

## **Albemarle County Service Authority Board of Directors**

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on May 16, 2024, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

**Members Present:** Mr. Richard Armstrong; Ms. Lizbeth Palmer; Mr. John Parcels; Mr. Clarence Roberts; Ms. Kimberly Swanson (virtually); Mr. Charles Tolbert, Vice-Chair.

**Members Absent:** None.

**Staff Present:** Tim Brown, Mike Derdeyn, Brandy Dowell, Terri Knight, Lincoln Lilley, Quin Lunsford, Jeremy Lynn, Alex Morrison, Gary O'Connell, Emily Roach, Sabrina Seay, Danielle Trent, Janet Vest, April Walker, Elizabeth Wallace.

**Staff Absent:** None.

**Public Present:** None.

### 1. Call to Order and Establish a Quorum – Statement of Board Chair

The Chair called the meeting to order. He then read the opening Board Chair statement (Attached as Page 13970), and a quorum was established. He stated that pursuant to State law and the ACSA's policy, Ms. Kimberly Swanson is participating in the meeting remotely due to personal scheduling issues that prevent her from attending the meeting in person. He noted that she was joining the meeting virtually from a location in Albemarle County.

***Ms. Palmer moved to approve Kimberly Swanson's remote participation in the May 16, 2024, Board of Directors meeting; seconded by Mr. Tolbert. All members voted aye.***

### 2. Recognitions – Elizabeth Wallace – 25 Years of Service

Mr. Lunsford stated that Elizabeth Wallace began her employment on April 1<sup>st</sup>, 1999, and for the last 25 years, she has served the ACSA customers and her fellow employees well. He stated that Ms. Wallace is incredibly reliable and dependable, and attentive to the needs of everyone that she works with. He thanked Ms. Wallace for what she has done and what she will do. Mr. Armstrong read the recognition resolution and Ms. Roach took a photo of Ms. Wallace with her awards.

***Ms. Palmer moved to approve the resolution as presented to the Board; seconded by Mr. Tolbert. All members voted aye.***

### Executive Session – Personnel Matter

Ms. Trent read a Resolution to enter Executive Session pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter (Attached as Page 13971).

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***Mr. Parcels moved to approve the Resolution as presented to the Board; seconded by Ms. Palmer. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.***

The Board of Directors came back into regular session. Ms. Trent read into record a Resolution stating that only matters so previously stated and exempted from open discussion in regular session were discussed in Executive Session (Attached as Page 13971).

***Ms. Palmer moved to approve the Resolution as presented to the Board, seconded by Mr. Parcels. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Roberts, aye; Mr. Armstrong, aye; Ms. Swanson, aye.***

***Mr. Tolbert moved to approve the hiring of Quin Lunsford as the new Executive Director of the Albemarle County Service Authority, effective July 1, 2024; seconded by Mr. Roberts. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.***

Mr. Armstrong stated that he wanted to acknowledge Emily Roach, Director of Human Resources & Administration. He stated that Ms. Roach spent a tremendous amount of time and effort putting together a job announcement, prescreen applications, a candidate list, and a day of interviews. He stated that he does not think anyone thought the interviews could happen in one day but they did, and it was pretty amazing that she was able to coordinate that. He mentioned that this speaks to the quality of the leadership team that Mr. O'Connell has put together, that helps to keep the ACSA running. He noted that the Board will be counting on that team's support of Mr. Lunsford and the Board to keep the organization going in the direction it is going.

Ms. Palmer stated that during her time on the Albemarle County Board of Supervisors and RWSA Board, she has seen a lot of executive recruitments run by professionals and she likes the way Ms. Roach did it a lot better. She stated that she thinks it is great the ACSA was able to save money and Ms. Roach was able to do what she did within her own salary. She added, however, that it is not about the money but rather the wonderful job Ms. Roach did. Ms. Roach replied that it was a team effort. Ms. Palmer added that it was done nicely and comfortably, but also professionally.

3. **Approve Minutes of April 18, 2024**

***Mr. Tolbert moved to approve the minutes of April 18, 2024, seconded by Mr. Parcels. All members voted aye.***

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### 4. Matters from the Public

There were no matters from the public.

### 5. Response to Public Comment

There was no response to public comment.

### 6. Consent Agenda

**a. Monthly Financial Reports** – Mr. Roberts stated that there was a typo in the first bulleted item under the discussion section on page 41. He stated that the second “March 2024” should read “March 2023.”

**b. Monthly Capital Improvement Program (CIP) Report** – Mr. Parcels stated that in the update on the Lewis Hill-West Leigh project on page 82, it states that there is one property owner that is unwilling to grant an easement and the ACSA is re-evaluating if the project is necessary. He stated that he was struck by the phrasing regarding re-evaluating the project.

Mr. Lynn stated that the ACSA staff is looking at whether it makes sense to force the project and a condemnation or take a step back and look at some other interconnect options in the area. He stated that they are going to do some modeling and look at fire flow availability, redundancy, and water quality, to see if they want to pursue this specific project or look at some other options. Mr. O’Connell stated that this may also expand the area where the redundancy would be more helpful. Mr. Lynn added that they have identified another area that may work along Old Ballard Road, but it is in the outskirts of the ACSA’s jurisdictional area. He stated that ACSA staff is planning to talk with the County staff about running a line outside of the jurisdictional area, which might apply pressure on the County to add those properties to the jurisdictional area.

Ms. Palmer stated that if the ACSA plans to go outside of the jurisdictional area, it has to go before the Albemarle County Board of Supervisors. Mr. Lynn stated that they are talking with David Benish at the County Community Development Office to get his initial thoughts, as he is, in essence, “the keeper” of the ACSA jurisdictional area on the County side.

Mr. O’Connell stated that the water main could run along the road and not have any connections. Ms. Palmer stated that, that is the dangerous part and she would hope David Benish would say no to that. Mr. O’Connell stated that the modeling will look at other options as well. He stated that this specific project is the result of an event that occurred a few years ago. Mr. Lynn stated that the water main along Holkham

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Drive washed out. Mr. O'Connell stated that it is a fairly small service area, with not even 30 homes. Ms. Palmer asked if they are trying to connect that end of Holkham to West Leigh proper. Mr. Lynn replied yes and stated that they are trying to create more redundancy and interconnects between the two neighborhoods, to reinforce that area. Mr. O'Connell noted that when they say redundancy, it means two feeds to one area. He stated that this particular area has one and it got blown out in a storm.

Ms. Palmer stated that she hopes David Benish says no and that this does not go to the Board of Supervisors, as she is very much against expanding in that area. She stated that she knows the area well, and there is going to be more pressure to serve more homes even though it is well-developed. Mr. Lynn stated that most of the area they identified had already been developed, and there are single-family homes along that strip that could benefit from water service.

Mr. Parcels moved to page 91, item 5. He stated that he was struck by the new development of 250 apartments along Rio Road. He stated that he assumes they were included in the growth plans that the ACSA is familiar with. Mr. Lynn stated that the ACSA had adequate capacity to serve that development. He noted that they will be on Rio Road, right in front of Charlottesville Health & Rehabilitation. Mr. Parcels stated that he thought they were going to be across the street from the library. Mr. Lynn stated that the development across from the library will be a hotel and a storage facility.

- c. CIP Authorizations** – Ms. Swanson stated that her understanding is that RWSA also engages in nutrient trading, and asked if the ACSA has been permitted to acquire credits from RWSA. Mr. Morrison stated that he would need to follow up on that, but he believes the answer is no. He stated that John Anderson, ACSA Senior Civil Engineer, is co-managing the Avon Operations Center project and is very familiar with nutrient credits and credit banks. He mentioned that Mr. Anderson conducted the research and pricing for the nutrient credits that the ACSA is acquiring and from what he saw, RWSA was not an option for acquiring the credits.

Mr. O'Connell stated that the nutrient credits for the Avon Operations Center project are for a specific site, and RWSA's are for their wastewater treatment process which are measured. He stated that there is a quarterly report to the State, which will then determine if RWSA is eligible for credits at the end of the year, which range from \$100,000-\$200,000 per year. He noted that there is a statewide nutrient credit program that all the wastewater treatment plants use to determine if they

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are eligible for credits, which is a totally separate process from what the ACSA is doing. Ms. Palmer added that there have been several discussions at the County level as to how to get their own nutrient bank here, but it is a complex issue.

Mr. Parcels asked how it was determined that the ACSA needed this type of offset for the Avon Street development. Mr. Morrison stated that it is a mathematical calculation confirmed by the County, as part of the site plan development with their engineering department. He noted that it is an industry best practice to offset quality requirements with nutrient credit purchases, using an established nutrient bank overseen by the State.

Ms. Swanson asked if this is a volunteer program the ACSA is participating in with the County. Mr. Morrison replied that it is not voluntary. He stated that as part of the site plan, the ACSA is required to meet a certain quality requirement, generally achieved through onsite quality measures as well as offsetting through purchasing nutrient credits. Ms. Swanson stated that this was the first time she heard of a development in the County doing something like this, and it was not familiar to her.

Mr. Morrison stated that when the ACSA did their parking lot expansion project here at the Spotnap Road site, they purchased nutrient credits to offset quality requirements for that project. Ms. Palmer stated that the County is trying to get as many onsite reductions as they can, but sometimes it is not possible because of the layout of the land. She noted that other times, it is a calculation between how much it will cost the developer to buy the credits versus doing it onsite. She noted that it is a standard process that she has watched many times during her time on the Board of Supervisors, and it is very common.

Mr. Parcels stated that the wording in the Ostrya Conservation letter states that the ACSA will receive 6.02 credits per year. He asked how many years this would last, or if it was forever. Mr. Lynn stated that it is a one-time purchase.

**d. *Monthly Maintenance Update*** – Mr. Parcels referred to page 108 and expressed that he was glad to see no leaks for the month of April. He asked if that was a surprise. Mr. Morrison replied that it was not a surprise, as the number of leaks each month is low. He noted that there are some months where there are no leaks, and some where there are.

Mr. Parcels stated that part of the rehabilitation the ACSA does is because of old PVC pipe, yet there is mention of using PVC pipe in the discussion about crossing the Rivanna and he is curious as to why. Mr. Morrison replied that there are advantages to using PVC pipe in certain

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situations. He mentioned that the newer versions of PVC pipe, like the C900 and C909, have thicker walls and is not as susceptible to failures like the PVC pipe that was used in the 1980s. He noted that there were also issues with bedding of the pipe in the 80's, which ultimately causes failures.

Mr. Lynn stated that a lot of the directional drilling is done with high-density polyethylene (HDPE) pipe as well, which is a thicker pipe. He mentioned that the ends are butt-fused together, so there are no joints. He stated that this is an alternative to fusible PVC pipe. Mr. Parcels asked if it is stronger than a sleeve connection. Mr. Lynn replied yes.

**e. Rivanna Water and Sewer Authority (RWSA) Monthly Update –**

**f. ACSA Board Policy Future Issues Agenda 2024 –**

**g. Annual Water Quality Report –** Mr. Parcels stated that the discussion in the report was really good, and he understood most of it. He stated that he appreciates the quality of the water, and the testing that is done for the sake and safety of ACSA customers.

Mr. Armstrong asked if there were any other comments on the consent agenda. Mr. Lynn pointed out the completion of the Four-Story Backflow project, and that it would be removed from the CIP list next month. He added that Mr. Morrison completed a lot of the work for this project.

**Mr. Parcels moved to approve the consent agenda, seconded by Ms. Swanson. All members voted aye.**

### **7. Proposed FY 2025 Budget and Rates Workshop – Power Point Presentation**

Mr. Lunsford stated that he has a comprehensive presentation planned for the Board today (Attached as Pages 13972-13976). He stated that he would do his best to emphasize areas of interest or questions that have been brought up. He noted that this is a workshop, so he appreciates any questions or conversations as they move through the presentation.

Mr. Lunsford stated that the agenda for today would begin with a brief overview of the ACSA and some actuals from FY 2024, followed by a discussion of how the Strategic Plan and FY 2025 budget work in conjunction with one another. He stated that he would also briefly speak to the water and sewer rate analysis and highlight some of the more important aspects of the FY 2025 budget. He stated that he would provide the proposed rates that the Board is being asked to consider this year, as well as show some bill comparisons to other utilities in the area and the value of ACSA water. He noted that the ACSA Leadership Team will present information related to

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their respective departmental budgets, followed by a brief overview of the CIP program and next steps.

Mr. Lunsford moved to the third slide, noting the ACSA Vision and Mission statements. He stated that it all comes down to clean, safe, reliable water, which is at the heart of everything that we do.

Mr. Lunsford stated that the next slide shows a map of the ACSA's jurisdictional area, as well as some highlights about the organization. He stated that the ACSA was founded in 1964 and is celebrating its 60<sup>th</sup> anniversary this year. He stated that the ACSA serves over 22,500 customers across the service area, and the amount of water and sewer lines continue to increase as the area grows. He noted that there are 18 pump stations, 7 water storage tanks, and over 3,000 fire hydrants throughout the jurisdictional area.

Mr. Lunsford stated that the FY 2024 update on the next slide has been adjusted to account for seasonal variations and expectations through April. He noted that the water revenues are almost 4% over the expectations for FY 2024, and 3.6% over for sewer revenues. He noted that the overage is related to the dry weather in August-October, and water consumption was at a higher level than expected. He stated that operating expenses for water are slightly under budgeted expectations and sewer expenses are under budget by almost 3%. He stated that it is based on consumption, but it is also based on City consumption and how costs are allocated to the ACSA and the City, from RWSA. He added that departmental expenses are well below budget as well. He noted that this is due, in large part, to some vacancies that have not been filled, or have recently been filled, as well as lower than expected fuel costs and things of that nature.

Mr. Lunsford moved to the forecast for the remainder of FY 2024 on the next slide. He stated that with May and June to come, water and sewer revenues are expected to be slightly over budgeted amounts.

Mr. Lunsford stated that the next slide is an attempt to tie the FY 2025 budget document into the 5-year Strategic Plan. He stated that the FY 2025 budget really speaks to the four main themes of the Strategic Plan. He mentioned that the Leadership Team would speak to some of those themes in more detail shortly.

Mr. Lunsford moved to the water and sewer analysis section of the presentation. He stated that the ACSA's most significant expense is the charge from RWSA for water and sewer treatment, as well as debt service that they incur on behalf of the ACSA. He noted that nearly 63% of the ACSA's budget is related to operating expenses from RWSA. He mentioned that the ACSA can expect about a 13% increase in charges from RWSA year over year, for the next five years.

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Mr. Lunsford stated that the ACSA's recommendation is a 7% increase in water and sewer charges to its customers for FY 2025. He stated that this follows an almost 9% increase in FY 2024, a 4.6% increase in FY 2023, and a 5% increase in FY 2022. He noted that the next slide will show a graphical presentation of this information, and why it is important that the ACSA continues to collect as they are charged more for the services they provide.

Mr. Roberts asked how the 13% increase from RWSA matches up with the cost of living. Mr. Lunsford stated that it is significantly higher, but costs related to water and sewer treatment are increasing across the nation. He stated that the quality of water the ACSA provides and the wastewater that is treated, far exceeds many of other utilities nationally. He added that he has an interesting graph in his presentation that will show the change in charges from RWSA, from FY 2000 to what is expected in FY 2029.

Ms. Palmer stated that the ACSA is keeping up with everything, whereas a lot of communities are not. She stated that there are higher costs because we are doing a good job.

Mr. Lunsford stated that the ACSA does not recommend increasing the system development and capacity charges in FY 2025. He noted that they were increased by 7% last year. He stated that the ACSA is also proposing the use of reserves to smooth the increases in costs. He mentioned that the FY 2025 budget includes \$6.5 million in rate stabilization reserves to keep customer bills at a lower increase than what would otherwise be necessary. He added that they are also proposing the use of \$2.8 million in growth reserves for FY 2025 as well.

Mr. Armstrong asked what the increase in customer rates would be if the ACSA did not use rate stabilization reserves. Mr. Lunsford replied that it would be very close to the increase that the ACSA is seeing in costs from RWSA.

Ms. Swanson asked where the reserve funds come from. Mr. Lunsford replied that it depends on the type of reserve. He stated that growth-related reserves come from system connection charges over the years, that have not yet been applied to growth-related costs or expenses. He stated that he has a few slides that give a very granular explanation of the reserves. He stated that the reserves have been accumulated over the years from either an excess in revenues, savings on the budget expense side, or capital related costs that have been budgeted for but have yet to be incurred. He noted that Mr. Lynn does a great job in the budget document, of illustrating CIP projects by water, sewer, non-utility, or administrative assets. He stated that there are about \$20 million worth of CIP projects that were approved in prior budgets, but the ACSA has not incurred. He noted that some of the



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reserves are allocated to those purposes, and some are allocated to relieve ACSA customers of higher increases year over year.

Ms. Swanson asked if the ACSA ever uses any of its investments to help with rate stabilization. Mr. Lunsford replied yes, absolutely. He stated that monthly, the ACSA allocates investment earnings and losses to the different allocations. He mentioned, for example, if the ACSA has \$10 million in a growth-related reserve and it earns \$100,000 in investment income on \$20 million of total assets invested, half of it would go to the growth-related reserve.

Ms. Palmer stated that one thing she thinks is helpful to explain, is that the money that goes to the growth-related expansion of the system has a defined way to calculate how to use it. She stated that the state has laws that restricts how the ACSA uses those funds. Mr. Lunsford stated that he has a few slides related to that subject.

Mr. Lunsford stated that the next slide is an illustration of the ACSA's approved increases to its customers over the years, in comparison to the increases from RWSA to the ACSA. He stated that historically, the ACSA's increases to its customers have been about half of what RWSA passes on to the ACSA. He mentioned that this has been possible through sound financial management. He noted, however, that if the ACSA continues to see double-digit increases from RWSA, larger increases to customers may be necessary. He added that the FY 2025 budget does include money for an outside review of the ACSA's financial position, and rate increase that may be needed in the future with what is expected on the expense side of the equation.

Mr. Parcels asked if the outside consultant was going to consider salary comparisons as a budget factor. Mr. Lunsford stated that a salary and compensation study is included in the FY 2025 budget, and info from that study will be incorporated into the overall financial analysis and rate study.

Mr. Parcels stated that in terms of an overall financial analysis, the ACSA has the capability to model and project, asked if the consultant would be doing something above what the ACSA staff already does. Mr. Lunsford stated that they will work in collaboration with ACSA staff, and it is always helpful to have a fresh, unbiased set of eyes to review as well. Mr. Parcels asked how long-term the analysis will be. Mr. Lunsford stated that the focus will probably be on the next 5-10 years. He noted that many of the major projects that are driving increases from RWSA are longer-term projects that the ACSA needs to capture and ensure that they can smooth increases and remain in a good financial position.

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Mr. Parcels asked if RWSA does the same type of analysis. Mr. Lunsford replied yes. He stated that they work closely with the City and ACSA as they are developing their budget, and there is a conscience effort to smooth their rate increases as best as they can over time. He mentioned that there is only so much that can be done when dealing with projects costing hundreds of millions of dollars. Mr. O'Connell added that one way RWSA smooths the rate increases is that they bond finance all of their projects, so the cost is spread over a 30-year period.

Ms. Palmer asked how often the ACSA hires someone to work on this. Mr. Lunsford replied that per the ACSA's Financial Policy, it is a minimum of every five years. He stated that next year, it will have been four years since the last study. Ms. Palmer stated that it seems like it is being done more often. Mr. Lunsford stated that he feels it is money well spent.

Mr. Lunsford stated that the pie chart on the next slide shows the budgeted revenues and use of reserves proposed in the FY 2025 budget. He noted that 67% of revenues are related to water and sewer charges to ACSA customers. He stated that there is \$8 million estimated in system connection charges for FY 2025, which mirrors what was budgeted in FY 2024 and seems like a reasonable number based on what is being seen this year. He added that they are also proposing the use of about \$9.3 million in reserves. He added that other revenues are a small part of the pie but it is a component, and the biggest aspect of that piece of the pie is investment income. He stated that there has been a tremendous increase in what the ACSA has been able to earn due to the interest rate in the market, and that is expected to continue at least through the first half of FY 2025.

Mr. Lunsford noted that within the other revenues bucket, late charges and penalty fees have historically been included as well. He stated, however, in April 2020 during the early stages of the pandemic, the ACSA ceased charging those penalties. He stated that customers have not been charged those fees since, thus those revenues are not included in this budget. He stated that longer term, he feels it is a conversation that will be needed at the Board and policy level. He stated that the ACSA has not seen negative impacts on the ability to collect without them.

Mr. Lunsford stated that he thinks the next slide is a powerful one that he has shown in the past, as it illustrates how much each component of the FY 2025 budget is by area. He noted that the purchase of water and wastewater treatment and debt service for RWSA is the largest part of the budget, followed by the ACSA's CIP program, departmental expenses, and other expenses that are incurred.

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Mr. Lunsford stated that the next graph takes the previous slide a step further and shows the increase by cost or expense type. He noted that the ACSA is expecting nearly a \$4 million increase in charges from RWSA in FY 2025, compared to what they charged the ACSA in FY 2024. He added that the graph also illustrates the increases at the departmental level as well.

Mr. Lunsford moved to the next slide, depicting a graph of water and wastewater costs from the year 2000, to what the ACSA has estimated out to 2029. He noted that there is a rather dramatic increase to those charges over time, with charges really starting to go up around the 2020 timeframe. He stated that they expect that to continue going forward, as redundancy and capacity continue to be added to the system.

Ms. Swanson asked when a water supply plan was officially put into place. Ms. Palmer stated that it was around 2011. Mr. O'Connell stated that it was around 2012 when the agreement was signed. He mentioned that it began in 2006, and it took six years to get it approved. Ms. Palmer added that she remembers it was towards the end of the year during the holiday season in 2011, when the agreement was signed.

Ms. Swanson stated that it seems logical that having that agreement has had a significant influence on how things are advancing. Ms. Palmer stated that, in her opinion, the most significant piece was the master sewer plan. Mr. O'Connell stated that the visibility has been water projects, but there has been a significant amount of wastewater expenses every year.

Ms. Palmer stated that she remembers Judy Mueller, who was the City representative on the RWSA Board of Directors at the time, said that the sewer master plan was going to cost more than the water supply plan. She stated that this shocked everyone, as it was over \$200 million when they were adding up all the things that needed to be done.

Mr. Parcels asked if RWSA prepares a similar graph that they share with the ACSA. Mr. O'Connell stated that RWSA has a 15-year plan that they share when they go through their budget process. He stated that they also have a comprehensive water plan that includes a lot of projects the Board has seen, most of which will be starting within the next year. He added that RWSA is also getting ready for a comprehensive sewer master plan and already have projects lined up that will cost in the hundreds of millions. He stated that the reality is that they will be planning for the next 20-25 years.

Ms. Palmer stated that she thinks it is amazing to think about where we were in comparison to where we are now, in terms of the sewer. Mr. O'Connell stated that in terms of RWSA's needs, a lot of the projects are big replacement projects. He stated that the water treatment plants were, in

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reality, replacements. He mentioned that they were old plants that were probably around 20 years too late in being rehabilitated, and that project was about \$50 million. He noted that a dam replacement at Beaver Creek cost \$50 million, so they do add up. He stated that he thinks RWSA's 15-year plan is around \$.5 billion. He stated that the trick is to spread it out to make it affordable, the ACSA using reserves to cushion the retail rate to customers, and still have a high-quality water and wastewater treatment system. He added that in the end, probably in five years, there will not be another place in the country that has a setup like we do.

Mr. Parcels stated that some of what he has said in the past few years has been about market to customers and ensuring that they understand that in order to have as reliable a system as possible, it is going to be costly. Mr. O'Connell stated that this locality is very lucky in that there are no PFAS issues and the water is lead-free, which very few utilities can say the same. He noted that all over Virginia, other localities are having to pay for projects just to respond to those two issues.

Mr. Lunsford stated that the next slide shows the increases from RWSA in dollar amounts, from FY 2025-FY 2029. He stated that the ACSA will need to collect that much more each year to pay for those charges.

Mr. Tolbert asked if that was just the increase for the cost of treatment and what causes that increase. Mr. Lunsford stated that the increase includes debt service related to their capital projects as well. He stated that chemical and energy costs for treatment are increasing as well, but the capital costs are the major driver for the overall increase to the ACSA.

Mr. Lunsford moved to the next slide, which showed a table of proposed water and sewer rates for FY 2025 by the different customer and charge types. He stated that there is a proposed 7% increase in the service charge, single-family residential volume charge, the multi-family non-residential charge, and the sewer charge.

Ms. Swanson stated that the table shows level 4 of a single-family residential user to be over 9,000 gallons. She noted, however, that on the sample combined monthly bill comparison, an excessive user is defined as 7,700 gallons. She asked how that cost is illustrated with an excessive user being in level 4.

Mr. Lunsford asked to move forward to the sample combined monthly bill slide for a moment. He stated that the way it is classified on the slide an excessive user is someone who is not necessarily irrigating. He stated that the irrigation customers are the ones that are really getting to level 4. He mentioned that the excessive use example is a customer that is not a heavy irrigator. He noted that there is a chart included in the consent agenda each month, that shows gallons used by tier level, and level 4 usage goes up in

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the summer months and is almost nothing in the winter months. He stated that the rate structure, which has been in place for 15-20 years, essentially subsidizes lower consumption. He added that customers who choose to use water in a discretionary manner are making up the difference.

Mr. Parcels asked if, given the financial analysis that will be done, there is the potential to change those brackets. Mr. Lunsford replied yes. He stated that the rate structure is very conservation-minded and very fair to customers that make a conscience decision to limit their water use. He stated that nationally, they are seeing a major increase in the service charge, which is a baseline charge regardless of consumption and is very penal to those customers that are conservation minded.

Ms. Swanson asked, just to clarify, if the excessive user sample bill calculation was done using rate levels 1-3. Mr. Lunsford stated that this is correct.

Mr. Lunsford stated that in addition to the water and sewer charges and service charge proposal, the ACSA is also recommending changes to two other charges/fees which are shown on the next slide. He stated that the more impactful of those is the proposed increase in the construction inspection fee from \$1.30 per linear foot to \$1.75 per linear foot. He mentioned that the ACSA was not recouping the cost for the CCTV inspection work that was being done to ensure everything was done properly, so this more closely aligns with the cost the ACSA incurs related to those fees. He noted that the other recommendation is a clean-up of the miscellaneous charges from \$33 to \$35, which was the intent last year.

Ms. Palmer asked if there is a reason or some regulation as to why the ACSA cannot make a profit off of those charges. Mr. Lunsford stated that a reasonable level of overhead can be recouped, but it is not a major driver for the budget. He stated that he would not use the word profit, and he does not believe these charges were designed in a way to further accumulate reserves. Ms. Palmer stated that she understands and is not suggesting that the ACSA do more, but rather wondered if there was a barrier to doing so. Mr. O'Connell added that he would say it is a best practice, but there is no legal requirement.

Mr. Parcels asked if there was much expansion taking place, in terms of new development installing irrigation systems. Mr. Lynn stated that in certain neighborhoods, there is an expectation for irrigation so there is a fair amount. He stated that there are several communities that, when the infrastructure was put in, there were two meter setters installed for each property. He noted that one of those meters is designated for domestic use and the second one is available for irrigation purposes. He noted that this is done upfront, before the roads are done, and is a benefit to that property.

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He stated that with the Exclusion Meter Replacement Program, they have seen a small number of abandonments. He mentioned that there were a few customers that had not used their systems for an extended period of time and did not want to continue to pay the monthly service charge or test their backflow assembly annually.

Ms. Palmer asked if those properties that are being built with two meters would automatically have a service charge for the irrigation meter. Mr. Lynn stated that if the meter setter remains empty and there is no meter installed, they would only pay the one service charge for the domestic service. He noted that once they secure the second meter for irrigation, that would trigger the second service charge.

Mr. Lunsford moved to the next slide, touching on the proposed water and sewer rates for FY 2025. He stated that the ACSA is projecting a 17.5% increase in charges from RWSA, which includes debt service, and almost a 10% increase in sewer charges. He stated that the ACSA departmental operating budget will increase almost 11%, or \$1.4 million, which is related to merit/market adjustments, a new construction inspector position, and costs related to employee benefits, operating supplies, software subscriptions, and utilities.

Mr. Lunsford stated that there were some questions received about the use of reserves and some of the projections, which are addressed in the next few slides. He stated that the FY 2025 budget includes a proposal to use \$6.5 million for rate stabilization reserves to fund non-growth-related ACSA CIP projects. He stated that \$2.8 million of growth reserves is projected to fund ACSA growth CIP projects, as well as RWSA debt service for growth-related projects. He mentioned that use of these reserves helps to mitigate the increase the ACSA has to pass on to its customers, all of which is made possible by sound financial management and continued growth of the system.

Mr. Lunsford stated that there was a question from the Board about how these reserves get established, calculated, and used. He referred to the next slide showing growth reserves calculations for FY 2025. He noted, for context, the ACSA has estimated that it will collect \$8 million worth of system connection charge revenue for FY 2025. He mentioned that there are two components to that system connection charge – the ACSA system development charge and the RWSA capacity charge. He stated that the ACSA development charge revenue is used for ACSA growth-related CIP projects, and the RWSA capacity charge revenue is used to pay for growth-related RWSA debt service.

Mr. Lunsford stated that the next slide shows how those numbers are used in the FY 2025 budget, assuming everything happens as expected.

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He noted that on the left side of the screen are the ACSA's system development charges. He stated that they calculated, in FY 2025, \$3.855 million worth of growth-related CIP and \$2.889 million in system development charge revenue. He stated that the difference between the two is what will need to be funded through reserves. Mr. Parcels asked if the \$2.889 is a factor the ACSA uses. Mr. Lunsford stated that it is a mathematical calculation. He stated that, in that example, the ACSA expects to use just under \$1 million worth of growth reserves to fund that fiscal year.

Mr. Lunsford stated that in the same vein, the RWSA capacity charge side is much easier as those figures are known. He stated that RWSA spends quite a bit of time with the ACSA to identify specific debt issued for projects and allocating components of that debt issuance that are applicable to the ACSA. He mentioned that through that process, the ACSA has calculated that about \$6.9 million of RWSA's total debt service charge to the ACSA is growth-related. He stated that the ACSA is expecting to collect \$5.11 million of RWSA capacity charge revenue. He stated that the difference between those numbers is what the ACSA will need to fund with growth reserves.

Ms. Swanson asked if the special rate district is included in the ACSA system development charge revenue. Mr. Lunsford confirmed that Ms. Swanson was referring to the North Fork Regional Pump Station additional charge. He stated that since the ACSA issued that debt in 2010, they have been paying that debt service through the operating account. He noted that the operating account is reimbursed any time that special rate district revenue is earned. Ms. Swanson asked if when customers in the special rate district connect to service, do they pay the connection fee in addition to another charge on top of that. Mr. Lunsford replied that this was correct.

Mr. Lunsford stated that the next slide shows how the growth reserves are accumulated and used, which is a bit more complicated. He stated that in the FY 2024 budget scenario, there were \$18.8 million in capacity charge reserves, and it was estimated that the ACSA would collect almost \$5.4 million in revenue. He stated that the ACSA knew \$6.624 million of the debt service charge from RWSA would be allocated as growth-related. He stated that overall, the ACSA expected to use about \$886,000 in growth-related reserves.

Mr. Lunsford stated that when the ACSA prepared these projections at the end of April this year, the revenue estimated through June 30, 2024, was slightly less than anticipated in the budget. He stated that if the ACSA collects what is expected through June, they will use about \$1 million of

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RWSA capacity charge reserves. He noted that this could change depending on if they collect more or less, over the course of May and June.

Mr. Lunsford stated that the next slide is a bit tougher, as time is not on their side in showing how the calculations happen. He stated that the ACSA system development charges shown are similar to RWSA in the set up and calculation. He noted that looking at the FY 2024 budget scenario on the left side, there was \$17 million in ACSA system development reserves and they expected to collect about \$2.6 million in system development charge revenue. He stated that there is \$6.3 million budgeted for the FY 2024 CIP. He stated that if the ACSA incurred all of those costs, they expected to use about \$3.7 million worth of reserves.

Mr. Lunsford noted that the right side of the slide shows that the ACSA did not, and does not, expect to use \$3.7 million in reserves because there are growth-related CIP costs have not yet been incurred. He noted that even though the chart shows an addition to the growth reserve, the ACSA does have money allocated to those future costs. Mr. Parcels asked where that money is shown and how much it is. Mr. Lunsford stated that it is not shown, but it is about \$20 million overall.

Mr. Parcels stated that there is \$17 million in the system development reserve, \$18.8 million in the RWSA capacity charge reserve, and \$51 million of investment funds. He stated that he is curious as to how that plays out. Mr. Lunsford stated that he can do that and looks forward to doing so in June. He stated that it is important to note that the \$20 million that has been previously budgeted for that is not all growth. He stated that a significant portion of that will not be paid for with these reserves.

Ms. Palmer stated that one of the best examples of how the ACSA cannot use the growth-related reserves is the water supply plan and the Ragged Mountain pipeline, and deciding how much of that project is redundancy and how much of it is growth. She stated that not all of the project is expansion, so development charges can not be used for that portion of the project. She stated that Bill Mawyer, RWSA Executive Director created a chart that speaks to this, which might be interesting for the Board to see. Mr. Lunsford stated that two reasonable people can have two different opinions on the subject. Ms. Palmer agreed. She stated that she learned that there are state laws that govern these things as well.

Mr. Lunsford stated that they have already looked at the next slide outlining the sample monthly combined water and sewer bill. He noted that a normal customer that uses water conservatively at about 3,200 gallons per month will see about a \$4.52 increase in what they are currently paying. He stated that the following slide has been shown every year for the last several years and is an illustration of the value of ACSA water. He stated



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that one cent buys 1.68 gallons of clean, safe, reliable ACSA water. Ms. Palmer asked if Mr. Lunsford could label the graphic on the slide with how much water is in the jugs. Mr. Lunsford replied that he absolutely could do that for next time.

Mr. Lunsford stated that the next slide is a monthly bill comparison to comparable utilities. He stated that the graph shows the ACSA's current and recommended rate, in comparison to the FY 2024 rates for the other utilities. He noted that the ACSA's FY 2025 rate still compares very favorably to other utilities of similar size in our general area. He noted that the next slide looks specifically at the comparison between the ACSA and the City of Charlottesville. Mr. O'Connell noted that the City rates shown are for FY 2024. Mr. Lunsford added that he does not have the City's FY 2025 rates yet. He added that what is not captured in these slides is the quality of the water and wastewater treatment. He stated that ACSA's water is incredibly safe, clean, and reliable, which may or may not be the case for some of these other utilities.

Mr. Lunsford stated that he wanted to apologize for the typo at the bottom of the slide comparing the ACSA's monthly bill to the City. He noted that the ACSA proposed rates are for FY 2025, not FY 2024. He mentioned that the ACSA compares very favorably to the City, who also purchases their water and wastewater treatment from RWSA. He stated that the City has a composite rate, with one rate in the winter and one rate in the summer. He added that even with the increase in ACSA rates, it still compares very favorably with what the City currently charges.

Mr. O'Connell stated that the ACSA has built reserves in anticipation of increases from RWSA. He noted that the City has not done this and are having to almost pay cash, which can be seen in their rate structure. Ms. Palmer stated that it surprises her that the City has a summer rate when there is not that much irrigation.

Mr. Lunsford stated that they would now get into the operating budget portion of the presentation. He stated that the Lead Team members would each speak to the budget for their respective departments and speak to the strategic initiatives that the FY 2025 funds will help to accomplish. He noted that the pie chart on the next slide is just another illustration of the financial breakdown of the budget by department. He stated that Ms. Roach would begin with an overview of the administrative budget.

Ms. Roach stated that she would highlight a few of the key initiatives that the Administration department would be focusing on for FY 2025. She stated that the first of those is a 3<sup>rd</sup> party classification and compensation study. She mentioned that per the ACSA's Personnel Management Plan (PMP), they will be done every four years. She stated that this is very

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important to ensure the ACSA remains competitive within the market and is able to attract and retain qualified and professional employees.

Mr. Parcels asked if there is a way to gauge how well the ACSA is doing in terms of handling vacancies and turnovers. Ms. Roach stated that she can get back to him with specific data but, overall, she would say the ACSA is very competitive, there is a low turnover rate, and vacancies are able to be filled. She noted that some positions are more difficult to fill. Ms. Palmer gave the civil engineer position as an example. Ms. Roach concurred but stated that the ACSA does have a senior civil engineer beginning in a couple of weeks.

Ms. Roach stated that next, the quarterly leadership development training will continue. She noted that the ACSA began a formal program this year, where supervisors from mid-level up meet with MSB Coaching each quarter to focus on a different area. She mentioned that this year, the group has focused on leading with emotional intelligence, communication, constructive feedback, and conflict, and change in leadership. She stated that the MSB consultant also meets once a month with a group identified in the Maintenance department identified as “key influencers.”

Ms. Roach mentioned that the ACSA continues to partner with Letterpress to assist with various communication efforts on behalf of the organization. She mentioned that currently, they are working with the customer service team to create a welcome packet for new ACSA customers. She stated that Letterpress has also helped to gain traction across the organization’s social media platforms, with regular posts and staff highlights. She noted that they will be working on updating the ACSA’s website later this year as well.

Ms. Roach stated that the next initiative is continuing to work with community partners to promote water conservation. She stated that the Rivanna RiverFest is coming up this weekend, and the ACSA partnered with multiple agencies to put together this event. She mentioned that the ACSA also works with the City to conduct rain barrel workshops, providing the tools and teaching the community how to build rain barrels. She noted that the ACSA is currently working with the City and a company called Water Now to revamp the toilet rebate program.

Ms. Roach stated that the staff continues to focus on safety training and initiatives for employees, with training at least once a month. She stated that the ACSA also participates in regional roundtable groups through VRSA, to ensure that the organization is following best practices for its employees.

Ms. Roach stated that finally, enhancing the customer experience (CX) is a major focus for FY 2025. She stated that last fall, a group of employees

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met with E-Source to create a customer intent statement. She mentioned that the staff filmed a music video to reinforce that message, which will debut next month.

Mr. Lynn came forward to discuss the key initiatives in the budget for the Engineering department, most of which is based on supporting the ACSA's CIP program. He stated that the first of these is the scheduled replacement and repair of aging and undersized infrastructure, focusing on the Crozet Phase 4 Water Main Replacement project that is currently underway. He stated that there are three more projects the ACSA is looking to construct in FY 2025 which include the Barracks West, Broadway Street, and Briarwood water main replacement projects.

Mr. Lynn stated that the second item is the Avon Operations Center project. He stated that they are looking to readvertise for construction in early June, with hopes to open bids in late July and present a new bid price to the Board in August. He noted that this will be a key initiative for business continuity from a strategic planning standpoint.

Mr. Lynn moved to the next initiative, which was the development of a Customer Information System (CIS), which speaks to the customer experience as well as data optimization. He stated that the ACSA has recently received RFPs for the new phone system, which staff is currently going through. He stated that they would also be issuing the RFP for the new billing software in the near future.

Mr. Parcels stated that his daughter, who lives in the City, was encouraged by the power company to install power panels. He stated that he knows there will be some power panels at the Avon Street location, but he wondered if that could be expanded and utilized at other locations such as pump stations and if there was any incentive to do so. Mr. Lynn stated that there are solar panels included in the design for the Avon property. He mentioned that there may be some funding the ACSA can explore to install solar panels at the Spotnap location as well. He stated that initially, the payback period was excessive, but there are more federal programs that can provide direct payment funding sources and might be something the ACSA looks into in the future.

Mr. Lynn stated that another key initiative is the administration and oversight of the CIP program. He stated that it takes a lot of time and effort to implement a \$12.1 million program and is a key focus for the Engineering department.

Mr. Lynn stated that the last two items are related to one additional position the Engineering department is requesting in FY 2025. He stated that they are asking for an additional construction inspector position. He mentioned that there is a lot of experience in that group, and the concern is

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that some of them will retire in the next few years. He stated that, from a succession standpoint, the goal is to begin to train the next wave of inspectors for the ACSA. He stated that with this position is the potential for a second electric vehicle (EV). He noted that the vehicle pictured on the slide is the ACSA's first EV and is in service now with one of the current construction inspectors.

Ms. Palmer stated that she knows the ACSA has a policy against idling, and asked if it would also extend to electric vehicles and if there was any reason why it should. Mr. Lynn stated that he would think the electric vehicle would cut off once the driver gets to their destination, so there would not be any idling. Ms. Palmer stated that many people will leave the car running for the air conditioning if they need to get out of the car to do something quickly. Mr. Lynn stated that it will be something they will look at more closely as the EV fleet expands.

Ms. Walker stated that she would go through a few of the IT initiatives, which also support the ACSA's Strategic Plan. She stated that the IT staff will continue to strengthen their data security and monitoring and would be purchasing some monitoring and alerting software. She stated that they would also be conducting another security assessment to ensure that they are following best practices and the system is secure.

Ms. Walker stated, as Mr. Lynn mentioned, there is another EV in the budget as a replacement vehicle for the IT Technician. She stated that the IT Technician will be performing a lot of the networking and security system work at the Avon Street property. She mentioned that the CIS development will also be a key focus, which includes a redundant fiber line to the Spotnap building to run two different systems and maintain uptime as much as possible.

Ms. Walker stated that there will also be the scheduled replacement of ACSA servers, PCs, tablets, and phones, in accordance with the ACSA's policy of three years for most mobile devices and five years for larger items such as servers and desktops. She noted that a document management system is still in the CIP, and IT will be supporting that project this year as well. She mentioned that this will include the purchase of several scanners for staff. She added that they are also conducting a comprehensive assessment of the ACSA's SCADA system to ensure that it is in full compliance, and training will be increased for well. Mr. Parcels stated that integral to all of that, is a backup system. Ms. Walker replied yes and stated that there would be a redundant server room located at the Avon property.

Mr. Parcels asked if the IT staff has seen a lot of challenges or attempts from hackers to breach the ACSA's system. Ms. Walker stated that there have always been attempts, but they have really tightened security

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after seeing attacks on different community partners. She mentioned that they are currently going through the EPA's required vulnerability checklist, which will bring the organization into compliance with the new CSIA standards.

Ms. Swanson asked if the Vulnerability Assessment was a Homeland Security requirement. Ms. Walker replied yes. Ms. Swanson asked why, then, does the ACSA need to implement the EPA requirements. Ms. Walker stated that the EPA, along with VDH, require additional cybersecurity standards that are being implemented, along with the Vulnerability Assessment. Ms. Swanson asked if the ACSA still receives assistance from Homeland Security. Ms. Walker replied yes and stated that they are currently helping with the CSIA compliance and EPA requirements.

Mr. Morrison stated that he would go over 6 out of the 13 maintenance initiatives listed in the budget document. He stated that the first one centers around the Avon Operations Center. He stated that they are looking to put that project out to bid in June and start construction in the FY 2025 year. He noted that the Maintenance staff will be developing a resource use plan to promote optimization of resources. He stated that they will be looking at how equipment and materials will be used, as well as working with all departments to promote business continuity.

Mr. Morrison stated that the next item is an increased emphasis on training and education programs. He stated that they have looked at many different conferences, state and national, that could be beneficial to all Maintenance staff. He noted that they are also utilizing a lot of leadership training as well. He added that they will also continue skills and safety training as well.

Mr. Morrison stated that the next initiative is the use of Operational Insights within the Cityworks program for preventative maintenance planning. He stated that it is a computer-based analytical approach that is based on work order and inspection history of various water and wastewater assets. He stated that this will help to identify trends with assets that otherwise might not be noticed and keep things in a preventative maintenance status as opposed to reactive maintenance.

Mr. Morrison stated that the Maintenance staff will continue to focus on saddle replacements throughout the service area as well. He stated that one aspect of this is saddle replacements on PVC lines that have already been identified. He stated that the other is identifying assets that need to be addressed ahead of VDOT's repaving schedule.

Mr. Morrison stated that the ACSA is coming up on its 5-year Vulnerability Assessment update. He stated that it is federally required by the American Water Infrastructure Act, and must be completed by

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December 31, 2025, and will be completed in conjunction with all departments at the ACSA. He noted that the staff is wrapping up the last of the risk improvements that were identified with the original assessment. He stated that once that is complete, staff will begin working on the Emergency Response Plan update, which is due June 30, 2026.

Mr. Morrison stated that the last item is the promotion of customer engagement opportunities through the use of social media. He stated that for the Maintenance department, this includes items such as activities and updates. He noted that utilities are out of sight, out of mind, thus the staff is trying to promote behind the scenes, everyday activities. He added that they have begun using more pictures, and the Board will see more in the monthly updates as well.

Mr. Parcels asked if there were any updates on the Glenmore, and now Farmington, sediment issue. He noted that he remembers the chemical study was to be completed by June or July. Mr. Lynn replied that Tim Brown, Environmental Compliance Specialist, prepared a community release that was sent to the Glenmore HOA contact, and they would be happy to share it with the Board. He mentioned that the release summarized the activities to date and gave an indication of when they would see the results from the bench testing.

Mr. Lunsford stated that he would not spend a lot of time going over the Finance department's initiatives, as many of them are shared across the various departments throughout the organization. He stated that succession planning is a focus with this budget, and the training associated with that. He stated that the photo on the slide shows the Meter Operations team being certified on field testing large meters. He stated that CIS development was another initiative and will be a major undertaking for the Finance department as well as other departments.

Mr. Lunsford moved to the next slide outlining capital equipment purchases and noted that each department has already discussed their planned purchases. He noted that the following slide briefly outlines the Proposed FY 2025 CIP, which Mr. Lynn did a great job of presenting last month. He stated that in terms of next steps for the budget, an insert would be sent out with customer bills in May. He noted that, to his knowledge, they have not received any questions or comments from customers who have already gotten them. He stated that the second budget workshop would be held on June 20<sup>th</sup>, to ensure all questions from today's meeting are addressed. He stated that he wanted to thank everyone involved in the budget process, from the budget cover design to the actual budget information.

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### 8. Advanced Metering Infrastructure (AMI) Completion Report

Terri Knight, Customer Service Supervisor, came forward to give the Board an overview of the AMI project (Attached as Pages 13977-13980), which was a project well done. She mentioned that she would share some of the project milestones, as well as give an update and next steps.

Ms. Knight stated that the ACSA began its AMI Feasibility Study in May 2018, and received authorization for the selection and contract execution for the AMI project in October 2019. She stated that shortly after that, the Covid-19 pandemic began. She stated that in April 2021, they were able to begin phase 1 of the project, followed by phase 2 in February 2022. She stated that this was followed by a lull in activity, as there were issues with receiving inventory. She stated that things picked back up with the final deployment beginning in April 2023, and the final MXU installation occurred on April 17, 2024.

Ms. Knight stated that in terms of project updates, there have been over 23,000 AMI installations and that number is constantly growing, as each meter that is installed going forward has an MXU device. She stated that the Urban area, Crozet, Scottsville, and Red Hill systems have all been fully upgraded to AMI. She noted that the customer service staff performs daily analyses of high-flow and continuous flow alerts and notifying customers at that time. She mentioned that this is a big difference from having to wait 30 or more days to identify high consumption. She added that there is also daily monitoring of the hydrant meter flushing devices, so the engineering team knows when they need to either decrease or increase the flushing.

Ms. Knight stated that the next slide showed a map of the AMI infrastructure. She noted that the equipment is working phenomenally, even in those areas where they thought there would be issues. She stated that they have been able to help many customers through AMI, especially some of the larger ones. She mentioned that they were able to help identify what turned out to be an internal issue at Sentara Martha Jefferson Hospital, and they were able to resolve it within a few days. She noted that they were also able to help the Thomas Jefferson Memorial Foundation after recognizing continual flow at Monticello. She stated that the staff found that someone had trespassed and turned on a faucet unbeknownst to them. She mentioned that these customers, along with many other single-family residential customers, are examples of saving lots of water.

Ms. Palmer asked if something like a toilet in a high school would show up on the report. Ms. Knight stated that it would show up. She noted that the staff pays special attention to continuous flow happening during the late night/early morning hours when no one should be in the building. She

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stated that the staff will make the customer aware that there is continuous flow.

Ms. Knight stated that there were several next steps post deployment, with the first being the optimization of the field communication system, followed by the development and configuration of customer portal. She stated that the customer portal will be where customers can monitor their consumption, troubleshoot leaks, and customize personalized alerts. She stated that the staff is also considering different tools to aid in the system oversight and maintenance, and reallocating staff resources from meter reading to the large meter field testing program.

Ms. Knight stated that in terms of the strategic collaboration and organizational efforts, every department and employee has contributed to the AMI project. She stated that from upgrading services, meter lids, and setters, to assisting customers with notifications by phone and email and meter storage logistics, it was true team effort and a project well done.

Ms. Palmer asked what is being monitored with the auto-flusher monitoring. Mr. Lynn stated that they receive a report every morning on the flushing duration and consumption of the auto-flushers. He stated that it allows the staff to ensure that they are working as programmed and it is not stuck open, which has happened in the past. He noted that they do not have a way to monitor chlorine residuals with the system yet, but it is one of the things they are looking at as they continue to develop the AMI system. Ms. Palmer stated that she always wondered how they know they are flushing too much or too little. Mr. Lynn replied that the staff performs weekly checks and, most of the time, those are chlorine residual checks. He noted that they have begun decreasing the flushing at Glenmore this week, given that irrigation season is starting.

Ms. Swanson asked if customers have missed or noticed the decrease in visibility of the staff in the field, given that they do not have to go out and read all of the meters anymore. She stated that she lives in the Urban area, thus she sees the ACSA staff out in the field all the time. She asked, however, if they feel the dynamic has changed for those that don't see the staff anymore, like Scottsville costumers. Ms. Knight stated that thus far, her answer would be no. She stated that the staff is still in the field, visiting each meter and ensuring that they are not covered up or problem solving. She stated that they still have to deploy meter technicians for work orders as well.

Mr. Lunsford added that it is rather early in terms of the whole system being built out. He stated that each meter is checked at least annually, and the staff will still be visible but in a different way.



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Ms. Swanson asked if the field testing of the larger meters will include testing of RWSA's wholesale meters at the City and County boundaries. Mr. Lunsford replied that he does not know if that meter testing equipment the ACSA has is capable of testing those meters. He stated that they would just be focusing on ACSA infrastructure. Mr. O'Connell stated that RWSA has a contract to have the meters tested annually.

### 9. Items Not on the Agenda

Mr. Armstrong noted the ACSA employee picnic that would be held on May 24<sup>th</sup>. Mr. O'Connell stated that he would encourage the Board to attend, enjoy the best barbecue around in his opinion, and play cornhole.

Mr. O'Connell stated that he wanted to add that, even with all of the ups and down, the AMI project went over smoothly and seamlessly with ACSA customers. He stated that it is unbelievable customer service to be able to notify customers right away about leaks and work with them to get it resolved.

### 10. Executive Session – Personnel Matter

Ms. Trent read a Resolution to enter Executive Session pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter (Attached as Page 13981).

**Mr. Tolbert moved to approve the Resolution as presented to the Board; seconded by Mr. Parcels. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.**

The Board of Directors came back into regular session. Ms. Trent read into record a Resolution stating that only matters so previously stated and exempted from open discussion in regular session were discussed in Executive Session (Attached as Page 13981).

**Ms. Palmer moved to approve the Resolution as presented to the Board, seconded by Mr. Parcels. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Roberts, aye; Mr. Armstrong, aye; Ms. Swanson, aye.**

### 11. Adjourn

**There being no further business, Mr. Armstrong moved that the meeting be adjourned. All members voted aye.**

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Quin Lunsford, Secretary-Treasurer