



# ALBEMARLE COUNTY SERVICE AUTHORITY FISCAL YEAR 2024 ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET

July 1, 2023 to June 30, 2024



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

**This is the Albemarle County Service Authority’s mission statement, and the inspiration behind this year’s budget cover design. To not only provide clean, safe, reliable water to our customers of today, but to protect and sustain those resources for future generations to come. The main cover photo depicting a young boy immersing his face in clean, safe, and refreshing water is a representation of the “tomorrow” that our mission statement speaks to, as well as the joy that a seemingly simple thing like safe, clean water can bring. The various photos along the bottom center of the cover were selected to support the idea of serving today and conserving for the future as well. Every other photo from left to right depicts artwork by children in our area, expressing the importance of water from their perspectives and showcasing their understanding of the importance of this precious resource. The spaces in between are filled with photos that speak to the idea of how far we have come, where we are, and where we are headed- from the black and white photo of the Sugar Hollow Reservoir circa 1949, to the photo of ACSA maintenance crews working to raise valve boxes through the night, to the AMI antenna in 2023. They show the ACSA’s commitment to its mission statement, just as each line item in this fiscal year’s budget document reflects the necessary investment to fulfill that commitment.**

**Section I: Budget Overview:**

Budget Letter.....	1
Facts At A Glance.....	10
Distinguished Budget Presentation Award .....	11
ACSA Leadership .....	12
Strategic Goals and Strategies.....	13

**Section II: Financial Structure, Policy and Process:**

Fund Descriptions, Fund Structure, Basis of Budgeting and Accounting, Financial Policies.....	14
Budget Process .....	16

**Section III: Budget Summaries:**

Financial Summary .....	18
Operating Budget Highlights.....	19
Water and Sewer Rates .....	20
Frequently Asked Questions .....	21
Revenue and Expense Summary.....	22
Budget Revenues .....	23
Revenue Highlights .....	24
Changes in Net Position .....	25
Long-range Financial Plans.....	26

**Section IV: Operating Budgets:**

Operating Budget .....	27
Rivanna Water and Sewer Authority Expenses .....	28
Operating Budget Detail .....	29
Administration Department Budget .....	31
Finance Department Budget .....	35
Engineering Department Budget .....	39

**Section IV: Operating Budgets (continued):**

Information Technology Budget .....	44
Maintenance Department Budget .....	48
Debt Financing .....	52
Capital Equipment Budget .....	53

**Section V: Capital Improvement Program:**

Capital Improvement Budget .....	55
Capital Improvement Projects .....	62

**Section VI: Budget Appendices/Supplemental Information:**

Organizational & Personnel Chart .....	66
Departmental Staffing .....	67
Supplemental Information – Revenue by Source .....	68
Supplemental Information – Expense by Function .....	69
Supplemental Information – Changes in Net Position .....	70
Supplemental Information – County Demographic and Economic Statistics .....	71
Supplemental Information – Miscellaneous Statistical Data .....	72
Glossary .....	73
Vision and Mission Statement and Guiding Principles .....	76





April 20, 2023

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. Our mission has been especially important over the past few years to ensure safe drinking water as the community recovers and has moved forward from the COVID-19 pandemic. We remain committed to working with our community partners as we maintain and improve our utility system in a timely, cooperative, and financially responsible manner. The proposed Fiscal Year 2024 Budget totals \$54,107,600 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 Information Technology, Administration, and Finance. 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 - 2025 Strategic plan is a roadmap for the Authority'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**.



**Data Optimization** is about harnessing the power of data to inform our decisions, improve our processes, and enhance our outcomes. We will conduct 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 will listen to their feedback, understand their expectations, and deliver solutions that meet or surpass them. We will also leverage 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 will also invest in training, development, wellness, and engagement programs for our employees.

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 our industry 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 customer service. These projects are essential to maintain the quality and reliability of the ACSA system that our customers expect and deserve.

Over the past ten years, the ACSA has invested over \$64 million in capital improvements to ensure system reliability, redundancy, and high-quality water and sewer systems. In Fiscal Year 2024, the ACSA proposes a budget of \$11,552,000 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 \$192M for essential projects and include:

- Accelerating completion of the South Fork Reservoir to Ragged Mountain Reservoir Water Pipe and Pumping Project from 2033 to 2030
- Additional Granular Activated Carbon Water Filtering Facilities at the Crozet and Red Hill Water Treatment Plants, utilizing \$3.2M in grant funding for the \$5M project
- Replacement of the Raw Water Piping and Pumping Stations from Ragged Mountain Reservoir to the Observatory Water Treatment Plant
- A Major Urban Area Water Distribution Pipe, the Central Water Line
- Modifications to the Beaver Creek Reservoir Dam, Pump Station, and Piping
- Additional Water Pipe Crossings of the South and North Fork Rivanna River
- Completion of the Airport Road Water Pump Station

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

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

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

Combined, these critical projects listed above and others throughout the system carry an expected cost over the five-year period of over \$326M, and as one of the RWSA's two customers, the ACSA is responsible for nearly 62% of RWSA's annual debt service. Charges from the RWSA make up nearly 62% of the ACSA's total operating budget, thus when these costs increase, it dramatically impacts our budget and customer rates.

The ACSA and RWSA continuously collaborate to ensure our customers are well served, and that the rate increases that we must pass along to our customers are fair, provide good value, and 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 2024 Budget considers the need for continued investment in our water and wastewater systems. We anticipate leveraging financial reserves strategically in conjunction with an increase in customer rates at a time of rapid inflationary costs. This increase is explained in greater detail throughout this document and necessary as we responsibly plan for the future. We expect future capital project needs of both the ACSA and RWSA to continue and costs related to these projects will likely continue to increase. These projects are an investment for now 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 2024 (July 1, 2023 to June 30, 2024). The FY 2024 budget continues to address long-term strategic initiatives that benefit our customers, while being especially mindful of economic restraints. After a comprehensive update to our rates study and review of RWSA costs for water and wastewater treatment, we project an increase of \$3.4M or 13.8% 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 \$5.30, or \$0.18 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.

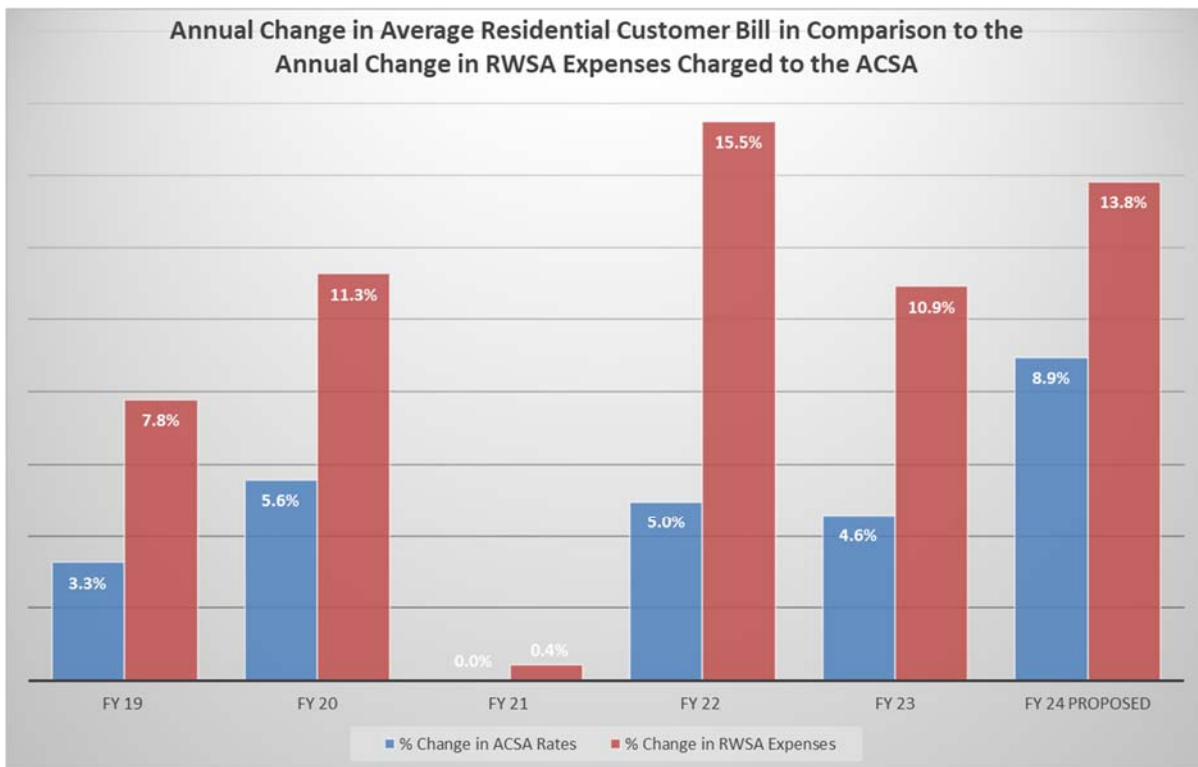
Some of these sustainability initiatives include installing solar panels on our new Avon Operations Center, launching a pilot program using electric vehicles, deployment of an advanced metering infrastructure system and continuing our recycling program. These initiatives look forward to ensuring future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

### ACSA Water and Sewer Monthly User Rates

	FY 2023	FY 2024
<b>Service Charge</b>	\$ 9.45	\$ 10.40
<b>Volume Charge - Single-Family Residential (per 1,000 gallons)</b>		
Level 1 (0-3,000 gallons)	\$ 5.05	\$ 5.56
Level 2 (3,001-6,000 gallons)	\$ 10.14	\$ 11.15
Level 3 (6,001-9,000 gallons)	\$ 15.19	\$ 16.71
Level 4 (over 9,000 gallons)	\$ 20.27	\$ 22.30
<b>Multi-Family/Non-Residential (per 1,000 gallons)</b>	\$ 10.14	\$ 11.15
<b>Sewer/All Users (per 1,000 gallons)</b>	\$ 10.24	\$ 11.06

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, 2023, 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 3.7%.



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 \$10.40 per month, a \$0.95 increase over the prior year. This update reflects the actual base cost of services provided.

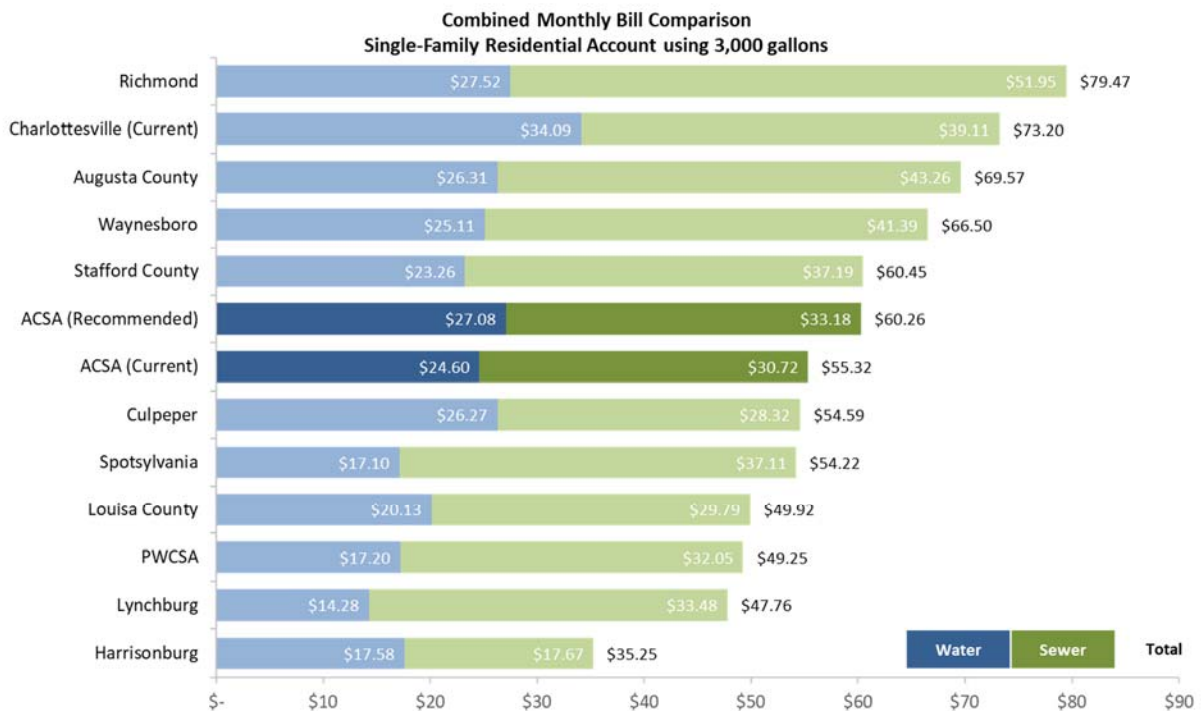
### **Rate Design – Monthly Service Charges**

<b>Meter Size (inches)</b>	<b>Approx. # of Water Customer Accounts by Size</b>	<b>Current</b>	<b>Recommended</b>
		<b>FY 2023</b>	<b>FY 2024</b>
¾	20,526	\$9.45	\$10.40
1	735	\$ 23.63	\$ 25.99
1 ½	429	\$ 47.25	\$ 51.98
2	163	\$ 75.60	\$ 83.16
3	56	\$ 151.20	\$ 166.32
4	20	\$ 236.25	\$ 259.88
6	0	\$ 472.50	\$ 519.75

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 18%.



The Proposed ACSA Fiscal Year 2024 Operating Expenses total \$34,984,300, as compared to \$31,485,400 for the current budget year (FY 2023). This represents an increase of \$3,498,900, or 11.1% over the previous year. Our Capital Improvement Program (CIP) as proposed is \$11,552,000, as compared to the current budget of \$8,178,050, and includes a continuation of major capital investment in our system, with an emphasis on needed water/wastewater main replacements, pump station upgrades and extension of public sewer to existing subdivisions. Additionally, the Authority has proposed a number of “non-utility” projects to address operational improvements, such as: mitigation of risk to increase resiliency of critical water and wastewater assets; Geographic Information System (GIS) and Computerized Maintenance Management System (CMMS) consulting services for Information Technology (IT) system improvements; recommendations from the IT Security Assessment; analysis of a new billing system; increased energy conservation throughout all our operations; and development of a satellite operations center and maintenance yard.

This budget also proposes that water and sewer connection charges for new development increase from the current total rate, water at \$6,650 per Equivalent Residential Connection (ERC) and sewer at \$6,820 per ERC to \$7,130/ERC for water and \$7,300/ERC for sewer. This is based on a detailed analysis of the cost of providing new connections to the ACSA and RWSA systems, and the needed capacity to be able to serve new development. Capacity related projects create the need to re-evaluate connection charges on an annual basis to assure that growth is paying for growth as



discussed in the ACSA's Financial Management Policies. These changes are the first since FY 2017 and are necessary to recover increases in costs related to the system development and water/sewer capacity additions.

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 59 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 Mike Lynn, April Walker, Emily Roach, and Jeremy Lynn for their valuable contributions to the FY 2024 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 Jeremy Lynn, Alex Morrison, Justin Weiler, Richard Nelson, and the Engineering team 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 rate increase or our initiatives, please contact us at (434)-977-4511 or [custserv@serviceauthority.org](mailto:custserv@serviceauthority.org). Thank you for being a valued customer.

Sincerely,

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

Gary O'Connell  
Executive Director

A handwritten signature in black ink, appearing to read "Quin Lunsford". The signature is fluid and cursive, with the first name "Quin" being more prominent.

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 59<sup>th</sup> 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](http://www.serviceauthority.org).

#### Age of Pipes:

The ACSA water system has a variety of ages, types and conditions of pipes and facilities. We have an ongoing assessment to be sure our water mains deliver reliable water service. We have been active in water main replacement and our annual capital program investment meets our replacement needs. A recent analysis indicated that 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, 9 water pumping stations, 8 water storage tanks, and 3,137 fire hydrants.

#### Sewer Collection System:

Over 323 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 1.79 gallons of ACSA water costing one cent.

#### ACSA Service Area:

The ACSA provides service to over 84,000 residents, with nearly 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, 2022, 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, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

#### Customer Service:

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

#### Governance:

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

#### ACSA Financial Information:

- FY 2024 Total Op./Non-Op. Budget: \$42,555,600
- FY 2024 Capital Improvements Budget: \$11,552,000



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

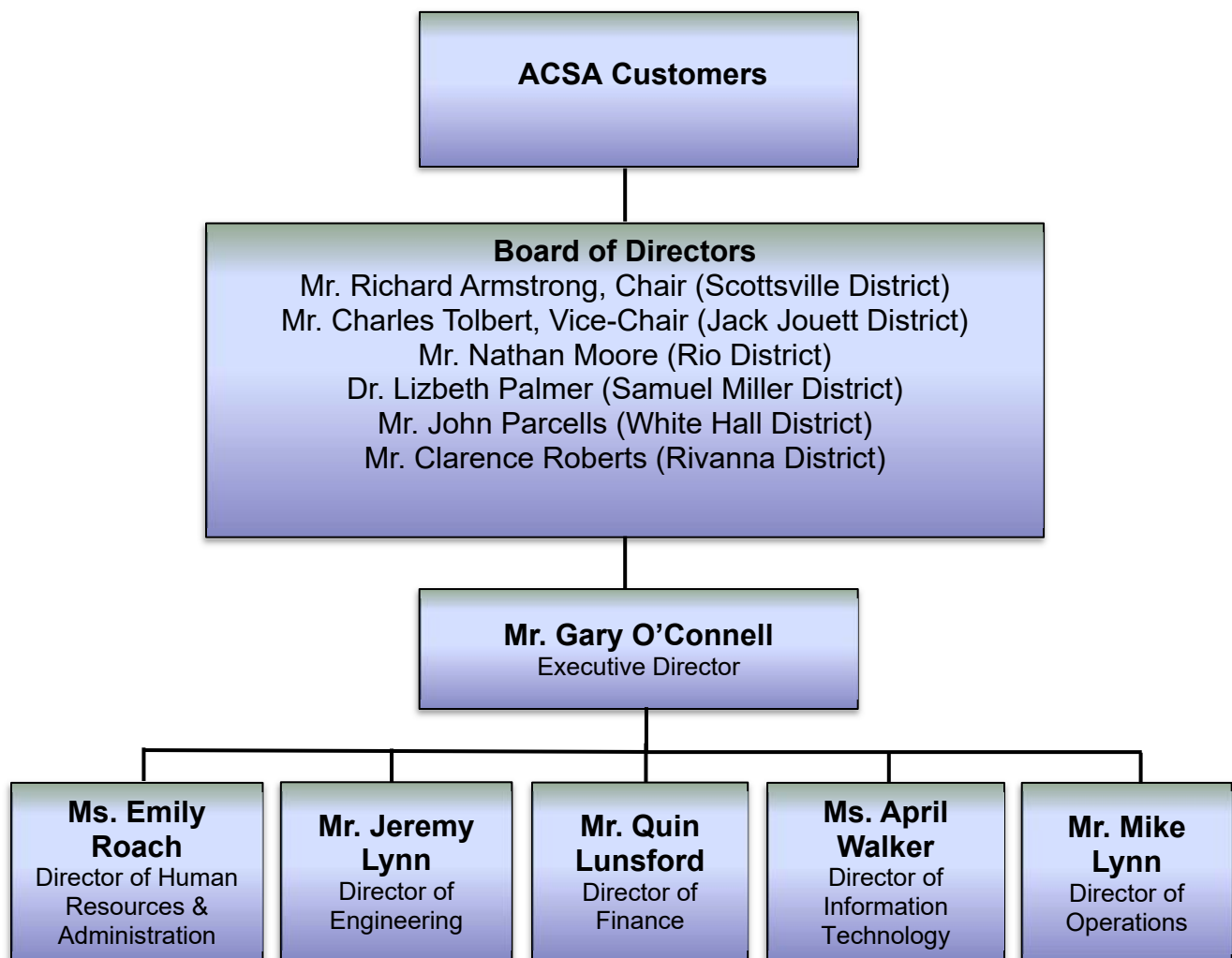
**Albemarle County Service Authority  
Virginia**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director



### **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 59 years later, provides water distribution and wastewater collection services to 22,000 accounts with over 374 miles of water mains and over 323 miles of sanitary sewer mains within our service area, including the urban areas of Albemarle County, and nearby communities of Scottsville and Crozet. Our customers enjoy water drawn from a protected watershed contained almost entirely within the County's borders. The ACSA is governed by a six-member Board of Directors each appointed by the Board of Supervisors of Albemarle County. We distribute treated water, and collect wastewater for treatment, while maintaining, expanding, and replacing the infrastructure within the service area.

The ACSA's three-year Strategic Plan for FY's 2023-2025 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 entire 3-year Strategic Plan can be found on our website at: <https://serviceauthority.org/wp-content/uploads/2023/03/ACSA-New-Strategic-Plan-2023-25.pdf>

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

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

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

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

### **Basis of Budgeting**

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

### **Financial Policies**

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

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

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

### **Operating Budget Policies**

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

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

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

### **Capital Budget Policies**

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

### **Reserve Policies**

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

### **Revenue and Expenditure Policies**

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



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

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

## **Debt Policies**

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

## **Budget Process**

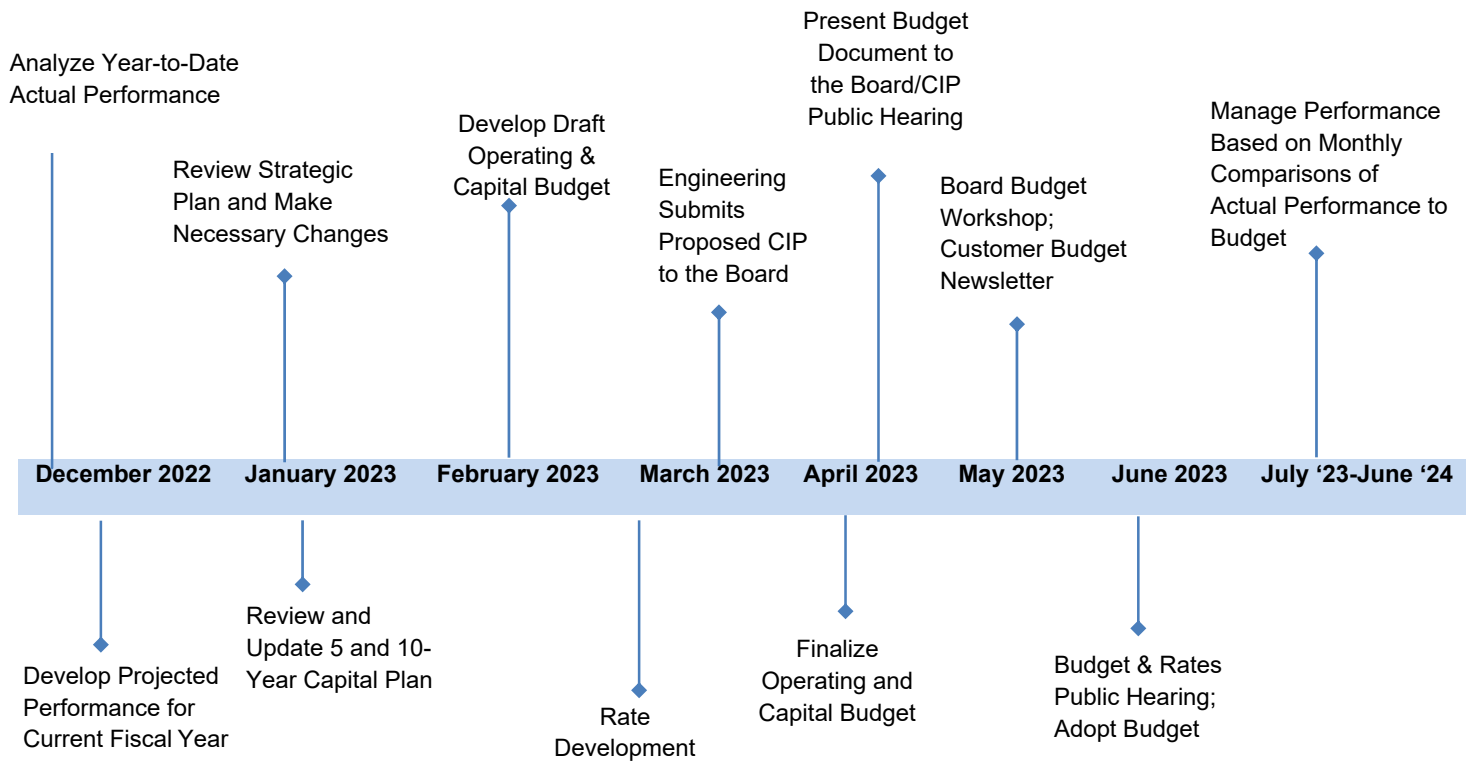
The Authority must adopt its budget prior to July 1<sup>st</sup> of each year. Development of the budget is driven by the strategic plan, organization goals and objectives, external factors such as growth, development, and water consumption trends. The Board, Authority staff, and the public participate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

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

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

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

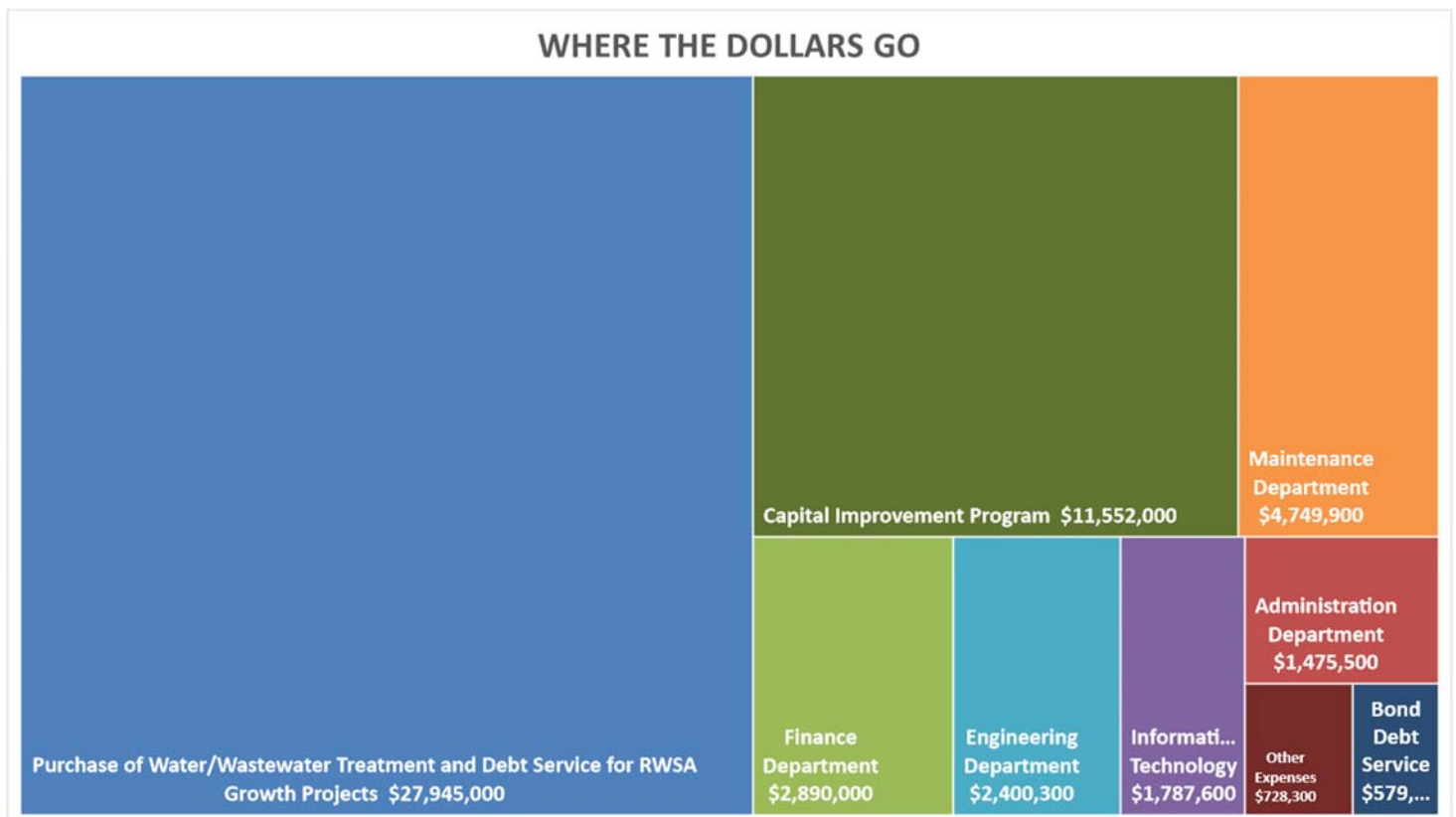
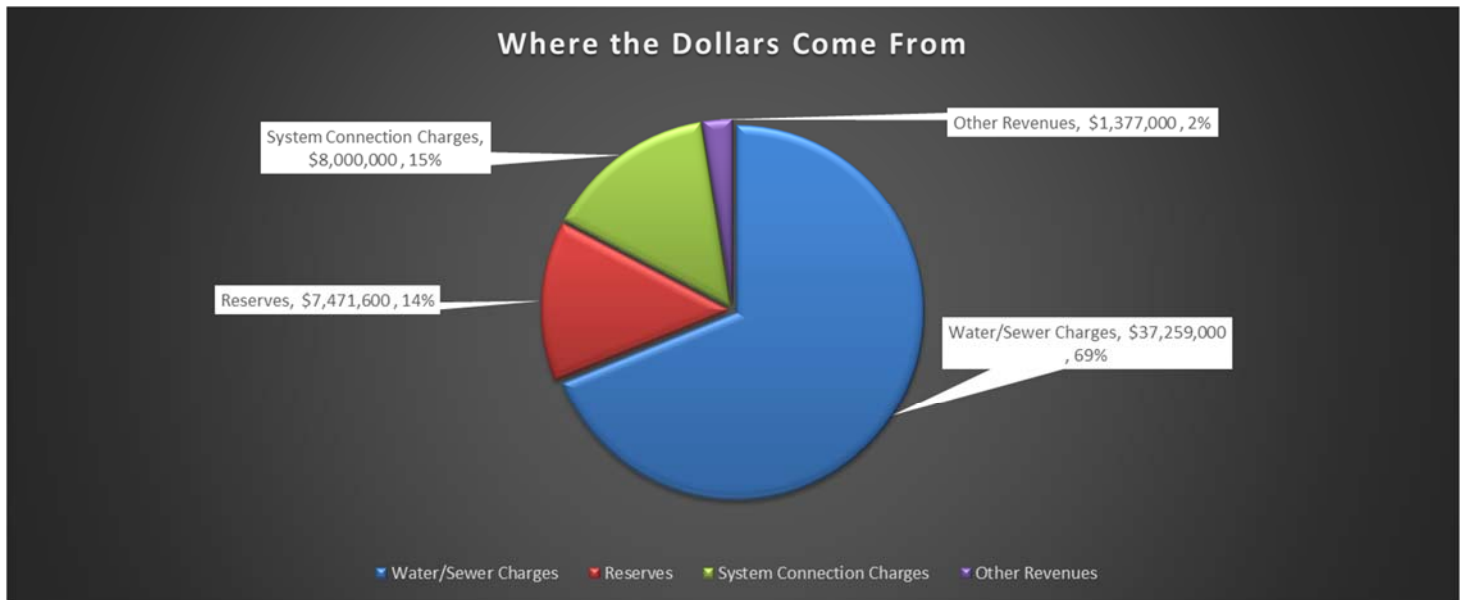




Pictured above: Beaver Creek Reservoir

### OVERVIEW

The ACSA's Fiscal Year 2024 Total Operating and Non-Operating Budget is \$54,107,600:



**Operating Expenses:**

- Proposed FY 2024 Operating Budget Expenses total \$34,984,300
- Approved FY 2023 Operating Budget Expenses total \$31,485,400

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

- Proposed FY 2024 totaled \$21,681,000 or 62.0% of the Operating Budget
- Approved FY 2023 total \$19,377,500
- Increase of \$2,303,500

**Departmental Operating Budgets:**

- Proposed FY 2024 - \$13,303,300
- Approved FY 2023 - \$12,107,900
- Increase of \$1,195,400

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

- Proposed FY 2024 - \$579,000
- Approved FY 2023 - \$580,000

**Top Budget Priorities:**

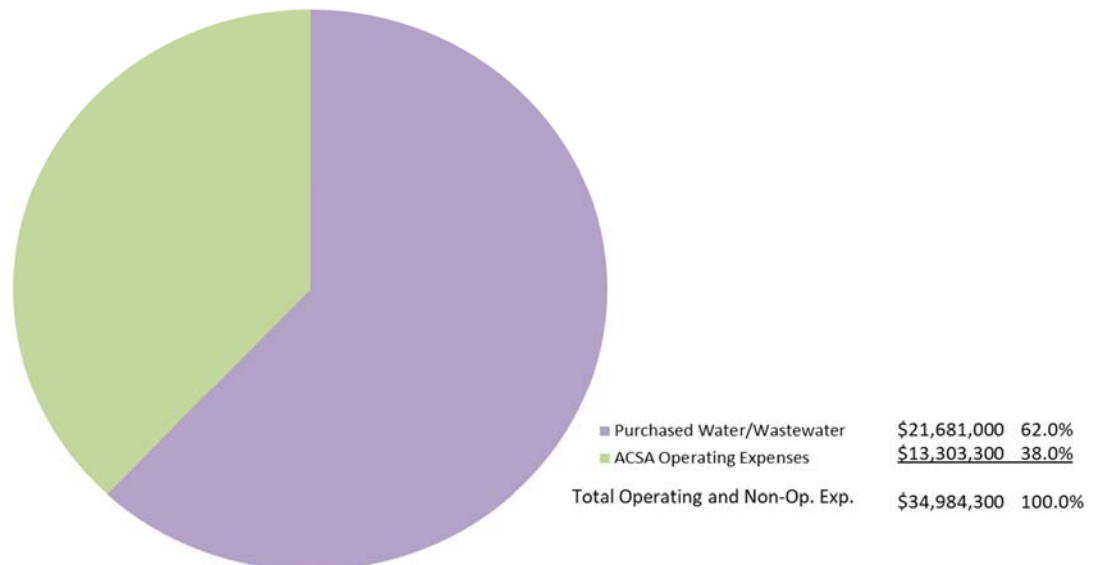
- High quality water delivered to our customers
- Maintain current Authority programs and services
- Meet financial obligations and financial sustainability
- Enhance the customer experience
- Investment in our infrastructure
- Strategic initiatives

**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:**

- Implementation of the recently completed FY 2023-FY 2025 Strategic Plan
- Succession planning for continuity of operations
- Advanced metering infrastructure (AMI)
- Computerized maintenance management system (CMMS) – workorder management, customer requests, asset management and inventory
- Three new positions – Information Technology Technician, Customer Service Representative, Communications Manager



### Water and Sewer Rates – Fiscal Year 2024 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 18.0% or \$2.48 million.
- The cost of wastewater treatment from the RWSA is expected to increase 8.5% or \$0.91 million.
- ACSA departmental budget increase of 9.9%
- Capital Improvement Program of \$11.55 million.

#### ACSA Water and Sewer Monthly User Rates

	FY 2023	FY 2024
<b>Service Charge</b>	\$ 9.45	\$ 10.40
<b>Volume Charge - Single-Family Residential (per 1,000 gallons)</b>		
Level 1 (0-3,000 gallons)	\$ 5.05	\$ 5.56
Level 2 (3,001-6,000 gallons)	\$10.14	\$11.15
Level 3 (6,001-9,000 gallons)	\$15.19	\$16.71
Level 4 (over 9,000 gallons)	\$20.27	\$22.30
<b>Multi-Family/Non-Residential</b>	\$10.14	\$11.15
<b>Sewer/All Users (per 1,000 gallons)</b>	\$10.24	\$11.06

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 2024 Bill	Monthly \$ Change	Daily \$ Change
<b>Single-Family</b>						
Minimal User	3/4"	1,200	\$ 27.80	\$ 30.34	\$ 2.54	\$ 0.08
Small User	3/4"	2,500	\$ 47.68	\$ 51.95	\$ 4.27	\$ 0.14
Average User	3/4"	3,200	\$ 59.40	\$ 64.70	\$ 5.30	\$ 0.18
Large User	3/4"	6,200	\$ 121.55	\$ 132.44	\$ 10.89	\$ 0.36
Excessive User	3/4"	7,700	\$ 159.69	\$ 174.10	\$ 14.41	\$ 0.48
<b>Multi-Family/Non-Residential</b>						
Multi-Family	1"	33,700	\$ 710.44	\$ 774.47	\$ 64.03	\$ 2.13
Com. (Offices)	1"	6,300	\$ 152.02	\$ 165.91	\$ 13.89	\$ 0.46
Com. (Other)	3/4"	4,700	\$ 105.24	\$ 114.79	\$ 9.55	\$ 0.32
Industrial	1 1/2"	16,500	\$ 383.52	\$ 418.45	\$ 34.93	\$ 1.16
Institutional	3/4"	13,000	\$ 274.39	\$ 299.13	\$ 24.74	\$ 0.82

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

While the ACSA has been able to maintain its high level of service through the pandemic, costs associated with providing these services have increased and must be supported by sustainable rate increases. The RWSA is our single largest cost, and we anticipate an increase in charges of approximately 13.8%. This increase supports continued improvements to the quality, reliability, and efficiency of the water and wastewater system. Additionally, the ACSA's cost of doing business which include operating costs, proactive maintenance and improvements to system infrastructure have increased, especially during these inflationary times, as related to changes in supplies, services, salaries, and maintenance costs.

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

The ACSA purchases treated water and distributes that water to our customers. Costs related to these purchases from the RWSA are expected to increase by more than 18%. The cost increase of purchased water is due to a variety of factors but water treatment plant expansions in the Urban and Crozet systems as well as water treatments costs related to Granular Activated Carbon (GAC) contribute to this increase. The ACSA also returns all collected wastewater to the RWSA for treatment. Costs associated with the treatment of wastewater is expected to increase by 8.5%. 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 \$5.30 or approximately \$0.18 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 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 \$11 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, 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 2024 charges or \$14,430.

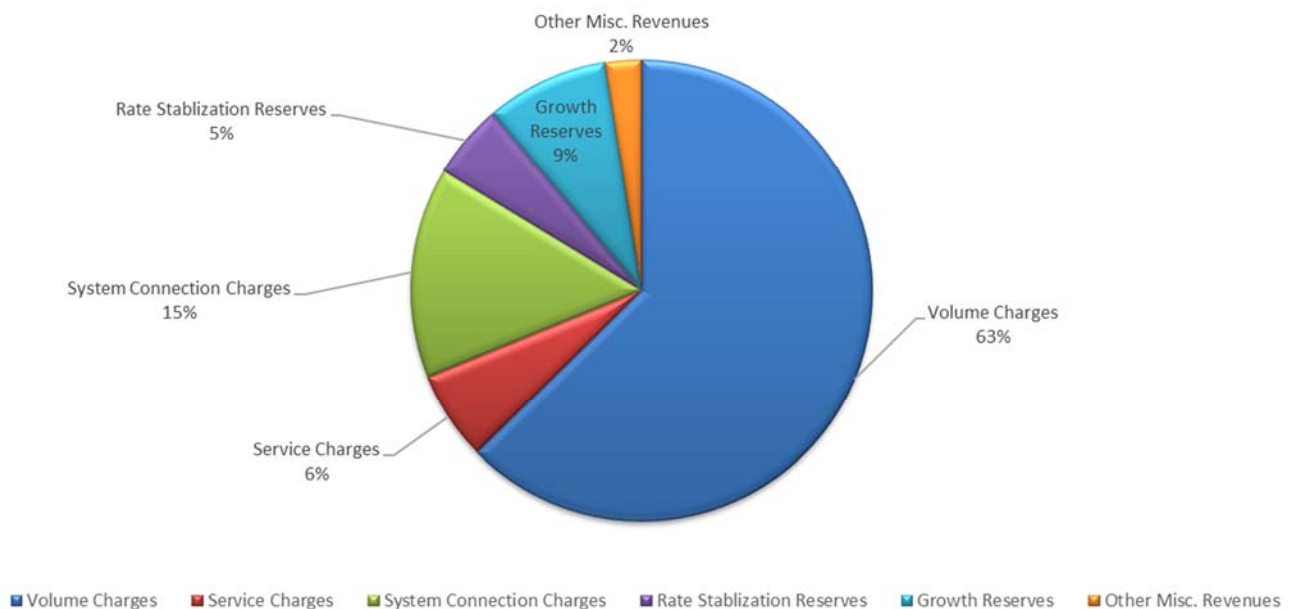


## FY 2024 Revenue and Expense Summary

		<b>FY 2023 Approved Budget</b>	<b>FY 2024 Proposed Budget</b>	<b>Proposed as % of FY 2023</b>
<b>OPERATING REVENUES</b>				
Total Volume Charges	\$	31,422,000	33,879,000	107.8%
Total Service Charges		3,000,000	3,380,000	112.7%
Rate Stabilization Reserves		1,476,150	2,835,100	192.1%
<b>Total Operating Revenues</b>		<b>35,898,150</b>	<b>40,094,100</b>	<b>111.7%</b>
<b>NON-OPERATING REVENUES</b>				
System Connection Charges		5,926,800	8,000,000	135.0%
Use of Growth Reserves		3,816,200	4,636,500	121.5%
Misc. Utility Charges		400,000	700,000	175.0%
Interest Income		100,000	600,000	600.0%
Inspection Fees		35,000	35,000	100.0%
Plan Review & FOG Permit Fees		20,000	26,000	130.0%
Rental Income		16,000	16,000	100.0%
<b>Total Non-Operating Revenues</b>		<b>10,314,000</b>	<b>14,013,500</b>	<b>135.9%</b>
<b>Total Operating &amp; Non-Operating Revenues</b>		<b>46,212,150</b>	<b>54,107,600</b>	<b>117.1%</b>
<b>OPERATING EXPENSES</b>				
Purchase of Water/Wastewater		19,377,500	21,681,000	111.9%
Maintenance Department		4,509,000	4,749,900	105.3%
Finance Department		2,502,100	2,890,000	115.5%
Engineering Department		2,288,400	2,400,300	104.9%
Information Technology Department		1,521,900	1,787,600	117.5%
Administration Department		1,286,500	1,475,500	114.7%
<b>Total Operating Expenses</b>		<b>31,485,400</b>	<b>34,984,300</b>	<b>111.1%</b>
<b>NON-OPERATING EXPENSES</b>				
Transfer for Capital Expenses - CIP		8,178,050	11,552,000	141.3%
Debt Service for RWSA Growth Projects – Water/WW		5,172,500	6,264,000	121.1%
Existing Debt Service and Amortization		580,000	579,000	99.8%
Repair, Renewal, & Rehabilitation Reserves		362,000	401,000	110.8%
Planned Equipment Replacement		234,600	270,800	115.4%
Capital Equipment Acquisition		199,600	56,500	28.3%
<b>Total Non-Operating Expenses</b>		<b>14,726,750</b>	<b>19,123,300</b>	<b>129.9%</b>
<b>Total Operating &amp; Non-Operating Expenses</b>	\$	<b>46,212,150</b>	<b>54,107,600</b>	<b>117.1%</b>
<b>CAPITAL IMPROVEMENTS FUNDING</b>				
Transfer from Operating Revenues	\$	4,269,800	4,967,200	116.3%
Transfer from 3R Reserves		1,476,150	2,835,100	192.1%
Transfer from Growth Reserves		2,432,100	3,749,700	154.2%
<b>Total Capital Improvements Funding</b>		<b>8,178,050</b>	<b>11,552,000</b>	<b>141.3%</b>
<b>CAPITAL IMPROVEMENTS EXPENSES</b>				
Water - Capital Improvement Projects		4,861,550	7,227,000	148.7%
Wastewater - Capital Improvement Projects		3,316,500	4,325,000	130.4%
<b>Total Capital Improvements Expenses</b>	\$	<b>8,178,050</b>	<b>11,552,000</b>	<b>141.3%</b>

	FY 2023 Approved Budget	FY 2024 Proposed Budget	Proposed as % of FY 2023
<b>OPERATING REVENUES</b>			
Total Volume Charges	\$ 31,422,000	33,879,000	107.8%
Total Service Charges	3,000,000	3,380,000	112.7%
Rate Stabilization Reserves	1,476,150	2,835,100	192.1%
<b>Total Operating Revenues</b>	<b>35,898,150</b>	<b>40,094,100</b>	<b>111.7%</b>
<b>NON-OPERATING REVENUES</b>			
System Connection Charges	5,926,800	8,000,000	135.0%
Use of Growth Reserves	3,816,200	4,636,500	121.5%
Misc. Utility Charges	400,000	700,000	175.0%
Interest/Investment Income	100,000	600,000	600.0%
Inspection Fees	35,000	35,000	100.0%
Plan Review & FOG Permit Fees	20,000	26,000	130.0%
Rental Income	16,000	16,000	100.0%
<b>Total Non-Operating Revenues</b>	<b>10,314,000</b>	<b>14,013,500</b>	<b>135.9%</b>
<b>Total Operating &amp; Non-Operating Revenues</b>	<b>46,212,150</b>	<b>54,107,600</b>	<b>117.1%</b>
<b>CAPITAL IMPROVEMENTS FUNDING</b>			
Transfer from Operating Revenues	\$ 4,269,800	4,967,200	116.3%
Transfer from 3R Reserves	1,476,150	2,835,100	192.1%
Transfer from Growth Reserves	2,432,100	3,749,700	154.2%
<b>Total Capital Improvements Funding</b>	<b>8,178,050</b>	<b>11,552,000</b>	<b>141.3%</b>

Operating and Non-Operating Budgeted Revenues



	FY 2023	FY 2024
<b>Total Volume Charges (monthly user rates)</b>	\$31,422,000	\$33,879,000
<b>Total Service Charges (cost of service)</b>	\$3,000,000	\$3,380,000
<b>System Connection Charges (new development fees)</b>	\$5,926,800	\$8,000,000
<b>Rate Stabilization/Growth Reserves</b>	\$5,292,350	\$7,471,600
<b>Other Revenues</b>	\$571,000	\$1,377,000
<b>Total Revenues</b>	\$46,212,150	\$54,107,600

**Total Volume Charges** - \$33,879,000; 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** - \$3,380,000; monthly service charge to reflect actual costs for metering, billing, and customer service; the budget proposes to increase the monthly service charge from \$9.45 to \$10.40 for our average customer (service charge dependent upon meter size).

**System Connection Charges** - \$8,000,000; budgeted revenues are expected to increase in FY 2024 compared to FY 2023, for new development per new ERC connections based on proposed development within the service area and engineering estimates. Proposed in this budget is an increase in system connection charges to recover costs associated with growth/capacity related infrastructure. This increase is the first since fiscal year 2017 and supports the ACSA's assertion that "growth pays for growth."

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

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

		FY 2023	FY 2024
<b>ACSA System Development Charge</b>	Water	\$1,890*	\$2,030*
	Wastewater	\$2,970*	\$3,180*
<b>RWSA Capacity Charge</b>	Water	\$4,760*	\$5,100*
	Wastewater	\$3,850*	\$4,120*
	<b>Total</b>	<b>\$13,470*</b>	<b>\$14,430*</b>
		*per ERC (equivalent residential connection)	



		<b><u>FY 2022 Actual</u></b>	<b><u>FY 2023 Estimated</u></b>	<b><u>FY 2024 Proposed</u></b>
<b>Beginning Net Position</b>	\$	<b>211,960,707</b>	<b>220,089,219</b>	<b>227,089,219</b>
Change in Net Position		8,128,512	7,000,000	<b>10,000,000</b>
<b>Ending Net Position</b>	\$	<b>220,089,219</b>	<b>227,089,219</b>	<b>237,089,219</b>
Net investment in capital assets	\$	172,031,606	180,769,219	<b>191,969,219</b>
Restricted for debt service		314,718	320,000	<b>320,000</b>
Unrestricted		47,742,895	46,000,000	<b>44,800,000</b>
<b>Ending Net Position</b>	\$	<b>220,089,219</b>	<b>227,089,219</b>	<b>237,089,219</b>

Note: The schedule above reflects audited FY 2022 changes in net position and estimates changes for FY 2023 and FY 2024. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant, and estimates related to the timing of the formal dedication of these assets can vary. Please see “Changes in Net Position” in the Budget Appendix for a schedule of historical audited data.

### Long-range Financial Plans

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

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

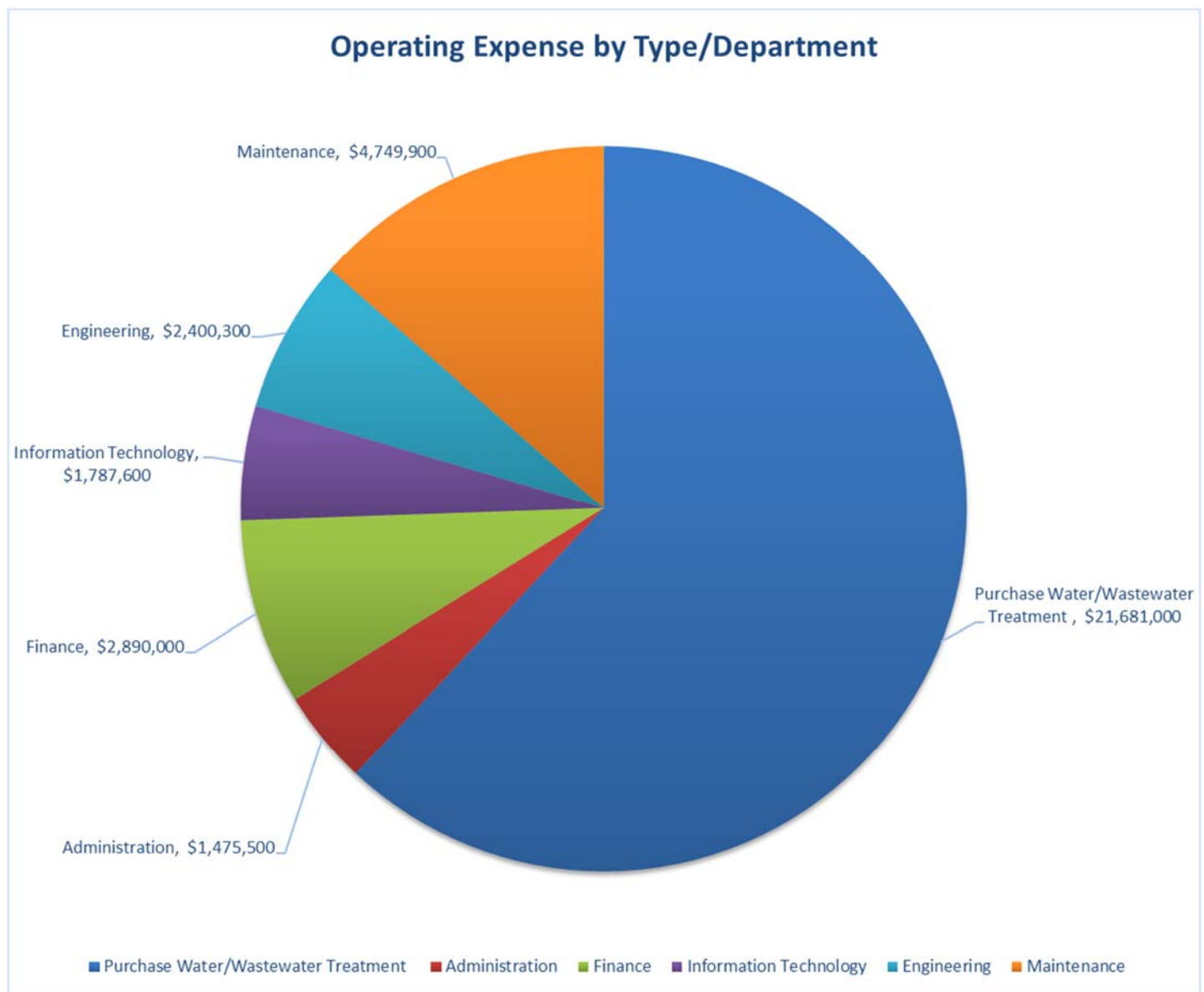
#### **The proposed FY 2024 budget supports the above noted principles by:**

- The Authority comprehensively evaluated both operating revenues (service and volume charges for water and sewer services) and non-operating revenues (system connection/development charges) through a formal rate study and analysis. This analysis utilizes long range projections of ACSA assets, expected expenses, and development and rehabilitation of the system to aide in a rate design that keeps rates/charges as low as possible over time without sacrificing regular planned reinvestment in ACSA infrastructure.
- Contributing to the ACSA’s 3R reserve in accordance with our adopted Financial Policies. This contribution to the reserve also assists the ACSA in achieving goals related to three themes in the ACSA’s Strategic Plan:
  - Asset Management – assist with planning for long-term sustainability of utility assets used in maintaining water and wastewater resources.
  - Finance – ensure that the ACSA is financially self-sustaining and fiscally strong.
  - Finance – The operating budget has been designed so that operating revenues cover operating expenses and contributes to established reserves when revenues exceed expenses. The reserves established in prior years and current year non-operating revenue financially support nonrecurring capital expenditures as those identified in the formal capital improvement program.
- The formal Capital Improvement Program (CIP) outlines estimated project costs for FY 2024 and the nine years following. These projects consist of both water and wastewater projects and include but are not limited to replacement of existing water mains, creating redundancy in the water system, identifying infiltration and inflow in our sanitary sewer system, implementation of an AMI system and an Enterprise Resource Planning system (ERP or financial system). This program helps the ACSA achieve its goals related to the following themes:
  - Asset management – assists with collaborative planning to provide future community infrastructure needs. This program also allows for long-term sustainability of utility assets by maintaining water and wastewater resources.
  - Operations – assists in managing and maintaining existing infrastructure to ensure reliable service to our customers by assessing, on an annual basis, current and future needs. This program also improves emergency preparedness and ensures we maintain or exceed industry standards for water and wastewater quality and operations. The program assists in the elimination of asbestos-cement pipe, continued sewer system rehabilitation, program to replace exclusion meters, and water pipe “saddle” connection replacement.

### ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is \$34,984,300 or a 11.1% increase. The largest single cost of the Operating Budget is purchased water and wastewater treatment from the RWSA at \$21,681,000 or 62% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2024. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at \$1,475,500, Finance at \$2,890,000, Engineering at \$2,400,300, Maintenance at \$4,749,900, and Information Technology at \$1,787,600. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2024:



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

The ACSA purchases wholesale water and wastewater treatment from the RWSA. The RWSA oversees the regional water supply at area reservoirs, operates the water treatment plants, and provides water to the ACSA through large water transmission lines. The ACSA is responsible for the retail water distribution system that serves our more than 21,900 accounts.

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

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

				<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024 Proposed</u>	<u>FY 2024 as % of FY 2023</u>
<b>RWSA EXPENSES</b>							
Purchase of Bulk Water				12,450,600	13,774,000	16,256,000	118.0%
Sewer Treatment Expense				9,685,800	10,776,000	11,689,000	108.5%
<b>Subtotal:</b>				<b>\$ 22,136,400</b>	<b>24,550,000</b>	<b>27,945,000</b>	<b>113.8%</b>
<b>RWSA EXPENSES BY SERVICE AREA</b>							
<b>WATER</b>							
	<b>Rates</b>	<b>Rates</b>	<b>Rates</b>				
	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>				
Urban	\$2.346/TG and \$388,956/mo.	\$2.648/TG and \$420,325/mo.	\$2.949/TG and \$542,282/mo.	\$ 8,890,320	9,700,072	11,820,332	121.9%
Crozet	\$242,224/mo.	\$279,641/mo.	\$301,706/mo.	2,906,688	3,355,692	3,620,472	107.9%
Scottsville	\$54,466/mo.	\$59,853/mo.	\$67,933/mo.	653,592	718,236	815,196	113.5%
<b>Total</b>				<b>\$ 12,450,600</b>	<b>13,774,000</b>	<b>16,256,000</b>	<b>118.0%</b>
<b>WASTEWATER</b>							
Urban	\$2.517/TG and \$301,820/mo.	\$2.662/TG and \$355,205/mo.	\$2.922/TG and \$383,403/mo.	\$ 8,907,611	9,908,436	10,724,309	108.2%
Scottsville	\$28,013/mo.	\$30,419/mo.	\$33,569/mo.	336,156	365,028	402,828	110.4%
Stone-Robinson School	\$30,589/annual	\$39,036/annual	\$17,267/annual	30,589	39,036	17,267	44.2%
Glenmore	\$34,287/mo.	\$38,625/mo.	\$45,383/mo.	411,444	463,500	544,596	117.5%
<b>Total</b>				<b>\$ 9,685,800</b>	<b>10,776,000</b>	<b>11,689,000</b>	<b>108.5%</b>

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 2024 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 7% is proposed based on updated findings from our compensation study consultants to remain competitive within the marketplace.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; the rate for Fiscal Year 2024 remains at 7.50% as it was in Fiscal Year 2023.
- 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.
- Three new positions recommended: Communications Manager (Administration); Customer Service Representative (Finance); IT Technician (Information Technology)
- Three job reclassifications: Project Manager to Data Analyst (Information Technology); Hydraulic Modeling Engineer to Civil Engineer (Engineering); Hydraulic Modeling Technician to Engineering Technician (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, human resource functions and Clerk for the Board of Directors.

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

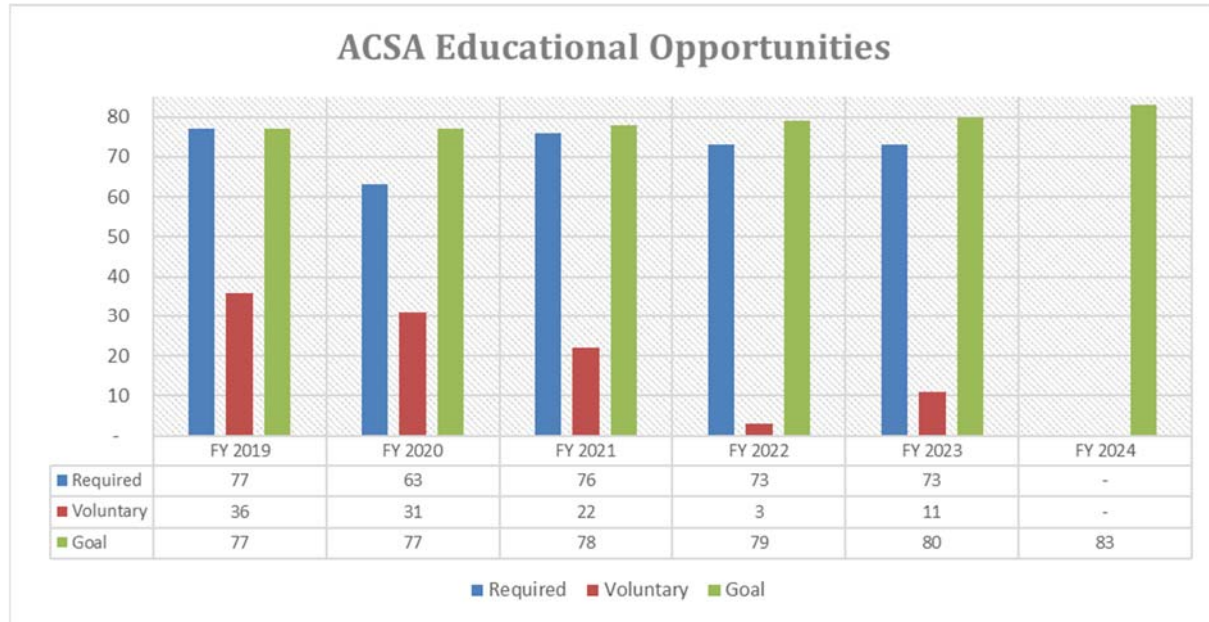
### Key initiatives and changes for FY 2024:

- Review the current employee Performance Review Evaluation Process [\(2023-2025 Strategic Plan\)](#)
- Create a Leadership Development Training Program for supervisors [\(2023-2025 Strategic Plan\)](#)
- Expand customer communications [\(2023-2025 Strategic Plan\)](#) through a variety of media, customer education and outreach by adding a full-time Communications Position within the ACSA:
  - 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).
- Continue to actively promote water conservation and environmental sustainability [\(2023-2025 Strategic Plan\)](#)
- Continue to provide training and professional development opportunities for ACSA Employees as part of the Authority's Succession Plan [\(2023-2025 Strategic Plan\)](#)
- Continue to provide safety training and initiatives for ACSA Employees [\(2023-2025 Strategic Plan\)](#)
- Support the Board of Directors in policy making

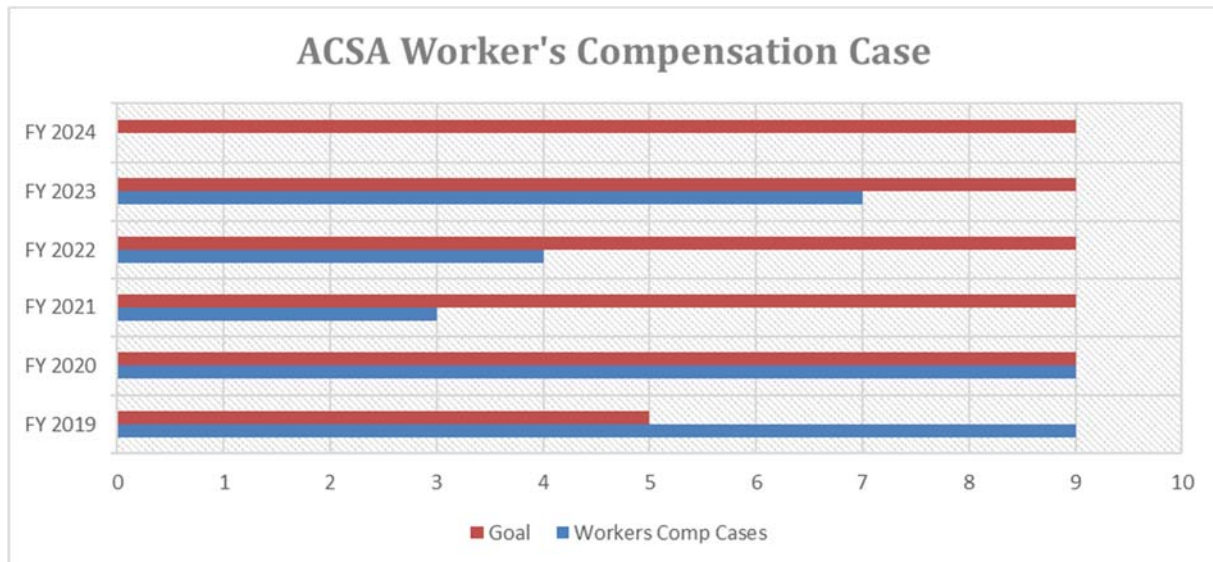


Performance Metrics:

**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	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024	
		FY 2022	Actual		Anticipated	Base	Total	as % of
		<u>Expended</u>	<u>To-Date(Feb)</u>		<u>To-EOFY 2023</u>	<u>Budget</u>	<u>Proposed</u>	<u>FY 2023</u>
<b>PERSONAL SERVICES</b>								
Compensation of Board Members	\$	12,948	9,225	13,838	17,000	17,000	100.0%	
Salaries & Wages		492,014	379,892	569,838	535,500	711,700	132.9%	
Overtime		-	-	-	3,000	3,000	100.0%	
Social Security		35,511	25,100	37,650	42,400	56,000	132.1%	
Retirement		11,983	36,676	55,014	55,200	65,900	119.4%	
Health & Benefit Dollars		54,646	42,142	63,213	72,100	101,300	140.5%	
Life Insurance		6,252	4,574	6,861	7,100	8,900	125.4%	
Workers' Compensation		424	243	365	500	600	120.0%	
Meals		-	317	476	600	600	100.0%	
Safety Incentive Program		20,785	-	-	2,000	2,000	100.0%	
Employee Incentives		12,931	22,140	33,210	35,600	35,600	100.0%	
Subtotal:		647,494	520,309	780,465	771,000	1,002,600	130.0%	
<b>OPERATING SUPPLIES</b>								
Office Supplies		6,232	2,059	3,089	5,900	5,900	100.0%	
Copier Supplies		882	770	1,155	1,800	1,900	105.6%	
Janitorial Supplies		3,110	3,668	5,502	4,200	4,200	100.0%	
Fuel, Oil, and Grease		283	758	1,137	1,900	1,700	89.5%	
Small Tools & Equipment		761	1,076	1,614	4,300	4,300	100.0%	
EMS Program		1,066	-	-	2,500	2,500	100.0%	
Subtotal:		12,334	8,331	12,497	20,600	20,500	99.5%	
<b>REPAIRS AND MAINTENANCE</b>								
Vehicle Repair and Maintenance		203	-	-	2,100	2,200	104.8%	
Subtotal:		203	-	-	2,100	2,200	104.8%	

Description	FY 2023		FY 2023		FY 2023	FY 2024	FY 2024	FY 2024
	FY 2022	Actual	Anticipated	Expenses				
	<u>Expended</u>	<u>To-Date(Feb)</u>	<u>To-EOFY 2023</u>	<u>Budget</u>	<u>Base</u>	<u>Total</u>	<u>as % of</u>	<u>FY 2023</u>
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>								
Legal	55,305	30,388	45,582	54,000	54,000	54,000	100.0%	
Consultants' Fees	108,551	74,169	111,254	60,400	20,000	20,000	33.1%	
Printing and Duplicating	2,418	2,880	4,320	29,000	23,700	23,700	81.7%	
Other Contractual Services	6,557	8,552	12,828	45,800	15,000	15,000	32.8%	
<b>Subtotal:</b>	<b>172,831</b>	<b>115,989</b>	<b>173,984</b>	<b>189,200</b>	<b>112,700</b>	<b>112,700</b>	<b>59.6%</b>	
<b>OTHER SERVICES AND CHARGES</b>								
Insurance	60,765	50,006	75,009	64,000	75,000	75,000	117.2%	
Dues and Memberships	20,022	15,415	23,123	12,000	12,300	12,300	102.5%	
Books and Periodicals	60	572	858	1,500	1,500	1,500	100.0%	
Education and Training	12,694	40,571	60,857	53,000	65,600	65,600	123.8%	
Board Member Education and Training	119	-	-	5,000	5,000	5,000	100.0%	
Travel	82	305	458	10,000	10,000	10,000	100.0%	
Advertising	15,858	8,825	13,238	33,100	33,100	33,100	100.0%	
Conservation	19,943	9,863	14,795	65,000	65,000	65,000	100.0%	
Permits	63,612	48,611	72,917	60,000	70,000	70,000	116.7%	
<b>Subtotal:</b>	<b>193,155</b>	<b>174,168</b>	<b>261,255</b>	<b>303,600</b>	<b>337,500</b>	<b>337,500</b>	<b>111.2%</b>	
<b>TOTAL ADMINISTRATION \$</b>	<b>1,026,017</b>	<b>818,797</b>	<b>1,228,201</b>	<b>1,286,500</b>	<b>1,475,500</b>	<b>1,475,500</b>	<b>114.7%</b>	
<b>NEW EQUIPMENT ACQUISITION</b>								
New Equipment Acquisition	\$ -	-	-	-	3,000	3,000	-	
<b>Total \$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	

### Finance

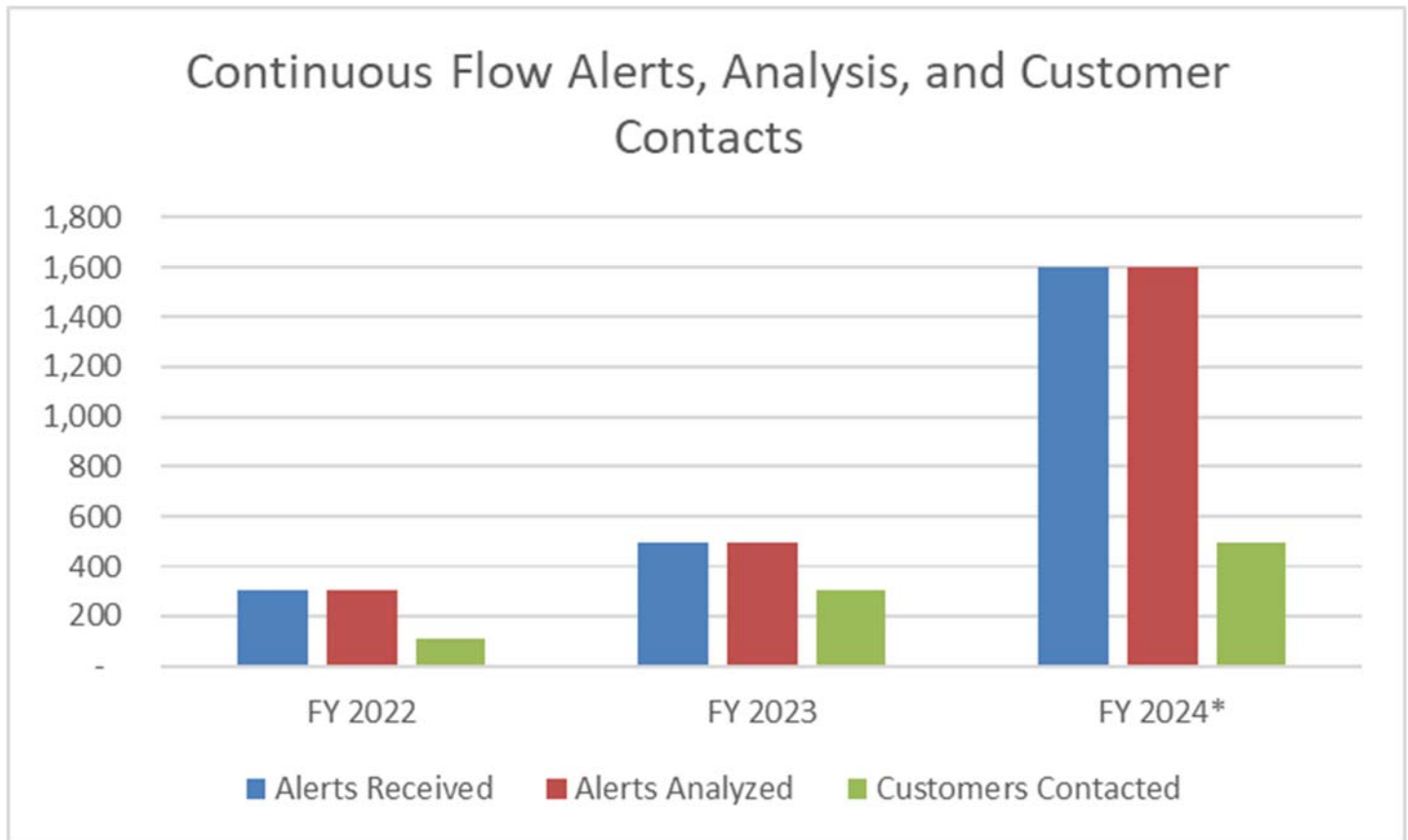
The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budget preparation, internal control, auditing, debt financing, investment management, and revenue and 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 2024:

- 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 [\(2023-2025 Strategic Plan\)](#)
- Training directed toward improving workforce skills and succession planning [\(2023-2025 Strategic Plan\)](#)
- Continue implementation of an Advanced Metering Infrastructure (AMI) system deployment and review/redesign of business processes [\(2023-2025 Strategic Plan\)](#)
- Continuation of strategic investment management
- Customer Information System (CIS) development, including billing and phone system replacements and website redesign [\(2023-2025 Strategic Plan\)](#)
- Development of customer experience vision statement and analysis of customer engagement opportunities [\(2023-2025 Strategic Plan\)](#)
- Review and documentation of business continuity from an operational and financial perspective [\(2023-2025 Strategic Plan\)](#)

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, analysis and the number of customers contacted as having potential leaks. Analysis 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 2,300 AMI meters installed and anticipates the remaining 20,000 meters to be completed 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 2024 based on historical information and future expectations. ( \* - Estimates for FY 2024)



## Finance Department

Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PERSONAL SERVICES</b>							
Salaries & Wages	\$ 1,127,065	816,983	1,225,475	1,195,600	1,379,400	1,379,400	115.4%
Overtime Pay	31,320	13,777	20,666	30,000	30,000	30,000	100.0%
Social Security	86,586	61,805	92,708	93,800	108,700	108,700	115.9%
Retirement	19,621	63,043	94,565	93,600	105,400	105,400	112.6%
Health & Benefit Dollars	178,500	136,692	205,038	196,800	195,500	195,500	99.3%
Life Insurance	13,759	10,520	15,780	16,000	18,200	18,200	113.8%
Workers' Compensation	7,014	4,578	6,867	9,400	8,500	8,500	90.4%
Meals	657	-	-	-	800	800	-
<b>Subtotal:</b>	<b>1,464,522</b>	<b>1,107,398</b>	<b>1,661,099</b>	<b>1,635,200</b>	<b>1,846,500</b>	<b>1,846,500</b>	<b>112.9%</b>
<b>OPERATING SUPPLIES</b>							
Office Supplies	9,560	6,015	9,023	14,900	19,000	19,000	127.5%
Personal Protective Equipment	1,378	925	1,388	1,500	1,600	1,600	106.7%
Fuel, Oil & Grease	18,975	13,001	19,502	30,000	23,500	23,500	78.3%
Small Tools & Equipment	142	2,372	3,558	2,200	7,800	7,800	354.5%
<b>Subtotal:</b>	<b>30,055</b>	<b>22,313</b>	<b>33,471</b>	<b>48,600</b>	<b>51,900</b>	<b>51,900</b>	<b>106.8%</b>
<b>REPAIR &amp; MAINTENANCE</b>							
Hydrant Meter Program	10,580	3,388	5,082	3,000	10,500	10,500	350.0%
Materials - Water	95,720	120,758	181,137	172,300	214,300	214,300	124.4%
<b>Subtotal:</b>	<b>106,300</b>	<b>124,146</b>	<b>186,219</b>	<b>175,300</b>	<b>224,800</b>	<b>224,800</b>	<b>128.2%</b>
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>							
Audit	33,300	34,300	34,300	34,300	35,300	35,300	102.9%
Bank and Fiscal Charges	22,116	5,828	8,742	-	26,100	26,100	-
Uniform Rental	9,131	5,670	8,505	10,900	12,000	12,000	110.1%
Consultants' Fees	85,339	25,522	38,283	118,500	52,700	52,700	44.5%
Service Contracts	180,365	149,766	224,649	184,000	369,800	369,800	201.0%
Postage	80,301	67,012	100,518	167,800	188,375	188,375	112.3%
Printing and Duplicating	16,120	12,334	18,501	30,400	15,325	15,325	50.4%
Other Contractual Services	5,010	3,170	4,755	28,700	-	-	0.0%
<b>Subtotal:</b>	<b>431,682</b>	<b>303,602</b>	<b>438,253</b>	<b>574,600</b>	<b>699,600</b>	<b>699,600</b>	<b>121.8%</b>

Description	FY 2022 <u>Expended</u>	FY 2023 Actual Expenses <u>To-Date(Feb)</u>	FY 2023 Anticipated Expenses <u>To-EOFY 2023</u>	FY 2023 <u>Budget</u>	FY 2024 <u>Base Budget</u>	FY 2024 <u>Total Proposed</u>	FY 2024 as % of <u>FY 2023</u>
<b>REPAIRS AND MAINTENANCE</b>							
Equipment Repair and Maintenance	5,166	780	1,170	9,100	9,300	9,300	102.2%
Vehicle Repair and Maintenance	3,443	11,448	17,172	7,000	8,900	8,900	127.1%
<b>Subtotal:</b>	<b>8,609</b>	<b>12,228</b>	<b>18,342</b>	<b>16,100</b>	<b>18,200</b>	<b>18,200</b>	<b>113.0%</b>
<b>OTHER SERVICES AND CHARGES</b>							
Rental of Equipment	1,912	883	1,325	14,400	13,800	13,800	95.8%
Software	156	119	179	500	500	500	100.0%
Dues and Memberships	1,015	510	765	1,300	1,400	1,400	107.7%
Books and Periodicals	655	-	-	700	600	600	85.7%
Education and Training	6,854	4,050	6,075	14,400	11,600	11,600	80.6%
Travel	4,641	2,641	3,962	21,000	21,100	21,100	100.5%
<b>Subtotal:</b>	<b>15,233</b>	<b>8,203</b>	<b>12,306</b>	<b>52,300</b>	<b>49,000</b>	<b>49,000</b>	<b>93.7%</b>
<b>TOTAL FINANCE \$</b>	<b>2,056,401</b>	<b>1,577,890</b>	<b>2,349,690</b>	<b>2,502,100</b>	<b>2,890,000</b>	<b>2,890,000</b>	<b>115.5%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ -	-	-	18,000	-	-	0.0%
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equipment Replacement	\$ -	340	510	2,500	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>340</b>	<b>510</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Engineering

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

#### Key initiatives for FY 2024:

##### Capital Improvement Budget:

- Replacement of aging, deteriorating and under-sized water mains [\(2023-2025 Strategic Plan\)](#)
- Elimination of asbestos-cement, cast iron and older PVC water mains
- Continue implementation of an Advanced Metering Infrastructure System [\(2023-2025 Strategic Plan\)](#)
- Rehabilitation and replacement of deteriorating sewer facilities [\(2023-2025 Strategic Plan\)](#)
- Improve resiliency and reliability at several pump stations [\(2023-2025 Strategic Plan\)](#)
- Complete the design and begin construction of the Avon Operations Center [\(2023-2025 Strategic Plan\)](#)
- Implementation of recommendations from Vulnerability Assessment, increasing security of critical assets [\(2023-2025 Strategic Plan\)](#)
- Vehicle Charging Stations at the ACSA Spotnap Facility [\(2023-2025 Strategic Plan\)](#)
- Extend public sanitary sewer service to an existing neighborhood currently served by private septic systems
- Increase wastewater capacity to accommodate continued growth in the development area [\(2023-2025 Strategic Plan\)](#)
- Implement CityWorks Operational Insights to help build risk model strategies for asset management [\(2023-2025 Strategic Plan\)](#)
- Customer Information System (CIS) development, including billing and phone system replacements and website redesign [\(2023-2025 Strategic Plan\)](#)
- Replacement of fire suppression system at the ACSA Spotnap Facility



Capital Improvement Budget (continued):

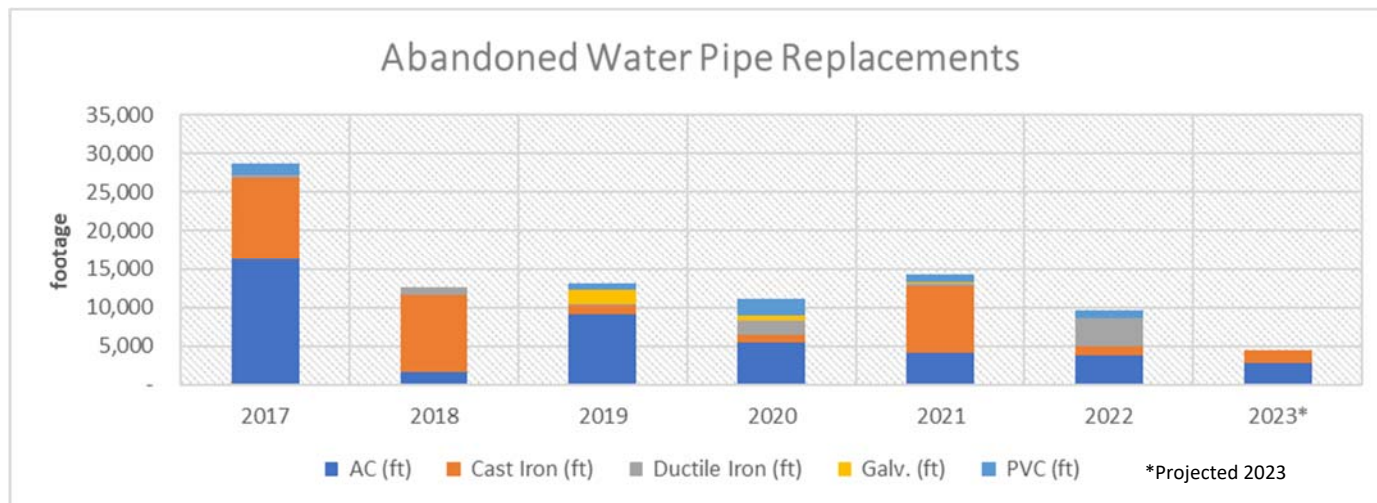
- Conduct assessment of the existing ACSA GIS and determine if a transition to the ESRI Utility Network in the ArcGIS Enterprise environment is appropriate [\(2023-2025 Strategic Plan\)](#)
- Implementation of Records Management Project to improve record compliance and reduce physical storage needs [\(2023-2025 Strategic Plan\)](#)
- Conduct data gathering and needs analysis in preparation of dashboarding development for data management [\(2023-2025 Strategic Plan\)](#)
- Establish programmatic funding for various pump station rehabilitation projects

Operating Budget:

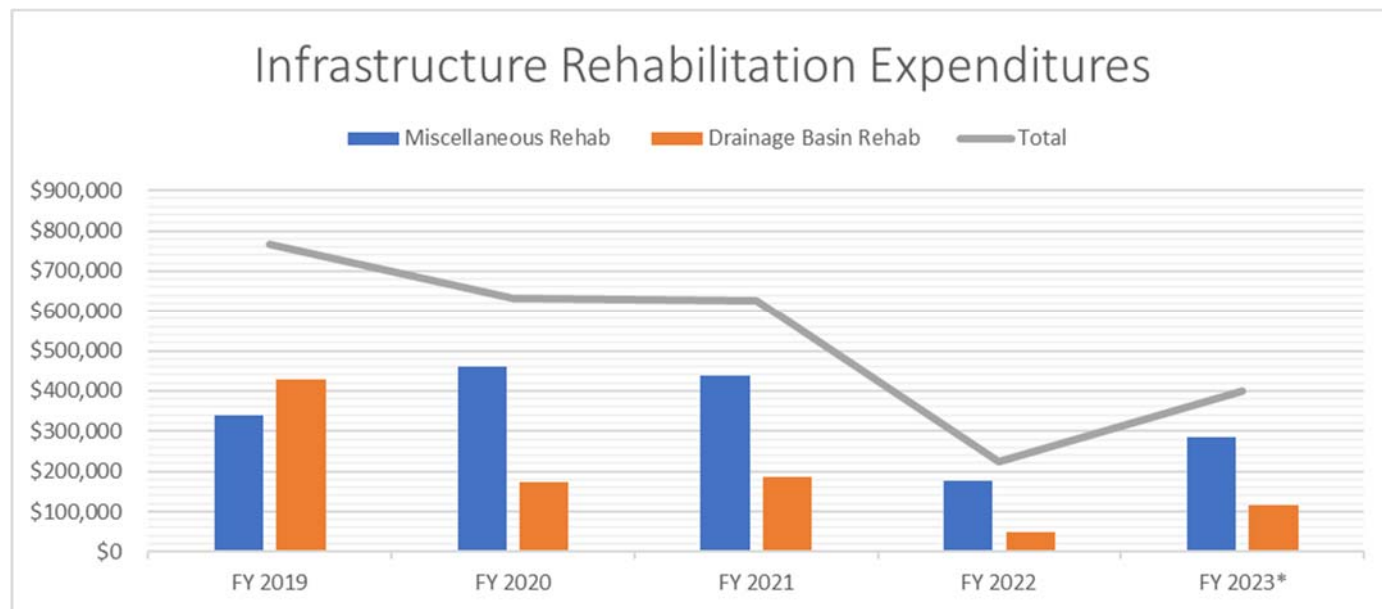
- Consolidation of hydraulic modeling efforts into existing staff and transition to a new modeling software with as-needed support from consultants [\(2023-2025 Strategic Plan\)](#)
- Purchase of ACSA's first Electric Vehicle [\(2023-2025 Strategic Plan\)](#)
- Training directed toward improving workforce skills and succession planning [\(2023-2025 Strategic Plan\)](#)
- Reclassification of the Hydraulic Modeling Engineer position to Civil Engineer and Hydraulic Modeling Technician to Engineering Technician

### 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 242,161 linear feet.



**Miscellaneous Sewer Rehabilitation** – The ACSA has a goal to invest at least \$400,000 on miscellaneous sewer rehabilitation projects each fiscal year. Sometimes instances arise where funds may be redirected but our intention is to focus on rehabilitation of our system infrastructure. The graph below shows how much is used each year on the two categories of rehabilitation in relation to our goal for miscellaneous projects. FY 2023 totals have been projected through June 2023.



\*Projected 2023

## Engineering Department

Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PERSONAL SERVICES</b>							
Salaries & Wages	\$ 1,434,275	1,085,583	1,628,375	1,624,700	1,701,000	1,701,000	104.7%
Overtime Pay	10,522	12,305	18,458	20,000	20,000	20,000	100.0%
Social Security	109,027	82,284	123,426	126,000	132,000	132,000	104.8%
Retirement	25,026	79,782	119,673	120,500	127,000	127,000	105.4%
Health & Benefit Dollars	149,828	109,167	163,751	183,100	187,400	187,400	102.3%
Life Insurance	18,498	13,734	20,601	21,000	22,000	22,000	104.8%
Workers' Compensation	11,304	6,238	9,357	12,800	15,700	15,700	122.7%
Meals	-	-	-	-	1,000	1,000	-
<b>Subtotal:</b>	<b>1,758,480</b>	<b>1,389,093</b>	<b>2,083,641</b>	<b>2,108,100</b>	<b>2,206,100</b>	<b>2,206,100</b>	<b>104.6%</b>
<b>OPERATING SUPPLIES</b>							
Personal Protective Equipment	1,400	599	899	3,800	4,200	4,200	110.5%
Fuel, Oil & Grease	21,063	14,295	21,443	32,900	30,200	30,200	91.8%
Small Tools & Equipment	20,619	9,506	14,259	17,800	18,300	18,300	102.8%
<b>Subtotal:</b>	<b>43,082</b>	<b>24,400</b>	<b>36,601</b>	<b>54,500</b>	<b>52,700</b>	<b>52,700</b>	<b>96.7%</b>
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>							
Labor-Outside	-	-	-	-	-	-	-
Uniform Rental	2,271	1,573	2,360	6,200	6,700	6,700	108.1%
Service Center	33,888	17,202	25,803	42,900	70,000	70,000	163.2%
<b>Subtotal:</b>	<b>36,159</b>	<b>18,775</b>	<b>28,163</b>	<b>49,100</b>	<b>76,700</b>	<b>76,700</b>	<b>156.2%</b>

Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PERSONAL SERVICES</b>							
<b>REPAIRS AND MAINTENANCE</b>							
Equipment Repair and Maintenance	14,260	-	-	15,600	4,400	4,400	28.2%
Vehicle Repair and Maintenance	8,620	4,037	6,056	10,800	12,000	12,000	111.1%
<b>Subtotal:</b>	<b>22,880</b>	<b>4,037</b>	<b>6,056</b>	<b>26,400</b>	<b>16,400</b>	<b>16,400</b>	<b>62.1%</b>
<b>OTHER SERVICES AND CHARGES</b>							
Dues and Memberships	1,534	750	1,125	1,700	1,800	1,800	105.9%
Books and Periodicals	109	583	875	600	800	800	133.3%
Education and Training	15,064	4,256	6,384	23,700	22,900	22,900	96.6%
Travel	6,381	1,269	1,904	24,300	22,900	22,900	94.2%
<b>Subtotal:</b>	<b>23,088</b>	<b>6,858</b>	<b>10,288</b>	<b>50,300</b>	<b>48,400</b>	<b>48,400</b>	<b>96.2%</b>
<b>TOTAL ENGINEERING</b>	<b>\$ 1,883,689</b>	<b>1,443,163</b>	<b>2,164,749</b>	<b>2,288,400</b>	<b>2,400,300</b>	<b>2,400,300</b>	<b>104.9%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ -	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equip. Replacement	\$ -	690	1,035	32,100	64,000	64,000	199.4%
<b>Total</b>	<b>\$ -</b>	<b>690</b>	<b>1,035</b>	<b>32,100</b>	<b>64,000</b>	<b>64,000</b>	<b>199.4%</b>

### Information Technology

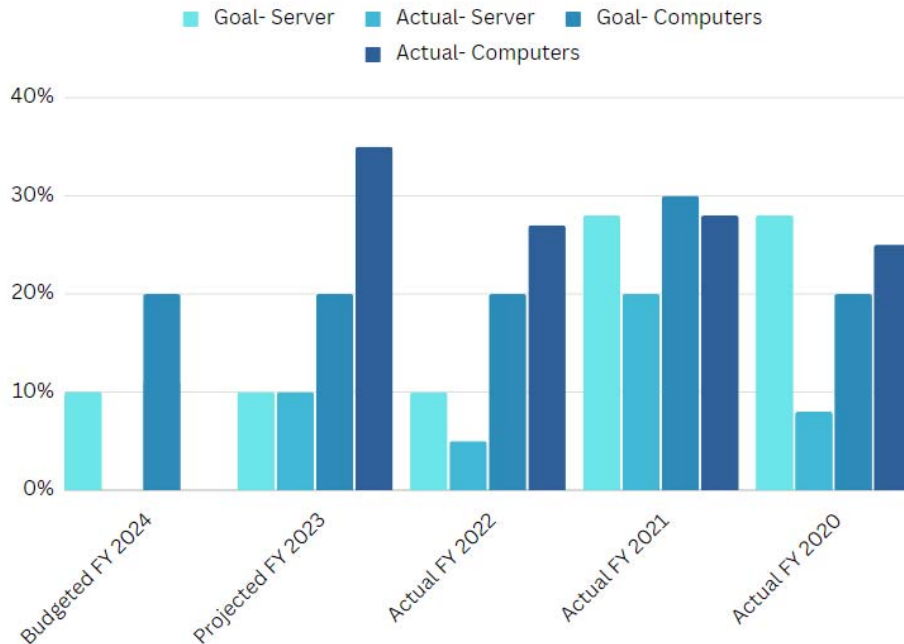
The Information Technology (IT) Department is responsible for the governance of the ACSA's technological systems, maintenance of the infrastructure and the functionality of the systems overall. We configure, deploy, and maintain business applications, services, and infrastructure. Our IT staff responsibilities encompass the implementation, management, and physical and digital security of the organization. As operational needs change, existing methods and assets are reviewed, updated, and improved for efficiency. Network and computing environments along with application initiatives are designed and deployed to support specific departmental processes, along with the collaboration of information resources. IT is responsible for all computer related hardware, software, and technology initiatives.

#### Key initiatives and changes for FY 2024:

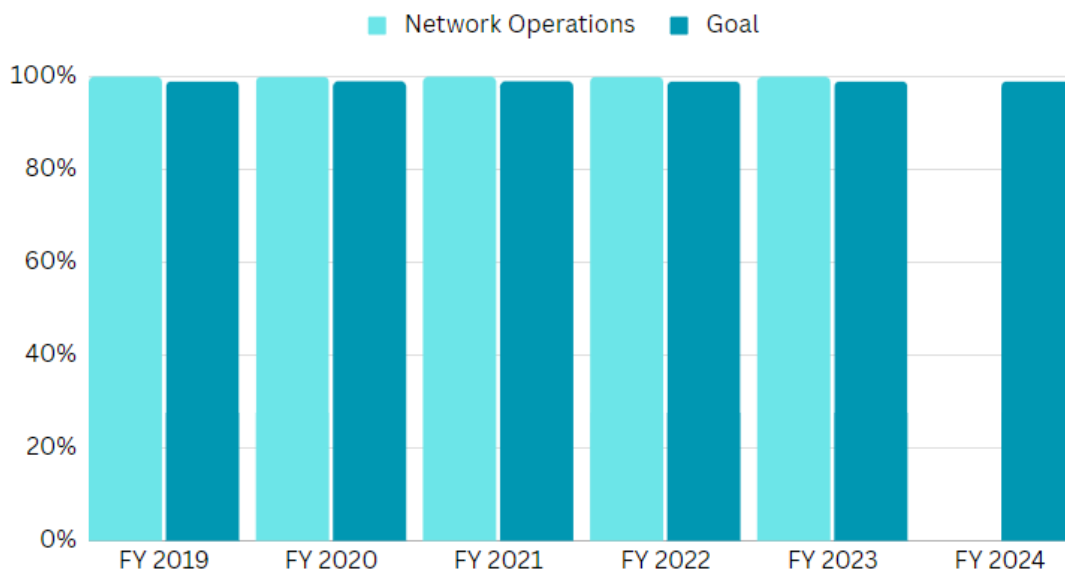
- Continue to support all ACSA staff and the various project implementations
- Continue to strengthen our data security and monitoring [\(2023-2025 Strategic Plan\)](#)
- Continue to support and improve (work orders, customer requests, asset management, and inventory) [\(2023-2025 Strategic Plan\)](#)
- Continue to collect data in the field utilizing cellular network for both GIS and CMMS [\(2023-2025 Strategic Plan\)](#)
  - Utilizing Verizon cell data plans for hotspots, smart phones, and tablets
- Replacement of servers, PCs, field tablets and mobile phones in accordance with the formalized replacement cycle
- Replace the ACSA's main firewall [\(2023-2025 Strategic Plan\)](#)
- Purchase an enterprise Document Management System and digitize our paper files [\(2023-2025 Strategic Plan\)](#)
- Support the Advanced Metering Infrastructure (AMI) implementation [\(2023-2025 Strategic Plan\)](#)
  - Utilize Verizon cell data plans for AMI Base Station communications
- Continue to maintain and upgrade our SCADA system
  - Utilize Verizon cell data plans for private networks
- Replacement of the ACSA's Phone System to improve the Customer Experience [\(2023-2025 Strategic Plan\)](#)
- Revisions to the ACSA's Website to improve the Customer Experience [\(2023-2025 Strategic Plan\)](#)
- Increased training and development of staff [\(2023-2025 Strategic Plan\)](#)
- We are proposing reclassification of a previously approved position, Project Manager to a Utility Data Analyst. The Utility Data Analyst role will be crucial to the ACSA by helping decision-makers identify interesting and important patterns in data and providing quick answers buried in tons of tables, graphs, and log files. They will be responsible for gathering, cleaning, and studying data sets to help solve problems. By analyzing our data, they can provide insights into how we can improve the processes and lead to better data insights. [\(2023-2025 Strategic Plan\)](#)
- We are also proposing a new position for an Information Technology Technician. They will be responsible for providing redundancy and support to the SCADA Technician and supporting the GIS Technician with field work, quality checks and the GPS locating of assets. In addition, they will be responsible for the installation, configuration, monitoring and maintenance of all physical security infrastructure of all ACSA locations. [\(2023-2025 Strategic Plan\)](#)

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 between 15 computers and 2 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 Actual Expenses <u>To-Date(Feb)</u>	FY 2023 Anticipated Expenses <u>To-EOFY 2023</u>	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PERSONAL SERVICES</b>							
Salaries & Wages	\$	418,688	363,570	545,355	677,200	757,000	111.8%
Overtime		2,146	1,371	2,057	3,000	5,500	183.3%
Social Security		30,254	26,639	39,959	52,100	58,400	112.1%
Retirement		7,273	28,577	42,866	55,300	60,400	109.2%
Health & Benefit Dollars		72,727	63,658	95,487	122,500	156,100	127.4%
Life Insurance		5,067	4,819	7,229	9,100	9,900	108.8%
Workers' Compensation		324	340	510	700	700	100.0%
Meals		-	-	-	-	1,000	-
<b>Subtotal:</b>		<b>536,479</b>	<b>488,974</b>	<b>733,463</b>	<b>919,900</b>	<b>1,049,000</b>	<b>114.0%</b>
<b>OPERATING SUPPLIES</b>							
Office Supplies		8,669	2,529	3,794	7,000	7,000	100.0%
Copier Supplies		205	-	-	400	400	100.0%
Personal Protective Equipment		-	-	-	-	800	-
Fuel, Oil & Grease		189	418	627	1,900	1,800	94.7%
Small Tools & Equipment		30,510	20,238	30,357	38,000	70,000	184.2%
<b>Subtotal:</b>		<b>39,573</b>	<b>23,185</b>	<b>34,778</b>	<b>47,300</b>	<b>80,000</b>	<b>169.1%</b>
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>							
Consulting Services		50,172	-	-	-	40,000	-
Service Contracts		248,027	253,103	379,655	315,500	367,700	116.5%
Telephone/Communications		106,228	66,083	99,125	137,400	160,600	116.9%
<b>Subtotal:</b>		<b>404,427</b>	<b>319,186</b>	<b>478,780</b>	<b>452,900</b>	<b>568,300</b>	<b>125.5%</b>
<b>REPAIRS AND MAINTENANCE</b>							
Vehicle Repair and Maintenance		81	-	-	1,600	1,700	106.3%
<b>Subtotal:</b>		<b>81</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>1,700</b>	<b>106.3%</b>



Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>OTHER SERVICES AND CHARGES</b>							
Software	33,132	30,594	45,891	71,200	54,900	54,900	77.1%
Dues and Memberships	-	-	-	-	800	800	-
Books and Periodicals	142	-	-	200	200	200	100.0%
Education and Training	22,192	14,165	21,248	20,000	25,000	25,000	125.0%
Travel	528	-	-	8,800	7,700	7,700	87.5%
<b>Subtotal:</b>	<b>55,994</b>	<b>44,759</b>	<b>67,139</b>	<b>100,200</b>	<b>88,600</b>	<b>88,600</b>	<b>88.4%</b>
<b>TOTAL INFORMATION TECHNOLOGY \$</b>	<b>1,036,554</b>	<b>876,104</b>	<b>1,314,160</b>	<b>1,521,900</b>	<b>1,787,600</b>	<b>1,787,600</b>	<b>117.5%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ 2,595	2,029	3,044	26,100	28,500	28,500	109.2%
<b>Total</b>	<b>\$ 2,595</b>	<b>2,029</b>	<b>3,044</b>	<b>26,100</b>	<b>28,500</b>	<b>28,500</b>	<b>109.2%</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equipment Replacement	\$ 82,875	31,489	47,234	92,500	156,800	156,800	169.5%
<b>Total</b>	<b>\$ 82,875</b>	<b>31,489</b>	<b>47,234</b>	<b>92,500</b>	<b>156,800</b>	<b>156,800</b>	<b>169.5%</b>

### Maintenance

The Maintenance Department operates its program with two primary goals. The first is upgrading and maintaining our water system so that we can provide safe and clean drinking water with minimal service disruptions at a reasonable cost. The second goal is to systematically evaluate and monitor our sewer system with our two camera vans and to perform routine flushing, rodding, and repairs to prevent potential sanitary sewer overflows. The Maintenance Department oversees a total of 19 pump stations (10 sewer and 9 water) that are critical for the operation of our system that we continuously perform preventative maintenance activities to ensure reliability. Maintenance is the ACSA's largest department, which reflects the priority that is placed on ensuring the ACSA water and sewer system is in optimum condition. Our system continues to grow every year, and the level of maintenance responsibility continues to increase.

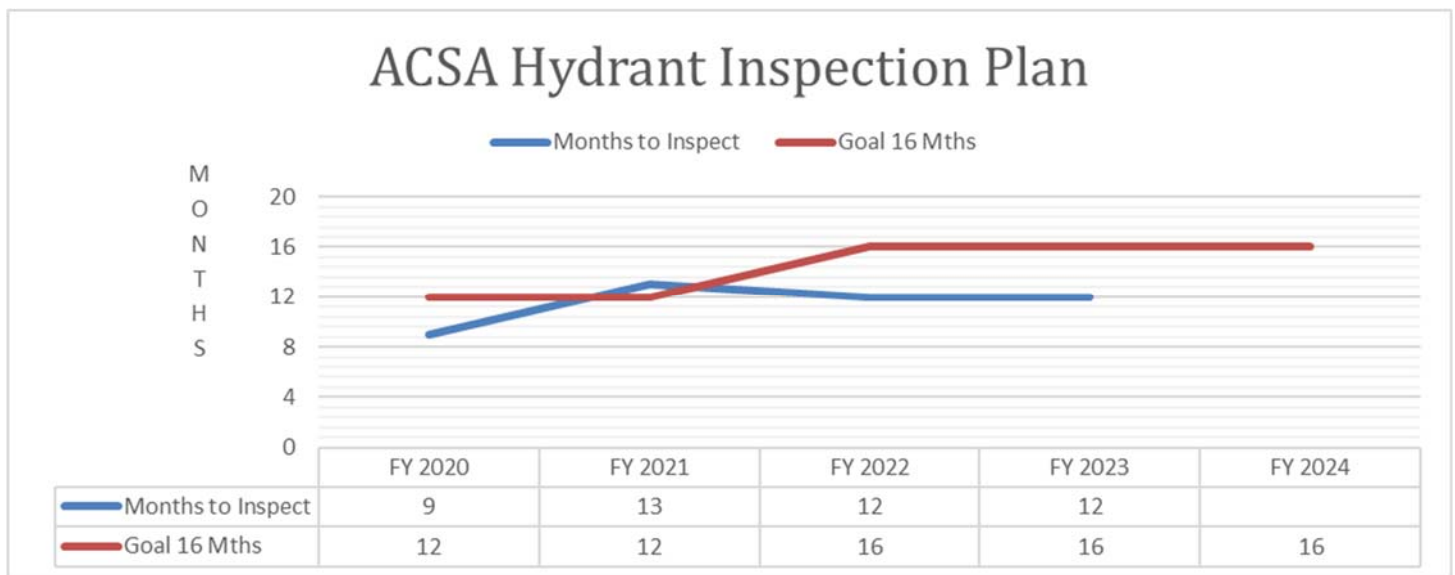
#### Key initiatives for FY 2024:

- Increased emphasis on training, specifically training related to emergency response, safety, and overall system knowledge for maintenance staff as well as operation of the CCTV equipment. The ACSA system continues to grow and with this training, ACSA staff will better understand critical areas and response protocols that are needed to minimize impacts during emergencies. Also planned is the development of a formal Business Continuity Plan for the ACSA to assure business resilience. [\(2023-2025 Strategic Plan\)](#)
- Replacing a trench compactor that has exceeded its useful life
- Refinement and continuation of use of the CityWorks work order and inventory system to leverage additional managerial oversight [\(2023-2025 Strategic Plan\)](#)
- Succession plan training for senior maintenance staff. [\(2023-2025 Strategic Plan\)](#)
- Enhanced focus on saddle replacements throughout the service area [\(2023-2025 Strategic Plan\)](#)
- Vulnerability (Risk) assessment project implementation [\(2023-2025 Strategic Plan\)](#)

## Performance Metrics

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

**ACSA Hydrant Inspection Plan** -- The ACSA has developed a process to better allow compliance with an AWWA standard that notes “all hydrants should be inspected regularly, at least once a year to ensure their satisfactory operation.” Efficiencies in the ACSA program has allowed the ACSA to exceed this goal for three of the last five years. The number of hydrants in the system continues to grow as our system expands with 114 hydrants added over the last fiscal year. The AWWA recommends valves larger than 12” be inspected once every twelve months and those less than 12” inspected once every 24 months:



## Maintenance Department

Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PERSONAL SERVICES</b>							
Salaries & Wages	\$ 1,798,760	1,344,399	2,016,599	2,172,400	2,346,000	2,346,000	108.0%
Overtime Pay	34,500	42,879	64,319	60,000	60,000	60,000	100.0%
Standby Pay	28,150	901	1,352	25,000	25,000	25,000	100.0%
Social Security	140,905	104,444	156,666	172,700	186,000	186,000	107.7%
Retirement	34,065	105,832	158,748	183,700	176,300	176,300	96.0%
Health & Benefit Dollars	275,234	191,339	287,009	385,000	364,000	364,000	94.5%
Life Insurance	23,756	17,531	26,297	28,600	29,900	29,900	104.5%
Workers' Compensation	39,827	31,438	47,157	64,600	67,700	67,700	104.8%
Meals	74	248	372	1,200	1,200	1,200	100.0%
<b>Subtotal:</b>	<b>2,375,271</b>	<b>1,839,011</b>	<b>2,758,519</b>	<b>3,093,200</b>	<b>3,256,100</b>	<b>3,256,100</b>	<b>105.3%</b>
<b>OPERATING SUPPLIES</b>							
Shop Supplies	7,685	6,080	9,120	31,800	34,600	34,600	108.8%
Personal Protective Equipment	11,078	11,074	16,611	22,500	28,000	28,000	124.4%
Fuel, Oil & Grease	76,297	56,086	84,129	92,600	97,000	97,000	104.8%
Heating Fuel	3,089	4,022	6,033	9,300	9,500	9,500	102.2%
Small Tools & Equipment	52,580	31,592	47,388	114,700	98,600	98,600	86.0%
<b>Subtotal:</b>	<b>150,729</b>	<b>108,854</b>	<b>163,281</b>	<b>270,900</b>	<b>267,700</b>	<b>267,700</b>	<b>98.8%</b>
<b>REPAIR &amp; MAINTENANCE SUPPLIES</b>							
Materials - Water	75,657	66,020	99,030	115,500	115,500	115,500	100.0%
Materials - Hydrants	32,009	21,967	32,951	58,500	49,500	49,500	84.6%
Materials - Sewer	14,126	10,554	15,831	22,000	22,000	22,000	100.0%
Building & Grounds Supplies	18,972	22,291	33,437	21,700	19,700	19,700	90.8%
Equipment Supplies	9,983	12,052	18,078	76,000	-	-	0.0%
Water Pump Station Supplies	16,968	9,798	14,697	32,800	33,100	33,100	100.9%
Sewer Pump Station Supplies	101,378	73,301	109,952	94,100	98,500	98,500	104.7%
<b>Subtotal:</b>	<b>269,093</b>	<b>215,983</b>	<b>323,976</b>	<b>420,600</b>	<b>338,300</b>	<b>338,300</b>	<b>80.4%</b>

Description	FY 2022 Expended	FY 2023 Actual Expenses To-Date(Feb)	FY 2023 Anticipated Expenses To-EOFY 2023	FY 2023 Budget	FY 2024 Base Budget	FY 2024 Total Proposed	FY 2024 as % of FY 2023
<b>PROFESSIONAL &amp; CONTRACTUAL SERVICES</b>							
Labor - Outside Contract	61,673	47,676	71,514	153,200	137,700	137,700	89.9%
Uniform Rental	29,417	17,869	26,804	28,900	29,000	29,000	100.3%
Building & Grounds Services	108,358	84,748	127,122	163,100	163,600	163,600	100.3%
Service Center	-	-	-	-	13,100	13,100	-
Other Contractual Services	926	160	240	13,000	11,300	11,300	86.9%
<b>Subtotal:</b>	<b>200,374</b>	<b>150,453</b>	<b>225,680</b>	<b>358,200</b>	<b>354,700</b>	<b>354,700</b>	<b>99.0%</b>
<b>REPAIRS AND MAINTENANCE</b>							
Equipment Repair and Maintenance	33,066	16,812	25,218	74,100	163,800	163,800	221.1%
Building & Grounds Repair and Maintenance	2,955	11,848	17,772	20,200	8,700	8,700	43.1%
Vehicle Repair and Maintenance	23,639	28,906	43,359	82,400	83,900	83,900	101.8%
<b>Subtotal:</b>	<b>59,660</b>	<b>57,566</b>	<b>86,349</b>	<b>176,700</b>	<b>256,400</b>	<b>256,400</b>	<b>145.1%</b>
<b>OTHER SERVICES AND CHARGES</b>							
Rental of Equipment	-	2,878	4,317	10,000	8,000	8,000	80.0%
Education and Training	10,537	13,590	20,385	35,300	92,400	92,400	261.8%
Travel	9,707	6,455	9,683	15,200	22,100	22,100	145.4%
Electricity - Water Pump Station	38,573	27,058	40,587	47,900	57,400	57,400	119.8%
Electricity - Sewer Pump Station	32,847	26,978	40,467	34,900	44,300	44,300	126.9%
Electricity - Shop & Office	35,823	26,749	40,124	39,300	46,600	46,600	118.6%
Permits	150	230	345	6,800	5,900	5,900	86.8%
<b>Subtotal:</b>	<b>127,637</b>	<b>103,938</b>	<b>155,908</b>	<b>189,400</b>	<b>276,700</b>	<b>276,700</b>	<b>146.1%</b>
<b>TOTAL MAINTENANCE</b>	<b>\$ 3,182,764</b>	<b>2,475,805</b>	<b>3,713,713</b>	<b>4,509,000</b>	<b>4,749,900</b>	<b>4,749,900</b>	<b>105.3%</b>
<b>NEW EQUIPMENT ACQUISITION</b>							
New Equipment Acquisition	\$ 378	50,200	75,300	155,500	25,000	25,000	16.1%
<b>Total</b>	<b>\$ 378</b>	<b>50,200</b>	<b>75,300</b>	<b>155,500</b>	<b>25,000</b>	<b>25,000</b>	<b>16.1%</b>
<b>PLANNED EQUIPMENT REPLACEMENT</b>							
Planned Equipment Replacement	\$ -	-	-	110,000	50,000	50,000	45.5%
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>50,000</b>	<b>50,000</b>	<b>45.5%</b>

The Authority does not anticipate the issuance of new debt as it will be using cash or reserves to fund capital projects for FY 2024 but will evaluate opportunities that may arise. The Authority refunded the Build America Bond (BAB) revenue bond on July 21, 2021, through the Virginia Resources Authority (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, 2021	Additions	Reductions	Balance June 30, 2022	Amounts Due Within One Year
Revenue bond	\$ 5,966,000	\$ -	\$ (5,966,000)	\$ -	\$ -
Refunding bond	\$ -	\$ 4,495,000	\$ (335,000)	\$ 4,160,000	\$ 375,000

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total Annual Debt Service
2023	375,000	203,591	578,591
2024	395,000	183,859	578,859
2025	415,000	163,103	578,103
2026	435,000	141,322	576,322
2027	460,000	118,388	578,388
2028-2031	2,080,000	220,119	2,300,119
	<b>\$ 4,160,000</b>	<b>\$ 1,030,382</b>	<b>\$ 5,190,382</b>

### Capital Equipment Purchases

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

#### Equipment – Newly acquired - \$56,500

Administration – Office furniture for proposed new position. (Budget Impact: \$3,000).

Information Technology – Information Technology has identified the need for additional IT equipment to be used by multiple departments throughout the Authority. This equipment includes additional iPad (3), GPS Unit (1), cell phone (1), computers (5), and office furniture (2) (Budget Impact: \$28,500).

Maintenance – Maintenance has identified the need for one (1) Air-Vac Excavator. (Budget Impact: \$25,000).

#### Equipment- Replacement - \$270,800

Engineering – Scheduled replacement of one (1) internal combustion fleet vehicle with an electrical fleet vehicle and office furniture. (Budget Impact: \$60,000 and \$4,000, respectively).

Information Technology – Replacement of two (2) servers, fifteen (15) computers, fifteen (15) iPads, SCADA PLCs, firewall replacement, 48 Port Server Rack Switches, and Board Room furniture in FY 2024 in accordance with the ACSA's regularly scheduled change-out policy. (Budget impact: \$16,400; \$34,500; \$31,500, \$14,000, \$15,000, \$10,400, and \$35,000, respectively).

Maintenance – Scheduled replacement of one (1) Rammax compactor (Budget impact: \$50,000).



# Capital Equipment Purchases

Description	FY 2024 Proposed <u>Budget</u>
<b><i>NEW EQUIPMENT ACQUISITION</i></b>	
Administration	\$ 3,000
Information Technology	28,500
Maintenance	25,000
<b>Total:</b>	<b>\$ <u>56,500</u></b>

<b><i>PLANNED EQUIPMENT REPLACEMENT</i></b>	
Engineering	\$ 64,000
Information Technology	156,800
Maintenance	50,000
<b>Total:</b>	<b>\$ <u>270,800</u></b>

The following is a summary of the estimated project costs to be undertaken in FY 2024:

Water Projects:	\$ 7,227,000
Wastewater Projects:	\$ 4,325,000
<b>Total:</b>	<b>\$ 11,552,000</b>

Overall, approximately 38% of the funds to be expended this fiscal year are anticipated to go towards the Avon Operations Center. On the water side, approximately 53% of these funds will be used to replace aging and undersized pipelines. On the wastewater side, over 20% of the funds will address upgrades or rehabilitation of the existing collection system to reduce infiltration and inflow (I/I). Of the total \$11,552,000 budgeted, existing projects account for \$10,182,000, while new projects are estimated at \$1,370,000.

The new projects identified in the upcoming FY 2024 CIP include the replacement of the fire suppression system at the Spotnap location, implementation of a records management system, an annual water repair and replacement contract similar to the current sewer find and fix program, and a renewed effort to maintain and update our water and wastewater pump stations. The Maintenance Department will continue to construct some of the CIP Projects. A summary of the proposed CIP projects with their anticipated funding in FY 2024 follows:

- Risk Assessment Improvements:** As part of the on-going preparedness program for the ACSA to remain resilient, a Vulnerability Assessment was completed in conjunction with our community partners. All critical assets were analyzed for risks caused by both natural and human-made hazards, using the AWWA Standard J100: *Risk and Resilience Management of Water and Wastewater Systems*. The result was a report establishing mitigation measures to lower risks and increase resiliency. Some mitigation measures such as industrial strength locks, perimeter security lighting and cameras, and access control signage have been completed. Construction of Priority 1 improvements is nearing completion and Priority 2 will follow with funds already budgeted. Additional funds are anticipated in FY 2026 to cover design and construction of Priorities 3 and 4.
  - **Previous Budgets - \$641,950**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$871,950**
- Data Management and Dashboarding:** This project satisfies one of the recommendations from the IT Security Assessment conducted in June 2021 and is also a focus area of the upcoming 2023-2025 Strategic Plan. The first phase includes consulting services to assist staff with data gathering and classification along with a detailed needs analysis of what data staff members need to have access to for their various job responsibilities. Following this data collection phase, our consultant will design and build appropriate dashboards. These dashboards will display relevant data in a graphical format for staff members while restricting their permissions to the raw data. Additionally, dashboards will provide a way for staff to utilize business intelligence and analytics for further data manipulation. The amount budgeted combined with funds previously appropriated will cover the data gathering and needs analysis phase, as well as the dashboard development. These funds are divided equally between water and wastewater projects.
  - **Previous Budgets - \$20,000**
  - **FY 2024 Budget - \$20,000**
  - **Total Project Budget - \$60,000**

3. **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 complete the assessments, develop/analyze the RFPs, and contract negotiations. These funds are divided equally between water and wastewater projects. Additional funding is anticipated in FY 2025 for full development.
- **Previous Budgets - \$50,000**
  - **FY 2024 Budget - \$150,000**
  - **Total Project Budget - \$400,000**
4. **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 will assess the state of the ACSA's GIS and recommend changes needed for successful implementation of the Utility Network and assist with this conversion. Once these changes are complete, the consultant will migrate the existing GIS database to the Utility Network, train staff on use of the technology, and provide post go-live support. The amount budgeted combined with funds previously appropriated will cover the feasibility study and implementation anticipated in FY 2024. These funds are divided equally between water and wastewater projects.
- **Previous Budgets - \$50,000**
  - **FY 2024 Budget - \$150,000**
  - **Total Project Budget - \$225,000**
5. **Energy Audit:** A comprehensive energy audit of the existing Operations Center and all pump stations was recently completed that evaluated current energy consumption and analyzed utility rate structures to identify potential cost savings. Surveys were conducted on all systems, including operation and maintenance procedures to determine where energy conservation could be improved. The amount budgeted will allow installation of Vehicle Charging Stations at the Operations Center, assuming electric vehicles are added to the ACSA fleet. These funds are divided equally between water and wastewater projects.
- **Previous Budget - \$340,000**
  - **FY 2024 Budget - \$50,000**
  - **Total Project Budget - \$390,000**
6. **Avon Operations Center:** The Avon Street 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 satellite facility, including a training area for our equipment operators. The amount budgeted is to cover clearing and grading, stormwater and utilities, and site work of this site in FY 2024. These funds are divided equally between water and wastewater projects. Additional funding will be required in FY 2025 to finish construction.
- **Previous Budgets - \$4,390,000**
  - **FY 2024 Budget - \$4,400,000**
  - **Total Project Budget - \$11,990,000**

7. **ACSA Facilities – Fire Suppression System Replacement (New)**: This project replaces the existing fire suppression system in both the Administration and Maintenance buildings here at our Operations Center. During a recent inspection, it was noted that the piping is beyond its useful life and a complete replacement was recommended. The ACSA anticipates utilizing a Design/Build Contract to perform this work. The amount budgeted is for full replacement of the system anticipated in FY 2024. These funds are divided equally between water and wastewater projects.
- **FY 2024 Budget - \$750,000**
  - **Total Project Budget - \$750,000**
8. **Records Management Project (New)**: 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. The amount budgeted will cover the purchase of scanners and software solution as well as the effort associated with document scanning. These funds are divided equally between water and wastewater projects.
- **FY 2024 Budget - \$300,000**
  - **Total Project Budget - \$325,000**
9. **Advanced Metering Infrastructure (AMI) Implementation**: This project addresses a goal in our Strategic Plan to convert our existing metering system to an AMI System. Ten collectors (antennas) and associated hardware have been installed along with more than 2,200 functioning AMI meters. Full deployment of the remaining 20,000 meters is anticipated to begin in April 2023. The amount budgeted combined with funds previously appropriated will cover the remaining efforts to achieve full deployment. These funds are divided equally between water and wastewater projects.
- **Previous Budgets - \$7,700,000**
  - **FY 2024 Budget - \$800,000**
  - **Total Project Budget - \$8,500,000**
10. **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 easement acquisition efforts will likely take the majority of FY 2024. Construction is not anticipated to occur until FY 2025 and beyond with additional funds required.
- **Previous Budgets - \$504,900**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$6,804,900**
11. **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. Design of this project is nearly complete, and construction is anticipated immediately following completion of VDOT's Morey Creek Bridge Replacement Project. The amount budgeted will allow construction to begin later in FY 2024 and will carry over into FY 2025 with additional funds required.
- **Previous Budgets - \$534,400**
  - **FY 2024 Budget - \$342,000**
  - **Total Project Budget - \$1,218,400**

- 12. 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. The design is complete and easement acquisition is nearly complete with funds previously appropriated. The amount budgeted will allow construction to begin in FY 2024 and will carry over into FY 2025 with additional funds required.
- **Previous Budgets - \$1,947,350**
  - **FY 2024 Budget - \$2,175,000**
  - **Total Project Budget - \$6,534,400**
- 13. 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 2026 – FY 2027 timeframe. Additional funding will be required based on ultimate construction schedule.
- **Previous Budgets - \$530,000**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$8,530,000**
- 14. Huntington Village Water Connection:** The existing water main that serves as the only feed into Huntington Village off Old Ivy Road is vulnerable due to an existing rock retaining wall that was constructed overtop of the water main. This project provides a second water connection into Huntington Village which is comprised of approximately 135 residential customers. Design is complete, and construction is expected to be completed in FY 2024 with funds previously budgeted.
- **Previous Budgets - \$60,700**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$60,700**
- 15. 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 crews have worked the last four years to install dedicated, ACSA-owned irrigation meters to replace these exclusion meters in our system. ACSA staff is currently evaluating alternative options that would address the remaining private exclusion meters.
- **Previous Budgets - \$527,500**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$527,500**
- 16. 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 complete this project.
- **Previous Budgets - \$100,000**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$150,000**

- 17. 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 currently underway with funds previously appropriated. Construction is expected to take place in FY 2027 with additional funding budgeted.
- **Previous Budgets - \$220,000**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$2,220,000**
- 18. 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 will also provide for an opportunity to improve fire protection to these multi-family apartments. The design phase is currently underway with funds previously appropriated. Construction of this project is anticipated to begin in late FY 2024 and carryover into FY 2025 with additional funding required.
- **Previous Budgets - \$452,500**
  - **FY 2024 Budget - \$450,000**
  - **Total Project Budget - \$3,402,000**
- 19. 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 2024 with funds previously appropriated. The amount budgeted will supplement funds previously appropriated to cover design phase efforts. Construction is expected to take place in FY 2028 with additional funds required.
- **Previous Budgets - \$170,000**
  - **FY 2024 Budget - \$30,000**
  - **Total Project Budget - \$1,300,000**
- 20. 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 2024. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project.
- **Previous Budgets - \$792,800**
  - **FY 2024 Budget - \$625,000**
  - **Total Project Budget - \$1,417,800**
- 21. 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 2024 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 2024 Budget - \$0**
  - **Total Budgets - \$6,432,300**
- 22. Annual Water Repair and Replacement (New):** ACSA staff have identified the need to establish a construction contract to complete small water main replacement projects in a more efficient and timely manner on an as-needed basis. This work will utilize a publicly bid contract that is renewable on an annual basis up to two times after the initial yearlong contract. Bidding for this contract is anticipated this spring.
- **FY 2024 Budget - \$200,000 (Annually)**

- 23. Pump Stations – Rehabilitation (New):** 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 climate control upgrades to three water pump stations and five sewer pump stations anticipated in FY 2024. 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 2024 Budget - \$120,000 (Ongoing, Needs Dependent)**
- 24. 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 2026, with additional funding required.
- **Previous Budgets - \$483,800**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$6,183,800**
- 25. 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 2026 – FY 2027 timeframe with additional funding required.
- **Previous Budgets - \$70,000**
  - **FY 2024 Budget - \$0**
  - **Total Project Budget - \$650,000**
- 26. Madison Office Park Pump Station Upgrade:** This wastewater pump station was constructed in the early 1980's by private development and the original equipment is wearing down. In addition, the building is undersized, creating difficulty in performing routine maintenance, and making it impossible to install the control panels necessary to include this pump station in our SCADA System. A contract has been executed and construction activities to replace the pump station are expected to occur in the first half of FY 2024. The amount budgeted combined with funds previously appropriated should cover construction costs anticipated for this project.
- **Previous Budgets - \$1,550,000**
  - **FY 2024 Budget - \$390,000**
  - **Total Project Budget - \$1,940,000**
- 27. 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 yearlong contract. It will be used to make repairs and rehabilitate problems in our system found with systematic CCTV inspection by ACSA crews and the subcontractor.
- **FY 2024 Budget - \$500,000 (Annually)**



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

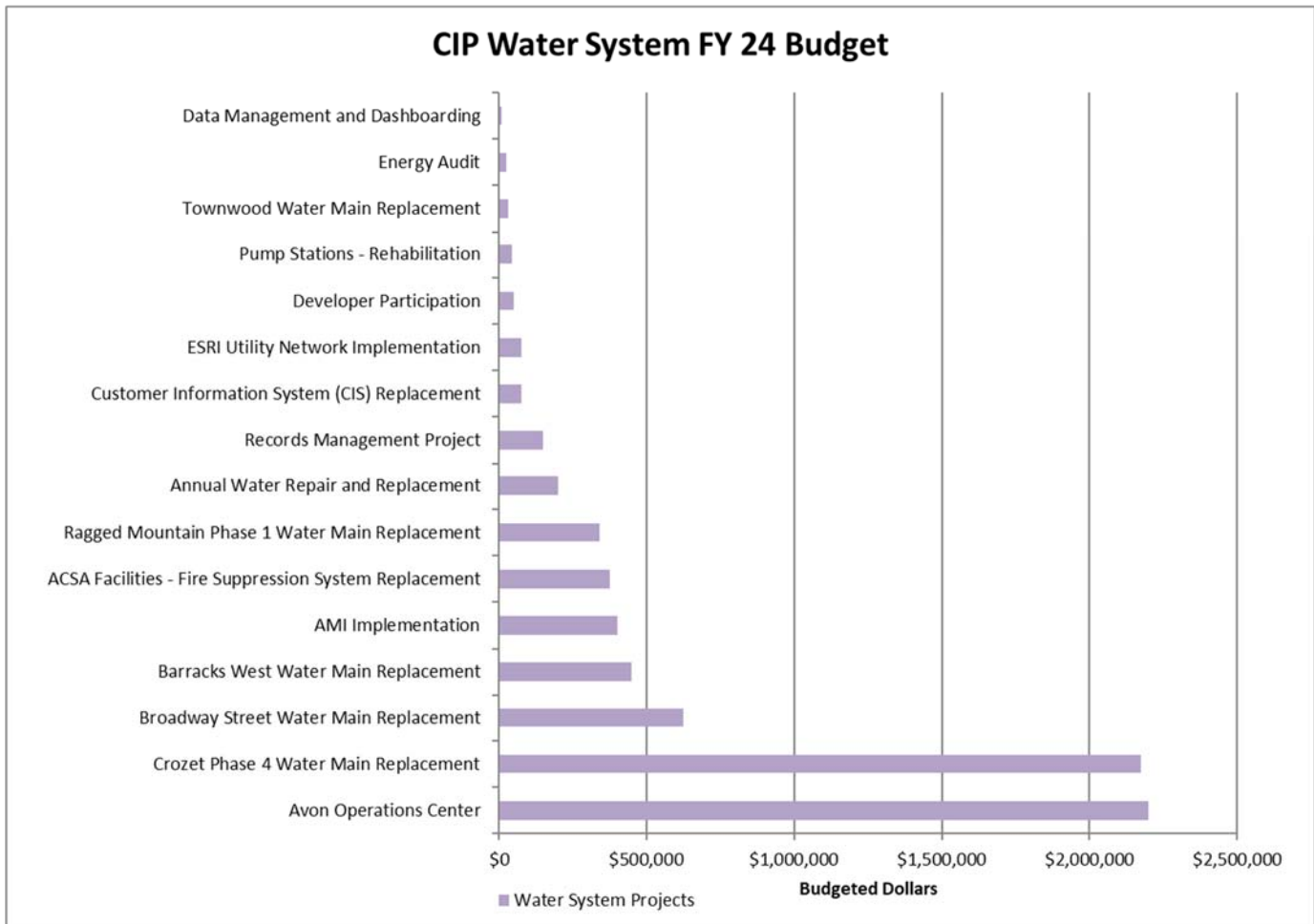
- **Previous Budgets - \$393,715**
- **FY 2024 Budget - \$0**
- **Total Project Budget - \$6,393,715**

**29. 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 2024 Budget - \$100,000 (Annually)**

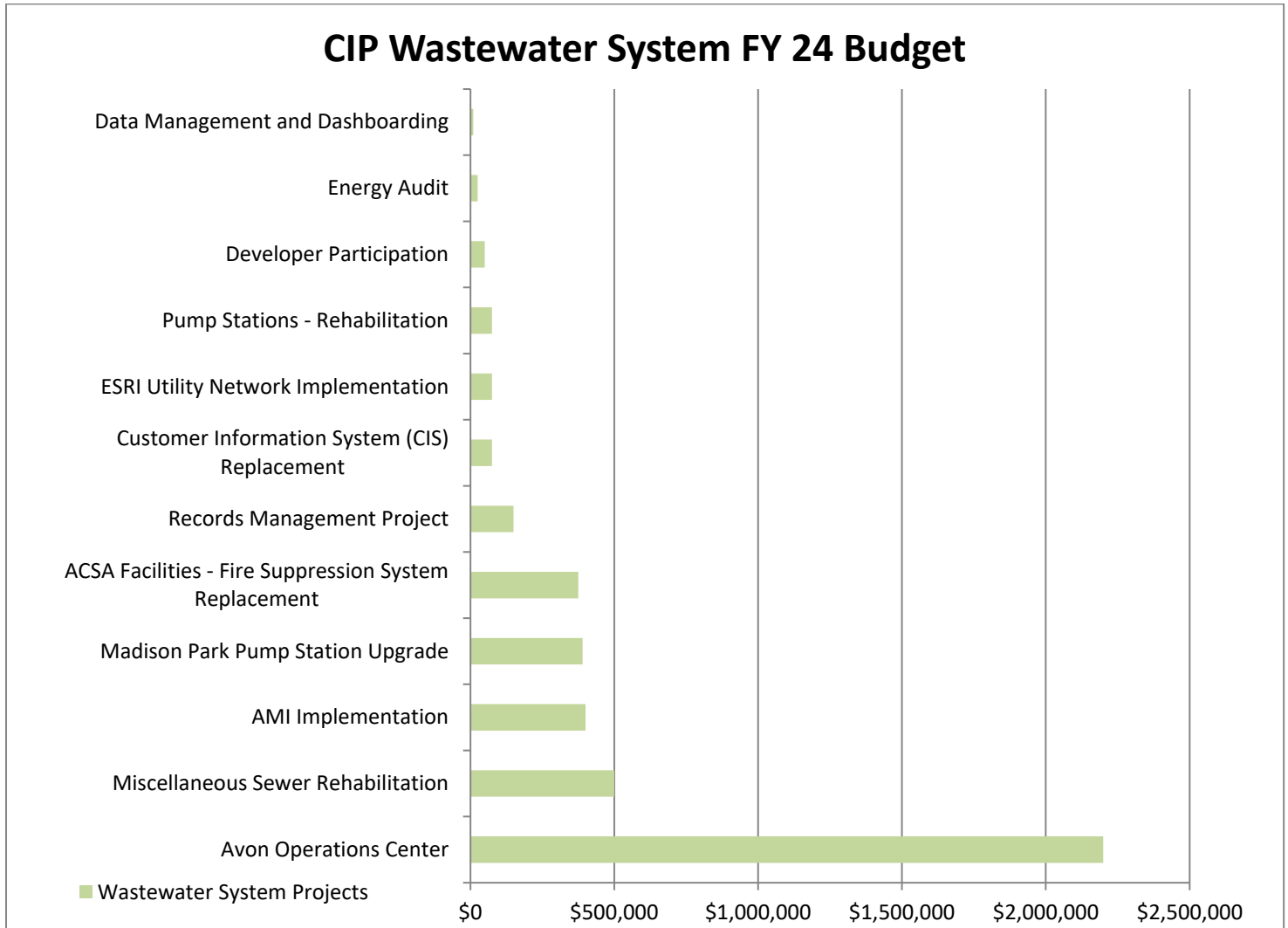
Albemarle County Service Authority Water & Sewer Rate Model													
CAPITAL IMPROVEMENT PROJECTS													
Water System	Percent Growth	2023 Adopted	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast	10-Year Forecast
Risk Assessment Improvements	0%	\$ -	\$ -		\$ 230,000								\$ 230,000
Data Management and Dashboarding	100%	\$ 10,000	\$ 10,000	\$ 10,000									\$ 20,000
Customer Information System (CIS) Replacement	80%	\$ 25,000	\$ 75,000	\$ 100,000									\$ 175,000
ESRI Utility Network Implementation	100%	\$ 25,000	\$ 75,000	\$ 12,500									\$ 87,500
Cityworks Operational Insights Implementation	100%	\$ 22,500											\$ -
Energy Audit	0%	\$ 20,000	\$ 25,000										\$ 25,000
Avon Operations Center	100%	\$ 1,875,000	\$ 2,200,000	\$ 1,600,000									\$ 3,800,000
ACSA Facilities - Security System Upgrade	100%	\$ 85,000											\$ -
ACSA Facilities - Fire Suppression System Replacement	0%		\$ 375,000										\$ 375,000
Records Management Project	80%		\$ 150,000	\$ 12,500									\$ 162,500
AMI Implementation	80%	\$ -	\$ 400,000										\$ 400,000
Scottsville Phase 4 Water Main Replacement	50%	\$ 100,000	\$ -	\$ 3,725,000	\$ 2,575,000								\$ 6,300,000
Story Point Water Main Replacement	0%	\$ -							\$ 325,000				\$ 325,000
Ragged Mountain Phase 1 Water Main Replacement	0%	\$ 417,000	\$ 342,000	\$ 342,000									\$ 684,000
Crozet Phase 4 Water Main Replacement	20%	\$ 1,412,050	\$ 2,175,000	\$ 2,412,050									\$ 4,587,050
Crozet Phase 5 Water Main Replacement	0%					\$ 415,000	\$ 415,000		\$ 3,000,000	\$ 3,000,000			\$ 6,830,000
Rt 785 Water Main Replacement	0%					\$ 60,000	\$ 350,000						\$ 410,000
Carrsbrook Water Main Replacement	0%				\$ 515,000	\$ 515,000		\$ 4,500,000	\$ 2,500,000				\$ 8,030,000
Northfields Water Main Replacement	0%	\$ -	\$ -		\$ 4,000,000	\$ 4,000,000							\$ 8,000,000
Wakefield Water Main Replacement	0%				\$ 160,000		\$ 1,000,000						\$ 1,160,000
Huntington Village Water Connection	0%	\$ -	\$ -										\$ -
Old Forge Water Main Replacement	0%								\$ 300,000		\$ 1,850,000		\$ 2,150,000
Airport Acres Water System	100%									\$ 350,000		\$ 1,100,000	\$ 1,450,000
Parkview Drive Water Connection	50%	\$ -											\$ -
Lewis Hill - West Leigh Water Connection	0%												\$ -
Exclusion Meters Replacement	0%	\$ -	\$ -										\$ -
Pipe Saddles Replacement	0%	\$ -	\$ -				\$ 50,000						\$ 50,000
Glenorchy - Viewmont Court Water Extension	100%											\$ 200,000	\$ 200,000
Ashcroft Water Main Replacement	0%									\$ 700,000		\$ 1,945,000	\$ 2,645,000
Briarwood Water Main Replacement	0%	\$ -	\$ -			\$ 2,000,000							\$ 2,000,000
Barracks West Water Main Replacement	0%	\$ -	\$ 450,000	\$ 2,500,000									\$ 2,950,000
Riverton Water Main Replacement	0%								\$ 260,000		\$ 1,650,000		\$ 1,910,000
Townwood Water Main Replacement	0%	\$ 170,000	\$ 30,000				\$ 1,100,000						\$ 1,130,000
North Pines Water Main Replacement	0%									\$ 550,000		\$ 1,775,000	\$ 2,325,000
Lewis Hill Water Main Replacement	0%									\$ 460,000		\$ 1,500,000	\$ 1,960,000
Ivy Oaks Water Main Replacement	0%								\$ 450,000		\$ 1,375,000	\$ 1,375,000	\$ 3,200,000
Broadway Street Water Main Replacement	50%	\$ 650,000	\$ 625,000										\$ 625,000
Holymead Phase 2 Water Main Replacement	0%									\$ 280,000		\$ 1,750,000	\$ 2,030,000
Canterbury Hills Phase 2 Water Main Replacement	0%								\$ 590,000			\$ 1,900,000	\$ 2,490,000
Mosby Mountain Pressure Zone - Additional Storage	50%				\$ 105,000		\$ 1,400,000						\$ 1,505,000
Branchlands PVC Water Main Replacement	0%						\$ 260,000	\$ 260,000		\$ 1,640,000	\$ 1,640,000		\$ 3,800,000
Raintree and Fieldbrook PVC Water Main Replacement	0%	\$ -	\$ -			\$ 2,000,000	\$ 4,000,000						\$ 6,000,000
Annual Water Repair and Replacement	0%		\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 2,000,000
Pump Stations - Rehabilitation	0%		\$ 45,000			\$ 50,000	\$ 35,000						\$ 130,000
Developer Participation	100%	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
													\$ -
Total Water Capital Projects		\$ 4,861,550	\$ 7,227,000	\$ 10,964,050	\$ 7,835,000	\$ 9,290,000	\$ 8,860,000	\$ 5,010,000	\$ 7,675,000	\$ 7,230,000	\$ 6,765,000	\$ 11,795,000	\$ 82,651,050

	Percent	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	10-Year
<b>Wastewater System</b>	Growth	Adopted	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Data Management and Dashboarding</b>	100%	\$ 10,000	\$ 10,000	\$ 10,000									\$ 20,000
<b>Customer Information System (CIS) Replacement</b>	80%	\$ 25,000	\$ 75,000	\$ 100,000									\$ 175,000
<b>ESRI Utility Network Implementation</b>	100%	\$ 25,000	\$ 75,000	\$ 12,500									\$ 87,500
Cityworks Operational Insights Implementation	100%	\$ 22,500											\$ -
<b>Energy Audit</b>	0%	\$ 20,000	\$ 25,000										\$ 25,000
<b>Avon Operations Center</b>	100%	\$ 1,875,000	\$ 2,200,000	\$ 1,600,000									\$ 3,800,000
ACSA Facilities - Security System Upgrade	100%	\$ 73,000											\$ -
<b>ACSA Facilities - Fire Suppression System Replacement</b>	0%		\$ 375,000										\$ 375,000
<b>Records Management Project</b>	80%	\$ -	\$ 150,000	\$ 12,500									\$ 162,500
<b>AMI Implementation</b>	80%	\$ -	\$ 400,000										\$ 400,000
<b>Airport Trunk Sewer Upgrade</b>	100%	\$ 115,000	\$ -		\$ 2,000,000	\$ 3,700,000							\$ 5,700,000
<b>Northfields Sewer</b>	100%	\$ 70,000	\$ -		\$ 290,000	\$ 290,000			\$ 918,000	\$ 918,000			\$ 2,416,000
Buckingham Circle Sewer	100%							\$ 600,000	\$ 600,000				\$ 1,200,000
<b>Madison Park Pump Station Upgrade</b>	50%	\$ 425,000	\$ 390,000										\$ 390,000
Carrsbrook Collection System	100%				\$ 900,000	\$ 900,000		\$ 4,500,000	\$ 3,200,000				\$ 9,500,000
Hessian Hills Sewer Phase III	100%						\$ 125,000						\$ 125,000
<b>Miscellaneous Sewer Rehabilitation</b>	0%	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 5,000,000
Ednam Forest Sewer	100%						\$ 500,000			\$ 5,350,000	\$ 5,350,000		\$ 11,200,000
Brookwood Road Sewer Extension	100%							\$ 21,000					\$ 21,000
Buck Road Sewer Extension	100%							\$ 40,000					\$ 40,000
Park Road Sewer Extension	100%							\$ 80,500					\$ 80,500
Airport Acres Sewer	100%								\$ 510,000			\$ 2,890,000	\$ 3,400,000
Airport Acres Offsite Sewer	100%							\$ 200,000			\$ 1,200,000		\$ 1,400,000
<b>Bellair - Liberty Hills Sewer</b>	100%	\$ -	\$ -	\$ 2,500,000	\$ 3,500,000								\$ 6,000,000
Biscuit Run Sewer Replacement	0%	\$ 206,000											\$ -
<b>Pump Stations - Rehabilitation</b>	0%		\$ 75,000			\$ 50,000	\$ 887,000			\$ 210,000	\$ 92,000		\$ 1,314,000
<b>Developer Participation</b>	100%	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 500,000
<b>Total Sewer Capital Projects</b>		\$ 3,316,500	\$ 4,325,000	\$ 4,785,000	\$ 7,240,000	\$ 5,490,000	\$ 2,062,000	\$ 5,991,500	\$ 5,778,000	\$ 7,028,000	\$ 7,192,000	\$ 3,440,000	\$ 53,331,500
<b>TOTAL CAPITAL IMPROVEMENT PROJECTS</b>		\$ 8,178,050	\$ 11,552,000	\$ 15,749,050	\$ 15,075,000	\$ 14,780,000	\$ 10,922,000	\$ 11,001,500	\$ 13,453,000	\$ 14,258,000	\$ 13,957,000	\$ 15,235,000	\$ 135,982,550

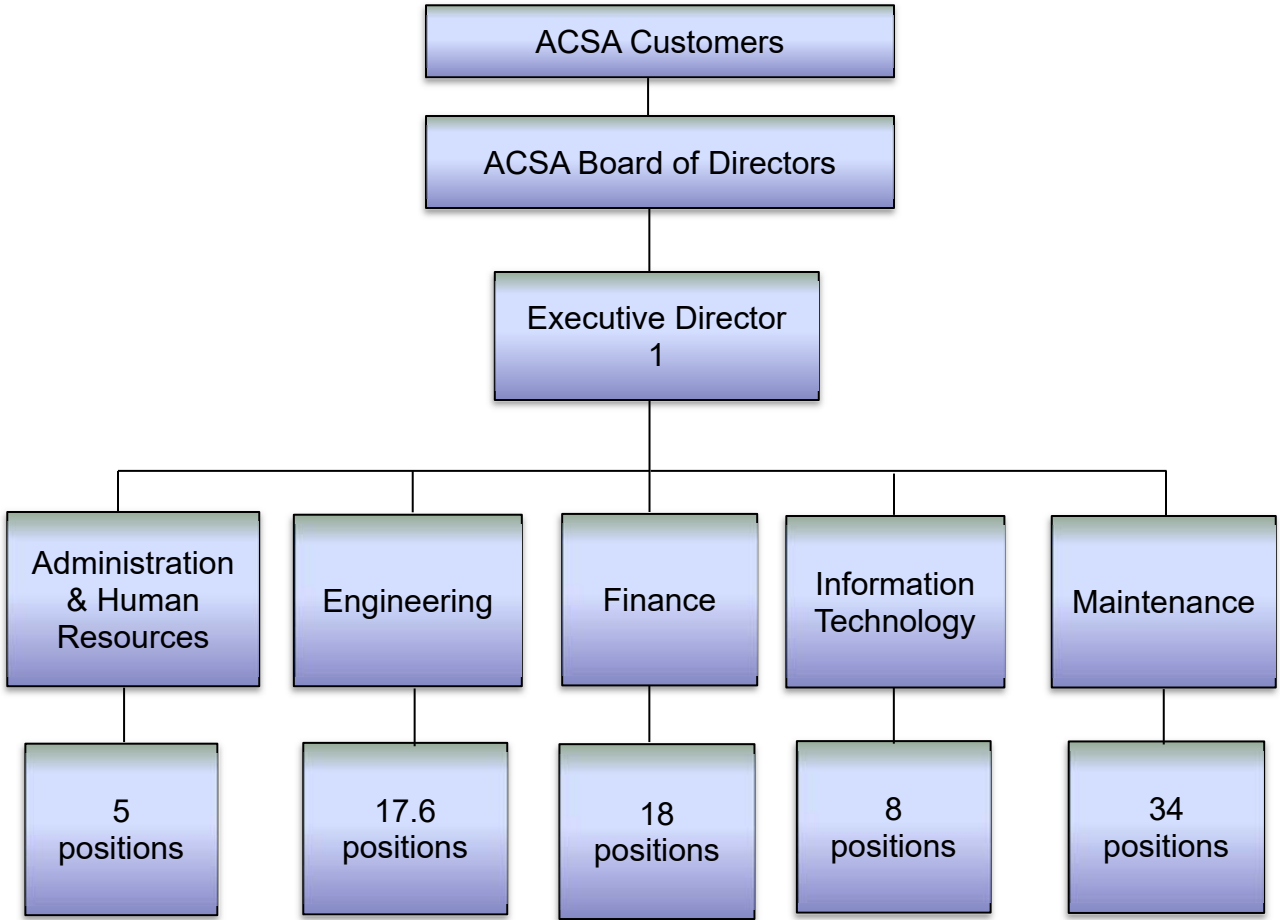
The following is an illustration of estimated water system project costs to be undertaken in FY 2024:



The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2024:



# ACSA Organizational & Personnel Chart Proposed FY 2024



Note: Three new positions proposed in Fiscal Year 2024 and can be noted on the following page by the “\*”. Three positions reclassified and can be noted on the following page by “\*\*”. Please see detail descriptions within the Administration, Engineering, Finance, and Information Technology summaries.

## ACSA Departmental Staffing – FY 2024

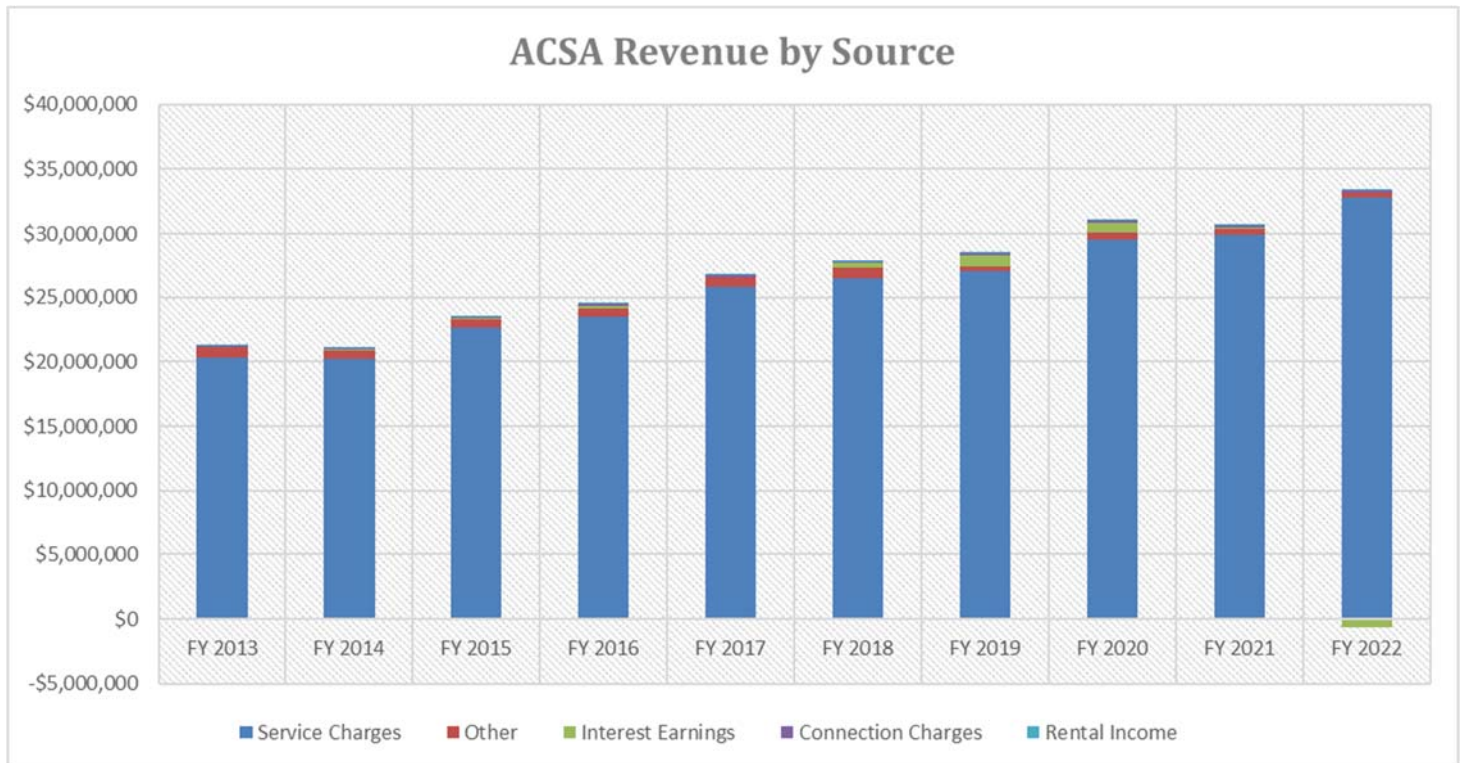
		FY 2022 Positions	FY 2023 Positions	FY 2024 Proposed Positions
<b>ADMINISTRATION</b>	Executive Director	1	1	1
	Director of Human Resources & Admin.	1	1	1
	Administrative Office Assoc.	1	1	1
	Executive Assistant	1	1	1
	Human Resources Tech.	1	1	1
	<b>Communications Manager (Proposed)</b>	-	-	1*
<b>INFO. TECH.</b>	Director of Information Technology	1	1	1
	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
	Project Manager	-	1	-**
	Data Analyst	-	-	1**
	<b>IT Technician (Proposed)</b>	-	-	1*
<b>FINANCE</b>	Director of Finance	1	1	1
	Accounting Supervisor	1	1	1
	Meter Operations Supervisor	1	1	1
	Customer Service Supervisor	1	1	1
	Sr. Customer Service Rep.	1	1	1
	Sr. Meter Technician	1	1	1
	Procurement and Fin. Specialist	1	1	1
	Payroll and Rev. Specialist	1	1	1
	Accounting Clerk	1	1	1
	<b>Customer Service Rep. I/II (Proposed)</b>	4	4	5*
	Meter Technician I/II	4	4	4
<b>ENGINEERING</b>	Director of Engineering	1	1	1
	Civil/Sr. Civil Engineer	3	3	4**
	Modeling Engineer	1	1	-**
	Env. Compliance Specialist	1	1	1
	Reg. Compliance Specialist	1	1	1
	Construction Inspector	5	5	5
	Sr. Utility Location Tech/Utility Loc. Tech.	3	3	3
	Engineering Tech.	1	1	2**
	Hydraulic Modeling Tech.	1	1	-**
	P.T. Engineering Intern	0.6	0.6	0.6
<b>MAINTENANCE</b>	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
<b>TOTAL</b>		<b>79.6</b>	<b>80.6</b>	<b>83.6</b>



## Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest/Invest. Earnings (Loss)	Other	Total
2013	20,312,821	102,275	43,656	19,745	836,157	21,314,654
2014	20,254,140	92,788	33,810	110,135	621,330	21,112,203
2015	22,641,543	96,992	33,437	102,469	680,717	23,555,158
2016	23,460,681	117,728	27,645	215,035	675,878	24,496,967
2017	25,786,007	138,553	17,213	59,576	738,948	26,740,297
2018	26,453,332	140,451	16,603	348,572	843,004	27,801,962
2019	27,053,948	135,007	16,603	946,599	364,584	28,516,741
2020	29,502,041	147,876	16,603	733,385	639,080	31,038,985
2021	29,883,684	141,043	15,539	82,900	532,947	30,656,113
2022	32,825,048	131,415	18,357	(631,795)	363,569	32,706,594

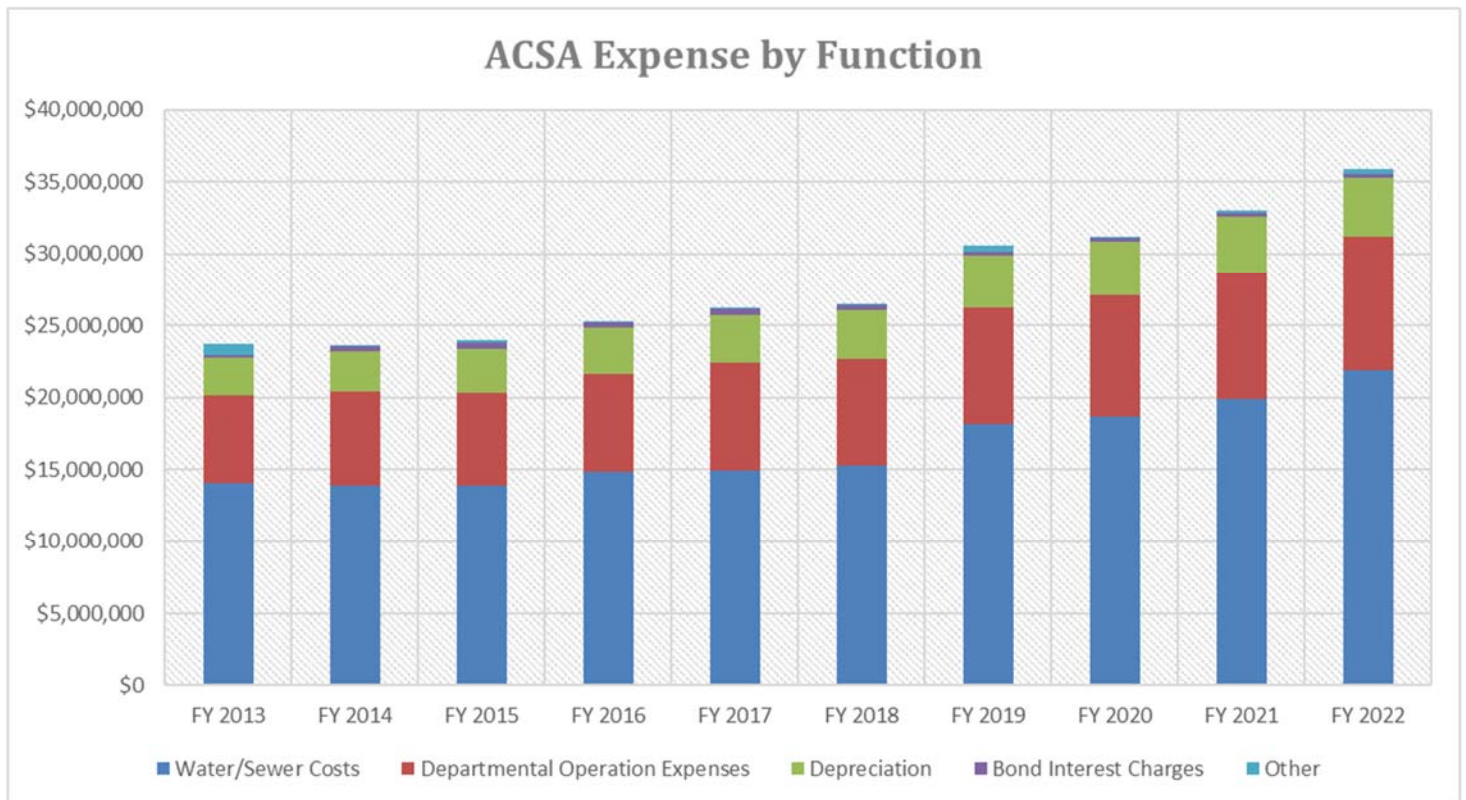
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.



### Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
2013	14,027,324	6,150,195	152,232	2,556,232	825,500	23,711,483
2014	13,849,536	6,524,651	360,711	2,819,633	2,032	23,556,563
2015	13,901,732	6,433,114	414,813	3,026,916	193,203	23,969,778
2016	14,795,643	6,843,659	395,056	3,158,144	22,163	25,214,665
2017	14,928,569	7,501,581	374,726	3,302,779	4,761	26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501
2019	18,154,657	8,076,009	332,183	3,625,254	438,731	30,626,834
2020	18,694,581	8,441,727	309,946	3,669,899	7,553	31,123,706
2021	19,858,509	8,845,385	287,044	3,898,244	161,972	33,051,154
2022	21,923,767	9,271,273	235,937	4,114,076	325,933	35,870,986

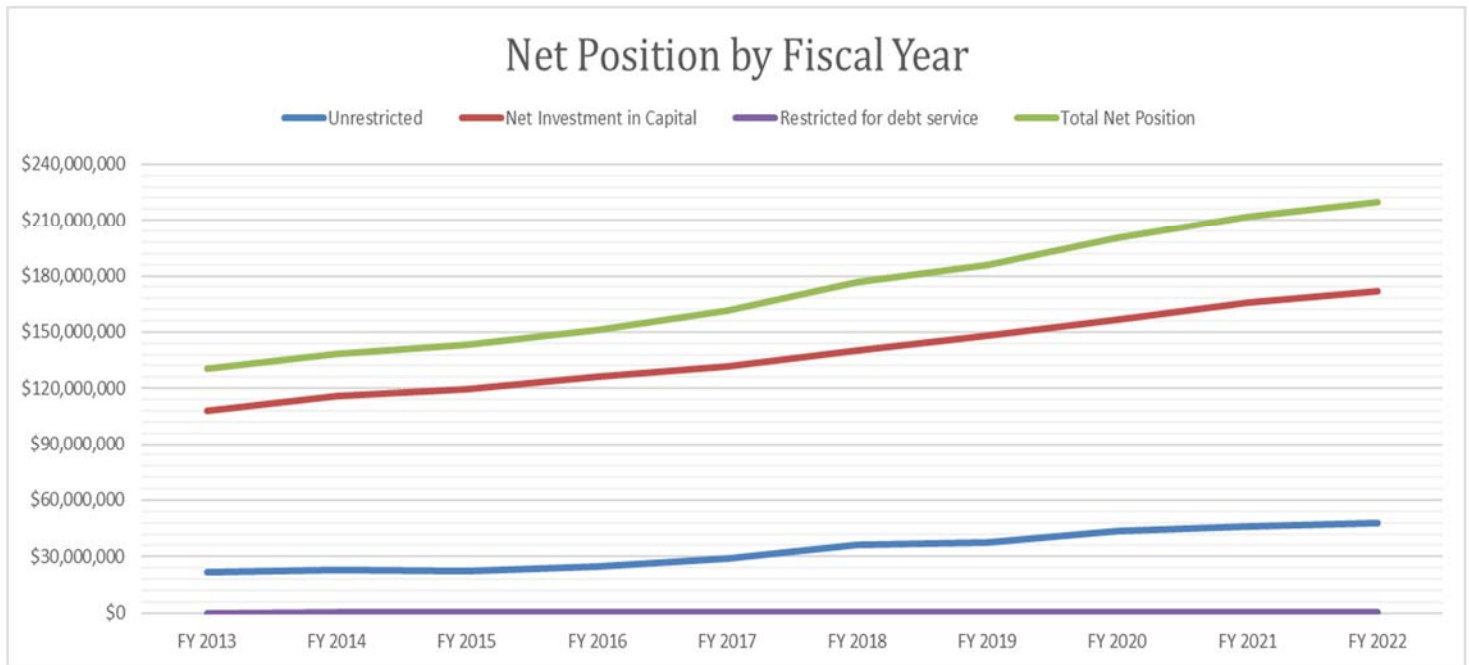
Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.



## 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
2013	125,050,125	108,233,265	223,963	21,876,992	130,334,220	5,284,095
2014	130,334,220	115,617,250	229,688	22,782,549	138,629,487	8,295,267
2015*	135,919,461	119,714,145	234,890	22,276,215	142,225,250	6,305,789
2016*	142,225,250	126,311,674	240,591	24,423,916	150,976,181	8,750,931
2017	150,976,181	131,997,020	247,015	29,077,339	161,321,374	10,345,193
2018*	159,966,301	140,238,885	255,835	36,007,519	176,502,239	16,535,938
2019	176,502,239	148,180,254	264,343	37,580,516	186,025,113	9,522,874
2020	186,025,113	156,610,823	269,790	43,394,497	200,275,110	14,249,997
2021	200,275,110	165,640,741	272,895	46,047,071	211,960,707	11,685,597
2022	211,960,707	172,031,606	314,718	47,742,895	220,089,219	8,128,512

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



County Demographic and Economic Statistics

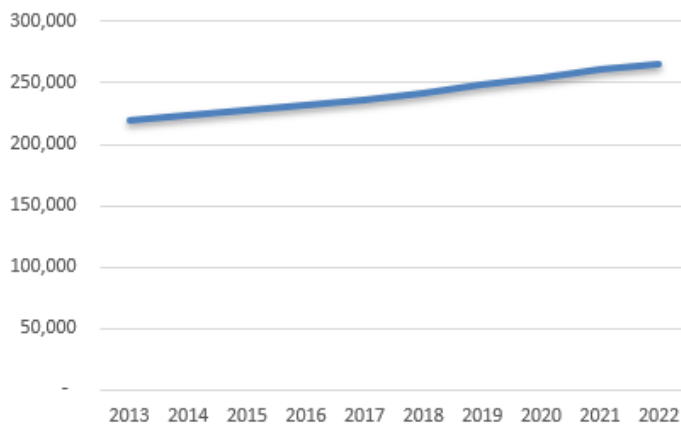
Calendar Year	Population	Personal Income (\$)	Per Capita Income (\$)	Per Capita Income as a Percent of U.S. Average	School Enrollment	Unemployment Rate (%)
2012	102,251	7,609,998,000	52,687	124	13,122	5.2
2013	103,000	8,350,340,000	56,979	129	13,263	5.4
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7
2016	106,878	9,182,721,000	60,294	125	13,792	3.5
2017	107,702	9,375,633,000	60,964	124	13,910	3.3
2018	108,718	10,531,351,000	67,630	131	14,013	2.7
2019	109,330	11,702,008,000	74,613	137	14,435	2.5
2020	112,395	12,160,701,000	77,657	138	13,532	5.4
2021	113,535	12,230,910,000	77,606	130	13,749	3.2

Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

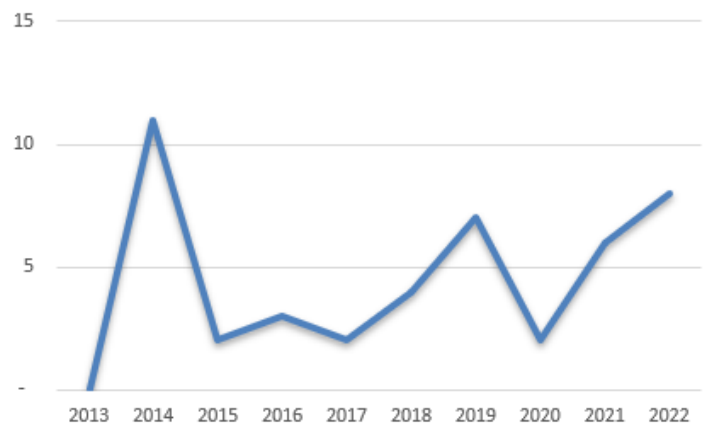
For the Year Ended June 30, 2022

Year Created	1964
Size of Service Area:	
Miles of water lines	373.97
Miles of sewer lines	323.52
Fire hydrants	3,137
Water pumping stations	9
Sewer Pumping stations	10
Water storage tanks	8

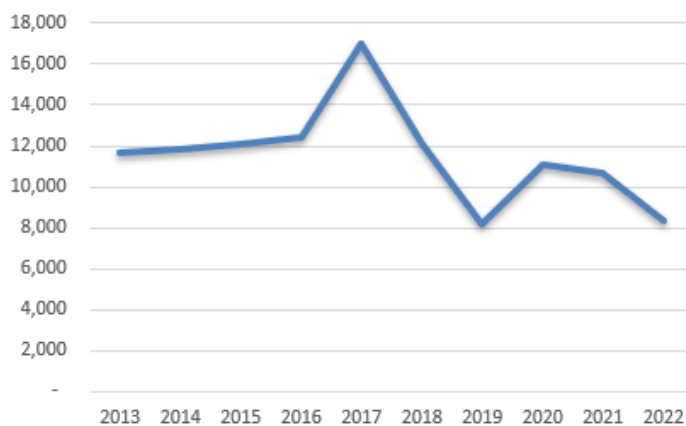
Water meters read Per FY



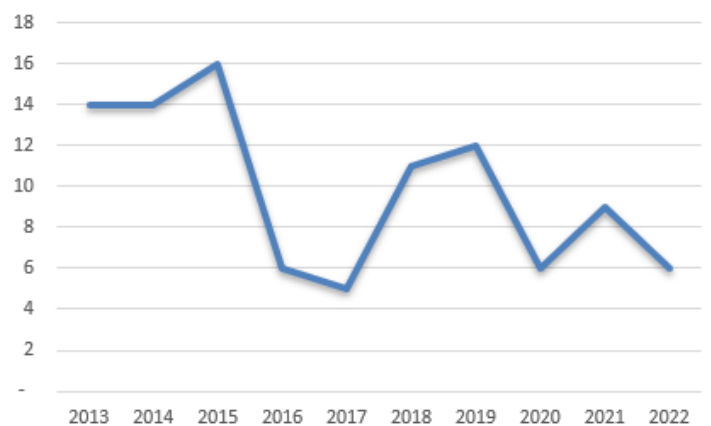
Sewer Overflows



Service Orders Processed



Water Main Breaks



Source: ACSA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.

**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 Authority's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## **A** lign

### Values

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

## **C** ommit

### Community

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

## **S** trive

### Internal Focus

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

## **A** spire

### Future

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

## **Vision**

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

## **Mission**

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