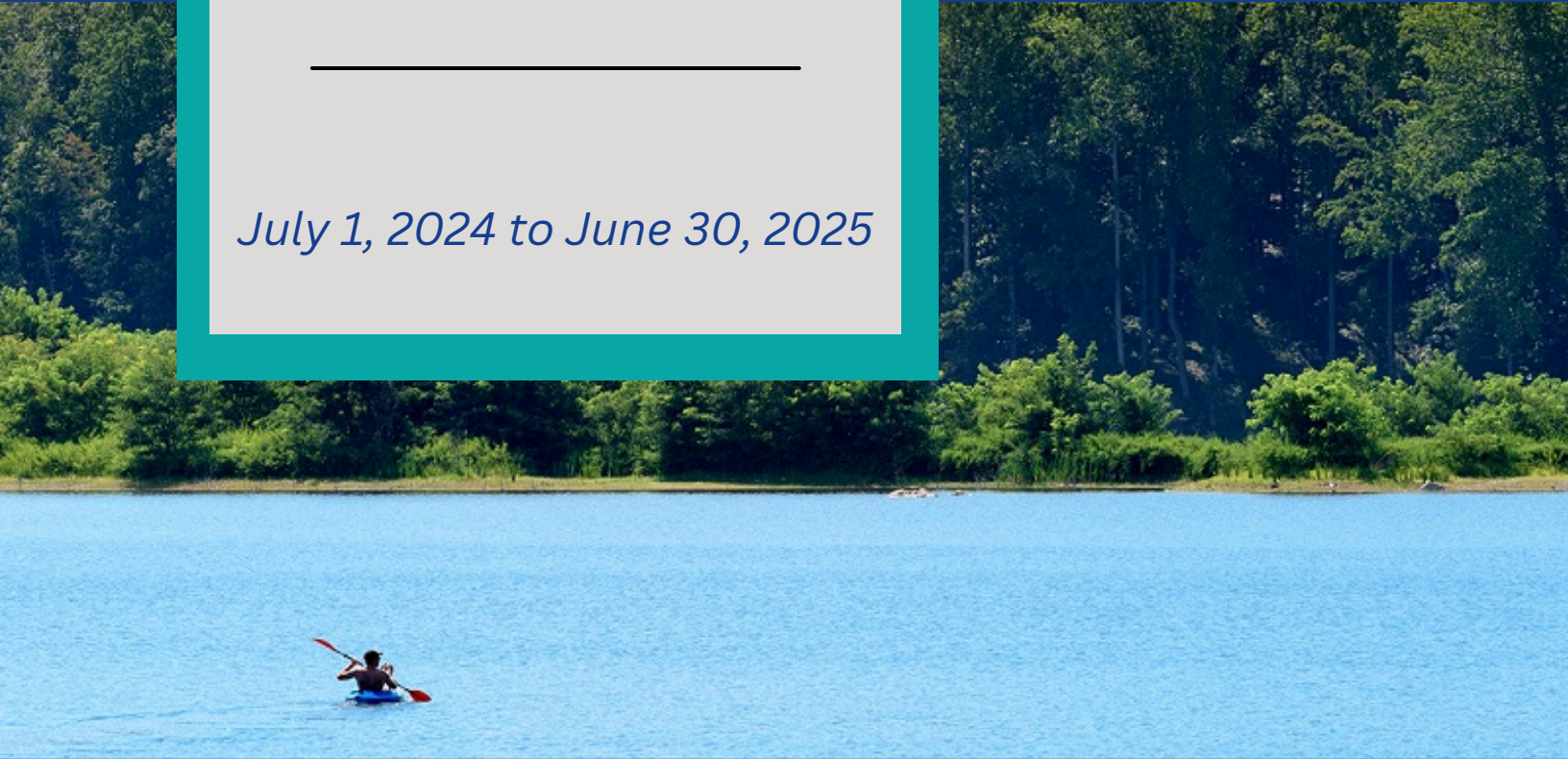


ALBEMARLE COUNTY SERVICE AUTHORITY



FISCAL YEAR 2025 ADOPTED ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

July 1, 2024 to June 30, 2025



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April 18, 2024

Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

Dear Board Members:

The Albemarle County Service Authority (ACSA) mission continues to focus on serving our customers by providing safe, clean, and reliable Albemarle water while maintaining fiscal responsibility and environmental stewardship. We remain committed to working with our community partners as we continue to improve our utility system in a timely, cooperative, and financially responsible manner. The proposed Fiscal Year 2025 Budget totals \$60,607,400 and reflects our continuing commitment.

To achieve this goal, the ACSA follows an annual budget development process that aligns with its strategic plan and long-term capital improvement programs. The process considers the needs and priorities of the Rivanna Water and Sewer Authority (RWSA), which operates and maintains the water supply and treatment facilities for the region. The process also considers the local economic and development trends that affect water demand and revenue generation. The ACSA uses historical and projected water consumption data, existing financial commitments, and its own financial policies to develop a recommended budget that responsibly invests available revenues in strategic priorities such as infrastructure maintenance, system expansion, customer service, and regulatory compliance.

The recommended budget for the next fiscal year reflects the long-term planning and vision of our organization. We recognize that capital projects, strategic priorities, and service delivery are not limited to a single year but require ongoing investment and commitment. Therefore, our budget incorporates the costs and benefits of previous long-term decisions, such as the implementation of the advanced metering infrastructure (AMI) project and the construction of the Avon Operations Center, as well as additional staffing needs in Engineering. Moreover, our budget anticipates the financial challenges and opportunities that lie ahead in future fiscal years. We aim to balance fiscal responsibility with innovation and excellence in serving our community.

The 2023 - 2027 Strategic plan is a roadmap for the ACSA's success in the next three years. It outlines our vision, mission, values, and goals across four main strategic themes: **Data Optimization**, **Business Resilience**, **Customer Experience**, and **Employee Experience**.

2023 through 2027 THE ALBEMARLE COUNTY SERVICE AUTHORITY
STRATEGIC FIVE-YEAR PLAN

Data Optimization	Business Resilience	Customer Experience	Employee Experience
Conduct a comprehensive review of all data and their sources to ensure proper access, classification, and utilization.	Ensure the current and future operations continue to function to serve our customers and meet environmental and climate action goals.	Provide best-in-class service ensuring the needs of our customers are exceeded.	Retain and recruit a highly-skilled workforce and provide employees with resources and opportunities for professional growth.
COMPREHENSIVE REVIEW OF SYSTEMS Conduct a thorough data mapping and analysis of all existing software and integrations to determine opportunities for improved efficiency.	BUSINESS CONTINUITY PLANNING Develop a Business Continuity plan to ensure the continual operations during unplanned events.	CUSTOMER EXPERIENCE VISION Perform a comprehensive analysis of services and interactions as experienced through the eyes of our customers.	RECRUITMENT AND RETENTION Explore strategies to ensure that we are attracting highly qualified candidates and ensure our workforce remains motivated and satisfied.
DOCUMENT MANAGEMENT SYSTEM Perform classification of data to ensure proper management, and the procurement and implementation of a new Document Management System.	ENVIRONMENTAL SUSTAINABILITY Enhance environmentally friendly practices and policies to reduce our carbon footprint and support global efforts to combat climate change.	CUSTOMER INFORMATION SYSTEMS (CIS) Develop a modern and integrated CIS platform that provides clear, concise information to customers.	EMPLOYEE ENGAGEMENT OPPORTUNITIES Perform a comprehensive analysis of current practices and create new opportunities to ensure the ACSA is a great place to work.
SYSTEM MONITORING AND REPORTING Review, maintain, and secure the data that we collect and share with users through dashboards or other reporting methods.	OPTIMIZATION OF RESOURCES Perform an audit of current space, assess staffing levels, and explore opportunities to leverage consulting services in support of staff.	CUSTOMER ENGAGEMENT OPPORTUNITIES Enhance customer outreach to include community events, new customer orientations, and other important information through a variety of communication tools.	TRAINING AND EDUCATION PROGRAM Review current learning opportunities to ensure quality, cost-effective training that increases employee and organizational productivity and enrichment.

Data Optimization is about harnessing the power of data to inform our decisions, improve our processes, and enhance our outcomes. We are conducting a comprehensive review of all data and their sources to ensure proper access, classification, and utilization. We will also implement best practices for data governance, quality, security, and privacy.

Business Resilience is about ensuring the ability to operate effectively and efficiently in the event of disaster or business disruption with minimal interruption of service. We will develop and test contingency plans for various scenarios and risks. We will also adopt environmentally friendly practices and policies to reduce our carbon footprint and support global efforts to combat climate change.

The **Customer Experience** is about providing "best-in-class" service ensuring the needs of our customers are exceeded. We are listening to their feedback, understanding their expectations, and designing systems to deliver solutions that meet or surpass them. We are also leveraging technology and innovation to create seamless and personalized interactions with our customers.

The **Employee Experience** is about retaining and recruiting a highly skilled workforce and providing employees with resources and opportunities for professional growth. We will align as an organization with our values of honesty, trust, integrity, mutual respect, open communication, and employee empowerment. We are also investing in training, development, wellness, and engagement programs for our employees. In addition, this budget includes funding for a comprehensive employee pay plan study to ensure we remain competitive in the employment marketplace.

These four themes are interrelated and mutually reinforcing. They reflect our commitment to excellence in everything we do. By following this strategic plan, we will achieve our vision of being a leading organization in the utility space that creates value for our customers.

As part of our budget process, we have conducted a comprehensive review of our operating expenses and capital improvement program. We have identified several key projects that will enhance our service delivery and ensure compliance with regulatory standards. These include replacing aging water mains, installation of advanced metering infrastructure, expanding our wastewater collection system, and implementing new technologies to improve efficiency and service to our customers. These projects are essential to maintaining the quality and reliability of the ACSA system that our customers expect and deserve.

Over the past ten years, the ACSA has invested over \$66 million in capital improvements to ensure system reliability, redundancy, and high-quality water and sewer systems. In Fiscal Year 2025, the ACSA proposes a budget of \$12.1 on ACSA capital improvements to further enhance safe drinking water delivery, the collection of wastewater for treatment and modernization of critical infrastructure and processes.



Additionally, our regional partner, the Rivanna Water and Sewer Authority (RWSA), is also continuing 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 \$223M for essential projects and include:

- **Community Water Supply Plan Components** – the South Fork Rivanna Reservoir to Ragged Mountain Reservoir Water Pipe and Plumbing Project; the Ragged Mountain to Observatory Water Pipe and Pumping Project; Raising the Normal Pool at Ragged Mountain Reservoir and adding aeration and Oxygenation Systems to Reservoirs.
- **Critical Finished Water Transmission Projects** – Completion of the Airport Road Pump Station; the Central Water Line; Additional Crossings of the South and North Fork Rivanna River; Crozet and Scottsville AC Pipe Replacement, and Decommissioning of the North Rivanna WTP.
- **Enhancement to Address Emerging Contaminants** – Additional Granular Activated Carbon Water Filtering Facilities at the Crozet and Red Hill Water Treatment Plants
- **Crozet Water Supply Projects** – Modifications to the Beaver Creek Reservoir Dam, Construction of a new pump station, and raw water piping.

The RWSA will also work to complete significant improvements to the wastewater treatment and collection facilities to ensure regulatory compliance and environmental protection. The five-year CIP includes \$58.2M for essential wastewater projects and include:

- **Renovations and Repairs to Wastewater Facilities** – Moores Creek, Scottsville, Glenmore, Crozet pump stations, and the Albemarle Berkley Pump Station
- **Repairs and Replacement of Wastewater Piping and Manholes** – Crozet, Albemarle-Berkley, Moores Creek, Upper Rivanna Interceptors
- **Power System Upgrades** – Scottsville WRRF Whole Plant Generator and Moores Creek AWRRF 5kV Electrical System

Combined, these critical projects listed above and others throughout the system carry an expected cost over the five-year period of over \$371M, and as one of the RWSA's two customers, the ACSA is responsible for more than 60% of RWSA's annual debt service and operating charges. Charges from the RWSA make up nearly 63% 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 adhere to strategic priorities. 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 2025 Budget considers the need for continued investment in our water and wastewater systems. We anticipate leveraging long-planned rate stabilization reserves strategically in conjunction with an increase in customer rates at a time of rising 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 costs related to these projects will continue to increase. These projects are an investment in the present and the future to ensure the highest quality water and reliable delivery and collection.

We are pleased to present the ACSA's Proposed Operating and Capital Improvement Program (CIP) for Fiscal Year 2025 (July 1, 2024 to June 30, 2025). The FY 2025 budget continues to address long-term strategic initiatives that benefit our customers, while being especially mindful of economic restraints. After a comprehensive review ACSA departmental and capital needs and RWSA costs for water and wastewater treatment, we project an increase of \$4.0M or 14.3% for water/wastewater treatment and debt service. We will continue to invest in improving our water and sewer infrastructure through this proposed budget.

Water and wastewater treatment are essential services that protect public health and the environment. However, they also come with significant costs that affect you, the customer. As a residential customer using 3,200 gallons of water per month, you will see a monthly increase of \$4.52, or \$0.15 per day, in your bill. This increase supports initiatives to ensure and improve reliability, quality, and sustainability of our area's environmental resources by adding redundancy in systems to ensure reliable service, increasing the capacity to provide water and wastewater services to our growing community, proactively identifying leaks and implementing energy efficiency measures that reduce operational costs and greenhouse gas emissions.

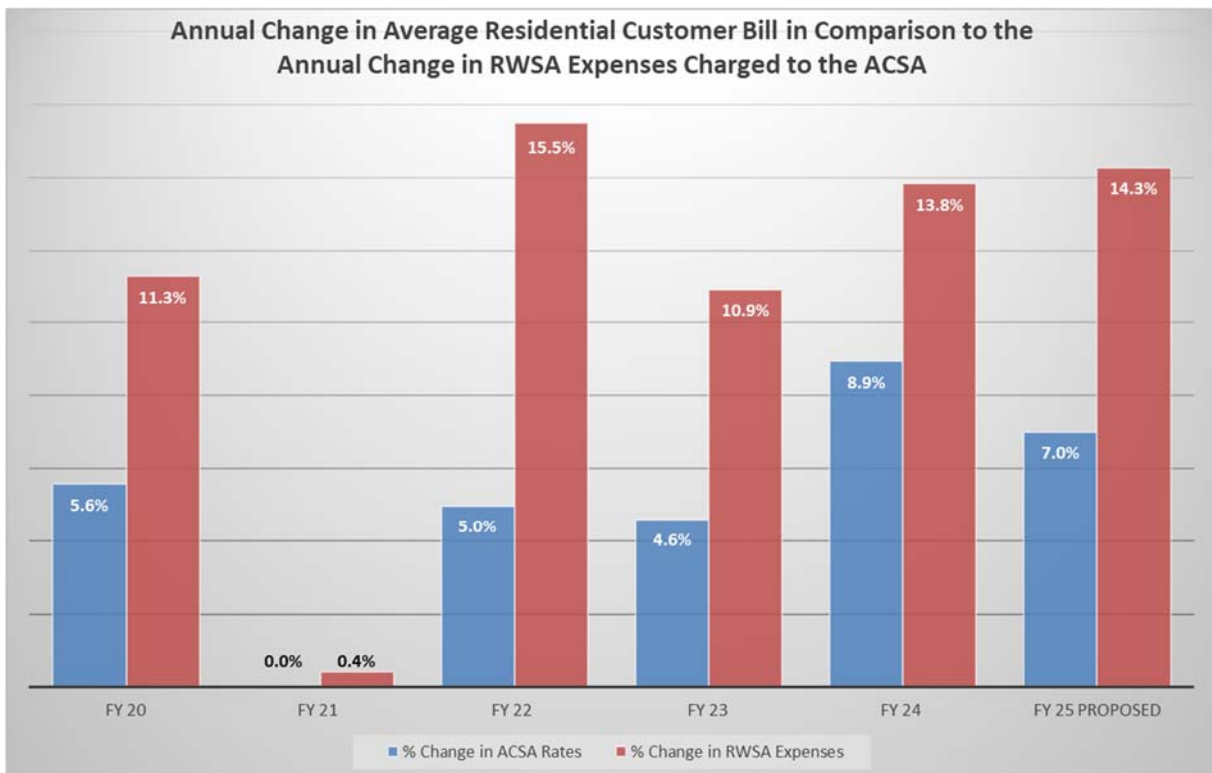
Some of these sustainability initiatives include installing solar panels on our new Avon Operations Center, launching a pilot program using electric vehicles, deployment of an advanced metering infrastructure system and continuing our recycling program. These initiatives look forward to ensuring future generations have clean, safe, and reliable water supplies now and well into the future.

ACSA Water and Sewer Monthly User Rates

	FY 2024	FY 2025
Service Charge	\$ 10.40	\$ 11.13
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 5.56	\$ 5.95
Level 2 (3,001-6,000 gallons)	\$ 11.15	\$ 11.93
Level 3 (6,001-9,000 gallons)	\$ 16.71	\$ 17.88
Level 4 (over 9,000 gallons)	\$ 22.30	\$ 23.86
Multi-Family/Non-Residential (per 1,000 gallons)	\$ 11.15	\$ 11.93
Sewer/All Users (per 1,000 gallons)	\$ 11.06	\$ 11.83

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, 2024, proposes increases to ensure strategic investments continue throughout the ACSA's service area and to offset cost increases in water and wastewater treatment. The average increase over the prior five years is 5.1%.



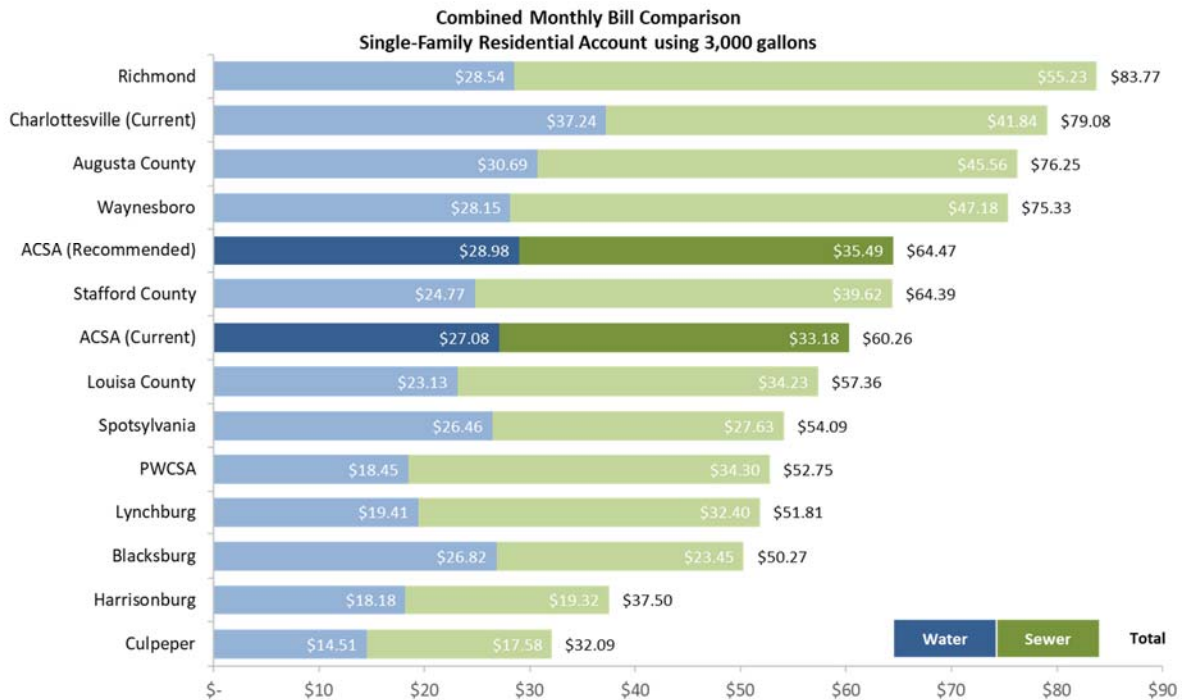
Following an extensive analysis of costs expected to be incurred, we propose that the monthly service charge be increased. The service charge for a 3/4" meter will increase to \$11.13 per month, a \$0.73 increase over the prior year. This update reflects the actual base cost of services provided.

Rate Design – Monthly Service Charges

Meter Size (inches)	Approx. # of Water Customer Accounts by Size	Current	Recommended
		FY 2024	FY 2025
¾	21,452	\$10.40	\$11.13
1	722	\$ 25.99	\$ 27.81
1 ½	467	\$ 51.98	\$ 55.62
2	157	\$ 83.16	\$ 88.98
3	54	\$ 166.32	\$ 177.96
4	16	\$ 259.88	\$ 278.07
6	0	\$ 519.75	\$ 556.13

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. Service charges for meters ranging in size from 1"-6" align with American Water Works Association (AWWA) standard meter size equivalents. These charges mirror the ACSA's Equivalent Residential Connection (ERC) calculation for new connections and provides a consistent basis application of the service 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 19%.



The Proposed ACSA Fiscal Year 2025 Operating Expenses total \$39,739,100, as compared to \$34,984,300 for the current budget year (FY 2024). This represents an increase of \$4,754,800, or 13.6% over the previous year. Our Capital Improvement Program (CIP) as proposed is \$12,100,000, as compared to the current budget of \$11,552,000, 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 ACSA 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) for Information Technology (IT) system improvements; recommendations from the IT Security Assessment; analysis and deployment of a customer information/telephony system; increased energy conservation throughout all our operations; and development of a satellite operations center and maintenance yard.

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 60 years of water and sewer utility service to our customers in the Albemarle, Crozet, and Scottsville communities.

We would like to express our sincere gratitude to the ACSA Leadership Team of Alexander Morrison, April Walker, Emily Roach, and Jeremy Lynn for their valuable contributions to the FY 2025 budget development process. They have demonstrated a high level of professionalism, dedication, and expertise in preparing a realistic and sustainable budget that aligns with our strategic goals and priorities. We would also like to thank Justin Weiler, Richard Nelson, John Anderson, Roland Bega, Robbie Lawson, and Billy Defibaugh for their hard work in developing the Capital Improvement Program (CIP). They have done a remarkable job in identifying and prioritizing the critical infrastructure needs and projects for our organization. Their efforts, along with those from other departments ensure that we provide safe, clean, and reliable water and wastewater services for all of our customers.

We appreciate your understanding and cooperation as we work together to provide high-quality water and wastewater services for our community. If you have any questions or concerns about this budget or our initiatives, please contact us at (434)-977-4511 or custserv@serviceauthority.org. Thank you for being a valued customer.

Sincerely,



Gary O'Connell
Executive Director



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 60th year of water and sewer service to the Albemarle Community.

Employees:

Over 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.

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 47% of our water and sewer mains are less than 25 years old.

Water Distribution System:

ACSA delivers water through 374 miles of interconnected pipes, 8 water pumping stations, 7 water storage tanks, and 3,146 fire hydrants.

Sewer Collection System:

Over 315 miles of sanitary sewer mains and 10 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 1.68 gallons of ACSA water costing one cent.

ACSA Service Area:

The ACSA provides service to over 85,000 residents, with more than 22,000 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 through the use of financial reserves.

Financial Performance (cont.):

The ACSA’s Annual Comprehensive Financial Report for the year ended June 30, 2023, 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.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Albemarle County Service Authority, Virginia for its Annual Budget for the fiscal year beginning July 1, 2023. 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, X, Facebook, and Instagram. An after-hours emergency phone service receives and routes calls to alert staff of emergencies or other matters that require immediate attention. We can be contacted at (434) 977-4511 or 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 ACSA. The Executive Director reports to the Board and manages the day-to-day operations and performance of the ACSA.

ACSA Financial Information:

- FY 2025 Total Op./Non-Op. Budget: \$48,507,400
- FY 2025 Capital Improvements Budget: \$12,100,000



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Albemarle County Service Authority
Virginia**

For the Fiscal Year Beginning

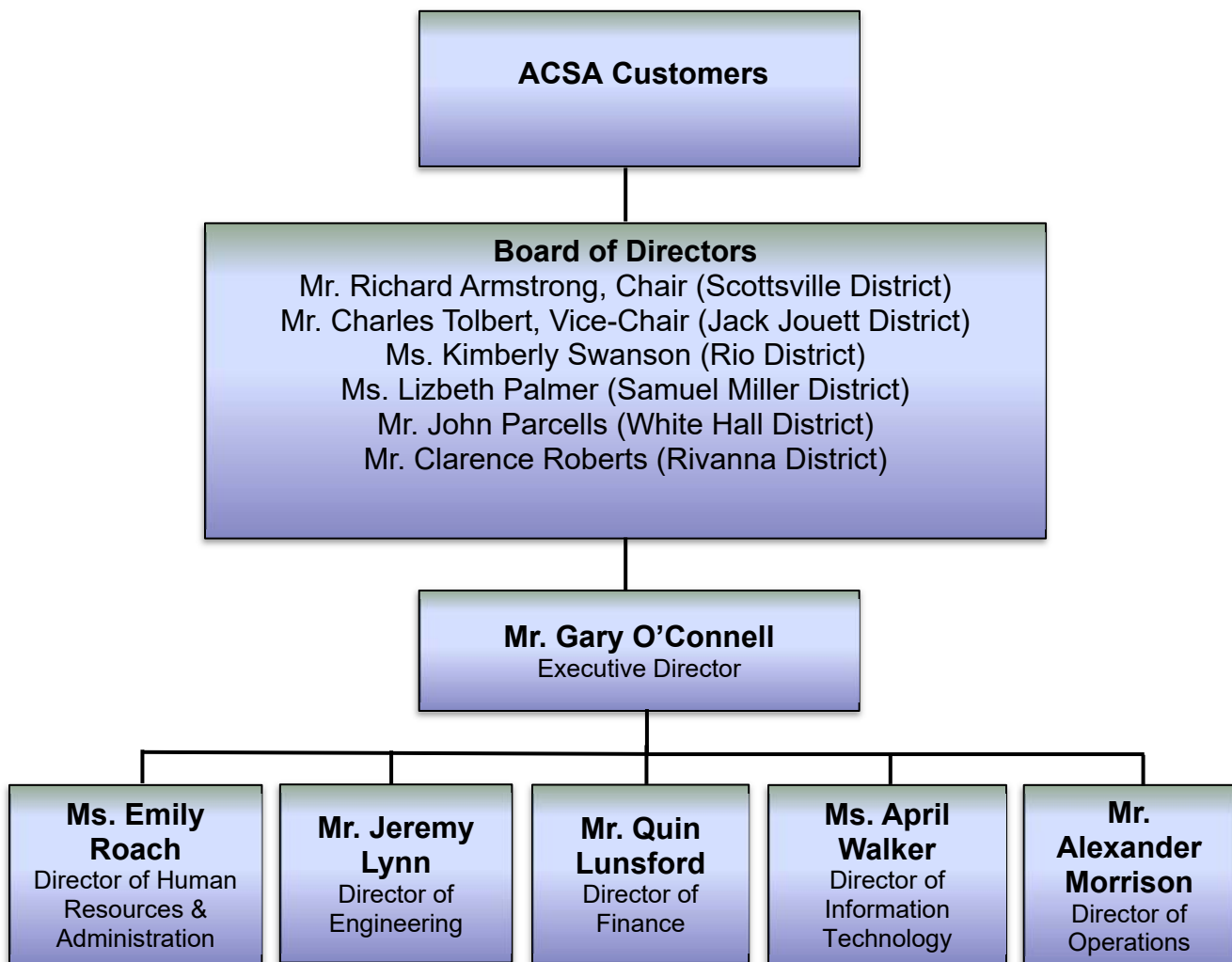
July 01, 2023

Christopher P. Morrill

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 60 years later, provides water distribution and wastewater collection services to more than 22,000 accounts with over 374 miles of water mains and over 315 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 five-year Strategic Plan for FY's 2023-2027 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 reflects the ACSA's vision to "serve and conserve" and assists with establishment of 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 four major themes, which include: Data Optimization, Business Resilience, Customer Experience, and Employee Experience. These four themes provide a roadmap for the next three years to ensure strategic objectives are prioritized. Summaries of the four strategic themes are listed below:

- **Data Optimization:** The ACSA aims to leverage data and analytics to improve decision making, enhance performance, and create value for external and internal customers. The ACSA will invest in data infrastructure, governance, quality, security, and accessibility to support data-driven initiatives across the organization.
- **Business Resilience:** The ACSA is committed to ensuring the continuity of its operations and services in the face of disruptions and emergencies. The ACSA will also adopt environmentally sustainable practices and policies to reduce its environmental impact and contribute to global efforts to combat climate change.
- **Customer Experience:** The ACSA strives to deliver "best-in-class" customer service and satisfaction to its diverse customer base. The ACSA will focus on understanding customer needs and expectations, improving customer communication and engagement, enhancing service quality and delivery, and fostering community relationships.
- **Employee Experience:** The ACSA values its employees as its most important asset. The ACSA will cultivate a positive work environment that promotes employee well-being, development, recognition, diversity, inclusion, and collaboration. The ACSA will also attract, retain, and develop talent that aligns with its vision, mission, values, and goals.

Additional information related to these themes and the full 5-year Strategic Plan can be found on our website at: <https://serviceauthority.org/wp-content/uploads/2023/12/Strategic-Plan-Graphic-with-Tasks-2023-2027.pdf>

Fund Descriptions and Fund Structure

The ACSA 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 ACSA'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 ACSA 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 ACSA. 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 ACSA's annual budget is based on the accrual method of accounting and is structured to reflect the same formats as the ACSA'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 ACSA has developed and adopted Comprehensive Financial Management Policies (Policies) to ensure that the ACSA 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 ACSA'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 ACSA deems debt financing necessary.
- Promotes long-term financial stability by establishing clear and consistent guidelines.
- Directs attention to the total financial picture of the ACSA 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 ACSA will budget for all current operating expenditures to be paid for with operating revenues.
- The ACSA 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 ACSA 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 ACSA 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 ACSA reserves.

Capital Budget Policies

- The ACSA 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 ACSA and will serve as authorization for project execution by the Board.
- The ACSA will maintain all capital assets at a level adequate to protect the ACSA's capital investment, meet permitted regulatory requirements, and to minimize future maintenance and replacement costs.

Reserve Policies

- The ACSA has implemented "best management practices" which dictate that cash/investment reserves be accumulated to provide for contingencies and planned/unplanned major expenses. The ACSA 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 ACSA.
 - 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 ACSA’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 ACSA 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 ACSA is not subject to legal debt limitations and has issued no debt which is overlapping with other jurisdictions during the last ten fiscal years.

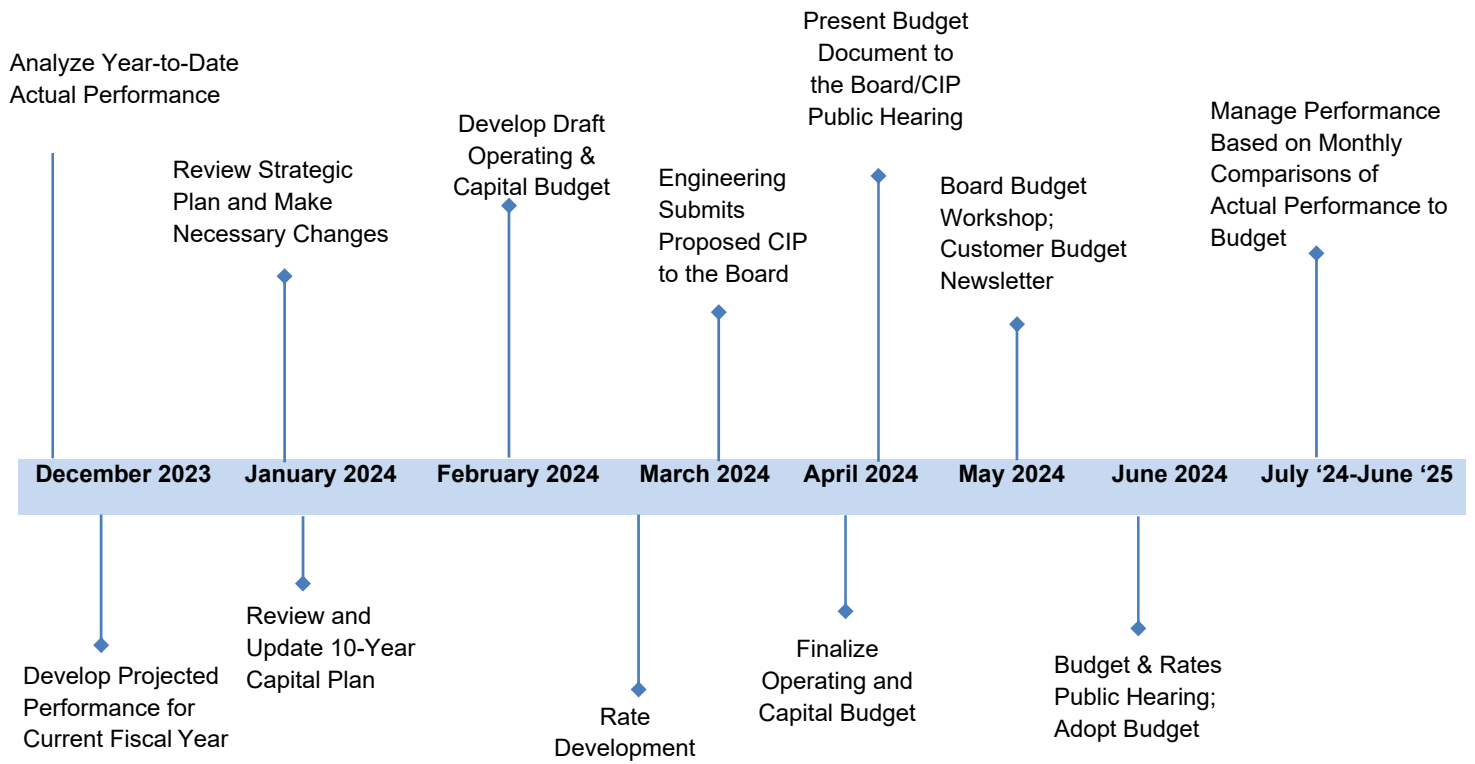
Budget Process

The ACSA must adopt its budget prior to July 1st of each year. Development of the budget is driven by the strategic plan, organization goals and objectives, external factors such as growth, development, and water consumption trends. The Board, ACSA 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 ACSA. 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.

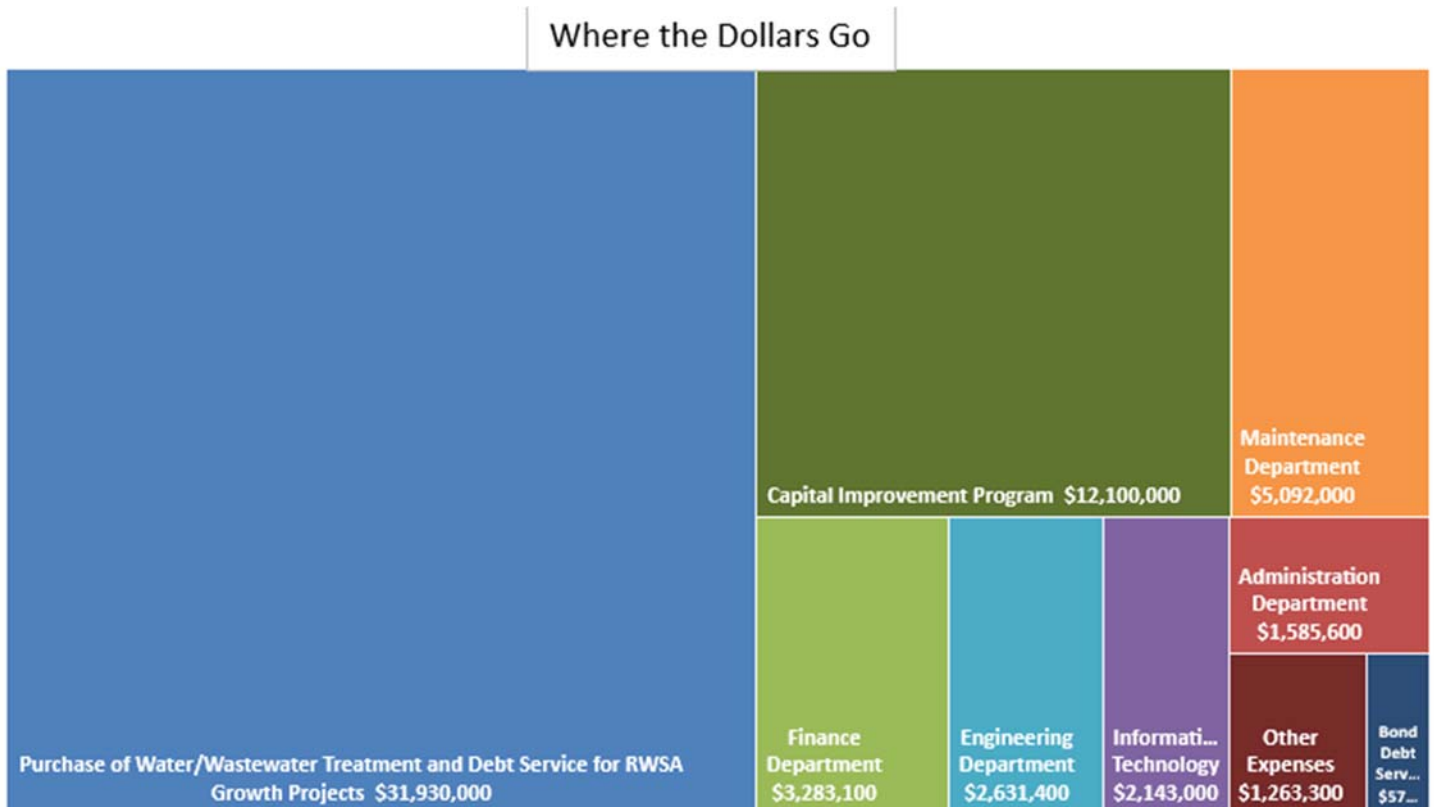
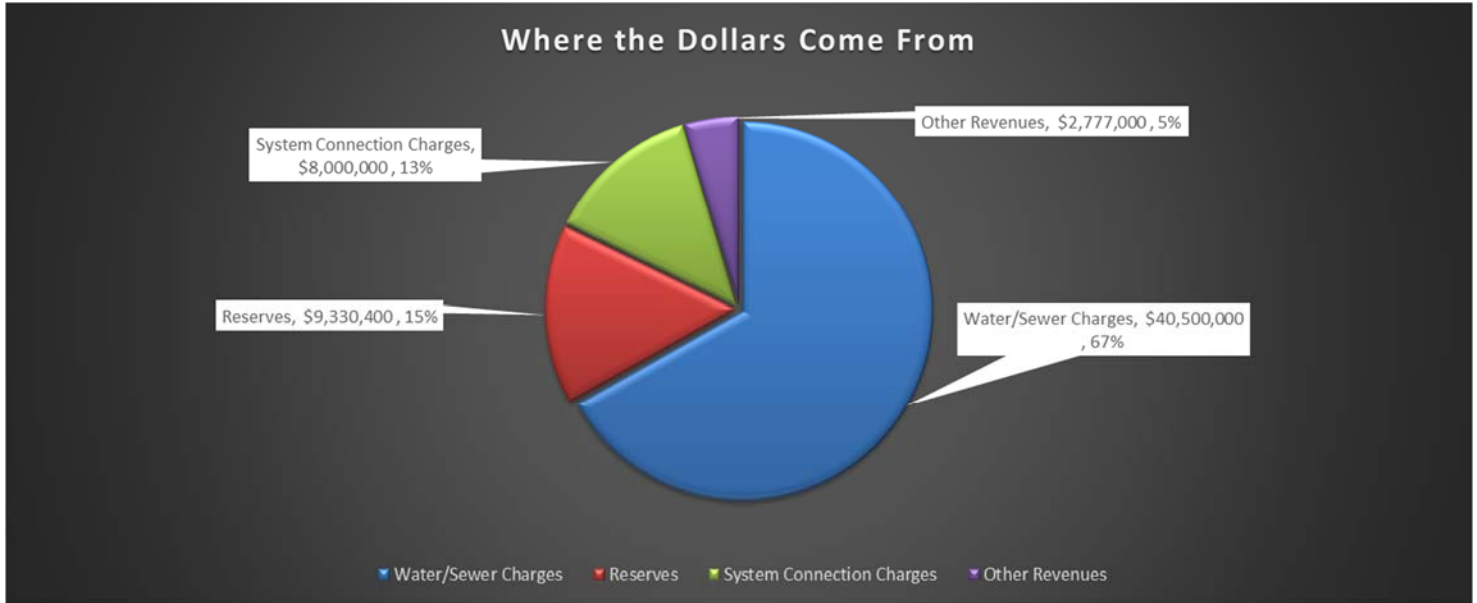
The CIP, revenue, and expense budgets are then combined and presented to the Board in April each year. Public comment and budget workshops are held for discussion in May and amendments before the final budget is adopted in June. A timeline of our budget process is included on the next page to further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



Pictured above: Beaver Creek Reservoir

OVERVIEW

The ACSA's Fiscal Year 2025 Total Operating and Non-Operating Budget is \$60,607,400:



Operating Expenses:

- Proposed FY 2025 Operating Budget Expenses total \$39,739,100
- Approved FY 2024 Operating Budget Expenses total \$34,984,300

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

- Proposed FY 2025 totaled \$25,004,000 or 62.9% of the Operating Budget
- Approved FY 2024 total \$21,681,000
- Increase of \$3,323,000

Departmental Operating Budgets:

- Proposed FY 2025 - \$14,735,100
- Approved FY 2024 - \$13,303,300
- Increase of \$1,431,800

Debt Service (Principal and Interest) Expense:

- Proposed FY 2025 - \$579,000
- Approved FY 2024 - \$579,000

Top Budget Priorities:

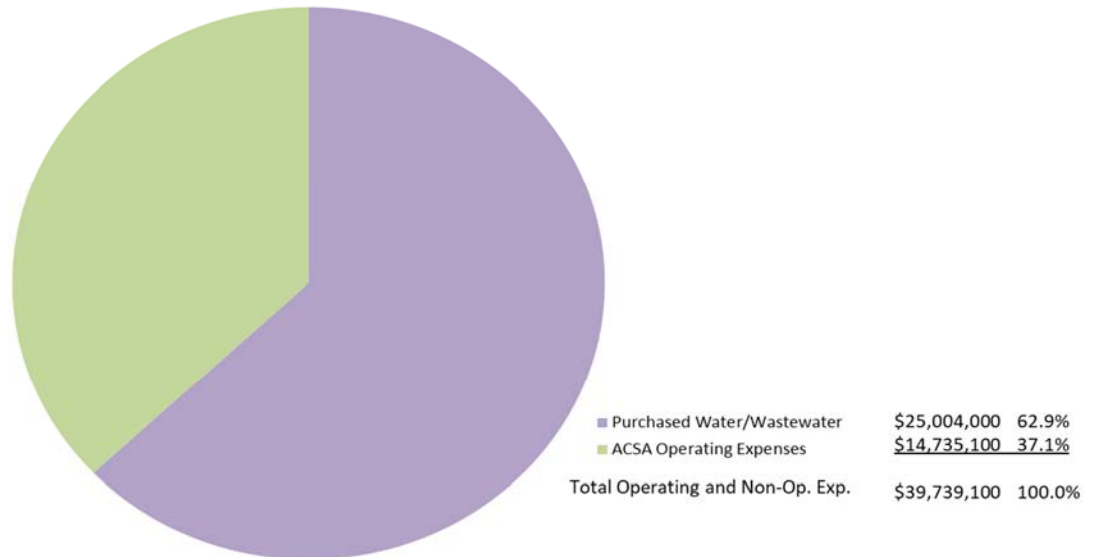
- High quality water delivered to our customers
- Maintain current ACSA programs and services
- Meet financial obligations and financial sustainability
- Enhance the customer experience
- Investment in our infrastructure
- Strategic initiatives

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 FY 2023-FY 2027 Strategic Plan
- Succession planning for continuity of operations
- Advanced metering infrastructure (AMI) optimization
- Computerized maintenance management system (CMMS) – workorder management, customer requests, asset management and inventory
- One new position – Construction Inspector



Water and Sewer Rates – Fiscal Year 2025 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 17.5% or \$2.84 million.
- The cost of wastewater treatment from the RWSA is expected to increase 9.8% or \$1.15 million.
- ACSA departmental budget increase of 10.8%
- Capital Improvement Program of \$12.10 million.

ACSA Water and Sewer Monthly User Rates

	FY 2024	FY 2025
Service Charge	\$ 10.40	\$ 11.13
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 5.56	\$ 5.95
Level 2 (3,001-6,000 gallons)	\$11.15	\$11.93
Level 3 (6,001-9,000 gallons)	\$16.71	\$17.88
Level 4 (over 9,000 gallons)	\$22.30	\$23.86
Multi-Family/Non-Residential	\$11.15	\$11.93
Sewer/All Users (per 1,000 gallons)	\$11.06	\$11.83

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 2025 Bill	Monthly \$ Change	Daily \$ Change
Single-Family						
Minimal User	3/4"	1,200	\$ 30.34	\$ 32.47	\$ 2.13	\$ 0.07
Small User	3/4"	2,500	\$ 51.95	\$ 55.58	\$ 3.63	\$ 0.12
Average User	3/4"	3,200	\$ 64.70	\$ 69.22	\$ 4.52	\$ 0.15
Large User	3/4"	6,200	\$ 132.44	\$ 141.69	\$ 9.25	\$ 0.31
Excessive User	3/4"	7,700	\$ 174.10	\$ 186.26	\$ 12.16	\$ 0.41
Multi-Family/Non-Residential						
Multi-Family	1"	33,700	\$ 774.47	\$ 828.52	\$ 54.05	\$ 1.80
Com. (Offices)	1"	6,300	\$ 165.91	\$ 177.50	\$ 11.59	\$ 0.39
Com. (Other)	3/4"	4,700	\$ 114.79	\$ 122.80	\$ 8.01	\$ 0.27
Industrial	1 1/2"	16,500	\$ 418.45	\$ 447.66	\$ 29.21	\$ 0.97
Institutional	3/4"	13,000	\$ 299.13	\$ 320.01	\$ 20.88	\$ 0.70

Why does the ACSA need a rate increase?

While the ACSA has been able to maintain its high level of service, 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 14.3%. 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 17.5%. The cost increase of purchased water is due to a variety of factors but water treatment plant expansions in the Urban and Crozet systems, the central water line and reservoir pipeline projects, as well as water treatments costs 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 9.8%. 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 residential ACSA customer will see an increase in their monthly bill or \$4.52 or approximately \$0.15 per day.

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 more than 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 \$12 million this year on Capital Projects?

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

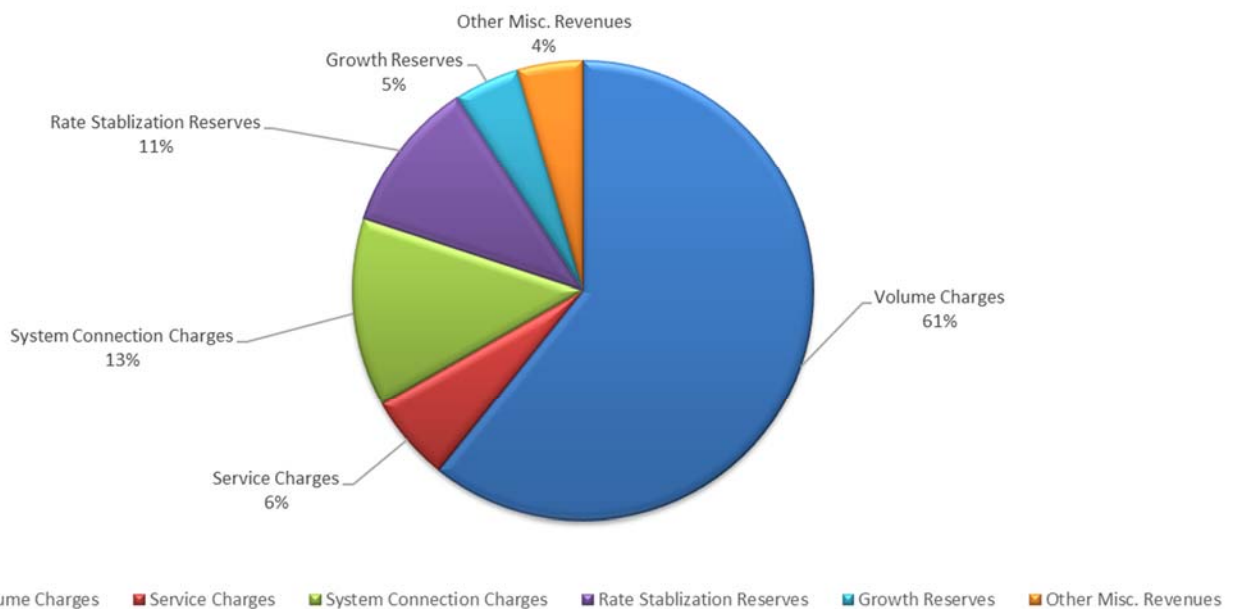
Who pays for growth?

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 2025 charges or \$14,430.

	FY 2024 Approved Budget	FY 2025 Proposed Budget	Proposed as % of FY 2024
OPERATING REVENUES			
Total Volume Charges	\$ 33,879,000	36,800,000	108.6%
Total Service Charges	3,380,000	3,700,000	109.5%
Rate Stabilization Reserves	2,835,100	6,549,400	231.0%
Total Operating Revenues	40,094,100	47,049,400	117.3%
NON-OPERATING REVENUES			
System Connection Charges	8,000,000	8,000,000	100.0%
Use of Growth Reserves	4,636,500	2,781,000	60.0%
Misc. Utility Charges	700,000	700,000	100.0%
Interest Income	600,000	2,000,000	333.3%
Inspection Fees	35,000	35,000	100.0%
Plan Review & FOG Permit Fees	26,000	26,000	100.0%
Rental Income	16,000	16,000	100.0%
Total Non-Operating Revenues	14,013,500	13,558,000	96.7%
Total Operating & Non-Operating Revenues	54,107,600	60,607,400	112.0%
OPERATING EXPENSES			
Purchase of Water/Wastewater	21,681,000	25,004,000	115.3%
Maintenance Department	4,749,900	5,092,000	107.2%
Finance Department	2,890,000	3,283,100	113.6%
Engineering Department	2,400,300	2,631,400	109.6%
Information Technology Department	1,787,600	2,143,000	119.9%
Administration Department	1,475,500	1,585,600	107.5%
Total Operating Expenses	34,984,300	39,739,100	113.6%
NON-OPERATING EXPENSES			
Transfer for Capital Expenses - CIP	11,552,000	12,100,000	104.7%
Debt Service for RWSA Growth Projects – Water/WW	6,264,000	6,926,000	110.6%
Existing Debt Service and Amortization	579,000	579,000	100.0%
Repair, Renewal, & Rehabilitation Reserves	401,000	373,000	93.0%
Planned Equipment Replacement	270,800	695,000	256.6%
Capital Equipment Acquisition	56,500	195,300	345.7%
Total Non-Operating Expenses	19,123,300	20,868,300	109.1%
Total Operating & Non-Operating Expenses	\$ 54,107,600	60,607,400	112.0%
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,967,200	4,584,600	92.3%
Transfer from 3R Reserves	2,835,100	6,549,400	231.0%
Transfer from Growth Reserves	3,749,700	966,000	25.8%
Total Capital Improvements Funding	11,552,000	12,100,000	104.7%
CAPITAL IMPROVEMENTS EXPENSES			
Water - Capital Improvement Projects	3,929,500	7,760,000	197.5%
Wastewater - Capital Improvement Projects	1,027,500	1,230,000	119.7%
Non-Utility and Facility Capital Projects	6,595,000	3,110,000	47.2%
Total Capital Improvements Expenses	\$ 11,552,000	12,100,000	104.7%

	FY 2024 Approved Budget	FY 2025 Proposed Budget	Proposed as % of FY 2024
OPERATING REVENUES			
Total Volume Charges	\$ 33,879,000	36,800,000	108.6%
Total Service Charges	3,380,000	3,700,000	109.5%
Rate Stabilization Reserves	2,835,100	6,549,400	231.0%
Total Operating Revenues	40,094,100	47,049,400	117.3%
NON-OPERATING REVENUES			
System Connection Charges	8,000,000	8,000,000	100.0%
Use of Growth Reserves	4,636,500	2,781,000	60.0%
Misc. Utility Charges	700,000	700,000	100.0%
Interest/Investment Income	600,000	2,000,000	333.3%
Inspection Fees	35,000	35,000	100.0%
Plan Review & FOG Permit Fees	26,000	26,000	100.0%
Rental Income	16,000	16,000	100.0%
Total Non-Operating Revenues	14,013,500	13,558,000	96.7%
Total Operating & Non-Operating Revenues	54,107,600	60,607,400	112.0%
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,967,200	4,584,600	92.3%
Transfer from 3R Reserves	2,835,100	6,549,400	231.0%
Transfer from Growth Reserves	3,749,700	966,000	25.8%
Total Capital Improvements Funding	11,552,000	12,100,000	104.7%

Operating and Non-Operating Budgeted Revenues



	FY 2024	FY 2025
Total Volume Charges (monthly user rates)	\$33,879,000	\$36,800,000
Total Service Charges (cost of service)	\$3,380,000	\$3,700,000
System Connection Charges (new development fees)	\$8,000,000	\$8,000,000
Rate Stabilization/Growth Reserves	\$7,471,600	\$9,330,400
Other Revenues	\$1,377,000	\$2,777,000
Total Revenues	\$54,107,600	\$60,607,400

Total Volume Charges - \$36,800,000; 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 - \$3,700,000; monthly service charge to reflect actual costs for metering, billing, and customer service; the budget proposes to increase the monthly service charge from \$10.40 to \$11.13 for our average customer (service charge dependent upon meter size).

System Connection Charges - \$8,000,000; budgeted revenues are expected to be comparable to those in FY 2024, 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 RWSA's (wholesale water and wastewater treatment provider) water and sewer systems for which the ACSA is responsible for covering the costs per agreements.

		FY 2024	FY 2025
ACSA System Development Charge	Water	\$2,030*	\$2,030*
	Wastewater	\$3,180*	\$3,180*
RWSA Capacity Charge	Water	\$5,100*	\$5,100*
	Wastewater	\$4,120*	\$4,120*
	Total	\$14,430*	\$14,430*
*per ERC (equivalent residential connection)			

		FY 2023 <u>Actual</u>	FY 2024 <u>Estimated</u>	FY 2025 <u>Proposed</u>
Beginning Net Position	\$	220,089,219	229,521,670	237,521,670
Change in Net Position		9,432,451	8,000,000	8,000,000
Ending Net Position	\$	229,521,670	237,521,670	245,521,670
Net investment in capital assets	\$	175,247,805	181,801,670	192,201,670
Restricted for debt service		331,531	320,000	320,000
Unrestricted		53,942,334	55,400,000	53,000,000
Ending Net Position	\$	229,521,670	237,521,670	245,521,670

Note: The schedule above reflects audited FY 2023 changes in net position and estimates changes for FY 2024 and FY 2025. 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 ACSA 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.

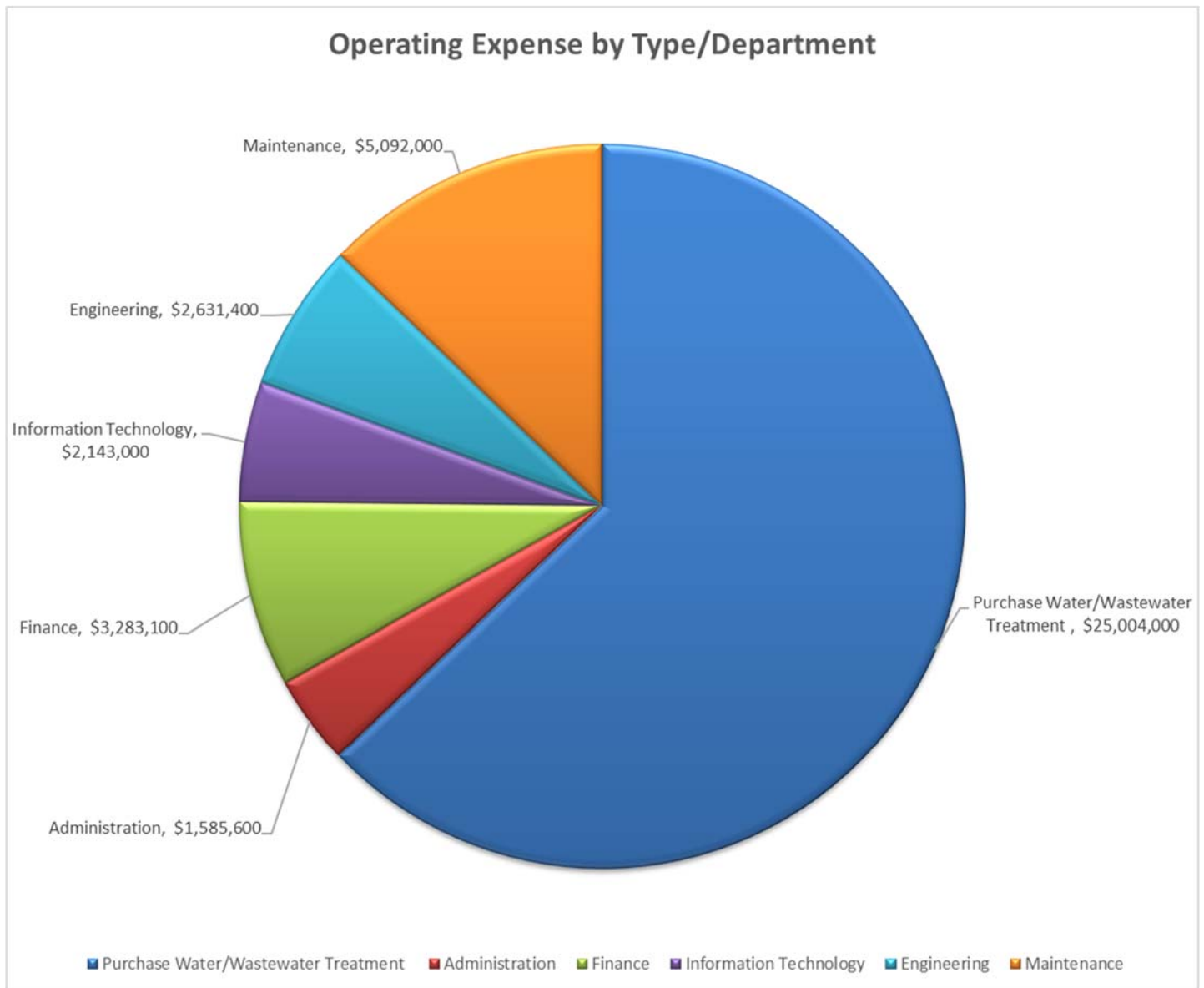
The proposed FY 2025 budget supports the above noted principles by:

- The ACSA 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 (CIP) outlines estimated project costs for FY 2025 and the nine years following. These projects consist of both water, wastewater, and non-utility/facility 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, and construction of a satellite facility. 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 \$39,739,100 or a 13.6% increase. The largest single cost of the Operating Budget is purchased water and wastewater treatment from the RWSA at \$25,004,000 or 63% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2025. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at \$1,585,600, Finance at \$3,283,100, Engineering at \$2,631,400, Maintenance at \$5,092,000, and Information Technology at \$2,143,000. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2025:



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 22,400 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 87% of our customers have both water and sewer service, while approximately 13% 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 2023</u>	<u>FY 2024</u>	<u>FY 2025 Proposed</u>	<u>FY 2025 as % of FY 2024</u>
RWSA EXPENSES							
Purchase of Bulk Water				13,774,000	16,256,000	19,095,000	117.5%
Sewer Treatment Expense				10,776,000	11,689,000	12,835,000	109.8%
Subtotal:				\$ 24,550,000	27,945,000	31,930,000	114.3%
RWSA EXPENSES BY SERVICE AREA							
WATER	Rates	Rates	Rates				
	FY 2023	FY 2024	FY 2025				
Urban	\$2.648/TG and \$420,325/mo.	\$2.949/TG and \$542,282/mo.	\$3.363/TG and \$673,264/mo.	\$ 9,700,072	11,820,332	14,151,588	119.7%
Crozet	\$279,641/mo.	\$301,706/mo.	\$334,251/mo.	3,355,692	3,620,472	4,011,012	110.8%
Scottsville	\$59,853/mo.	\$67,933/mo.	\$77,700/mo.	718,236	815,196	932,400	114.4%
Total				\$ 13,774,000	16,256,000	19,095,000	117.5%
WASTEWATER							
Urban	\$2.662/TG and \$355,205/mo.	\$2.922/TG and \$383,403/mo.	\$3.247/TG and \$422,158/mo.	\$ 9,908,436	10,724,309	11,797,332	110.0%
Scottsville	\$30,419/mo.	\$33,569/mo.	\$36,498/mo.	365,028	402,828	437,976	108.7%
Stone-Robinson School	\$39,036/annual	\$17,267/annual	\$17,800/annual	39,036	17,267	17,800	103.1%
Glenmore	\$38,625/mo.	\$45,383/mo.	\$48,491/mo.	463,500	544,596	581,892	106.8%
Total				\$ 10,776,000	11,689,000	12,835,000	109.8%

The Operating Budgets for the ACSA are divided into the five departments: 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 2025 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 5% is proposed to remain competitive within the increasing 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 2025 increases to 9.57% compared to Fiscal Year 2024 rate of 7.50%.
- 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: Construction Inspector (Engineering)
- One job title update: Update the job title from Environmental Compliance Specialist to Environmental Compliance Manager to better reflect job related responsibilities (Engineering)

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 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
- Replacement of IT technology (computers, servers, tablets, etc.)
- 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, customer communications, human resource functions and Clerk for the Board of Directors.

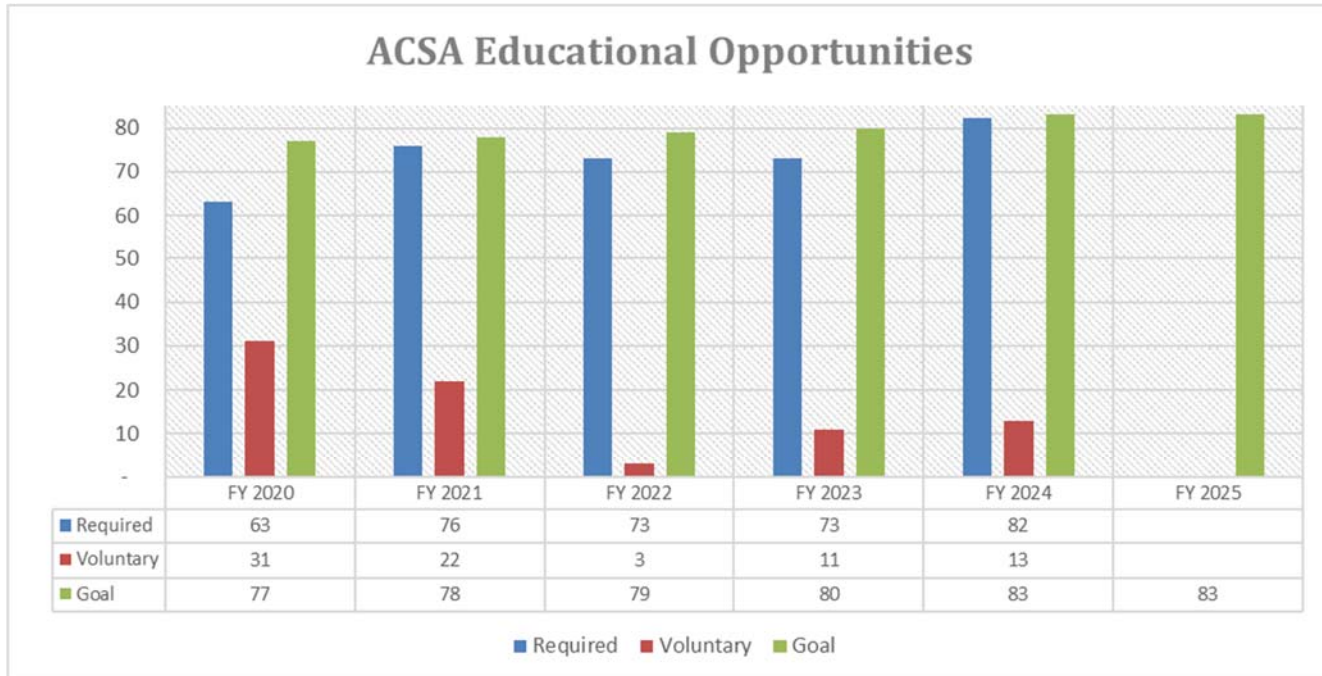
Administration/Human Resources: Provides organizational administrative support; oversees the Risk Management Program (claims, liability insurance, worker's compensation, etc.); serves as Clerk to the Board of Directors (monthly meetings, board correspondence, minutes, dissemination of board packets); 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; coordinates with the ACSA communication consultant on various projects and 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 2025:

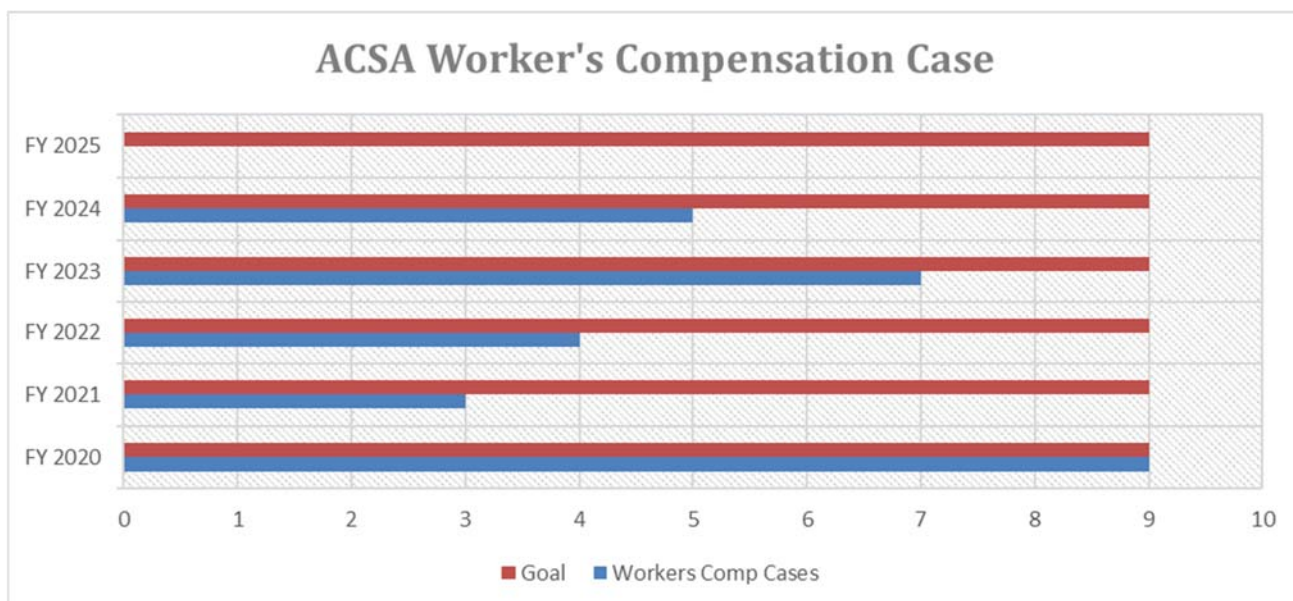
- Conduct a classification and compensations study [\(2023-2027 Strategic Plan\)](#)
- Quarterly Leadership Development Training Program for supervisors [\(2023-2027 Strategic Plan\)](#)
- Expand customer communications [\(2023-2027 Strategic Plan\)](#) through a variety of media, customer education and outreach by working with a communications consultant:
 - Including a comprehensive customer education program on the value and quality of water, especially considering future increased investment in major regional water projects, performed in coordination with our regional water partners (RWSA and the City of Charlottesville).
 - Our work with a communication consultant has allowed a re-evaluation for the need of an internal communications manager that was approved in the FY 24 budget. While need may arise in future years to enhance the ACSA's communication program, we do not envision this being a FY 25 initiative.
- Continue to actively promote water conservation and environmental sustainability [\(2023-2027 Strategic Plan\)](#)
- Continue to provide training and professional development opportunities for Employees as part of the ACSA's Succession Plan [\(2023-2027 Strategic Plan\)](#)
- Continue to provide safety training and initiatives for ACSA Employees [\(2023-2027 Strategic Plan\)](#)
- Continue to enhance the Customer Experience [\(2023-2027 Strategic Plan\)](#)
- Support the Board of Directors in policy making

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 2023 Expended	FY 2024	FY 2024	FY 2024 Budget	FY 2025	FY 2025	FY 2025
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2024		Base Budget	Total Proposed	as % of FY 2024
<i>PERSONAL SERVICES</i>							
Compensation of Board Members	\$ 13,740	8,611	12,917	17,000	17,900	17,900	105.3%
Salaries & Wages	556,600	389,194	583,791	711,700	713,000	713,000	100.2%
Overtime	-	-	-	3,000	3,000	3,000	100.0%
Social Security	39,646	27,284	40,926	56,000	56,200	56,200	100.4%
Retirement	60,859	46,826	70,239	65,900	76,100	76,100	115.5%
Health & Benefit Dollars	63,356	47,251	70,877	101,300	108,200	108,200	106.8%
Life Insurance	6,861	4,930	7,395	8,900	9,000	9,000	101.1%
Workers' Compensation	324	253	380	600	600	600	100.0%
Meals	359	-	-	600	600	600	100.0%
Safety Incentive Program	-	1,419	2,129	2,000	2,000	2,000	100.0%
Employee Incentives	38,235	28,040	42,060	35,600	35,600	35,600	100.0%
Subtotal:	779,980	553,808	830,714	1,002,600	1,022,200	1,022,200	102.0%
<i>OPERATING SUPPLIES</i>							
Office Supplies	3,162	3,149	4,724	5,900	5,900	5,900	100.0%
Copier Supplies	1,231	582	873	1,900	1,900	1,900	100.0%
Janitorial Supplies	5,887	3,377	5,066	4,200	4,200	4,200	100.0%
Fuel, Oil, and Grease	885	227	341	1,700	1,000	1,000	58.8%
Small Tools & Equipment	1,562	438	657	4,300	4,300	4,300	100.0%
EMS Program	-	1,214	1,821	2,500	2,500	2,500	100.0%
Subtotal:	12,727	8,987	13,482	20,500	19,800	19,800	96.6%
<i>REPAIRS AND MAINTENANCE</i>							
Vehicle Repair and Maintenance	137	829	1,244	2,200	2,200	2,200	100.0%
Subtotal:	137	829	1,244	2,200	2,200	2,200	100.0%

Description	FY 2023 Expended	FY 2024	FY 2024	FY 2024 Budget	FY 2025	FY 2025	FY 2025
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2024		Base Budget	Total Proposed	as % of FY 2024
<i>PROFESSIONAL & CONTRACTUAL SERVICES</i>							
Legal	57,802	19,031	28,547	54,000	54,000	54,000	100.0%
Consultants' Fees	115,043	72,858	109,287	20,000	116,500	116,500	582.5%
Printing and Duplicating	4,616	1,804	2,706	23,700	17,700	17,700	74.7%
Other Contractual Services	47,141	9,681	14,522	15,000	15,000	15,000	100.0%
Subtotal:	224,602	103,374	155,062	112,700	203,200	203,200	180.3%
<i>OTHER SERVICES AND CHARGES</i>							
Insurance	66,675	55,536	83,304	75,000	85,000	85,000	113.3%
Dues and Memberships	17,090	18,131	27,197	12,300	17,100	17,100	139.0%
Books and Periodicals	619	65	98	1,500	1,500	1,500	100.0%
Education and Training	54,068	23,148	34,722	65,600	66,500	66,500	101.4%
Board Member Education and Training	-	3,736	5,604	5,000	5,000	5,000	100.0%
Travel	1,525	2,166	3,249	10,000	10,000	10,000	100.0%
Advertising	32,816	7,545	11,318	33,100	33,100	33,100	100.0%
Conservation	20,286	9,051	13,577	65,000	50,000	50,000	76.9%
Permits	64,815	49,833	74,750	70,000	70,000	70,000	100.0%
Subtotal:	257,894	169,211	253,819	337,500	338,200	338,200	100.2%
TOTAL ADMINISTRATION \$	1,275,340	836,209	1,254,321	1,475,500	1,585,600	1,585,600	107.5%
<i>NEW EQUIPMENT ACQUISITION</i>							
New Equipment Acquisition	\$ -	-	-	-	-	-	-
Total \$	-	-	-	-	-	-	-

Finance

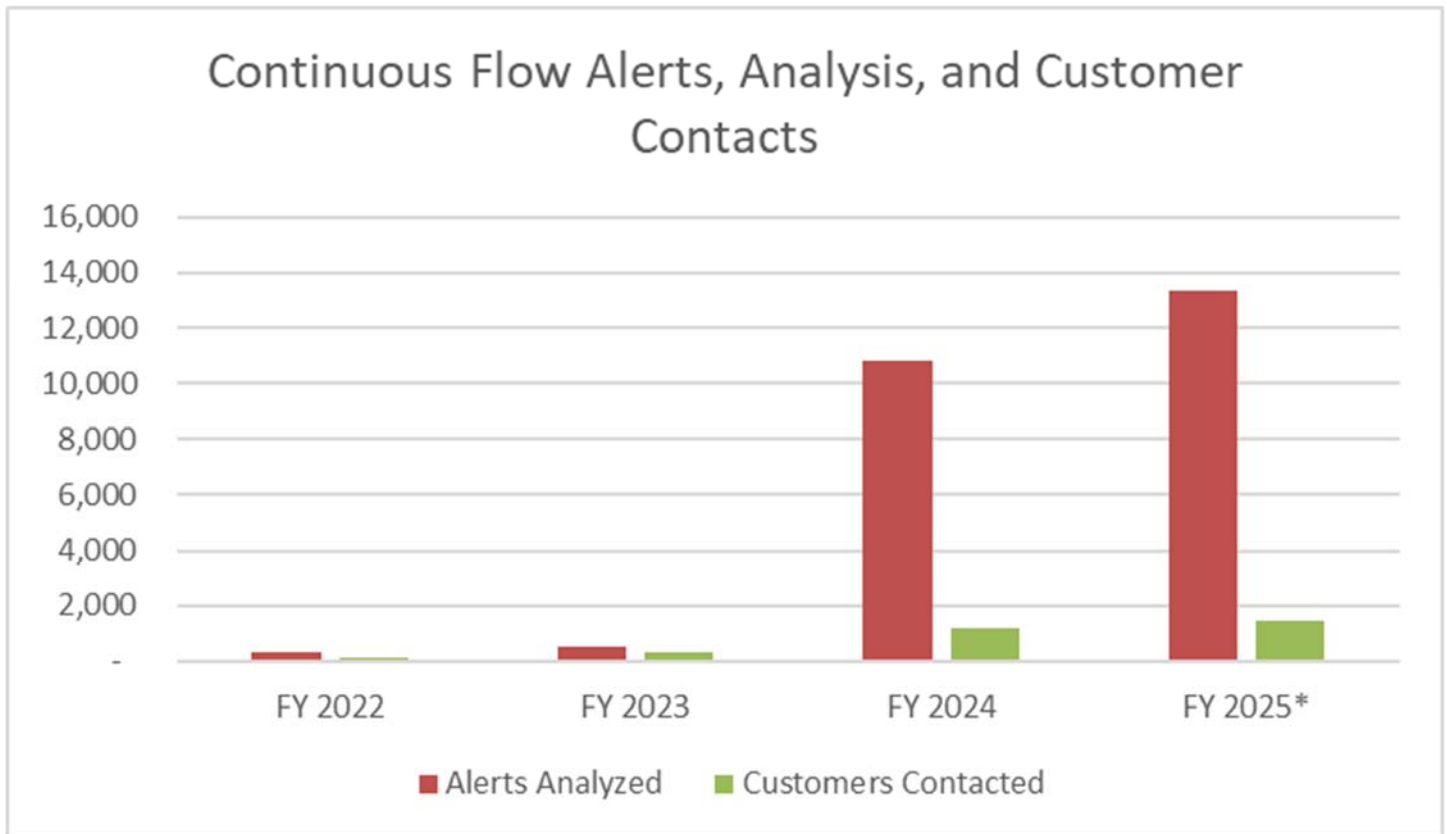
The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budget preparation, internal control, auditing, debt financing, investment management, and revenue and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

Key initiatives and changes for FY 2025:

- Design and implementation of the current and future Budget and Rates
- Annual Comprehensive Financial Report preparation
- Focused training for staff and data analysis, including AMI, ERP and CMMS [\(2023-2027 Strategic Plan\)](#)
- Training directed toward improving workforce skills and succession planning [\(2023-2027 Strategic Plan\)](#)
- Continue implementation of an Advanced Metering Infrastructure (AMI) system deployment and review/redesign of business processes [\(2023-2027 Strategic Plan\)](#)
- Continuation of strategic investment management
- Customer Information System (CIS) development, including billing and phone system replacements and website redesign [\(2023-2027 Strategic Plan\)](#)
- Implementation of customer experience vision statement and analysis of customer engagement opportunities [\(2023-2027 Strategic Plan\)](#)
- Review and documentation of business continuity from an operational and financial perspective [\(2023-2027 Strategic Plan\)](#)

Performance Metrics:

Advanced Metering Infrastructure (AMI)- Leak Notifications – The ACSA’s prior strategic plan included installation of an AMI system to automate meter reading and provide critical data for review, oversight, and analysis. Additionally, the system provides automated alerts to staff when a customer’s meter registers continuous water flow for a defined period of time. Staff reviews these alerts daily to identify potential leaks/unintended water use on the customer’s side of the meter. The ACSA’s goal is to review all continuous flow alerts within 24 hours of receipt. The information presented below illustrates alerts received/analyzed and the number of customers contacted as having potential leaks. Analyzation of the alerts is important because there are user types that regularly and appropriately use water continuously (ex. Hospitals, apartment complexes, etc.) The ACSA currently has over 22,000 AMI meters installed and anticipates the remaining 1,000 meters to be upgraded in FY 2024. The continuous flow alerts have provided an opportunity to be proactive in our notification and has been well received by customers. These alerts assist in conservation of resources and limits financial impacts to customers who otherwise would have received high bills due to unknown leaks. We have estimated information for FY 2025 based on historical information and future expectations. (* - Estimates for FY 2025)



Finance Department

Description	FY 2023 Expended	FY 2024 Actual Expenses To-Date(Feb)	FY 2024 Anticipated Expenses To-EOFY 2024	FY 2024 Budget	FY 2025 Base Budget	FY 2025 Total Proposed	FY 2025 as % of FY 2024
PERSONAL SERVICES							
Salaries & Wages	\$ 1,180,708	834,875	1,252,313	1,379,400	1,473,900	1,473,900	106.9%
Overtime Pay	19,848	15,453	23,180	30,000	30,000	30,000	100.0%
Social Security	89,360	63,358	95,037	108,700	115,000	115,000	105.8%
Retirement	97,281	66,389	99,584	105,400	163,700	163,700	155.3%
Health & Benefit Dollars	201,477	136,405	204,608	195,500	270,000	270,000	138.1%
Life Insurance	15,530	11,069	16,604	18,200	19,500	19,500	107.1%
Workers' Compensation	6,098	3,527	5,291	8,500	9,100	9,100	107.1%
Meals	1	16	24	800	500	500	62.5%
Subtotal:	1,610,303	1,131,092	1,696,641	1,846,500	2,081,700	2,081,700	112.7%
OPERATING SUPPLIES							
Office Supplies	8,934	7,786	11,679	19,000	12,800	12,800	67.4%
Personal Protective Equipment	1,297	389	584	1,600	1,600	1,600	100.0%
Fuel, Oil & Grease	17,788	7,414	11,121	23,500	15,000	15,000	63.8%
Small Tools & Equipment	2,518	78	117	7,800	6,500	6,500	83.3%
Subtotal:	30,537	15,667	23,501	51,900	35,900	35,900	69.2%
REPAIR & MAINTENANCE							
Hydrant Meter Program	4,508	7,065	10,598	10,500	19,200	19,200	182.9%
Materials - Water	189,164	111,679	167,519	214,300	299,200	299,200	139.6%
Subtotal:	193,672	118,744	178,117	224,800	318,400	318,400	141.6%
PROFESSIONAL & CONTRACTUAL SERVICES							
Audit	34,300	40,085	40,085	35,300	44,000	44,000	124.6%
Bank and Fiscal Charges	24,002	29,843	44,765	26,100	57,900	57,900	221.8%
Uniform Rental	10,093	6,351	9,527	12,000	1,700	1,700	14.2%
Consultants' Fees	41,228	22,232	33,348	52,700	102,300	102,300	194.1%
Service Contracts	259,436	207,245	310,868	369,800	404,600	404,600	109.4%
Postage	83,087	88,917	133,376	188,375	156,300	156,300	83.0%
Printing and Duplicating	23,179	1,349	2,024	15,325	19,500	19,500	127.2%
Subtotal:	475,325	396,022	573,993	699,600	786,300	786,300	112.4%

Finance Department

Description	FY 2023 Expended	FY 2024 Actual Expenses To-Date(Feb)	FY 2024 Anticipated Expenses To-EOFY 2024	FY 2024 Budget	FY 2025 Base Budget	FY 2025 Total Proposed	FY 2025 as % of FY 2024
REPAIRS AND MAINTENANCE							
Equipment Repair and Maintenance	807	-	-	9,300	5,600	5,600	60.2%
Vehicle Repair and Maintenance	14,237	2,735	4,103	8,900	8,700	8,700	97.8%
Subtotal:	15,044	2,735	4,103	18,200	14,300	14,300	78.6%
OTHER SERVICES AND CHARGES							
Rental of Equipment	1,766	2,935	4,403	13,800	14,300	14,300	103.6%
Software	11,819	119	179	500	200	200	40.0%
Dues and Memberships	1,018	500	750	1,400	1,800	1,800	128.6%
Books and Periodicals	-	-	-	600	-	-	0.0%
Education and Training	4,830	2,163	3,245	11,600	12,800	12,800	110.3%
Travel	8,801	3,997	5,996	21,100	17,400	17,400	82.5%
Subtotal:	28,234	9,714	14,573	49,000	46,500	46,500	94.9%
TOTAL FINANCE \$	2,353,115	1,673,974	2,490,928	2,890,000	3,283,100	3,283,100	113.6%
NEW EQUIPMENT ACQUISITION							
New Equipment Acquisition	\$ -	-	-	-	-	-	-
Total	\$ -	-	-	-	-	-	-
PLANNED EQUIPMENT REPLACEMENT							
Planned Equipment Replacement	\$ 4,345	-	-	-	-	-	-
Total	\$ 4,345	-	-	-	-	-	-

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) and 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 our customers. 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 2025:

Capital Improvement Budget:

- Replacement of aging, deteriorating and under-sized water mains **(2023-2027 Strategic Plan)**
- Elimination of asbestos-cement, cast iron and older PVC water mains
- Improve fire protection and increase water system redundancy and reliability **(2023-2027 Strategic Plan)**
- Increase wastewater capacity to accommodate continued growth in the development area **(2023-2027 Strategic Plan)**
- Extend public sanitary sewer service to an existing neighborhood currently served by private septic systems
- Perform evaluation of sanitary sewer drainage basin to identify and correct deficiencies allowing infiltration and inflow into the collection system
- Continue programmatic funding for various pump station rehabilitation projects
- Customer Information System (CIS) development, including billing and phone system replacements and website redesign **(2023-2027 Strategic Plan)**
- Begin construction of the Avon Operations Center **(2023-2027 Strategic Plan)**
- Implementation of Records Management Project to improve record compliance and reduce physical storage needs **(2023-2027 Strategic Plan)**
- Rehabilitation of deteriorating ACSA facilities

Operating Budget:

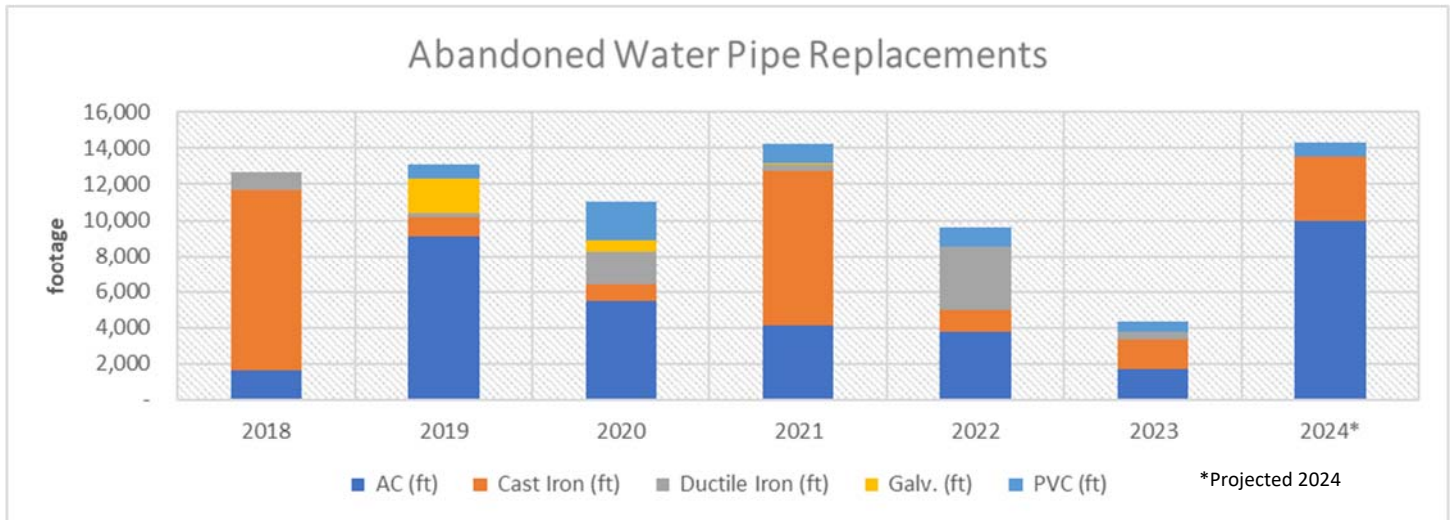
- Continue Hydraulic Modeling assistance from consultants to assist Engineering Department staff **(2023-2027 Strategic Plan)**
- Purchase of ACSA's second Electric Vehicle **(2023-2027 Strategic Plan)**
- Replacement of Utility Locator Technician fleet vehicle
- Training directed toward improving workforce skills and succession planning **(2023-2027 Strategic Plan)**
- Additional Construction Inspector position to handle increased CIP project workloads and succession planning
- Update job title from Environmental Compliance Specialist to Environmental Compliance Manager

New Position for FY 2025:

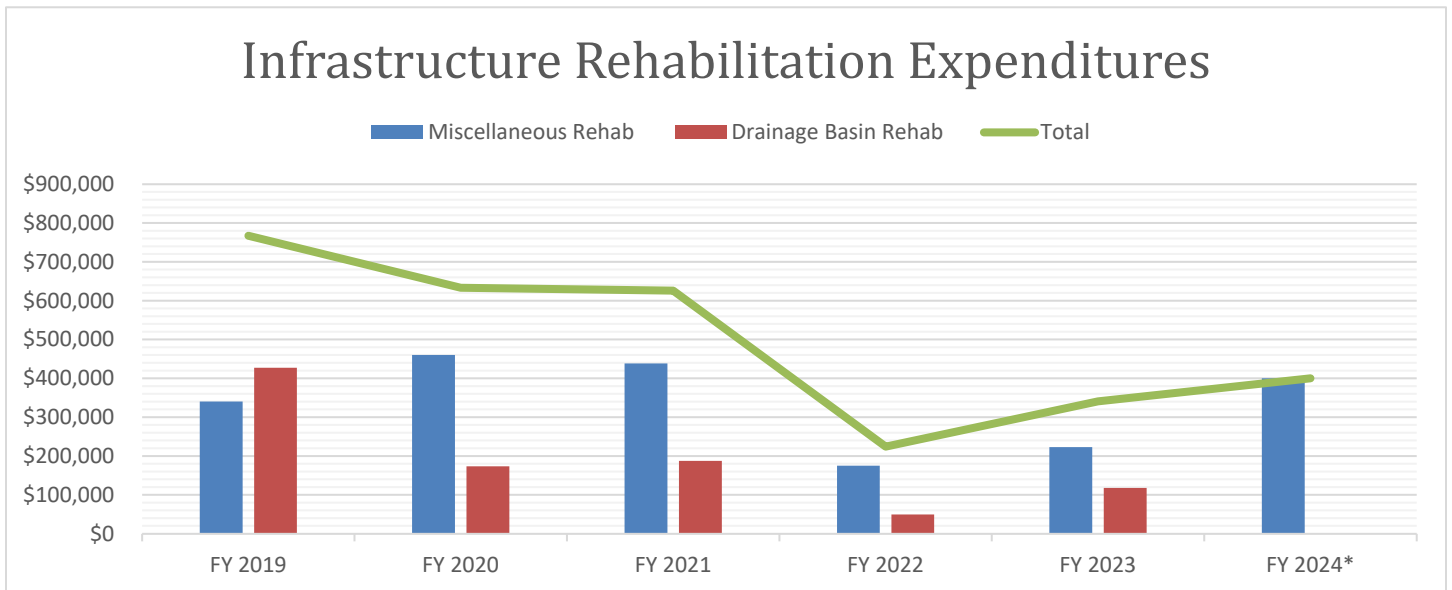
Construction Inspector, Engineering Department – Currently the Construction Inspector Group within the Engineering Department is staffed with five employees. These five Construction Inspectors oversee the construction of all private development and Capital Improvement Program (CIP) projects, ensuring utilities are installed in accordance with the drawings and specifications. The current group of Construction Inspectors has a total of 145 years of experience at the ACSA, with the average service being almost 30 years. Nearly all the Construction Inspectors are within 3-5 years of retirement, and one has indicated a desire to retire at the end of FY 2025. With the pending loss of so much construction inspection experience, we believe it is vital from a succession planning perspective to begin training the next group of Construction Inspectors before a majority of this group retires. An additional Construction Inspector will also assist in dealing with a backlog of CIP Projects that are planned for construction over the next two years. The position will require additional equipment for the employee, specifically a vehicle and a pipe locator. (Requested by the Director of Engineering)

Performance Metrics:

Water Distribution System 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 water pipe that has been replaced over recent years. Current amount of pipe requiring replacement is approximately 238,000 linear feet.



Miscellaneous Sewer Rehabilitation – The ACSA has a goal to invest at least \$500,000 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 2024 totals have been projected through June 2024.



*Projected 2024

Engineering Department

Description	FY 2023 Expended	FY 2024 Actual Expenses To-Date(Feb)	FY 2024 Anticipated Expenses To-EOFY 2024	FY 2024 Budget	FY 2025 Base Budget	FY 2025 Total Proposed	FY 2025 as % of FY 2024
<i>PERSONAL SERVICES</i>							
Salaries & Wages	\$ 1,609,595	1,017,428	1,526,142	1,701,000	1,819,000	1,819,000	106.9%
Overtime Pay	16,922	3,565	5,348	20,000	20,000	20,000	100.0%
Social Security	122,103	79,499	119,249	132,000	140,700	140,700	106.6%
Retirement	123,672	108,209	162,314	127,000	186,700	186,700	147.0%
Health & Benefit Dollars	166,445	111,145	166,718	187,400	223,100	223,100	119.1%
Life Insurance	20,418	13,293	19,940	22,000	24,000	24,000	109.1%
Workers' Compensation	8,308	6,616	9,924	15,700	17,300	17,300	110.2%
Meals	-	106	159	1,000	1,000	1,000	100.0%
Subtotal:	2,067,463	1,339,861	2,009,794	2,206,100	2,431,800	2,431,800	110.2%
<i>OPERATING SUPPLIES</i>							
Personal Protective Equipment	1,263	446	669	4,200	5,100	5,100	121.4%
Office Supplies	-	677	1,016	-	1,200	1,200	-
Fuel, Oil & Grease	20,531	9,905	14,858	30,200	30,000	30,000	99.3%
Small Tools & Equipment	15,176	2,256	3,384	18,300	27,700	27,700	151.4%
Subtotal:	36,970	13,284	19,927	52,700	64,000	64,000	121.4%
<i>PROFESSIONAL & CONTRACTUAL SERVICES</i>							
Uniform Rental	3,136	1,451	2,177	6,700	5,300	5,300	79.1%
Postage	-	75	113	-	800	800	-
Service Center	51,751	21,759	32,639	70,000	63,000	63,000	90.0%
Subtotal:	54,887	23,285	34,929	76,700	69,100	69,100	90.1%

Description	FY 2023 Expended	FY 2024 Actual Expenses To-Date(Feb)	FY 2024 Anticipated Expenses To-EOFY 2024	FY 2024 Budget	FY 2025 Base Budget	FY 2025 Total Proposed	FY 2025 as % of FY 2024
REPAIRS AND MAINTENANCE							
Equipment Repair and Maintenance	226	1,244	1,866	4,400	4,700	4,700	106.8%
Vehicle Repair and Maintenance	2,922	11,557	17,336	12,000	14,400	14,400	120.0%
Subtotal:	3,148	12,801	19,202	16,400	19,100	19,100	116.5%
OTHER SERVICES AND CHARGES							
Dues and Memberships	1,250	690	1,035	1,800	2,100	2,100	116.7%
Books and Periodicals	328	83	125	800	700	700	87.5%
Education and Training	5,564	4,564	6,846	22,900	22,000	22,000	96.1%
Travel	7,885	384	576	22,900	22,600	22,600	98.7%
Subtotal:	15,027	5,721	8,582	48,400	47,400	47,400	97.9%
TOTAL ENGINEERING	\$ 2,177,495	1,394,952	2,092,434	2,400,300	2,631,400	2,631,400	109.6%
NEW EQUIPMENT ACQUISITION							
New Equipment Acquisition	\$ -	-	-	-	66,000	66,000	-
Total	\$ -	-	-	-	66,000	66,000	-
PLANNED EQUIPMENT REPLACEMENT							
Planned Equip. Replacement	\$ -	54,573	81,860	64,000	43,000	43,000	67.2%
Total	\$ -	54,573	81,860	64,000	43,000	43,000	67.2%

Information Technology

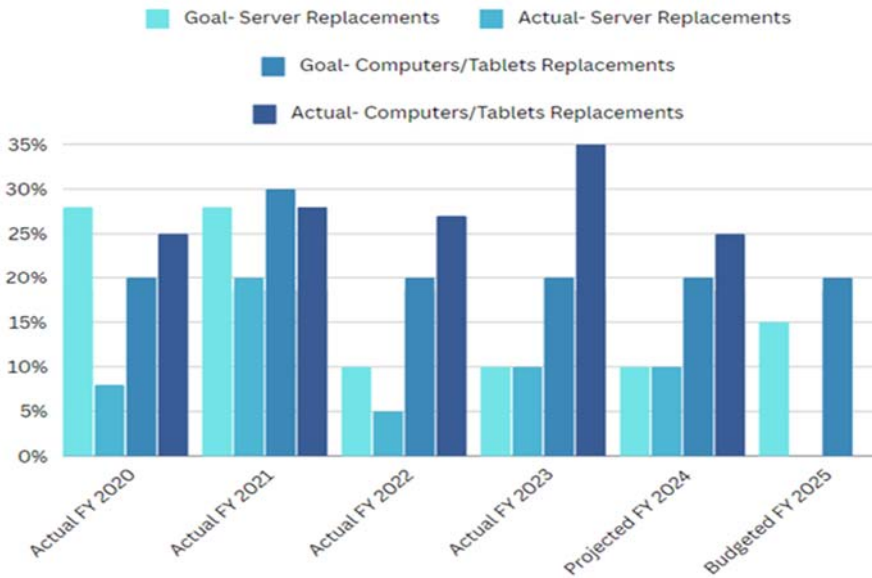
The Information Technology (IT) Department is responsible for the governance and security of the ACSA's technological systems, maintenance of the infrastructure and the functionality of the systems overall. This includes the configuration, deployment, and maintenance of business applications, services, and infrastructure. As operational needs change, existing methods and assets are reviewed, updated, and improved for efficiency.

Key initiatives and changes for FY 2025:

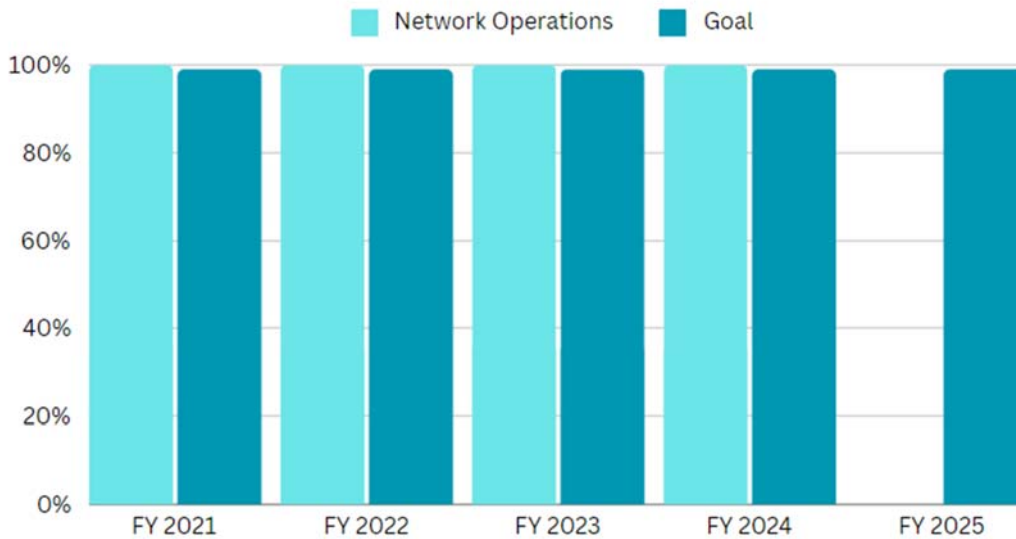
- Continue to support all ACSA staff and the various project implementations
- Continue to strengthen our data security and monitoring **(2023-2027 Strategic Plan)**
 - Purchase a Security Event and Incident Management (SEIM) software solution to monitor our networks and provide alerts
 - Purchase of additional security cameras to integrate with our existing security system
 - Upgrade all security system switches and routers
- Update to the Federally required 5-year Vulnerability (Risk) Assessment
- Customer Information System (CIS) development, including billing and phone system replacements and website redesign **(2023-2027 Strategic Plan)**
- Continue to support and improve existing applications **(2023-2027 Strategic Plan)**
- The addition and construction of a redundant fiber internet line
- Replacement of servers, PCs, field tablets and mobile phones in accordance with our formalized replacement cycle
- Purchase of an electric utility vehicle **(2023-2027 Strategic Plan)**
- Purchase mobile phones for our Meter Technicians and Utility Worker IIs
- Purchase an enterprise Document Management System and digitize our paper files **(2023-2027 Strategic Plan)**
 - Purchase several scanners to be utilized throughout the ACSA to digitize paper files
- A comprehensive assessment of our SCADA system infrastructure deployed in the field
 - Prioritize and upgrade devices in the field to meet that latest SCADA standards
 - Review and implement Best Practices
 - Continued maintenance and upgrades to the existing system
- Increased training and development of staff **(2023-2027 Strategic Plan)**

Performance Metrics:

Information Technology Hardware/Software Replacement Program –The ACSA IT Department has adopted a replacement plan for technological requirements with a goal of replacing 12 computers and 4 servers this fiscal year:



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 2023 Expended	FY 2024	FY 2024	FY 2024 Budget	FY 2025	FY 2025	FY 2025
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2024		Base Budget	Total Proposed	as % of FY 2024
<i>PERSONAL SERVICES</i>							
Salaries & Wages	\$ 551,668	451,835	677,753	757,000	818,500	818,500	108.1%
Overtime	2,145	5,647	8,471	5,500	7,500	7,500	136.4%
Social Security	40,358	33,624	50,436	58,400	63,200	63,200	108.2%
Retirement	45,452	33,792	50,688	60,400	87,900	87,900	145.5%
Health & Benefit Dollars	100,843	68,825	103,238	156,100	132,800	132,800	85.1%
Life Insurance	7,409	5,742	8,613	9,900	10,700	10,700	108.1%
Workers' Compensation	454	292	438	700	600	600	85.7%
Meals	-	129	194	1,000	1,000	1,000	100.0%
Subtotal:	748,329	599,886	899,831	1,049,000	1,122,200	1,122,200	107.0%
<i>OPERATING SUPPLIES</i>							
Office Supplies	5,832	5,105	7,658	7,000	7,500	7,500	107.1%
Copier Supplies	155	-	-	400	500	500	125.0%
Personal Protective Equipment	-	-	-	800	1,500	1,500	187.5%
Fuel, Oil & Grease	563	437	656	1,800	1,200	1,200	66.7%
Small Tools & Equipment	35,154	16,062	24,093	70,000	120,200	120,200	171.7%
Subtotal:	41,704	21,604	32,407	80,000	130,900	130,900	163.6%
<i>PROFESSIONAL & CONTRACTUAL SERVICES</i>							
Consulting Services	-	-	-	40,000	70,000	70,000	175.0%
Service Contracts	217,427	242,809	364,214	367,700	608,000	608,000	165.4%
Telephone/Communications	115,394	77,651	116,477	160,600	184,400	184,400	114.8%
Subtotal:	332,821	320,460	480,691	568,300	862,400	862,400	151.8%
<i>REPAIRS AND MAINTENANCE</i>							
Vehicle Repair and Maintenance	963	177	266	1,700	2,300	2,300	135.3%
Subtotal:	963	177	266	1,700	2,300	2,300	135.3%

Information Technology

Description	FY 2023 <u>Expended</u>	FY 2024 Actual Expenses <u>To-Date(Feb)</u>	FY 2024 Anticipated Expenses <u>To-EOFY 2024</u>	FY 2024 <u>Budget</u>	FY 2025 Base <u>Budget</u>	FY 2025 Total <u>Proposed</u>	FY 2025 as % of <u>FY 2024</u>
<i>OTHER SERVICES AND CHARGES</i>							
Software	35,082	21,221	31,832	54,900	-	-	0.0%
Dues and Memberships	-	100	150	800	400	400	50.0%
Books and Periodicals	-	-	-	200	300	300	150.0%
Education and Training	16,413	12,815	19,223	25,000	17,500	17,500	70.0%
Travel	357	1,822	2,733	7,700	7,000	7,000	90.9%
Subtotal:	51,852	35,958	53,938	88,600	25,200	25,200	28.4%
TOTAL INFORMATION TECHNOLOGY	\$ 1,175,669	978,085	1,467,133	1,787,600	2,143,000	2,143,000	119.9%
<i>NEW EQUIPMENT ACQUISITION</i>							
New Equipment Acquisition	\$ 10,568	-	-	28,500	110,300	110,300	387.0%
Total	\$ 10,568	-	-	28,500	110,300	110,300	387.0%
<i>PLANNED EQUIPMENT REPLACEMENT</i>							
Planned Equipment Replacement	\$ 61,515	84,946	127,419	156,800	282,000	282,000	179.8%
Total	\$ 61,515	84,946	127,419	156,800	282,000	282,000	179.8%

Maintenance

The Maintenance Department operates its program with two primary goals. The first is upgrading and maintaining our water distribution system so that we can provide safe and clean drinking water with minimal service disruptions at a reasonable cost. The second is upgrading and maintaining our sanitary sewer collection system so that we can provide safe and reliable service with minimal service impacts at a reasonable cost, while protecting the environment. The Maintenance Department oversees a total of 18 pump stations (10 sewer and 8 water), 7 water storage tanks, and 15 pressure reducing valve stations, that are critical for the operation of our system that we continuously perform preventative maintenance activities to ensure reliability. The Maintenance Department also operates and maintains 315 miles of gravity sanitary sewer, 5 miles of sanitary sewer force mains, 10,000 sanitary sewer manholes, 20,000 sanitary sewer lateral connections, 380 miles of water distribution mains, 10,300 water system valves, 3,200 fire hydrants, 23,250 domestic water service connections and 1.45 million gallons of water storage. 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 with a high level of resiliency. Our system continues to grow every year, and the level of maintenance responsibility continues to increase.

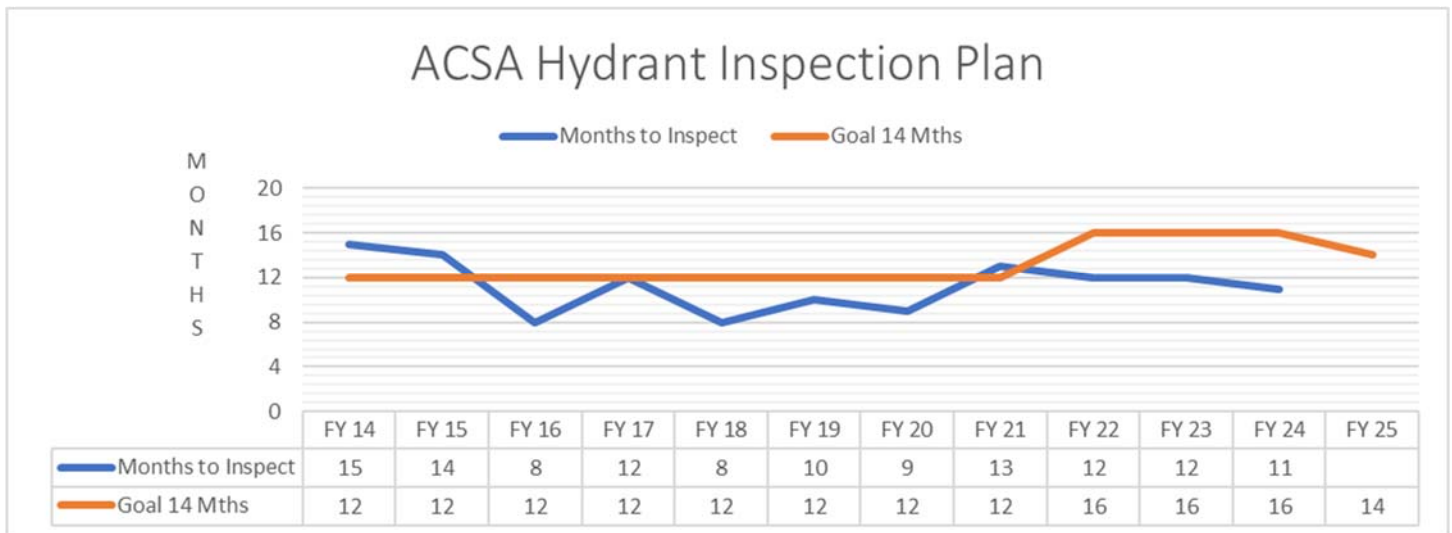
Key initiatives for FY 2025:

- Promote optimization of resources through development of a resource use plan for Avon Operations Center **(2023-2027 Strategic Plan)**
- Development of a formal Business Continuity Plan for the ACSA to assure business resilience. **(2023-2027 Strategic Plan)**
- Increased emphasis on training and education programs for leadership, safety, equipment, job required, advancement, and operational flexibility **(2023-2027 Strategic Plan)**
- Replacing a CCTV van that has reached its useful life.
- Review and update of Maintenance Job Descriptions.
- Support of environmental sustainability through the installation and expansion of ACSA electric vehicle charging infrastructure. **(2023-2027 Strategic Plan)**
- Continued integration of the Facilities group into the Cityworks work order system. **(2023-2027 Strategic Plan)**
- Use of Operational Insights within the Cityworks work order system to leverage this tool for preventative maintenance planning. **(2023-2027 Strategic Plan)**
- Succession plan training for senior maintenance staff. **(2023-2027 Strategic Plan)**
- Continued focus on saddle replacements throughout the service area **(2023-2027 Strategic Plan)**
- Vulnerability (Risk) Assessment 5 Year Update **(Federally Required CY 25)**
- Support, as needed, of CIS platform implementation **(2023-2027 Strategic Plan)**
- Promotion of customer engagement opportunities by use of social media tools for maintenance activity updates **(2023-2027 Strategic Plan)**

Performance Metrics

The ACSA utilizes a variety of performance metrics to track and review progress related to strategic plan initiatives, system reliability, and performance. In tracking these metrics, we rely heavily on our Cityworks CMMS system that was implemented in FY 21. 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 four of the last five years. The number of hydrants in the system continues to grow as our system expands due to private development within our service area. Although the goal was increase to 16 months for FY 22 – FY 24 due to system growth and staff impacts, a reassessment has allowed us to reduce the goal to 14 months for FY 25 with the anticipation of future reductions.



Maintenance Department

Description	FY 2023 Expended	FY 2024	FY 2024	FY 2024 Budget	FY 2025	FY 2025	FY 2025
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2024		Base Budget	Total Proposed	as % of FY 2024
PERSONAL SERVICES							
Salaries & Wages	\$ 1,973,317	1,423,241	2,134,862	2,346,000	2,350,100	2,350,100	100.2%
Overtime/Standby Pay	58,467	50,457	75,686	85,000	85,000	85,000	100.0%
Social Security	153,007	111,443	167,165	186,000	186,000	186,000	100.0%
Retirement	164,347	108,738	163,107	176,300	251,400	251,400	142.6%
Health & Benefit Dollars	286,631	190,799	286,199	364,000	385,800	385,800	106.0%
Life Insurance	26,023	17,954	26,931	29,900	30,600	30,600	102.3%
Workers' Compensation	41,883	28,322	42,483	67,700	69,000	69,000	101.9%
Meals	417	409	614	1,200	1,200	1,200	100.0%
Subtotal:	2,704,092	1,931,363	2,897,047	3,256,100	3,359,100	3,359,100	103.2%
OPERATING SUPPLIES							
Office Supplies	80	913	1,370	-	1,700	1,700	-
Shop Supplies	13,969	2,658	3,987	34,600	33,700	33,700	97.4%
Personal Protective Equipment	16,486	10,463	15,695	28,000	70,000	70,000	250.0%
Fuel, Oil & Grease	80,439	40,245	60,368	97,000	95,200	95,200	98.1%
Heating Fuel	4,476	2,428	3,642	9,500	7,400	7,400	77.9%
Small Tools & Equipment	47,379	25,425	38,138	98,600	105,500	105,500	107.0%
Subtotal:	162,829	82,132	123,200	267,700	313,500	313,500	117.1%
REPAIR & MAINTENANCE SUPPLIES							
Vehicle Supplies	4,168	-	-	-	-	-	-
Materials - Water	111,603	118,754	178,131	115,500	332,100	332,100	287.5%
Materials - Hydrants	26,488	9,070	13,605	49,500	55,000	55,000	111.1%
Materials - Sewer	20,065	8,408	12,612	22,000	22,000	22,000	100.0%
Building & Grounds Supplies	26,206	6,957	10,436	19,700	18,000	18,000	91.4%
Equipment Supplies	14,380	-	-	-	-	-	-
Water Pump Station Supplies	21,133	27,179	40,769	33,100	43,600	43,600	131.7%
Sewer Pump Station Supplies	117,850	98,442	147,663	98,500	121,000	121,000	122.8%
Subtotal:	341,893	268,810	403,216	338,300	591,700	591,700	174.9%

Maintenance Department

Description	FY 2023 Expended	FY 2024 Actual Expenses To-Date(Feb)	FY 2024 Anticipated Expenses To-EOFY 2024	FY 2024 Budget	FY 2025 Base Budget	FY 2025 Total Proposed	FY 2025 as % of FY 2024
PROFESSIONAL & CONTRACTUAL SERVICES							
Labor - Outside Contract	82,614	56,975	85,463	137,700	124,400	124,400	90.3%
Uniform Rental	29,161	22,160	33,240	29,000	35,700	35,700	123.1%
Building & Grounds Services	124,043	77,409	116,114	163,600	124,100	124,100	75.9%
Postage	-	85	128	-	3,000	3,000	-
Service Center	-	-	-	13,100	-	-	-
Other Contractual Services	985	-	-	11,300	10,300	10,300	91.2%
Subtotal:	236,803	156,629	234,945	354,700	297,500	297,500	83.9%
REPAIRS AND MAINTENANCE							
Equipment Repair and Maintenance	24,418	43,533	65,300	163,800	173,800	173,800	106.1%
Building & Grounds Repair and Maintenance	32,853	13,631	20,447	8,700	30,500	30,500	350.6%
Vehicle Repair and Maintenance	42,756	24,513	36,770	83,900	73,400	73,400	87.5%
Subtotal:	100,027	81,677	122,517	256,400	277,700	277,700	108.3%
OTHER SERVICES AND CHARGES							
Rental of Equipment	3,890	91	137	8,000	5,000	5,000	62.5%
Education and Training	25,712	45,354	68,031	92,400	60,100	60,100	65.0%
Travel	10,478	4,850	7,275	22,100	25,800	25,800	116.7%
Electricity - Water Pump Station	43,920	25,080	37,620	57,400	60,100	60,100	104.7%
Electricity - Sewer Pump Station	42,056	21,885	32,828	44,300	50,400	50,400	113.8%
Electricity - Shop & Office	44,852	29,190	43,785	46,600	48,300	48,300	103.6%
Permits	230	210	315	5,900	2,800	2,800	47.5%
Subtotal:	171,138	126,660	189,991	276,700	252,500	252,500	91.3%
TOTAL MAINTENANCE	\$ 3,716,782	2,647,271	3,970,916	4,749,900	5,092,000	5,092,000	107.2%
NEW EQUIPMENT ACQUISITION							
New Equipment Acquisition	\$ -	527	791	155,500	19,000	19,000	12.2%
Total	\$ -	527	791	155,500	19,000	19,000	12.2%
PLANNED EQUIPMENT REPLACEMENT							
Planned Equipment Replacement	\$ 450	-	-	110,000	370,000	370,000	336.4%
Total	\$ 450	-	-	110,000	370,000	370,000	336.4%

The ACSA does not anticipate the issuance of new debt as it will be using cash or reserves to fund capital projects for FY 2025 but will evaluate opportunities that may arise. The ACSA refunded the Build America Bond (BAB) revenue bond on July 21, 2021, through the Virginia Resources ACSA (VRA) and its 2021B Pooled Bond issuance. Below is a summary of the ACSA debt service requirements along with the effect to future budget years.

Debt Type	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Refunding bond	\$ 3,785,000	\$ -	\$ (395,000)	\$ 3,390,000	\$ 415,000

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 ACSA 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
2025	415,000	163,103	578,103
2026	435,000	141,322	576,322
2027	460,000	118,388	578,388
2028	480,000	94,300	574,300
2029	505,000	69,059	574,059
2030-2031	1,095,000	56,759	1,151,759
	\$ 3,390,000	\$ 642,931	\$ 4,032,931

Capital Equipment Purchases

The ACSA 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 - \$195,300

Engineering – Pipe Locator and fleet vehicle. (Budget Impact: \$6,000 and \$60,000, respectively).

Information Technology – Information Technology has identified the need for additional IT equipment to be used by multiple departments throughout the ACSA. This equipment includes additional iPads (12), GPS Units (5), cell phones (12), computers (2), security event and incident management software (1), and office furniture (1) (Budget Impact: \$30,000, \$2,800, \$6,000, \$6,000, \$58,000, and \$7,500, respectively).

Maintenance – Maintenance has identified the need for a field and brush mower, HDPE Electrofusion Machine, and three Connex boxes. (Budget Impact: \$5,000, \$6,500, and \$7,500 respectively).

Equipment- Replacement - \$695,000

Engineering – Scheduled replacement of one (1) fleet vehicle and office furniture. (Budget Impact: \$36,000 and \$7,000, respectively).

Information Technology – Replacement of four (4) servers, twelve (12) computers, thirteen (13) iPads and seventeen (17) phones, SCADA PLCs, 48 Port Server Rack Switches, security camera replacement, (1) electric utility van and Board Room video equipment in accordance with the ACSA's regularly scheduled change-out policy. (Budget impact: \$40,000, \$30,000, \$20,000, \$50,000, \$72,000, \$5,000, \$60,000, and \$5,000 respectively).

Maintenance – Scheduled replacement of one (1) fleet vehicle and one (1) CCTV Van (Budget impact: \$70,000, \$300,000, respectively).

Capital Equipment Purchases

Description	FY 2025 Proposed <u>Budget</u>
<i>NEW EQUIPMENT ACQUISITION</i>	
Engineering	\$ 66,000
Information Technology	110,300
Maintenance	19,000
Total:	\$ <u>195,300</u>

<i>PLANNED EQUIPMENT REPLACEMENT</i>	
Engineering	\$ 43,000
Information Technology	282,000
Maintenance	370,000
Total:	\$ <u>695,000</u>

The following is a summary of the estimated project costs to be undertaken in FY 2025:

Water Projects:	\$ 7,760,000
Wastewater Projects:	1,230,000
Non-Utility and Facility Projects:	<u>3,110,000</u>
Total:	\$ 12,100,000

The new projects identified in the upcoming FY 2025 CIP include a re-evaluation of a sewer design/serviced extension at Buckingham Circle, a sanitary sewer evaluation survey (SSES) to identify sources of infiltration and inflow (I&I), and ACSA operations center improvements to address foundation settlement near the front entrance of the building and installing a hard deck to the ACSA warehouse to allow use of a climate control system. A summary of the proposed CIP projects with their anticipated funding in FY 2025 follows:

WATER SYSTEM IMPROVEMENTS

1. **Crozet Phase 4 Water Main Replacement:** This project continues our systematic program to replace undersized and aging 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. Construction activities are underway and will continue through much of FY 2025. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project.
 - **Previous Budgets - \$4,122,350**
 - **FY 2025 Budget - \$3,200,000**
 - **Total Project Budget - \$7,322,350**

2. **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 water mains along James River Road, Warren Street, and several streets in Downtown Scottsville will be upgraded. Design efforts are nearing completion and the amount budgeted will assist ACSA staff with easement acquisition. Construction activities are not anticipated to occur until FY 2026 and beyond with additional funds required.
 - **Previous Budgets - \$504,900**
 - **FY 2025 Budget - \$50,000**
 - **Total Project Budget - \$7,554,900**

3. **Ragged Mountain Phase 1 Water Main Replacement:** This project will replace the oldest active water main remaining in our system. This cast iron pipe is over 90 years old and is severely tuberculated, which greatly reduces the flow capacity in this section. With multiple unsuccessful bids on VDOT's Morey Creek Bridge Replacement Project, additional design efforts are required for a revised water connection to Fontaine Research Park. Construction activities are not anticipated to occur until FY 2026 in conjunction with RWSA's Ragged Mountain Reservoir to Observatory WTP 36" Raw WL Project. Additional funds will be required in FY 2026.
 - **Previous Budgets - \$876,400**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$2,436,400**

4. **Northfields Water Main Replacement:** This project continues our systematic program to replace undersized and deteriorating asbestos-cement water mains. These existing water mains were installed in the 1960's as a private well system and have reached the end of their useful life. The project is currently under design with funds previously budgeted. It is anticipated that construction will occur in the FY 2027 – FY 2028 timeframe. Additional funding will be required based on ultimate construction schedule.
 - **Previous Budgets - \$530,000**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$7,530,000**

5. **Briarwood Water Main Replacement:** This project continues our systematic program to replace PVC water mains that have been in service since the early 1980's and have recently experienced several breaks causing water service disruptions. The design phase is nearing completion with funds previously appropriated. Construction activities are anticipated to begin in FY 2025 and will carry over into FY 2026 with additional funding budgeted.
 - **Previous Budgets - \$220,000**
 - **FY 2025 Budget - \$1,510,000**
 - **Total Project Budget - \$2,730,000**

6. **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 also provides for an opportunity to improve fire protection to these multi-family apartments. The design phase is nearing completion with funds previously appropriated, and construction is anticipated to occur in FY 2025. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project.
 - **Previous Budgets - \$902,500**
 - **FY 2025 Budget - \$2,500,000**
 - **Total Project Budget - \$3,402,500**

7. **Townwood Water Main Replacement:** This project continues our systematic program to replace PVC water mains that have been in service since the early 1980's and have recently experienced several breaks causing water service disruptions. The design phase is currently underway and will carry over into FY 2025 with funds previously appropriated. Construction is expected to take place in the FY 2026 – FY 2027 timeframe with additional funds required.
 - **Previous Budgets - \$200,000**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$2,800,000**

8. **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. Construction is expected to take place in FY 2025. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project.
 - **Previous Budgets - \$1,417,800**
 - **FY 2025 Budget - \$250,000**
 - **Total Project Budget - \$1,667,800**

9. **Raintree and Fieldbrook PVC Water Main Replacement:** This project continues our systematic program to 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 2025 with funds previously appropriated. Construction is expected to take place in the FY 2027 - FY 2028 timeframe with additional funds required.
 - **Previous Budgets - \$432,300**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$6,432,300**

10. 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. In 2006 the ACSA Rules and Regulations were modified to disallow private exclusion meters and required all future irrigation meters be tapped separately off our water mains, to be owned and controlled by the ACSA. ACSA staff recently began coordinating with various irrigation contractors to upgrade existing private exclusions meters to ACSA-owned exclusion meters.

- **Previous Budgets - \$527,500**
- **FY 2025 Budget - \$0**
- **Total Project Budget - \$527,500**

11. 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 started to fail. These failures have occurred due to either the galvanized steel straps or the cast iron saddle bodies 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 continue this project.

- **Previous Budgets - \$100,000**
- **FY 2025 Budget - \$0**
- **Total Project Budget - \$150,000**

12. Annual Water Repair and Replacement: This project will utilize publicly bid water repair and replacement contracts that are renewable on an annual basis to make improvements to our water distribution system. Bidding for this contract is complete and a contract will be awarded this spring.

- **FY 2025 Budget - \$200,000 (Annually)**

SEWER SYSTEM IMPROVEMENTS

13. 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. It is anticipated that construction will begin in FY 2027, with additional funding required.

- **Previous Budgets - \$483,800**
- **FY 2025 Budget - \$0**
- **Total Project Budget - \$6,683,800**

14. Northfields Phase 5 Sewer: 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 project is currently under design with funds previously budgeted. It is anticipated that construction could occur in the FY 2027 – FY 2028 timeframe with additional funding required.

- **Previous Budgets - \$70,000**
- **FY 2025 Budget - \$0**
- **Total Project Budget - \$820,000**

15. Buckingham Circle Sewer (New): In 2012, the ACSA completed the Buckingham Circle Water Main Replacement Project. At that time, we also explored the feasibility of installing a sanitary sewer system but there was insufficient interest from the neighborhood. Recent communications with multiple residents have indicated an increase in interest to construct a sanitary sewer system. ACSA staff is working on an updated survey to provide to the community to better understand how much support there is for this project. The amount budgeted will allow ACSA staff to re-evaluate the previous sanitary sewer design and begin easement acquisition efforts if adequate support exists.

- **FY 2025 Budget - \$175,000**
- **Total Project Budget - \$2,175,000**

- 16. 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 2026 and FY 2027, with additional funding required in those years.
- **Previous Budgets - \$393,715**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$6,893,715**
- 17. Woodbrook Drainage Basin SSES (New):** This project includes a Sanitary Sewer Evaluation Survey (SSES) of the Woodbrook Drainage Basin utilizing manhole inspections, flow metering, smoke testing, closed circuit television (CCTV) inspections, night flow isolation and flooded dye testing to identify sources of infiltration and inflow (I/I). This drainage basin includes approximately 450 manholes and 75,000 linear feet of sanitary sewer main.
- **FY 2025 Budget - \$400,000**
 - **Total Project Budget Based on SSES Recommendations**
- 18. 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. These efforts will utilize publicly bid miscellaneous sewer rehabilitation contracts that are renewable on an annual basis up to two times after the initial contract. It will be used to make repairs and rehabilitate defects in our system found with systematic CCTV inspection by ACSA crews and the subcontractor.
- **FY 2025 Budget - \$500,000 (Annually)**

NON-UTILITY AND FACILITY IMPROVEMENTS

- 19. Pump Stations – Rehabilitation:** ACSA staff have identified numerous rehabilitation projects directly related to our pump station facilities, including pump and motor upgrades, replacement of generators and transfer switches, control panels, grinders, and associated climate control. The amount budgeted will cover multiple pump replacements and rebuilds on both the water and wastewater side. Additional funding in future years is expected to meet other rehabilitation needs mentioned above. These funds are proportionally split between water and wastewater projects.
- **FY 2025 Budget - \$205,000 (Ongoing, Needs Dependent)**
- 20. Customer Information System (CIS) Replacement:** This project consists of consulting services to assist with a review of the Customer Experience, 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 integration with other systems, specifically the Advanced Metering Infrastructure, Enterprise Resource Planning System, website design and phone replacement. The amount budgeted is for funding to replace the existing telephony system and begin implementation for a replacement Customer Information System. These funds are divided equally between water and wastewater projects. Additional funding is anticipated in FY 2026 for full development.
- **Previous Budgets - \$200,000**
 - **FY 2025 Budget - \$800,000**
 - **Total Project Budget - \$2,000,000**
- 21. ESRI Utility Network Implementation:** 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 has assessed the state of the ACSA’s GIS and recommended changes needed for successful implementation of the Utility Network. ACSA staff will take much of FY 2025 to perform data clean-up before full implementation occurs. Additional funds may be necessary in FY 2026 to cover full implementation and training. These funds are divided equally between water and wastewater projects.
- **Previous Budgets - \$200,000**
 - **FY 2025 Budget - \$0**
 - **Total Project Budget - \$300,000**

22. Avon Operations Center: The Avon Street Extended property has long been held as a future location to build additional facilities as the ACSA continues to grow. The current Maintenance Yard at our Spotnap Road location is becoming overcrowded, and our leased space at the Crozet Water Treatment Facility will be reduced with the upcoming Granular Activated Carbon (GAC) Expansion. 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. This project is currently being advertised and we anticipate construction activities beginning in FY 2025. These funds are divided equally between water and wastewater projects. Additional funding will be required in FY 2026 to finish construction.

- **Previous Budgets - \$8,790,000**
- **FY 2025 Budget - \$2,110,000**
- **Total Project Budget - \$18,000,000**

23. Records Management Project: This project has been combined with the Data Management and Dashboarding Project from FY 2024. The goal of this project is to improve record compliance and retention while digitizing paper files currently in storage. This project will consist of the classification of each paper document, so it is stored and maintained properly and securely. Another large portion of this project will include the scanning of paper documents into a new software solution that creates a searchable digital file. Files will be organized across the ACSA so that the right people have access to the appropriate content whether they are in the office or working remotely. Following the data collection and classification phase, dashboards will be created to display relevant data in a graphical format. The amount budgeted will cover the purchase of scanners, the development of an RFP for a Documentation Management Solution, as well as the effort associated with document scanning. These funds are divided equally between water and wastewater projects.

- **Previous Budgets - \$340,000**
- **FY 2025 Budget - \$50,000**
- **Total Project Budget - \$390,000**

24. ACSA Operations Center Improvements (New): ACSA staff have identified two projects that need to be undertaken at the ACSA Operations Center. The first project addresses some settlement issues near the Administration Building main entrance. A structural engineering firm, specializing in foundation repair and remediation, conducted an assessment and has recommended the installation of foundation helical piers in the impacted area. The second project includes the installation of a hard deck on the underside of the truss system, along with an insulation layer to provide a thermal envelop in the existing Maintenance Building for the use of climate control equipment. The amount budgeted will allow both improvements to be implemented in FY 2025. These funds are divided equally between water and wastewater projects.

- **FY 2025 Budget - \$50,000**
- **Total Project Budget - \$50,000**

25. 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 new pipes are sized to meet the ACSA's long-range needs.

- **FY 2025 Budget - \$100,000 (Annually)**

Albemarle County Service Authority Water & Sewer Rate Model
 CAPITAL IMPROVEMENT PROJECTS

WATER SYSTEM CIP IMPROVEMENTS														
LINE NO.	SYSTEM	PROJECT	TOTAL PREV. BUDGETS	2025 FORECAST	2026 FORECAST	2027 FORECAST	2028 FORECAST	2029 FORECAST	2030 FORECAST	2031 FORECAST	2032 FORECAST	2033 FORECAST	2034 FORECAST	TOTAL 10-YR FORECAST
1	Crozet	Crozet Phase 4 Water Main Replacement	\$ 4,122,350	\$ 3,200,000										\$ 7,322,350
2	Crozet	Crozet Phase 5 Water Main Replacement	\$ -					\$ 830,000	\$ -	\$ 2,000,000	\$ 4,000,000			\$ 6,830,000
3	Crozet	Parkview Drive Water Connection	\$ 300,000											\$ 300,000
4	Scottsville	Scottsville Phase 4 Water Main Replacement	\$ 504,900	\$ 50,000	\$ 3,500,000	\$ 3,500,000								\$ 7,554,900
5	Scottsville	Stony Point Water Main Replacement	\$ 175,000					\$ 350,000						\$ 525,000
6	Urban	Ragged Mountain Phase 1 Water Main Replacement	\$ 876,400	\$ -	\$ 1,560,000									\$ 2,436,400
7	Urban	Northfields Water Main Replacement	\$ 530,000	\$ -	\$ -	\$ 3,000,000	\$ 4,000,000							\$ 7,530,000
8	Urban	Wakefield Water Main Replacement	\$ -				\$ 160,000	\$ 1,100,000						\$ 1,260,000
9	Urban	Carrsbrook Water Main Replacement	\$ -				\$ 525,000	\$ 525,000	\$ 5,000,000	\$ 2,000,000				\$ 8,050,000
10	Urban	Rt 785 Water Main Replacement	\$ -				\$ 70,000	\$ 350,000						\$ 420,000
11	Urban	Old Forge Water Main Replacement	\$ -							\$ 300,000	\$ 1,400,000	\$ 500,000		\$ 2,200,000
12	Urban	Briarwood Water Main Replacement	\$ 220,000	\$ 1,510,000	\$ 1,000,000									\$ 2,730,000
13	Urban	Barracks West Water Main Replacement	\$ 902,500	\$ 2,500,000										\$ 3,402,500
14	Urban	Townwood Water Main Replacement	\$ 200,000	\$ -	\$ 1,500,000	\$ 1,100,000								\$ 2,800,000
15	Urban	Broadway Street Water Main Replacement	\$ 1,417,800	\$ 250,000										\$ 1,667,800
16	Urban	Raintree and Fieldbrook PVC Water Main Replacement	\$ 432,300	\$ -	\$ -	\$ 2,000,000	\$ 4,000,000							\$ 6,432,300
17	Urban	Airport Acres Water System	\$ -										\$ 350,000	\$ 350,000
18	Urban	Glenorchy - Viewmont Court Water Extension	\$ -									\$ 200,000		\$ 200,000
19	Urban	Ashcroft Water Main Replacement	\$ -									\$ 700,000	\$ 1,950,000	\$ 2,650,000
20	Urban	Riverrun Water Main Replacement	\$ -				\$ 300,000	\$ 2,300,000						\$ 2,600,000
21	Urban	North Pines Water Main Replacement	\$ -										\$ 550,000	\$ 550,000
22	Urban	Lewis Hill Water Main Replacement	\$ -									\$ 460,000	\$ 1,000,000	\$ 1,460,000
23	Urban	Ivy Oaks Water Main Replacement	\$ -							\$ 450,000	\$ 2,750,000			\$ 3,200,000
24	Urban	Hollymead Phase 2 Water Main Replacement	\$ -							\$ 280,000			\$ 1,750,000	\$ 2,030,000
25	Urban	Canterbury Hills Phase 2 Water Main Replacement	\$ -						\$ 590,000	\$ -	\$ -	\$ 1,900,000	\$ 1,900,000	\$ 4,390,000
26	Urban	Mosby Mountain Pressure Zone - Additional Storage	\$ -				\$ 105,000	\$ 1,400,000						\$ 1,505,000
27	Urban	Branchlands PVC Water Main Replacement	\$ -						\$ 540,000	\$ -	\$ 1,000,000	\$ 2,820,000		\$ 4,360,000
28	Urban	Old Ballard Road Water Connection								\$ 700,000	\$ 2,250,000	\$ 2,250,000		\$ 5,200,000
29	All	Exclusion Meter Replacement Program	\$ 527,500	\$ -										\$ 527,500
30	All	Pipe Saddles Replacement	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000						\$ 150,000
31	All	Water Pump Stations - Rehabilitation	\$ 45,000	\$ 50,000	\$ -	\$ 50,000	\$ 35,000						\$ 275,000	\$ 455,000
32	All	Annual Water Repair and Replacement	Ongoing	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,000,000
Total Water Capital Projects				\$ 7,760,000	\$ 7,760,000	\$ 9,850,000	\$ 9,395,000	\$ 7,105,000	\$ 6,330,000	\$ 4,500,000	\$ 8,030,000	\$ 11,780,000	\$ 10,225,000	\$ 93,088,750

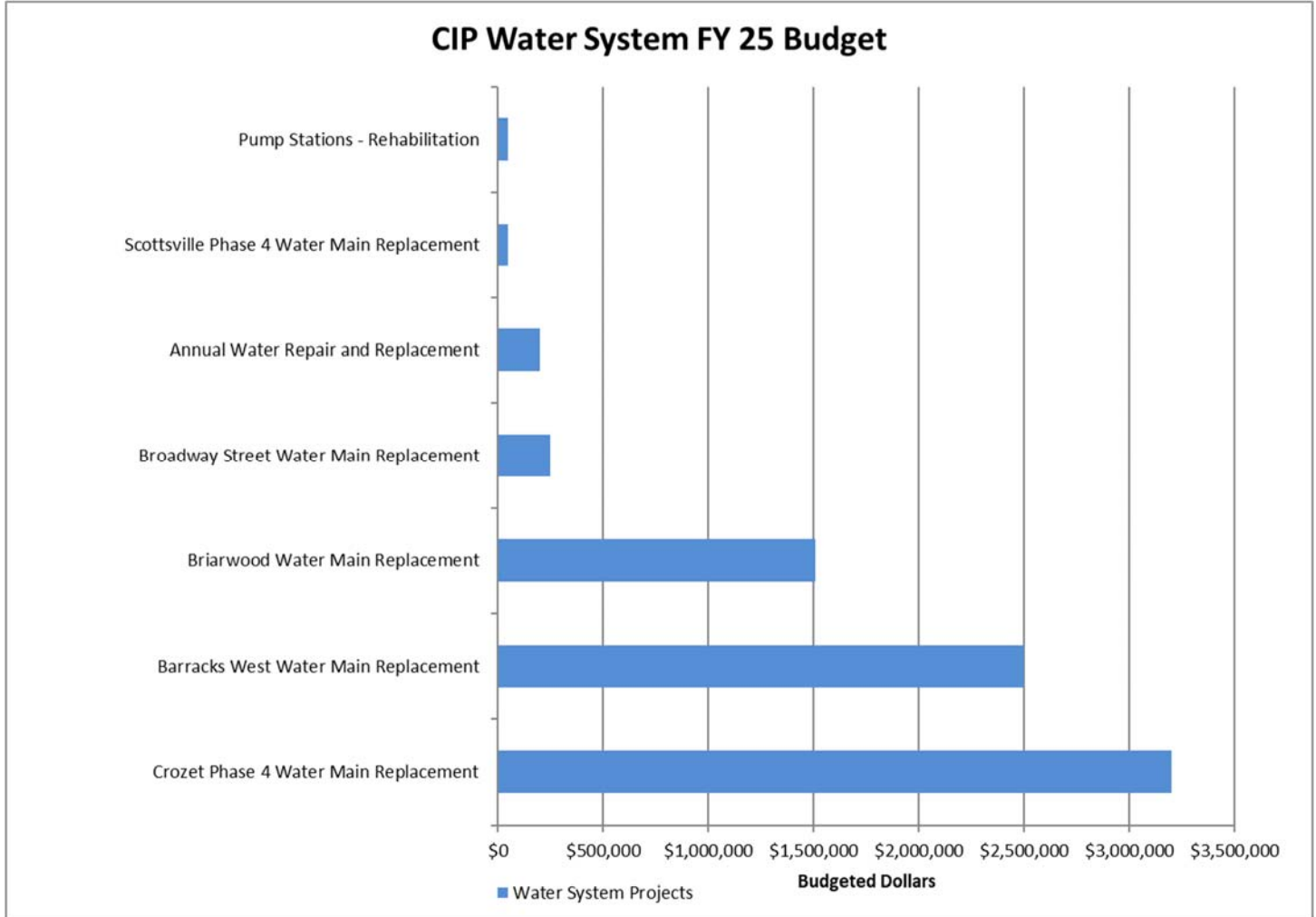
SEWER SYSTEM CIP IMPROVEMENTS														
LINE NO.	SYSTEM	PROJECT	TOTAL PREV. BUDGETS	2025 FORECAST	2026 FORECAST	2027 FORECAST	2028 FORECAST	2029 FORECAST	2030 FORECAST	2031 FORECAST	2032 FORECAST	2033 FORECAST	2034 FORECAST	TOTAL 10-YR FORECAST
33	Crozet	Brookwood Road Sewer Extension	\$ -					\$ 21,000						\$ 21,000
34	Crozet	Buck Road Sewer Extension	\$ -					\$ 40,000						\$ 40,000
35	Crozet	Park Road Sewer Extension	\$ -					\$ 80,500						\$ 80,500
36	Urban	Airport Trunk Sewer Upgrade	\$ 483,800	\$ -	\$ -	\$ 2,800,000	\$ 3,400,000							\$ 6,683,800
37	Urban	Northfields Phase 5 Sewer	\$ 70,000	\$ -	\$ -	\$ -		\$ 750,000						\$ 820,000
38	Urban	Northfields Sewer (Future Phases)	\$ -						\$ 1,850,000					\$ 1,850,000
39	Urban	Buckingham Circle Sewer	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ 2,000,000						\$ 2,175,000
40	Urban	Carrsbrook Collection System	\$ -				\$ 900,000	\$ 900,000	\$ 4,500,000	\$ 3,500,000				\$ 9,800,000
41	Urban	Hessian Hills Sewer Phase III	\$ -					\$ 125,000						\$ 125,000
42	Urban	Ednam Forest Sewer	\$ -					\$ 600,000	\$ -	\$ 5,350,000	\$ 5,350,000			\$ 11,300,000
43	Urban	Airport Acres Off-site Sewer	\$ -							\$ 200,000		\$ -	\$ 1,300,000	\$ 1,500,000
44	Urban	Airport Acres Sewer	\$ -									\$ 510,000		\$ 510,000
45	Urban	Bellair-Liberty Hills Sewer	\$ 393,715	\$ -	\$ 4,000,000	\$ 2,500,000								\$ 6,893,715
46	Urban	Woodbrook Drainage Basin SSES	\$ -	\$ 400,000										\$ 400,000
47	All	Sewer Pump Stations - Rehabilitation	\$ 75,000	\$ 155,000	\$ -	\$ 50,000	\$ 887,000			\$ 210,000	\$ 92,000		\$ 200,000	\$ 1,669,000
48	All	Miscellaneous Sewer Rehabilitation	Ongoing	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000
Total Sewer Capital Projects				\$ 1,230,000	\$ 4,500,000	\$ 5,850,000	\$ 5,687,000	\$ 5,016,500	\$ 6,850,000	\$ 9,560,000	\$ 6,142,000	\$ 1,010,000	\$ 2,000,000	\$ 48,868,015

NON-UTILITY AND FACILITY CIP IMPROVEMENTS														
LINE NO.	SYSTEM	PROJECT	TOTAL PREV. BUDGETS	2025 FORECAST	2026 FORECAST	2027 FORECAST	2028 FORECAST	2029 FORECAST	2030 FORECAST	2031 FORECAST	2032 FORECAST	2033 FORECAST	2034 FORECAST	TOTAL 10-YR FORECAST
49	All	Customer Information System (CIS) Replacement	\$ 200,000	\$ 800,000	\$ 1,000,000									\$ 2,000,000
50	All	ESRI Utility Network Implementation	\$ 200,000	\$ -	\$ 100,000									\$ 300,000
51	All	Avon Operations Center	\$ 8,790,000	\$ 2,110,000	\$ 7,100,000									\$ 18,000,000
52	All	Records Management Project	\$ 340,000	\$ 50,000										\$ 390,000
53	All	ACSA Operations Center Improvements	\$ -	\$ 50,000										\$ 50,000
54	All	Developer Participation	Ongoing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,000
Total Non-Utility and Facility Capital Projects				\$ 3,110,000	\$ 8,300,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 21,740,000

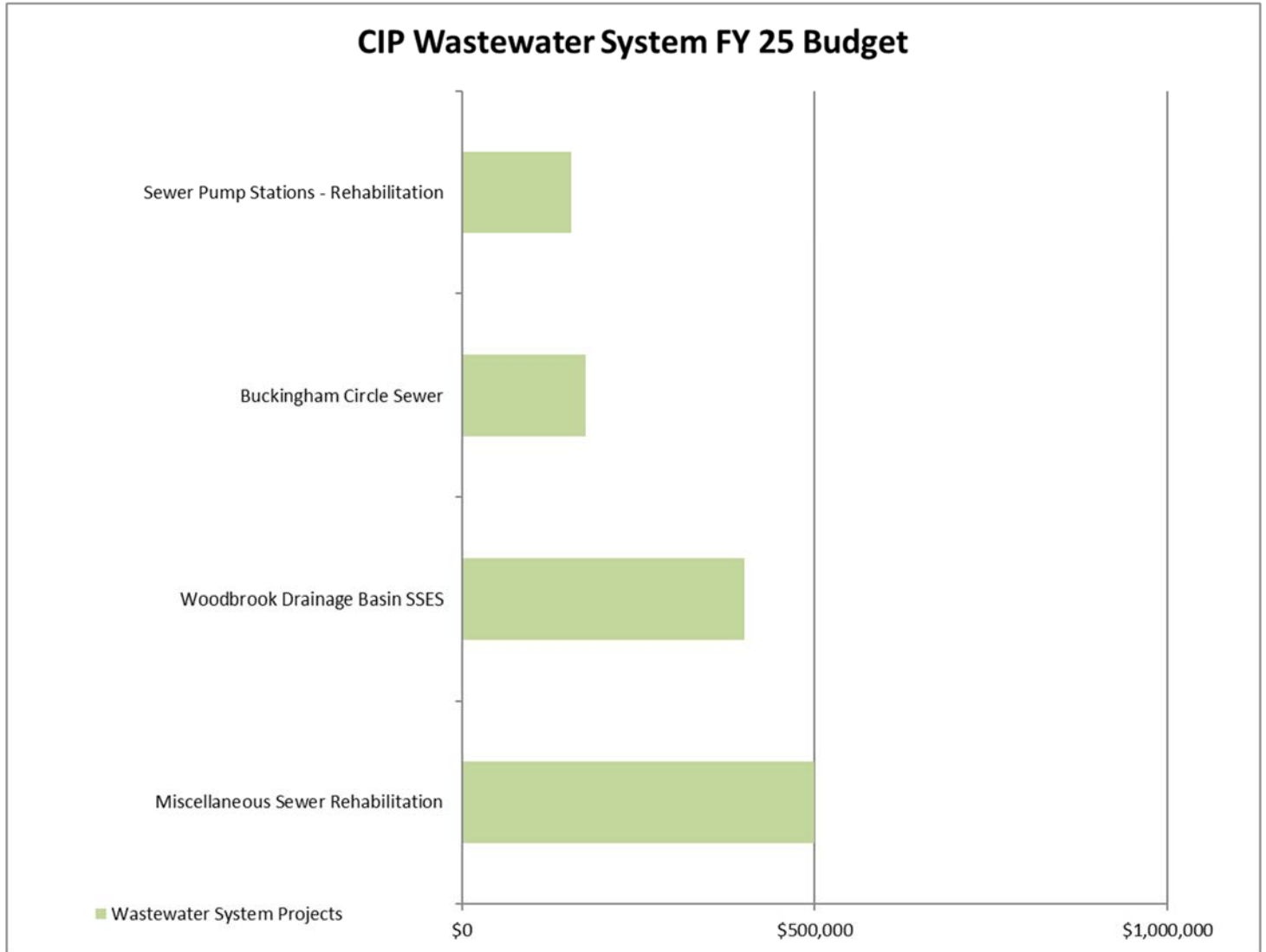
*New Projects highlighted in gray

TOTAL CAPITAL IMPROVEMENT PROJECTS \$ 20,906,265 \$ 12,100,000 \$ 20,560,000 \$ 15,800,000 \$ 15,182,000 \$ 12,221,500 \$ 13,280,000 \$ 14,160,000 \$ 14,272,000 \$ 12,890,000 \$ 12,325,000 \$ 163,696,765

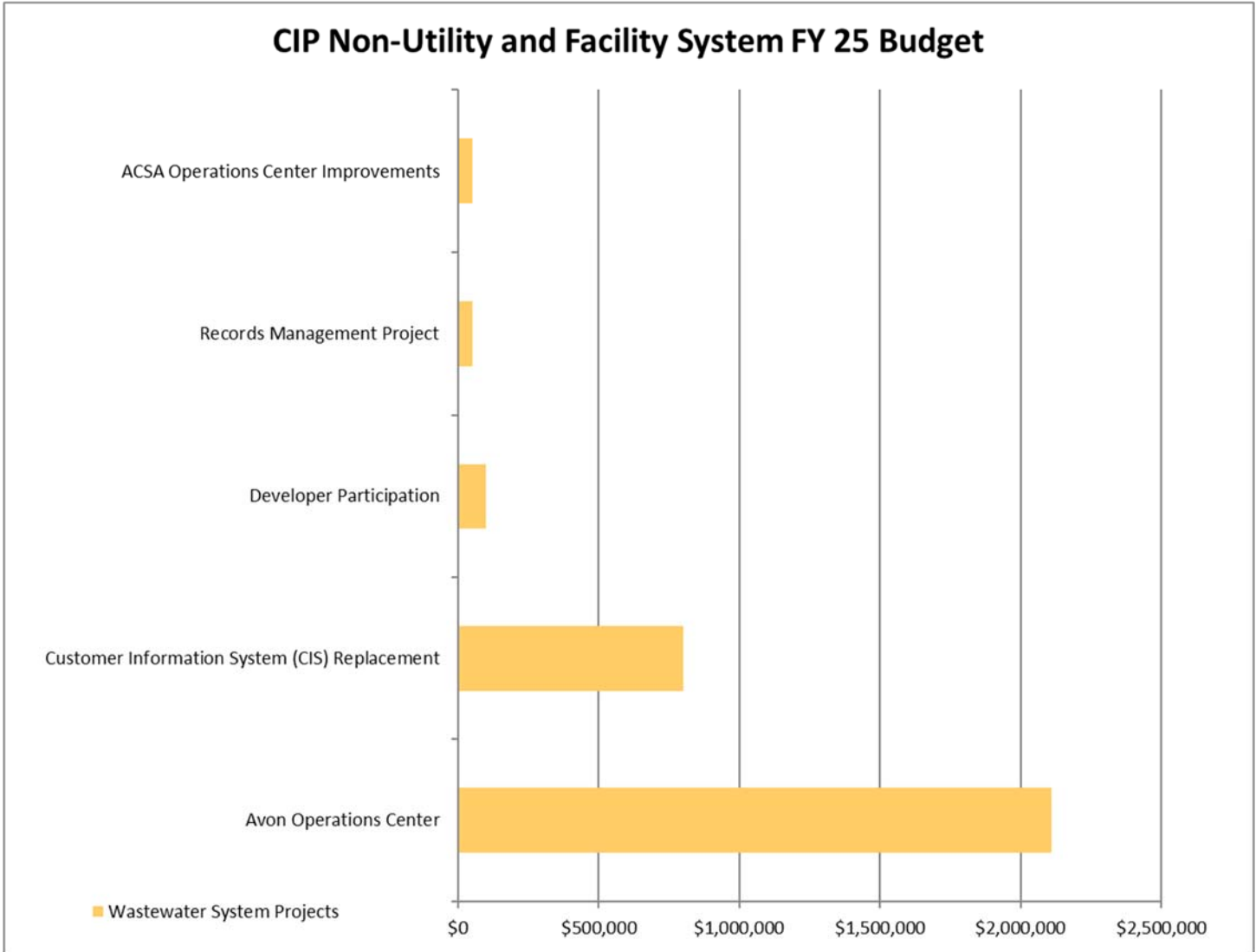
The following is an illustration of estimated water system project costs to be undertaken in FY 2025:



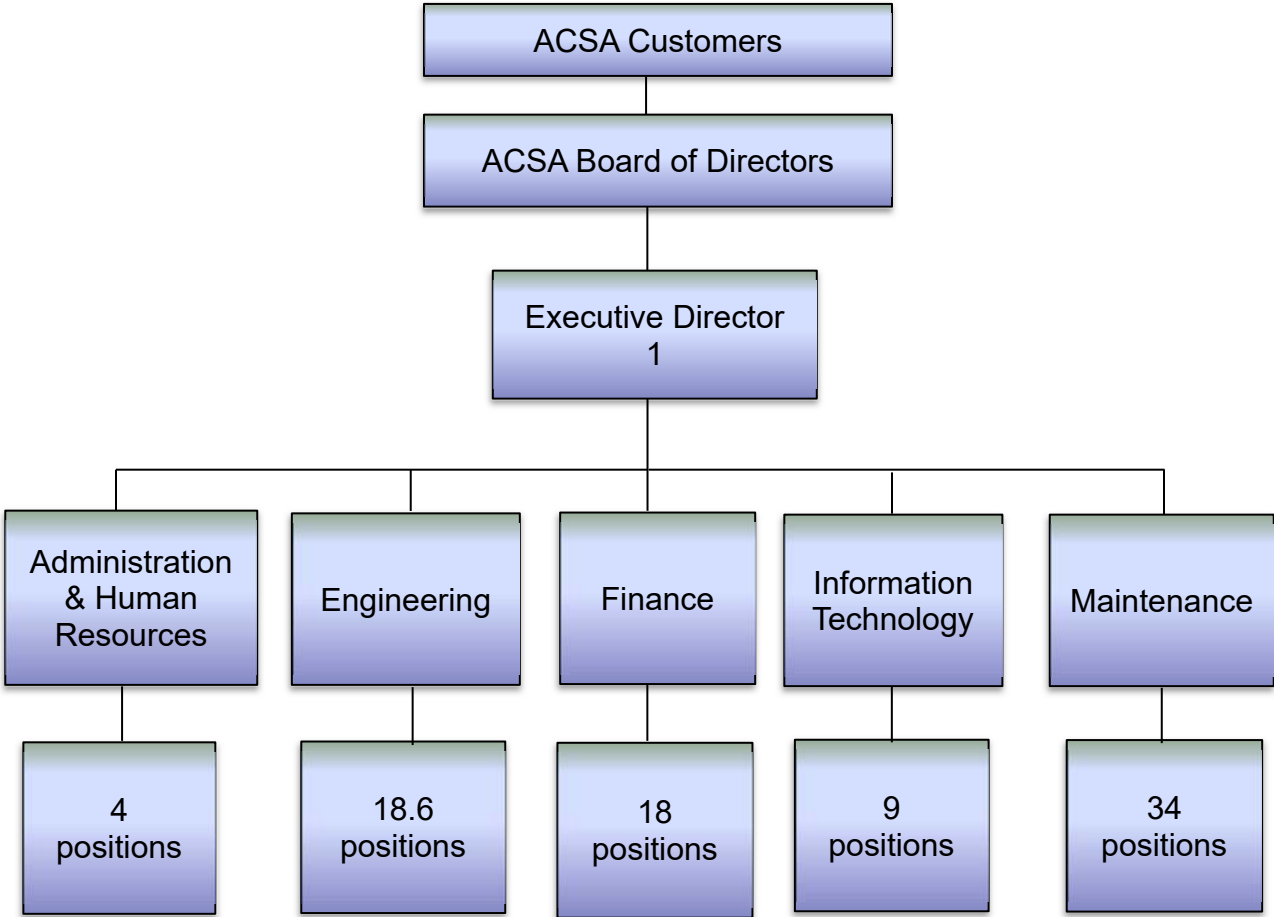
The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2025:



The following is an illustration of estimated non-utility and facility project costs to be undertaken in FY 2025:



ACSA Organizational & Personnel Chart



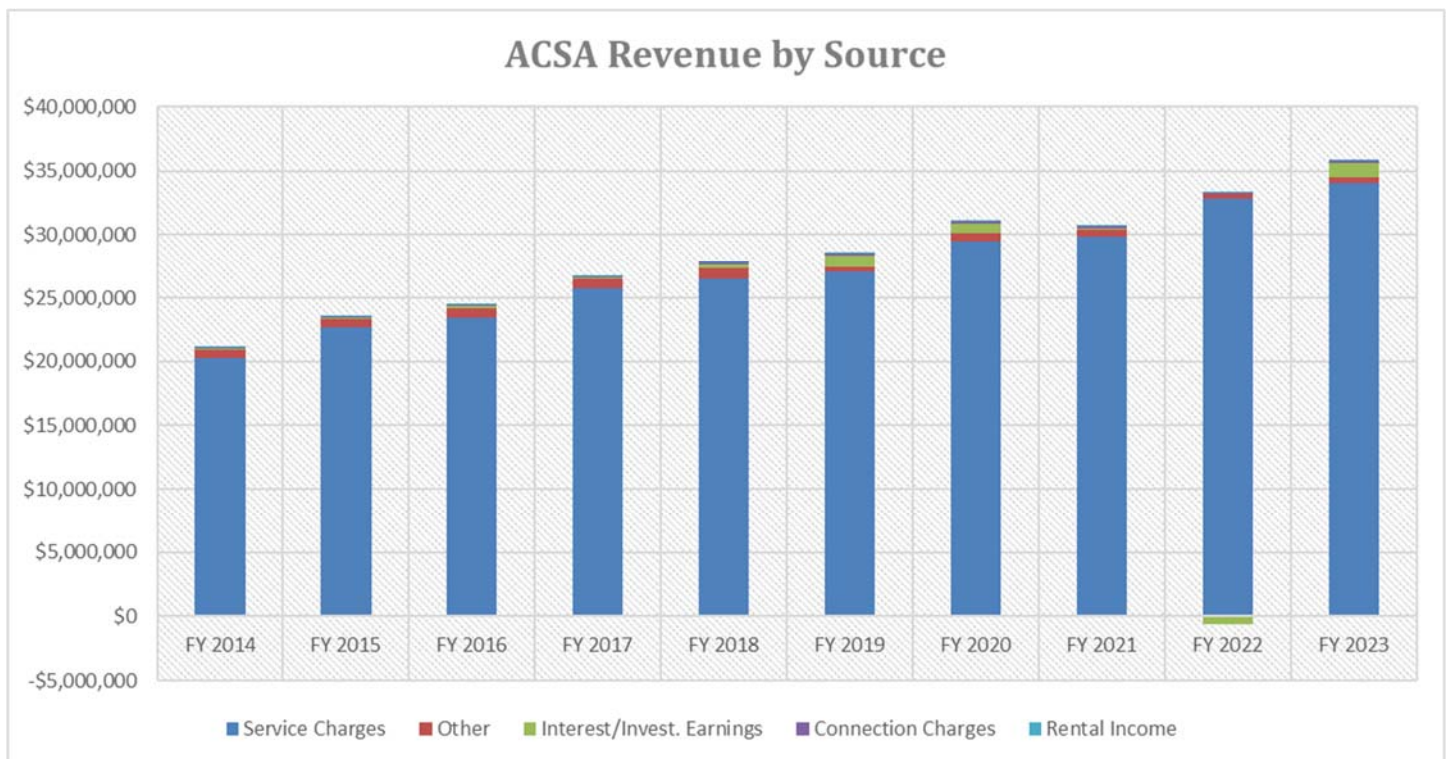
Note: One new position proposed in Fiscal Year 2025 and can be noted on the following page by the “*” Please see detail descriptions within the Engineering departmental summary.

		FY 2023 Positions	FY 2024 Positions	FY 2025 Proposed Positions
ADMINISTRATION	Executive Director	1	1	1
	Director of Human Resources & Admin.	1	1	1
	Administrative Office Assoc.	1	1	1
	Executive Assistant	1	1	1
	Human Resources Tech.	1	1	1
	Communications Manager	-	1	-
INFO. TECH.	Director of Information Technology	1	1	1
	ISO Systems Engineer	1	1	1
	Systems Analyst	1	1	1
	GIS & CMMS Coordinator	1	1	1
	GIS Technician	1	1	1
	SCADA Technician	1	1	1
	Systems Engineer	1	1	1
	Utility Data Analyst	-	1	1
	IT Technician	-	1	1
FINANCE	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	5	5
	Meter Technician I/II	4	4	4
	ENGINEERING	Director of Engineering	1	1
Civil/Sr. Civil Engineer		3	4	4
Modeling Engineer		1	-	-
Environmental Compliance Manager		1	1	1
Reg. Compliance Specialist		1	1	1
Construction Inspector (Proposed 1 add.)		5	5	6*
Sr. Utility Location Tech/Utility Loc. Tech.		3	3	3
Engineering Tech.		1	2	2
Hydraulic Modeling Tech.		1	-	-
P.T. Engineering Intern		0.6	0.6	0.6
MAINTENANCE	Director of Operations	1	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
TOTAL		80.6	84.6	84.6

Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest/Invest. Earnings (Loss)	Other	Total
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
2022	32,825,048	131,415	18,357	(631,795)	363,569	32,706,594
2023	34,052,322	178,642	270	1,084,854	461,806	35,777,894

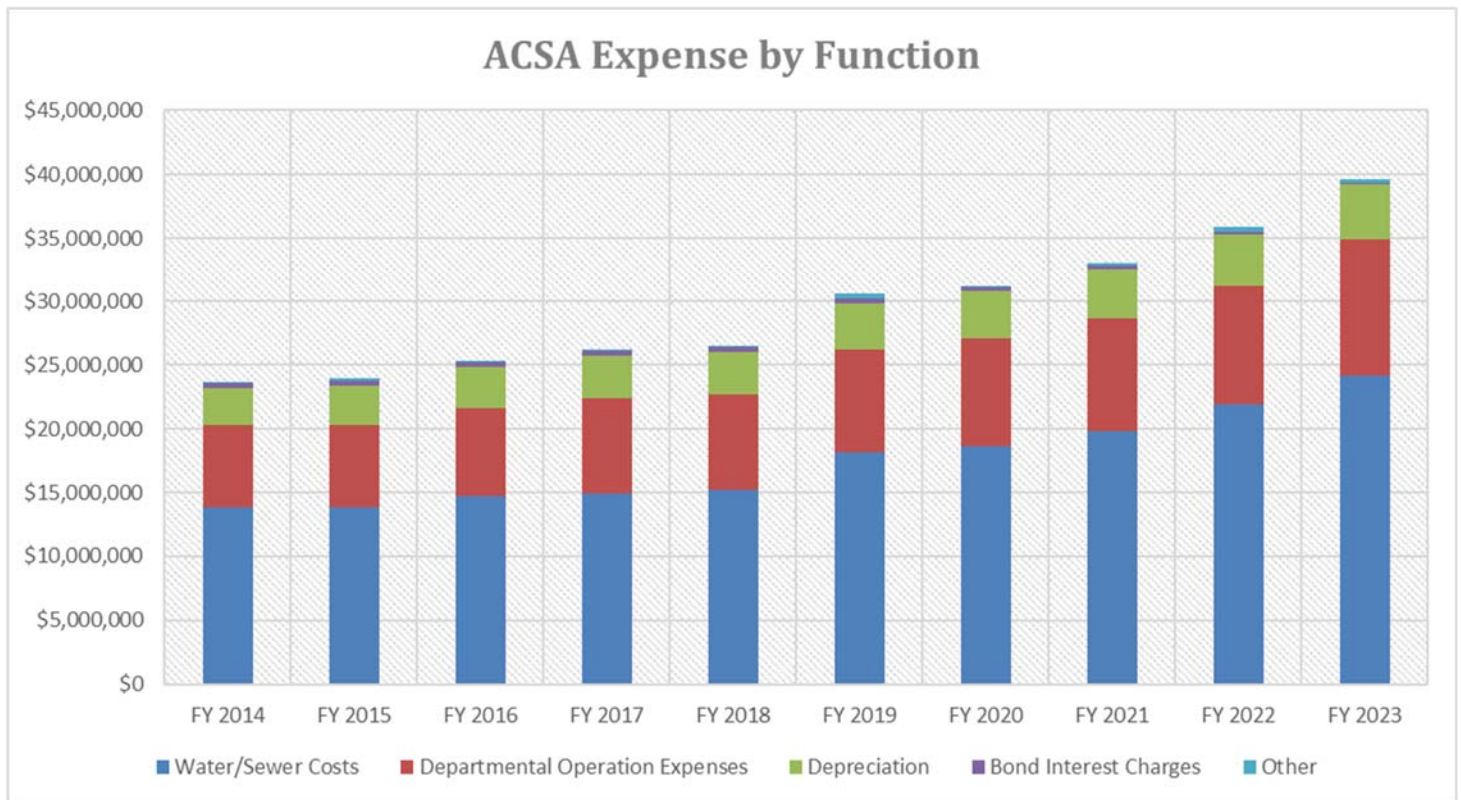
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
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
2022	21,923,767	9,271,273	235,937	4,114,076	325,933	35,870,986
2023	24,189,739	10,775,280	102,153	4,305,016	219,564	39,591,752

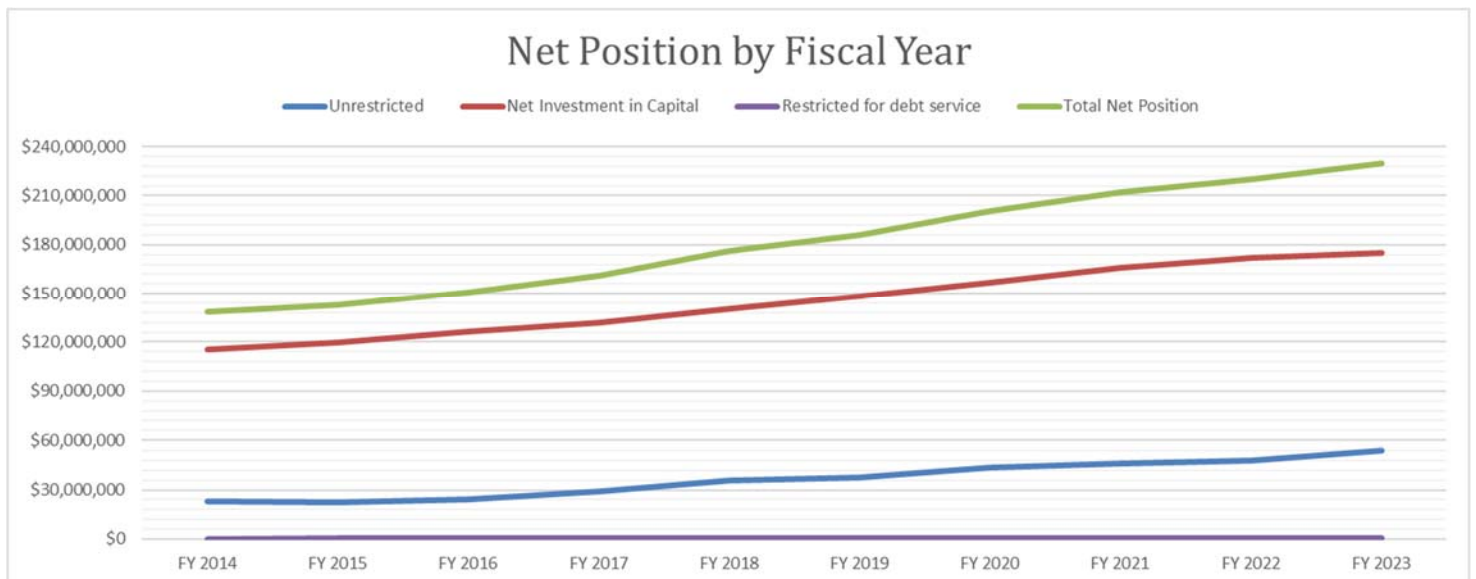
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.



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
2014	\$ 130,334,220	\$ 115,617,250	\$ 229,688	\$ 22,782,549	\$ 138,629,487	\$ 8,295,267
2015*	135,173,558	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
2022	211,960,707	172,031,606	314,718	47,742,895	220,089,219	8,128,512
2023	220,089,219	175,247,805	331,531	53,942,334	229,521,670	9,432,451

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



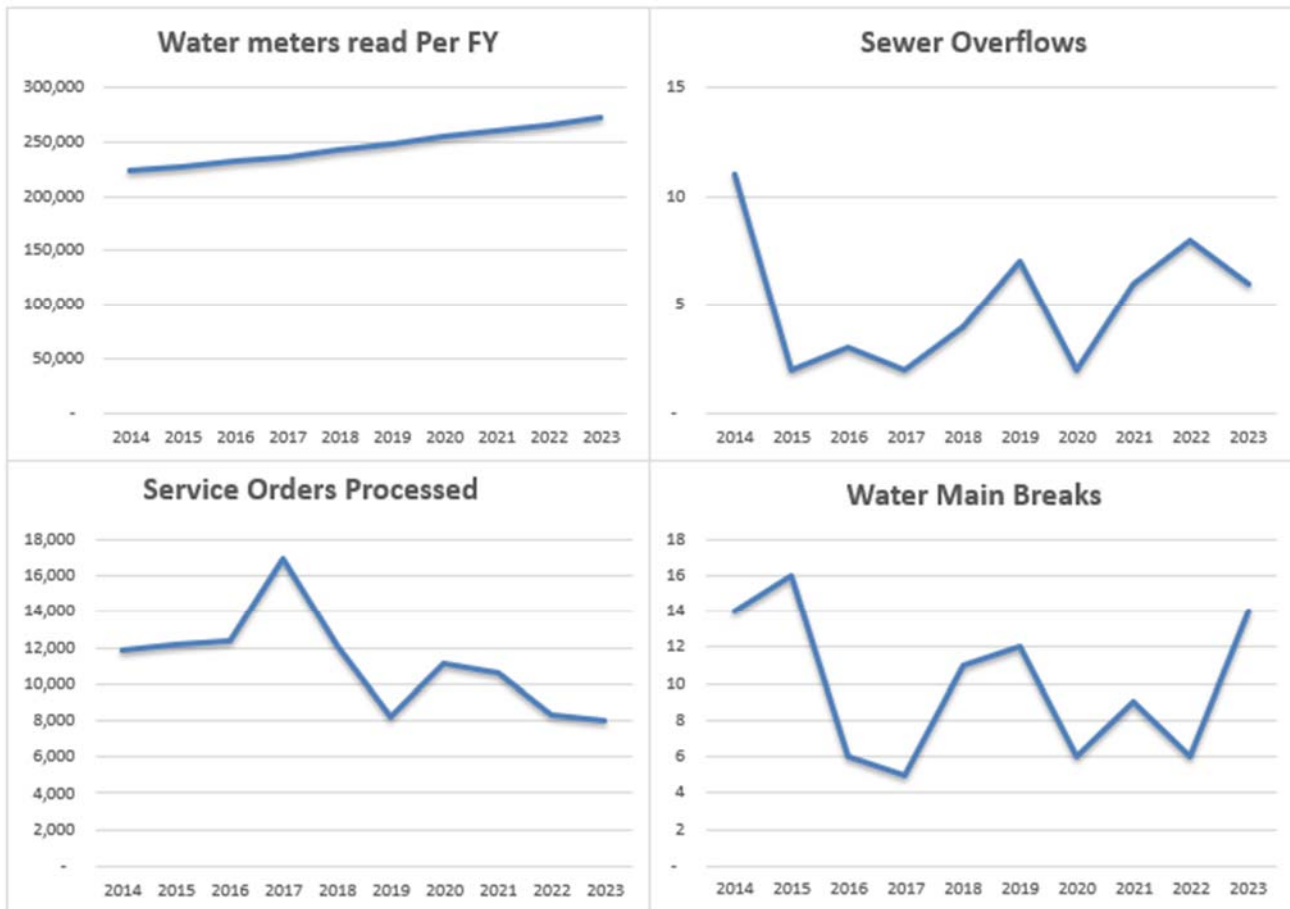
County Demographic and Economic Statistics

Calendar Year	Population	Personal Income (\$)	Per Capita Income (\$)	Per Capita Income as a Percent (%) of U.S. Average	School Enrollment	Unemployment Rate (%)
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
2021	113,535	12,230,910,000	77,606	130	13,749	3.2
2022	114,534	13,670,666,000	85,867	134	13,970	2.7

Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

For the Year Ended June 30, 2023

Year Created	1964
Size of Service Area:	
Miles of water lines	374.29
Miles of sewer lines	315.63
Fire hydrants	3,146
Water pumping stations	9
Sewer Pumping stations	10
Water storage tanks	8



Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

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 -- ACFR – 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.

ADVANCED METERING INFRASTRUCTURE – AMI – 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 ACSA'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 ACSA'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 CONDITIONING – HVAC – system designed to provide heat, air, and appropriate ventilation within the ACSA operating facilities.

INFLOW AND INFILTRATION – (I&I) – groundwater and stormwater that enter a sewer system.

INFORMATION TECHNOLOGY – IT – a department within the organization responsible for all technological operating aspects of the ACSA.

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 ACSA 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 ACSA’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 ACSA.

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.

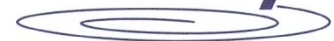
RIVANNA WATER AND SEWER AUTHORITY – RWSA – wholesale provider of water and wastewater treatment for the ACSA.

SANITARY SEWER EVALUATION SURVEY – SSES – a systematic evaluation of a sanitary sewer system or portion that identifies the condition of sewers, manholes, pump stations and identifies I & I sources, locations, and associated extraneous flow rates.

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.*