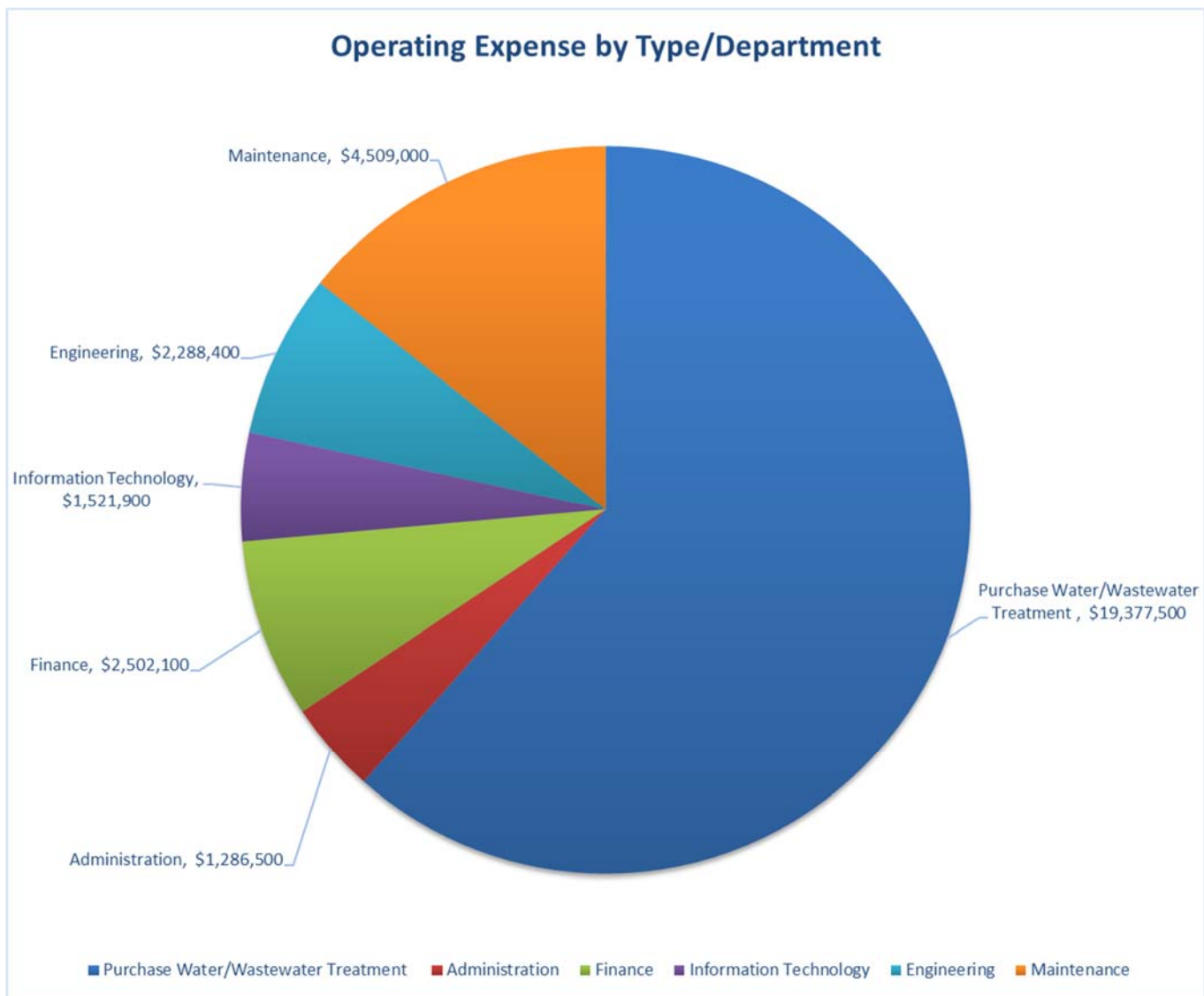
#### **The proposed FY 2023 budget supports the above noted principles by:**

- The Authority comprehensively evaluated both operating revenues (service and volume charges for water and sewer services) and non-operating revenues (system connection/development charges) through a formal rate study and analysis. This analysis utilizes long range projections of ACSA assets, expected expenses, and development and rehabilitation of the system to aide in a rate design that keeps rates/charges as low as possible over time without sacrificing regular planned reinvestment in ACSA infrastructure.
- Contributing to the ACSA’s 3R reserve in accordance with our adopted Financial Policies. This contribution to the reserve also assists the ACSA in achieving goals related to three themes in the ACSA’s Strategic Plan:
  - Asset Management – assist with planning for long-term sustainability of utility assets used in maintaining water and wastewater resources.
  - Finance – ensure that the ACSA is financially self-sustaining and fiscally strong.
  - Finance – The operating budget has been designed so that operating revenues cover operating expenses and contributes to established reserves when revenues exceed expenses. The reserves established in prior years and current year non-operating revenue financially support nonrecurring capital expenditures as those identified in the formal capital improvement program.
- The formal capital improvement program outlines estimated project costs for FY 2023 and the nine years following. These projects consist of both water and wastewater projects and include but are not limited to replacement of existing water mains, creating redundancy in the water system, identifying infiltration and inflow in our sanitary sewer system, implementation of an AMI system and an Enterprise Resource Planning system (ERP or financial system). This program helps the ACSA achieve its goals related to the following themes:
  - Asset management – assists with collaborative planning to provide future community infrastructure needs. This program also allows for long-term sustainability of utility assets by maintaining water and wastewater resources.
  - Operations – assists in managing and maintaining existing infrastructure to ensure reliable service to our customers by assessing, on an annual basis, current and future needs. This program also improves emergency preparedness and ensures we maintain or exceed industry standards for water and wastewater quality and operations. The program assists in the elimination of asbestos-cement pipe, continued sewer system rehabilitation, program to replace exclusion meters, and water pipe “saddle” connection replacement.

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is \$31,485,400 or a 11.4% increase. The largest single cost of the Operating Budget is purchased water and wastewater treatment from the RWSA at \$19,377,500 or 62% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2023. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at \$1,286,500, Finance at \$2,502,100, Engineering at \$2,288,400, Maintenance at \$4,509,000, and Information Technology at \$1,521,900. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2023:



### Purchased Water and Wastewater Treatment Costs from the Rivanna Water and Sewer Authority (RWSA)

The ACSA purchases wholesale water and wastewater treatment from the RWSA. The RWSA oversees the regional water supply at area reservoirs, operates the water treatment plants, and provides water to the ACSA through large water transmission lines. The ACSA is responsible for the retail water distribution system that serves our more than 21,400 accounts.

The RWSA operates the regional wastewater treatment plants and charges the ACSA at a wholesale rate. The ACSA operates the sewer collection system for our retail sewer customers. Approximately 86% of our customers have both water and sewer service, while approximately 14% of our customers have water service only. While the RWSA charges the ACSA a “wholesale” rate for each service area, the ACSA operates with a single system-wide retail rate for our customers.

The chart below shows the RWSA charges for water and wastewater treatment, with increases in purchased water/wastewater treatment costs for next year due, in part, to an increase in RWSA operating expenses and costs associated with long deferred maintenance projects and continued enhancement in the system.

				<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023 Proposed</u>	<u>FY 2023 as % of FY 2022</u>
<b>RWSA EXPENSES</b>							
Purchase of Bulk Water				10,520,400	12,450,600	13,774,000	110.6%
Sewer Treatment Expense				8,647,700	9,685,800	10,776,000	111.3%
<b>Subtotal:</b>				<b>\$ 19,168,100</b>	<b>\$22,136,400</b>	<b>\$24,550,000</b>	<b>110.9%</b>
<b>RWSA EXPENSES BY SERVICE AREA</b>							
<b>WATER</b>	<b>Rates</b>	<b>Rates</b>	<b>Rates</b>				
	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>				
	\$2.095/TG	\$2.346/TG	\$2.648/TG				
Urban	and \$321,303/mo.	and \$388,956/mo.	and \$420,325/mo.	\$ 7,447,579	8,890,320	9,700,072	109.1%
Crozet	\$195,010/mo.	\$242,224/mo.	\$279,641/mo.	2,340,120	2,906,688	3,355,692	115.5%
Scottsville	\$54,130/mo.	\$54,466/mo.	\$59,853/mo.	649,560	653,592	718,236	109.9%
Red Hill	\$83,141/annual	-	-	83,141	-	-	-
<b>Total</b>				<b>\$ 10,520,400</b>	<b>12,450,600</b>	<b>13,774,000</b>	<b>110.6%</b>
<b>WASTEWATER</b>							
	\$2.369/TG	\$2.517/TG	\$2.662/TG				
Urban	and \$278,174/mo.	and \$301,820/mo.	and \$355,205/mo.	\$ 7,932,176	8,907,611	9,908,436	111.2%
Scottsville	\$26,536/mo.	\$28,013/mo.	\$30,419/mo.	318,432	336,156	365,028	108.6%
Stone-Robinson School	\$22,788/annual	\$30,589/annual	\$39,036/annual	22,788	30,589	39,036	127.6%
Glenmore	\$31,192/mo.	\$34,287/mo.	\$38,625/mo.	374,304	411,444	463,500	112.7%
<b>Total</b>				<b>\$ 8,647,700</b>	<b>9,685,400</b>	<b>10,776,000</b>	<b>111.3%</b>

The Operating Budgets for the ACSA are divided into the five sections: Administration (which includes Human Resources), Finance, Engineering, Maintenance, and Information Technology. Purchased water and wastewater treatment is budgeted within the “Operating Budget.” These expenses are recurring costs to provide water and sewer services to our customers.

The ACSA operates with a set of budget categories: Personal Services, Operating Supplies, Repair and Maintenance Supplies, Professional and Contractual Services, Repairs and Maintenance, Other Services and Charges, and Capital Outlay. Within each of these departmental budgets, detailed line items for the proposed expenditures for FY 2023 are presented.

#### Personal Services

- Includes salary, benefits, payroll taxes, and other related expenses
- Salaries – a 3% performance pay salary pool is proposed to recognize individual performance. These are performance-based pay increases, with individual performance evaluations for every employee. Additionally, a market rate adjustment of 10% is proposed based on findings from a formal compensation study to stay competitive within the marketplace.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; the rate for Fiscal Year 2023 has increased to 7.50% compared to 7.0% for Fiscal Years 2021/2022.
- Health Care and Benefit Dollars – the ACSA, through a contract with Albemarle County, provides a Health Care Program for our employees. The ACSA contributes on behalf of all employees. These contributions vary by employee plan type. Also included in this item are the actuarially determined costs for Other Post-Employment Benefits (OPEB).
- Worker’s Compensation is a rated policy, with the cost allocated to each department for position types
- Projected overtime and standby (emergency) duty pay is budgeted here
- One new position recommended – Information Technology Project Manager

#### Operating Supplies

- General supplies for both field and office operations
- Gasoline, oil, and grease are the largest items in this category, and are allocated by vehicle to each departmental budget. Fuel is purchased through a long-term competitive contract.
- Safety equipment and personal protection equipment (PPE)
- Heating fuel for buildings

#### Repair and Maintenance Supplies

- This category consists of expenses related to field operations for material purchases such as piping, valves, hydrants, pump stations repair supplies, small tools, vault upgrades, various maintenance repair supplies, tires, batteries, CCTV, sewer odor control, hydrant replacement program, etc. This proposed budget has a replacement initiative for obsolete computers/other handheld computing devices.

#### Professional and Contractual Services

- Uniforms through a rental contract for field employees
- Postage – a large item, mostly utility billing related
- Building cleaning contract, and landscaping services contracts
- Legal and audit expenses
- Communication charges – landline telephone, cell phone, radio
- Strategic Plan Emergency Preparedness items – federally required Vulnerability Assessment, and development of an Emergency Response Plan
- Pump stations – grease removal by contract
- Easement clearing

#### Repairs and Maintenance

- Equipment and vehicle repairs of a wide variety for approximately 150 pieces of rolling stock and equipment

#### Other Services and Charges

- Dues and memberships in professional organizations
- Education and professional development travel
- Major expense for electricity, particularly at pump stations
- Advertising and Water Conservation Program
- Permit from State Office of Drinking Water
- Software, software maintenance, publication resources
- General liability insurance

#### Capital Outlays

- Office equipment and furniture
- Major machinery and equipment funded through the Repair, Replacement, and Rehabilitation Fund (3R) as well as machinery and equipment not funded through the 3R Fund (equipment new to the ACSA). These items can be noted on the "Planned Equipment Purchase Summary."



### Administration

The Administration Department operates with several major functions: organizational management under the Executive Director, administrative functions, human resource functions and Clerk for the Board of Directors.

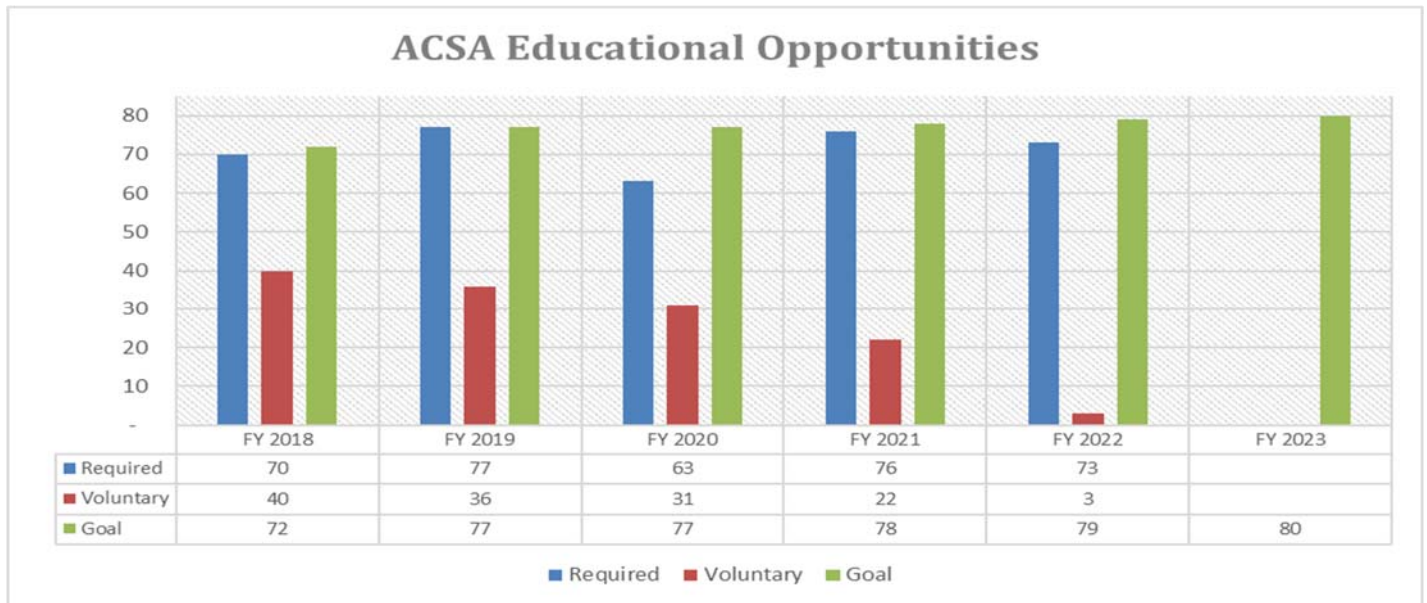
Administration/Human Resources: Provides organizational administrative support; oversees the Risk Management Program (claims, liability insurance, worker's compensation, etc.); serves as Clerk to the Board of Directors (monthly meetings, board correspondence, minutes, dissemination of board packets); provides organizational documents and database management services; leads the Water Conservation Program and initiatives (events, advertising, community relations, and partnership with the City of Charlottesville and the RWSA); administers and maintains benefit administration and employee record management; creates and distributes ACSA semi-annual customer newsletter; ensures employee/employer legal compliances (FMLA, ADA, OSHA); oversees recruitment, succession planning, new hire orientation, retirement planning, employee relations, trainings, and other human resource services. Additionally, the team provides administrative support to the Executive Director of the ACSA.

### Key initiatives and changes for FY 2023:

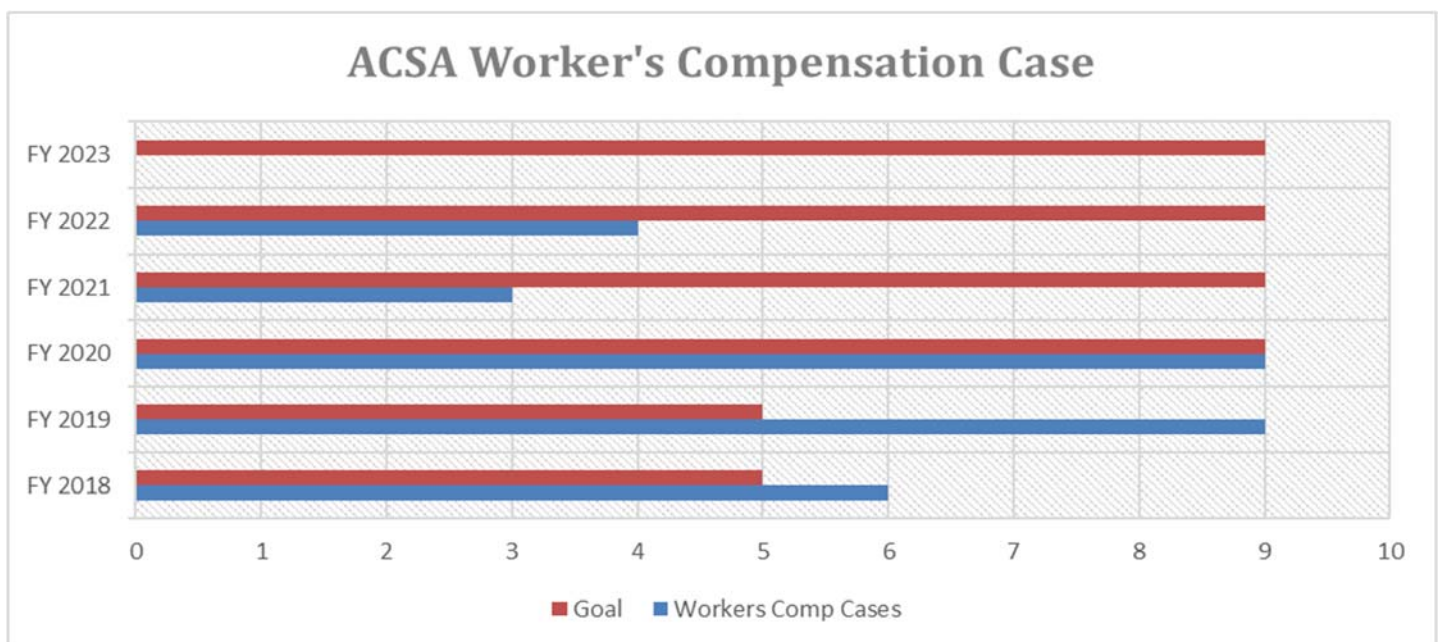
- Perform a strategic best practices review (best in class methodology to comparable utilities) which will be considered in the next strategic plan as well as current managerial improvements. Key areas to be addressed in the study include:
  - Performance and efficiency improvements
  - Succession
  - Data integration for strategic use of data for managerial decision making
  - Customer focused initiatives with benchmarking (metrics) for improved customer experiences
- Provide assistance to the Board and staff in development of a new 3-year Strategic Plan 2023-2025
- Expand customer communications through a variety of media, customer education and outreach:
  - Including a customer education program on the value and quality of water, especially considering future increased cost for major regional water projects, performed in coordination with our regional water partners (RWSA and the City of Charlottesville).
- Continue to actively promote water conservation
- Continue to provide training and professional development opportunities for ACSA Employees as part of the Authority's Succession Plan
- Continue to develop a comprehensive Human Resources and Employee Services module within the new ERP
- Continue to provide safety training and initiatives for ACSA Employees
- Support the Board of Directors in policy making
- Perform a customer and employee survey in the fall

Performance Metrics:

**Staff Education and Retention** – The ACSA strongly believes in retaining our qualified staff members. As such, we offer many training opportunities for employees to participate in each year. The training opportunities can be required for specific job types, such as safety training for maintenance workers or voluntary training events for all employees. The ACSA’s goal is for all employees to attend training sessions offered.



**Worker’s Compensation Cases** – The ACSA provides safety training classes each year to reduce workplace accidents. Our goal is to maintain no more than 9 worker’s compensation cases each fiscal year through training management.



# Administration Department

Description	FY 2021 <u>Expended</u>	FY 2022	FY 2022	FY 2022 <u>Budget</u>	FY 2023	FY 2023	FY 2023
		<u>Actual</u> Expenses <u>To-Date(Feb)</u>	<u>Anticipated</u> Expenses <u>To-EOFY 2022</u>		<u>Base</u> <u>Budget</u>	<u>Total</u> <u>Proposed</u>	as % of <u>FY 2022</u>
<b><i>PERSONAL SERVICES</i></b>							
Compensation of Board Members	\$ 12,646	6,474	9,711	17,000	17,000	17,000	100.0%
Salaries & Wages	465,902	330,658	495,987	473,300	535,500	535,500	113.1%
Overtime	-	-	-	3,000	3,000	3,000	100.0%
Social Security	33,632	22,247	33,371	34,300	42,400	42,400	123.6%
Retirement	87,372	32,025	48,038	32,200	55,200	55,200	171.4%
Health & Benefit Dollars	48,605	32,823	49,235	69,100	72,100	72,100	104.3%
Life Insurance	5,798	4,168	6,252	6,200	7,100	7,100	114.5%
Workers' Compensation	325	246	369	500	500	500	100.0%
Meals	-	-	-	600	600	600	100.0%
Safety Incentive Program	4,373	9,915	14,873	2,000	2,000	2,000	100.0%
Employee Incentives	9,863	5,901	8,851	35,600	35,600	35,600	100.0%
<b>Subtotal:</b>	<b>668,516</b>	<b>444,457</b>	<b>666,687</b>	<b>673,800</b>	<b>771,000</b>	<b>771,000</b>	<b>114.4%</b>
<b><i>OPERATING SUPPLIES</i></b>							
Office Supplies	3,695	2,119	3,179	5,900	5,900	5,900	100.0%
Copier Supplies	763	488	732	1,800	1,800	1,800	100.0%
Janitorial Supplies	2,338	1,564	2,346	4,200	4,200	4,200	100.0%
Fuel, Oil, and Grease	264	113	170	1,000	1,900	1,900	190.0%
Small Tools & Equipment	1,371	421	632	4,300	4,300	4,300	100.0%
EMS Program	1,023	818	1,227	2,500	2,500	2,500	100.0%
<b>Subtotal:</b>	<b>9,454</b>	<b>5,523</b>	<b>8,286</b>	<b>19,700</b>	<b>20,600</b>	<b>20,600</b>	<b>104.6%</b>
<b><i>REPAIRS AND MAINTENANCE</i></b>							
Vehicle Repair and Maintenance	20	76	114	2,100	2,100	2,100	100.0%
<b>Subtotal:</b>	<b>20</b>	<b>76</b>	<b>114</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>100.0%</b>

**PROFESSIONAL & CONTRACTUAL SERVICES**

Legal	58,985	31,475	47,213	46,900	54,000	54,000	115.1%
Consultants' Fees	69,777	66,576	99,864	180,400	60,400	60,400	33.5%
Printing and Duplicating	6,538	1,680	2,520	23,700	29,000	29,000	122.4%
Other Contractual Services	16,891	4,637	6,956	9,800	45,800	45,800	467.3%
<b>Subtotal:</b>	<b>152,191</b>	<b>104,368</b>	<b>156,553</b>	<b>260,800</b>	<b>189,200</b>	<b>189,200</b>	<b>72.5%</b>

**OTHER SERVICES AND CHARGES**

Insurance	52,484	45,575	68,363	58,000	64,000	64,000	110.3%
Dues and Memberships	9,990	14,492	21,738	12,000	12,000	12,000	100.0%
Books and Periodicals	38	25	38	1,500	1,500	1,500	100.0%
Education and Training	3,840	4,767	7,151	52,400	53,000	53,000	101.1%
Board Member Education and Training	-	119	179	5,000	5,000	5,000	100.0%
Travel	-	-	-	10,000	10,000	10,000	100.0%
Advertising	8,694	6,587	9,881	33,100	33,100	33,100	100.0%
Conservation	23,973	12,006	18,009	65,000	65,000	65,000	100.0%
Permits	61,092	47,709	71,564	60,000	60,000	60,000	100.0%
<b>Subtotal:</b>	<b>160,111</b>	<b>131,280</b>	<b>196,923</b>	<b>297,000</b>	<b>303,600</b>	<b>303,600</b>	<b>102.2%</b>

<b>TOTAL ADMINISTRATION \$</b>	<b>990,292</b>	<b>685,704</b>	<b>1,028,563</b>	<b>1,253,400</b>	<b>1,286,500</b>	<b>1,286,500</b>	<b>102.6%</b>
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**Planned Equipment Replacement**

Planned Equip. Replacement	\$ 3,152	-	-	-	-	-	-
<b>Total \$</b>	<b>3,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Finance

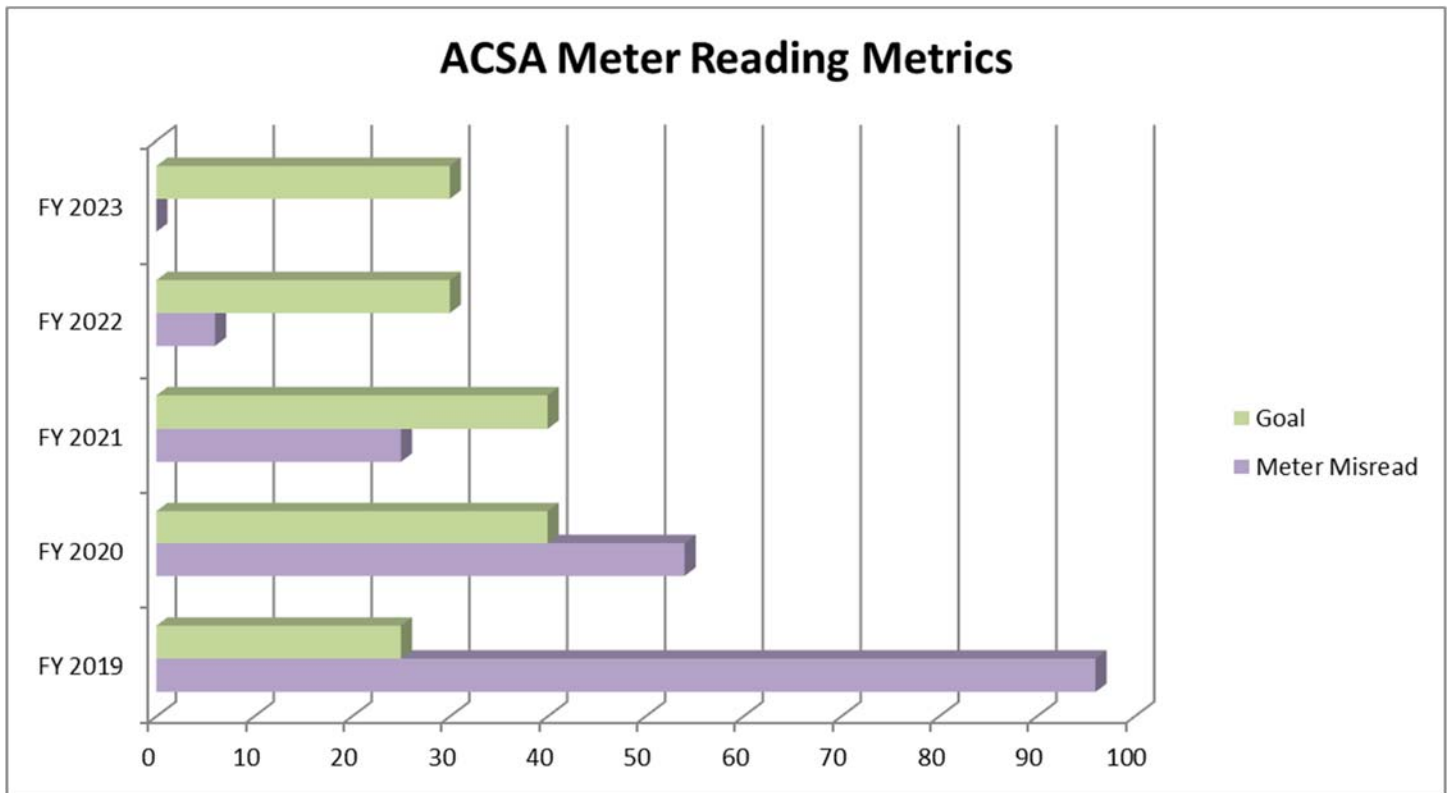
The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budget preparation and control, auditing, debt financing, investment management, and revenue and expenditure forecasting which includes rate modeling. The development of the Annual Financial Report, interim financial statements, consumption reports, and preparation of the annual budget are coordinated by Finance.

### Key initiatives and changes for FY 2023:

- Design and implementation of the current and future Budget and Rates
- Annual Comprehensive Financial Report preparation
- Focused training for staff, including AMI, CMMS, and Electronic Bill Payment and Presentment (EBPP)
- Training directed toward succession planning
- Administration and deployment of the Advanced Metering Infrastructure (AMI) system deployment and review/re-design of business processes
- Continuation of strategic investment management
- Comprehensive review and analysis of current billing system in preparation of formal procurement for replacement
- Oversight and administration of programs related to assisting customers in arrears

Performance Metrics:

**Meter Reading Metrics** – Annually, the ACSA reads over 256,000 meters per year. These readings contain consumption information for our customers which is then transferred to the customer service department for analysis and billing. The ACSA monitors circumstances related to misreading and has had an annual goal of less than 25-40 misreads for the Meter Operations group for the year. The slight increase noted in FY 2019 was due in large part to training of new staff during the fiscal year. Also, it is important to note that essentially all the misreads noted were identified and resolved through regular review prior to customer billing. The illustration below illustrates statistics related to this performance metric:



# Finance Department

Description	FY 2021 Expended	FY 2022 Actual Expenses To-Date(Feb)	FY 2022 Anticipated Expenses To-EOFY 2022	FY 2022 Budget	FY 2023 Base Budget	FY 2023 Total Proposed	FY 2023 as % of FY 2022
<b>PERSONAL SERVICES</b>							
Salaries & Wages	\$ 977,914	757,058	1,135,587	1,061,000	1,195,600	1,195,600	112.7%
Overtime Pay	13,320	24,928	37,392	32,000	30,000	30,000	93.8%
Social Security	73,531	58,555	87,833	83,600	93,800	93,800	112.2%
Retirement	130,076	50,071	75,107	73,800	93,600	93,600	126.8%
Health & Benefit Dollars	163,316	108,031	162,047	205,700	196,800	196,800	95.7%
Life Insurance	12,336	9,100	13,650	14,100	16,000	16,000	113.5%
Workers' Compensation	6,309	5,293	7,940	10,800	9,400	9,400	87.0%
<b>Subtotal:</b>	<b>1,376,802</b>	<b>1,013,036</b>	<b>1,519,556</b>	<b>1,481,000</b>	<b>1,635,200</b>	<b>1,635,200</b>	<b>110.4%</b>
<b>OPERATING SUPPLIES</b>							
Office Supplies	8,050	5,531	8,297	12,600	14,900	14,900	118.3%
Personal Protective Equipment	1,159	1,022	1,533	1,500	1,500	1,500	100.0%
Fuel, Oil & Grease	10,488	10,874	16,311	15,600	30,000	30,000	192.3%
Small Tools & Equipment	1,833	104	156	2,300	2,200	2,200	95.7%
<b>Subtotal:</b>	<b>21,530</b>	<b>17,531</b>	<b>26,297</b>	<b>32,000</b>	<b>48,600</b>	<b>48,600</b>	<b>151.9%</b>
<b>REPAIR &amp; MAINTENANCE</b>							
Vehicle Supplies	3,315	1,842	2,763	3,000	3,500	3,500	116.7%
Hydrant Meter Program	259	8,490	12,735	2,500	3,000	3,000	120.0%
Materials - Water	139,740	60,956	91,434	199,000	172,300	172,300	86.6%
<b>Subtotal:</b>	<b>143,314</b>	<b>71,288</b>	<b>106,932</b>	<b>204,500</b>	<b>178,800</b>	<b>178,800</b>	<b>87.4%</b>
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>							
Audit	32,300	33,300	33,300	33,300	34,300	34,300	103.0%
Fiscal Agent	1,650	688	1,032	1,700	-	-	0.0%
Uniform Rental	7,523	6,197	9,296	10,700	10,900	10,900	101.9%
Consultants' Fees	37,363	57,312	85,968	118,500	118,500	118,500	100.0%
Service Contracts	47,101	89,941	134,912	85,000	184,000	184,000	216.5%
Postage	85,185	80,848	121,272	151,300	167,800	167,800	110.9%
Printing and Duplicating	17,264	13,675	20,513	30,000	30,400	30,400	101.3%
Other Contractual Services	41,907	16,096	24,144	54,000	28,700	28,700	53.1%
<b>Subtotal:</b>	<b>270,293</b>	<b>298,057</b>	<b>430,437</b>	<b>484,500</b>	<b>574,600</b>	<b>574,600</b>	<b>118.6%</b>

<b>REPAIRS AND MAINTENANCE</b>							
Equipment Repair and Maintenance	5,106	1,311	1,967	8,300	9,100	9,100	109.6%
Vehicle Repair and Maintenance	1,751	2,941	4,412	3,000	3,500	3,500	116.7%
<b>Subtotal:</b>	<b>6,857</b>	<b>4,252</b>	<b>6,379</b>	<b>11,300</b>	<b>12,600</b>	<b>12,600</b>	<b>111.5%</b>
<b>OTHER SERVICES AND CHARGES</b>							
Rental of Equipment	1,621	1,029	1,544	1,700	14,400	14,400	847.1%
Software	83	156	234	500	500	500	100.0%
Dues and Memberships	631	580	870	900	1,300	1,300	144.4%
Books and Periodicals	309	526	789	300	700	700	233.3%
Education and Training	(213)	-	-	8,600	14,400	14,400	167.4%
Travel	-	18	27	13,000	21,000	21,000	161.5%
<b>Subtotal:</b>	<b>2,431</b>	<b>2,309</b>	<b>3,464</b>	<b>25,000</b>	<b>52,300</b>	<b>52,300</b>	<b>209.2%</b>
<b>TOTAL FINANCE \$</b>	<b>1,821,227</b>	<b>1,406,473</b>	<b>2,093,065</b>	<b>2,238,300</b>	<b>2,502,100</b>	<b>2,502,100</b>	<b>111.8%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ 2,640	-	-	2,000	18,000	18,000	900.0%
<b>Total</b>	<b>\$ 2,640</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>18,000</b>	<b>18,000</b>	<b>900.0%</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equipment Replacement	\$ -	-	-	33,000	-	-	0.0%
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>33,000</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>



### Engineering

The Engineering Department is responsible for planning, managing, and protecting our existing water and wastewater utility system, as well as the expansion of this system. We use tools such as our Geographic Information System (GIS), computer hydraulic models, and a variety of flow/pressure recording instruments to verify system capacity, and plan for necessary capital improvements. Our staff plans and manages projects in our Capital Improvement Program (CIP), plus provides oversight of private development that expands our water and wastewater networks. We utilize on-site construction inspection to ensure the quality of facilities installed for both CIP and private development projects. Engineering staff are responsible for locating our existing buried assets (such as water and sewer lines, valves, etc.) and the review of building permits, sign permits and demolition permits, to ensure our water and wastewater facilities are protected and their integrity is maintained. We operate an aggressive Backflow and Cross-Connection Prevention Program that protects the quality of water delivered to the customer. We also manage a proactive Fats, Oils and Grease (FOG) Reduction Program to minimize the buildup of these substances in the wastewater collection system that can reduce the capacity in our pipes and result in blockages, causing sanitary sewer overflows (SSO's). The Engineering Department is also tasked with monitoring changes to Federal, State and Local regulations pertaining to water quality, to comply with all the necessary requirements to ensure the high quality of the water we deliver and the service we provide.

#### Key initiatives for FY 2023:

##### Capital Improvement Budget:

- Replacement of aging, deteriorating and under-sized water mains
- Elimination of asbestos-cement, cast iron and older PVC water mains
- Continue implementation of an Advanced Metering Infrastructure System
- Rehabilitation and replacement of deteriorating sewer facilities
- Improve resiliency and reliability at several pump stations
- Complete the design and begin construction of a satellite maintenance yard on Avon St. Extended
- Implementation of recommendations from Vulnerability Assessment, increasing security of critical assets
- Begin implementing Energy Conservation Measures (ECM's) identified in the energy audit of all our facilities
- Extend public sanitary sewer service to an existing neighborhood currently served by private septic systems
- Increase wastewater capacity to accommodate continued growth in the development area
- Implement CityWorks Operational Insights to help build risk model strategies for asset management
- Conduct an analysis of existing billing system and provide transition support to a replacement product, including integration with new deployed systems and infrastructure
- Replacement and upgrade of the ACSA security system at multiple facilities
- Conduct assessment of the existing ACSA GIS and determine if a transition to the ESRI Utility Network in the ArcGIS Enterprise environment is appropriate

Capital Improvement Budget (continued):

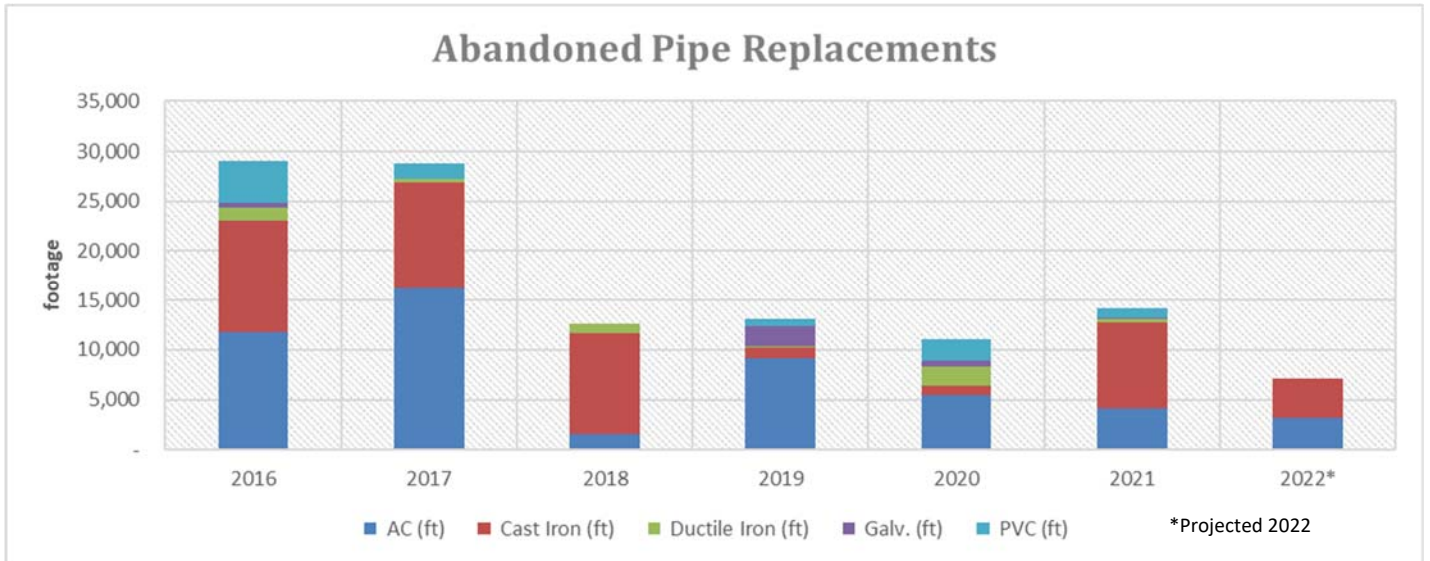
- Conduct data gathering and needs analysis in preparation of dashboarding development for data management

Operating Budget:

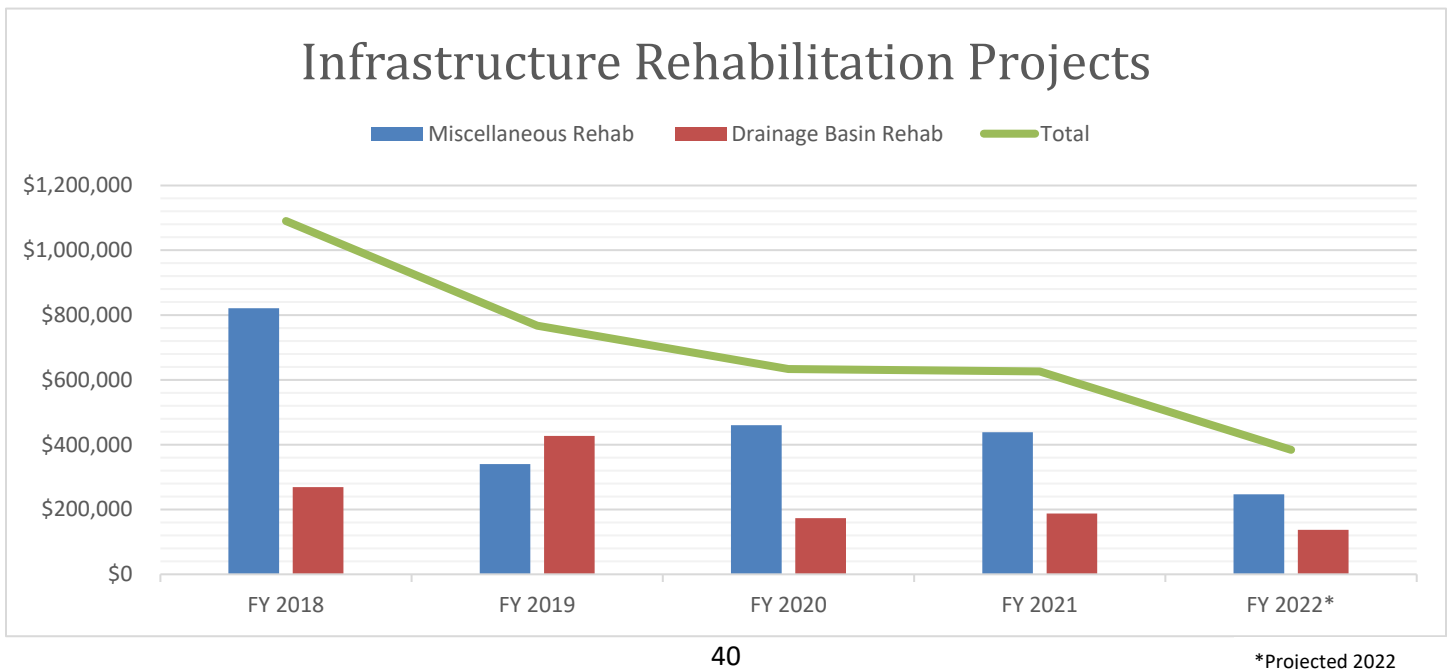
- Scheduled replacement and repair of aging equipment that supports hydraulic modeling, reduction of infiltration (groundwater) and inflow (storm water) into wastewater system, and monitoring of capacity in the wastewater system
- Training directed toward improving workforce skills and succession planning

Performance Metrics:

**Pipe Replacement Program** – The ACSA has a goal to replace aging, undersized, and inferior pipe within our water distribution system over a period of years to meet updated standards. The illustration below indicates the amount and type of abandoned pipe that has been replaced over recent years. Current amount of pipe requiring replacement is 246,371 linear feet.



**Miscellaneous Sewer Rehabilitation** – The ACSA has a goal to invest at least \$400,000 on miscellaneous sewer rehabilitation projects each fiscal year. Sometimes instances arise where funds may be redirected but our intention is to focus on rehabilitation of our system infrastructure. The graph below shows how much is used each year on the two categories of rehabilitation in relation to our goal for miscellaneous projects. FY 2022 totals have been projected through June 2022.



# Engineering Department

Description	FY 2021 Expended	FY 2022 Actual Expenses To-Date(Feb)	FY 2022 Anticipated Expenses To-EOFY 2022	FY 2022 Budget	FY 2023 Base Budget	FY 2023 Total Proposed	FY 2023 as % of FY 2022
<b><i>PERSONAL SERVICES</i></b>							
Salaries & Wages	\$ 1,351,199	944,196	1,416,294	1,457,000	1,624,700	1,624,700	111.5%
Overtime Pay	23,923	12,454	18,681	20,000	20,000	20,000	100.0%
Social Security	103,961	71,786	107,679	112,400	126,000	126,000	112.1%
Retirement	183,375	66,375	99,563	99,400	120,500	120,500	121.2%
Health & Benefit Dollars	147,434	90,663	135,995	198,300	183,100	183,100	92.3%
Life Insurance	17,380	12,197	18,296	19,100	21,000	21,000	109.9%
Workers' Compensation	10,341	8,531	12,797	17,400	12,800	12,800	73.6%
<b>Subtotal:</b>	<b>1,837,613</b>	<b>1,206,202</b>	<b>1,809,305</b>	<b>1,923,600</b>	<b>2,108,100</b>	<b>2,108,100</b>	<b>109.6%</b>
<b><i>OPERATING SUPPLIES</i></b>							
Personal Protective Equipment	1,535	759	1,139	4,100	3,800	3,800	92.7%
Office Supplies	-	-	-	2,600	-	-	-
Fuel, Oil & Grease	13,582	13,150	19,725	15,700	32,900	32,900	209.6%
Small Tools & Equipment	9,914	11,205	16,808	26,700	17,800	17,800	66.7%
<b>Subtotal:</b>	<b>25,031</b>	<b>25,114</b>	<b>37,672</b>	<b>49,100</b>	<b>54,500</b>	<b>54,500</b>	<b>111.0%</b>
<b><i>REPAIR &amp; MAINTENANCE SUPPLIES</i></b>							
Vehicle Supplies	2,985	2,161	3,242	4,800	4,800	4,800	100.0%
<b>Subtotal:</b>	<b>2,985</b>	<b>2,161</b>	<b>3,242</b>	<b>4,800</b>	<b>4,800</b>	<b>4,800</b>	<b>100.0%</b>
<b><i>PROFESSIONAL &amp; CONTRACTUAL SERVICES</i></b>							
Labor-Outside	27,687	-	-	-	-	-	-
Uniform Rental	1,550	1,587	2,381	6,000	6,200	6,200	103.3%
Other Contractual Services	29,032	12,022	18,033	42,600	42,900	42,900	100.7%
<b>Subtotal:</b>	<b>58,269</b>	<b>13,609</b>	<b>20,414</b>	<b>48,600</b>	<b>49,100</b>	<b>49,100</b>	<b>101.0%</b>

<b>REPAIRS AND MAINTENANCE</b>							
Equipment Repair and Maintenance	6,635	5,983	8,975	13,300	15,600	15,600	117.3%
Vehicle Repair and Maintenance	3,722	519	779	6,000	6,000	6,000	100.0%
<b>Subtotal:</b>	<b>10,357</b>	<b>6,502</b>	<b>9,754</b>	<b>19,300</b>	<b>21,600</b>	<b>21,600</b>	<b>111.9%</b>
<b>OTHER SERVICES AND CHARGES</b>							
Dues and Memberships	1,570	1,269	1,904	1,900	1,700	1,700	89.5%
Books and Periodicals	(28)	-	-	600	600	600	100.0%
Education and Training	3,186	9,762	14,643	31,500	23,700	23,700	75.2%
Travel	(296)	2,477	3,716	27,900	24,300	24,300	87.1%
<b>Subtotal:</b>	<b>4,432</b>	<b>13,508</b>	<b>20,263</b>	<b>61,900</b>	<b>50,300</b>	<b>50,300</b>	<b>81.3%</b>
<b>TOTAL ENGINEERING</b>	<b>\$ 1,938,687</b>	<b>1,267,096</b>	<b>1,900,650</b>	<b>2,107,300</b>	<b>2,288,400</b>	<b>2,288,400</b>	<b>108.6%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ -	-	-	2,000	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equip. Replacement	\$ 9,629	-	-	29,500	32,100	32,100	108.8%
<b>Total</b>	<b>\$ 9,629</b>	<b>-</b>	<b>-</b>	<b>29,500</b>	<b>32,100</b>	<b>32,100</b>	<b>108.8%</b>

### Information Technology

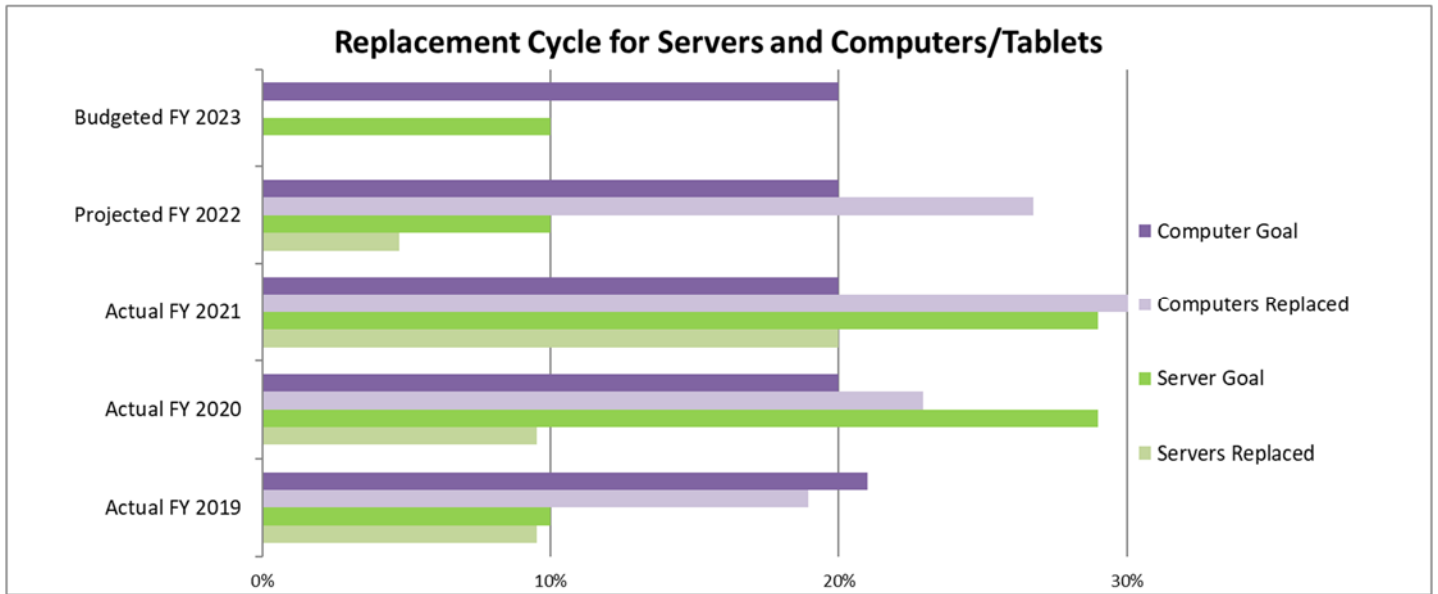
The Information Technology (IT) Department is responsible for planning, managing, and protecting our information technology infrastructure and assets. Our responsibilities encompass the implementation, management, and security of electronic communications for the organization. As operational needs change, existing methods and assets are reviewed, updated, and improved for efficiency. Network and computing environments along with application initiatives are designed and deployed to support specific departmental processes, along with the collaboration of information resources. IT is responsible for all computer related hardware, software, and technology initiatives.

#### Key initiatives and changes for FY 2023:

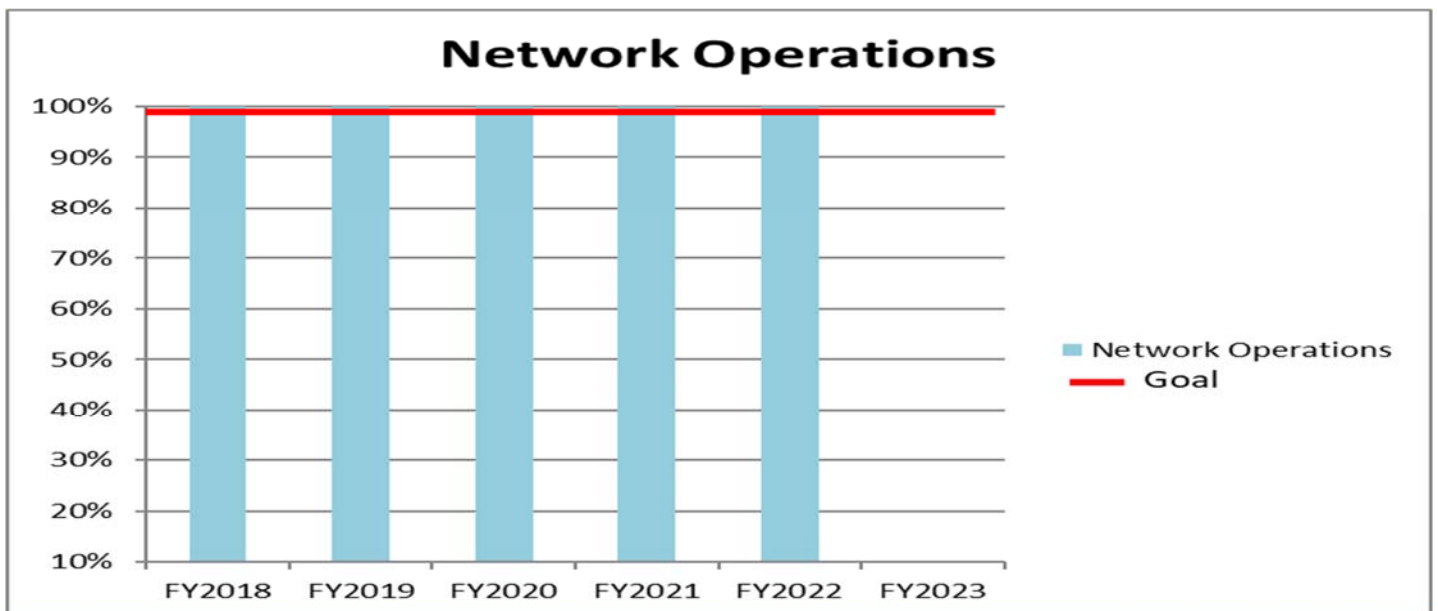
- Continue to support all ACSA staff and the various project implementations
- Continue to strengthen our data security and monitoring
- Continue to support and improve (work orders, customer requests, asset management, and inventory)
- Continue to collect data in the field utilizing cellular network for both GIS and CMMS
  - Utilizing Verizon cell data plans for hotspots, smart phones, and tablets
- Replacement of servers, PCs, and field tablets in accordance with the Strategic Plan and the formalized replacement cycle
- Replace the ACSA firewall
- Support the Advanced Metering Infrastructure (AMI) implementation
  - Utilize Verizon cell data plans for AMI Base Station communications
- Continue to maintain and upgrade our SCADA system
- Upgrade and expand the ACSA's physical security system
- We are proposing a new position for a Project Manager whose responsibilities will include the coordination and completion of projects on-time and within budget and scope. This position will oversee all aspects of projects including deadlines, assignment of responsibilities, and monitor and summarize progress of projects.

Performance Metrics:

**Information Technology Hardware/Software Replacement Program** – In conjunction with the ACSA’s strategic plan, one of the six main themes state that “Implementing modern concepts and approaches to acquire and create resources in data distribution/acquisition, communications, and documentation.” The ACSA IT Department has adopted a replacement plan for technological requirements with a goal of replacing between 20%-30% of computers each year and 10%-30% of servers:



**Network Operations** – The IT Department has an adopted goal of network activity being operational 99% of the workday to ensure operational efficiency and access to internal customers. The chart below illustrates network operations historically and future goals:



# Information Technology

Description	FY 2021 Expended	FY 2022 Actual Expenses To-Date(Feb)	FY 2022 Anticipated Expenses To-EOFY 2022	FY 2022 Budget	FY 2023 Base Budget	Supple- mental Request #1	FY 2023 Total Proposed	FY 2023 as % of FY 2022
<b><i>PERSONAL SERVICES</i></b>								
Salaries & Wages	\$ 371,322	250,104	375,156	458,000	587,200	90,000	677,200	147.9%
Overtime	1,233	430	645	3,000	3,000	-	3,000	100.0%
Social Security	27,363	17,781	26,672	35,300	45,200	6,900	52,100	147.6%
Retirement	48,335	16,179	24,269	31,800	48,500	6,800	55,300	173.9%
Health & Benefit Dollars	62,432	43,215	64,823	82,500	108,500	14,000	122,500	148.5%
Life Insurance	4,567	2,948	4,422	6,100	7,900	1,200	9,100	149.2%
Workers' Compensation	260	244	366	500	600	100	700	140.0%
<b>Subtotal:</b>	<b>515,512</b>	<b>330,901</b>	<b>496,353</b>	<b>617,200</b>	<b>800,900</b>	<b>119,000</b>	<b>919,900</b>	<b>149.0%</b>
<b><i>OPERATING SUPPLIES</i></b>								
Office Supplies	8,242	5,486	8,229	7,000	7,000	-	7,000	100.0%
Copier Supplies	-	205	308	400	400	-	400	100.0%
Fuel, Oil & Grease	201	67	101	1,000	1,900	-	1,900	190.0%
Small Tools & Equipment	27,910	11,933	17,900	29,200	38,000	-	38,000	130.1%
<b>Subtotal:</b>	<b>36,353</b>	<b>17,691</b>	<b>26,538</b>	<b>37,600</b>	<b>47,300</b>	<b>-</b>	<b>47,300</b>	<b>125.8%</b>
<b><i>PROFESSIONAL &amp; CONTRACTUAL SERVICES</i></b>								
Consulting Services	-	45,012	67,518	-	-	-	-	-
Service Contracts	201,021	193,566	290,349	332,300	315,500	-	315,500	94.9%
Telephone/Communications	91,624	60,018	90,027	104,700	137,400	-	137,400	131.2%
<b>Subtotal:</b>	<b>292,645</b>	<b>298,596</b>	<b>447,894</b>	<b>437,000</b>	<b>452,900</b>	<b>-</b>	<b>452,900</b>	<b>103.6%</b>
<b><i>REPAIRS AND MAINTENANCE</i></b>								
Vehicle Repair and Maintenance	-	-	-	1,600	1,600	-	1,600	100.0%
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>1,600</b>	<b>-</b>	<b>1,600</b>	<b>100.0%</b>



***OTHER SERVICES AND CHARGES***

Software	24,440	21,348	32,022	43,687	71,200	-	71,200	163.0%
Books and Periodicals	169	-	-	300	200	-	200	66.7%
Education and Training	3,085	4,258	6,387	19,500	18,000	2,000	20,000	102.6%
Travel	-	-	-	5,500	7,700	1,100	8,800	160.0%
<b>Subtotal:</b>	<b>27,694</b>	<b>25,606</b>	<b>38,409</b>	<b>68,987</b>	<b>97,100</b>	<b>3,100</b>	<b>100,200</b>	<b>145.2%</b>

<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>\$ 872,204</b>	<b>672,794</b>	<b>1,009,194</b>	<b>1,162,387</b>	<b>1,399,800</b>	<b>122,100</b>	<b>1,521,900</b>	<b>130.9%</b>
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***NEW EQUIPMENT ACQUISITION***

New Equipment Acquisition	\$ 4,260	2,595	3,893	-	18,200	7,900	26,100	-
<b>Total</b>	<b>\$ 4,260</b>	<b>2,595</b>	<b>3,893</b>	<b>-</b>	<b>18,200</b>	<b>7,900</b>	<b>26,100</b>	<b>-</b>

***PLANNED EQUIPMENT REPLACEMENT***

Planned Equipment Replacement	\$ 33,092	38,950	58,425	57,200	92,500	-	92,500	161.7%
<b>Total</b>	<b>\$ 33,092</b>	<b>38,950</b>	<b>58,425</b>	<b>57,200</b>	<b>92,500</b>	<b>-</b>	<b>92,500</b>	<b>161.7%</b>

### Maintenance

The Maintenance Department operates its program with two primary goals. The first is upgrading and maintaining our water system so that we can provide safe and clean drinking water with minimal service disruptions at a reasonable cost. The second goal is to systematically evaluate and monitor our sewer system with our two camera vans and to perform routine flushing, rodding, and repairs to prevent potential sanitary sewer overflows. The Maintenance Department oversees a total of 20 pump stations (11 sewer and 9 water) that are critical for the operation of our system that we continuously perform preventative maintenance activities for optimum reliability. Maintenance is the ACSA's largest department, which reflects the priority that is placed on ensuring the ACSA water and sewer system is in optimum condition. Our system continues to grow every year, and the level of maintenance responsibility continues to increase.

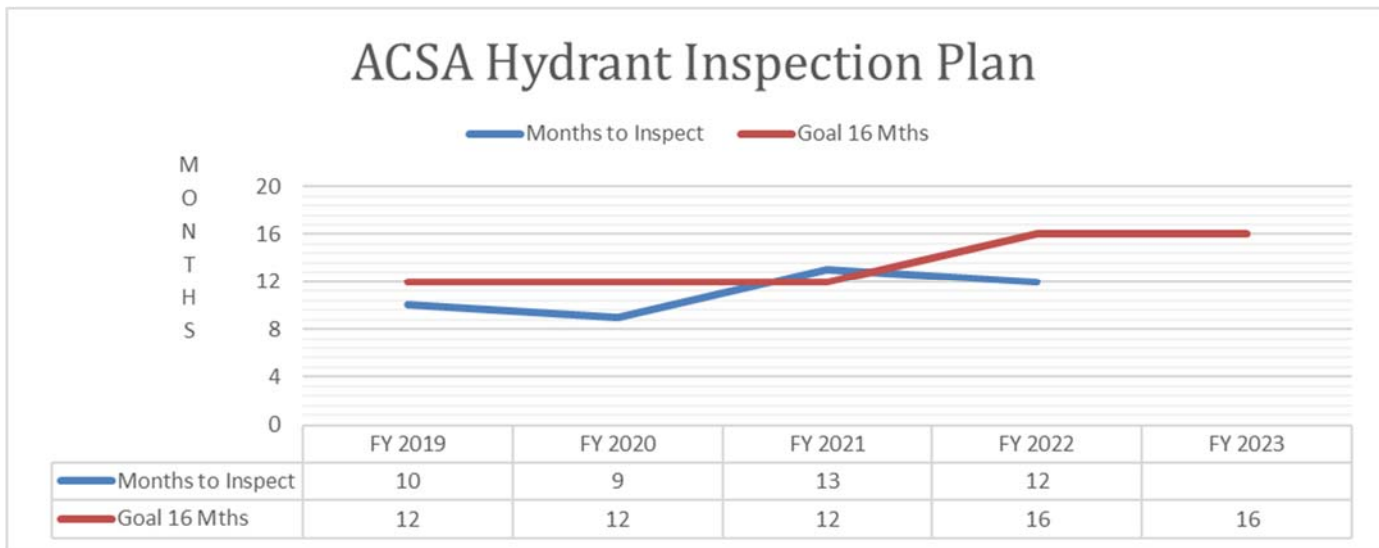
#### Key initiatives for FY 2023:

- Increased emphasis on training, specifically training related to emergency response, safety, and overall system knowledge for maintenance staff as well as operation of the CCTV equipment. The ACSA system continues to grow and with this training, ACSA staff will better understand critical areas and response protocols that are needed to minimize impacts during emergencies
- Replace service equipment including one crane truck, a mid-size excavator, and sewer camera with transporter
- Refinement and continuation of use CityWorks work order and inventory system to leverage additional managerial oversight
- Exclusion meter replacement program
- Vulnerability (Risk) assessment project implementation

Performance Metrics

The ACSA utilizes a variety of performance metrics to track and review progress related to strategic plan initiatives, system reliability, and performance. The metric below illustrates a key performance metric for the budget year and results from years preceding.

**ACSA Hydrant Inspection Plan** -- The ACSA has developed a process to better allow compliance with an AWWA standard that notes “all hydrants should be inspected regularly, at least once a year to ensure their satisfactory operation.” Efficiencies in the ACSA program has allowed the ACSA to exceed this goal for three of the last five years. The number of hydrants in the system continues to grow as our system expands with 205 hydrants added over the last fiscal year. The AWWA recommends valves larger than 12” be inspected once every twelve months and those less than 12” inspected once every 24 months:



# Maintenance Department

Description	FY 2021 Expended	FY 2022 Actual Expenses To-Date(Feb)	FY 2022 Anticipated Expenses To-EOFY 2022	FY 2022 Budget	FY 2023 Base Budget	FY 2023 Total Proposed	FY 2023 as % of FY 2022
<b><i>PERSONAL SERVICES</i></b>							
Salaries & Wages	\$ 1,680,457	1,177,302	1,765,953	1,898,000	2,172,400	2,172,400	114.5%
Overtime Pay	56,738	38,237	57,356	60,000	60,000	60,000	100.0%
Standby Pay	36,623	28,150	42,225	5,000	25,000	25,000	500.0%
Social Security	132,568	93,656	140,484	150,200	172,700	172,700	115.0%
Retirement	241,194	88,391	132,587	132,300	183,700	183,700	138.9%
Health & Benefit Dollars	288,242	173,974	260,961	386,200	385,000	385,000	99.7%
Life Insurance	22,240	15,745	23,618	25,300	28,600	28,600	113.0%
Workers' Compensation	36,590	30,060	45,090	61,300	64,600	64,600	105.4%
Meals - Overtime	130	74	111	1,200	1,200	1,200	100.0%
<b>Subtotal:</b>	<b>2,494,782</b>	<b>1,645,589</b>	<b>2,468,385</b>	<b>2,719,500</b>	<b>3,093,200</b>	<b>3,093,200</b>	<b>113.7%</b>
<b><i>OPERATING SUPPLIES</i></b>							
Shop Supplies	4,612	6,703	10,055	43,388	31,800	31,800	73.3%
Personal Protective Equipment	9,509	6,959	10,439	20,500	22,500	22,500	109.8%
Fuel, Oil & Grease	48,802	46,528	69,792	52,400	92,600	92,600	176.7%
Heating Fuel	2,574	2,561	3,842	8,900	9,300	9,300	104.5%
Small Tools & Equipment	47,159	24,738	37,107	97,550	114,700	114,700	117.6%
<b>Subtotal:</b>	<b>112,656</b>	<b>87,489</b>	<b>131,235</b>	<b>222,738</b>	<b>270,900</b>	<b>270,900</b>	<b>121.6%</b>
<b><i>REPAIR &amp; MAINTENANCE SUPPLIES</i></b>							
Vehicle Supplies	8,290	3,020	4,530	40,000	45,000	45,000	112.5%
Materials - Water	108,899	44,815	67,223	116,700	115,500	115,500	99.0%
Materials - Hydrants	22,070	16,842	25,263	57,102	58,500	58,500	102.4%
Materials - Sewer	15,772	9,270	13,905	22,000	22,000	22,000	100.0%
Building & Grounds Supplies	16,696	13,750	20,625	25,100	21,700	21,700	86.5%
Equipment Supplies	26,510	6,031	9,047	69,800	76,000	76,000	108.9%
Water Pump Station Supplies	34,679	10,143	15,215	32,900	32,800	32,800	99.7%
Sewer Pump Station Supplies	65,237	58,340	87,510	89,300	94,100	94,100	105.4%
<b>Subtotal:</b>	<b>298,153</b>	<b>162,211</b>	<b>243,318</b>	<b>452,902</b>	<b>465,600</b>	<b>465,600</b>	<b>102.8%</b>
<b><i>PROFESSIONAL &amp; CONTRACTUAL SERVICES</i></b>							
Labor - Outside Contract	66,182	27,131	40,697	159,600	153,200	153,200	96.0%
Uniform Rental	27,202	19,518	29,277	29,000	28,900	28,900	99.7%
Building & Grounds Services	104,082	65,328	97,992	135,400	163,100	163,100	120.5%
Other Contractual Services	910	1	2	13,000	13,000	13,000	100.0%
<b>Subtotal:</b>	<b>198,376</b>	<b>111,978</b>	<b>167,968</b>	<b>337,000</b>	<b>358,200</b>	<b>358,200</b>	<b>106.3%</b>

**REPAIRS AND MAINTENANCE**

Equipment Repair and Maintenance	12,443	26,161	39,242	72,300	74,100	74,100	102.5%
Building & Grounds Repair and Maintenance	843	153	230	13,200	20,200	20,200	153.0%
Vehicle Repair and Maintenance	40,239	9,095	13,643	34,400	37,400	37,400	108.7%
Emergency Tracking Account	-	-	-	-	-	-	-
<b>Subtotal:</b>	<b>53,525</b>	<b>35,409</b>	<b>53,115</b>	<b>119,900</b>	<b>131,700</b>	<b>131,700</b>	<b>109.8%</b>

**OTHER SERVICES AND CHARGES**

Rental of Equipment	6,468	-	-	10,000	10,000	10,000	100.0%
Education and Training	8,661	4,306	6,459	21,900	35,300	35,300	161.2%
Travel	132	3,248	4,872	10,200	15,200	15,200	149.0%
Electricity - Water Pump Station	42,235	21,927	32,891	46,400	47,900	47,900	103.2%
Electricity - Sewer Pump Station	28,675	21,259	31,889	33,900	34,900	34,900	102.9%
Electricity - Shop & Office	33,657	20,178	30,267	37,400	39,300	39,300	105.1%
Permits	1,080	150	225	6,700	6,800	6,800	101.5%
<b>Subtotal:</b>	<b>120,908</b>	<b>71,068</b>	<b>106,603</b>	<b>166,500</b>	<b>189,400</b>	<b>189,400</b>	<b>113.8%</b>

<b>TOTAL MAINTENANCE</b>	<b>\$ 3,278,400</b>	<b>2,113,744</b>	<b>3,170,624</b>	<b>4,018,540</b>	<b>4,509,000</b>	<b>4,509,000</b>	<b>112.2%</b>
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**NEW EQUIPMENT ACQUISITION**

New Equipment Acquisition	\$ -	366	549	85,979	155,500	155,500	180.9%
<b>Total</b>	<b>\$ -</b>	<b>366</b>	<b>549</b>	<b>85,979</b>	<b>155,500</b>	<b>155,500</b>	<b>180.9%</b>

**PLANNED EQUIPMENT REPLACEMENT**

Planned Equipment Replacement	\$ (108,198)	-	-	92,000	110,000	110,000	119.6%
<b>Total</b>	<b>\$ (108,198)</b>	<b>-</b>	<b>-</b>	<b>92,000</b>	<b>110,000</b>	<b>110,000</b>	<b>119.6%</b>

The Authority does not anticipate the issuance of new debt as it will be using cash or reserves to fund capital projects for FY 2023 but will evaluate opportunities that may arise. The Authority is required to adhere to the rebate and reporting requirements of the federal tax code pertaining to arbitrage. The Authority remains in compliance with federal arbitrage regulations. Below is a summary of the ACSA debt service requirements along with the effect to future budget years.

Debt Type	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Revenue Bond	\$ 6,472,000	\$ -	\$ (506,000)	\$ 5,966,000	\$ 521,000

A single revenue bond for \$10,357,000 was issued as a Build American Bond (BAB) on November 1, 2010. Proceeds from the sale were used to (1) provide new money funding for the North Fork Regional Pump Station project and to (2) pay the cost of issuance. On July 21, 2021, the Authority refunded this bond through an issuance by the Virginia Resources Authority (VRA). The refunding resulted in a net budgetary savings of \$1,242,262 or a net present value percent savings of 9.68%.

The revenue refunding bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Annual Debt Service
2022	\$ 335,000	162,272	497,272
2023	375,000	203,591	578,591
2024	395,000	183,859	578,859
2025	415,000	163,103	578,103
2026	435,000	141,322	576,322
2027-2031	2,540,000	338,507	2,878,507
	<b>\$ 4,495,000</b>	<b>\$ 1,192,654</b>	<b>\$ 5,687,654</b>

### Capital Equipment Purchases

The Authority purchases capital equipment on an ongoing basis as new or unique needs arise or during planned replacement periods. For budgeting purposes, differentiation between equipment that is being replaced and equipment that is being purchased for the first time. Please see summaries of equipment purchased below:

#### Equipment – Newly acquired - \$199,600

Finance – Finance has identified the need for a large meter field tester. This equipment will allow testing to be performed by staff in the field to verify accuracy of large meters. (Budget Impact: \$18,000).

Information Technology – Information Technology has identified the need for additional IT equipment to be used by multiple departments throughout the Authority. This equipment includes additional iPad (3), Trimble Unit (1), cell phone (1), computer (1), and a desk for the GIS Technician (1) (Budget Impact: \$26,100).

Maintenance – Maintenance has identified the need for one (1) mid-size excavator, one (1) sewer cleaning inspection camera (Nozzcam), and one (1) Cues sewer camera with transporter. (Budget Impact: \$80,000, \$19,000, and \$56,500 respectively).

#### Equipment- Replacement - \$234,600

Engineering – Scheduled replacement of one (1) fleet vehicle. (Budget Impact: \$32,100).

Information Technology – Replacement of two (2) servers, fifteen (15) computers, twelve (12) iPads, SCADA PLCs, and firewall replacement in FY 2023 in accordance with the ACSA's regularly scheduled change-out policy. (Budget impact: \$10,000; \$34,500; \$24,000, \$14,000, and \$10,000, respectively).

Maintenance – Scheduled replacement of one (1) crane truck (Budget impact: \$110,000).

# Capital Equipment Purchases

Description	FY 2023 Proposed <u>Budget</u>
<b><i>NEW EQUIPMENT ACQUISITION</i></b>	
Finance	\$ 18,000
Information Technology	26,100
Maintenance	155,500
<b>Total:</b>	<b>\$ <u>199,600</u></b>

<b><i>PLANNED EQUIPMENT REPLACEMENT</i></b>	
Engineering	\$ 32,100
Information Technology	92,500
Maintenance	110,000
<b>Total:</b>	<b>\$ <u>234,600</u></b>



The following is a summary of the estimated project costs to be undertaken in FY 2023:

Water Projects:	\$ 4,861,550
Wastewater Projects:	\$ 3,316,500
<b>Total:</b>	<b>\$ 8,178,050</b>

Overall, approximately 45% of the funds to be expended this fiscal year are anticipated to go towards the Avon Street Maintenance Yard Project. On the water side, approximately 57% of these funds will be used to replace aging and undersized pipelines. On the wastewater side, over 35% of the funds will address upgrades or rehabilitation of the existing collection system to reduce infiltration and inflow (I/I). Of the total \$8,178,050 budgeted, existing projects account for \$7,615,050, while new projects are estimated at \$563,000.

The new projects include several programs identified by the IT and Finance Departments, as well as a water main replacement and an extension of public sewer in an existing neighborhood. The Maintenance Department will continue to construct some of the CIP Projects. A summary of the proposed CIP projects with their anticipated required funding in FY 2023 follows:

**Risk Assessment Improvements:** As part of the on-going preparedness program for the ACSA to remain resilient, a Vulnerability Assessment was completed in conjunction with our community partners. All our critical assets were analyzed for risks caused by both natural and human-made hazards, using the AWWA Standard J100: *Risk and Resilience Management of Water and Wastewater Systems*. The result was a report to establish mitigation measures to lower risks and increase resiliency. Some mitigation measures such as industrial strength locks, perimeter security lighting, and access control signage have been completed. Design of Priority 1 improvements is nearing completion and construction is anticipated in the upcoming fiscal year with the funds previously budgeted. Priority 2 will follow with funds already budgeted. There will be additional funds required in FY 2024 and FY 2027 to cover design and construction of Priorities 3 and 4. **FY 2023 Budget - \$0 (FY 2019, FY 2020, and FY 2022 Budgets - \$641,950)**

**Data Management and Dashboarding (New):** This project satisfies one of the recommendations from the IT Security Assessment conducted in June 2021. The first phase includes consulting services to assist staff with data gathering and classification along with a detailed needs analysis of what data staff members need to have access to for their various job responsibilities. Following this data collection phase, our consultant will design and build the appropriate dashboards. These dashboards will display relevant data in a graphical format for staff members while restricting their permissions to the raw data on the server. Additionally, dashboards will provide a way for staff to utilize business intelligence and analytics to further manipulate the data for their job duties. The amount budgeted will cover consulting services during the data gathering and needs analysis phase in FY 2023 with additional funding for dashboard development anticipated in FY 2024. These funds are divided equally between water and wastewater projects. **FY 2023 Budget - \$20,000**

**Billing System Analysis and Replacement (New):** This project consists of consulting services to assist with a review of current business processes and technology as well as development of a roadmap moving forward. These services will also include Request for Proposals (RFP) development, review of proposals, and contract negotiations. The consultant will assist in the procurement process and subsequently during development to ensure a stable transition for our customers and ACSA staff. The work will also include integrating with other systems, specifically the Advanced Metering Infrastructure and Enterprise Resource Planning Systems. The amount budgeted is for funding to complete the assessment, develop/analyze the RFP, and contract negotiations with additional funds anticipated in FY 2024. These funds are divided equally between water and wastewater projects. **FY 2023 Budget - \$50,000**

**ESRI Utility Network Implementation (New):** This project consists of consulting services to develop a plan and fully implement the Utility Network in the ACSA's ArcGIS Enterprise environment. The consultant will assess the state of the ACSA's GIS and recommend changes needed for successful implementation of the Utility Network and assist with this conversion. Once these changes are complete, the consultant will migrate the existing GIS database to the Utility Network, train staff on use of the technology, and provide post go-live support. The amount budgeted in FY 2023 will cover consulting services. Additional funding for full deployment is anticipated in FY 2024. These funds are divided equally between water and wastewater projects. **FY 2023 Budget - \$50,000**

**CityWorks Operational Insights Implementation (New):** This project consists of consulting services to develop a plan and implement Operational Insights within the ACSA's CityWorks environment. The consultant will assess the readiness of asset management at the ACSA and determine what changes are necessary to enable the implementation of the software, as well as assist in those changes. The consultant will provide industry best practices on asset management related to CityWorks. The consultant will implement Operational Insights, train staff on the use of this technology, and provide post go-live support. The amount budgeted will cover consulting services along with full implementation and deployment of the system in FY 2023. These funds are divided equally between water and wastewater projects. **FY 2023 Budget - \$45,000**

**Energy Audit:** A comprehensive energy audit of the Operations Center and all pump stations was recently completed that evaluated current energy consumption and analyzed utility rate structures to identify potential cost savings. Surveys were conducted on all systems, including operation and maintenance procedures to determine where energy conservation could be improved. The amount budgeted will begin implementation of several recommendations from the audit, including the continued efforts in transitioning to LED lighting and replacement of the existing hot water heater at the Operations Center. Additional funding is anticipated in FY 2024 to begin installation of Vehicle Charging Stations at the Operations Center. These funds are divided equally between water and wastewater projects. **FY 2023 Budget - \$40,000 (FY 2020 Budget - \$300,000)**

**Avon Street Maintenance Yard:** As part of the Operations Center Expansion Study our consultant reviewed all properties owned by the ACSA that could be utilized as we continue to grow. The Avon Street property has long been held as a future location to build additional facilities in a central location, as needed. The current Maintenance Yard at our Operations Center is becoming overcrowded with equipment and materials, causing us to locate some equipment and larger materials in the former ACSA Maintenance Yard at the Crozet Water Treatment Plant, which we lease from RWSA. This project will begin to develop the Avon Street property into a much larger vehicle and materials storage facility, including a training area for our equipment operators. The amount budgeted is to cover clearing and grading, stormwater and utilities, and site work of this site in FY 2023. These funds are divided equally between water and wastewater projects. Additional funding will be required for construction of the building and fuel facility, which is anticipated in FY 2024. **FY 2023 Budget - \$3,750,000 (FY 2020, FY 2021, and FY 2022 Budgets - \$640,000)**

**ACSA Facilities – Security System Upgrade (New):** This project addresses recommendations outlined in the Vulnerability Assessment as well as the Security Assessment and consists of installation, configuration, and programming of a new security system. Our current network video recorders (NVRs) will be upgraded to prevent cybersecurity vulnerabilities and to be compatible with newer infrastructure in preparation of the upcoming Avon Street Maintenance Yard Project. The second phase of this project will allow for the purchase, installation, and configuration of security cameras at our pump stations and water storage tanks. The amount budgeted is for implementation of these upgrades in FY 2023. These funds are divided proportionally between water and wastewater projects. **FY 2023 Budget - \$158,000**

**Advanced Metering Infrastructure (AMI) Implementation:** This project addresses a goal in our Strategic Plan to convert our existing metering system to an AMI System. We have completed the RFP, evaluation of potential vendors and entered a contract with Core & Main/Sensus. Two collectors (antennas) and associated hardware have been installed along with the first phase of deployment totaling approximately 500 meters. The second phase of deployment began in February 2022 and includes system-wide large meter installations along with all meters in Scottsville and one of the routes in Crozet. Full deployment is anticipated later this calendar year as meters are available. The amount previously budgeted will cover a large portion of full deployment with additional funds anticipated in FY 2024. These funds are divided equally between water and wastewater projects. **FY 2023 - \$0 (FY 2018, FY 2020 and FY 2022 Budgets- \$7,700,000)**

**Four-Story Residential Backflow Prevention Device Retrofit:** In late 2018 ACSA staff became aware of four-story residential structures being constructed without proper backflow prevention devices. Section 8 of the ACSA Rules and Regulations details the ACSA's Backflow Prevention Program. This program is in accordance with 12VAC5-590-570 through 12VAC5-590-630 of the Virginia Waterworks Regulations. The Containment Policy in 12VAC5-590-610 outlines the requirement for a backflow prevention (BFP) device on the domestic water service line to high rise structures, defined as four (4) or more stories. Data acquisition and design of bid documents is nearly complete and retrofit activities are expected to begin in FY 2023 with funds previously budgeted. **FY 2023 Budget - \$0 (FY 2021 Budget - \$348,000)**

**Scottsville Phase 4 Water Main Replacement:** This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast-iron water mains throughout our water systems. The amount budgeted will allow for continued design efforts along with geotechnical investigations and plat preparation in FY 2023. Construction is not anticipated to occur until FY 2025 and beyond with additional funds required. **FY 2023 Budget - \$100,000 (FY 2018 and FY 2020 Budgets - \$404,900)**

**Ragged Mountain Phase 1 Water Main Replacement:** This project will replace the oldest active water main remaining in our system, which was part of the water main that served customers along Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which greatly reduces the flow capacity in this section. Design of this project is nearly complete, and construction is anticipated immediately following completion of VDOT's Morey Creek Bridge Replacement Project which is currently out for advertisement. The amount budgeted will allow construction to begin later in FY 2023 and will carry over into FY 2024 with additional funds required. **FY 2023 Budget - \$417,000 (FY 2020 Budget - \$117,400)**

**Crozet Phase 4 Water Main Replacement:** Our Strategic Plan calls for the eventual replacement of all asbestos-cement, galvanized and PVC (pre-1990) water mains in our system, as they are older and made of a weaker material than the current industry norm. This project continues our systematic program to replace the aging and undersized asbestos-cement and PVC water mains in the Crozet Water System. This is the fourth of five phases in Crozet that have been defined to carry out these water distribution system improvements. The design is complete and easement acquisition is currently underway with funds previously appropriated. Construction of this project will be coordinated with VDOT's Lickinghole Creek Bridge Replacement Project along Crozet Avenue. Based on VDOT's current schedule, construction of the water main replacement project is anticipated to begin in late in FY 2023 with additional funding required in future years to complete this project. **FY 2023 Budget - \$1,412,050 (FY 2019 and FY 2020 Budgets - \$535,300)**

**Jefferson Village Water Main Replacement:** This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are more than 50 years old and have reached the end of their useful life. As a former well system that was later connected to public water, many of the mains are also undersized. Bids were recently opened, and construction is anticipated to begin Spring 2022 with funds previously budgeted. **FY 2023 Budget - \$0 (FY 2018, FY 2020, FY 2021, and FY 2022 Budgets - \$2,451,000)**

**Northfields Water Main Replacement:** This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains were installed in the 1960's and have reached the end of their useful life. As a former well system that was later connected to public water, most of the mains are also undersized. The project is currently under design with funds previously budgeted. It is anticipated that construction could be separated into phases with construction starting on the first phase beginning in FY 2025. Additional funding will be required based on phasing and construction schedule. **FY 2023 Budget - \$0 (FY 2020 Budget - \$530,000)**

**Briarwood Water Main Replacement:** Our Strategic Plan calls for the eventual replacement of PVC (pre-1990) water mains in our system, as they are older and made of weaker material than the current industry norm. This project will replace the PVC water mains that have been in service since the early 1980's. The design phase is currently underway with funds previously appropriated. Construction is expected to take place in FY 2025 and FY 2026 with additional funding budgeted in those years. **FY 2023 Budget - \$0 (FY 2021 Budget - \$220,000)**

**Barracks West Water Main Replacement:** This project will replace the undersized and aging cast iron and galvanized water mains that were installed in the late 1960's. These water mains are original to the Old Salem Apartments development, now called Barracks West. This project follows our Strategic Plan goal to replace aging and undersized water mains throughout our system and will provide for an opportunity to improve fire protection to these multi-family apartments. The design phase is currently underway with funds previously appropriated. Construction of this project is anticipated in FY 2025 and FY 2026 with additional funding required. **FY 2023 Budget - \$0 (FY 2022 Budget - \$452,500)**

**Townwood Water Main Replacement (New):** Our Strategic Plan calls for the eventual replacement of PVC (pre-1990) water mains in our system, as they are older and made of weaker material than the current industry norm. This project will replace the PVC water mains that have been in service since the early 1980's and have recently experienced several breaks causing water service disruptions. The amount budgeted will allow design to begin later in FY 2023 and will carry over into FY 2024 with additional funds required. **FY 2023 Budget - \$170,000**

**Broadway Street Water Main Replacement:** This project will replace the cast iron water main that was installed in the early 1970's and has been found to be in deteriorating condition based on recent excavations. With the redevelopment of the Woolen Mills Factory and Albemarle County's increased attention on economic revitalization of this corridor, replacement of this water main is crucial in transforming this area. Design is nearing completion with funds previously appropriated. The amount budgeted will make it feasible for construction to take place in FY 2023. **FY 2023 Budget - \$650,000 (FY 2021 Budget - \$142,800)**

**Raintree and Fieldbrook PVC Water Main Replacement:** Our Strategic Plan calls for the eventual replacement of PVC (pre-1990) water mains in our system, as they are older and made of weaker material than the current industry norm. This project will replace the PVC water mains that have been in service since the 1980's. The design phase is currently underway and will carry over into FY 2024 with funds previously appropriated. Construction is expected to take place in FY 2027 and FY 2028 with additional funding budgeted in those years. **FY 2023 Budget - \$0 (FY 2022 Budget - \$432,300)**

**SCADA Phase 3 Implementation:** The ACSA Utility System has over 40 critical assets that include water and wastewater pump stations, water storage tanks and master PRV stations. This project continues implementation of the ACSA's Supervisory Control and Data Acquisition (SCADA) System that allows ACSA employees to remotely monitor the operations of these critical assets. Using alarms, we can more quickly troubleshoot problems and prevent some failures from occurring. Phases 1 and 2 are complete and in operation. The design of Phase 3 is complete, and construction is expected to be completed in FY 2023 with funds previously appropriated. **FY 2023 Budget - \$0 (FY 2010-2022 Budgets - \$2,740,800)**

**Airport Trunk Sewer Upgrade:** With the continued growth in the Hollymead Town Center area, the existing sewer collector serving the airport and the area west of Route 29 needs upgrading to handle full build-out. The existing sewer was originally sized to serve the light industrial zoning designated for that area at the time of construction. The increased density specified in the County Comprehensive Plan for the same drainage basin will exceed the capacity of the existing sewer. Design is ongoing and easement acquisition is underway with funds previously budgeted. The amount budgeted will allow for the completion of design and cover easement compensations required for the project. It is anticipated that construction will begin in FY 2026, with additional funding required. **FY 2023 Budget - \$115,000 (FY 2021 Budget - \$368,800)**

**Northfields Phase 5 Sewer (New):** During the design of the Northfields Water Main Replacement Project, ACSA staff identified several sections of sanitary sewer that could be installed along the roadway in coordination with the water main replacement work. These efforts will provide sanitary sewer service to existing neighborhood properties currently served by private septic fields. The amount budgeted will cover design of these improvements and construction will coincide with the water main replacement project efforts anticipated in FY 2025 with additional funds required. **FY 2023 Budget - \$70,000**

**Miscellaneous Sewer Rehabilitation:** This project continues our "find and fix" program of sanitary sewer rehabilitation to reduce I&I in our system during the fiscal year. This work will utilize publicly bid miscellaneous sewer rehabilitation contracts that are renewable on an annual basis up to four times after the initial year long contract. It will be used to make repairs and rehabilitate problems in our system found with systematic CCTV inspection by ACSA crews and the subcontractor. **FY 2023 Budget - \$400,000**

**Bellair – Liberty Hills Sewer:** Over the past several years, there has been an uptick in residents of the Bellair Subdivision seeking to connect to public sanitary sewer service since most residents are currently served by private septic fields. Based on results from a community survey, a majority of the property owners are interested in connecting to public sewer if it was made available. Design is underway with funds previously appropriated. It is anticipated that construction will take place in FY 2025 and FY 2026, with additional funding required in those years. **FY 2023 Budget - \$0 (FY 2021 and FY 2022 Budgets - \$393,715)**

**Madison Office Park Pump Station Upgrade:** This wastewater pump station was constructed in the early 1980's by private development and the original equipment is wearing down. In addition, the building is undersized, creating difficulty in performing routine maintenance, and making it impossible to install the control panels necessary to include this pump station in our SCADA System. Design is complete and construction is anticipated in FY 2023. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project. **FY 2023 Budget - \$425,000 (FY 2015, FY 2017, FY 2018, FY 2020, FY 2021, and FY 2022 Budgets - \$1,125,000)**

**Huntington Village Water Connection:** The existing water main that serves as the only feed into Huntington Village off Old Ivy Road is at risk of failure due to an existing rock retaining wall that was constructed overtop of the water main. This project provides a second water connection into Huntington Village which is comprised of approximately 135 residential customers. Design is currently underway, and construction is expected to be completed in FY 2023 with funds previously budgeted. **FY 2023 Budget - \$0 (FY 2021 Budget - \$60,700)**

**Sewer Pump Station Comminutors:** Three wastewater pump stations (Glenmore, Georgetown Green, and Crozet) have all been experiencing higher than normal amounts of solid debris that is causing undue wear and tear on our pumps, reducing their effective life. They have also been subjected to clogging from the fibrous cloth wipes that are marketed as flushable but do not break down in the sanitary sewer collection system. Maintenance identified the need to install comminutors (aka grinders) in the wet wells or just upstream of them, to eliminate these solids that are adversely impacting our pumps. Construction of this project is underway with funds previously appropriated. **FY 2023 Budget - \$0 (FY 2019, FY 2020 and FY 2022 Budgets - \$731,300)**

**Biscuit Run Sewer Replacement:** The ACSA's Maintenance Department recently discovered an existing gravity main and manhole along an intermittent stream that drains into Biscuit Run had been exposed due to runoff. This project will replace the sewer segment that crosses the stream with ductile iron pipe and will reinforce the stream bank where the sewer manhole is exposed. Design of this replacement work is complete, and construction is anticipated in FY 2023. The amount budgeted combined with funds previously budgeted is to cover the construction costs anticipated for this project. **FY 2023 Budget - \$206,000 (FY 2022 Budget - \$206,000)**

**Exclusion Meters Replacement:** In the mid 1990's with the development of Glenmore, many new customers installed irrigation systems for their properties and wanted to have their sewer bills reduced by the amount of water that was diverted for irrigation purposes. Private meters were installed behind their ACSA domestic meter to record this volume and it was "excluded" from the calculation of their sewer charges and these became known as exclusion meters. On January 1, 2006, the ACSA Rules and Regulations were modified to disallow exclusion meters and required all future irrigation meters be tapped separately off our water mains, to be owned and controlled by the ACSA. This project is a multi-year replacement program by our in-house CIP Crew to install dedicated, ACSA-owned irrigation meters that will eliminate all remaining exclusion meters in our system. Work will continue with funds previously budgeted. Additional funding is anticipated in future years to complete this project. **FY 2023 Budget - \$0 (FY 2020 and FY 2021 Budgets - \$527,500)**

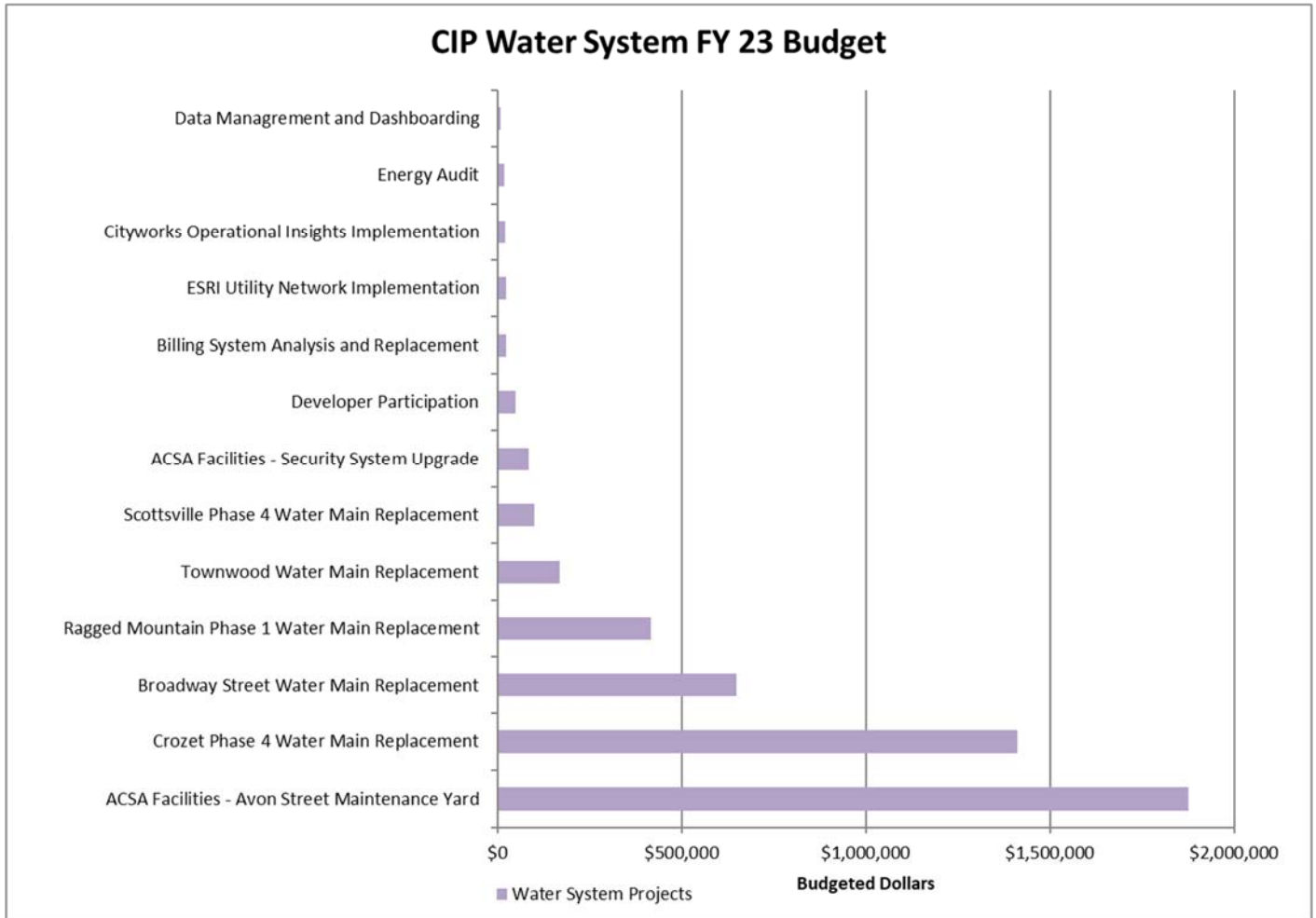
**Pipe Saddles Replacement:** The ACSA Maintenance Department has discovered in recent years that pipe saddles used to make water service line connections to PVC water mains have been failing. Either the galvanized steel straps or the cast iron saddle bodies are deteriorating. This project is a multi-year replacement program to be undertaken with our in-house CIP Crew. Work will be performed with funds previously budgeted. Additional funding is anticipated in future years to complete this project. **FY 2023 Budget - \$0 (FY 2020 and FY 2021 Budgets - \$100,000)**

**Developer Participation:** Each year funds are set aside to participate in oversizing utilities constructed to serve new development. The Rate Model includes \$100,000 divided equally between water and wastewater projects as a contingency to ensure the new pipes are sized to meet the ACSA's long-range needs. **FY 2023 Budget - \$100,000**

Albemarle County Service Authority Water & Sewer Rate Model													
CAPITAL IMPROVEMENT PROJECTS													
	Percent	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	10- Year
Water System	Growth	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total Forecast
Risk Assessment Improvements	0%	\$ 79,900	\$ -	\$ 47,500			\$ 324,500						\$ 372,000
Data Management and Dashboarding	100%		\$ 10,000	\$ 10,000									\$ 20,000
Billing System Analysis and Replacement	100%		\$ 25,000	\$ 25,000									\$ 50,000
ESRI Utility Network Implementation	100%		\$ 25,000	\$ 75,000									\$ 100,000
Cityworks Operational Insights Implementation	100%		\$ 22,500										\$ 22,500
Energy Audit	0%	\$ -	\$ 20,000	\$ 25,000									\$ 45,000
ACSA Facilities - Avon Street Maintenance Yard	100%	\$ 30,000	\$ 1,875,000	\$ 2,375,000									\$ 4,250,000
ACSA Facilities - Security System Upgrade	100%		\$ 85,000										\$ 85,000
AMI Implementation	80%	\$ 2,500,000	\$ -	\$ 250,000									\$ 250,000
Four-Story Residential Backflow Prevention Retrofit	0%	\$ -	\$ -										\$ -
Scottsville Phase 4 Water Main Replacement	0%	\$ -	\$ 100,000		\$ 2,250,000	\$ 2,250,000							\$ 4,600,000
Stony Point Water Main Replacement	0%	\$ -	\$ -	\$ 213,000									\$ 213,000
Ragged Mountain Phase 1 Water Main Replacement	0%	\$ -	\$ 417,000	\$ 417,000									\$ 834,000
Crozet Phase 4 Water Main Replacement	0%	\$ -	\$ 1,412,050	\$ 2,824,100	\$ 1,412,050								\$ 5,648,200
Crozet Phase 5 Water Main Replacement	0%							\$ 201,600	\$ 201,600		\$ 1,805,100	\$ 1,805,100	\$ 4,013,400
Jefferson Village Water Main Replacement	0%	\$ 262,300	\$ -										\$ -
Rt 785 Water Main Replacement	0%					\$ 40,100		\$ 215,500					\$ 255,600
Carsbrook Water Main Replacement	0%							\$ 627,700		\$ 2,144,500	\$ 2,144,500		\$ 4,916,700
Northfields Water Main Replacement	0%	\$ -	\$ -		\$ 1,900,000	\$ 2,850,000	\$ 2,850,000						\$ 7,600,000
Wakefield Water Main Replacement	0%						\$ 110,000		\$ 517,300				\$ 627,300
Huntington Village Water Connection	0%	\$ -	\$ -										\$ -
Hessian Hills Water Main Replacement	0%	\$ 3,456,675											\$ -
Old Forge Water Main Replacement	0%					\$ 195,000		\$ 685,500	\$ 228,500				\$ 1,109,000
Airport Acres Water System	100%								\$ 163,000		\$ 612,000		\$ 775,000
Parkview Drive Water Connection	0%	\$ -	\$ -										\$ -
Lewis Hill - West Leigh Water Connection	0%												\$ -
Exclusion Meters Replacement	0%	\$ -	\$ -	\$ 107,500	\$ 107,500								\$ 215,000
Pipe Saddles Replacement	0%	\$ -	\$ -	\$ 50,000									\$ 50,000
Glenorchy - Viewmont Court Water Extension	100%										\$ 166,300		\$ 166,300
Ashcroft Water Main Replacement	0%						\$ 427,900		\$ 1,192,200	\$ 794,800			\$ 2,414,900
Briarwood Water Main Replacement	0%	\$ -	\$ -		\$ 1,105,000	\$ 1,105,000							\$ 2,210,000
Barracks West Water Main Replacement	0%	\$ 452,500	\$ -		\$ 1,466,250	\$ 1,466,250							\$ 2,932,500
Riverrun Water Main Replacement	0%						\$ 257,100		\$ 1,640,100				\$ 1,897,200
Townwood Water Main Replacement	0%		\$ 170,000	\$ 170,000			\$ 550,000	\$ 550,000					\$ 1,440,000
North Pines Water Main Replacement	0%								\$ 358,900			\$ 1,719,700	\$ 2,078,600
Lewis Hill Water Main Replacement	0%							\$ 360,400			\$ 1,790,500		\$ 2,150,900
Ivy Oaks Water Main Replacement	0%							\$ 288,200		\$ 1,305,300			\$ 1,593,500
Broadway Street Water Main Replacement	0%	\$ -	\$ 650,000										\$ 650,000
Hollymead Phase 2 Water Main Replacement	0%								\$ 204,100		\$ 1,477,000		\$ 1,681,100
Pantops - Rivanna River Crossing Water Main Replacement	0%							\$ 67,300		\$ 392,700			\$ 460,000
Canterbury Hills Phase 2 Water Main Replacement	0%								\$ 586,700			\$ 3,809,500	\$ 4,396,200
Mosby Mountain Pressure Zone - Additional Storage	50%					\$ 105,000		\$ 1,400,000					\$ 1,505,000
Branchlands PVC Water Main Replacement	0%							\$ 354,000		\$ 2,213,100			\$ 2,567,100
Raintree and Fieldbrook PVC Water Main Replacement	0%	\$ 432,300	\$ -				\$ 2,757,500	\$ 2,757,500					\$ 5,515,000
SCADA Phase 3 Implementation	0%	\$ 186,800	\$ -										\$ -
Developer Participation	100%	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
<b>Total Water Capital Projects</b>		\$ 7,450,475	\$ 4,861,550	\$ 6,639,100	\$ 8,290,800	\$ 8,061,350	\$ 7,327,000	\$ 7,557,700	\$ 4,555,700	\$ 7,487,100	\$ 8,045,400	\$ 7,384,300	\$ 70,210,000

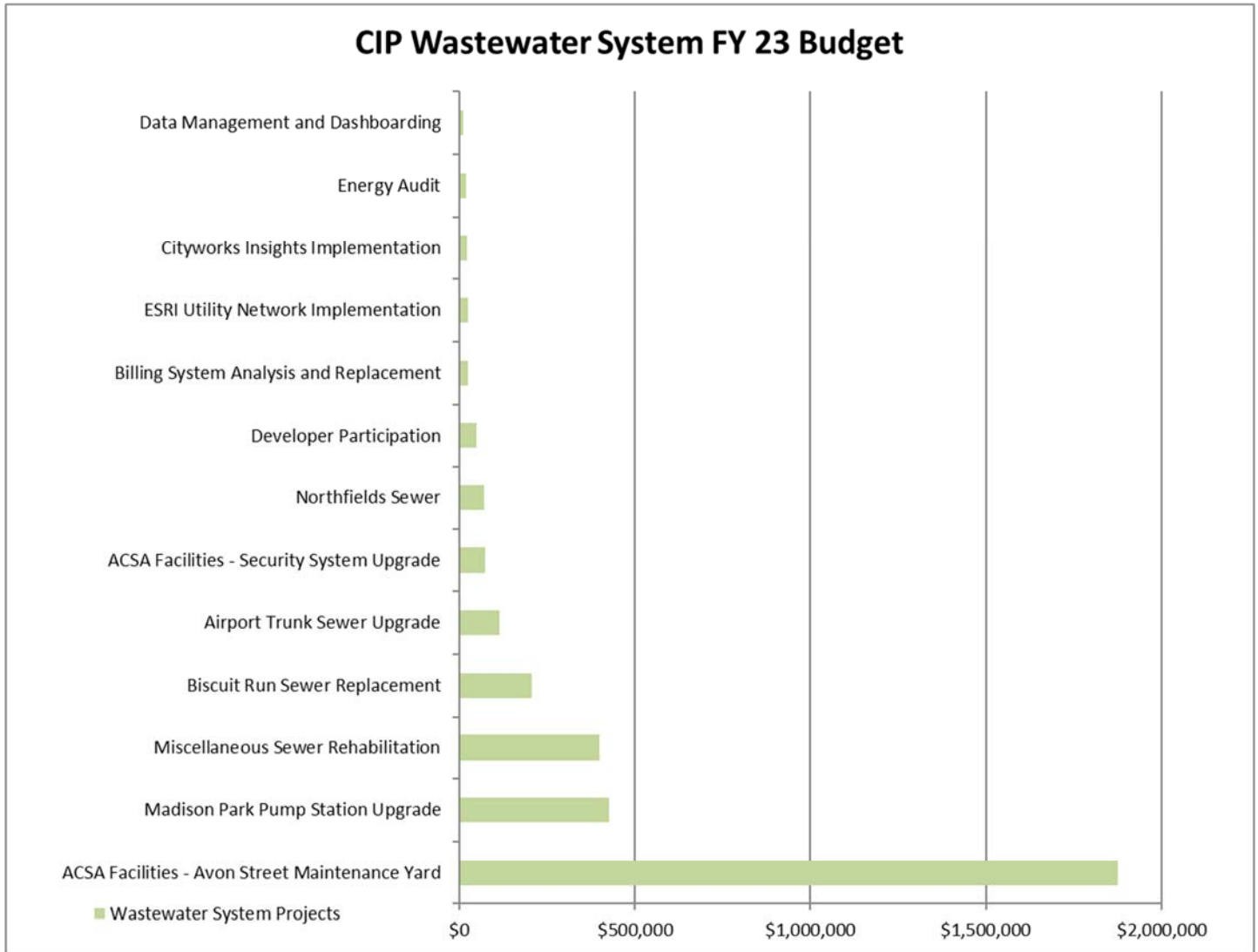
	Percent Growth	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	10- Year Total Forecast
<b>Wastewater System</b>													
Risk Assessment Improvements	0%	\$ 37,100	\$ -	\$ 30,000			\$ 20,000						\$ 50,000
Data Management and Dashboarding	100%		\$ 10,000	\$ 10,000									\$ 20,000
Billing System Analysis and Replacement	100%		\$ 25,000	\$ 25,000									\$ 50,000
ESRI Utility Network Implementation	100%		\$ 25,000	\$ 75,000									\$ 100,000
Cityworks Insights Implementation	100%		\$ 22,500										\$ 22,500
Energy Audit	0%	\$ -	\$ 20,000	\$ 25,000									\$ 45,000
ACSA Facilities - Avon Street Maintenance Yard	100%	\$ 30,000	\$ 1,875,000	\$ 2,375,000									\$ 4,250,000
ACSA Facilities - Security System Upgrade	100%		\$ 73,000										\$ 73,000
AMI Implementation	80%	\$ 2,500,000	\$ -	\$ 250,000									\$ 250,000
Airport Trunk Sewer Upgrade	100%	\$ -	\$ 115,000			\$ 1,356,250	\$ 2,712,500	\$ 1,356,250					\$ 5,540,000
Northfields Sewer	100%		\$ 70,000					\$ 578,000		\$ 918,000		\$ 918,000	\$ 2,484,000
Buckingham Circle Sewer	100%						\$ 365,000	\$ 365,000					\$ 730,000
Madison Park Pump Station Upgrade	50%	\$ 123,875	\$ 425,000										\$ 425,000
Carsbrook Collection System	100%						\$ 550,000	\$ 550,000		\$ 1,326,500	\$ 1,326,500		\$ 3,753,000
Hessian Hills Sewer Phase III	100%						\$ 124,200						\$ 124,200
Miscellaneous Sewer Rehabilitation	0%	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 4,000,000
Ednam Forest Sewer	100%					\$ 265,000	\$ 265,000		\$ 3,800,000				\$ 4,330,000
Brookwood Road Sewer Extension	100%								\$ 21,000				\$ 21,000
Buck Road Sewer Extension	100%								\$ 40,000				\$ 40,000
Park Road Sewer Extension	100%								\$ 80,400				\$ 80,400
Airport Acres Sewer	100%								\$ 461,200			\$ 1,007,000	\$ 1,468,200
Airport Acres Offsite Sewer	100%								\$ 140,000		\$ 460,000		\$ 600,000
Bellair - Liberty Hills Sewer	100%	\$ 80,515	\$ -		\$ 1,550,000	\$ 1,550,000							\$ 3,100,000
Sewer Pump Station Comminutors	0%	\$ 291,300	\$ -										\$ -
Biscuit Run Sewer Replacement	0%	\$ 206,000	\$ 206,000										\$ 206,000
Developer Participation	100%	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
<b>Total Wastewater Capital Projects</b>		\$ 3,718,790	\$ 3,316,500	\$ 3,240,000	\$ 2,000,000	\$ 3,621,250	\$ 4,486,700	\$ 3,299,250	\$ 4,992,600	\$ 2,694,500	\$ 2,236,500	\$ 2,375,000	\$ 32,262,300
TOTAL CAPITAL IMPROVEMENT PROJECTS		\$ 11,169,265	\$ 8,178,050	\$ 9,879,100	\$ 10,290,800	\$ 11,682,600	\$ 11,813,700	\$ 10,856,950	\$ 9,548,300	\$ 10,181,600	\$ 10,281,900	\$ 9,759,300	\$ 102,472,300

The following is an illustration of estimated water system project costs to be undertaken in FY 2023:

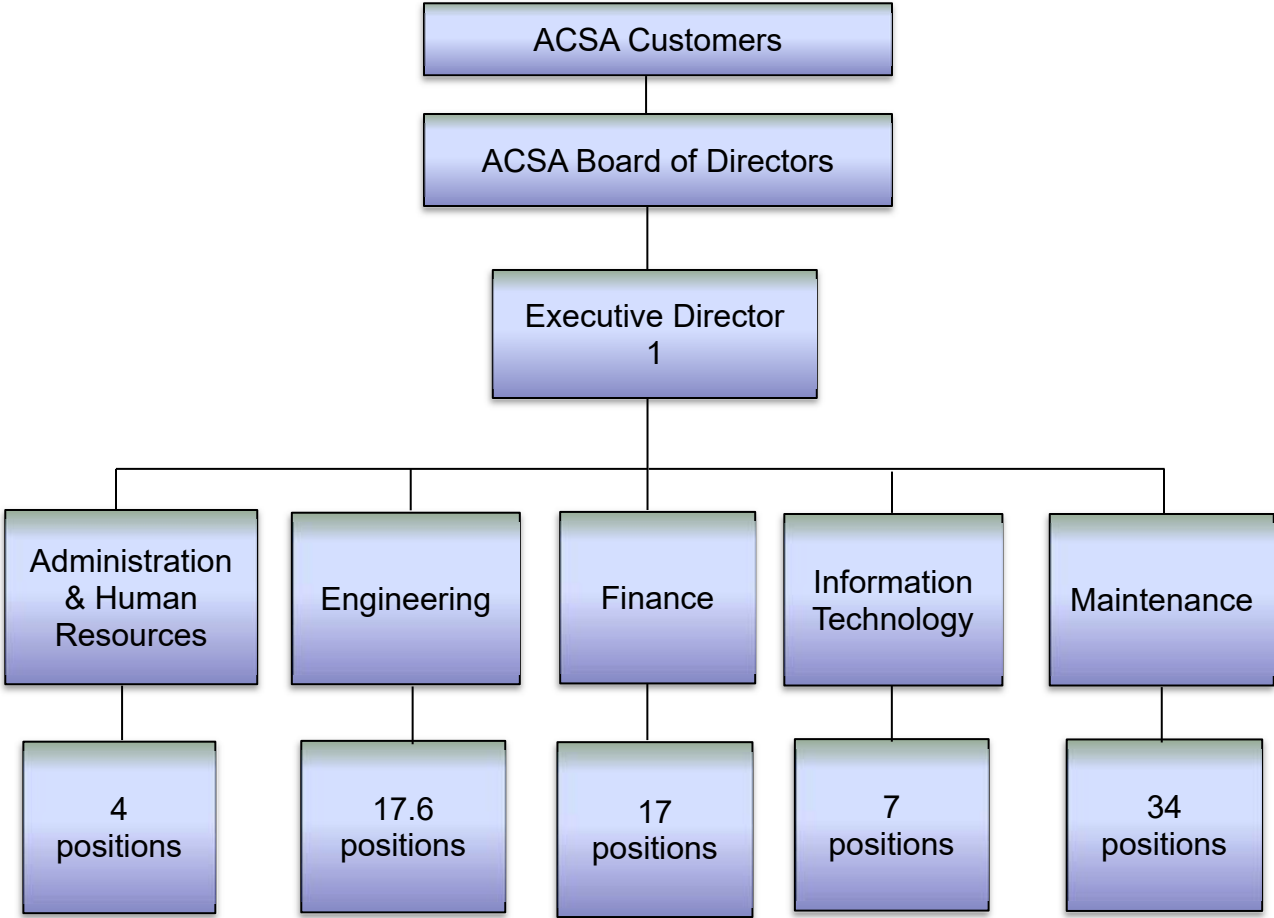




The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2023:



# ACSA Organizational & Personnel Chart Proposed FY 2023



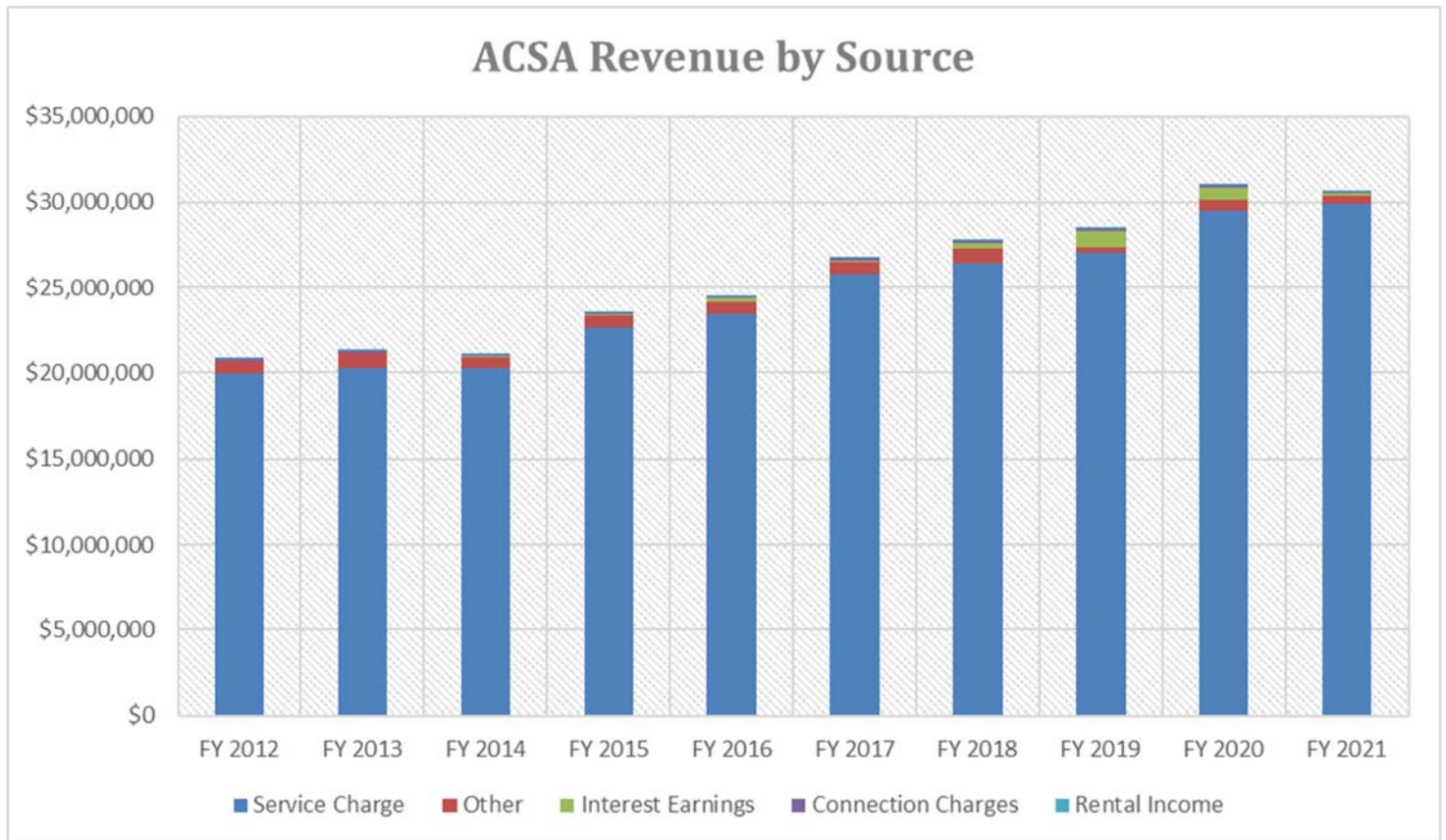
Note: One new position proposed in Fiscal Year 2023, see detail within the Information Technology summary.

		FY 2021 Positions	FY 2022 Positions	FY 2023 Proposed Positions
<b>ADMINISTRATION</b>	Executive Director	1	1	1
	Human Resources & Admin. Mgr.	1	1	1
	Administrative Office Assoc.	1	1	1
	Executive Assistant	1	1	1
	Human Resources Tech.	1	1	1
<b>INFO. TECH.</b>	Mgr. of Information Technology	1	1	1
	Systems Engineer	1	1	1
	Systems Analyst	1	1	1
	GIS Coordinator	1	1	1
	GIS Technician	1	1	1
	SCADA/LAN Technician	1	1	1
	<b>Project Manager (Proposed)</b>	-	-	1
<b>FINANCE</b>	Director of Finance	1	1	1
	Accounting Supervisor	1	1	1
	Meter Operations Supervisor	1	1	1
	Customer Service Supervisor	1	1	1
	Sr. Customer Service Rep.	1	1	1
	Sr. Meter Technician	1	1	1
	Procurement and Fin. Specialist	1	1	1
	Payroll and Rev. Specialist	1	1	1
	Accounting Clerk	1	1	1
	Customer Service Rep. I/II	4	4	4
	Meter Technician I/II	4	4	4
<b>ENGINEERING</b>	Director of Engineering	1	1	1
	Senior Civil Engineer	2	2	2
	Civil Engineer	1	1	1
	Modeling Engineer	1	1	1
	Env. Compliance Specialist	1	1	1
	Reg. Compliance Specialist	1	1	1
	Construction Inspector	5	5	5
	Sr. Utility Location Tech.	1	1	1
	Utility Location Tech.	2	2	2
	Engineering Tech.	1	1	1
	Hydraulic Modeling Tech.	1	1	1
	P.T. Engineering Intern	0.6	0.6	0.6
	<b>MAINTENANCE</b>	Operations Manager	1	1
Operations Supervisor		2	2	2
Facilities Supervisor		1	1	1
Facilities Maintenance Tech.		1	1	1
Electrician/Pump Technician		1	1	1
Electrical Pump Apprentice		1	1	1
CCTV Technician		2	2	2
Crew Leader I/II		5	5	5
Utility Worker I/II/III		19	19	19
Executive Assistant		1	1	1
<b>TOTAL</b>		<b>79.6</b>	<b>79.6</b>	<b>80.6</b>

**Revenue by Source**

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest Earnings	Other	Total
2012	19,932,215	94,442	32,294	68,431	699,885	20,827,267
2013	20,312,821	102,275	43,656	19,745	836,157	21,314,654
2014	20,254,140	92,788	33,810	110,135	621,330	21,112,203
2015	22,641,543	96,992	33,437	102,469	680,717	23,555,158
2016	23,460,681	117,728	27,645	215,035	675,878	24,496,967
2017	25,786,007	138,553	17,213	59,576	738,948	26,740,297
2018	26,453,332	140,451	16,603	348,572	843,004	27,801,962
2019	27,053,948	135,007	16,603	946,599	364,584	28,516,741
2020	29,502,041	147,876	16,603	733,385	639,080	31,038,985
2021	29,883,684	141,043	15,539	82,900	532,947	30,656,113

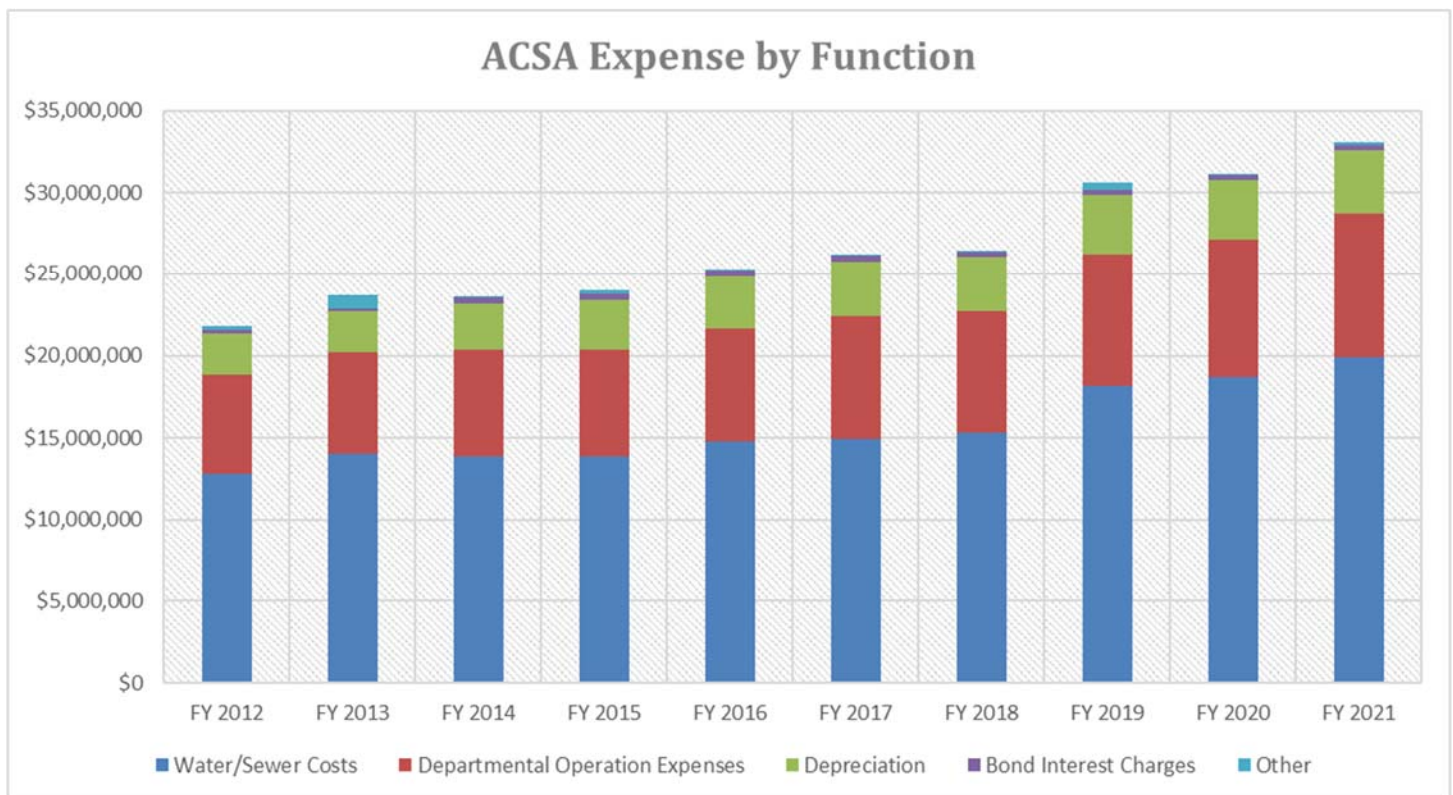
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
2012	12,824,548	5,979,395	275,791	2,501,718	201,333	21,782,785
2013	14,027,324	6,150,195	152,232	2,556,232	825,500	23,711,483
2014	13,849,536	6,524,651	360,711	2,819,633	2,032	23,556,563
2015	13,901,732	6,433,114	414,813	3,026,916	193,203	23,969,778
2016	14,795,643	6,843,659	395,056	3,158,144	22,163	25,214,665
2017	14,928,569	7,501,581	374,726	3,302,779	4,761	26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501
2019	18,154,657	8,076,009	332,183	3,625,254	438,731	30,626,834
2020	18,694,581	8,441,727	309,946	3,669,899	7,553	31,123,706
2021	19,858,509	8,845,385	287,044	3,898,244	161,972	33,051,154

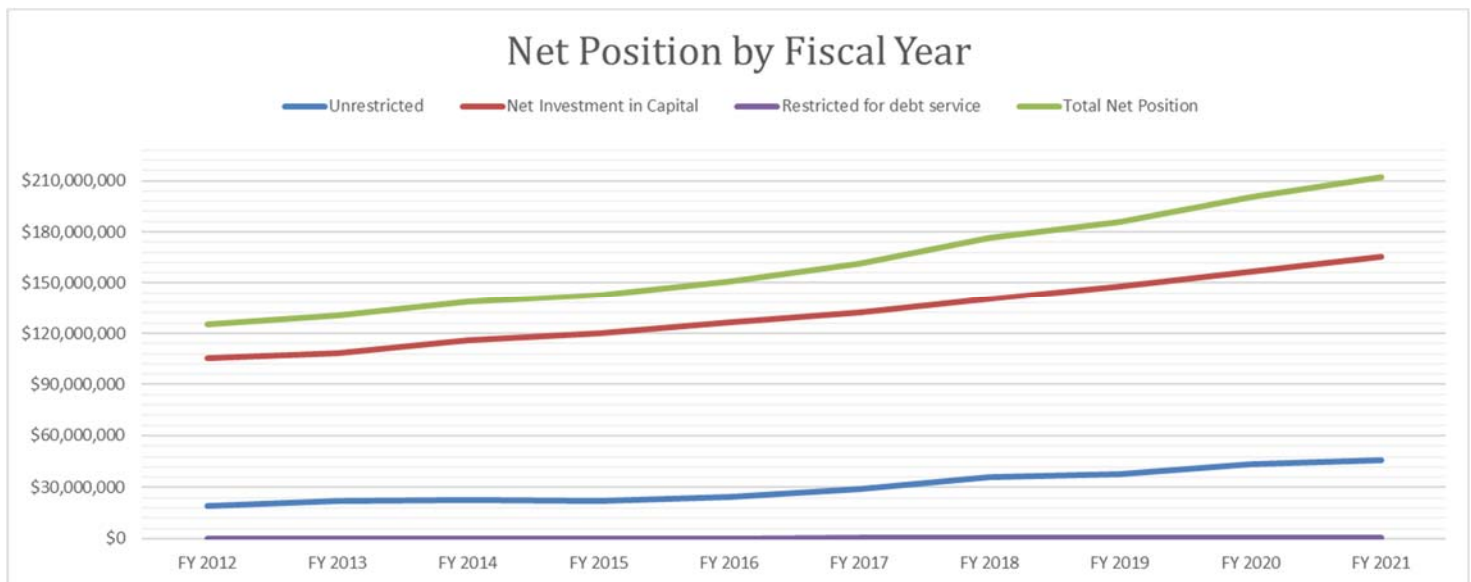
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.



Changes in Net Position

Fiscal Year	Beginning Net Position	Net Investment in Capital Assets	Restricted for debt service	Unrestricted	Ending Net Position	Change in Net Position
2012	115,809,721	105,620,650	218,724	19,210,751	125,050,125	9,240,404
2013	125,050,125	108,233,265	223,963	21,876,992	130,334,220	5,284,095
2014	130,334,220	115,617,250	229,688	22,782,549	138,629,487	8,295,267
2015*	135,919,461	119,714,145	234,890	22,276,215	142,225,250	6,305,789
2016*	142,225,250	126,311,674	240,591	24,423,916	150,976,181	8,750,931
2017	150,976,181	131,997,020	247,015	29,077,339	161,321,374	10,345,193
2018*	159,966,301	140,238,885	255,835	36,007,519	176,502,239	16,535,938
2019	176,502,239	148,180,254	264,343	37,580,516	186,025,113	9,522,874
2020	186,025,113	156,610,823	269,790	43,394,497	200,275,110	14,249,997
2021	200,275,110	165,640,741	272,895	46,047,071	211,960,707	11,685,597

Source: ACSA records, \* -- Beginning net position restated, in accordance with GASB Statements/other.



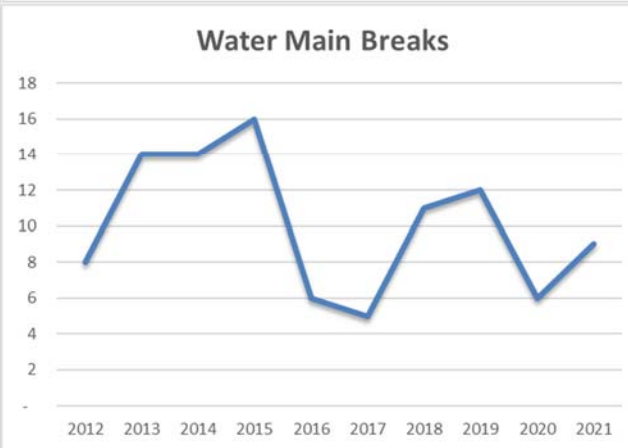
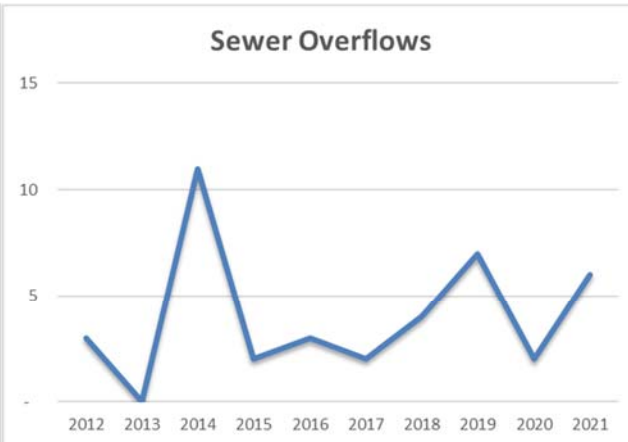
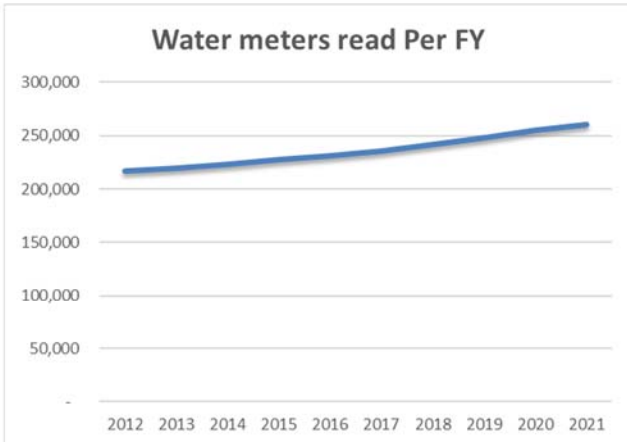
County Demographic and Economic Statistics

Calendar Year	Population	Personal Income (\$)	Per Capita Income (\$)	Per Capita Income as a Percent of U.S. Average	School Enrollment	Unemployment Rate (%)
2011	98,970	7,014,795,000	49,137	122	13,222	5.1
2012	102,251	7,609,998,000	52,687	124	13,122	5.2
2013	103,000	8,350,340,000	56,979	129	13,263	5.4
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7
2016	106,878	9,182,721,000	60,294	125	13,792	3.5
2017	107,702	9,375,633,000	60,964	124	13,910	3.3
2018	108,718	10,531,351,000	67,630	131	14,013	2.7
2019	109,330	11,702,008,000	74,613	137	14,435	2.5
2020	112,395	12,160,701,000	77,657	138	13,532	5.4

Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

For the Year Ended June 30, 2021

Year Created	1964
Size of Service Area:	
Miles of water lines	363.79
Miles of sewer lines	316.06
Fire hydrants	3,023
Water pumping stations	9
Sewer Pumping stations	11
Water storage tanks	8



Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.



**ACCRUAL BASIS OF ACCOUNTING** – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

**ALBEMARLE COUNTY SERVICE AUTHORITY – ACSA** – Established in 1964 to provide water and wastewater to residents in the County of Albemarle Virginia.

**ANNUAL COMPREHENSIVE FINANCIAL REPORT** – A set of financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

**AMERICAN WATER WORKS ASSOCIATION – AWWA** – Established in 1881, AWWA is the largest nonprofit, scientific and educational association dedicated to managing and treating water. AWWA develops standards that represent a consensus of the water industry.

**AMERICAN WITH DISABILITIES ACT – ADA** – government regulations regarding discrimination based on disabilities.

**AMI** – Advanced Metering Infrastructure – enhanced meter reading technology.

**ASBESTOS CEMENT (AC) PIPE** – A concrete pipe made of a mixture of Portland cement and asbestos fiber and highly resistant to corrosion.

**AUTHORITY** – A public agency which performs a specified range of services that are usually financed from fees or service charges.

**BUDGET** – A specific financial plan for the fiscal year that states the expenditures required to meet that plan of operations and identifies the revenue necessary to finance the plan.

**CAPITAL CONTRIBUTIONS** – Capital contributions are recorded for the receipt of funds, property, lines and improvements by developers, customers, or other governments.

**CAPITAL IMPROVEMENT BUDGET** – The budgetary expenditures as it relates to the Capital Improvement Program.

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – The 10-year plan of capital projects which includes replacement or improvement to the service area water and sewer infrastructure as well as A.C.S.A. facilities improvements.

**CLOSED CIRCUIT TELEVISION – CCTV** – closed circuit television equipment used to monitor the inside of water and wastewater lines with the system infrastructure to detect blockages or leaks.

**COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM – CMMS** – A software system that maintains a computer database of information about an organizations maintenance operation, inventory, workorders, asset management, and customer requests.

**ENTERPRISE FUND** – An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The Authority's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges.

EQUIVALENT RESIDENTIAL CONNECTION – ERC – costs associated with a new development connection.

FAMILY MEDICAL AND LEAVE ACT – FMLA – government regulatory agency regarding employee leave related to health issues.

FISCAL YEAR – FY -- A 12-month period designated as the operating year for accounting and budgetary purposes. The Authority's fiscal year runs from July 1 through June 30.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – GAAP – accounting guidelines used to report financial information in a relevant and reliable manner.

GEOGRAPHIC INFORMATION SYSTEM – GIS – information system used to geographically locate areas within the ACSA service area.

GOVERNMENT FINANCE OFFICERS ASSOCIATION – GFOA – association that represents public finance officials throughout the United States and Canada. The GFOA's mission is to promote excellence in state and local government financial management.

GRANULAR ACTIVATED CARBON – GAC—An advanced water filtration system to provide fresh, clean water to residents.

HEATING, VENTILATION, AIR CONDITONING – HVAC – system designed to provided heat, air and appropriate ventilation within the ACSA operating facilities.

INFORMATION TECHNOLOGY – IT – a department within the organization responsible for all technological operating aspects of the Albemarle County Service Authority.

LONG-TERM DEBT – Debt with a maturity of more than one year after the date of issuance.

NET POSITION – The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION – OSHA – government regulatory agency regarding health and safety issues in the workplace.

OPERATING AND MAINTENANCE RESERVES – O&M RESERVES – serves as working capital to cover the time delay between operating revenues and expenditures.

OPERATING BUDGET – A financial plan for future operations based on estimated revenues and expenditures for a specific period.

OPERATING EXPENDITURES – Expenses which are directly related to the organization's primary activities.

**OPERATING REVENUES** – Revenues directly related to the Authority’s primary service activities and derived from user charges for services.

**OTHER POST-EMPLOYMENT BENEFITS – OPEB** – Refers to benefits, other than pensions, that ACSA employees receive as part of his/her retirement benefits.

**POLYVINYL CHLORIDE – PVC** – a synthetic resin used to make piping that is used in the ACSA water and wastewater infrastructure.

**PROPERTY, PLANT, AND EQUIPMENT** – a category that defines fixed assets of the Albemarle County Service Authority.

**PUMP STATION** – Structure containing pumps, controls, valves, piping and electrical equipment for pumping water or wastewater from one place to another. In the water industry, a pump is used to pump water from the source to the customer or to a storage tank, a sewer pump station is used to pump sewage from a wet well or manhole to another manhole at a higher elevation.

**REPAIR, REPLACEMENT, AND REHABILITATION FUND – 3R** – a fund established to support the unexpected repair, replace and rehabilitation of ACSA water system infrastructure.

**RESERVE** – Cash and investments accumulated to provide for contingencies and planned/unplanned major expenses.

**RIVANNA WATER AND SEWER AUTHORITY – RWSA** – wholesale provider of water and wastewater treatment for the Albemarle County Service Authority.

**SANITARY SEWER OVERFLOWS – SSO** – overflows of the sewer system caused by the buildup of products within the wastewater pipes.

**SUPERVISORY CONTROL AND DATA ACQUISITION – SCADA** – A control system that uses computers, networked data communications and graphical user interfaces for high-level process supervisory management but uses other peripheral devices such as programmable logic controllers to interface to the pump stations, water tanks, or pressure reducing valves instruments.

**T.G.** – Rate used to define water per Thousand Gallons.

## **A** lign

### Values

We align ourselves with our core values of honesty, trust, integrity, mutual respect, open communication, and employee empowerment.

## **C** ommit

### Community

We commit to provide responsive customer service, to collaborate fully with our community partners, and to promote conservation and environmental stewardship.

## **S** trive

### Internal Focus

We strive for professional excellence by maintaining consistent and fair policies across the organization, and encouraging and recognizing pride and dedication to ensure a healthy working environment.

## **A** spire

### Future

We aspire to practice strategic foresight and fiscal responsibility while embracing innovation.

## **Vision**

*Serve and conserve today,  
sustain for tomorrow, and  
protect our resources forever.*

## **Mission**

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