



## BOARD OF DIRECTORS' MEETING

November 16, 2023  
9:00 A.M.

### AGENDA

*This meeting is being held pursuant to and in compliance with Va. Code Section 2.2-3708(3). The ACSA Board of Directors is responsible for receiving public comment. The opportunities for the public to access and participate in the electronic meeting are as follows: Join the meeting virtually through Zoom by visiting our website at [www.serviceauthority.org](http://www.serviceauthority.org); call in and leave a message prior to the meeting at (434) 977-4511, or email the Board prior to the meeting at [board@serviceauthority.org](mailto:board@serviceauthority.org).*

9:00 a.m.	<b>1.</b> Call to Order and Establish a Quorum –Statement of the Board Chair
9:05 a.m.	<b>2.</b> Recognitions – ACSA – GFOA Award; Roland Bega & William Roach- VRWA Expo Tapping Contest; Deanna Davenport – Speaker - VA Statewide Payroll Conference
9:15 a.m.	<b>3.</b> Approve Minutes of October 19, 2023
9:25 a.m.	<b>4.</b> Matters from the Public
9:35 a.m.	<b>5.</b> Response to Public Comment
9:45 a.m.	<b>6.</b> Consent Agenda
	a. Monthly Financial Reports
	b. Monthly Capital Improvement Program (CIP) Report
	c. CIP Authorizations
	d. Rivanna Water and Sewer Authority (RWSA) Monthly Update
	e. ACSA Board Policy Issues Agenda 2023
	f. Advanced Metering Infrastructure (AMI) Project Update
	g. CIS Contract Approval
10:00 a.m.	<b>7.</b> Annual Comprehensive Financial Report (ACFR)
10:25 a.m.	<b>8.</b> Operational Presentation – Pressure Reducing Valves (PRVs)
10:45 a.m.	<b>9.</b> Corporate Roles & Responsibilities – Proposed Bylaws Change & Resolution
11:00 a.m.	<b>10.</b> Items Not on the Agenda
11:05 a.m.	<b>11.</b> Executive Session – Executive Director Mid-Year Review
	<b>12.</b> Adjourn





**ALBEMARLE COUNTY SERVICE AUTHORITY**

**STATEMENT OF CHAIR TO OPEN NOVEMBER 16, 2023 MEETING**

This meeting today is being held pursuant to and in compliance with Va. Code Section 2.2-3708.3.

The opportunities for the public to access and participate in the electronic meeting are posted on the ACSA's website. Participation will include the opportunity to comment on those matters for which comments from the public will be received.



**Albemarle County Service Authority Board of Directors**

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on October 19, 2023, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

**Members Present:** Mr. Richard Armstrong, Chair; Dr. Lizbeth Palmer; Mr. John Parcells; Mr. Clarence Roberts; Ms. Kim Swanson; Mr. Charles Tolbert, Vice-Chair.

**Members Absent:** None

**Staff Present:** John Anderson, Roland Bega, Tim Brown, Mike Derdeyn, Brendan Ganz, Terri Knight, Quin Lunsford, Jeremy Lynn, Michael Lynn, Alex Morrison, Gary O'Connell, Emily Roach (virtual), Danielle Trent, April Walker.

**Staff Absent:** None

**Public Present:** Neil Williamson, Free Enterprise Forum (virtual).

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

Mr. Armstrong called the meeting to order. He then read the opening Board Chair statement (Attached as Page \_\_\_\_\_), and a quorum was established.

2. **Employee Recognition – Michael Lynn – Retirement – 46 Years**

Mr. Armstrong stated that it was really something to have an employee dedicated to the organization for 46 years. He noted that some people in the audience were not even born when Mr. Lynn began his employment with the ACSA. He noted that there was a resolution in the Board packet, which he would read into the record (Attached as Page\_\_\_\_\_). Mr. Lynn received a standing ovation for his service.

Dr. Palmer asked Mr. Lynn how old he was when he began working with the ACSA. Mr. Lynn replied that he was 19 years old. He stated that initially, his plan was to stay with the ACSA until he was about 21-23 years of age, after which time he planned to join either the fire department or the

**Albemarle County Service Authority Board of Directors**

1 police department. He stated that he stayed because the ACSA paid better,  
2 and his wife did not want him to be a police officer or firefighter. He noted,  
3 however, that he has been a volunteer firefighter for over 45 years.

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

6  
7 3. Approve Minutes of September 21, 2023

8 Mr. Parcels stated that he did not have any corrections, but he did  
9 miss Ms. Trent's transcriptions of the Board meeting minutes. Mr. Tolbert  
10 stated that the verbatim minutes are certainly full, but there is a lot of stuff in  
11 the verbatim minutes that really should not be included. He noted, for  
12 example, on the first page of the minutes. It states "Mr. Lunsford asked what  
13 page that was on. Mr. Parcels replied that it was on page 6..." He stated  
14 that things like this are not necessary in the minutes. He added that it is a  
15 problem if these types of things cannot be omitted.

16 Dr. Palmer stated that the verbatim minutes leads the reader to skim  
17 more. She stated that she found herself skimming the minutes and trying to  
18 get through them. Mr. Parcels added that the verbatim minutes have taught  
19 him to be careful about what he is saying. He stated that he appreciates the  
20 clerk's interpretation, in the minutes, of what goes on in the meeting. Dr.  
21 Palmer stated that she does feel the verbatim minutes are better than action  
22 minutes, as the action minutes tend to leave out a lot. She mentioned that if  
23 she had to pick between the two, she would prefer verbatim. Mr. Roberts  
24 asked if there could be a balance between the two, and perhaps remove  
25 some of the excess during the proofreading phase. Dr. Palmer replied that  
26 there could be, but that would put Ms. Trent back in the driver's seat with  
27 respect to doing the minutes.

28 Ms. Swanson asked, with all that being said, if she should give her  
29 corrections. She stated that there were a few things she identified that did  
30 not make sense, such as page 10, line 19. She stated that the first sentence  
31 was not complete. She noted that on the same page, line 30, it says "have

**Albemarle County Service Authority Board of Directors**

1 had,” which is incorrect. Dr. Palmer noted that sometimes people correct  
2 themselves mid-sentence when speaking, which could account for that.

3 ***Dr. Palmer moved to approve the minutes, as amended,***  
4 ***seconded by Mr. Parcels. All members voted aye.***

5  
6 4. Matters from the Public

7 There were no matters from the public.

8  
9 5. Response to Public Comment

10 There was no response to public comment.

11  
12 6. Consent Agenda

13 ***a. Monthly Financial Reports –***

14 ***b. Monthly Capital Improvement Program (CIP) Report –*** Mr. Parcels

15 asked what the Draft Technical Memorandum is, that was mentioned in  
16 the Ragged Mountain Phase 1 Water Main Replacement update on  
17 page 86. Mr. Lynn replied that Dewberry, the engineering consultant, is  
18 looking at four options to get the water main across the creek without  
19 VDOT’s bridge replacement project. Mr. Parcels asked if the  
20 memorandum in question would discuss the four options. Mr. Lynn  
21 replied yes, as well as the cost associated with each option. He noted  
22 that there was a Board authorization a few months ago that included  
23 some additional Geotech boring work, and then exploring those options.

24 Mr. Parcels stated that the August update on the Airport Trunk  
25 Sewer Upgrade project on page 91 mentioned the design drawings  
26 being shared with multiple contractors to gain feedback and better  
27 understand the financial impacts. He asked if the ACSA has received  
28 any feedback. Mr. Lynn replied that the design sharing and feedback  
29 was between the private developer and their contractors. He mentioned  
30 that if the ACSA’s project does not progress as quickly as the developer

**Albemarle County Service Authority Board of Directors**

1 needs the capacity, the developer is exploring the option of constructing  
2 the trunk sewer, or portions of it, before the ACSA's schedule.

3 Mr. Parcells stated that he had a comment about the FY 2024  
4 Miscellaneous Sewer Rehab project on page 92. He stated that, in his  
5 opinion, relining a clay sanitary sewer line would not eliminate the risk of  
6 collapse, as opposed to some other material such as PVC. Mr. Lynn  
7 replied that the structural integrity of the liner will replace the clay. He  
8 stated that the clay could crumble and break, but the liner has the  
9 structural integrity to replace it. Dr. Palmer asked what the life span of  
10 the liner is. Mr. Lynn replied at least 50 years.

11 Ms. Swanson stated that her question was about the Bellair-Liberty  
12 Hills Sewer project. She asked if Mr. Lynn could talk about the scope of  
13 the project and whether they could connect to the sewer line that runs  
14 along that area. She also asked how the package plant comes into play.  
15 Mr. Lynn replied that there is a sewer line that runs on the western side  
16 that eventually goes to Crozet, which is owned by the RWSA. He stated  
17 that there is clearly an interest in the community to connect to public  
18 sewer, with more than 50% of the residents expressing the desire for  
19 sewer to be extended into the neighborhood. He noted that the  
20 topography is difficult because the lot sizes are large, and it would be  
21 extremely difficult and costly to provide gravity sewer to the entire  
22 neighborhood. He stated that the ACSA is exploring the option of using  
23 E/One systems, which is a very prominent pump system where each  
24 individual lot has a private pump that pumps to a common force main in  
25 the road. He stated that the ACSA would own that common force main,  
26 and this system should allow construction to progress quicker and  
27 cheaper. He noted, however, that this does put the burden of pump  
28 maintenance on the property owner. He added that the ACSA is trying  
29 to figure out how to offset some of those initial costs to the customer, as  
30 the organization is realizing some cost savings. Ms. Swanson stated that  
31 it is not a package treatment plant though, but rather the pump just

October 19, 2023

Page 4



**Albemarle County Service Authority Board of Directors**

1 forces the sewer into an existing system. Mr. Lynn concurred. He stated  
2 that all of the sewer flow from the neighborhood will make its way to the  
3 Moore's Creek Advanced Water Resource Recovery Facility.

4 **c. CIP Authorizations** – Mr. Parcels stated that the amount initially  
5 budgeted for the Crozet Phase 4 Water Main Replacement project was  
6 \$6.5 million. He noted that on page 101, it states the cost is \$475,000  
7 more than what was in the rate model. He asked if the additional  
8 \$475,000 now raises the amount to \$7 million. Mr. Lynn replied no. He  
9 stated that the ACSA had \$6 million in the budget for construction, but  
10 the estimate actually came in at \$6.476 million, so the staff was off by  
11 \$475,000. Mr. Parcels stated that there was an original engineering  
12 estimate of \$9.5 million. Mr. Lynn replied that the ACSA does not always  
13 go with the engineer's estimate, as they tend to overestimate  
14 construction costs to avoid being the low bidder. He added that since  
15 there are funds in the FY 2025 CIP budget, the \$475,000 will be added  
16 to that fiscal year's budget. Mr. Parcels asked when the budget is listed  
17 in the CIP status updates, if that number is for the entire project or  
18 individual years. Mr. Lynn replied that the budget number shown is for  
19 the entire life of the project.

20 Mr. Parcels stated that similarly for the Scottsville Phase 4 Water  
21 Main Replacement project, the staff is asking for \$69,830 for additional  
22 design phase services. Mr. Lynn replied that a \$10,000 contingency was  
23 built-in, but they will have to come up with the remaining \$60,000. He  
24 mentioned that the staff feels the additional funds can be offset by  
25 savings from other projects, or projects that are delayed and do not  
26 begin construction this fiscal year. Mr. Parcels stated that in the Design  
27 Phase Services Amendment for the project, the assumptions mention a  
28 lot of items that are not included. He asked what the likelihood is of some  
29 of those items occurring. Mr. Lynn replied that the potential of them  
30 happening is always there, which is evidenced by this being the third  
31 amendment to the design phase.

**Albemarle County Service Authority Board of Directors*****d. Monthly Maintenance Update –******e. Rivanna Water and Sewer Authority (RWSA) Monthly Update –*** Mr.

Parcells stated that in terms of RWSA's year-end financials, the organization has seen unplanned cost increases for electricity and chemical bids. He asked what the likelihood is that RWSA would change their rates mid-year to accommodate the unplanned expenses. Mr. O'Connell replied that the financial impacts are within the current budget. He noted that some of the costs were one-time expenses, such as equipment, so they will not be in FY 2024's budget. He stated that there is no mid-year increase expected, but the ACSA may see some of the ongoing costs, such as electricity and chemicals, in next year's budget.

Mr. Parcells asked if the ACSA foresees any increase in electricity costs. Mr. O'Connell replied that the ACSA has not seen anything out of the usual. Mr. Lunsford stated that, relatively speaking, the ACSA's electrical demand is way less than that of RWSA.

Dr. Palmer asked exactly what portions of the Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Water Line and Raw Water Pump Station project have completed easements. Mr. O'Connell replied that they have all been completed except for the pump station property itself. He stated that the negotiations are done, but now the legal documents have to be finalized which can take a long time. Dr. Palmer asked if Mr. O'Connell could send the ACSA Board an updated map on what has been completed with respect to easements. Mr. O'Connell replied that there is one in the upcoming RWSA Board meeting packet. He stated that he would try to obtain that electronically and send it to the ACSA Board.

***f. ACSA Board Policy Future Issues Agenda 2023 –******g. Advanced Metering Infrastructure (AMI) Project Update –***

***Mr. Parcells moved to approve the consent agenda, seconded by Dr. Palmer. All members voted aye.***

**Albemarle County Service Authority Board of Directors**7. Customer Information System (CIS)

Mr. O'Connell stated that one of the ACSA's Strategic Plan items focuses on improving the customer experience. He stated that this particular project aims to serve that purpose through new software and hardware. He noted that the project is about to ramp up, and he wanted to give the Board an overview, and hopefully come back in the next month or two with a contract and feasibility study.

Mr. Lunsford stated that he had a short agenda for today's presentation (Attached as Pages\_\_\_\_\_), beginning with explaining what a CIS is, followed by what the ACSA is currently working with and what is envisioned with this contract they hope to execute in the next 30 days or so. He reiterated Mr. O'Connell's point earlier, that this project strongly aligns with the ACSA's Strategic Plan. He stated that it touches on all four of the main themes – data optimization, business continuity, customer experience, and the employee experience.

Mr. Lunsford stated that a modern Customer Information System (CIS) is a comprehensive software system that integrates with phones, websites, and billing systems. He stated that it has customer relationship management components built within and is centrally managed so that everyone at the ACSA has access to the information they need to serve customers incredibly well. He mentioned that these new systems are very flexible and highly configurable, so each module can be adjusted to work for the ACSA. He noted that one of the main components of a CIS system is the performance of billing process functions. He stated that these functions are streamlined, customer-focused, and give the staff the ability to provide information to customers in the way they want to receive it. He added that the centrally managed information allows conversations and interactions to be captured and helps staff understand history and background related to the customer.

Mr. Lunsford stated that currently, the ACSA does not have a CIS but rather a billing system. He noted that the billing system is over 30 years old, but very stable and reliable which has been important to customers over the

**Albemarle County Service Authority Board of Directors**

1 years. He stated, however, there are a lot of manual processes that have to  
2 be performed multiple times a month to complete billing. He mentioned that  
3 other departments use the system to some degree and currently, they are  
4 manually extracting and manipulating data to make it useful to them. He  
5 stated that the new CIS will automate some of those processes and  
6 streamline access to information. He added that the current system is limited  
7 to those that need to use it, but a modern CIS has multiple security  
8 parameters from “read-only” access to broader access for those that need  
9 it.

10 Mr. Lunsford stated that over the last two budget cycles in the CIP  
11 program, the ACSA Board has allocated funds for a CIS phone system and  
12 website redesign consulting project. He stated that the Request for  
13 Proposals (RFP) was issued earlier this spring and received multiple  
14 proposals. He stated that the ACSA staff evaluated those proposals and  
15 identified the most highly rated consultant to interview further and review  
16 their statement of work (SOW) and contract.

17 Mr. Lunsford stated that he feels the staff has chosen a consultant who  
18 has the experience of working with some of the largest utilities in the country  
19 but is specifically focused on utilities that are similar in size to the ACSA. He  
20 stated that the staff is not asking the Board for any funds, as the budgeted  
21 funds are available from the last two budget cycles. He stated that if the  
22 contract is executed in the next month, the anticipated start date for this  
23 project would be January 2024.

24 Mr. Lunsford stated that there are five main phases of the consulting  
25 services being requested. He stated that they are assessment, planning,  
26 acquisition, installation, and post-live monitoring. He stated that in total, the  
27 project should take about 18-24 months from execution of the contract to  
28 successful deployment. He noted that the longest phase of the project will  
29 be installation, but there are eight months dedicated to the assessment,  
30 planning, and acquisition phases. He added that this work on the front end

**Albemarle County Service Authority Board of Directors**

1 will ensure that the proposers meet all of the absolute specifications that are  
2 needed to improve the customer experience.

3 Mr. Parcels stated that Mr. Lunsford mentioned capturing conversations  
4 and having a historical record. He stated that he is thinking of the chat feature  
5 that some business use, where the chat is recorded and then sent to the  
6 participant so there is a record of the conversation. He asked if this is what  
7 Mr. Lunsford meant. Mr. Lunsford replied that at this point, everything is on  
8 the table. He stated that technology has changed so much in the last 24  
9 months, let alone the past 30 years. Mr. Parcels stated that he thinks it would  
10 be great if this were an option. Mr. Lunsford replied that the goal is to keep  
11 all of the options open, as some customers may prefer to chat online while  
12 others may prefer to call the office and speak to a person. Mr. Parcels  
13 pointed out that it can be difficult to get a live person when calling a business  
14 because of all the automated systems and various options to choose. Mr.  
15 Lunsford replied that the ACSA is rather unique in the utility and local  
16 government world in that when customers need to speak with someone, they  
17 can usually get someone rather quickly. He added that the ACSA absolutely  
18 wants to keep that personal touch, as it is one of the organization's  
19 differentiators.

20 Mr. Roberts asked if this would be covered in the RFP. Mr. Lunsford  
21 replied absolutely. He stated that the consultant will work with every  
22 department in the organization to understand who we speak to, how we use  
23 information, and what we need. He stated that from that, they will help the  
24 ACSA design an RFP to send out to different proposers that have the  
25 software, phone, and web integration experience. Mr. Roberts added that it  
26 is best to construct a strong RFP from the ground up, to meet employee and  
27 customer needs, and avoid additional expenses in the future. Mr. Lunsford  
28 agreed. He stated that coming off the AMI project, the staff has learned it is  
29 important to be inclusive of different groups to avoid blind spots. He stated  
30 that the consultant will meet with those different groups and accumulate as  
31 much information as they can.

**Albemarle County Service Authority Board of Directors**

1 Dr. Palmer asked how much is budgeted for the consultant. Mr. Lunsford  
2 replied, through the FY 2024 budget, there is \$200,000 already budgeted.  
3 He stated that another \$200,000 is proposed in FY 2025, which is reflected  
4 in the FY 2024 budget but not yet approved. He mentioned that the ACSA  
5 does not expect to exceed that total through FY 2025. Dr. Palmer asked if  
6 those funds were just for the consulting services, not including  
7 implementation. Mr. Lunsford stated that was correct. He stated that there  
8 are four tiers of Customer Information Systems, specifically in the utility  
9 sector. He stated that tier one consists of Oracle and SAPs, which are likely  
10 too large and expensive for the ACSA. He stated that the consultant will  
11 focus on tier three and tier four providers, which will give the ACSA all the  
12 components it needs at the right size for the organization.

13 Ms. Swanson asked Mr. Lunsford to walk her through how a new  
14 customer would set up an account for service. Mr. Lunsford replied that  
15 currently there are a variety of ways a customer can submit information,  
16 including the website, via telephone, or in person. He stated that the CIS is  
17 a great way to streamline the process for customers that do not want to  
18 speak with someone directly. He mentioned, on the other hand, there will  
19 always be an option for those customers who do want to speak with  
20 someone, to do so. Ms. Swanson asked if the ACSA requires a deposit or  
21 reference. Mr. Lunsford replied no.

22 Ms. Swanson asked if the chat features included the chat being  
23 recorded, and if that is a level of data capture that is not currently happening.  
24 Mr. Lunsford replied that he would not say it is all recorded, but the potential  
25 to record certain aspects that are important will be there. He stated that he  
26 is not sure whether that will be chosen as an important feature, but it does  
27 dovetail nicely with work Ms. Walker and others are doing around data  
28 classification and ensuring that data is properly protected and accessible for  
29 those that need it.

30 Ms. Swanson asked when a customer ends service, if their personal  
31 information is removed from the system, but information pertinent to the

**Albemarle County Service Authority Board of Directors**

1 system's operation would remain. She stated for example, if a customer has  
2 an issue with their meter and we fix it, but then that person stops service,  
3 their personal information is removed and information pertaining to the meter  
4 remains in the system. Mr. Lunsford replied that currently, that information is  
5 maintained in perpetuity. He stated that if a customer goes off service, they  
6 are in an inactive bucket, but all of the information is there. He noted that  
7 any information specific to the property and not the customer is transferred  
8 and can be shared with people in the field who may need it when there is a  
9 service call.

10 Mr. Tolbert stated that the ACSA needs to get a system that works for  
11 staff internally, but his concern is the outside view of the customer paying a  
12 bill. He stated that receiving, understanding, and paying an ACSA bill should  
13 not be any more difficult than it is for Dominion Energy or the phone  
14 company, or any other business that receives electronic payments. He  
15 stated that he feels it is important that the customer side of the system works  
16 well, and that the interface is as simple and straightforward as it is for him  
17 to, say, pay his credit card bill. He added that if it is not, it will give customers  
18 a bad feeling about the organization and make it look like the ACSA does  
19 not know what it is doing. Mr. Lunsford concurred and assured Mr. Tolbert  
20 that this concern will be equal or above any other consideration that is made.  
21 Mr. Tolbert stated that he does not personally use third party services like  
22 PayPal to pay his bill, but asked if the ACSA is set up with those capabilities.  
23 Mr. Lunsford replied yes. He stated that the ACSA currently accepts PayPal,  
24 Venmo, and Apple Pay, and expects to continue accepting these payment  
25 types in the future.

26  
27 8. PFAS (per-and polyfluoroalkyl substances) Proposed Class Action  
28 Settlement

29 Mr. O'Connell stated that PFAS is a class of thousands of synthetic  
30 chemicals that are all around us and found in a variety of home and  
31 commercial products. He stated a number of years ago, it was thought that

**Albemarle County Service Authority Board of Directors**

1 PFAS only existed in firefighting foam that airports and fire departments  
2 used. He stated, however, that it is being found in almost every home and  
3 commercial product that has any type of water-resistant material. He noted  
4 that it is a long-term chemical that does not seem to degrade in the  
5 environment. He mentioned that there has been a recent focus in a number  
6 of news stories on the discovery of PFAS in drinking water supplies in other  
7 parts of the country. He noted that this is especially true in areas downstream  
8 of PFAS production facilities, such as the Cape Fear River in central North  
9 Carolina.

10 Mr. O'Connell stated that our area is fortunate to have a mountain-  
11 based water supply that has been minimally, if at all, impacted by PFAS. He  
12 stated that there has been minimal, but mostly no detections over time. He  
13 noted that the recent detection at the North Rivanna water treatment plant  
14 that the Board is aware of was the most concerning at the time, but now  
15 appears to have been a one-time testing result. He added that GAC is in  
16 place and is the water treatment of choice to act as a barrier to PFAS. He  
17 stated that the North Rivanna plant was shutdown for a short period of time,  
18 but additional lab testing has shown no PFAS detection since then and it has  
19 been placed back online. He shared that the future plan is to shut down the  
20 North Rivanna treatment plant permanently, which has been the plan for  
21 several years. He mentioned that the supply for the northern part of the  
22 system will come from the South Rivanna Reservoir.

23 Mr. O'Connell stated the ACSA will be under any testing standards  
24 proposed by the EPA which, up until this point, have not been released. He  
25 stated that in almost all cases, the testing has shown no detection when in a  
26 parts per trillion laboratory testing result in over four years of testing. He  
27 noted that there have been a couple minimal parts per trillion results that  
28 have been identified over that four-year period. He noted, as he mentioned  
29 before, that GAC is the treatment of choice for PFAS and is at all the  
30 treatment plants, except for the smaller Red Hill system. He stated that future  
31 projects are being planned in the RWSA's CIP to increase the level of GAC



**Albemarle County Service Authority Board of Directors**

1 installations at all of the treatment plants, and to install a new GAC system  
2 at Red Hill.

3 Mr. O'Connell stated that the ACSA was recently notified of a  
4 national financial settlement with the major chemical companies that  
5 produce PFAS, with Dupont and 3M being the largest. He stated that the  
6 settlement requires court approval and are just proposed at this point. He  
7 mentioned that there are from 6,000-8,000 water utilities that are eligible to  
8 participate in the settlement and will likely take several years before any  
9 distribution of settlement funds occurs. He noted that given the limited  
10 discovery of PFAS in the area and that contamination is indirect, meaning  
11 there are no point sources of pollution in the watershed, the settlement will  
12 likely result in a small financial recovery for the ACSA. He added that the  
13 ACSA will not initiate any type of legal action independently, as the legal fees  
14 would far exceed any benefit received.

15 Mr. O'Connell stated that the ACSA staff, along with ACSA attorney  
16 Mike Derdeyn, have reviewed the PFAS proposed class action settlement  
17 and claims forms, and the next step would be to consider joining the  
18 settlement by filing those forms. He stated that there is a choice to opt out of  
19 the settlement, but the ACSA feels it should submit the various claim forms  
20 to move to the next step in the settlement distribution process. He mentioned  
21 that the ACSA will have to provide further data in the future, as there is a  
22 complicated formula that determines settlement distribution based on future  
23 data such as water flows and levels of contamination.

24 Mr. O'Connell stated that, in summary, the ACSA has had minimal  
25 exposure to PFAS and GAC has acted as a barrier to that. He stated,  
26 however, that there was a small testing result that qualifies the ACSA to  
27 submit forms for the settlement. He mentioned that the forms are due by  
28 November 4, 2023. He stated that the staff is asking the Board to authorize  
29 the ACSA's Executive Director to register for a PFAS Class Action  
30 Settlement Agreement Claims Form and set up an account.

31

**Albemarle County Service Authority Board of Directors**

1           Mr. Parcels asked if that one small testing result was determined to  
2 be a one-off, how does the ACSA qualify for the settlement. Mr. O'Connell  
3 replied that there are some other testing results that are minimal, such as  
4 two or three parts per trillion, that have been detectable a few times over the  
5 four-year testing period. He noted that these results would be the ones to  
6 qualify the ACSA, along with the one result at the North Rivanna treatment  
7 plant. He added that the results were very minimal, which would probably  
8 put the ACSA at the low end of any type of cost recovery.

9           Dr. Palmer stated that given PFAS are thousands of chemicals, she  
10 asked which chemicals were being tested for, the cross reactivity of those  
11 chemicals, and the potential for the EPA to add to that list in the future.

12           Tim Brown, Environmental Compliance Specialist, stated that the  
13 approved EPA methodology includes a very limited package of PFAS  
14 compounds, specifically 18-25. He stated that there are about 8,000-10,000  
15 PFAS compounds, but the ones in the EPA package are those of most  
16 concern and assumed potential health effects, as well as those for which  
17 new EPA regulations will be coming by the end of the year or early next year.  
18 He stated that since 2018, there have been 10 rounds of testing that have  
19 included all treatments plants, both raw water and finished water.

20           Dr. Palmer asked if the lawsuit would definitely be defined to this  
21 small group of 18-25 chemicals, so if the EPA comes out with further  
22 guidance and expands the list of PFAS, there would be a new lawsuit. Mr.  
23 Derdeyn replied that he would have to look at the specifics of the lawsuit. He  
24 stated that he has not seen the proposed release yet. Mr. O'Connell stated  
25 that he feels where the EPA will expand its guidance is with wastewater. He  
26 stated that even though it may not be in the water going into someone's  
27 home, the PFAS from so many commercial products goes into the  
28 wastewater and then the wastewater treatment plant. He mentioned that  
29 there will probably be lots of money spent around the country to clean up  
30 wastewater that ends up in people's drinking water supply downstream.

**Albemarle County Service Authority Board of Directors**

1 Ms. Swanson asked if joining the settlement would be a joint effort  
2 between ACSA and RWSA, given that the ACSA does not actually treat any  
3 water. Mr. O'Connell stated that each entity – the ACSA, RWSA, and the  
4 City of Charlottesville, each has a permit set up with the State and the court  
5 process involves working with each one individually. Mr. Roberts asked who  
6 the settlement funds would go to, ACSA or RWSA. Mr. O'Connell replied that  
7 they could potentially go to both, as well as the City.

8 Mr. Derdeyn stated that the question currently is whether the ACSA  
9 should opt out of the class action settlement. Mr. Roberts replied that the  
10 ACSA should not opt out because no one knows what may come later but is  
11 the benefit worth the fight and legal fees. Mr. O'Connell stated that it is a  
12 fairly straightforward process. The ACSA has to fill out a form and submit it,  
13 and perhaps submit some additional data in the future. Mr. Derdeyn added  
14 that the attorneys for the class action are being paid a percentage of the  
15 settlement, thus the ACSA would not have outside attorney fees.

16 Dr. Palmer asked if the attorneys fees end up being more than the  
17 settlement amount, does that mean the different entities have to pay that  
18 difference. Mr. Derdeyn replied no. He stated that the class action attorneys  
19 will determine how much of the settlement they believe that are entitled to  
20 and the court will have to approve that amount. He stated that the fees are  
21 coming out of the fund, or trust, that is used to compensate plaintiffs for their  
22 damages. Mr. Derdeyn stated that the plaintiffs will not be in a position where  
23 they will have to pay attorney fees. Mr. O'Connell stated that the courts will  
24 have to determine what the legal fees are, and there are a lot of law firms  
25 involved with this settlement. Mr. Roberts added that he is glad the RWSA  
26 uses GAC at the treatment plants.

27 Mr. Tolbert stated that it looks like all the ACSA needs to do is get on  
28 the list for the settlement. Mr. O'Connell replied yes and that was, in essence,  
29 what the staff was asking the Board to approve today. Mr. Tolbert stated that  
30 if there are expenses in the future to prepare materials, that can be judged  
31 when that time comes. He stated, in terms of GAC, if PFAS is a "forever"

**Albemarle County Service Authority Board of Directors**

1 chemical, that means that when the water is filtered, the chemical is  
2 somewhere in the GAC material. He stated that every so often, the GAC  
3 material is sent somewhere to be refurbished and sent back, assumingly  
4 without any PFAS. He asked what happens to the PFAS, if it is forever. He  
5 noted that either it was destroyed chemically, which would mean it is not  
6 forever, or it went somewhere and will eventually come back. Mr. O'Connell  
7 replied that the GAC will probably have to be recycled more often, which is  
8 more costly. He noted that RWSA has only been using GAC for 50% of the  
9 water, which was a conscious decision that was made years ago. He stated  
10 that the discussion at RWSA now is around using GAC for 100% of the  
11 water. He stated that there are companies that are exploring how to filter and  
12 capture PFAS and destroy it in a long-term sense.

13 Mr. Parcels stated that it is a waste handling issue, in other words,  
14 the stuff that has been used is becoming waste. He stated that there are all  
15 sorts of regulations around handling the waste, and how a company handles  
16 the waste when they retrieve it is on them. He stated that as far as a "forever"  
17 chemical, that characterization is for something that exists in nature. He  
18 stated that if the GAC is incinerated, the waste handlers have to ensure they  
19 are doing it in an approved way. He added that in terms of RWSA using  
20 GAC, they are not liable.

21 Mr. Brown stated that PFAS are called forever chemical because  
22 there is an incredibly strong chemical bond between carbon and fluorine. He  
23 stated that any technology that can somehow weaken that bond, would  
24 make it a less than forever chemical.

25 Dr. Palmer asked if powder activated carbon (PAC), or GAC would  
26 be used at Red Hill. Mr. O'Connell replied that it will be a small GAC canister.  
27 He stated that there is a project that will expand the building to fit the canister,  
28 so that all of the water coming out of the well will move through the GAC  
29 before going to the system. He stated that the goal is to use GAC for all of  
30 the drinking water in the area.

**Albemarle County Service Authority Board of Directors**

1           Mr. Parcels stated that he would assume canisters are used at all of  
2 the treatment plants. Mr. O'Connell replied yes. Dr. Palmer stated that when  
3 GAC was first discussed, there was some discussion about smaller plants  
4 using PAC because it was cheaper, which is why she wondered about Red  
5 Hill. Mr. O'Connell noted that PAC is still being used at the front end of the  
6 treatment process.

7           Mr. Armstrong asked if there was any suspicion of any industry near  
8 our watershed that produces PFAS and if so, is RWSA taking any type of  
9 proactive stance to prevent them from getting into our water supply. Mr.  
10 O'Connell replied that there is no knowledge of any. He stated that any point  
11 sources would probably have been identified over the four years of testing.  
12 He noted that the North Rivanna test result came out of the blue and the  
13 belief was that the PFAS may have come upstream from another county. He  
14 added that the lab testing after that showed no detections, so the result could  
15 have even been a laboratory testing issue.

16           Dr. Palmer stated that dumping does occur. She stated that there are  
17 people out there that empty septic tanks where they are not supposed to.  
18 Mr. Roberts stated that years ago, there was a company that was digging  
19 holes and dumping barrels of benzene, but that has since been cleaned up.  
20 Mr. Tolbert stated that there are a lot of highways that traverse our watershed  
21 as well, thus a lot of ways stuff could get into the water. Mr. Parcels stated  
22 that in terms of public awareness, people need to realize our water source  
23 is a ground source so anything that is spilled could be a potential  
24 contaminant.

25           Ms. Swanson asked how often the PFAS testing occurs. She stated  
26 that it seems like coincidence that there was testing being done and RWSA  
27 happened to detect it, which means maybe it could have been there before  
28 then. Mr. O'Connell replied that there is a regular, ongoing testing program  
29 that has yielded years of results. Mr. Brown stated that the testing occurs  
30 twice a year since 2018. He stated that RWSA has been very proactive, as  
31 many municipalities are scrambling to obtain data and get something like

**Albemarle County Service Authority Board of Directors**

1 GAC in position. Ms. Swanson asked then, if the contamination at North  
2 Rivanna happened somewhere in the six-month period between the last time  
3 it was tested and the test that showed detection.

4 Mr. Brown replied that the most detections there have been with all  
5 testing have been from the North Rivanna treatment plant but low in number.  
6 He stated that by detections, he means as low as 1.5 to 2 parts per trillion,  
7 which is probably lower than the EPA limits. He noted that there were higher  
8 numbers with this most recent round of testing in the spring. Ms. Swanson  
9 asked if that was about a six-month period of time between the lower  
10 detection numbers and the higher ones. Mr. Brown replied that the last test  
11 was in August of 2022, and the event at North Rivanna was in the spring of  
12 this year. He added that the follow up testing from two different certified labs  
13 showed no detections. Mr. Parcels asked if that testing was done on the  
14 same sample or subsequent samples. Mr. Brown replied that they were  
15 subsequent samples. He noted that the RWSA did not see the results from  
16 the round of testing where there were detections, for 3-4 weeks, and  
17 immediately retested split samples at two different labs.

18 Mr. Roberts asked if all of the Board has seen the water testing  
19 results that Mr. Brown provides. He stated that the reports do an outstanding  
20 job of presenting that information. He added that perhaps they should be put  
21 on the agenda at some point. Mr. O'Connell stated that the staff gives an  
22 annual report on the water testing, and it is scheduled for next May's agenda.

23 ***Dr. Palmer moved to authorize the Executive Director to register***  
24 ***for a PFAS Settlement Agreement Claims Form/ Account; seconded by***  
25 ***Mr. Tolbert. All members voted aye.***

26  
27 9. **Corporate Roles & Responsibilities – Proposed Bylaws Change &**  
28 **Resolution**

29 Mr. O'Connell stated that the ACSA staff has been reviewing the  
30 organization's legal structure and identified a gap in the responsibilities of  
31 the Executive Director, in the sense that they are not as clearly defined as

**Albemarle County Service Authority Board of Directors**

1 they could be. He stated that he and Mr. Derdeyn surveyed a number of  
2 utilities around the state and reviewed their bylaws and what they are doing.  
3 He stated that before the Board today is a draft of the ACSA Bylaws  
4 amendment and a draft of a resolution that outlines signing authority  
5 (Attached as Pages\_\_\_\_\_).

6 Mr. O'Connell stated that the Bylaws links what the state code  
7 authorizes, which is a very general statement, with the suggested new  
8 amendment to help better clarify the authority of the Executive Director. He  
9 stated that the ACSA Bylaws suggest corporate duties of the Board officers  
10 – Board Chair, Vice-Chair, and Secretary-Treasurer, but not the Executive  
11 Director. He stated that the draft is a proposal of changes for the Board to  
12 consider. He noted that there is one housekeeping item in the Bylaws to  
13 properly reference the Virginia Water and Waste Authorities.

14 Mr. O'Connell stated that in addition to the Bylaws, is the resolution  
15 to address the authority of the Executive Director to sign contracts or other  
16 instruments authorized by the Board. He mentioned that Mr. Derdeyn has  
17 gone through this item in detail to ensure covering the entire range of items  
18 that the Executive Director would be authorized to sign. He added that the  
19 ACSA has already been doing what is being proposed in practice, but it is  
20 not expressly authorized by the Bylaws or some sort of clarifying resolution.

21 Mr. Derdeyn stated that this is purely informational and is not up for  
22 a vote today. He stated that the Bylaws do not confer any authority, rather  
23 they just describe the duties of the Executive Director. He noted that each  
24 clause in the Bylaws ends with some statement to the effect of “as authorized  
25 by the Board,” so Board authority is still required which would come in the  
26 form of a resolution. He mentioned that the ACSA does have an existing  
27 resolution that gives the Executive Director signatory authority for items that  
28 receive annual approval, such as the budget. He noted, however, that  
29 resolution could benefit from more clarity.

30 Mr. Parcels asked if the resolution on page 151 was a new  
31 resolution. Mr. Derdeyn replied yes, it is a new resolution that will replace

**Albemarle County Service Authority Board of Directors**

1 the existing one from 2020. Mr. Palmer stated that it would make it clearer  
2 to state that the resolution in the Board packet would be replacing the  
3 existing one. Mr. O'Connell stated that the resolution from 2020 was aimed  
4 at signing authority in the absence of the Executive Director. He stated that  
5 the new resolution is more inclusive to cover the full signatory authority of  
6 the Executive Director. Mr. Tolbert asked if the intent was to vote on adoption  
7 of the new resolution at the next Board meeting. Mr. Derdeyn replied yes.  
8 He stated that today was informational, so the Board could ask questions or  
9 raise any concerns. Mr. O'Connell stated that the new resolution refers to  
10 the Bylaws, thus it would make sense to approve those first and then adopt  
11 the resolution.

12 Dr. Palmer stated that typically when referencing officers of a  
13 company, that includes the CEO and administrative staff, and the directors  
14 are part of the Board. She stated that it is confusing, to her, that the Bylaws  
15 refer to the duties of officers because the Executive Director is also on the  
16 Board as Secretary-Treasurer. Mr. Derdeyn stated that the gap that was  
17 identified was in Article III of the Bylaws it lists the officers of the Board and  
18 Article IV lists the duties of those officers but left out the Executive Director  
19 which did not make sense. He stated that Dr. Palmer is making the larger  
20 point of whether the duties of the officers is put in the Bylaws at all. Dr.  
21 Palmer replied that it feels like the Executive Director is being listed as a  
22 member of the Board when his duties are listed as part of the duties of  
23 officers.

24 Mr. Derdeyn stated that he would review the full set of Bylaws to see  
25 if this is an issue. He pointed out that there must have been a template used  
26 in the 1960s, as all of the bylaws he has seen look very similar. He stated  
27 that there was then statutory authorization to create a new position, which  
28 was a CEO. He stated that some authorities listed duties for that chief officer,  
29 and some did not.

30 Mr. Roberts stated that the ACSA also needs to consider what is  
31 written in the Albemarle County Board of Supervisors' documents regarding



**Albemarle County Service Authority Board of Directors**

1       how many directors there are on the Board. Mr. O'Connell stated that the  
2       ACSA Board of Directors' authority comes from the State act. Dr. Palmer  
3       stated that her issue is one of clarity, in that it be made clear that the head  
4       officer of the ACSA is not part of the Board. Mr. Derdeyn replied that he  
5       takes her point but cannot recall if the Bylaws states that the Executive  
6       Director need not be a member of the Board. Mr. O'Connell replied that the  
7       Bylaws does say that.

8               Dr. Palmer stated that her other comment was in reference to a small  
9       detail that she would like to be fixed in the resolution. She stated that on #8,  
10      the word "his" should be changed to make it gender neutral, as there may  
11      be a female holding that position in the future.

12             Mr. Parcels stated that along the lines of clarification, under Article  
13      IV of the Bylaws, section 4.4-a, it should read "To be the Chief Executive  
14      Officer of the Authority." He stated that this ties the Executive Director to the  
15      Authority, and he does not believe it says this anywhere in the Bylaws. Mr.  
16      Derdeyn replied that he thinks that would be fine to add that.

17             Mr. Tolbert asked if the change of the word "sewer" to "waste" in the  
18      Bylaws was a government change at the state level. Mr. O'Connell replied  
19      that the proper name of the act is the Virginia Water and Waste Authorities  
20      Act. Mr. Tolbert stated that it just says waste, not solid waste, which sounds  
21      like the ACSA is a water and waste authority. Mr. O'Connell replied that if  
22      the State law definition is broader than the locality, thus it is up to each  
23      locality to determine what level of service they provide.

24             Mr. O'Connell stated that the Bylaws changes require a 10-day  
25      notice, thus today would be the notice to the Board. He stated that most  
26      likely, there would be another discussion period surrounding the changes  
27      mentioned today, which would initiate another 10-day notice period. Mr.  
28      Roberts asked if there is a legal notice required. Mr. O'Connell replied that  
29      the publication of the agenda, which included the Bylaws changes, served  
30      as the legal notice.

Dr. Palmer stated that the December Board member is scheduled for December 21<sup>st</sup>, which is very close to the Christmas holiday. She asked if the Board would actually be meeting on that day, or if the Board has ever changed the meeting date so it is not so close to Christmas. She noted that if it is on the 21<sup>st</sup>, she will not be present. Mr. O'Connell asked the Board if they would like to meet a week early. Mr. Armstrong stated that perhaps they should change the date if it will help Board attendance. The Board concurred. Mr. O'Connell stated that the December meeting would be moved up a week to Thursday, December 14<sup>th</sup>.

***There being no further business, Ms. Swanson moved that the meeting be adjourned, seconded by Mr. Parcells. All members voted aye.***

Gary B. O'Connell, Secretary-Treasurer

# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Monthly Financial Reports  <b>STAFF CONTACT/PREPARER:</b> Quin Lunsford, Director of Finance	<b>AGENDA DATE:</b> November 16, 2023  <b>ACTION:</b> Informational  <b>ATTACHMENTS:</b> Yes
--	--

**BACKGROUND:** Water and sewer financial reports and check registers for the month of October are attached for your review.

**DISCUSSION:**

- Water consumption for the month of September increased 3.1% compared to August. Water consumption for the month of September 2023 compared to September 2022 increased 13.1%.
- RWSA's invoice of \$2,286,484 for the month of September was paid on October 5, 2023.
- Unearned water and sewer connection charges totaled \$1,600,299 at month end.
- System connection charges are slightly ahead of budgeted expectations with \$615,390 recognized in October.
- Water and Wastewater revenues for FY 2024 are above budgeted expectations by 12.8%. Please see the water/wastewater trend analysis included illustrating that when adjustment for expected variations in seasonal consumption are considered, revenues are 2.3% higher than budgeted expectations.

**BUDGET IMPACT:** Informational only.

**RECOMMENDATIONS:** None

**BOARD ACTION REQUESTED:** None; informational item only.

**ATTACHMENTS:**

1. Statement of Net Position
2. Year-to-Date Budget to Actual Comparison/Commentary
3. Investment Summary
4. Capacity/System Development Reserves
5. Connection Charges/ERC Analysis
6. Monthly Water and Sewer Charges from the RWSA
7. Monthly Water Consumption
8. Water and Sewer Report; Customer Class Report
9. Major Customer Analysis
10. Water/Wastewater Revenue Trend Analysis
11. Aged Receivables Analysis
12. Check Register



## ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF NET POSITION  
October 31, 2023

## ASSETS

Cash and cash equivalents	\$ 9,702,483
Accounts receivable	5,227,637
Investments	50,162,420
Capital assets: (net of accumulated depreciation)	180,552,227
Inventory	590,097
Prepays	5,475
Cash and cash equivalents, restricted	824,464
	<hr/>
Total assets	247,064,803
	<hr/>

## DEFERRED OUTFLOWS OF RESOURCES

Combined deferred outflows of resources	1,175,852
	<hr/>

## LIABILITIES

Accounts payable	3,122,258
Accrued liabilities	525,919
Compensated absences	746,495
Net pension liability	2,454,029
Other post-employment benefits	1,244,519
Unearned connection fees	1,600,299
Long-term debt	4,570,883
	<hr/>
Total liabilities	14,264,402
	<hr/>

## DEFERRED INFLOWS OF RESOURCES

Combined deferred inflows of resources	1,104,953
	<hr/>

## NET POSITION

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232,871,300

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ALBEMARLE COUNTY SERVICE AUTHORITY  
For the One Month Ending October 31, 2023

26

	Budget FY 2023	Budget Year-to-Date 2023	October Actual Year-to-Date	Actual vs. Budget	Variance Percentage
<b>Revenues</b>					
Water Sales	20,580,000.	6,860,000.	8,031,132.	1,171,132.	17.07%
Sewer Service	16,679,000.	5,559,667.	5,983,142.	423,475.	7.62%
<b>Total operating revenues</b>	<b>37,259,000.</b>	<b>12,419,667.</b>	<b>14,014,274.</b>	<b>1,594,607.</b>	<b>12.84% A</b>
<b>Operating Expenses</b>					
Purchase of bulk water	(16,256,000.)	(5,418,667.)	(5,573,352.)	(154,685.)	2.85% B
Purchase of sewer treatment	(11,689,000.)	(3,896,333.)	(3,699,383.)	196,950.	(5.05%) B
Administration	(1,475,500.)	(491,833.)	(426,836.)	64,997.	(13.22%) C
Finance	(2,890,000.)	(963,333.)	(840,992.)	122,341.	(12.70%) C
Information Technology	(1,787,600.)	(595,867.)	(592,899.)	2,968.	(0.50%) C
Engineering	(2,400,300.)	(800,100.)	(732,223.)	67,877.	(8.48%) C
Maintenance	(4,749,900.)	(1,583,300.)	(1,180,694.)	402,606.	(25.43%) C
<b>Total operating expenses</b>	<b>(41,248,300.)</b>	<b>(13,749,433.)</b>	<b>(13,046,379.)</b>	<b>703,054.</b>	<b>(5.11%)</b>
<b>Operating gain(loss)</b>	<b>(3,989,300.)</b>	<b>(1,329,767.)</b>	<b>967,895.</b>	<b>2,297,662.</b>	<b>(172.79%)</b>
<b>Nonoperating Revenues</b>					
System connection charges	8,000,000.	2,666,667.	2,788,145.	121,478.	4.56% D
Investment/Interest Income	600,000.	200,000.	589,651.	389,651.	194.83% E
Rental income	16,000.	5,333.	4,862.	(471.)	(8.84%)
Miscellaneous revenues	761,000.	253,667.	203,967.	(49,700.)	(19.59%) F
<b>Total nonoperating revenues (expenses)</b>	<b>9,377,000.</b>	<b>3,125,667.</b>	<b>3,586,625.</b>	<b>460,958.</b>	<b>14.75%</b>
<b>Nonoperating Expenses</b>					
Miscellaneous expenses	(327,300.)	(109,100.)	(631,926.)	(522,826.)	479.22% G
Bond interest charges	(183,859.)	(61,286.)		61,286.	(100.00%) H
Depreciation	0.	0.	(1,435,300.)	(1,435,300.)	0.00% I
<b>Total nonoperating revenues (expenses)</b>	<b>(511,159.)</b>	<b>(170,386.)</b>	<b>(2,067,226.)</b>	<b>(1,896,840.)</b>	<b>1113.26%</b>
<b>Capital contributions</b>	<b>0.</b>	<b>0.</b>	<b>862,336.</b>	<b>862,336.</b>	<b>0.00%</b>
<b>Change in Net Position</b>	<b>4,876,541.</b>	<b>1,625,514.</b>	<b>3,349,630.</b>	<b>1,724,116.</b>	<b>106.07%</b>

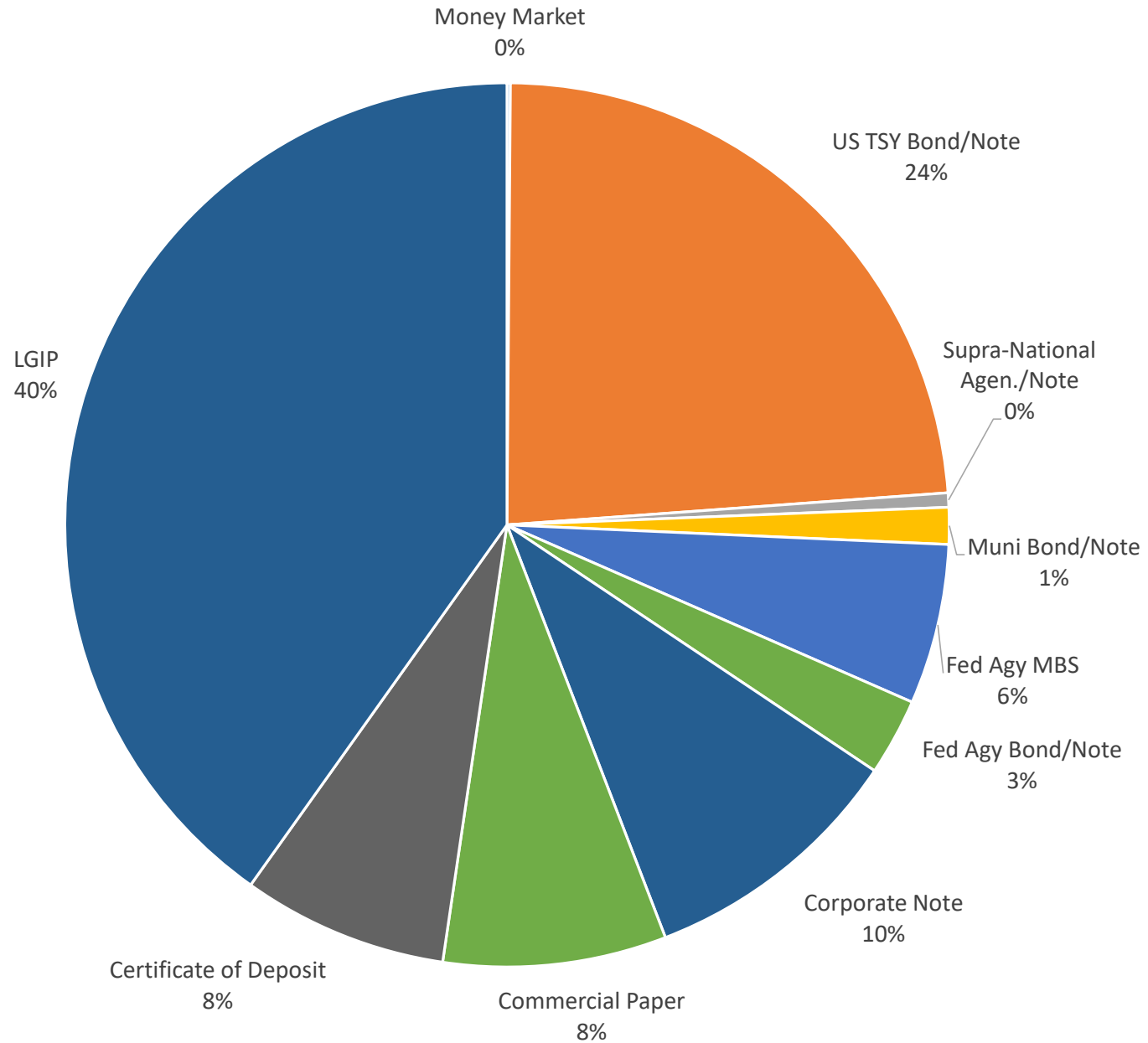
**Albemarle County Service Authority  
Actual-to-Budget Year to Date Commentary**

- A.** Water and sewer revenues were more than budgeted amounts by 12.8%. Consumption through October (gallons) appears reasonable considering the ACSA's normal seasonal consumption pattern. Further information related to seasonal revenue expectations can be found later in the Board packet.
- B.** Expenses related to purchases of bulk water and sewer treatment from the RWSA are less than budgeted amounts by 0.5%. Monthly billings prepared by the RWSA allocate total water/wastewater flows to the ACSA/City based on the consumption of each for the quarter immediately preceding.
- C.** Departmental operating budgets through the current month remain below budgeted expectations for the fiscal year. Departmental expenses will continue to be monitored throughout the fiscal year and are expected to align with the budget.
- D.** System connection charges are higher than the budgeted amount. Connection charges are often difficult to project and can fluctuate from year to year. These charges are dependent upon new customers connecting to the system.
- E.** Investment income, which includes both interest income and adjustments to fair market value are recorded in these accounts. Investment earnings are ahead of budgeted expectations through the current month.
- F.** Miscellaneous revenues consist of multiple lines and include inspection fees, plan review, reconnections/initial bill fees, invoiced water usage, and gains associated with sales of capital assets retired from service.
- G.** The budgeted amount includes expected outlays for capital equipment and losses on disposal of capital assets. Equipment is capitalized when placed in service.
- H.** Bond interest charges are recorded as incurred.
- I.** Depreciation is not a budgeted line-item accounting for the variance. Depreciation expense is considered during the annual budgeting process as this expense is utilized to calculate the required contribution to the 3r reserve.





## Allocation of Investments by Type



## Portfolio Summary and Statistics

For the Month Ending **October 31, 2023**

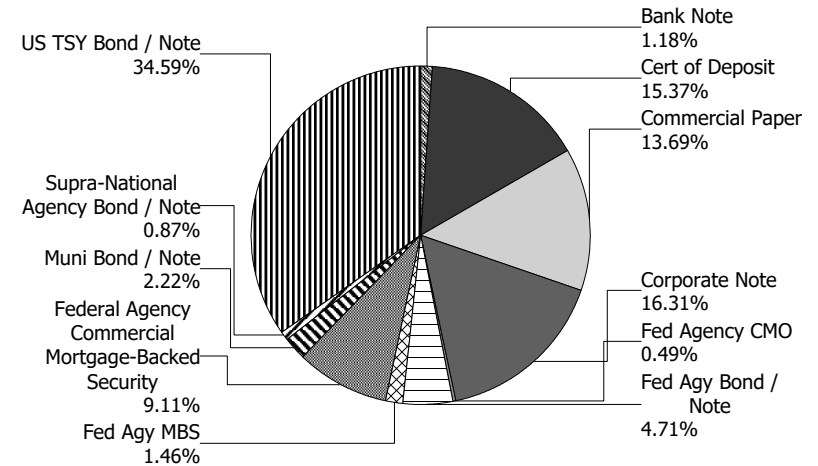
ACSA OPERATING FUNDS - 03100100

### Account Summary

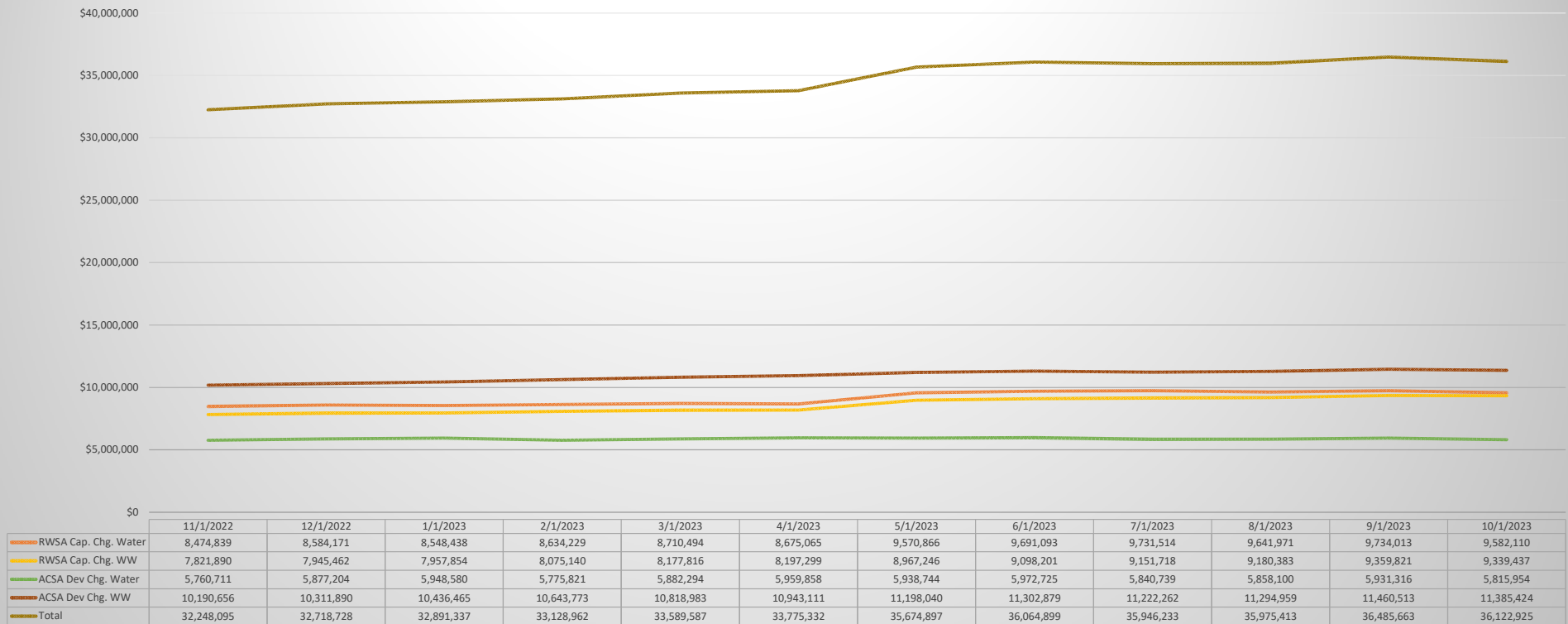
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	10,735,000.00	10,401,193.09	34.59
Supra-National Agency Bond / Note	265,000.00	260,271.87	0.87
Municipal Bond / Note	680,000.00	668,372.80	2.22
Federal Agency Mortgage-Backed Security	479,219.68	437,893.36	1.46
Federal Agency Commercial Mortgage-Backed Security	2,865,753.47	2,737,227.57	9.11
Federal Agency Collateralized Mortgage Obligation	150,000.00	146,886.13	0.49
Federal Agency Bond / Note	1,445,000.00	1,415,764.98	4.71
Corporate Note	5,060,000.00	4,905,945.84	16.31
Commercial Paper	4,200,000.00	4,115,051.40	13.69
Certificate of Deposit	4,625,000.00	4,620,293.84	15.37
Bank Note	355,000.00	353,700.35	1.18
<b>Managed Account Sub-Total</b>	<b>30,859,973.15</b>	<b>30,062,601.23</b>	<b>100.00%</b>
Accrued Interest		235,337.10	
<b>Total Portfolio</b>	<b>30,859,973.15</b>	<b>30,297,938.33</b>	

**Unsettled Trades**                      **0.00**                      **0.00**

### Sector Allocation



### Capacity/System Development Reserves



Note: Additions to Capacity/System Development Reserves are from monthly connection charges, reductions to the reserves are from monthly growth related expenses/capital costs.



**Albemarle County Service Authority**  
**Connection Fee Analysis**  
**September 2023**

33

Area	September 2023 Monthly Connection Fees	September 2022 Monthly Connection Fees	\$ Change	% Change
Crozet	\$ 176,070	\$ 161,640	\$ 14,430	9%
Urban	306,210	502,070	(195,860)	-39%
Scottsville	300	-	300	
<b>Total Connection fees</b>	<b>\$ 482,580</b>	<b>\$ 663,710</b>	<b>\$ (181,130)</b>	<b>-27%</b>
<b>Through September</b>				
Area	YTD FY 2024 Connection Fees	YTD FY 2023 Connection Fees	\$ Change	% Change
Crozet	\$ 976,545	\$ 511,860	\$ 464,685	91%
Urban	1,195,910	1,599,745	(403,835)	-25%
Scottsville	300	-	300	-
<b>Total Connection fees</b>	<b>\$ 2,172,755</b>	<b>\$ 2,111,605</b>	<b>\$ 61,150</b>	<b>3%</b>

Area	September 2023 ERC's	September 2022 ERC's	Change	% Change
Crozet	12	12	-	0%
Urban	21	37	(16)	-43%
Scottsville	-	-	-	-
<b>Total ERC's</b>	<b>33</b>	<b>49</b>	<b>(16)</b>	<b>-33%</b>
<b>Through September</b>				
Area	YTD FY 2024 ERC's	YTD FY 2023 ERC's	Change	% Change
Crozet	68	38	30	79%
Urban	82	119	(37)	-31%
Scottsville	-	-	-	-
<b>Total ERC's - YTD</b>	<b>150</b>	<b>157</b>	<b>(7)</b>	<b>-4%</b>

Note: This analysis shows, both in dollars and ERC's, connections by month and YTD for the period under review. As noted above, connection fees are comparable to the prior year. See the "Three Year Connection Fee Comparison" for further discussion related to this change.

**Albemarle County Service Authority  
Three Year Connection Fee Comparison  
September 2023**

<b>Area</b>	<b>September 2023 ERC's</b>	<b>September 2022 ERC's</b>	<b>September 2021 ERC's</b>
<b>Crozet</b>	12	12	5
<b>Urban</b>	21	37	107
<b>Scottsville</b>	-	-	-
<b>Total ERC's</b>	33	49	112

<b>Through September</b>			
<b>Area</b>	<b>YTD 2024 ERC's</b>	<b>YTD 2023 ERC's</b>	<b>YTD 2022 ERC's</b>
<b>Crozet</b>	68	38	21
<b>Urban</b>	82	119	220
<b>Scottsville</b>	-	-	-
<b>Total ERC's - YTD</b>	150	157	241

Note: The information above present ERCs by month and YTD for the current and past two fiscal years. As noted in the YTD portion of the analysis, YTD ERCs in Fiscal Year 2023 appear reasonable considering continued development within the ACSA's service area.

**Albemarle County Service Authority  
Water and Sewer Charges from the RWSA  
Fiscal Year 2024**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>Increase</b>	
	<b>RWSA Charges</b>	<b>RWSA Charges</b>	<b>(Decrease)</b>	
<b>July</b>	\$ 2,352,971	\$ 2,041,957	\$ 311,014	15.23%
<b>August</b>	2,352,440	2,042,399	310,041	15.18%
<b>September</b>	2,286,484	2,083,284	203,200	9.75%
<b>October</b>	2,277,041	2,021,265	255,776	12.65%
<b>November</b>		1,987,793		
<b>December</b>		2,025,214		
<b>January</b>		1,990,411		
<b>February</b>		1,956,978		
<b>March</b>		2,006,071		
<b>April</b>		2,013,296		
<b>May</b>		2,021,900		
<b>June</b>		1,979,565		
	<hr/>	<hr/>		
	\$ 9,268,935	\$ 24,170,133		
<hr/>				
<b>YTD</b>	\$ 9,268,935	\$ 8,188,905	\$ 1,080,030	13.19%

**Note:** The charges noted above from the RWSA include operating and debt service charges.

**Albemarle County Service Authority  
Consumption Analysis  
Fiscal Year 2024**

	FY 2024 Consumption	FY 2023 Consumption		Monthly Precipitation (In.)	
				FY 2024	FY 2023
July	154,300,020	155,932,214	-1.05%	5.44	6.42
August	170,746,002	159,969,362	6.74%	2.51	4.10
September	176,070,325	155,676,979	13.10%	2.98	2.79
October		152,513,014	-100.00%		2.24
November		148,761,821	-100.00%		4.52
December		134,997,083	-100.00%		4.60
January		138,803,649	-100.00%		2.32
February		126,909,570	-100.00%		2.87
March		134,395,216	-100.00%		1.36
April		140,263,055	-100.00%		4.67
May		140,578,641	-100.00%		2.31
June		163,336,945	-100.00%		4.81
	501,116,347	1,752,137,549		10.93	43.01
<b>YTD</b>	501,116,347	471,578,555	6.26%	10.93	13.31

**Note:** Consumption through September 2023 is 6.26% more than the same period in fiscal year 2023. Monthly precipitation figures have been included for comparison purposes. Trends in rainfall can sometimes correlate with trends in consumption however, depending on the intensity, days between rain events, or other factors, this may not always be the case.

**Note:** Precipitation data obtained from National Oceanic and Atmospheric Administration (NOAA):  
<https://www.ncdc.noaa.gov/cdo-web/search>.





# Water and Sewer Report

(Volumes in Gallons)  
September 2023

<b>Metered by Area:</b>	<b>Water</b>	<b>Sewer</b>
Crozet	23,095,704	19,425,553
Scottsville	1,458,027	730,177
Urban	151,460,616	121,586,890
Red Hill	55,978	0
<b>Total</b>	<b>176,070,325</b>	<b>141,742,620</b>

<b>Wastewater Flows by Sewer Plant:</b>	
Moore's Creek AWWRF	141,012,443
less Glenmore	(4,114,582)
Urban Total	136,897,861
Scottsville	730,177
<b>Total</b>	<b>137,628,038</b>

<b>Number of Installed Meters:</b>	
Urban	28
Crozet	16
Scottsville	0
<b>Total</b>	<b>44</b>

<b>Hydrant Meter Consumption (billed by invoice):</b>	
Urban	1,040,600
Crozet	46,600
Scottsville	0
<b>Total</b>	<b>1,087,200</b>

<b>Estimated Water Loss:</b>		
1575 Gray Fox Trl - 9/16/23	Urban	1,000
1595 Gray Fox Trl - 9/17/23	Urban	1,000
<b>Total</b>		<b>2,000</b>

## Billed Consumption for Selected Customers

	<b>Water</b>	<b>Sewer</b>		<b>Water</b>	<b>Sewer</b>
VA Land Holding	345,816	345,816	Boar's Head Inn	783,137	721,576
Southwood Mobile Homes	1,907,560	2,040,000	Farmington, Inc.	1,156,924	508,768
Turtle Creek Apts.	1,350,616	1,346,269	Westgate Apts.	1,237,019	1,235,919
Barracks West Apartments	1,658,391	1,658,391	Abbingdon Crossing	2,492,190	2,492,190
Monroe Health & Rehab.	852,091	852,091	Four Seasons Apts	1,702,012	1,702,012
Sunrise Senior "Colonnades"	957,970	739,170	Ch'ville/Alb Airport	177,535	177,562
ACRJ	1,039,180	875,180	State Farm	2,079,390	1,828,092
Westminster Canterbury	1,786,950	1,700,950	Hyatt @ Stonefield	447,874	447,874
SEMF Charleston	1,718,222	1,718,222	Doubletree	928,828	928,828
Martha Jefferson Hospital	2,784,352	1,389,750	Arden Place Apts	535,953	535,953
Crozet Mobile Home Village	318,266	318,266	Hilton Garden Inn	255,308	230,172
The Home Depot	183,977	183,977	The Blake @ Charlottesville	390,945	390,945
County of Albemarle	2,544,081	1,650,258	The Lodge @ Old Trail	284,415	284,415
University of Virginia	2,556,273	2,553,828	Gov't-Defense Complex	1,086,405	1,009,592
Wegmans	509,461	509,461	Harris Teeter Stores	200,756	200,756



September 2023

**WATER**

Class Type	Number of Connections by Area			<u>Total</u>
	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	
Single-Family Residential	16,059	3,878	195	20,132
Multi-Family Residential	564	44	3	611
Commercial (Offices)	202	12	5	219
Commercial (Other)	933	76	53	1,062
Industrial	36	11	4	51
Institutional	171	32	12	215
<b>Total Water Connections</b>	<b>17,965</b>	<b>4,053</b>	<b>272</b>	<b>22,290</b>
<b>Plus Multiple Units</b>	<b>13,103</b>	<b>781</b>	<b>89</b>	<b>13,973</b>
<b>Total Water Units</b>	<b>31,068</b>	<b>4,834</b>	<b>361</b>	<b>36,263</b>

**SEWER**

Class Type	Number of Connections by Area			<u>Total</u>
	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	
Single-Family Residential	13,749	3,602	157	17,508
Multi-Family Residential	533	42	4	579
Commercial (Offices)	186	12	5	203
Commercial (Other)	726	52	44	822
Industrial	15	5	1	21
Institutional	133	26	10	169
<b>Total Sewer Connections</b>	<b>15,342</b>	<b>3,739</b>	<b>221</b>	<b>19,302</b>
<b>Plus Multiple Units</b>	<b>12,687</b>	<b>777</b>	<b>56</b>	<b>13,520</b>
<b>Total Sewer Units</b>	<b>28,029</b>	<b>4,516</b>	<b>277</b>	<b>32,822</b>

**POPULATION SERVED**

Population served is the total Single-Family and Multi-Family units using an occupancy of 2.5 residents per unit:

	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	<u>Total</u>
<b>Total Water Customers</b>	72,905	11,648	710	85,263
<b>Total Sewer Customers</b>	66,090	10,948	533	77,570

**Albemarle County Service Authority  
Major Customer Analysis  
September 2023 and August 2023**

	<b>September 2023</b>		<b>August 2023</b>		<b>Increase(Decrease)</b>	<b>Increase(Decrease)</b>
	<b>Water*</b>	<b>Sewer*</b>	<b>Water*</b>	<b>Sewer*</b>	<b>Water Consumption</b>	<b>Sewer Usage</b>
<b>County of Albemarle</b>	2,544,081	1,650,258	1,725,336	883,637	47.45%	86.76%
<b>Abbingdon Crossing</b>	2,492,190	2,492,190	2,044,947	2,044,947	21.87%	21.87%
<b>Four Seasons Apts.</b>	1,702,012	1,702,012	1,475,251	1,475,251	15.37%	15.37%
<b>University of Virginia</b>	2,556,273	2,553,828	2,237,573	2,234,804	14.24%	14.28%
<b>State Farm</b>	2,079,390	1,828,092	1,880,590	1,780,311	10.57%	2.68%
<b>SEMF Charleston</b>	1,718,222	1,718,222	1,562,157	1,562,157	9.99%	9.99%
<b>Southwood Mobile Homes</b>	1,907,560	2,040,000	1,803,660	2,100,000	5.76%	-2.86%
<b>Westgate Apts.</b>	1,237,019	1,235,919	1,259,678	1,258,078	-1.80%	-1.76%
<b>Martha Jefferson Hospital</b>	2,784,352	1,389,750	2,885,209	1,230,650	-3.50%	12.93%
<b>Turtle Creek Apts.</b>	1,350,616	1,346,269	1,448,872	1,446,296	-6.78%	-6.92%
<b>ACRJ</b>	1,039,180	875,180	1,145,890	945,890	-9.31%	-7.48%
<b>Westmisnster Canterbury</b>	1,786,950	1,700,950	1,980,810	1,874,810	-9.79%	-9.27%
<b>Barracks West Apartments</b>	1,658,391	1,658,391	1,840,278	1,840,278	-9.88%	-9.88%

**Note:** Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

\* -- Consumption/usage in gallons.

**Albemarle County Service Authority  
Major Customer Analysis  
September 2023 and September 2022**

	<b>September 2023</b>		<b>September 2022</b>		<b>Increase(Decrease)</b>	<b>Increase(Decrease)</b>
	<b>Water*</b>	<b>Sewer*</b>	<b>Water*</b>	<b>Sewer*</b>	<b>Water Consumption</b>	<b>Sewer Usage</b>
<b>State Farm</b>	2,079,390	1,828,092	109,230	32,230	1803.68%	5572.02%
<b>County of Albemarle</b>	2,544,081	1,650,258	1,759,864	1,401,009	44.56%	17.79%
<b>Abbingtion Crossing</b>	2,492,190	2,492,190	1,741,335	1,741,335	43.12%	43.12%
<b>SEMF Charleston</b>	1,718,222	1,718,222	1,316,758	1,316,758	30.49%	30.49%
<b>Barracks West Apartments</b>	1,658,391	1,658,391	1,355,400	1,355,400	22.35%	22.35%
<b>Westmisnster Canterbury</b>	1,786,950	1,700,950	1,487,470	1,382,470	20.13%	23.04%
<b>University of Virginia</b>	2,556,273	2,553,828	2,170,440	2,168,562	17.78%	17.77%
<b>Turtle Creek Apts.</b>	1,350,616	1,346,269	1,274,538	1,266,638	5.97%	6.29%
<b>Southwood Mobile Homes</b>	1,907,560	2,040,000	1,870,035	2,070,000	2.01%	-1.45%
<b>Four Seasons Apts.</b>	1,702,012	1,702,012	1,675,053	1,675,053	1.61%	1.61%
<b>Martha Jefferson Hospital</b>	2,784,352	1,389,750	2,928,487	1,382,594	-4.92%	0.52%
<b>ACRJ</b>	1,039,180	875,180	1,097,870	864,870	-5.35%	1.19%
<b>Westgate Apts.</b>	1,237,019	1,235,919	1,355,448	1,354,248	-8.74%	-8.74%

**Note:** Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

\* -- Consumption/usage in gallons.

**Albemarle County Service Authority**

**Major Customer Analysis**

**Year-to-date Comparison: Current Year/Prior Year -- September**

	YTD FY 2024		YTD FY 2023		Increase(Decrease)	Increase(Decrease)
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
State Farm	5,262,180	4,791,410	491,490	126,490	970.66%	3687.98%
County of Albemarle	5,713,740	3,146,497	3,859,440	2,892,255	48.05%	8.79%
Abbingtion Crossing	6,505,273	6,505,273	5,413,309	5,413,309	20.17%	20.17%
SEMF Charleston	4,913,126	4,913,126	4,135,241	4,135,241	18.81%	18.81%
Turtle Creek Apts.	4,019,042	4,011,309	3,618,221	3,597,321	11.08%	11.51%
Westmisnster Canterbury	5,240,100	4,968,100	4,829,200	4,510,200	8.51%	10.15%
Barracks West Apartments	4,842,270	4,842,270	4,475,500	4,475,500	8.20%	8.20%
Martha Jefferson Hospital	8,011,499	3,821,238	7,893,037	3,088,713	1.50%	23.72%
Four Seasons Apts.	4,647,469	4,647,469	4,642,326	4,642,326	0.11%	0.11%
University of Virginia	6,909,189	6,898,154	7,314,261	7,295,700	-5.54%	-5.45%
Westgate Apts.	3,647,438	3,642,538	3,867,871	3,862,571	-5.70%	-5.70%
Southwood Mobile Homes	5,427,990	6,450,000	5,934,035	6,570,000	-8.53%	-1.83%
ACRJ	3,067,170	2,571,170	3,430,060	2,702,060	-10.58%	-4.84%

**Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.**

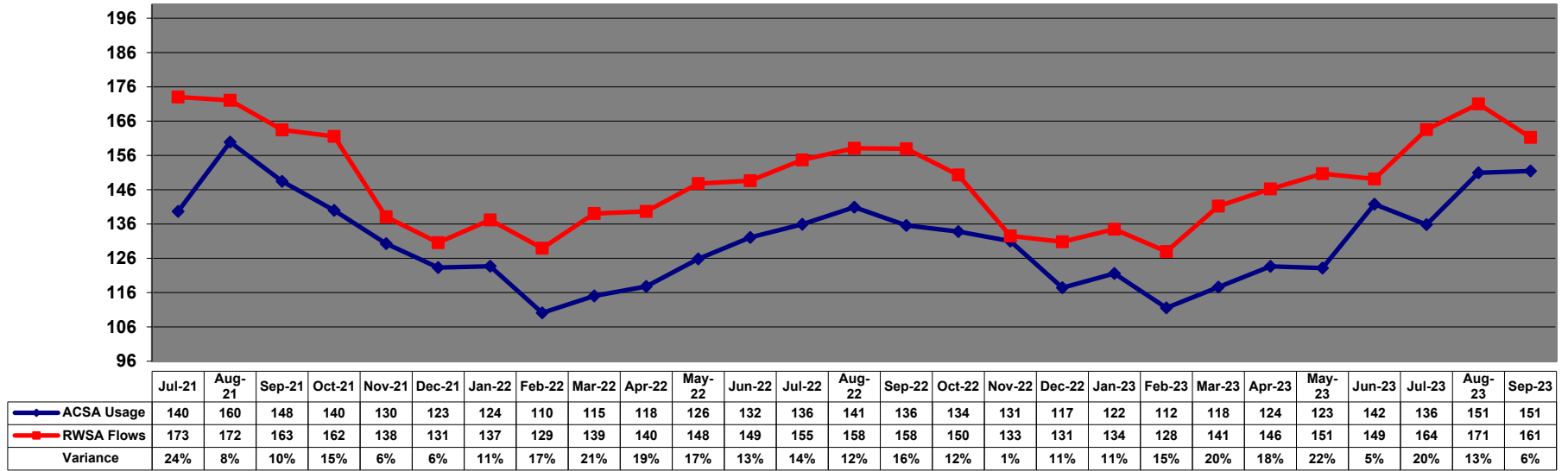
**\* -- Consumption/usage in gallons.**



# FY 2022, 2023, and 2024 Urban Water Comparison RWSA Flows & ACSA Customer Usage

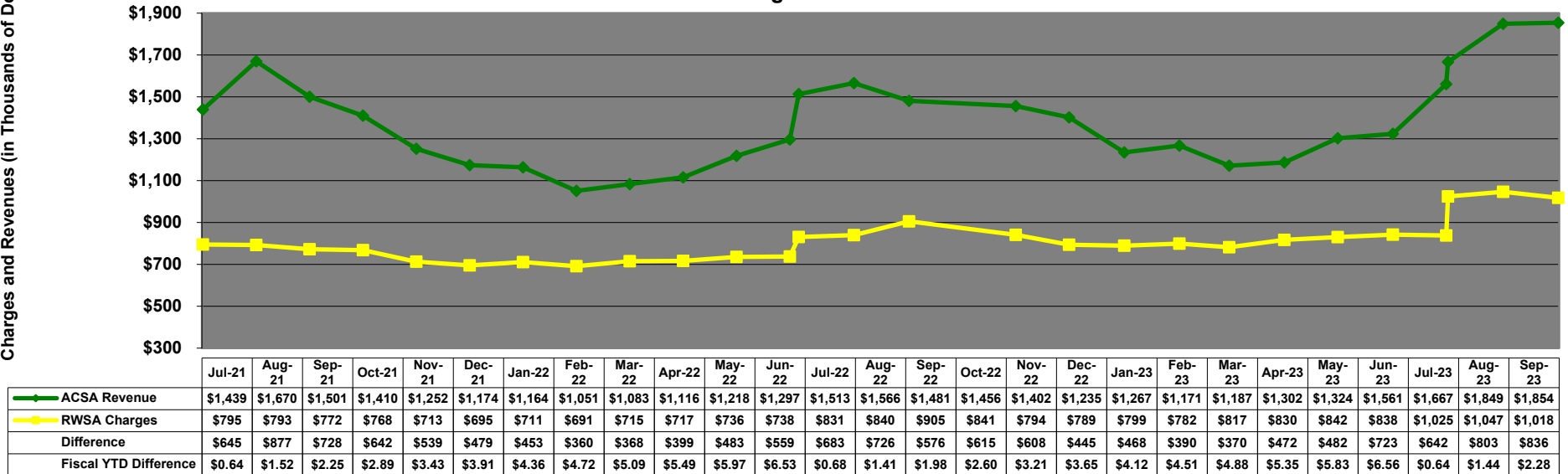
43

Flows & Usage (in Millions of Gallons)



Charges and Revenues (in Thousands of Dollars)

## FY 2022, 2023, and 2024 Urban Water Comparison RWSA Billed Water Charges & ACSA Billed Water Revenues

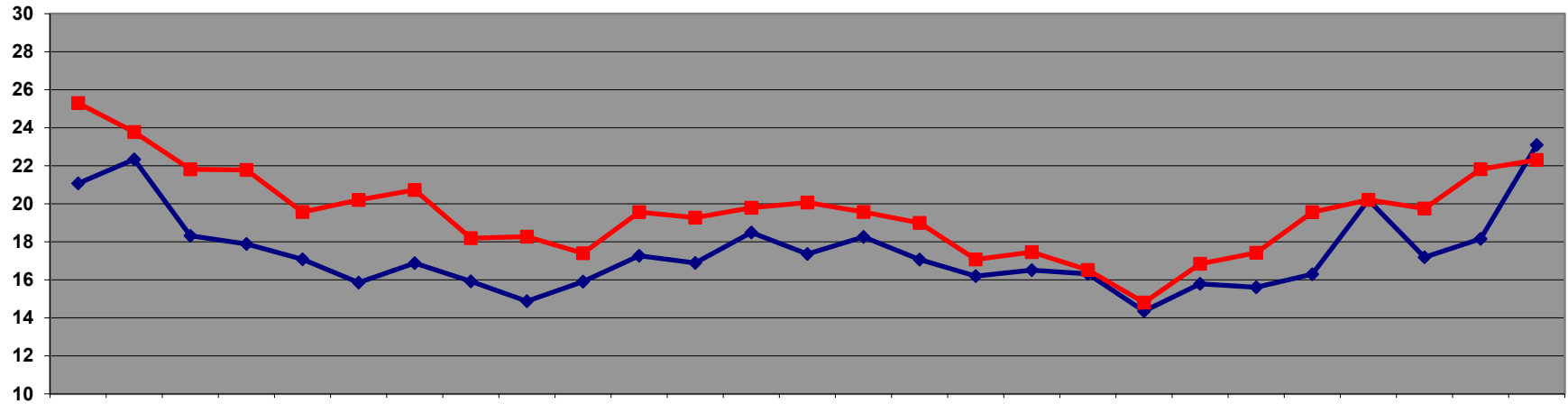




Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

# FY 2022, 2023, and 2024 Crozet Water Comparison RWSA Flows & ACSA Customer Usage

44

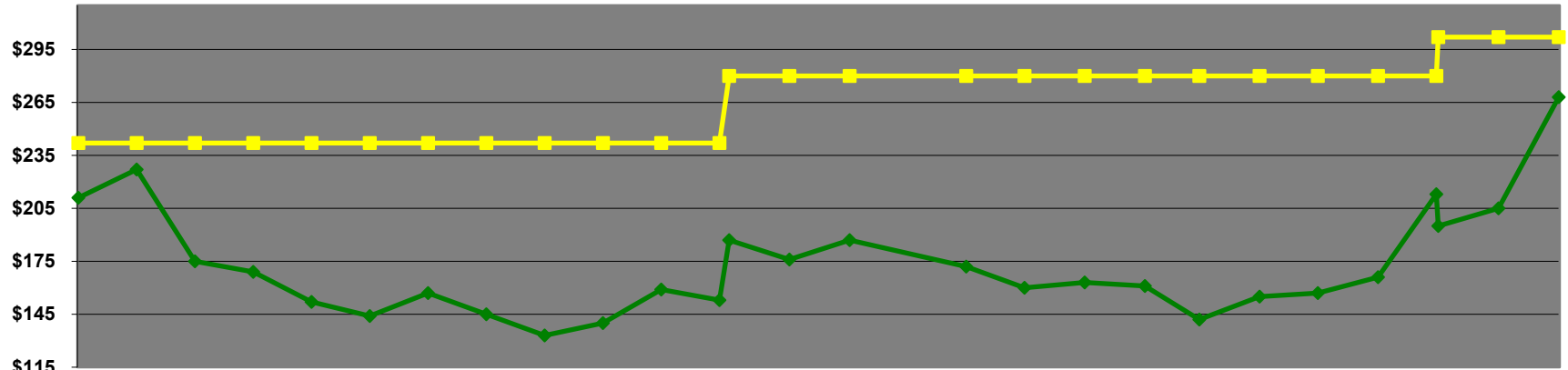
Flows & Usage (in Millions of Gallons)



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
 ACSA Usage	21	22	18	18	17	16	17	16	15	16	17	17	18	17	18	17	16	17	16	14	16	16	16	20	17	18	23
 RWSA Flows	25	24	22	22	20	20	21	18	18	17	20	19	20	20	20	19	17	17	17	15	17	17	20	20	20	22	22
Variance	20%	6%	19%	22%	15%	27%	23%	14%	23%	9%	13%	14%	7%	16%	7%	11%	5%	6%	1%	3%	7%	12%	20%	0%	15%	20%	-3%

# FY 2022, 2023, and 2024 Crozet Water Comparison RWSA Billed Water Charges & ACSA Billed Water Revenues

Charges and Revenues (in Thousands of Dollars)

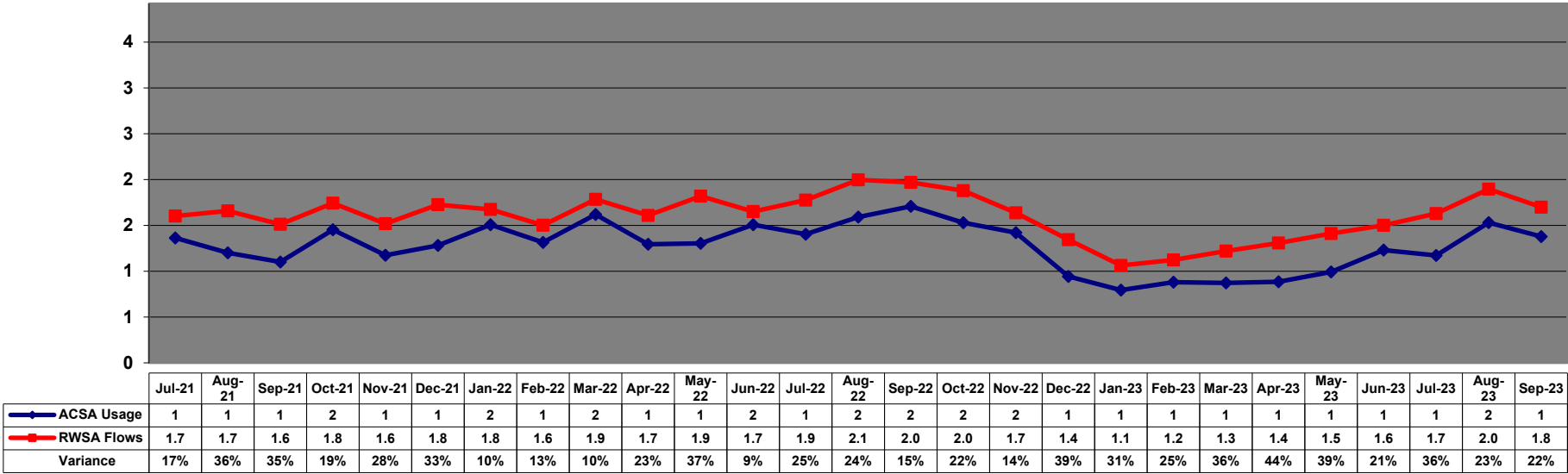


	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
 ACSA Revenue	\$211	\$227	\$175	\$169	\$152	\$144	\$157	\$145	\$133	\$140	\$159	\$153	\$187	\$176	\$187	\$172	\$160	\$163	\$161	\$142	\$155	\$157	\$166	\$213	\$195	\$205	\$268
RWSA Charges	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$242	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$302	\$302	\$302
Difference	(\$31)	(\$15)	(\$67)	(\$73)	(\$90)	(\$98)	(\$85)	(\$97)	(\$109)	(\$102)	(\$83)	(\$89)	(\$93)	(\$104)	(\$93)	(\$108)	(\$120)	(\$117)	(\$119)	(\$138)	(\$125)	(\$123)	(\$114)	(\$67)	(\$107)	(\$97)	(\$34)
Fiscal YTD Difference	-\$0.03	(\$0.05)	(\$0.11)	(\$0.19)	(\$0.28)	(\$0.37)	(\$0.46)	(\$0.56)	(\$0.67)	(\$0.77)	(\$0.85)	(\$0.94)	(\$0.09)	(\$0.20)	(\$0.29)	(\$0.40)	(\$0.52)	(\$0.64)	(\$0.75)	(\$0.89)	(\$1.02)	(\$1.14)	(\$1.25)	(\$1.32)	(\$0.11)	(\$0.20)	(\$0.24)



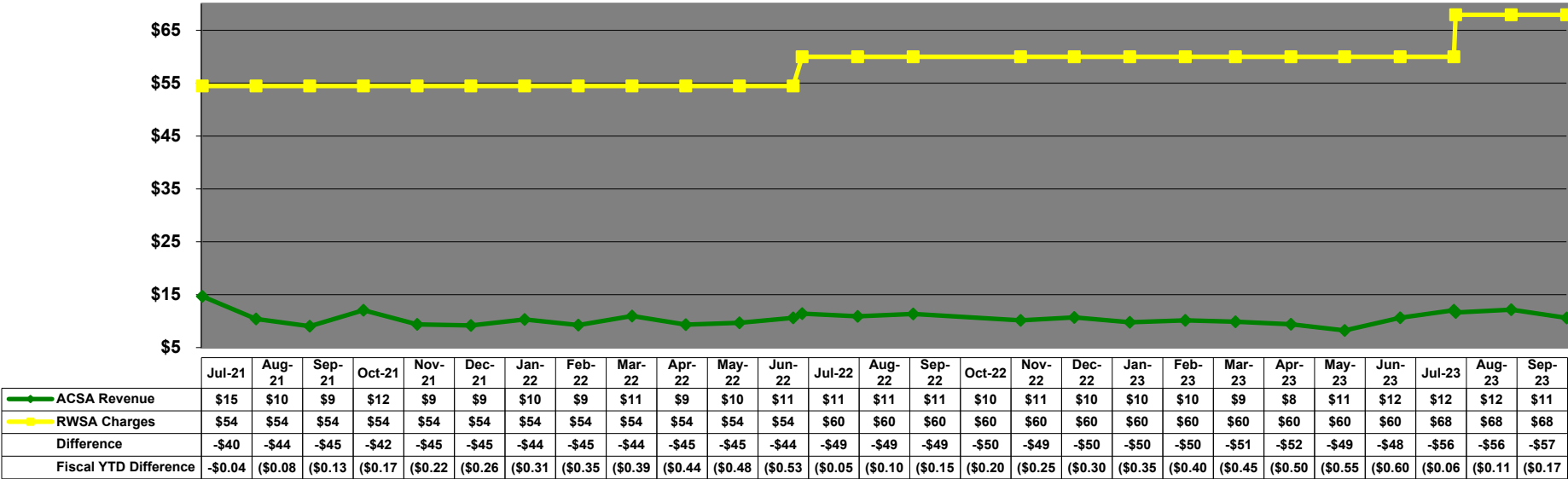
FY 2022, 2023, and 2024 Scottsville Water Comparison  
RWSA Flows & ACSA Customer Usage

Flows & Usage (in Millions of Gallons)



FY 2022, 2023, and 2024 Scottsville Water Comparison  
RWSA Billed Water Charges & ACSA Billed Water Revenues

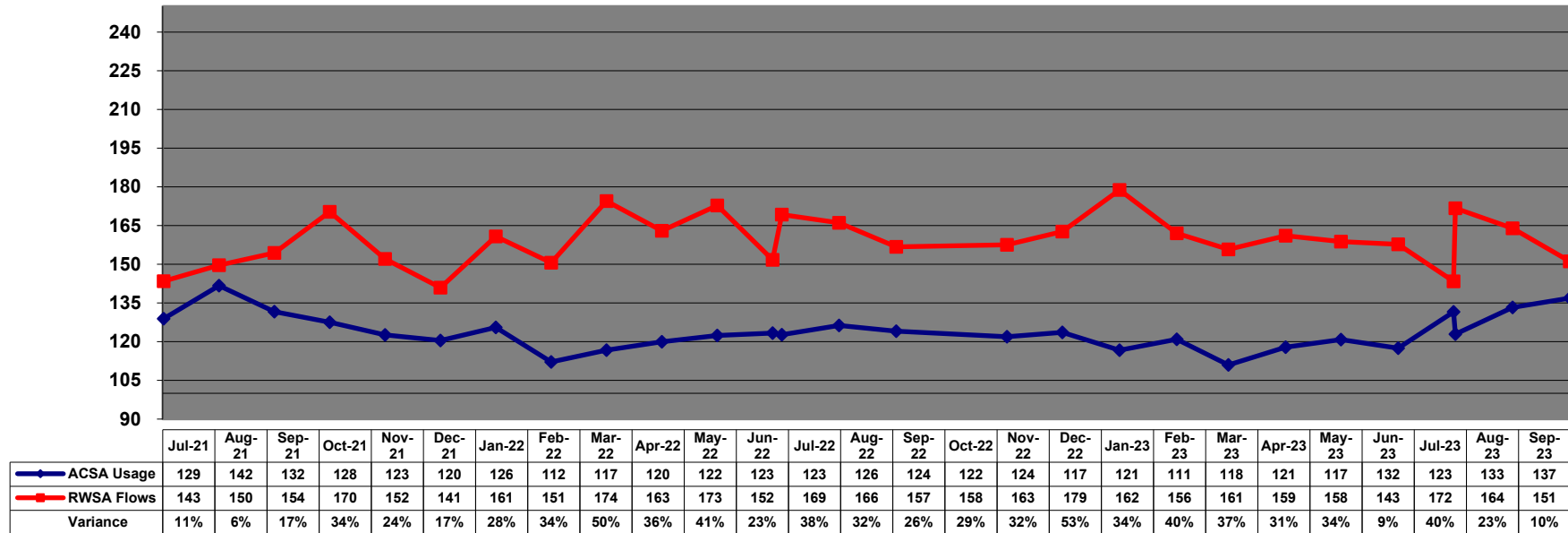
Charges and Revenues (in Thousands of Dollars)



**FY 2022, 2023, and 2024 Urban (including Glenmore) & Crozet Sewer Comparison  
ACSA Customer Usage & RWSA Flows**

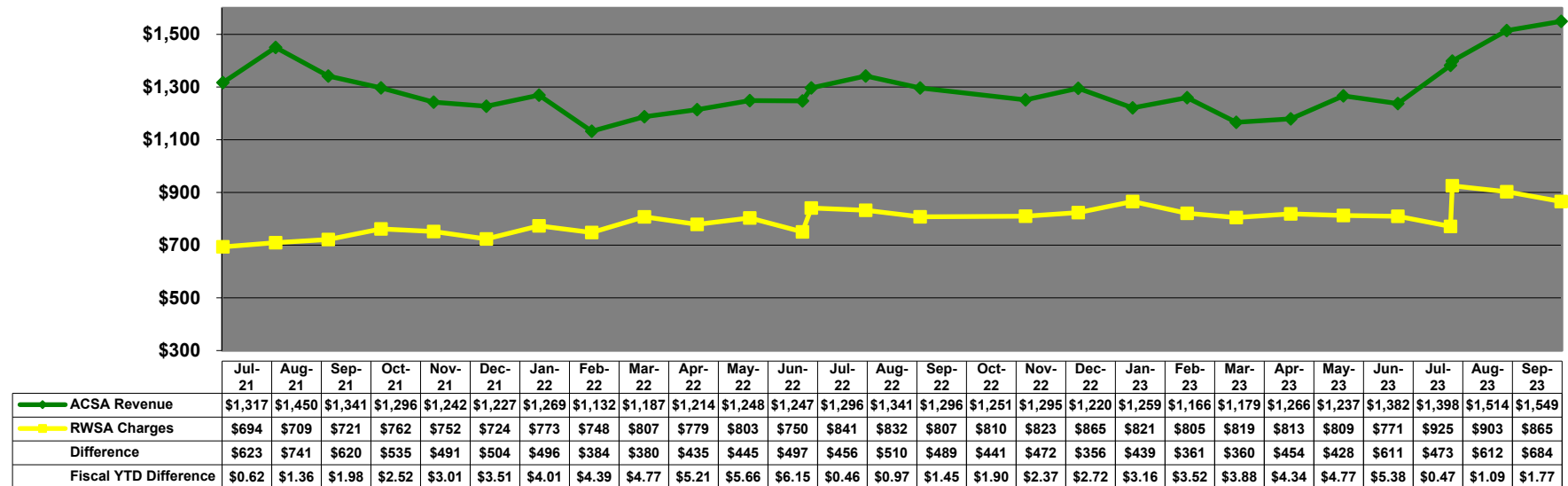
46

Usage & Flows (in Millions of Gallons)



**FY 2022, 2023, and 2024 Urban (including Glenmore) & Crozet Sewer Comparison  
ACSA Billed Sewer Usage & RWSA Billed Sewer Charges**

Charges & Revenues (in Thousands of Dollars)

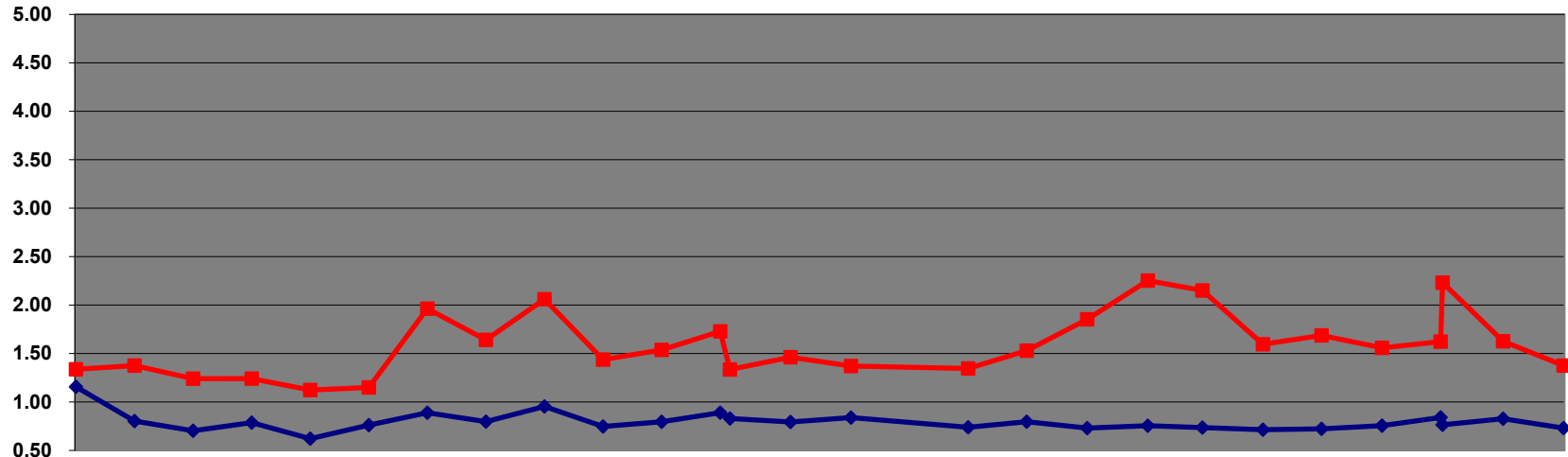


Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

**FY 2022, 2023, and 2024 Scottsville Sewer Comparison  
ACSA Customer Usage & RWSA Flows**

47

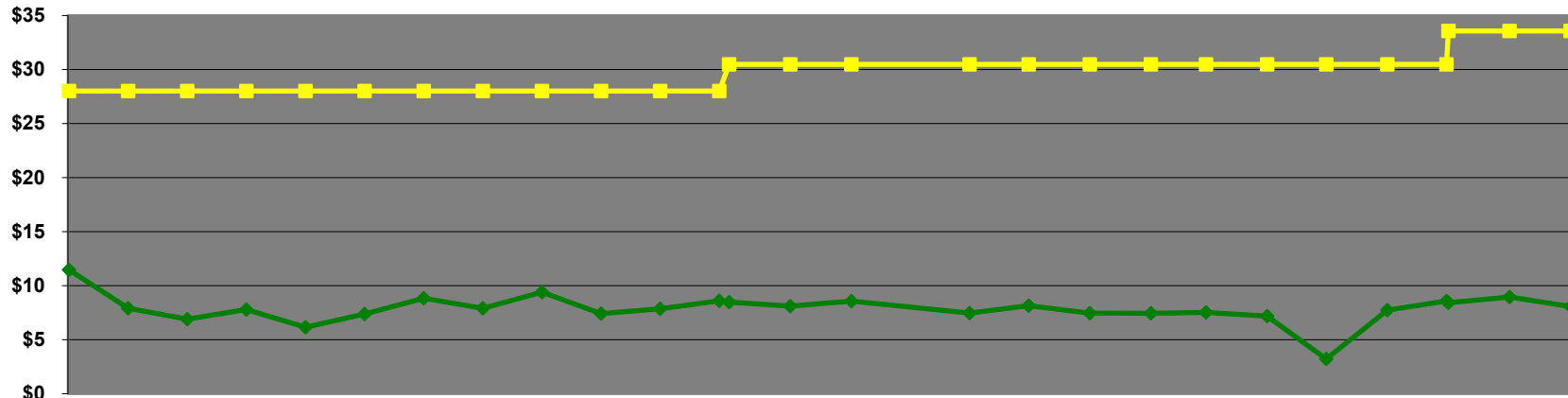
Usage & Flows (in Millions of Gallons)



	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
ACSA Usage	1.16	0.80	0.70	0.79	0.62	0.76	0.89	0.80	0.95	0.75	0.80	0.89	0.83	0.79	0.84	0.74	0.80	0.73	0.75	0.74	0.71	0.72	0.76	0.84	0.76	0.83	0.73
RWSA Flows	1.34	1.38	1.24	1.24	1.12	1.15	1.96	1.64	2.06	1.44	1.54	1.73	1.34	1.46	1.37	1.35	1.53	1.85	2.25	2.15	1.60	1.69	1.56	1.62	2.23	1.63	1.38
Variance	16%	71%	77%	58%	81%	51%	121%	106%	116%	92%	93%	94%	61%	84%	63%	82%	92%	154%	198%	192%	124%	133%	106%	93%	192%	97%	88%

**FY 2022, 2023, and 2024 Scottsville Sewer Comparison  
ACSA Billed Sewer Usage & RWSA Billed Sewer Charges**

Charges & Revenues (in Thousands of Dollars)



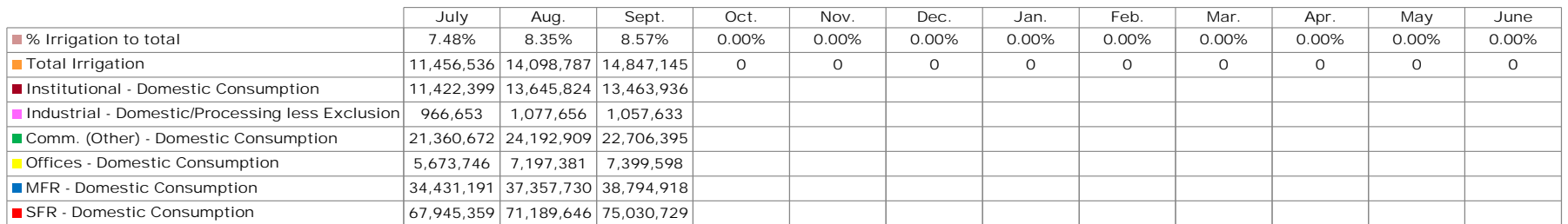
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
ACSA Revenue	\$11.47	\$7.91	\$6.91	\$7.79	\$6.16	\$7.38	\$8.83	\$7.91	\$9.40	\$7.41	\$7.87	\$8.60	\$8.48	\$8.11	\$8.57	\$7.47	\$8.15	\$7.46	\$7.44	\$7.53	\$7.19	\$3.22	\$7.74	\$8.58	\$8.42	\$8.95	\$8.07
RWSA Charges	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$28	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$34	\$34	\$34
Difference	-\$17	-\$20	-\$21	-\$20	-\$22	-\$21	-\$19	-\$20	-\$19	-\$21	-\$20	-\$19	-\$22	-\$22	-\$22	-\$23	-\$22	-\$23	-\$23	-\$23	-\$23	-\$27	-\$23	-\$22	-\$25	-\$25	-\$25
Fiscal YTD Difference	-\$0.02	-\$0.04	-\$0.06	-\$0.08	-\$0.10	-\$0.12	-\$0.14	-\$0.16	-\$0.18	-\$0.20	-\$0.22	-\$0.24	-\$0.02	-\$0.04	-\$0.07	-\$0.09	-\$0.11	-\$0.13	-\$0.16	-\$0.18	-\$0.20	-\$0.23	-\$0.25	-\$0.28	-\$0.03	-\$0.05	-\$0.08

Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

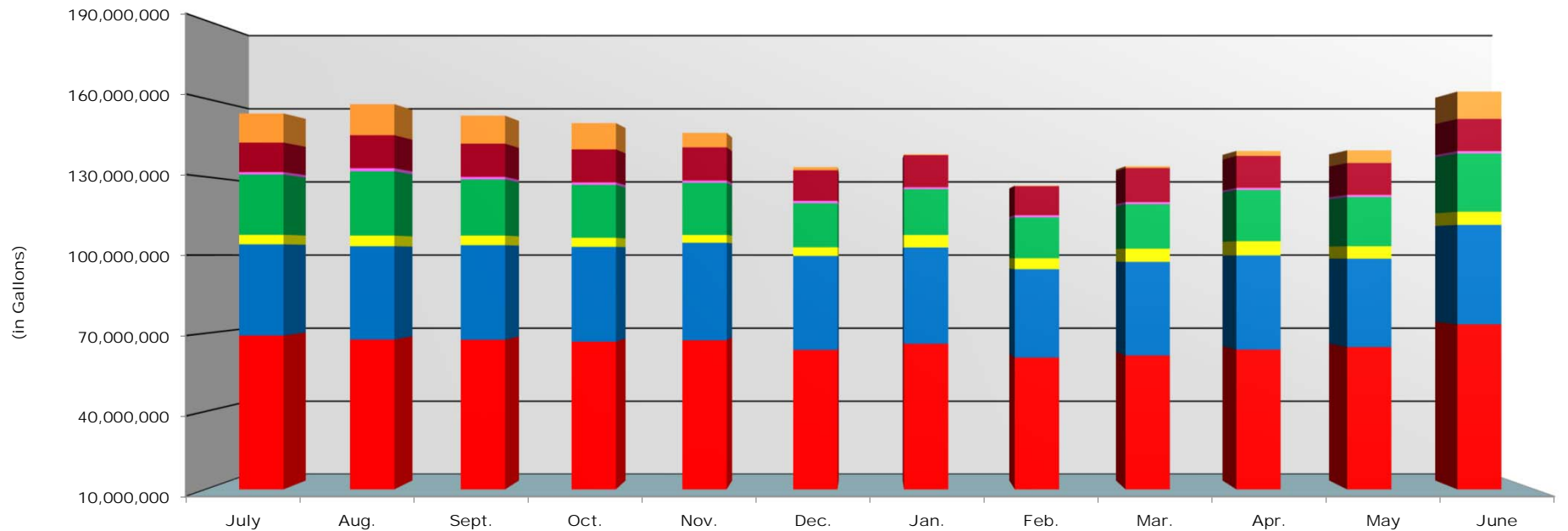






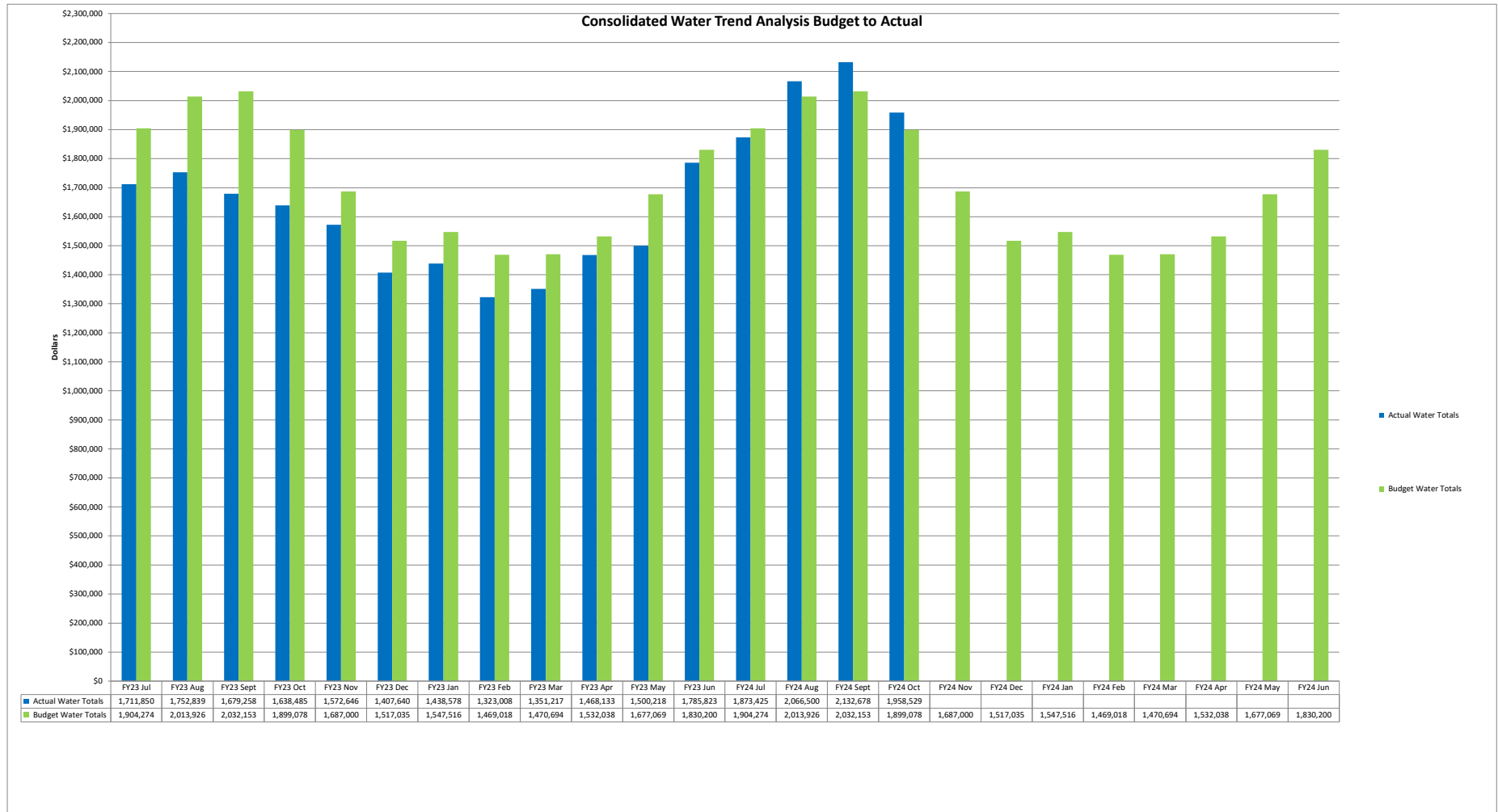


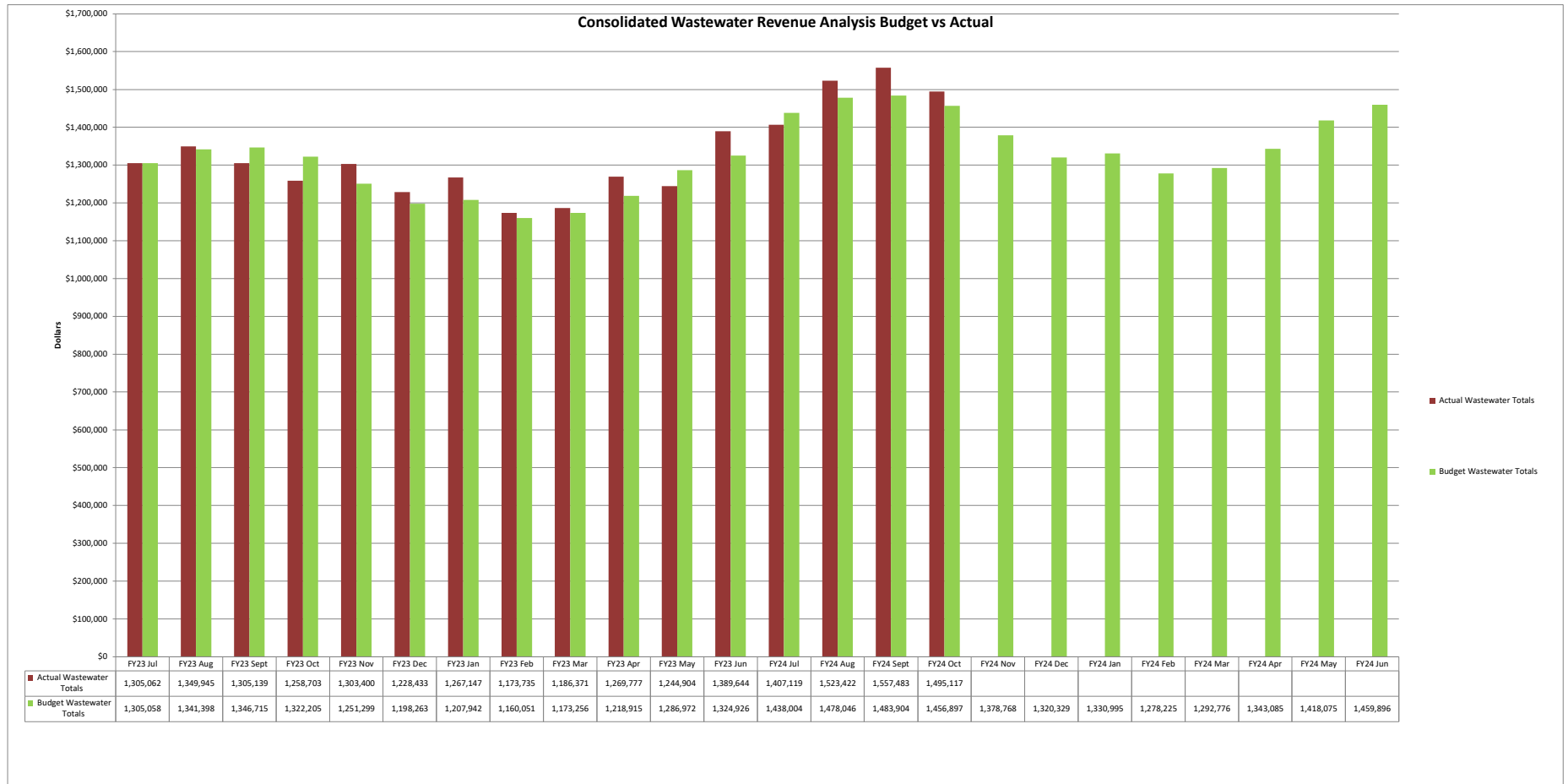
Monthly Water Consumption Fiscal Year 2023

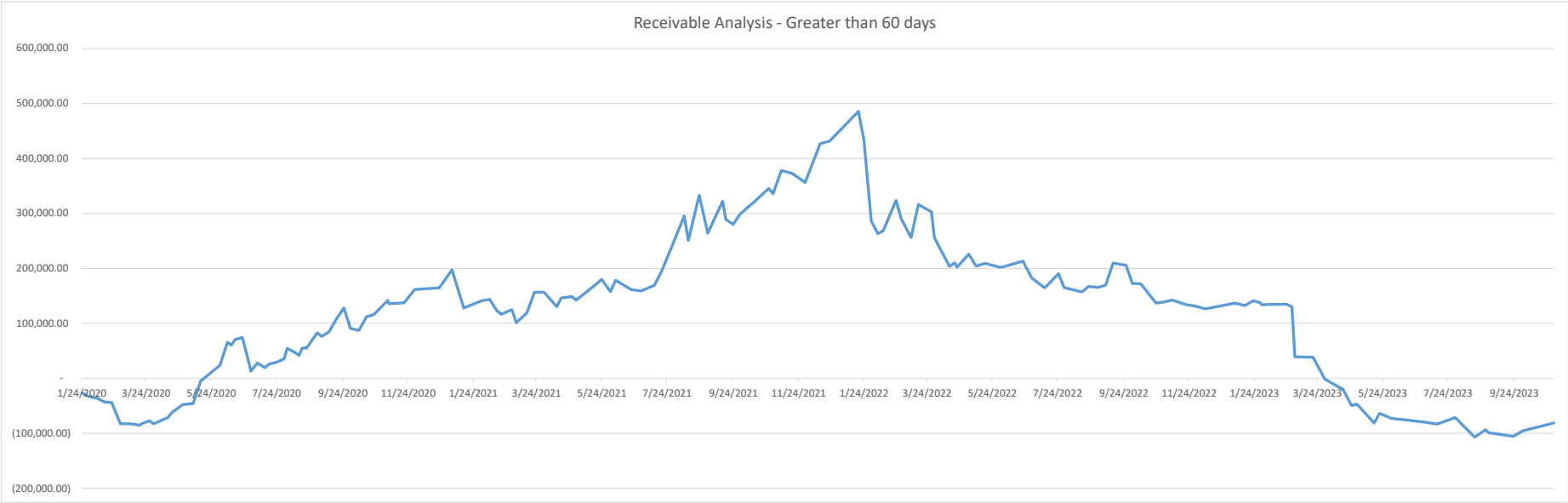


	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
% Irrigation to total	7.24%	7.54%	7.02%	6.70%	3.75%	0.90%	0.27%	0.18%	0.51%	1.36%	3.47%	6.45%
Total Irrigation	11,175,137	11,900,819	10,767,652	10,097,825	5,513,080	1,200,380	370,153	225,619	689,416	1,908,740	4,869,864	10,490,124
Institutional - Domestic Consumption	11,319,291	12,674,993	12,747,929	12,683,947	12,771,652	11,778,793	12,305,045	11,134,031	13,057,616	12,263,090	12,218,396	12,337,143
Industrial	939,061	1,164,077	948,893	933,427	833,612	906,243	709,399	816,705	829,201	805,519	830,656	936,327
Comm. (Other) - Domestic Consumption	23,118,746	24,680,610	21,554,311	20,295,040	20,004,641	16,893,115	17,593,408	15,700,570	17,024,057	19,665,123	18,854,669	22,334,104
Offices - Domestic Consumption	3,674,283	4,083,421	3,700,076	3,470,304	3,043,916	3,329,037	4,809,082	4,181,660	5,081,625	5,429,341	4,775,154	5,049,815
MFR - Domestic Consumption	34,974,805	35,804,051	36,296,110	36,410,800	37,401,009	36,056,416	36,927,115	33,914,329	35,931,334	36,171,544	33,952,020	38,160,782
SFR - Domestic Consumption	69,126,793	67,577,187	67,479,481	66,746,613	67,286,795	63,599,125	65,965,821	60,663,343	61,452,363	63,693,336	64,662,691	73,419,384











**Albemarle County Service Authority**

**October 2023 Payments**

CHECK NUMBER	CHECK DATE	VENDOR NAME	AMOUNT	DESCRIPTION OVER \$5,000
Wire	10/05/2023	Rivanna Water & Sewer Authority	2,286,483.57	Buk Water & Sewer Treatment
ACH	10/13/2023	Payroll	177,117.27	Net Pay
ACH	10/31/2023	Payroll	169,139.10	Net Pay
487356455	10/13/2023	IRS - Federal Tax Deposit	67,966.32	Payroll
487356466	10/31/2023	IRS - Federal Tax Deposit	62,758.00	Payroll
Wire	10/24/2023	The Bank of New York Mellon	48,604.17	Debt Service
487356465	10/31/2023	County of Albemarle	37,213.14	Payroll
487356454	10/31/2023	County of Albemarle	33,185.50	Payroll
487356451	10/31/2023	Virginia Retirement System	31,919.50	Payroll
487356462	10/31/2023	Virginia Retirement System	31,919.42	Payroll
68139	10/01/2023	Virginia Risk Sharing Association	30,210.00	Insurance/Worker's Compensation
68101	10/01/2023	Paymentus Corporation	24,906.38	Transaction Fees
68178	10/15/2023	Ramboll Americas Engineering	19,376.50	Northfields Water Main Replacement
68148	10/15/2023	Bank of America	18,194.68	Supplies, Memberships, Tools, Travel
68104	10/01/2023	Provantage LLC	16,265.00	Server Replacements
68065	10/01/2023	Dewberry Engineers Incorporated	15,647.00	Townwood Water Main Replacement
68205	10/18/2023	Infrastructure Solutions Group	15,575.00	JetScan 2.0 Camera w/ Accessories
68094	10/01/2023	Ramboll Americas Engineering	13,130.00	Northfields Water Main Replacement
487356456	10/13/2023	Virginia Dept of Taxation	11,612.50	Payroll
68070	10/01/2023	East Coast Utility Contractors	10,782.50	Sewer Pump Station Commintors
487356467	10/31/2023	Virginia Dept of Taxation	10,739.36	Payroll
68149	10/15/2023	Brown, Edwards & Company LLP	10,000.00	FY 2023 Financial Statement Audit
68185	10/15/2023	Prism Contractors	9,019.88	FY 2024 Sewer Rehabilitation
68145	10/15/2023	Allison Partners	8,505.00	Coaching and follow-up services
68164	10/15/2023	Flora Pettit PC	8,320.00	General Representation
68201	10/15/2023	Cellco Partnership	8,288.06	Monthly Cellular Service
68190	10/15/2023	Robert J Young Company LLC	7,218.32	Security Camera Purchase
68086	10/01/2023	L/B Water Service Incorporated	6,992.85	3 inch hydrant meters
68042	10/01/2023	American Water Works Association	6,952.00	AWWA Yearly Membership Dues
68072	10/01/2023	EWT Holdings III Corporation	6,243.09	Bioxide Delivery
68175	10/15/2023	Mansfield Oil Company of Gainesville Inc	5,835.97	Monthly Cellular Service
68084	10/01/2023	Price Chevrolet Company	5,410.42	Repair Unit 43
68192	10/15/2023	RSG Landscaping LLC	5,142.19	Landscaping
487356454	10/31/2023	Valic	5,065.00	Payroll
487356453	10/13/2023	Valic	5,045.00	Payroll
68168	10/15/2023	Robert Duncan	4,799.95	
487356450	10/13/2023	Nationwide	4,334.65	
487356461	10/31/2023	Nationwide	4,334.65	
68069	10/01/2023	Dominion Energy Virginia	3,891.77	
68071	10/01/2023	Ed's Floor Care Services LLC	3,703.33	
68160	10/15/2023	Dominion Energy Virginia	3,518.48	
487356449	10/13/2023	ICMA Membership Renewals	3,462.04	
487356460	10/31/2023	ICMA Membership Renewals	3,462.04	
68090	10/01/2023	Mansfield Oil Company of Gainesville Inc	3,375.65	
68103	10/01/2023	PFM Asset Management LLC	3,025.17	
68061	10/01/2023	Cornwell Engineering Group	2,765.00	
68115	10/01/2023	UniFirst Corporation	2,692.88	
68157	10/15/2023	Consolidated Pipe & Supply	2,526.00	
68109	10/01/2023	Siemens Industry Inc.	2,186.80	
68120	10/01/2023	VAMAC Incorporated	2,157.96	
68173	10/15/2023	Lowe's	2,028.34	
68198	10/15/2023	UniFirst Corporation	1,923.89	

68105	10/01/2023	Rappahannock Electric Cooperative	1,834.28
68306	10/31/2023	Minnesota Life Insurance Co	1,833.70
68108	10/01/2023	S L Williamson Company Inc	1,772.18
68089	10/01/2023	Mailing Services of Virginia	1,750.78
68100	10/01/2023	Palencia Construction LLC	1,697.82
68304	10/31/2023	Guardian	1,689.98
68059	10/01/2023	Comcast	1,669.68
68172	10/15/2023	L/B Water Service Incorporated	1,633.86
68116	10/01/2023	University of Virginia	1,600.00
487356458	10/13/2023	ACSA Flexible Spending	1,588.65
487356469	10/31/2023	ACSA Flexible Spending	1,588.65
68138	10/01/2023	Robert Duncan	1,559.99
68159	10/15/2023	Harris Systems USA Incorporated	1,450.00
68202	10/15/2023	VA Utility Protection Service Inc	1,441.00
68188	10/15/2023	Rivanna Solid Waste Authority	1,433.00
487356457	10/13/2023	Flexible Benefit	1,427.00
487356468	10/31/2023	Flexible Benefit	1,427.00
68113	10/01/2023	Traffic Safety Supplies LLC	1,366.00
68156	10/15/2023	Concrete Pipe & Precast LLC	1,222.00
68302	10/31/2023	ACAC	1,205.00
68161	10/15/2023	Education & Training Services	998.00
68189	10/15/2023	Rivanna Water & Sewer Authority	970.08
68193	10/15/2023	S L Williamson Company Inc	938.65
68174	10/15/2023	Luck Stone Corporation	917.44
68176	10/15/2023	MSB Coach	889.00
68080	10/01/2023	Guy Brown LLC	821.87
68191	10/15/2023	Stemmle Plumbing Repair Inc	803.00
487356452	10/31/2023	AFLAC	769.13
487356463	10/31/2023	AFLAC	769.13
68118	10/01/2023	UVA-WorkMed	765.00
487356470	10/31/2023	VACORP	760.44
68066	10/01/2023	Ditch Witch of Roanoke Incorporated	730.88
68119	10/01/2023	VACORP	708.99
68166	10/15/2023	Elisabeth A Golden	704.00
68171	10/15/2023	LB Technology Incorporated	700.00
68095	10/01/2023	ODP Business Solutions LLC	696.90
68199	10/15/2023	University Tire & Auto	660.58
68058	10/01/2023	Comcast	643.44
68043	10/01/2023	API Service Center	613.00
68141	10/15/2023	Foothill Lawn Service Inc	572.10
68153	10/15/2023	BRC Enterprises Incorporated	565.50
68123	10/01/2023	Virginia Government Finance	550.00
68088	10/01/2023	Luck Stone Corporation	547.23
68062	10/01/2023	Crown Castle	533.53
68200	10/15/2023	VEC LLC	475.98
68195	10/15/2023	TSRC Incorporated	463.13
68187	10/15/2023	Rexel USA Incorporated	462.45
68184	10/15/2023	Pitney Bowes Global	441.60
68127	10/01/2023	Whitman, Requardt & Assoc LLP	438.60
68060	10/01/2023	Consolidated Pipe & Supply	420.00
68165	10/15/2023	Fortiline Incorporated	400.09
68204	10/13/2023	Treasurer of Virginia	398.40
68112	10/01/2023	TSRC Incorporated	352.02
68124	10/01/2023	Protocol SSD Corporation	341.34
68051	10/01/2023	Brink's Incorporated	318.52

68144	10/15/2023	Aireco Supply Incorporated	315.73
68097	10/01/2023	Jane Thelen	300.00
68099	10/01/2023	Stephanie Conley	300.00
68197	10/15/2023	U. S. Bank	291.67
68055	10/01/2023	Indpdnt Bttry Retailers of America	284.94
68307	10/31/2023	Piedmont Family YMCA	281.70
68046	10/01/2023	Associa OnCall	266.87
68041	10/01/2023	BPB Holding Corporation	265.73
68044	10/01/2023	Appalachian Power	265.57
68078	10/01/2023	Greenwood Homes	263.47
68186	10/15/2023	Republic Services	262.94
68076	10/01/2023	Flexible Benefit Administrators Inc	262.25
68102	10/01/2023	Peak Builders	261.63
68194	10/15/2023	Macro Retailing LLC	251.98
68126	10/01/2023	Rebecca Washington	251.11
68039	10/01/2023	Advance Stores Company Inc	242.43
68050	10/01/2023	Blue Sky Property Management	217.10
68150	10/15/2023	MWP Supply Incorporated	209.34
68057	10/01/2023	Nicholas Clark	207.26
68158	10/15/2023	County of Albemarle	203.60
68040	10/01/2023	David A Payne	202.20
68098	10/01/2023	Larry Towsey	200.00
68106	10/01/2023	Red Wing Business Advantage Account	200.00
68179	10/15/2023	Anya Shepelavey	200.00
68183	10/15/2023	Mary Elane Brown Galonska	200.00
487356459	10/31/2023	Treasurer of Virginia	189.94
68111	10/01/2023	Macro Retailing LLC	188.99
68054	10/01/2023	Corey Cavanaugh	188.04
68053	10/01/2023	MWP Supply Incorporated	187.73
68048	10/01/2023	Devon & Jon Bain	185.00
68182	10/15/2023	Linda Lester	184.00
68143	10/15/2023	Advance Stores Company Inc	165.68
68068	10/01/2023	Mary Hannah Dolin	160.87
68147	10/15/2023	Aqua Air Laboratories Inc	150.00
68305	10/31/2023	Herbert Beskin Trustee	135.00
68117	10/01/2023	University Tire & Auto	131.46
68170	10/15/2023	Price Chevrolet Company	127.00
68308	10/31/2023	Snap Fitness	119.88
68146	10/15/2023	American Pest Incorporated	118.00
68125	10/01/2023	Lauren Warmington	116.45
68073	10/01/2023	FedEx	116.24
68083	10/01/2023	James River Equipment	106.51
68155	10/15/2023	Clear Communication &	102.00
68096	10/01/2023	James Muehlberg	100.00
68122	10/01/2023	Virginia Dept of Transportation	100.00
68180	10/15/2023	Felicia Fu	100.00
68181	10/15/2023	Joseph Milbank	100.00
68110	10/01/2023	Stanley Martin	98.67
68047	10/01/2023	Bailey Printing Incorporated	85.00
68064	10/01/2023	Tina Dailey	80.25
68128	10/01/2023	William A Wells	70.00
68169	10/15/2023	James River Communications Inc	70.00
68203	10/15/2023	William A Wells	70.00
68067	10/01/2023	Document Destruction of	69.95
68049	10/01/2023	Cristina Bertone	68.72

68074	10/01/2023	Ferguson US Holdings Inc	65.38
68177	10/15/2023	Lindsay Mullen	57.09
68114	10/01/2023	Travelers Haven	50.28
68163	10/15/2023	FedEx	49.42
68082	10/01/2023	Tim & Jamie Hoagland	46.96
68075	10/01/2023	Fisher Auto Parts Incorporated	42.95
68085	10/01/2023	Margaret Kramer	40.25
68303	10/31/2023	Anytime Fitness-Pantops	40.00
68162	10/15/2023	Maria Falls	39.74
68052	10/01/2023	Cassidy Burk	37.00
68151	10/15/2023	Central Virginia Electric Cooperative	35.18
68092	10/01/2023	McCarthy Tire Service	35.00
68142	10/15/2023	29 Group	30.46
68167	10/15/2023	Harry A Wright's Incorporated	30.00
68056	10/01/2023	City of Charlottesville	28.19
68077	10/01/2023	Gingerich Outdoor Power Spec	24.99
68079	10/01/2023	Leanne M Grove	18.33
68152	10/15/2023	Culpeper Auto Parts Incorporated	18.04
68129	10/01/2023	Willoughby Village LLC	13.33
68045	10/01/2023	Patricia Artinian	12.64
68154	10/15/2023	City of Charlottesville	11.82
68081	10/01/2023	Gabriel Hall	10.40
68091	10/01/2023	Linda Martin	9.51
68196	10/15/2023	Thryv Incorporated	6.50
68087	10/01/2023	Thomas Loach	5.88
68063	10/01/2023	Crozet Hardware Co., Inc.	4.11
68107	10/01/2023	Marica A Reinhold	2.87
68093	10/01/2023	Thien Nguyen	2.15
			<hr/>
			3,348,963.25



# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> FY 2024 Capital Improvement Program (CIP) Report  <b>STAFF CONTACT(S)/PREPARER:</b> Jeremy M. Lynn, P.E., Director of Engineering	<b>AGENDA DATE:</b> November 16, 2023  <b>CONSENT AGENDA:</b> <b>ACTION:</b> ■ <b>INFORMATION:</b> ■  <b>ATTACHMENTS:</b> YES
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**BACKGROUND:** Monthly CIP Memo including a status report on active CIP Projects and a list of Active Private Development Projects.

**DISCUSSION:**

- Questions about the status of active CIP Projects.
- Questions about the status of active Private Development Projects.

**BUDGET IMPACT:** None.

**RECOMMENDATIONS:** None.

**BOARD ACTION REQUESTED:** Approval of the Consent Agenda.

**ATTACHMENTS:**

- Monthly CIP Report
- List of Active Private Development Projects



**Albemarle County Service Authority (ACSA)**  
**Capital Improvement Project Report**  
**November 2023**

**Water System CIP Projects**

**1. Crozet Phase 4 Water Main Replacement (Account Code 1756):**

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Construction
Percent Complete:	0%
Contractor:	Valley Contracting, LLC
Construction Start:	January 2024
Completion:	July 2025
Total Budget:	\$6,534,400
Appropriated Funds:	\$7,064,424

**Project Description:** This project continues our systematic program to replace the aging and undersized asbestos-cement and PVC water mains in the Crozet Water System. Roads impacted by water replacement work include Crozet Avenue (Route 240), Rockfish Gap Turnpike (Route 250), Hillsboro Lane, Brownsville Road, and the neighborhood streets in Park View. This is the fourth of five phases that have been defined to carry out these improvements.

**11/7/2023:** The Notice of Award has been issued to Valley Contracting, requiring them to provide the fully executed contract, Payment and Performance Bonds, and Certificate of Insurance.

**2. Scottsville Phase 4 Water Main Replacement (Account Code 1758):**

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2024
Completion:	2026
Total Budget:	\$6,804,900
Appropriated Funds:	\$569,240

**Project Description:** This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast-iron water mains throughout our water distribution system. Roads impacted by water replacement work include James River Road, Warren Street, Hardware Street, Moores Hill, and the downtown streets of Page, Bird, and West Main. This project requires extensive coordination with the Rivanna Water and Sewer Authority (RWSA) as it includes the replacement of their asbestos-cement water main along James River Road.

**11/7/2023:** Project meeting was held on November 2, 2023, to discuss comments on the 90% Design Documents. Revised easement plats have been received and are under review by ACSA staff.

**3. Ragged Mountain Phase 1 Water Main Replacement (Account Code 1760):**

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	Undetermined
Completion:	Undetermined
Total Budget:	\$1,218,400
Appropriated Funds:	\$203,614

**Project Description:** This project will replace the oldest active water main remaining in our system serving residents along Fontaine Avenue Extended and Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which significantly reduces the flow capacity in this section.

**11/7/2023:** The Draft Technical Memorandum, which evaluates four options for installing a new water main across Morey Creek, has been received and is under review by ACSA staff.

**4. Northfields Water Main Replacement (Account Code 1764):**

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2026
Completion:	2027
Total Budget:	\$8,530,000
Appropriated Funds:	\$655,997

**Project Description:** This project continues our systematic program to replace the aging and undersized asbestos-cement water mains in our system. The existing water mains are approximately 55 years old and have reached the end of their useful life. As a former well system that was connected to public water, most of the mains are also undersized.

10/10/2023: The 90% Design Documents have been received and they are under review by ACSA staff.

**5. Huntington Village Water Connection (Account Code 1770):**

Consultant:	ACSA Engineering Department
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	2024

Completion:	2024
Total Budget:	\$60,700
Appropriated Funds:	\$3,533

**Project Description:** The existing water main that serves as the only feed into Huntington Village off Old Ivy Road is at risk of failure due to an existing rock retaining wall that was constructed overtop of the water main. This project provides a second water connection into Huntington Village which is comprised of approximately 135 residential customers.

8/9/2023: The 100% Design Documents have been completed by ACSA staff. Construction for this project will take place following award of the upcoming Annual Water Services Contract that is nearing design completion.

#### **6. Briarwood Water Main Replacement (Account Code 1766):**

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Design
Percent Complete:	50%
Contractor:	Undetermined
Construction Start:	2026
Completion:	2027
Total Budget:	\$2,220,000
Appropriated Funds:	\$255,338

**Project Description:** 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.

**11/7/2023:** Project meeting was held on October 27, 2023, with new team members from both the ACSA and Ramboll. Ramboll anticipates submitting the 90% Design Documents in January 2024.

#### **7. Barracks West Water Main Replacement (Account Code 1796):**

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2024
Completion:	2025
Total Budget:	\$3,402,000
Appropriated Funds:	\$218,191

**Project Description:** This project will replace the undersized and aging cast iron and galvanized water mains that were installed in the late 1960's. These water mains are original to the Old Salem Apartments development, now called Barracks West. This project follows our Strategic Plan goal to replace aging and undersized water mains throughout our system and will provide for an opportunity to improve fire protection to these multi-family apartments.

**11/7/2023:** 100% Design Documents have been received and are under review by ACSA staff. Easement acquisition efforts have also begun with the property owner.

**8. Townwood Water Main Replacement (Account Code 1773):**

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	50%
Contractor:	Undetermined
Construction Start:	2028
Completion:	2028
Total Budget:	\$1,300,000
Appropriated Funds:	\$169,180

**Project Description:** 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.

10/10/2023: Comments on the 50% Design Documents have been returned to Dewberry.

**9. Broadway Street Water Main Replacement (Account Code 1768):**

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2024
Completion:	2024
Total Budget:	\$1,417,800
Appropriated Funds:	\$128,000

**Project Description:** This project will replace the ductile 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.

**11/7/2023:** The draft easement plat has been approved and presented to ACSA legal counsel for Deed of Easement preparation.

**10. Raintree and Fieldbrook Water Main Replacement (Account Code 1771):**

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	50%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	\$6,432,300

Appropriated Funds: \$290,887

**Project Description:** This project continues our systematic program to replace the PVC water mains in the Raintree and Fieldbrook subdivisions that have been in service since the early 1980's. In addition to replacing these PVC mains, this project will also eliminate pipe saddles at the water service connections that have been failing due to corrosion.

8/9/2023: With construction currently scheduled for FY 2027 and FY 2028, ACSA staff have strategically identified this project as one to put in hold until we have made significant progress on higher priority projects. ACSA staff has received the 50% Design Documents from Baker.

#### **11. Lewis Hill – West Leigh Water Connection (Account Code 1754):**

Consultant:	ACSA Engineering Department
Project Status:	Design
Percent Complete:	95%
Contractor:	Undetermined
Construction Start:	2024
Completion:	2024
Total Budget:	\$80,900
Appropriated Funds:	\$7,125

**Project Description:** An existing PVC water main that serves as a connection between West Leigh Subdivision and Lewis Hill Subdivision was found to be compromised due to the encroachment of a nearby stream. The water main has been taken out of service to avoid a catastrophic failure and the resulting large volume of lost water. This project re-establishes the connection from West Leigh by taking advantage of the recent water main replacement along Sheffield Road with an 8-inch diameter pipe.

**11/7/2023: A site visit with the Lewis Hill HOA was held the week of October 23, 2023, to make slight adjustments to the water main alignment to avoid several larger trees. The Lewis Hill HOA has engaged with a third-party appraiser to determine the value of the easement.**

#### **12. Exclusion Meters Replacement (Account Code 1759):**

Consultant:	ACSA Engineering Department
Project Status:	Construction
Percent Complete:	40%
Contractor:	ACSA Maintenance Department
Construction Start:	September 2019
Completion:	2024
Total Budget:	\$742,500
Appropriated Funds:	\$247,500

**Project Description:** 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 to irrigate their

properties. Private meters were installed behind their ACSA meter to record this volume and it was “excluded” from the calculation of their sewer charges and these became known as exclusion meters. On January 1, 2006, the ACSA Rules and Regulations were modified to no longer allow exclusion meters and required all future irrigation meters be tapped separately off our water mains. This project is a multi-year replacement program by our in-house CIP Crew to install dedicated, ACSA owned irrigation meters that will eliminate all remaining exclusion meters in our system.

**11/7/2023: ACSA Maintenance crews have completed the follow-up restoration efforts in the Darby Road (west) section of Glenmore. ACSA staff is currently working with three customers and their irrigation contractors on an alternative approach, utilizing the services of the customer’s irrigation contractor to upgrade the meter to be compatible with our AMI system with the ACSA covering these costs. There are currently 296 private irrigation exclusion meters remaining in our system.**

## **Sewer System CIP Projects**

### **13. Madison Park Pump Station Upgrade (Account Code 1735):**

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Construction
Percent Complete:	0%
Contractor:	Anderson Construction, Inc. (ACI)
Construction Start:	October 2022
Completion:	November 2024
Total Budget:	\$1,940,000
Appropriated Funds:	\$2,003,831

**Project Description:** This wastewater pump station was constructed in the early 1980’s by private development and the original equipment is nearing the end of its useful life. Additionally, 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 new SCADA System.

10/10/2023: WRA has approved the pump skid and control submittal, allowing ACI to update their construction schedule.

### **14. Airport Trunk Sewer Upgrade (Account Code 1828):**

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2026
Completion:	2028
Total Budget:	\$6,183,800
Appropriated Funds:	\$378,459



**Project Description:** With the continued growth in the Hollymead Town Center area, the existing sewer collector serving the airport and the area west of Route 29 has insufficient capacity 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. A study of the drainage basin was completed in 2016 with the recommendation the sewer main be increased in size by replacing it in place.

**11/7/2023:** ACSA staff recently received an executed Deed of Easement for this project, bringing the total to 9 of 24 easements having been obtained.

**15. Bellair – Liberty Hills Sewer (Account Code 1829):**

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	50%
Contractor:	Undetermined
Construction Start:	2025
Completion:	2026
Total Budget:	\$6,393,715
Appropriated Funds:	\$380,295

**Project Description:** 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. To gauge community interest for such a project, ACSA staff mailed out a survey to the residents seeking feedback on their interest. Based on initial feedback received, many of the property owners are interested in connecting to public sewer if it was made available.

8/9/2023: ACSA staff is working with Baker to revise the design to minimize the areas within the neighborhood that will be served by E/One systems. ACSA staff is discussing how to best deploy E/One systems on an ACSA project.

**16. Biscuit Run Sewer Replacement (Account Code 1830):**

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Construction
Percent Complete:	0%
Contractor:	Commonwealth Excavating, Inc. (CEI)
Construction Start:	2024
Completion:	2024
Total Budget:	\$479,600
Appropriated Funds:	\$756,419

**Project Description:** During a routine inspection, the ACSA's Maintenance Department discovered an existing gravity main and manhole along an intermittent stream that drains into Biscuit Run had been exposed due to runoff. This project will replace the sewer segment that crosses the stream with ductile iron pipe and will reinforce the stream bank where the sewer manhole is exposed.

**11/7/2023:** On November 2, 2023, three bids were received for the Biscuit Run Sewer Replacement and Stream Restoration Project. A Board authorization is proposed for this project.

**17. FY 2024 Miscellaneous Sewer Rehabilitation (Account Code 1908):**

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	June 2023
Completion:	June 2024
Total Budget:	\$500,000
Appropriated Funds:	\$500,000

**Project Description:** This project continues our annual “find and fix” program of sanitary sewer rehabilitation to reduce I&I in our system.

**11/7/2023:** Prism and ACSA staff are coordinating a site visit to the location of Work Order No. 4 to determine contractor access and if any easement clearing is required.

**Non-Utility and Facility CIP Projects**

**18. Risk Assessment Improvements (Account Code 1621):**

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	95%
Contractor:	Harrisonburg Construction Co., Inc. (HCC)
Construction Start:	November 2022
Completion:	November 2023
Total Budget:	\$1,221,950
Appropriated Funds:	\$1,222,048

**Project Description:** This project focuses on implementation of recommendations from our Vulnerability Assessment that was completed in conjunction with our community partners, which identified mitigation measures to lower risks and increase resiliency for the ACSA. Priority 1 improvements focus on fencing and door hardening at existing tank and pump station sites. Priority 2 focuses on the creation of sterile zones around various sites. Priorities 3 and 4 focus on installation of new fencing and lightening protection. Some mitigation measures have already been completed with others phased over upcoming fiscal years based upon priority.

**11/7/2023:** HCC has resumed installation of security doors at the Spotnap Facility. ACSA Maintenance Crews have established sterile zones around the two remaining sites: Mosby Mountain Tank and the ACSA Spotnap Facility.

### 19. ESRI ArcGIS Utility Network Implementation Study (Account Code 1628):

Consultant:	Timmons Group
Project Status:	Study
Percent Complete:	15%
Project Start:	September 2023
Completion:	March 2024
Total Budget:	\$225,000
Appropriated Funds:	\$45,228

**Project Description:** The software vendor for the ACSA's Geographic Information System (GIS) has released a product called Utility Network which could enable additional functionality that would benefit ACSA staff. Implementing this software would entail a major change to the structure of the GIS as well as how it is accessed, maintained, modified, and updated going forward. It also would impact all integrated software. This study will determine if a migration is possible due to the various integrations and processes currently in place. The study will weigh the benefits with the consequences of implementing the software. It will also determine what changes would be necessary to the GIS before the data is in a format which can be migrated into the Utility Network.

**11/7/2023: The Discovery Sessions have been completed. Timmons Group has provided a Data Reviewer deliverable which IT staff is using to investigate the ACSA's GIS data. Timmons Group is continuing to work on their current state assessment.**

### 20. Energy Audit (Account Code 1625):

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Construction
Percent Complete:	20%
Contractor:	ACSA Facilities Group
Construction Start:	July 2023
Completion:	December 2023
Total Budget:	\$390,000
Appropriated Funds:	\$296,000

**Project Description:** This project consists of a comprehensive energy audit of the Operations Center and all pump stations. The Energy Audit evaluated current energy consumption and the factors that drove it, as well as analysis of our utility rate structures to identify potential cost savings. Surveys were conducted of all systems, including operation and maintenance procedures to determine where energy conservation could be improved. Recommendations from the Energy Audit included: LED Lighting Retrofit, Occupancy Based HVAC Controls, replacement of Domestic Water Heater, improved efficiencies of water and wastewater pumps, pursuit of Electric Fleet Vehicles (EV) and exploration of Solar Photovoltaic renewable energy.

**11/7/2023: As recommended by the Energy Audit, the domestic water heater at the Spotnap Facility has been replaced for improved energy efficiency.**



## **21. Avon Operations Center (Account Code 1622):**

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	2024
Completion:	2025
Total Budget:	\$11,990,000
Appropriated Funds:	\$933,857

**Project Description:** As part of the Operations Center Expansion Study our consultant reviewed all properties owned by the ACSA that could be utilized as we continue to grow. The Avon Street property has long been held as a future location to build additional facilities in a central location, as needed. The current Maintenance Yard at our Operations Center is becoming overcrowded with equipment and materials, causing us to locate some equipment and larger materials in the former ACSA Maintenance Yard at the Crozet Water Treatment Plant, which we lease from RWSA. The future expansion of granular activated carbon (GAC) at the Crozet Water Treatment Plant site will result in the loss of much of the ACSA's storage space at that site. This project will begin to develop the Avon Street property into a much larger vehicle and materials storage facility, including a training area for our equipment operators.

**11/7/2023:** Revised Site Plan and Easement Plats have been submitted to the County for final review and approval. ACSA staff has begun off-site easement acquisition efforts with the two adjacent property owners.

## **22. ACSA – Fire Suppression System Replacement (Account Code 1631):**

Consultant:	Undetermined
Project Status:	Design/Build
Percent Complete:	0%
Construction Start:	2024
Completion:	2024
Total Budget:	\$750,000
Appropriated Funds:	\$0

**Project Description:** 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.

**11/7/2023: The Request for Proposal (RFP) was issued on October 26, 2023, with proposals due December 6, 2023.**

## **23. Records Management Project (Account Code 1632):**

Consultant:	Right Fit Consulting
Project Status:	Study
Percent Complete:	10%
Study Start:	September 2023
Completion:	December 2023
Total Budget:	\$325,000
Appropriated Funds:	\$10,800

**Project Description:** The goal of this project is to improve record compliance and retention while digitizing paper files currently in storage. The initial phase of the Records Management Project consists of the classification of each document, so they are properly and securely stored and maintained. Ultimately files across the organization will be scanned and searchable digital files created, allowing physical space to be freed up.

**11/7/2023: The Data Classification Scheme has been established and distributed for Department Head and Legal Counsel feedback before distributing to the rest of the organization. Right Fit Consulting has met with the ACSA's Information Security Officer (ISO) and will be meeting with the Department Heads in the coming weeks to begin establishing a data inventory.**

## **24. Four-Story Backflow Prevention Assembly Retrofit (Account Code 1765):**

Consultant:	ACSA/Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	98%
Contractor:	Foothill Irrigation
Construction Start:	February 2023
Completion:	December 2023

Total Budget:	\$348,000
Appropriated Funds:	\$360,295

**Project Description:** In late 2018 ACSA staff became aware of four-story residential structures being constructed without proper backflow prevention assemblies. Section 8 of the ACSA Rules and Regulations details the ACSA Backflow Prevention Program. This program is in accordance with 12VAC5-590-570 through 12VAC5-590-630 of the Virginia Waterworks Regulations. The Containment Policy in 12VAC5-590-610 outlines the requirement for a backflow prevention (BFP) assembly on the domestic water service line to high rise structures, defined as four (4) or more stories.

**11/7/2023: Installation activities are currently on hold while Foothill Irrigation performs winterization work for their irrigation customers. ACSA staff continues efforts to schedule installation of the final two backflow assemblies.**

## **25. SCADA System Phase 3 (Account Code 1605):**

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Construction
Percent Complete:	75%
Contractor:	M.C. Dean
Construction Start:	November 2022
Completion:	December 2023
Total Budget:	\$943,115
Appropriated Funds:	\$1,224,918

**Project Description:** The ACSA Utility System has over 40 critical assets that include water and wastewater pump stations, water storage tanks and master PRV stations. They are considered critical because malfunctions or failures at any of the assets could have a drastic effect on our utility system and our customers. These assets are currently monitored by site visits of assigned Maintenance personnel. Phase 3 will expand the existing Supervisory Control and Data Acquisition (SCADA) System to serve the final seven master PRV stations and one water booster station that will allow ACSA employees to remotely monitor the operations of these critical assets from the main office building. Using alarms, we will be able to evaluate problems and prevent some failures before they happen more quickly.

**11/7/2023: M.C. Dean has installed SCADA cabinets at Camelot, Glenmore, Flordon, and Forest Lakes North PRV's. The remaining cabinets should be installed over the next two week along with final electrical wiring connections.**





JML/jl  
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**Albemarle County Service Authority (ACSA)**  
**Active Private Development Projects**  
**November 2023**

1. Brookhill Blocks 16 & 17 (Rivanna): Water and sewer main extensions to serve 135 single family homes in the Brookhill subdivision, located north of Polo Grounds Road and east of the Montgomery Ridge Subdivision.
2. Dunlora Park Phase 2 (Rio): Water and sewer main extensions to serve 6 single family homes in Dunlora Park, located at the intersection of Rio Road East and Dunlora Drive.
3. HTC Area C Townhomes Block III (Rio): Sewer extension and water services to serve 10 attached single family units. The site is located near the intersection of Timberwood Boulevard and Lockwood Drive.
4. Lochlyn Hill – Phase 4 (Rio): Water and sewer main extensions, and demolition of 14 existing homes for 14 single family detached units and 8 single family attached units. This project is located along Pen Park Lane, north of the City limits.
5. Mountain View Elementary Building Addition (Scottsville): Water main extension to facilitate building addition.
6. North Pointe Apartments (Rivanna): Water main extension and a sewer connection to serve 279 multifamily units and a clubhouse. The project is located at the intersection of Northside Drive and Cliffstone Boulevard.
7. North Pointe - Section 2 (Rivanna): Water and sewer main extensions to serve 162 single family homes. The project is located at the northern end of Cliffstone Boulevard.
8. Pleasant Green – Phase 2B and 3 (White Hall): Water and sewer main extensions to serve 173 residential units. This project is located to the southeast of the Orchard Acres subdivision.
9. Regents School of Charlottesville (Samuel Miller): Water and sewer main extensions to serve a private school, grades K-12. The site is located west of Trinity Presbyterian Church, along Reservoir Road.
10. Rivanna Village Phase 2 (Scottsville): Water and sewer main extensions to serve 178 residential units. This project is located east of the Glenmore Ground Storage Tank and Rivanna Village Phase 1.

11. Scottsville Tiger Fuel (Scottsville): Water service and sewer main extension to serve a gas station. This project is located to the south of the Scottsville Road and James River Road intersection.
12. Southwood Phase 1 – Blocks 9-11 (Scottsville): Water and sewer main extensions to serve 70 single family units and 16 condominium units. This project is located west of Horizon Road and south of Hickory Street.
13. Southwood Redevelopment Village 2 (Scottsville): Water and sewer main extensions to serve 44 single family units and 4 condominium units. This project is located near the southern terminus of Horizon Road, on the south side of Hickory Street.
14. Stonefield Block D1 (Jack Jouett): Water main extension to serve a 220 unit apartment building at the intersection of Inglewood Drive and Bond Street.
15. Victorian Heights (Rio): Water and sewer main extensions to serve 34 attached single family and 54 multi-family units. The site is located to the south of RWSA's Woodburn Road Water Tank, between Woodburn Road and Berkmar Drive.

# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<p><b>AGENDA TITLE:</b> FY 2024 CIP Authorizations</p> <p><b>STAFF CONTACT(S)/PREPARER:</b> Jeremy M. Lynn, P.E., Director of Engineering</p>	<p><b>AGENDA DATE:</b> November 16, 2023</p> <p><b>ACTION:</b> <input type="checkbox"/> <b>INFORMATION:</b> <input type="checkbox"/></p> <p><b>CONSENT AGENDA:</b></p> <p><b>ACTION:</b> <input checked="" type="checkbox"/> <b>INFORMATION:</b> <input type="checkbox"/></p> <p><b>ATTACHMENTS:</b> YES</p>
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**BACKGROUND:** Authorization for one CIP Project, which is included in the CIP Rate Model Budget. This authorization is for the award of construction for the Biscuit Run Sewer Replacement and Stream Restoration Project.

### DISCUSSION:

- ❖ Continues the efforts of our “Find & Fix Program” to address deficiencies found in our sanitary sewer system.
- ❖ Initiates construction of the Biscuit Run Sewer Replacement and Stream Restoration Project.

**BUDGET IMPACT:** ACSA staff initially received authorization totaling \$671,503 for construction of this project on March 16, 2023, with the expectation that construction would occur under a Miscellaneous Sewer Repair/Replacement Project. The ACSA was later notified by the contractor that they were no longer interested in performing work for the ACSA under that contract. The bid price for the Biscuit Run Sewer Replacement and Stream Restoration Project is approximately \$300,000 less than previously authorized by the Board and within the CIP Rate Model Budget.

**RECOMMENDATIONS:** Authorize award of the project to keep our CIP Project Schedule moving forward and improving our utility system.

**BOARD ACTION REQUESTED:** Approve the Consent Agenda.

### ATTACHMENTS:

- ❖ Bid Tabulation prepared by ACSA staff for the Biscuit Run Sewer Replacement and Stream Restoration Project.





# MEMORANDUM

**To:** Board of Directors  
**From:** Jeremy M. Lynn, P.E., Director of Engineering  
**Date:** November 16, 2023  
**Re:** FY 2024 CIP Authorizations  
**cc:** Michael E. Derdeyn

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The following project requires Board authorization:

- A. Biscuit Run Sewer Replacement Project:** On November 2, 2023, the ACSA accepted bids for the Biscuit Run Sewer Replacement and Stream Restoration Project. Three (3) contractors submitted bids on the project and the apparent low bidder was Commonwealth Excavating, Inc. with a bid of \$364,750. Based on our review of the submitted bids and our previous experience with Commonwealth Excavating, Inc., ACSA staff is recommending award of the contract to Commonwealth Excavating, Inc. for their bid of \$364,750.

**Board Action**

We request the Board of Directors approve the execution of the contract with Commonwealth Excavating, Inc. for construction of the Biscuit Run Sewer Replacement and Stream Restoration Project.

JML/jml  
Attachments  
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**Albemarle County Service Authority**  
**Biscuit Run Sewer Replacement and Stream Restoration Project**  
**Bid Tabulation**

Bid Date: November 2, 2023

<u>Item No.</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<b>Commonwealth Excavating, Inc. #2705-035555A</b>	<b>Atkins Excavating, Inc. #2705-020707A</b>	<b>Sagres Construction Corporation #2705-060249A</b>
				<b>Total Price</b>	<b>Total Price</b>	<b>Total Price</b>
1	Mobilization	1	LS	\$18,237.00	\$5,000.00	\$20,000.00
2	Sanitary Sewer Replacement	1	LS	\$157,513.00	\$201,975.00	\$354,000.00
3	Stream Restoration	1	LS	\$189,000.00	\$240,175.00	\$396,848.45
<b>Total Bid =</b>				<b>\$364,750.00</b>	<b>Total Bid = \$447,150.00</b>	<b>Total Bid = \$770,848.45</b>


**Bid Package Checklist**

<b>No.</b>	<b>Bidder (Lowest bid to highest bid)</b>	<b>Bid Form</b>	<b>Bid Bond</b>	<b>Reciept of Addenda</b>
1	Commonwealth Excavating, Inc.	✓	✓	✓
2	Atkins Excavating, Inc.	✓	✓	✓
3	Sagres Construction Corporation	✓	✓	✓





## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Rivanna Water & Sewer Authority (RWSA) Monthly Update  <b>STAFF CONTACT(S)/PREPARER:</b> Gary O'Connell, Executive Director 	<b>AGENDA DATE:</b> November 16, 2023  <b>CONSENT AGENDA:</b> Informational  <b>ATTACHMENTS:</b> No
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**BACKGROUND:** This report continues the monthly updates on the Rivanna Water & Sewer Authority (RWSA) projects and Board meetings. Below are some updates on RWSA major projects and issues, including updates from the October 24<sup>th</sup> RWSA Board Meeting and other communications.

RWSA Capital Project Updates at the October 24<sup>th</sup> Board Meeting:

- **South Rivanna and Observatory Water Treatment Plant Renovations**

Design Engineer:	Short Elliot Hendrickson, Inc. (SEH)
Construction Contractor:	English Construction Company
Construction Start:	May 2020
Percent Completion:	93%
Completion Date:	March 2024
Base Construction Contract:	\$38,078,262
Approved Capital Budget:	\$43,000,000

Current Status:

South Rivanna work essentially completed with continuing sludge pump improvements, general site improvements and final instrumentation programming work. Improvements continue at the Observatory Plant including completion of the new chemical building and general site improvements.

History:

The Observatory project includes the design and costs for upgrading the plant systems to achieve an upgraded 10 mgd plant capacity. Much of the Observatory Water Treatment Plant is original to the 1953 construction.

- **Airport Road Water Pump Station and Piping**

Design Engineer:	Short Elliot Hendrickson (SEH)
Contractor:	Anderson Construction
Construction Start:	December 2021
Percent Complete:	65%

## AGENDA ITEM EXECUTIVE SUMMARY

Completion Date: September 2024  
Budget: \$10,000,000

Current Status:

The block and brick walls have been completed at the pump station, with electrical and plumbing work underway, waterline installation is ongoing between the town center and Timberwood Blvd. traffic circles.

History:

The Route 29 Pipeline and Pump Station Master Plan was developed in 2007 and originally envisioned as a multi-faceted project that reliably connected the North and South Rivanna pressure bands; reduced excessive operating pressures and developed a new Airport pressure zone to serve the highest elevations near the Airport and Hollymead Town Center. The master plan update was completed in June of 2018 to reflect the changes in the system and demands since 2007.

- **Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Water Line and Raw Water Pump Station**

Design Engineer: Michael Baker International (Baker)  
Project Start: August 2018  
Project Status: Design 80%  
Construction Start: September 2024  
Completion: December 2028  
Current Project Estimate: \$44,000,000

Current Status:

Preparation of engineering plans and specifications continues. RWSA staff is reviewing plans for the 90% design phase for the water line, which includes the vast majority of the piping to be installed under the project. All easements with UVA Foundation completed, as well as RWSA has purchased pump station property. Because of an alignment change due to a cemetery, RWSA is completing plats and easement documents with UVA for the section of pipe between Fontaine and the Observatory Water Treatment Plant.

History:

Raw water is currently transferred from the Ragged Mountain Reservoir (RMR) to the Observatory Water Treatment Plant by way of two 18-inch cast iron raw water lines, which have been in service for more than 110 and 70 years, respectively. The proposed water line will be able to reliably transfer water to the expanded Observatory Plant, which, upon completion, will have the capacity to treat 10 mgd. The new single water line will be constructed of 36-inch ductile iron and will be approximately 14,000 feet in length.

**AGENDA ITEM EXECUTIVE SUMMARY**

The RMR to Observatory WTP raw water pump station is planned to replace the existing Stadium Road and Royal Pump Stations, which have exceeded their design lives. The pump station will pump up to 10 mgd of raw water to the Observatory WTP. Integration of the new pump station with the planned South Rivanna Reservoir (SRR) to RMR Pipeline is being planned in the interest of improved operational and cost efficiencies and emergency redundancy. An integrated pump station would also include the capacity to transfer up to 16 mgd of raw water from RMR back to the SRR WTP.

- **South Rivanna Reservoir to Ragged Mountain Reservoir Pipeline, Intake and Facilities**

Design Engineer:	Kimley Horn
Project Start:	July 2023
Design Status:	5%
Construction Start:	June 2026
Completion:	December 2030
Current Project Estimate:	\$79,700,000

**Current Status:**

RWSA continues to work with CSX railroad on the draft permit documents. Topographic survey for the pipeline alignment has been completed, and survey of the remaining project locations is underway. RWSA staff are working on the final phases of the SFRR-RMR Nutrient Analysis, with the necessary equipment needed to complete study efforts scheduled to arrive in the late Fall, and a final report published in the Winter. All the necessary easements have been acquired for the entire length of the pipeline project.

**History:**

The approved 50-year Community Water Supply Plan includes the construction of a new raw water pipeline from the South Rivanna River to the Ragged Mountain Reservoir. This new pipeline will replace the Upper Sugar Hollow Pipeline along an alternative alignment to increase raw water transfer capacity in the Urban Water System. The project includes a detailed routing study and water line design to account for recent and proposed development and road projects in Albemarle County and the University of Virginia. Preliminary design, preparation of easement documents, and acquisition of water line easements along the approved route is also being completed as part of this project that will lead to final design of the raw water line, reservoir intake and pump station.

- **Beaver Creek Dam, Pump Station, and Piping Improvements**

Design Engineer:	Schnabel Engineering (Dam)
Design Engineer:	Hazen and Sawyer (Pump Station)
Project Start:	February 2018
Project Status:	5% Design
Construction Start:	April 2026

## AGENDA ITEM EXECUTIVE SUMMARY

Completion: January 2029  
Budget: \$43,000,000

Current Status:

The design work began for the new raw water pump station, intake hypolimnetic oxygenation system, dam spillway upgrades, temporary detour, and the spillway bridge.

History:

RWSA operates the Beaver Creek dam and reservoir as the sole raw water supply for the Crozet area. In 2011, an analysis of the Dam Breach inundation areas and changes to Virginia Department of Conservation and Recreation (DCR) *Impounding Structures Regulations* prompted a change in hazard classification of the dam from significant to high hazard. This change in hazard classification requires that the capacity of the spillway be increased, and the dam be replaced. This CIP project includes investigation, preliminary design, public outreach, permitting, easement acquisition, final design, and construction of the anticipated modifications. Work for this project includes a new relocated raw water pump station and intake. RWSA staff will continue to pursue federal funding for later phases of the project to cover a portion (70%) of final design and construction costs.

- **South Fork Rivanna River Crossing**

Design Engineer: Michael Baker International (Baker)  
Project Start: November 2020  
Project Status: 90% Design  
Construction Start: May 2024  
Completion: September 2024  
Budget: \$7,000,000

Current Status:

Easement acquisition has begun and includes County of Albemarle property in Brook Hill River Park along Rio Mills Road. A required easement on the south side of the river is on a remnant property from the VDOT Berkmar Bridge project and cannot finalize that easement until the property transfer back to the original owner is complete. Additional permitting being sought for the project.

History:

RWSA has previously identified through master planning that a 24-inch water main will be needed from the South Rivanna Water Treatment Plant (SRWTP) to Hollymead Town Center to meet future water demands. Two segments of this water main were constructed as part of the VDOT Rt. 29 Solutions projects, including approximately 10,000 LF of 24-inch water main along Rt. 29 and 600 LF of 24-inch water main along the new Berkmar

AGENDA ITEM EXECUTIVE SUMMARY

Drive Extension, behind the Kohl’s department store. To complete the connection between the SRWTP and the new 24-inch water main in Rt. 29, there is a need to construct a new river crossing at the South Fork Rivanna River. Acquisition of right-of-way will be required at the river crossing.

• **Upper Schenks Branch Interceptor, Phase II**

Design Engineer:	Frazier Engineering, P.A.
Project Start:	July 2021
Project Status:	Design
Construction Start:	TBD
Completion:	TBD
Current Project Estimate:	\$4,725,000

**Current Status**

The design has provided additional information to assist the county with easement acquisition considerations.

• **Central Water Line Project**

Design Engineer:	Michael Baker International (Baker)
Project Start:	July 2021
Project Status:	60% Design
Construction Start:	December 2024
Completion:	December 2028
Budget:	\$41,000,000

**Current Status:**

Design of construction documents and easement acquisitions is underway. Soil borings along the alignment have been completed.

**History:**

The hydraulic connectivity in the Urban System is less than desired, creating operational challenges and reduced system flexibility and redundancy. Recent efforts and modeling for the Urban Finished Water Infrastructure Master Plan have determined that a central water line corridor through the city is the best option to hydraulically connect the Observatory Water Treatment Plant to the Urban service area, including the ACSA water service area.



## ACSA Board Future Policy Issues Agendas 2023-2024

Regular 3rd Thursday Monthly Meetings	Dec. '23	Jan. '24	Feb. '24	Mar. '24	April '24	May '24	June '24	July '24	Aug. '24	Pending Issues
	December 14th Recognitions	January 18th Recognitions	February 15th Recognitions	March 15th Recognitions	April 18th Recognitions	May 16th Recognitions	June 20th Recognitions	July 18th Recognitions	August 15th Recognitions	Water Supply Plan Project Status Reports Water Treatment Plants RWSA CIP Central Water Line-Reservoirs Pipeline North Rivanna System
	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	Monthly Financial and CIP Reports	
	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	Capital Project Authorizations	
	Annual Investment Report	Board Organizational Meeting - Election of Officers	Operational Presentation - Administration	Operational Presentation - Engineering	Operational Presentation - Maintenance	Operational Presentation - IT	Operational Presentation - Finance	Operational Presentation	Operational Presentation	Board Organizational Meeting each January
										Annual Report - January
	Budget Guidelines and Schedule for FY '25 Budget/Rates (Irrigation Rate Structure; Rate Model)	Strategic Plan Update 2023-2027	AMI Project Status Report	Proposed CIP Presentation	Proposed FY '25 Capital Improvements Program (CIP) Presentation	Proposed FY '25 Budget and Rates Workshop	FY '25 Budget and Rates Public Hearing	Strategic Plan Update	Request for Approval - Annual Year-End Appropriations	Water Audit and Energy Audit
										CIS - Customer Information Systems - Billing, Website, Phone
										Rate Model Update Spring 2025
	Holiday Schedule 2024	Annual Report 2023 - Customer Experience; Employee of the Month; Projects, etc.	Communications Program (Letterpress)	"Fix a Leak" Water Conservation Event	Proposed FY '25 Capital Improvements Program (CIP) Public Hearing	Annual Water Quality Reports	FY '25 Budget, Rates and CIP Approval	AMI Portal - Customer Information	Advanced Metering Infrastructure (AMI) Project Update	Strategic Plan Updates-2023-2027 January and July
										Fats, Oils, and Grease (FOG) Program
										Climate Change and Sustainability
	Board Meeting Schedule 2024	Annual Water Conservation Report			Proposed FY '25 Budget and Rates Overview		Amendments to Rules and Regulations, and Personnel Management Plan (Budget Implementation)			Annual Water Conservation Report - January
										Operational Presentation-Sewer Rehab Relining
					Resolution Scheduling Budget and Rates Public Hearing for June 20, 2024		Water Professionals Appreciation Day Recognition			National Drinking Water Week-April Imagine a Day Without Water - September
					National Drinking Water Week Resolution		Water Quality Update- Annual Drinking Water Quality Report			Federal/State Water Quality Regulations Lead and Copper (12/25); PFAS; Emerging Contaminants
										Emergency Preparedness
										Annual Investments Report December
										Operational Presentations
										ACSA Customer Communications
									Avon Satellite Operations Center	
									Data Management and Management Dashboards	
									Purchasing Policy Revisions	
			Executive Session - Executive Director Annual Performance Review						Customer Experience (CX)	
										11/16/2023





# ALBEMARLE COUNTY SERVICE AUTHORITY

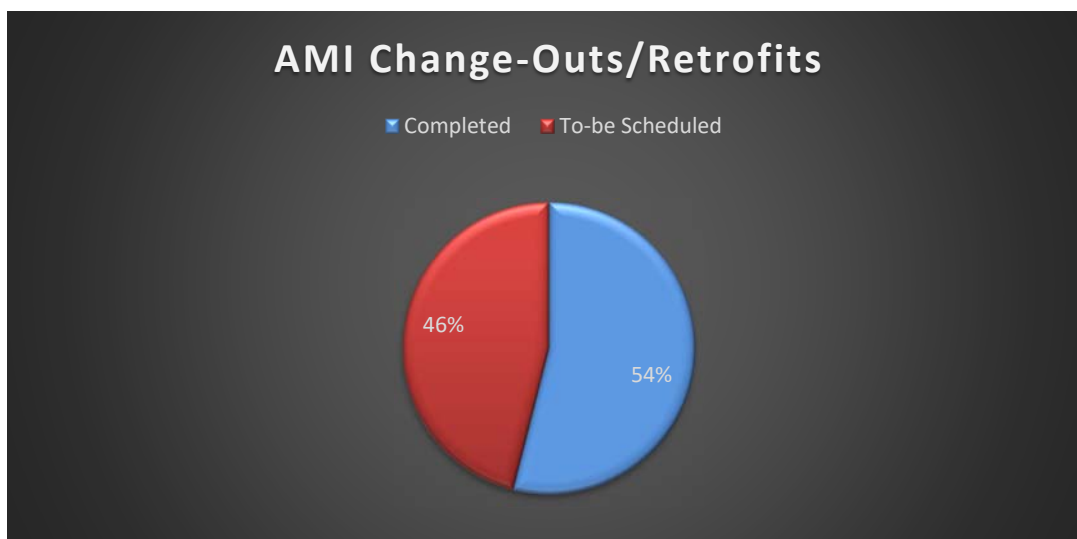
## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Advanced Metering Infrastructure (AMI) Monthly Update  <b>STAFF CONTACT/PREPARER:</b> Quin Lunsford, Director of Finance	<b>AGENDA DATE:</b> November 16, 2023  <b>ACTION:</b> Informational  <b>ATTACHMENTS:</b> No
--	---

**BACKGROUND:** The ACSA Board authorized staff at its October 2019 meeting to execute agreements related to the AMI project. Monthly status updates are provided below:

**DISCUSSION:** Authority staff continues to collaborate closely with the selected vendor (Core & Main/Sensus) and the project management consultant (Esource). Notable accomplishments since the last update include:

- The final phase of the AMI began April 3<sup>rd</sup> and our installers have successfully upgraded 9,100+ meters. Approximately 54% of the ACSA's system is fully operational under the AMI program. We anticipate that by the end of November, all meters scheduled for **full replacement** will be upgraded. The remaining 10,000 meters will be "retro-fit" with a radio component over the next six-months.
- Due to supply chain issues, we are waiting on delivery of all the required radio components. We are cautiously optimistic that these will be available and ready for install in the spring of 2024.
- The second graphic below illustrates daily and weekly progress.



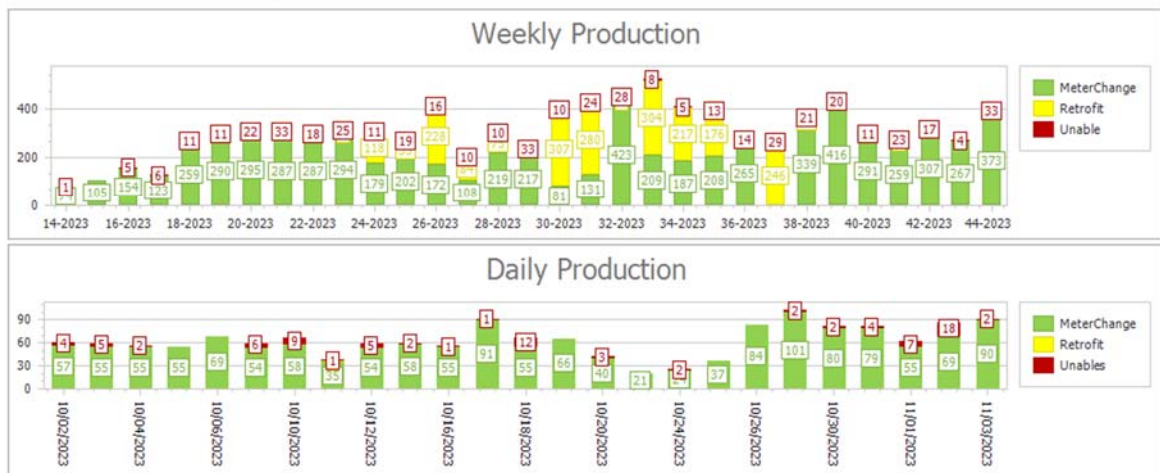
# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

### Albemarle County VA

Reading Rate						
Total	Good	No Read	Bad Read	Stale	Unable	Read Rate
9058	9034	1	5	18	0	99.73

Type	Size	Install	INC	Sked	Unable	Remove	RTU
MeterChange	3/4-inch	6778	559	1	10	121	0
MeterChange	1 1/2-inch	0	0	0	0	1	0
MeterChange	1-inch	243	12	0	2	10	1
Retrofit	3/4-inch	2087	9937	0	1	6	0
Retrofit	1-inch	29	297	0	0	1	0



**BUDGET IMPACT:** Informational only.

**RECOMMENDATIONS:** None

**BOARD ACTION REQUESTED:** None; informational item only.

**ATTACHMENTS:** N/A

# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Customer Information System Contract Approval  <b>STAFF CONTACT/PREPARER:</b> Quin Lunsford, Director of Finance	<b>AGENDA DATE:</b> November 16, 2023  <b>ACTION:</b> Yes  <b>ATTACHMENTS:</b> No
---	---

**BACKGROUND:** At the October 19, 2023 Board meeting, the ACSA provided an overview of the Customer Information System (CIS) Project included in the ACSA's Capital Improvement Program. The project consists of consulting services to review current business processes, technology, development of a project roadmap, RFP development/review, and contract negotiations for a CIS, phone system replacement, and website redesign.

**DISCUSSION:** The Authority issued an RFP earlier this year and a committee representing each ACSA department evaluated proposals submitted by vendors. The CIS committee determined that the proposal submitted by Validos was the most highly rated. Validos has considerable experience working with like-sized water utilities, helping to assess and prepare for modern CIS/phone/website implementations.

Through the assessment of current systems and the development of Request for Proposals, Customer Experience will be the ACSA's number one priority in our consideration. The ACSA requests the Board authorize the ACSA Executive Director to execute the contract for the assessment, planning, and acquisition phases. We estimate the cost to perform these phases to be \$150,800. It should be noted that project funding (\$200,000) has already been approved through the FY 2023 and FY 2024 budgets.

**BUDGET IMPACT:** Informational only. Project funding approved/appropriated with the FY 2023 and FY 2024 Budgets.

**RECOMMENDATIONS:** Authorize the ACSA Executive Director to execute the contract with Validos for advisory consulting services to assess and define the ACSA/Customer needs and requirements, evaluate, select, and contract with a technology and service provider for a new CIS, website, and telephone solution.

**BOARD ACTION REQUESTED:** Approve authorization to proceed.

**ATTACHMENTS:** N/A



# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<b>AGENDA TITLE:</b> Annual Comprehensive Financial Report - Fiscal Year 2023  <b>STAFF CONTACT/PREPARER:</b> Quin Lunsford, Director of Finance	<b>AGENDA DATE:</b> November 16, 2023  <b>ACTION:</b> Informational  <b>ATTACHMENTS:</b> Yes
--	--

**BACKGROUND:** The Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, is complete and has been provided for Board review. The Authority's auditor, Brown Edwards, LLP will present its audit opinion and report on internal control over financial reporting and other matters based on an audit of financial statements. The Finance Department will provide a PowerPoint presentation to summarize financial and operational highlights from the fiscal year.

**DISCUSSION:** Over the past four months, staff has accumulated, analyzed, and prepared financial and operational records in conjunction with year-end requirements. The accumulation of this information culminates with the financial statement audit performed by the ACSA's independent auditor, Brown, Edwards & Company, L.L.P. Finance Department staff, with information and assistance from the Administration, Engineering, IT and Maintenance Departments, compiles the audited financial information into an Annual Comprehensive Financial Report. A presentation has been prepared to assist the Board in further understanding major components of the Report and other highlights from Fiscal Year 2023.

Additionally, the Authority and Brown Edwards staff met with the Authority's Audit Committee on November 7<sup>th</sup> to review information related to the audit and financial highlights for Fiscal Year 2023.

**RECOMMENDATIONS:** None

**BOARD ACTION REQUESTED:** None

### ATTACHMENTS:

1. Fiscal Year 2023, Annual Comprehensive Financial Report PowerPoint presentation.
2. Albemarle County Service Authority Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.



# FY 2023 Annual Financial Report Presentation

November 16, 2023

## ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

---

**FOR THE FISCAL  
YEAR ENDED  
JUNE 30, 2023**



# Agenda



Annual Financial Report Overview



Fiscal Year 2023 financial highlights



Operating Information



Summary



# Financial Highlights



## Statement of Net Position Highlights Fiscal Year 2023

- Assets/Def. Outflows totaled \$245,524,000
- Liabilities/Def. Inflows totaled \$16,002,000
- Net Position totaled \$229,522,000
  - Increase of \$9,433,000 or 4.3% over FY 2022.



## Revenues, Expenses, and Capital Contributions

- Operating Revenues = \$34,231,000
- Operating Expenses = \$39,270,000
- Non-Operating Revenues = \$1,547,000
- Non-Operating Expenses = \$322,000
- Capital Contributions = \$13,246,000
  - Developer Contributions of Cap. Assets - \$1,257,000
  - System/Capacity fees - \$11,989,000

## Financial Highlights cont.



Operating revenues increased by \$1,275,000 or 3.9% compared to fiscal year 2022



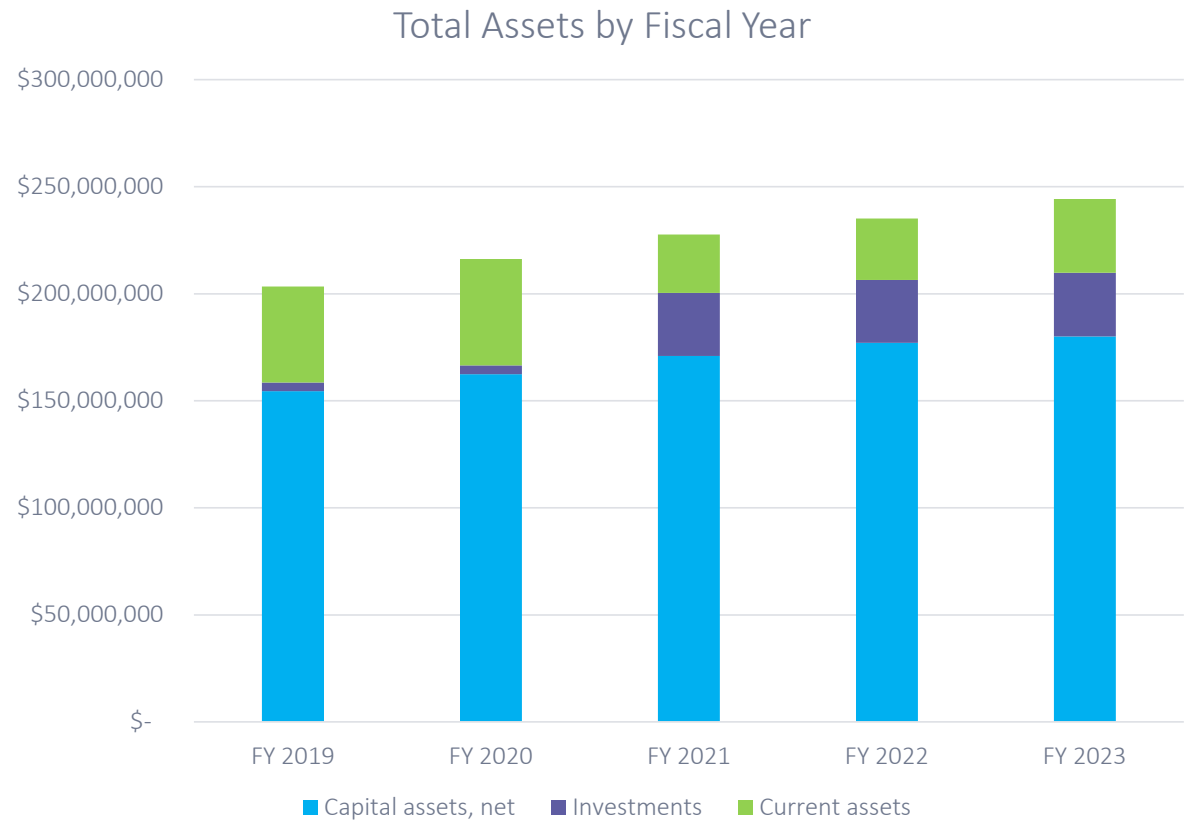
Operating expenses (including depreciation expense) increased by \$3,961,000 or 11.2% in comparison to fiscal year 2022



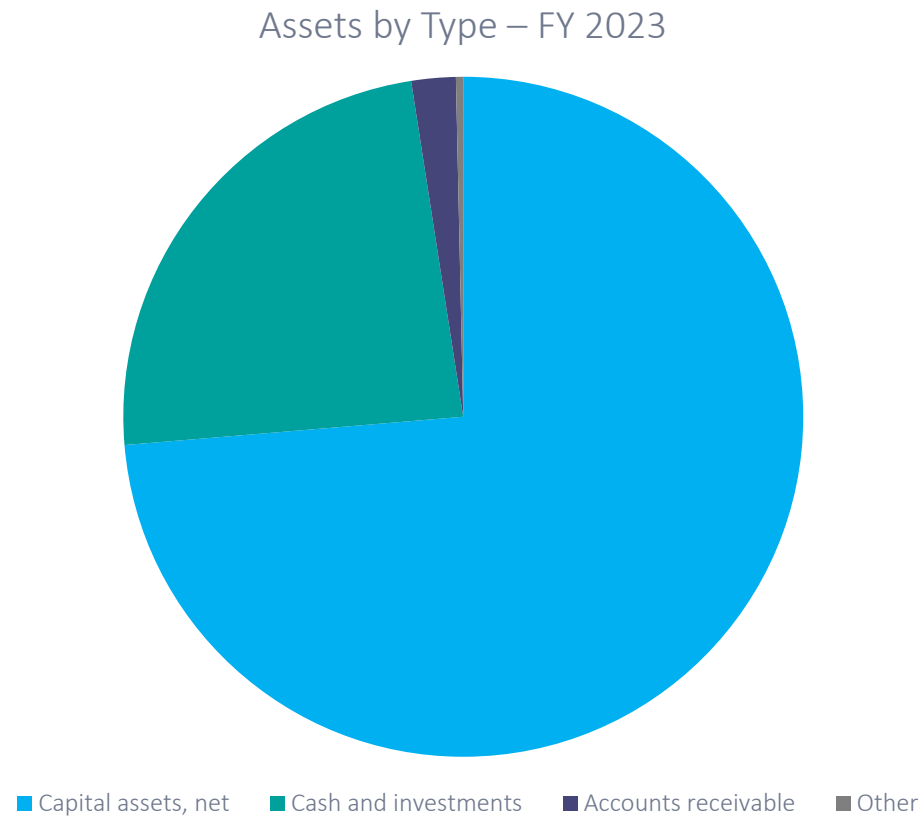
Capital contributions totaled \$13,246,000 which was an increase of \$1,953,000 or 17.3% in comparison to fiscal year 2022

## Financial Highlights (cont.) – Total Assets

- Total assets continue to increase year over year
- Increase in current assets, largely attributable to System/Capacity fees

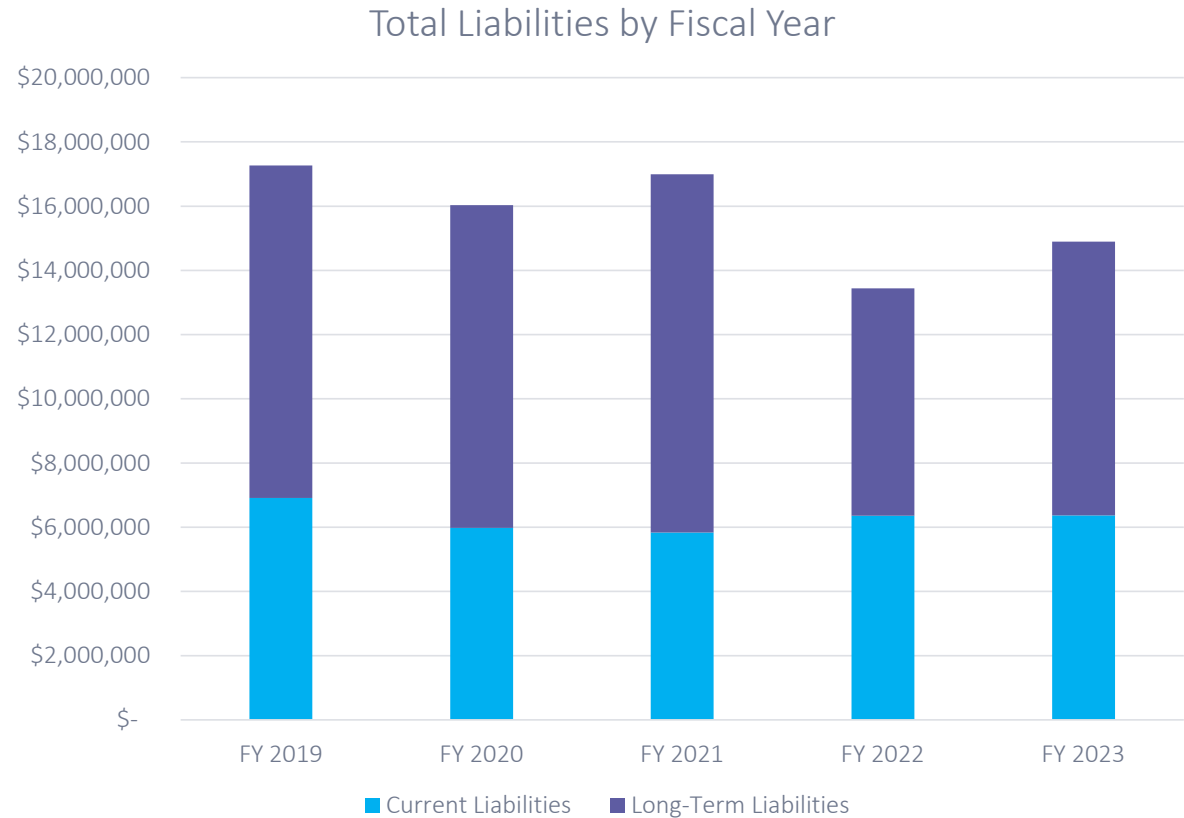


## Financial Highlights (cont.) – Assets by Type (FY 2023)



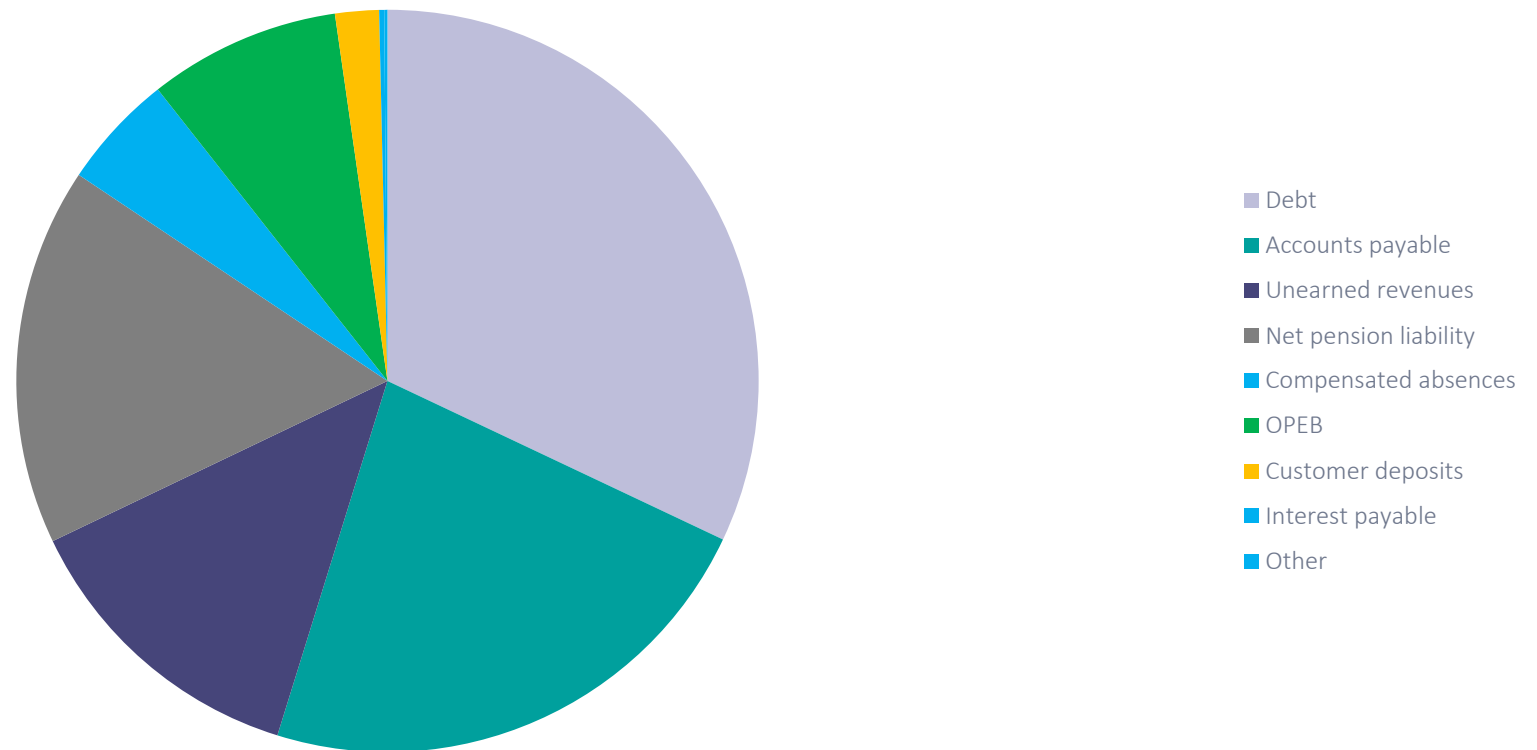
## Financial Highlights (cont.) – Total Liabilities

- Total Liabilities increased nearly 11% over the prior FY.
- Reflects change in the Net Pension Liability (VRS)
  - Increase of \$1.8M over the prior year
  - Change attributable to decrease in investment earnings in current year compared to prior year



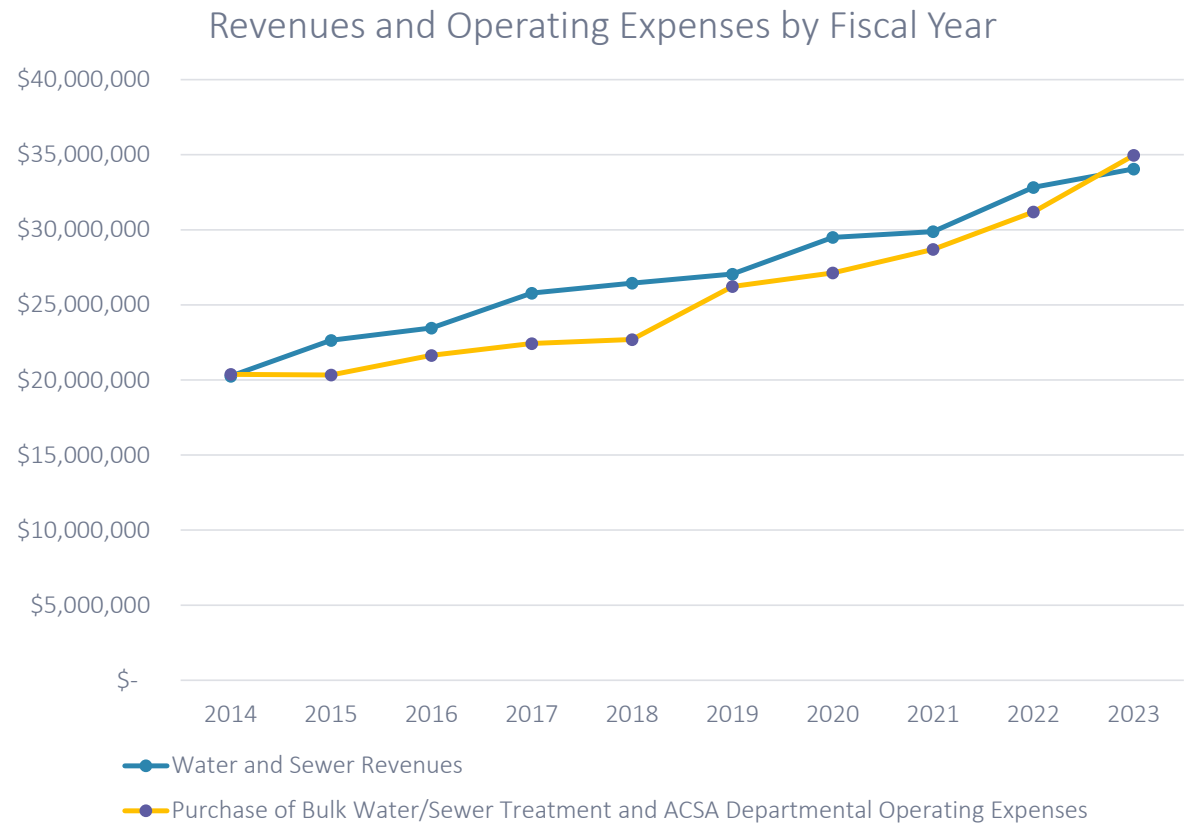
## Financial Highlights (cont.) – Liabilities by Type (FY 2023)

Liabilities by Type – FY 2023



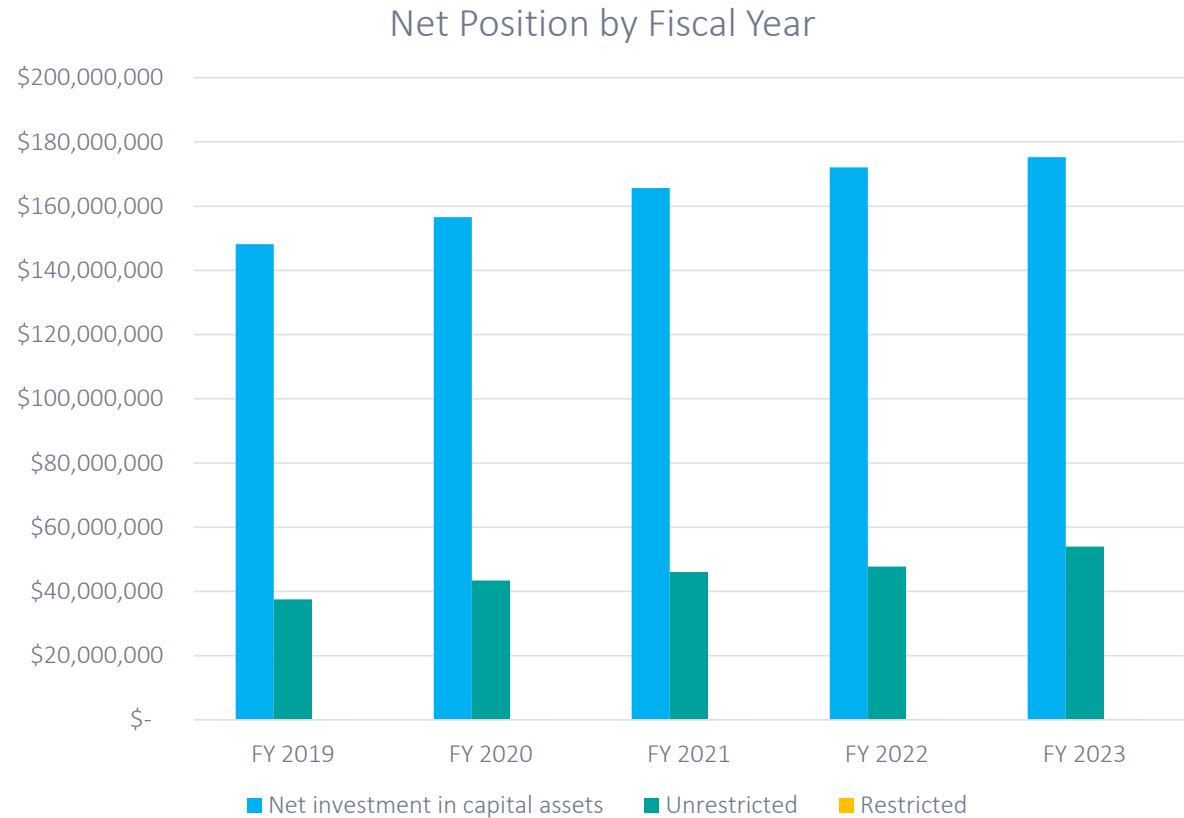
## Operating Information (cont.) – Revenues and Expenses by FY

- Water and Sewer Revenues increased \$1.2M or 3.7% over the prior year
  - Billed water consumption down 2.1%
  - Billed sewer treatment down 2.2%
- Purchase of water/sewer treatment and ACSA departmental expenses increased \$3.8M or 12.1% over the prior year



## Financial Highlights (cont.) – Net Position

- Total Net Position increased \$9.4M or 4.3% compared to the prior fiscal year
  - Unrestricted net position increased \$6.2M or 13%
  - Net Investment in capital assets increased \$3.2M or 1.9%





## Operating Information – FY 2023



543 new connections established during Fiscal Year 2023



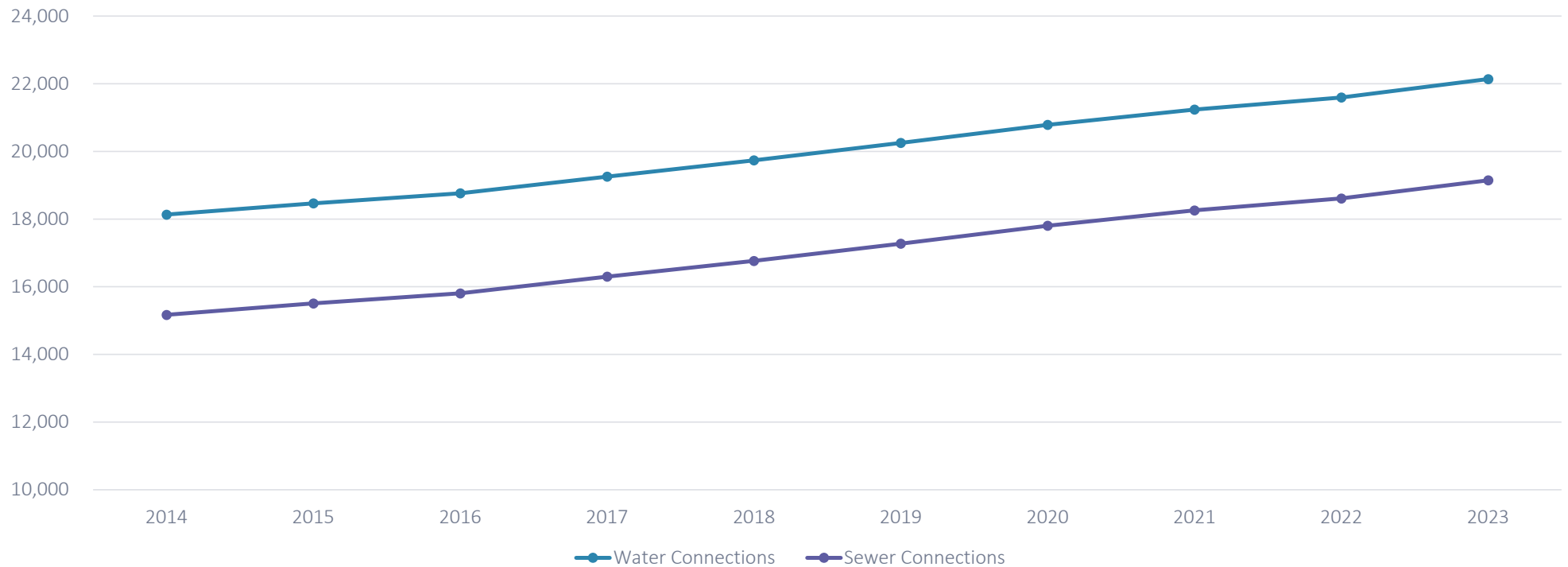
Over 271,000 meters were read



Nearly 8,000 service orders were processed

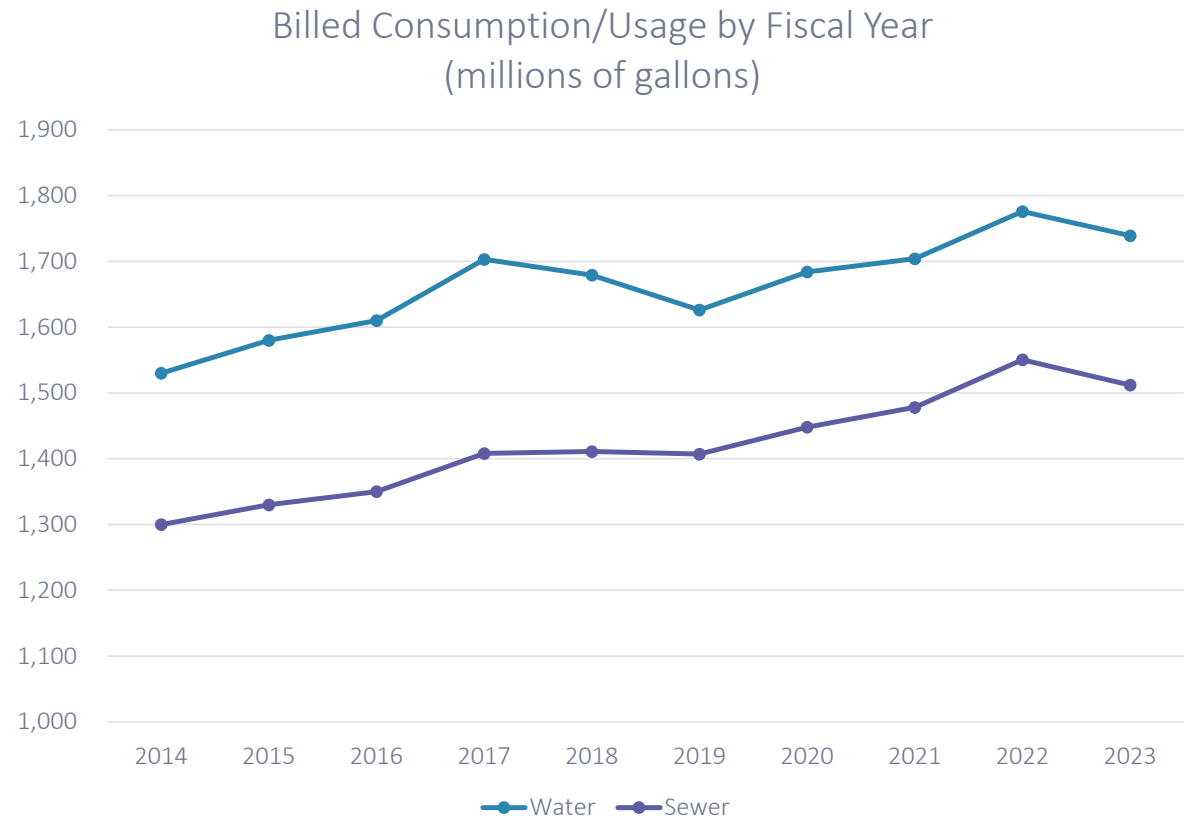
## Operating Information (cont.) – Connections by Fiscal Year

Connections by Fiscal Year



## Operating Information (cont.) – Billed Consumption/Usage by FY

- Long-term trend shows increases in consumption but can vary from year to year
  - Water consumption down from prior fiscal year 2.1%
  - Sewer treatment down from prior fiscal year 2.5%



# In Summary



## Fiscal Year 2023 in Review

- Considerable growth in the ACSA system and strong system/capacity fees
- Decreases in both water consumption and sewer treatment in FY 2023
- Significant increases in costs to treat water/sewer



## Thank you

- Sincere thanks to all ACSA departments that contributed to the accumulation of financial information, especially
  - The accounting team who is responsible for financial reporting and the audit
  - The Administration/HR team who support the audit and bind the ACFR, and
  - Ms. Danielle Trent for artistic support on the ACFR cover

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**FOR THE FISCAL  
YEAR ENDED  
JUNE 30, 2023**



**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2023**

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**CHARLOTTESVILLE, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

*For the Fiscal Year Ended  
June 30, 2023*

Prepared by:

Department of Finance  
168 Spotnap Road  
Charlottesville, Virginia 22911  
(434) 977-4511

# ALBEMARLE COUNTY SERVICE AUTHORITY

## TABLE OF CONTENTS

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
GFOA Certificate of Achievement.....	vi
Directory of Principal Officials .....	vii
Organizational Chart .....	viii
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4
<b><u>Basic Financial Statements</u></b>	
Exhibit 1    Statement of Net Position.....	13
Exhibit 2    Statement of Revenues, Expenses, and Changes in Fund Net Position.....	14
Exhibit 3    Statement of Cash Flows .....	15
Notes to Financial Statements .....	17
<b><u>Required Supplementary Information</u></b>	
Exhibit 4    Schedule of Changes in Net Pension Liability and Related Ratios.....	49
Exhibit 5    Schedule of Pension Contributions .....	50
Exhibit 6    Schedule of Changes in OPEB Liability and Related Ratios-Local Plan .....	51
Exhibit 7    Schedule of OPEB Contributions .....	52
Exhibit 8    Schedule of Employer's Share of Net OPEB Liability .....	53
Notes to Required Supplementary Information .....	54



# ALBEMARLE COUNTY SERVICE AUTHORITY

## TABLE OF CONTENTS (Continued)

	Page
<b>STATISTICAL SECTION</b>	
Table 1	Net Position by Component ..... 55
Table 2	Changes in Net Position ..... 56
Table 3	Water and Sewer Sold by Type of Customer ..... 57
Table 4	Water and Sewer Rates..... 58
Table 5	Top Ten Revenue Payers..... 59
Table 6	Outstanding Debt per Connection, per Capita, and Debt per Capita as a Percentage of Income per Capita ..... 60
Table 7	Pledged-Revenue Coverage ..... 61
Table 8	County Demographic and Economic Statistics ..... 62
Table 9	Ten Largest Employers (Albemarle County) ..... 63
Table 10	Full-Time Employees ..... 64
Table 11	Operating Indicators ..... 65
Table 12	Capital Asset Statistics ..... 66
Table 13	Revenues by Source ..... 67
Table 14	Expenses by Function..... 68
Table 15	Schedule of Insurance in Force ..... 69
Table 16	Billed Services and Connections ..... 70
Table 17	Construction Activity, Property Value, and Cash Equivalents ..... 71
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> ..... 72	
Summary of Compliance Matters..... 74	

## **INTRODUCTORY SECTION**

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October 23, 2023

Board of Directors  
Albemarle County Service Authority  
Charlottesville, Virginia

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the Albemarle County Service Authority (Authority) is submitted herewith. With such modifications as apply to our status as an enterprise fund of governmental units, and as an independently chartered corporation, this report has been prepared in conformity with the reporting and accounting standards promulgated by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association's (GFOA) *Governmental Accounting, Auditing, and Financial Reporting*.

Based upon a comprehensive framework of internal control that has been established for this purpose, the Authority management assumes full responsibility for the accuracy of the data and for the completeness and reliability of the information contained in this report. The information in this report is believed by Authority management to be sufficient to fully represent the financial result of the Authority's operations for the year ended June 30, 2023, and to provide an accurate and useful picture of the Authority's status as of that date.

State law and outstanding bond resolutions require an annual audit of the books and records of the Authority. This requirement has been satisfied by the engagement of independent certified public accountants, Brown, Edwards and Company, LLP, whose opinion is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A), which provides a narrative introduction, overview, and analysis of the basic financial statements immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Organization and Function***

Located in central Virginia, 100 miles southwest of Washington, DC and less than 65 miles west of Richmond, the Authority was established in 1964, pursuant to the *Virginia Water and Waste Authorities Act*, to provide water and sewer service to those jurisdictional areas in the County of Albemarle (County) designated by the County's Board of Supervisors. The current service areas include the urbanized ring around the City of Charlottesville (City), the communities of

### ***Organization and Function (continued)***

Crozet and Scottsville, Red Hill, and the Village of Rivanna. A six-member Board of Directors, appointed by the Albemarle County Board of Supervisors for renewable four-year terms, appoints the Executive Director and governs Authority operations and policies. We have determined, after an examination of the factors involved in the Governmental Accounting Standards Board's definition of "component unit" for financial reporting purposes, that we are not a component unit of Albemarle County and will not be included in their financial report. Justification for this decision is outlined in Note 1 to the financial statements.

In June 1973, the Authority and the City entered into a Service Agreement with the Rivanna Water and Sewer Authority (RWSA), which wholesales finished water and sewer treatment services to the Authority and to the City. In 1975, the Authority purchased from the City the facilities to serve all current water and sewer customers outside the City limits; since then, it has been the sole public retailer of these services in the County.

In addition to retailing finished water distribution and sewer collection services, the Authority constructs pumping stations and line extensions; purchases, connects to the system, and upgrades private water systems; installs water supply and sewage collector systems; inspects water delivery and sanitary sewage systems installed and contributed to it by developers; and maintains these constructed and contributed facilities.

### ***Economic Conditions***

In the Albemarle Community Profile<sup>(1)</sup> most recent update, the Virginia Employment Commission's Economic Information Services Division (VEC) reported the County's and State 2023 unemployment rate of 2.8% as compared to the United States' rate of 3.8%. The total number of jobs in Albemarle County was 55,484. The relative stability of the local economy is attributed to positive trends in the unemployment rate compared to the National percentage. The housing market weakened compared to last year, with home sales decreasing 7% compared to a year earlier, while median home sale prices were up 11% from one year ago<sup>(2)</sup>.

Residential and commercial growth within the Authority's Urban and Crozet service areas remains robust. New connections to the Authority's system remain strong (2021 – 451 connections, 2022 – 357 connections, 2023 – 543 connections), with a three-year average of 450 new connections<sup>(3)</sup>.

<sup>(1)</sup> Virginia Community Profile – Albemarle County, Virginia Employment Commission, updated September 14, 2023;

<sup>(2)</sup> CAAR (Charlottesville Area Association of REALTORS) 2023 2<sup>nd</sup> Quarter and Mid-Year Market Report

<sup>(3)</sup> Albemarle County Service Authority Annual Financial Report 2021, 2022, 2023, Table 11

## ***Major Initiatives and Accomplishments***

- ◆ Developed an operating and capital improvement budget for fiscal year 2023 that aligned with our strategic plan and considered current and future impacts of system growth, planned maintenance, and operational needs. To that end, our goals were 1) to meet anticipated operating and capital improvement expenses by modestly increasing water and sewer volume charges, and to ensure that current operating expenses will be paid with current operating revenues; 2) to keep customer buy-in and connection charges constant while maintaining our policy of “growth paying for growth;” and 3) to maintain, improve, and extend system infrastructure through capital investments.
- ◆ The Authority proactively manages its investment in infrastructure with many projects in various stages of completion. Major capital improvement projects completed during the fiscal year include:
  - Hessian Hills Water Main Replacement
  - Oak Forrest Sewer Pump Station
  - Pantops/Hollymead Sewer Drainage Basin Improvements
- ◆ Future projects of the Authority include deployment of an automated metering infrastructure (AMI) system to benefit Authority customers; an energy audit of our operations center and all pump stations to evaluate current energy consumption and driving factors; continued addition to system redundancy and renewal; and a facility master plan which includes a satellite maintenance/office facilities on the ACSA’s Avon Street property.

## ***Operations***

For Fiscal Year 2023, Operating Revenues (\$34,230,964) from water and sewer sales and service connection fees increased by 3.9% as compared to Fiscal Year 2022. Associated operating expenses (\$39,270,035) reflected an increase of 11.2% as compared to Fiscal Year 2022, primarily driven by an increase in water/sewer treatment expenses from the Rivanna Water and Sewer Authority and departmental increases.

Unlike the revenues derived from customer buy-in and connection fees, the difference in projected and actual operating revenues and expenses is more predictable except for wastewater treatment plant charges. While weather conditions can play a large role in discretionary use of water, such as irrigation usage, domestic usage is typically more predictable. Please refer to Page 14 for detailed information related to operating and non-operating revenues and expenses.

### ***Accounting, Budgetary Controls, and Long-term Financial Planning***

The Authority's management is responsible for establishing and maintaining a system of internal accounting controls. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and financial records for preparing financial statements and maintaining asset accountability are reliable. The concept of reasonable assurance recognizes that estimates and judgments made by management are required to assess the expected benefits and related costs of internal accounting control procedures and that the cost of the control should not exceed the benefits likely to be derived. Management reviews internal controls on a continuing basis.

The Authority is required by Trust Agreements for its Bond to prepare and adopt an annual operating budget. On a fiscal year basis, department heads prepare preliminary operating budgets and submit them to the Executive Director for consideration. Rates are established based upon required revenue projections and associated costs, which include operating expenses, debt service, capital projects, and reserves. An adequate operating reserve is important to furnish funds for unplanned minor or significant repairs; it can also be utilized during unusually wet years, when anticipated revenues are reduced due to lesser than anticipated consumption levels. An adequate repair, replacement, and rehabilitation reserve (3R) is important to furnish funds for unexpected major repairs, as well as planned replacement or rehabilitation of equipment or other major capital assets. The Executive Director submits a proposed budget and rate recommendation to the Board of Directors for adoption.

After adoption, increases or decreases to the budget are made only upon Board approval, and the budget lapses at the end of the fiscal year for all accounts except multi-year construction projects and specific re-appropriations for funds committed at year-end for which goods and/or services have not been received. Department heads and the Board of Directors receive monthly reports on revenues and expenses.

### ***Awards and Acknowledgements***

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Albemarle County Service Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the fortieth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

***Awards and Acknowledgements (continued)***

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

The preparation of this report would not have been possible without the help of Authority staff and the Leadership and Management team at the ACSA; their dedication is very much appreciated. We would like to especially express our gratitude and appreciation to Ms. Deanna Davenport, Ms. Tonya Foster, Ms. Jennifer Bryant, and Ms. Theresa Whiting who have each made significant contributions to the Annual Comprehensive Financial Report, and also to the Board of Directors for their interest in, and support of, the Authority's pursuit of financial reporting excellence.

Sincerely,

A handwritten signature in black ink, reading "Gary O'Connell". The signature is fluid and cursive, with the first name "Gary" and last name "O'Connell" clearly legible.

Gary B. O'Connell  
Executive Director

A handwritten signature in black ink, reading "Quin Lunsford". The signature is fluid and cursive, with the first name "Quin" and last name "Lunsford" clearly legible.

Quin G Lunsford  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Albemarle County Service Authority  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrell*

Executive Director/CEO



**ALBEMARLE COUNTY SERVICE AUTHORITY****DIRECTORY OF PRINCIPAL OFFICIALS**  
**June 30, 2023****BOARD MEMBERS**

Mr. Clarence W. Roberts, Chairman

Mr. Charles Tolbert, Vice-Chairman

Mr. Richard Armstrong

Mr. Nathan Moore

Dr. Lizbeth Palmer

Mr. John Parcels

**EXECUTIVE DIRECTOR**

Mr. Gary B. O'Connell

**DIRECTOR OF FINANCE**

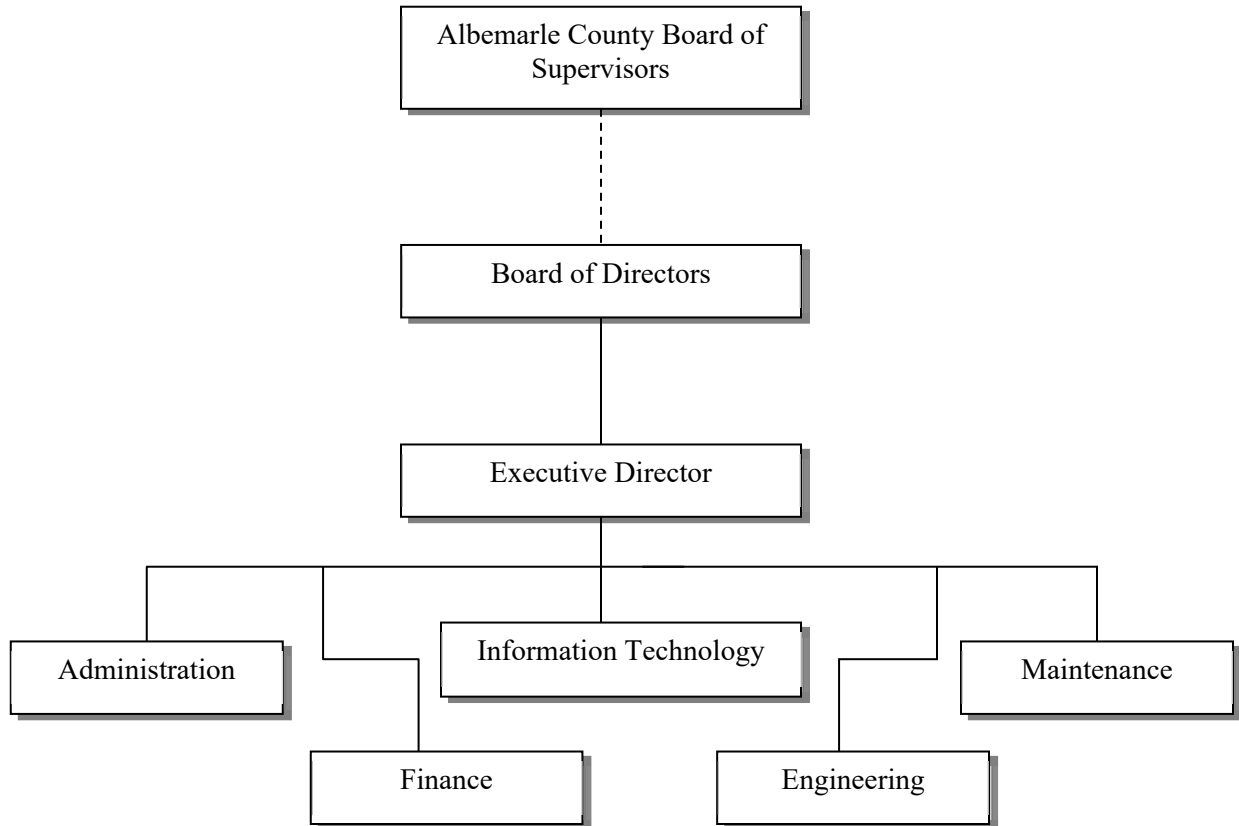
Mr. Quin G. Lunsford

**TRUSTEE**

Bank of New York Mellon

**INDEPENDENT AUDITORS**

Brown, Edwards & Company, L.L.P.

**ALBEMARLE COUNTY SERVICE AUTHORITY****ORGANIZATIONAL CHART**

## **FINANCIAL SECTION**

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**Financial Section contains the  
Basic Financial Statements.**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors  
Albemarle County Service Authority  
Charlottesville, Virginia

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Albemarle County Service Authority (the "Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Albemarle County Service Authority, as of June 30, 2023, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2023, the Authority adopted new accounting guidance, *GASB Statement No. 96, Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Responsibilities of Management for the Financial Statements (Continued)***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement due date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Report on Summarized Comparative Information***

We have previously audited the Authority's 2022 financial statements, and our report dated November, 2, 2022, expressed an unmodified opinion on those financial statements. The 2022 financial information is provided for comparative purposes only. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
October 23, 2023

## Management's Discussion and Analysis

The management of the Albemarle County Service Authority (the "Authority") presents this analysis of the Authority's financial performance during the fiscal year ended June 30, 2023, as a supplement to the Authority's basic financial statements. This analysis should be read in conjunction with the basic financial statements that follow, as well as the Letter of Transmittal, which can be found on pages i through vi of this financial report.

### Overview of the Financial Statements

The annual financial report is presented in four sections: introductory, financial, statistical, and compliance.

The introductory section includes a letter of transmittal submitted by the Authority's Executive Director and Director of Finance, a listing of the Authority's Board of Directors and organizational chart as of the end of the past fiscal year, and a copy of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting that has been awarded to the Authority for the fiscal year ended June 30, 2022.

The financial section consists of the Independent Auditor's Report, Management's Discussion and Analysis, and the Authority's basic financial statements, including notes to the statements and required supplementary information, which are discussed below.

The *Statement of Net Position* reports the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, providing information about the nature and amounts of investments in resources (assets), consumption of net assets that applies to future periods (deferred outflows), obligations to creditors (liabilities), an acquisition of net assets that applies to future periods (deferred inflows). These statements may be used to evaluate the capital structure, liquidity, and financial flexibility of the Authority. The *Statement of Revenues, Expenses and Changes in Fund Net Position* reflect revenue and expense activity of the Authority for the fiscal year. This statement allows the user to measure the Authority's profitability and credit worthiness by the financial performance of the Authority's operations, and to determine whether the Authority has successfully recovered its operating costs through user fees and other charges. The *Statement of Cash Flows* presents the Authority's inflows and outflows of cash during the financial reporting period, by reporting cash receipts, cash payments, and the net changes in cash. Cash flows are categorized by operating, non-capital financing, capital and related financing, and investing activities. The *Notes to the Financial Statements* and the *Required Supplementary Information* provide necessary disclosures that are essential to a full understanding of the data provided in the aforementioned basic financial statements.

The statistical section includes selected financial, operational, and demographic information presented on a multi-year basis.

The Authority operates as an enterprise fund. Enterprise funds are a type of proprietary fund and function similar to a private business in that user charges and fees are expected to cover costs. The Authority's basic financial statements are presented using the accrual basis of accounting, which provides for revenue recognition in the period in which water and reclamation services are provided and expense recognition when goods and services are received. Additionally, the Authority's basic financial statements utilize the flow of economic resources measurement focus, in which all assets and liabilities are reflected on the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position includes all transactions, such as revenues and expenses that increase or decrease net position.

## Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$229,521,670 (*net position*). Of this amount \$53,942,334 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations to customers and creditors.
- The Authority's total liabilities as a percentage of net position increased from 6.1% at June 30, 2022, to 6.5% at June 30, 2023.
- Fiscal year 2023 operating revenues increased 3.9% to \$34,230,964 as compared to fiscal year 2022 while operating expenses increased 11.2% to \$39,270,035 during the same period.
- System development and capacity charges were robust during the fiscal year and totaled \$11,988,935 for fiscal year 2023. This is an increase of \$3,116,222 or 35.1% compared to the prior fiscal year. The Authority's service area continues to develop, and this activity is the main driver in the increase of these charges.
- The Authority realized a gain on investments in the current fiscal year, totaling \$1,084,854. This is a considerable increase in comparison to the prior fiscal year due to improvements in investment markets.

## Financial Analysis

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position report information about the Authority's activities to determine if, overall, the financial position improved over the year. These two statements report the net position of the Authority and changes in them. Analyzing the Authority's net position is one way to measure financial health. Non-financial factors such as economic conditions, population growth and new or changed government legislation need to be considered as well. The Authority improved its financial position in fiscal year 2023.

### Net Position

The Authority's net position increased by \$9,432,451 during fiscal year 2023, which represents a 4.3% increase from the beginning of the fiscal year net position. At June 30, 2023, total net position was \$229,521,670 as compared to the prior year net position of \$220,089,219.



**FINANCIAL ANALYSIS (continued)**

The following table depicts the Authority's condensed summary of net position at June 30, 2023, and 2022.

**Condensed Statement of Net Position**

	<b>2023</b>	<b>2022</b>
Current Assets	\$ 34,485,215	\$ 28,757,624
Investments	29,800,672	29,391,611
Noncurrent lease receivable	43,439	-
Capital assets, net	180,006,860	177,075,725
<b>Total Assets</b>	<b>244,336,186</b>	<b>235,224,960</b>
<b>Deferred Outflows of Resources</b>	<b>1,188,047</b>	<b>1,187,861</b>
Current Liabilities	6,367,083	6,357,165
Long-term Liabilities	8,530,527	7,086,179
<b>Total Liabilities</b>	<b>14,897,610</b>	<b>13,443,344</b>
<b>Deferred Inflows of Resources</b>	<b>1,104,953</b>	<b>2,880,258</b>
Net investment in capital assets	175,247,805	172,031,606
Restricted for debt service	331,531	314,718
Unrestricted	53,942,334	47,742,895
<b>Total Net Position</b>	<b>\$ 229,521,670</b>	<b>\$ 220,089,219</b>

**FINANCIAL ANALYSIS (continued)**

The following table summarizes changes in revenues and expenses between fiscal year 2023 and 2022.

**Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position**

	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>		
Operating Revenues:		
Water Sales	\$ 18,720,236	\$ 17,545,859
Sewer Service	15,332,086	15,279,189
Other	178,642	131,415
Non-operating Revenue:		
Investment income (loss)	1,084,854	(631,795)
Rental income	270	18,357
Miscellaneous revenues	409,305	143,870
Lease revenue	16,036	-
Fed. Grant – CARES Act/ARPA	36,465	215,925
Fed. Subsidy, Build America Bonds	-	3,774
<b>Total Revenues</b>	<b>\$ 35,777,894</b>	<b>\$ 32,706,594</b>
<b>Expenses:</b>		
Operating Expenses:		
Purchase of bulk water	\$ 13,987,522	\$ 12,403,735
Purchase of sewer treatment	10,202,217	9,520,032
Depreciation	4,305,016	4,114,076
Administration	1,275,341	1,026,017
Engineering	2,177,495	1,883,689
Finance	2,357,460	2,056,401
Information Technology	1,247,752	1,122,024
Maintenance	3,717,232	3,183,142
Non-operating Expenses:		
Interest and fiscal charges	108,674	235,937
Miscellaneous expenses	213,043	325,933
<b>Total Expenses</b>	<b>\$ 39,270,035</b>	<b>\$ 35,870,986</b>
Loss before capital contributions	\$ (3,813,858)	\$ (3,164,392)
Capital Contributions	13,246,309	11,292,904
Change in net position	9,432,451	8,128,512
Net position – beginning of year	220,089,219	211,960,707
Net position – end of year	<b>\$ 229,521,670</b>	<b>\$ 220,089,219</b>

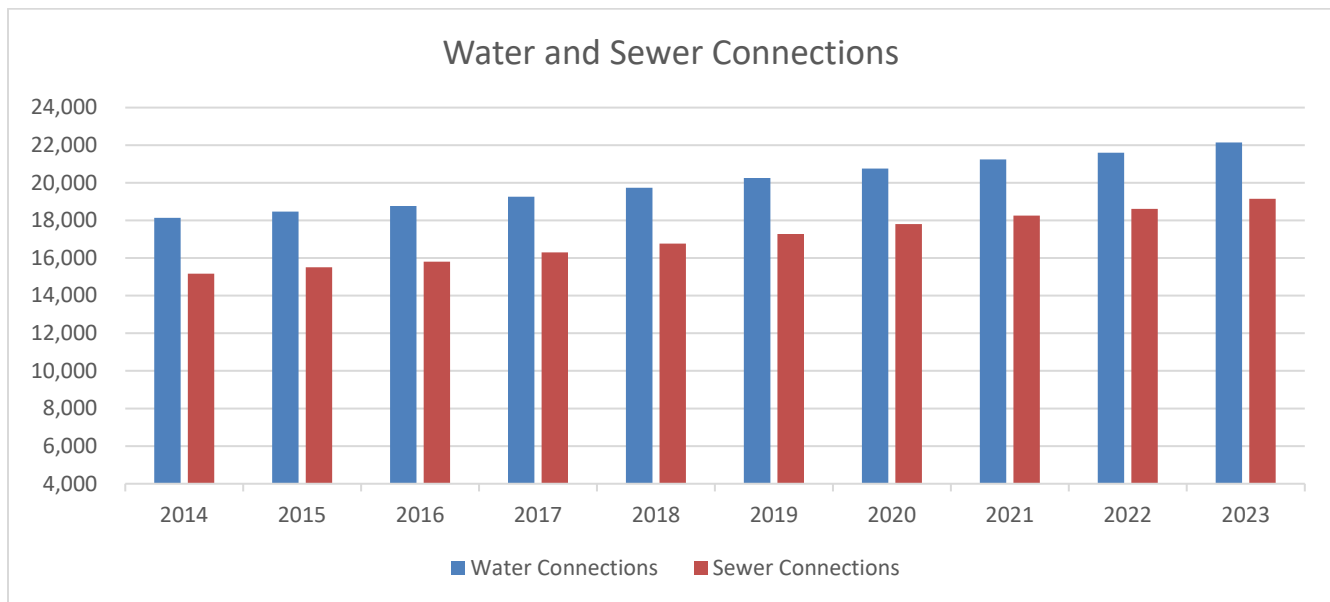
## Operating Revenues and Expenses

Operating revenues totaled \$34,230,964 in fiscal year 2023, a slight increase of \$1,274,501 from 2022. Operating expenses totaled \$39,270,035 in 2023, an increase of \$3,960,919 largely driven by increases in purchased water and sewer treatment costs from the Rivanna Water and Sewer Authority (RWSA).

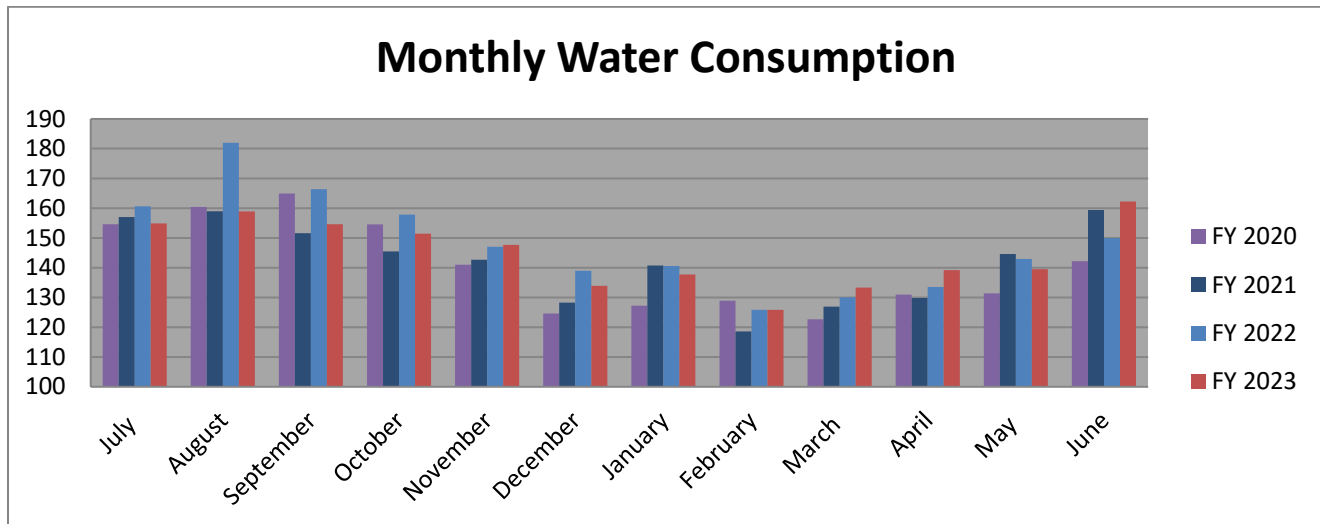
## Review of Operations

The Authority's water customer base grew to 22,138 accounts by the end of the 2023 fiscal year, an increase from the prior year total of 21,595. Considering multiple units behind master meters, as in apartment complexes, the Authority now serves approximately 36,105 housing units, businesses, industries, and institutions, which is an increase of 2.87%.

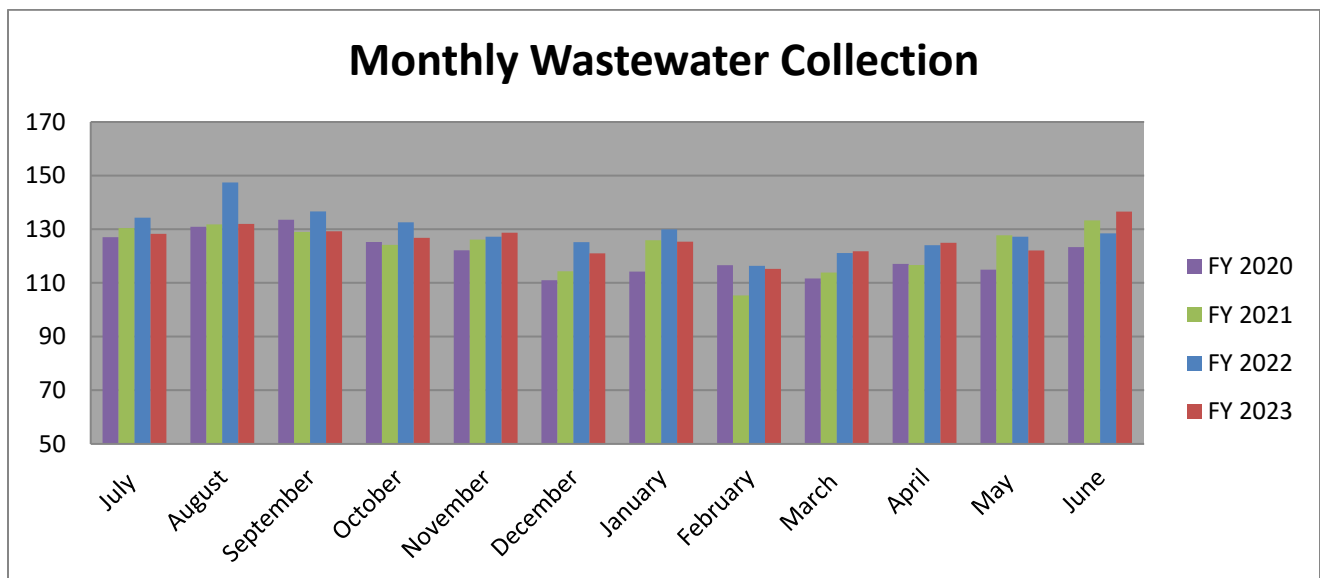
The Authority's system grew in water connections for 2023 with 543 new connections. The connections for 2023 are 26% higher than the Authority's ten-year average annual increase in new connections. Growth is attributable to the continued expansion of existing residential neighborhoods and continued commercial and multi-family development.



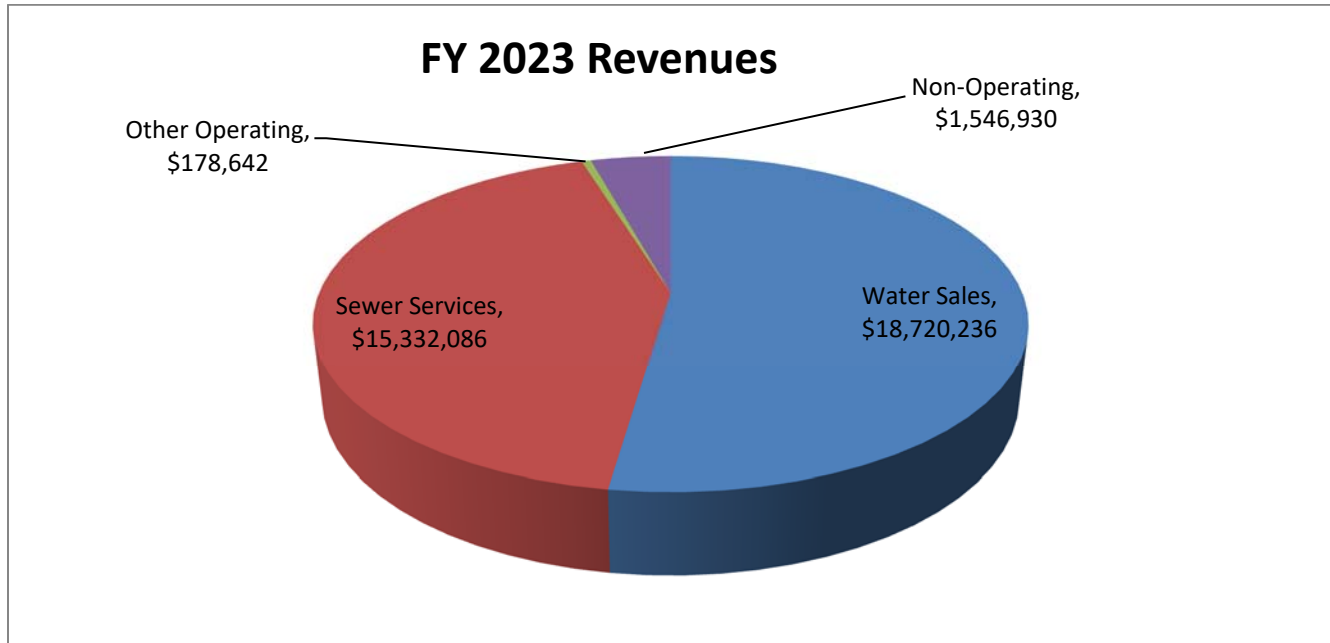
Billed water usage in fiscal year 2023 decreased by 36 million gallons as compared to fiscal year 2022. Billed water usage in fiscal year 2023 was 1.74 billion gallons and was 2.05% less than billed water usage in fiscal year 2022 (1.78 billion gallons). Seasonal variations in water consumption can be seen in the chart below.



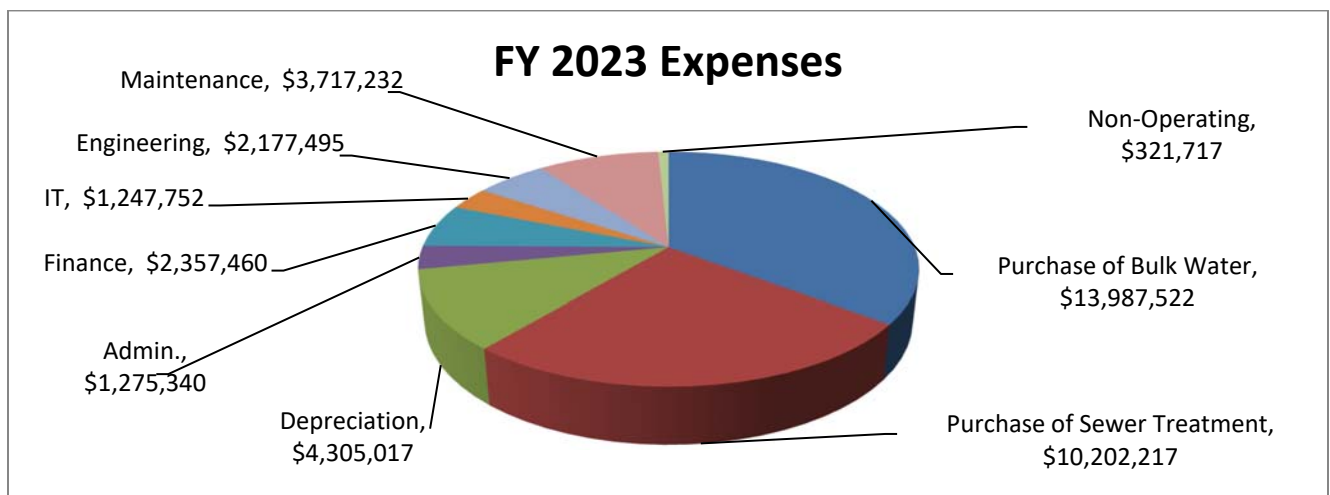
The Authority's wastewater customer base grew to 19,146 by the end of the fiscal year, up from 18,611 connections at the end of the fiscal year 2022. Billed wastewater collections decreased by nearly 39 million gallons as compared to fiscal year 2022. Billed wastewater collections in fiscal year 2023 was 1.51 billion gallons and 2.6% less than billed wastewater collections in fiscal year 2022 (1.55 billion gallons). Seasonal variations in wastewater collections can be seen in the chart below.



**Revenues.** Revenues for fiscal year 2023 increased in comparison with fiscal year 2022. Total revenues for 2023 were \$35,777,894 as compared to \$32,706,594 in 2022, a 9.4% increase year to year. This increase is due largely to increases in water/sewer rates charged to customers, increases in consumption, and slightly mitigated by investment losses in the current fiscal year when compared to the prior fiscal year.



**Expenses.** Total expenses for fiscal year 2023 were \$39,591,752 as compared to \$35,870,986 in 2022, a 10.4% increase, which was primarily due to increases in the cost of purchased water/wastewater treatment from the Rivanna Water and Sewer Authority and increases in departmental expenses. In 2023, the total cost of purchased water was \$13,987,522 which is 12.8% greater than the 2022 total of \$12,403,735. The total cost of sewer treatment in fiscal year 2023 was \$10,202,217 and increased 7.2% in comparison to fiscal year 2022. These costs are based on a variety of factors and can vary significantly based upon Authority consumption for a given period and the Authority's proportional allocation of costs based on our flow in comparison to the Authority's water/wastewater treatment provider's other customer. The increases in RWSA expenses were largely driven by RWSA's cost allocation which is calculated using Authority and the City of Charlottesville billed consumption, continued investment in water/wastewater infrastructure, and operational cost increases.



## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The Authority's investment in capital assets as of June 30, 2023, amounted to \$180,006,860 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, construction in progress, leased equipment, and subscription assets. The total increase in the Authority's investment in capital assets for the current fiscal year was 1.7%. Additional information related to capital assets can be located in Note 4.

### Capital Assets

	<u>2023</u>	<u>2022</u>
Land (including easements)	\$ 1,914,876	\$ 1,914,876
Structures and improvements	229,253,021	218,693,300
Equipment	6,416,934	6,180,968
Equipment - Leases	56,744	-
Subscription right-to-use	231,119	-
Construction in progress	<u>11,563,825</u>	<u>15,581,064</u>
Total book value	249,436,519	242,370,208
Less accumulated depreciation and amortization	<u>(69,429,659)</u>	<u>(65,294,483)</u>
Net capital assets	<u><u>\$ 180,006,860</u></u>	<u><u>\$ 177,075,725</u></u>

**Long-Term Debt.** Outstanding debt includes one Taxable Water and Sewer System Revenue Refunding Bond that was issued in August of 2021 (refunded the Water and Sewer System Revenue Bond (Taxable – Build America Bond) that was issued in November of 2010) for \$4,495,000. Revenue bond coverage, the ratio of gross revenues less direct operational expenses to debt service requirements, was 24.30 in fiscal year 2023. The minimum coverage required by outstanding bond indentures is 1.20. At June 30, 2023, outstanding long-term debt of the refunded bond, including the current amount payable, totaled \$3,785,000. Details of this indebtedness may be found in Note 5 of the financial statements. The refunding issuance resulted in a realized net budgetary savings of \$1,242,262.

## RESERVES

**Operating Reserve.** The Authority has established an operating reserve to provide funds for unplanned minor repairs or significant cash outlays. This type of reserve is also valuable when less than anticipated water consumption occurs, during unusually wet years (less outdoor watering occurs), which generally results in less revenue. As part of the budgeting process, a review of the reserve is performed. This reserve, combined with the 3R Reserve, the Capacity/System Development Reserve and unrestricted cash and investments is to maintain a days cash on hand floor of 270 days of operating expenses as calculated from the previous fiscal year. Water and wastewater rates are to be set accordingly to ensure these reserves maintain this 270-day target.

**Capital Costs and 3R Reserve.** The Authority has established a Repair, Replacement and Rehabilitation (3R) Reserve to provide funds to pay for unexpected major repairs and planned replacement or rehabilitation of equipment or other major capital assets. This reserve is calculated based on the estimated useful life and replacement cost of equipment held by the Authority. For fiscal year 2023, the Authority budgeted \$362,000 for this purpose.

**Capacity and System Development Reserve.** The Authority has established a Capacity and System Development Reserve to provide funds for capacity or growth-related system development costs or charges. These reserves are funded by the RWSA Capacity Charge and the ACSA System Development Charge which have been designed to

offset growth related capital costs of backbone capacity in the ACSA water and sewer system and costs associated with the RWSA's charges to the ACSA that are related to increases in capacity.

## LONG-TERM TRENDS

**Operations.** Careful planning and budgeting in combination with the use of established reserves has been a stabilizing factor in our rate-setting process for many years. This process has allowed our customers (through the years) to realize relatively low rates for the provision of their water and sewer service, particularly as compared to other regional utilities.

With new development, in combination with aging infrastructure, comes the challenge of meeting both the water supply and the sewer treatment needs and requirements of the growing Albemarle community. Since the Authority employs a "pay-as-you-go" methodology of recovering the costs of operations and most capital projects, increased costs will be passed on to our customers through higher rates and fees. Current customers bear the current cost of operations, while future customers, through new development, bear the cost of expansion through connection, development, and capacity fees.

The Authority team is actively engaged in the development of a long-term financial plan which will focus on financial sustainability and affordability for our customers while continuing to address infrastructure and operational needs.

**Capital Program.** Water capital improvement project cost projections per year for the next five years range from \$7,200,000 to \$11,000,000 and sewer capital improvement project cost projections per year for the next five years range from \$2,000,000 to \$7,200,000. The Authority intends to fund these projects using established reserves while evaluating possible debt funding opportunities.

**Requests for Information.** This financial report is designed to provide a general overview of the Albemarle County Service Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 168 Spotnap Road, Charlottesville, Virginia 22911, through our website [www.serviceauthority.org](http://www.serviceauthority.org) or by telephone (434) 977-4511.

# **BASIC FINANCIAL STATEMENTS**

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**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**Exhibit 1**

	<b>2023</b>	<b>(For Comparative Purposes Only) 2022</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$ 27,793,220	\$ 22,513,718
Accounts receivable (Note 3)	5,085,418	4,746,369
Lease receivable (Note 3)	18,418	-
Inventory	568,695	546,056
Prepays	277,101	264,967
Cash and cash equivalents, restricted (Notes 1,2)	742,363	686,514
Total current assets	<u>34,485,215</u>	<u>28,757,624</u>
<b>Noncurrent assets</b>		
Investments (Note 2)	29,800,672	29,391,611
Non-current lease receivable (Note 3)	43,439	-
Capital assets: (Note 4)		
Nondepreciable	13,478,701	17,495,940
Depreciable and amortizable, net	166,528,159	159,579,785
Total noncurrent assets	<u>209,850,971</u>	<u>206,467,336</u>
Total assets	<u>244,336,186</u>	<u>235,224,960</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on refunding	12,196	13,721
Deferred outflows related to pensions (Note 7)	1,025,324	994,725
Deferred outflows related to other postemployment benefits (Notes 8,9)	150,527	179,415
Total deferred outflows of resources	<u>1,188,047</u>	<u>1,187,861</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	3,391,428	3,021,303
Accrued liabilities	20,569	92,572
Customer deposits	284,201	241,816
Interest payable	32,330	35,533
Compensated absences (Note 5)	102,838	100,232
Unearned revenues	1,952,788	2,390,949
Current maturities of long-term debt (Note 5)	582,929	474,760
Total current liabilities	<u>6,367,083</u>	<u>6,357,165</u>
<b>Long-term liabilities</b>		
Compensated absences (Note 5)	643,657	663,237
Net pension liability (Note 7)	2,454,029	695,494
Net other post-employment benefits liability (Notes 8,9)	1,244,519	1,144,368
Long-term debt – due in more than one year (Note 5)	4,188,322	4,583,080
Total long-term liabilities	<u>8,530,527</u>	<u>7,086,179</u>
Total liabilities	<u>14,897,610</u>	<u>13,443,344</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions (Note 7)	560,286	2,170,200
Deferred inflows related to other postemployment benefits (Notes 8,9)	484,185	710,058
Deferred inflows - leases	60,482	-
Total deferred inflows of resources	<u>1,104,953</u>	<u>2,880,258</u>
<b>NET POSITION</b>		
Net investment in capital assets	175,247,805	172,031,606
Restricted for debt service	331,531	314,718
Unrestricted	53,942,334	47,742,895
Total net position	<u>\$ 229,521,670</u>	<u>\$ 220,089,219</u>

The Notes to Financial Statements are  
an integral part of this statement.

## Exhibit 2

## ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
Year Ended June 30, 2023

	2023	(For Comparative Purposes Only) 2022
<b>OPERATING REVENUES</b>		
Water sales	\$ 18,720,236	\$ 17,545,859
Sewer service	15,332,086	15,279,189
Water and sewer connection fees	178,642	131,415
Total operating revenues	34,230,964	32,956,463
<b>OPERATING EXPENSES</b>		
Purchase of bulk water	13,987,522	12,403,735
Purchase of sewer treatment	10,202,217	9,520,032
Depreciation	4,305,017	4,114,076
Administration	1,275,340	1,026,017
Engineering	2,177,495	1,883,689
Finance	2,357,460	2,056,401
Information Technology	1,247,752	1,122,024
Maintenance	3,717,232	3,183,142
Total operating expenses	39,270,035	35,309,116
Operating loss	(5,039,071)	(2,352,653)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Miscellaneous revenues	409,305	143,870
Federal Grant Revenue - CARES Act/ARPA	36,465	215,925
Lease Revenue - GASB 87	16,036	-
Lease/Subscription interest expense	(6,521)	-
Federal subsidy, Build America Bonds	-	3,774
Investment income (loss)	1,084,854	(631,795)
Rental income	270	18,357
Miscellaneous expenses	(213,043)	(325,933)
Bond interest charges	(102,153)	(235,937)
Total nonoperating revenues (expenses)	1,225,213	(811,739)
Loss before capital contributions	(3,813,858)	(3,164,392)
<b>CAPITAL CONTRIBUTIONS (Note 6)</b>	13,246,309	11,292,904
Change in net position	9,432,451	8,128,512
<b>NET POSITION – BEGINNING AT JULY 1</b>	220,089,219	211,960,707
<b>NET POSITION – ENDING AT JUNE 30</b>	<u>\$ 229,521,670</u>	<u>\$ 220,089,219</u>

## Exhibit 3

## ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS  
Year Ended June 30, 2023

	2023	(For Comparative Purposes Only) 2022
<b>OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 33,952,047	\$ 33,030,752
Cash paid for goods and services	(26,542,760)	(25,254,460)
Cash paid to employees	(7,914,547)	(6,709,273)
Other receipts	473,888	317,028
Net cash provided by (used in) operating activities	(31,372)	1,384,047
<b>NON-CAPITAL FINANCING ACTIVITIES</b>		
Federal Grant, CARES Act/ARPA	36,465	215,925
Federal subsidy, Build America Bonds	-	3,774
Net cash provided by non-capital financing activities	36,465	219,699
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital contributed by developers, customers, and local governments	11,525,488	9,739,952
Principal collected on leases	14,661	-
Acquisition of capital assets	(6,259,627)	(8,057,639)
Proceeds from debt refunding	-	5,492,600
Payment to escrow agent on bond refunding	-	(5,966,000)
Principal paid on long-term borrowings	(460,630)	(335,000)
Interest paid on long-term borrowings	(216,634)	(439,668)
Proceeds from sale of capital assets	34,873	-
Net cash provided by capital and related financing activities	4,638,131	434,245
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(18,332,309)	(21,231,595)
Proceeds from sale and maturity of investment securities	17,605,485	19,960,519
Lease income	16,334	-
Interest received	1,402,617	683,866
Net cash provided by (used in) investing activities	692,127	(587,210)
Net increase in cash and cash equivalents	5,335,351	1,450,781
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning at July 1	23,200,232	21,749,451
Ending at June 30	\$ 28,535,583	\$ 23,200,232
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	\$ 27,793,220	\$ 22,513,718
Cash and cash equivalents, restricted	742,363	686,514
	\$ 28,535,583	\$ 23,200,232

(Continued)

## Exhibit 3

## ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS  
Year Ended June 30, 2023

	2023	(For Comparative Purposes Only) 2022
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (5,039,071)	\$ (2,352,653)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	4,305,017	4,114,076
Excess of employer contributions over pension expense	118,022	(187,445)
Excess of employer contributions over other postemployment benefits expense	(96,834)	(102,635)
Other nonoperating revenues/expenses	262,038	1,464
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(339,049)	118,800
Inventory	(22,639)	(84,878)
Prepays	(12,134)	(85,080)
Increase (decrease) in:		
Accounts payable	822,123	(69,695)
Accrued liabilities	(72,003)	6,406
Customer deposits	42,385	(76,231)
Compensated absences	(16,974)	70,198
Unearned connection fees	17,747	31,720
Net cash provided by operating activities	<u>\$ (31,372)</u>	<u>\$ 1,384,047</u>
<b>NONCASH CAPITAL, INVESTING AND RELATED FINANCING ACTIVITIES</b>		
Contributions of capital assets	<u>\$ 1,257,374</u>	<u>\$ 2,420,191</u>
Lease and subscription assets financed through long term liability	<u>\$ 287,863</u>	<u>\$ -</u>
Capital asset additions financed by accounts payable	<u>\$ 404,091</u>	<u>\$ 856,089</u>
Decrease in fair value of investments	<u>\$ (317,763)</u>	<u>\$ (1,315,661)</u>

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

**(a) Reporting Entity**

The Albemarle County Service Authority (the Authority) was created by a resolution of the Board of Supervisors (BOS) of Albemarle County, Virginia (the County) in April 1964. The Authority is chartered by the State Corporation Commission and is an independent public body responsible for undertaking projects as may be specified for the distribution and sale of potable water to retail customers and for the collection of wastewater from retail customers and delivery of such wastewater to the Rivanna Water and Sewer Authority (RWSA). The management of the Authority is vested in a board of six members appointed by the County's BOS.

To determine the appropriate reporting entity for the Authority, its relationship with the County was considered. Although the members of the Authority's Board of Directors are appointed by the Board of County Supervisors, the County is not financially accountable for the Authority. In addition, there is no potential for the Authority to provide specific financial benefits to, or impose specific financial burdens on, the County, and the Authority is not fiscally dependent on the County. Accordingly, based on these criteria, the Authority is not included as a component unit in the County's financial statements.

The following is a summary of the Authority's significant accounting policies:

**(b) Basis of Presentation and Accounting**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental units. 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, management control and accountability.

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 the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for water consumption and wastewater treatment. Operating expenses consist of bulk water purchases, sewer treatment, administrative expenses, and depreciation of capital assets. 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.

When an expense is incurred for purposes in which both restricted and unrestricted net assets are available, it is the Authority's policy to first apply restricted resources.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**(c) Cash and Investments**

Cash and temporary investments include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Restricted cash and temporary investments include amounts held in money market funds as well as short-term investments with an original maturity of three months or less. These amounts consist of reserves for debt service and deposits from customers for service.

Investments include United States government, agency obligations of the Commonwealth of Virginia and its subdivisions, municipal bonds, and commercial paper. All investments are stated at fair value. Interest income from investments is recorded in the year earned.

**(d) Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

**(e) Accounts Receivable**

All continuing service receivables are recognized when earned, net of an allowance for uncollectible accounts of \$50,000 at June 30, 2023.

An estimated amount has been recorded for services rendered but not yet billed as of the close of the fiscal year.

**(f) Inventory**

Inventory is valued using the weighted-average method. Inventories are recorded as an operating expense when consumed rather than when purchased.

**(g) Restricted Assets**

Restricted assets represent resources designated for specific purposes and include developers' advances and customer deposits.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**(h) Capital Assets**

The Authority capitalizes all property and permanent right-of-way easements, equipment, infrastructure assets, leases, and subscription assets with a cost greater than \$5,000 and an estimated useful life of more than one year.

Capital assets are stated at historical cost. Donated assets are recorded at acquisition value at the time received. Expenses for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are expensed as incurred.

Depreciation and amortization for both purchased and contributed assets is recorded as depreciation and amortization expense on a straight-line basis over the following estimated useful lives:

Land improvements	10-20 years
Structures and improvements	10-60 years
Equipment	3-10 years

Leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. In leases where a purchase option is reasonably certain of being exercised, the asset is amortized over the useful life, unless the underlying asset is non-depreciable, in which the leased asset is not amortized.

Subscription assets are recorded under GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITAs)*, net of accumulated amortization. SBITAs are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Capital assets, which include lease and subscription assets, are reported in the financial statements.

**(i) Construction in Progress**

Construction in progress includes design and construction costs that accumulate until completion of the respective project, at which time the total cost is transferred to depreciable capital assets.

**(j) Compensated Absences**

Authority employees are granted annual leave in varying amounts based on years of service. In the event of termination, an employee is reimbursed for accumulated annual leave in full. Annual leave is considered a liability and is accrued as earned. The Authority does not accrue sick pay when earned since its employees do not have vested rights to receive such pay except to the extent of time not worked due to sickness.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**(k) Unearned Revenues**

Unearned connection fees consist of advances to the Authority under prescribed conditions by developers in exchange for credit vouchers to be used to pay facility fees (both water and sewer) in order to connect to the Authority's system. The Authority recognizes the revenue when the credit voucher is redeemed. Also included in unearned revenues are over payments by customers that will be recognized as revenue as charges for water/sewer treatment are incurred.

**(l) Deferred outflows/inflows of resources**

In addition to assets, the statement that presents net position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement that presents financial position reports a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority has the following items that qualify for reporting as deferred inflows or outflows:

- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportionate share that will be recognized in the OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or deferred inflow as appropriate.
- Lease-related amounts are recognized at the inception of leases in which the Agency is lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relates to future periods, less any lease incentives paid to on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.



**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**(m) Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring all financial statement elements related to pensions and OPEB plans information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Plans net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**(n) Net Position**

Net position is 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 investment in capital assets excludes unspent debt proceeds. 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.

**(o) Capital Contributions**

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

**(p) Comparative Information**

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the prior year from which the summarized information was derived.

**(q) Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(r) Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**(s) Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective. The effective dates below are updated based on **Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*** due to the COVID-19 pandemic.

In April 2022, the GASB issued **Statement No. 99, Omnibus 2022**. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases and PPPs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100, Accounting Changes and Error Corrections**. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101, Compensated Absences**. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

**Note 2. Deposits and Investments**

**Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 2. Deposits and Investments (Continued)**

collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

**Investments**

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The fair value of the position in LGIP is the same as the value of the pool shares. As the pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with GASB Statement No. 79. Due to the nature of LGIP, it is considered a cash and cash equivalent on the Statement of Net Position.

The Authority’s investments are subject to interest rate, credit, concentration of credit, and custodial credit risk as described herein.

The Authority has recurring fair value measurements as of June 30, 2023. Those include U. S. Bonds, Municipal Notes, and Commercial Paper classified in Level 2 of the fair value hierarchy and valued using prices quoted in active markets for those bonds.

**Interest rate risk:** Interest rate risk is the risk that the fair value of the securities in the portfolio will decline due to rising interest rates. Investments are limited to a maximum maturity of five (5) years from the transaction settlement date (with the exception of Agency Mortgage-Backed Securities (“MBS”) which must have a weighted average life (“WAL”) of no more than five (5) years). To manage the volatility of the Investment Portfolio, the Director of Finance shall determine an appropriate duration or weighted average maturity (“WAM”) target for each component of the Investment Portfolio. At no time shall the duration or WAM of any component of the Investment Portfolio exceed three (3) years.

**Credit risk:** Credit risk is the risk of loss due to the failure of the security issuer or backer to repay its obligations and may also apply where there is a loss of fair value of the investment due to a deterioration of an issuer’s credit rating.

**Concentration of credit risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of investments held from a single issuer. The Authority’s investment portfolio as of June 30, 2023, is concentrated in securities issued by the U.S. Treasury (42%), Federal Agencies (13%), Federal Agency Mortgage-Backed Securities (2%), Federal Agency Collateralized Mortgage Obligations (1%), Federal Agency Commercial Mortgage-Backed Security (8%), Supranational (1%), Municipal Notes (2%), Commercial Paper (8%), Certificate of Deposit (7%), and Corporate Note (16%).

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 2. Deposits and Investments (Continued)**

The table below details the fair value and rating as determined by Standard & Poor's for each issuer of the Authority's investments as well as deposits, as of June 30, 2023:

	<b>Deposits and Investments</b>							
	<u>AAA</u>	<u>A-1</u>	<u>AA+/A+</u>	<u>AA</u>	<u>AA-</u>	<u>AAAm,AA-<sup>1</sup></u>	<u>Deposits</u>	<u>Total</u>
U.S. Treasury	\$ -	\$ -	\$12,432,396	\$ -	\$ -	\$ -	\$ -	\$12,432,396
Lcl Gov Inv Pool	-	-	-	-	-	13,929,476	-	13,929,476
Federal Agency	-	-	3,942,744	-	-	-	-	3,942,744
Fed Agency MBS	-	-	480,250	-	-	-	-	480,250
Fed Agency CMO	-	-	146,226	-	-	-	-	146,226
Fed Agency CMB	-	-	2,506,062	-	-	-	-	2,506,062
Supranational	268,199	-	-	-	-	-	-	268,199
Municipal	249,609	-	289,545	-	80,647	-	-	619,801
Commercial Paper	-	2,319,407	-	-	-	-	-	2,319,407
Cert of Deposit	-	1,817,838	-	-	425,086	-	-	2,242,924
Corporate Note	291,051	-	578,622	805,043	3,167,947	-	-	4,842,663
		-						
Money Mkt Fund	-	-	-	-	-	108,660	-	108,660
Cash	-	-	-	-	-	-	14,497,447	14,497,447
Total Cash and Investments	<u>\$808,859</u>	<u>\$4,137,245</u>	<u>\$20,375,845</u>	<u>\$805,043</u>	<u>\$3,673,680</u>	<u>\$14,038,136</u>	<u>\$14,497,447</u>	<u>\$58,336,255</u>

Reconciliation of deposits and investments to Exhibit 1:

Cash and cash equivalents, unrestricted	\$27,793,220
Cash and cash equivalents, restricted	742,363
Investments	<u>29,800,672</u>
Total Deposits and Investments:	<u>\$58,336,255</u>

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 2. Deposits and Investments (Continued)**

<b>Investment Type</b>	<b><u>Investment Maturities</u></b>					
	<b><u>1 Year</u></b>	<b><u>2 Years</u></b>	<b><u>3 Years</u></b>	<b><u>4 Years</u></b>	<b><u>5 Years</u></b>	<b><u>&gt;5 Years</u></b>
U.S. Treasury	\$4,182,812	\$6,491,419	\$1,758,165	\$ -	\$ -	\$ -
Federal Agency	2,515,124	1,132,903	294,717	-	-	-
Fed. Agency MBS	-	-	-	-	-	480,250
Fed. Agency CMO	-	146,226	-	-	-	-
Federal Agency CMB	124,015	1,175,401	760,606	446,040	-	-
Supranational	-	-	268,199	-	-	-
Municipal	539,154	-	80,647	-	-	-
Commercial Paper	2,319,407	-	-	-	-	-
Certificate of Deposit	1,817,838	-	425,086	-	-	-
Corporate Note	-	2,004,118	2,838,545	-	-	-
Money Market/LGIP	14,038,136	-	-	-	-	-
<b>Total Investments</b>	<b>\$25,536,486</b>	<b>\$10,950,067</b>	<b>\$6,425,965</b>	<b>\$446,040</b>	<b>\$ -</b>	<b>\$480,250</b>

**Custodial credit risk:** Custodial credit risk is the risk that the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside custodial party. All securities purchased by the Authority are held in safekeeping by a third-party custodial bank or institution in the Authority's name, and therefore, the Authority is not exposed to custodial credit risk.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 3. Accounts and Leases Receivable**

Accounts receivable net of allowance consists of the following:

	<u><b>Billed</b></u>	<u><b>Unbilled</b></u>	<u><b>Total</b></u>
Receivables, current:			
Water	\$ 1,594,069	\$ 1,244,657	\$ 2,838,726
Sewer	1,107,636	918,907	2,026,543
Other	<u>220,149</u>	<u>-</u>	<u>220,149</u>
	<u><u>\$ 2,921,854</u></u>	<u><u>\$ 2,163,564</u></u>	<u><u>\$ 5,085,418</u></u>

An allowance for doubtful accounts has been established at June 30, 2023, to recognize estimates related to bad debt. For Fiscal Year 2023 and 2022, the allowance for doubtful accounts totals \$50,000 and \$90,020 respectively.

The Authority is a lessor for the use agreement with American Tower. This agreement will expire on March 13, 2027. An initial lease receivable was recorded in the amount of \$76,518. As of June 30, 2023, the value of the lease receivable is \$61,857. The lessee is required to make monthly fixed payments of \$1,535. The lease has an interest rate of 5%. The value of the deferred inflow of resources as of June 30, 2023, was \$60,482.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 4. Capital Assets**

Changes in capital assets for the year are as follows:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Reductions/ Reclassifications</b>	<b>Balance June 30, 2023</b>
Capital assets, not being depreciated				
Land and land rights	\$ 1,914,876	\$ -	\$ -	\$ 1,914,876
Construction in progress	15,581,064	5,464,863	(9,482,102)	11,563,825
Total capital assets, not being depreciated	17,495,940	5,464,863	(9,482,102)	13,478,701
Capital/intangible assets being depreciated and amortized				
Structures and improvements	218,693,300	1,257,374	9,302,347	229,253,021
Equipment	6,180,968	342,765	(106,799)	6,416,934
Equipment-leases	-	56,744	-	56,744
Subscription right-to-use assets	-	231,119	-	231,119
Total capital/intangible assets being depreciated	224,874,268	1,888,002	9,195,548	235,957,818
Less accumulated depreciation and amortization for:				
Structures and improvements	(61,146,350)	(3,827,165)	-	(64,973,515)
Equipment	(4,148,133)	(401,212)	169,841	(4,379,504)
Equipment-lease	-	(15,008)	-	(15,008)
Subscription right-to-use assets	-	(61,632)	-	(61,632)
Total accumulated depreciation/amortization	(65,294,483)	(4,305,017)	169,841	(69,429,659)
Total capital assets being depreciated/amortization, net	159,579,785	(2,417,015)	9,365,389	166,528,159
Total capital assets, net	<u>\$ 177,075,725</u>	<u>\$ 3,047,848</u>	<u>\$ (116,713)</u>	<u>\$ 180,006,860</u>

**Construction commitments:**

The Authority's active construction projects as of June 30, 2023, are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Water line replacements	\$ 1,306,834	\$ 172,837
Wastewater line rehabilitations or relinings	22,735	-
Other	1,041,371	2,456,734
	<u>\$ 2,370,940</u>	<u>\$ 2,629,571</u>

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 5. Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2023, was as follows:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2023</b>	<b>Amounts Due Within One Year</b>
Refunding bond	\$4,160,000	\$ -	\$(375,000)	\$3,785,000	\$395,000
Issuance Premiums	897,840	-	(99,760)	798,080	99,760
Lease Equipment	-	52,753	(13,970)	38,783	14,505
Subscription Liability	-	221,048	(71,660)	149,388	73,664
Compensated absences	763,469	487,413	(504,387)	746,495	102,838
	<u>\$ 5,821,309</u>	<u>\$ 761,214</u>	<u>\$ (1,064,777)</u>	<u>\$ 5,517,746</u>	<u>\$ 685,767</u>

A single revenue bond for \$10,357,000 was issued as a Build America 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. This issuance was refunded on July 21, 2021, through the Virginia Resources Authority (VRA) and its 2021B Pooled Bond issuance. All water and sewer revenues are pledged equally and ratably to secure payment of the principal and interest on the revenue bond. This Bond bears interest at the rate of 5.125%, payable semiannually.

The revenue bond, equipment lease, and subscription liability debt service requirements to maturity are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Revenue Bond</b>		<b>Leases</b>		<b>Subscription</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 395,000	\$ 183,859	\$ 14,505	\$ 244	\$ 73,664	\$ 4,177
2025	415,000	163,103	15,060	143	75,724	2,117
2026	435,000	141,322	9,218	53	-	-
2027	460,000	118,388	-	-	-	-
2028	480,000	94,300	-	-	-	-
2029-2032	1,600,000	125,819	-	-	-	-
	<u>\$ 3,785,000</u>	<u>\$ 826,791</u>	<u>\$ 38,783</u>	<u>\$ 440</u>	<u>\$ 149,388</u>	<u>\$ 6,294</u>

**Lease Liability:**

**VA Carrol Creek CCI 801475 – Tower Site**

The Authority is the lessee for land use at VA Carroll Creek CCI 801475. An initial lease liability was recorded in the amount of \$21,502. As of June 30, 2023, the value of the lease liability is \$15,315. The Authority is required to make fixed monthly payments of \$500 through October 31, 2025 that increase by 4% each year. The Authority uses their incremental borrowing rate to measure their lease liability.



**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 5. Long-Term Liabilities – Lease Liability (Continued)**

**Norfolk Southern – Tower Site**

The Authority is the lessee for land use at Norfolk Southern. An initial lease liability was recorded in the amount of \$26,024. As of June 30, 2023, the value of the lease liability is \$19,969. The Authority is required to make a fixed annual payment of \$6,240 through November 26, 2026. The Authority uses their incremental borrowing rate to measure their lease liability.

**Pitney Bowes**

The Authority is the lessee for the use of a Pitney Bowes Postage & Mailing Machine. An initial lease liability was recorded in the amount of \$5,227. As of June 30, 2023, the value of the lease liability is \$3,499. The Authority is required to make fixed quarterly payments of \$442 through July 14, 2025. The Authority uses their incremental borrowing rate to measure their lease liability.

**Debt covenants and Federal arbitrage regulations:**

The Authority is required to deliver to the Trustee for deposit both interest and principal amounts as prescribed in the Agreement of Trust. The Authority is in compliance with these covenants.

The Authority is required to adhere to the rebate and reporting requirements of the federal tax code pertaining to arbitrage. The Authority is in compliance with federal arbitrage regulations. Any potential liabilities arising from arbitrage have been deemed immaterial in relation to the financial statements.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 6. Capital Contributions**

Capital contributions for the year are summarized as follows:

Developer and customer contributions of capital assets	\$ 1,257,374
Crozet water and sewer – System/capacity fees	1,885,800
Urban water and sewer – System/capacity fees	10,012,211
Scottsville water and sewer – System/capacity fees	20,205
North Fork Regional Pump Station -- Special rate district fee	<u>70,719</u>
	<u><u>\$ 13,246,309</u></u>

**Note 7. Defined Benefit Pension Plan**

**Plan Description**

All full-time, salaried permanent employees of Albemarle County Service Authority, (the “Political Subdivision”) are automatically covered by VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefits structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/member/benefits/defined-benefit/plan1.asp> ,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp> ,
- <https://www.varetirement.org/hybrid.html> .

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Employees Covered by Benefit Terms**

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b><u>Number</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>40</u>
Inactive members:	
Vested inactive members	13
Non-vested inactive members	26
Inactive members active elsewhere in VRS	<u>14</u>
Total inactive members	93
Active members	<u>74</u>
Total covered employees	<u><u>167</u></u>

**Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The political subdivision's contractually required contribution rate for the year ended June 30, 2023, was 7.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$404,845 and \$339,261 for the years ended June 30, 2023, and June 30, 2022, respectively.

**Net Pension Liability**

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

**ALBEMARLE COUNTY SERVICE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50 – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15% to 20% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Largest 10 – Non-Hazardous Duty and all Others (Non 10 Largest): Updated mortality table; adjusted retirement rates, adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale, and no change to discount rate.

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Long-Term Expected Rate of Return (Continued)**

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
	Inflation		2.50 %
	* Expected arithmetic nominal return		7.83 %

\*The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.5%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including expected inflation of 2.50%.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
Balances at June 30, 2021	\$ 20,655,312	\$ 19,959,818	\$ 695,494
Changes for the year:			
Service cost	351,756	-	351,756
Interest	1,397,239	-	1,397,239
Benefit changes	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	538,017	-	538,017
Contributions – employer	-	327,839	(327,839)
Contributions – employee	-	239,518	(239,518)
Net investment income	-	(27,011)	27,011
Benefit payments, including refunds of employee contributions	(614,462)	(614,462)	-
Administrative expenses	-	(12,336)	12,336
Other changes	-	467	(467)
Net changes	1,672,550	(85,985)	1,758,535
Balances at June 30, 2022	\$ 22,327,862	\$ 19,873,833	\$ 2,454,029

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b><u>1.00% Decrease (5.75%)</u></b>	<b><u>Current Discount Rate (6.75%)</u></b>	<b><u>1.00% Increase (7.75%)</u></b>
Political subdivision's net pension liability (asset)	\$ 5,552,196	\$ 2,454,029	\$ (30,612)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$511,445. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 521,717	\$ 4,391
Change of assumptions	98,762	-
Net difference between projected and actual earnings on pension plan investments	-	555,895
Employer contributions subsequent to the measurement date	404,845	-
Total	<u>\$ 1,025,324</u>	<u>\$ 560,286</u>

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 7. Defined Benefit Pension Plan (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$404,845 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30, 2023</b>	<b>Increase (Reduction) to Pension Expense</b>
2024	\$ 186,318
2025	(42,117)
2026	(358,469)
2027	274,461
2028	-
Thereafter	-

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Authority also participates in a cost-sharing and agent multi-employer other postemployment benefit plan, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time employees of the Authority are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.



**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)**

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple employer, cost sharing plan.

**Contributions**

Contributions to the VRS OPEB program was based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB program is as follows:

**Group Life Insurance Program**

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$30,677
June 30, 2022 Contribution	\$27,102

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

Group Life Insurance Program

June 30, 2023 proportionate share of liability	\$ 277,785
June 30, 2022 proportion	.02307%
June 30, 2021 proportion	.02254%
June 30, 2023 expense	\$ 15,653

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 21,997	\$ 11,144
Change of assumptions	10,361	27,057
Net difference between projected and actual earnings on		
OPEB plan investments	-	17,357
Changes in proportionate share	19,543	36
Employer contributions subsequent to the measurement date	30,677	-
Total	<u>\$ 82,578</u>	<u>\$ 55,594</u>

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

<b>Year Ended June 30,</b>	<b>Increase/(Reduction) to OPEB Expense</b>
2024	\$ 1,913
2025	1,698
2026	(10,387)
2027	3,933
2028	(850)
Thereafter	-

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases, including inflation:	
• Locality- general employees	3.50 – 5.35%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 7.

**Net OPEB Liabilities**

The net OPEB liabilities represent the total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>
Total OPEB Liability	\$ 3,672,085
Plan fiduciary net position	2,467,989
Employers' net OPEB liability (asset)	1,204,096
Plan fiduciary net position as a percentage of total OPEB liability	67.21%

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.2
<b>Total</b>	<b>100.00 %</b>		<b>5.33 %</b>
	<b>Inflation</b>		<b>2.50 %</b>
	<b>*Expected arithmetic nominal return</b>		<b>7.83 %</b>

- \* The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including inflation of 2.50%.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)**

**Discount Rate**

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liability will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liabilities of the Authority, as well as what the Authority's net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (5.75% GLI) or one percentage point higher (7.75% GLI) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ <u>404,210</u>	\$ <u>277,785</u>	\$ <u>175,617</u>

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 9. Other Post-Employment Benefits Liability – Local Plan**

**Plan description:**

The Authority offers other post-employment benefits (OPEB) under a single employer plan by allowing qualifying retirees to continue to participate in the Authority's health insurance plan. Retirees must pay the cost of the premium but receive an implicit rate subsidy by virtue of participating in the Authority's plan. No assets are accumulated in a trust to pay benefits to the plan.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)**

**Plan description (Continued):**

pgf

The Authority's Voluntary Early Retirement Incentive Program (VERIP) provides an additional health insurance subsidy for up to five years for employees who retire and meet the requirements of the plan.

VERIP participants may choose to apply this subsidy to Authority sponsored health insurance premiums or to purchase other insurance. For fiscal year 2023, the Authority's health and benefit contribution was \$616 per month. VERIP benefits are paid monthly for a period of five years after retirement or until age 65, whichever comes first.

Participants in the Authority's VERIP must meet the following requirements: employees must be eligible for early or full retirement under the provisions of the VRS, must have been employed by the Authority for 10 years prior to retirement, and must be at least 50 years of age. Any employees retiring under the disability provisions of VRS and/or Social Security will not be eligible for VERIP.

**Employees Covered by Benefit Terms:**

As of the June 30, 2023 measurement date, the following employees were covered by the benefit terms of the plan:

	<b><u>Number</u></b>
Inactive employees or beneficiaries:	
Currently receiving benefits	1
Entitled to but not yet receiving benefits	-
	<hr/>
Total inactive employees	1
Active plan members	<hr/> 76
Total employees covered by benefit terms	<hr/> <b>\$ 77</b> <hr/>

**Total OPEB Liability:**

The Authority's total OPEB liability of \$966,734 was measured as of June 30, 2023 and was determined based on an actual valuation performed as of July 1, 2022.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)**

**Actuarial Assumptions and other inputs:**

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases, including inflation	3.50% plus the salary merit increases, which are based on the VRS actuarial valuation as of June 30, 2022
Healthcare cost trend rates	4.50% - 7.00%
Retirees' share of benefit-related costs	Retirees are responsible for the full cost of coverage less the VERIP subsidy for those who qualify
Mortality rates	Active employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2022; Surviving spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2022; Disabled employees and retirees: SOA Pub-2010 Non-Safety Disability Headcount Weighted Mortality Table fully generational using Scale MP-2022

The actuarial assumptions used in the July 1, 2022, valuation was based on the results of an actuarial experience study for the period from July 1, 2022, through June 30, 2023. There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2022.

Changes in assumptions and other inputs:

- The Discount rate as of the Measurement Date has been updated from 4.09% as of July 1, 2022, to 4.13% as of June 30, 2023, based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). This change has caused a significant decrease in the Authority's liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.
- The mortality improvement scales for all mortality tables were updated from MP-2019 to MP-2021. This resulted in a slight increase in liabilities.
- Health care trend rates have been updated to an initial trend of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5% according to the schedule in the Health Care Trend Rates section of the Actuarial Methods and Assumptions. This change caused an increase in the Authority's liabilities.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)**

**Actuarial Assumptions and other inputs (Continued):**

- The updated census data resulted in a decrease in liabilities, mainly due to early termination of active participants who were retirement eligible, and changes in coverage tiers that resulted in additional gains.

**Changes in the Total OPEB Liability:**

Balance at June 30, 2022	
Changes for the year:	\$ 881,941
Service Cost	49,323
Interest	37,490
Benefit Changes	-
Assumptions or other input changes	(3,117)
Differences between expected and actual experience	30,645
Benefit payments	(29,548)
Balance at June 30, 2023	<u>\$ 966,734</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current discount rate:

	<u>1.00% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1.00% Increase (5.13%)</u>
Total OPEB liability	\$ 1,047,715	\$ 966,734	\$ 892,207

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current healthcare cost trend rates:

	<u>1.00% Decrease (6.00%)</u>	<u>Current Healthcare Cost Trend Rate (7.00%)</u>	<u>1.00% Increase (8.00%)</u>
Total OPEB liability	\$ 850,204	\$ 966,734	\$ 1,105,452



**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the Authority recognized OPEB expense of (\$45,238). At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 26,267	\$ 341,325
Change in assumptions	41,682	87,266
Employer contributions subsequent to the measurement date	N/A	N/A
Total	<u>\$ 67,949</u>	<u>\$ 428,591</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2024	\$ (159,369)
2025	(124,564)
2026	(25,217)
2027	(25,218)
2028	(30,204)
Thereafter	3,930

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)**

**Summary of Other Postemployment Benefit Elements**

Deferred outflows of resources - OPEB

Differences between expected and actual experience	
VRS-Group Life Insurance	\$ 21,997
Local Plan	26,267
Changes in proportion	
VRS-Group Life Insurance	19,543
Employer contributions subsequent to the measurement date	
VRS-Group Life Insurance	30,677
Changes of assumptions	
VRS-Group Life Insurance	10,361
Local Plan	41,682
Net difference between projected and actual earnings on plan investments	
VRS-Group Life Insurance	
Total deferred outflows of resources - OPEB	<u>\$ 150,527</u>

Net OPEB liability

VRS-Group Life Insurance	\$ 277,785
Local Plan	966,734
Total net OPEB liability	<u>\$ 1,244,519</u>

Deferred inflows of resources - OPEB

Differences between expected and actual experience	
VRS- Group Life Insurance	\$ 11,144
Local Plan	341,325
Changes of assumptions	
VRS-Group Life Insurance	27,057
Local Plan	87,266
Changes in proportion	
VRS-Group Life Insurance	36
Net difference between projected and actual earnings on plan investments	17,357
Total deferred inflows of resources - OPEB	<u>\$ 484,185</u>

OPEB Expense/(Income)

VRS-Group Life Insurance	\$ 15,653
Local Plan	(45,238)
Total OPEB Expense/(Income)	<u>\$ (29,585)</u>

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 10. Service Contracts**

The Authority purchases all water and sewage treatment services from RWSA. These purchases amounted to \$13,987,522 for water and \$10,202,217 for sewage treatment services for the current year.

RWSA was formed in 1972 as a joint venture of the City of Charlottesville, the County of Albemarle, and the Authority. The RWSA operates under the terms of a Service Agreement which was signed in 1973 and is expected to continue indefinitely. Under the terms of the agreement, as well as several supplemental agreements since that time, the City of Charlottesville and the Authority have covenanted to purchase water and sewer services from RWSA. RWSA constructs and maintains the capital assets necessary to provide these water and sewer services and has issued debt to fund these projects. RWSA's charges to the Authority included a component for operations as well as a component for current and future estimated debt service.

In the current year, the charges that were associated with debt service were \$11,913,324.

**Note 11. Risk Management**

The Risk Management Programs of the Authority are as follows:

The Authority is a member of the Virginia Risk Sharing Association (V.R.S.A.). The liability coverage includes local government liability, auto, property, boiler/machinery, Cyber Liability, fidelity/crime, workers compensation and general liability coverages. VML Insurance program is a self-administered risk pool which, for premiums paid, protects Virginia State and local government entities. Settlement amount under these policies have not exceeded insurance coverage for the last three fiscal years.

The limits of the pools' liability to the Authority are as follows:

- Local Government Liability – \$1,000,000
- Auto – \$1,000,000
- Property – \$21,840,464
- Boiler/Machinery – \$15,000,000
- Cyber Liability - \$1,000,000
- Fidelity/Crime – \$250,000
- General Liability – \$1,000,000 (plus Excess of \$4,000,000)
- Workers Compensation – Specific excess limits as per statute, aggregate excess limits up to the limits of the Aggregate Excess Loss Fund. Employers' Liability: \$1,000,000 for each bodily injury accident for each employee.

The Authority continues to carry commercial insurance for all other risks of loss, namely employee health insurance. Claims have not exceeded coverage for the last three fiscal years.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 12. Deferred Compensation Plan**

Since 1988 the Authority has offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a maximum of 100% of their salary or \$22,500 per year, whichever is less. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**Note 13. Contingency – Off-Site Extensions**

Off-site extensions of water and/or sanitary sewer lines to serve new developments shall be the responsibility of the developer. An off-site extension is defined as an extension of a water and/or sanitary sewer line by a developer from the developer's property boundary as determined by the Authority to existing Authority facilities. Under specific circumstances, upon completion of the project and acceptance into the Authority's system, the Authority shall enter into a written agreement granting the developer credit against future water and/or sewer system development charges. The credit can only be used for the property for which the off-site extension is constructed. The credit does not constitute a priority for water or sewer service. As water and/or sewer connections are made, the developer must use its existing credit first. The credit shall expire ten years after acceptance of the off-site water and/or sewer line extension into the Authority's system. If all requirements for use of credits are met, the total amount of unrecorded but potential credits is \$909,035 at June 30, 2023.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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## Exhibit 4

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**June 30, 2023**

	Fiscal Years								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 351,756	\$ 337,400	\$ 334,646	\$ 288,386	\$ 282,089	\$ 302,117	\$ 306,250	\$ 319,994	\$ 303,515
Interest on total pension liability	1,397,239	1,287,748	1,177,200	1,117,629	1,062,604	1,021,852	971,270	945,438	891,399
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Changes in assumptions	-	264,750	-	511,046	-	(261,995)	-	-	-
Difference between expected and actual experience	538,017	(11,769)	713,793	132,308	19,186	57,961	(77,660)	(456,292)	-
Benefit payments, including refunds of employee contributions	(614,462)	(601,130)	(574,638)	(576,372)	(579,237)	(496,301)	(458,221)	(421,994)	(423,861)
Net change in total pension liability	1,672,550	1,276,999	1,651,001	1,472,997	784,642	623,634	741,639	387,146	771,053
<b>Total pension liability – beginning</b>	20,655,312	19,378,313	17,727,312	16,254,315	15,469,673	14,846,039	14,104,400	13,717,254	12,946,201
<b>Total pension liability – ending</b>	22,327,862	20,655,312	19,378,313	17,727,312	16,254,315	15,469,673	14,846,039	14,104,400	13,717,254
<b>Plan Fiduciary Net Position</b>									
Contributions – employer	327,839	303,643	245,116	234,877	244,563	235,653	330,458	317,575	326,450
Contributions – employee	239,518	222,626	219,505	207,077	188,757	181,895	177,386	171,283	170,882
Net investment income	(27,011)	4,326,251	297,306	983,842	1,024,636	1,516,452	217,142	535,330	1,576,735
Benefit payments, including refunds of employee contributions	(614,462)	(601,130)	(574,638)	(576,372)	(579,237)	(496,301)	(458,221)	(421,994)	(423,861)
Administrative expenses	(12,336)	(10,552)	(10,040)	(9,615)	(8,793)	(8,670)	(7,476)	(7,154)	(8,347)
Other	467	410	(354)	(620)	(913)	(1,352)	(91)	(110)	84
Net change in plan fiduciary net position	(85,985)	4,241,248	176,895	839,189	869,013	1,427,677	259,198	594,930	1,641,943
<b>Plan fiduciary net position – beginning</b>	19,959,818	15,718,570	15,541,675	14,702,486	13,833,473	12,405,796	12,146,598	11,551,668	9,909,725
<b>Plan fiduciary net position – ending</b>	19,873,833	19,959,818	15,718,570	15,541,675	14,702,486	13,833,473	12,405,796	12,146,598	11,551,668
<b>Net pension liability – ending</b>	\$ 2,454,029	\$ 695,494	\$ 3,659,743	\$ 2,185,637	\$ 1,551,829	\$ 1,636,200	\$ 2,440,243	\$ 1,957,802	\$ 2,165,586
Plan fiduciary net position as a percentage of total pension liability	89%	97%	81%	88%	90%	89%	84%	86%	84%
Covered payroll	\$ 5,018,813	\$ 4,653,342	\$ 4,596,106	\$ 4,325,421	\$ 3,922,995	\$ 3,757,862	\$ 3,635,900	\$ 3,474,178	\$ 3,355,469
Net pension liability as a percentage of covered payroll	49%	15%	80%	51%	40%	44%	67%	56%	65%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

## Exhibit 5

## ALBEMARLE COUNTY SERVICE AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**June 30, 2023**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Contributions in Relation to Actuarially Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a percentage of Covered Payroll</b>
2015	\$ 311,615	\$ 311,615	\$ -	\$ 3,474,178	8.97%
2016	330,458	330,458	-	3,635,900	9.09%
2017	235,653	235,653	-	3,757,862	6.27%
2018	244,561	244,561	-	3,922,995	6.23%
2019	234,877	234,877	-	4,325,421	5.43%
2020	245,110	245,110	-	4,596,106	5.33%
2021	313,643	313,643	-	4,653,342	6.74%
2022	339,261	339,261	-	5,018,813	6.76%
2023	404,845	404,845	-	5,681,014	7.13%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

**Exhibit 6**

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS - LOCAL PLAN**  
**June 30, 2023**

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>	<u>Plan Year 2019</u>	<u>Plan Year 2018</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 49,323	\$ 65,346	\$ 57,968	\$ 74,812	\$ 68,079	\$ 69,786
Interest on total OPEB liability	37,490	24,509	27,390	55,438	67,654	56,003
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	30,645	(120,515)	(4,522)	(632,618)	(250,714)	173,501
Changes in assumptions	(3,117)	(118,432)	39,416	36,551	41,846	(9,554)
Benefit payments	<u>(29,548)</u>	<u>(45,269)</u>	<u>(31,166)</u>	<u>(102,307)</u>	<u>(102,268)</u>	<u>(106,141)</u>
Net change in total OPEB liability	84,793	(194,361)	89,086	(568,124)	(175,403)	183,595
<b>Total OPEB liability - beginning</b>	<u>881,941</u>	<u>1,076,302</u>	<u>987,216</u>	<u>1,555,340</u>	<u>1,730,743</u>	<u>1,547,148</u>
<b>Total OPEB liability - ending</b>	<u>\$ 966,734</u>	<u>\$ 881,941</u>	<u>\$ 1,076,302</u>	<u>\$ 987,216</u>	<u>\$ 1,555,340</u>	<u>\$ 1,730,743</u>
 Covered employee payroll	 <u>\$ 5,916,996</u>	 <u>\$ 5,262,437</u>	 <u>\$ 4,686,463</u>	 <u>\$ 4,583,540</u>	 <u>\$ 4,404,509</u>	 <u>\$ 3,899,735</u>
 Total OPEB liability as a percentage of covered payroll	 <u>16.3%</u>	 <u>16.8%</u>	 <u>23.0%</u>	 <u>21.5%</u>	 <u>35.3%</u>	 <u>44.4%</u>

This schedule is intended to show information for 10 years. Since fiscal year 2018 is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.



## Exhibit 7

## ALBEMARLE COUNTY SERVICE AUTHORITY

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
**June 30, 2023**

<b>Fiscal Year Ended June 30</b>	<b>Actuarially Determined Employer Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a percentage of Covered Payroll</b>
<b>VRS - Group Life Insurance - General Employees</b>					
2018	\$ 20,401	\$ 20,401	\$ -	\$ 3,922,995	0.52%
2019	22,492	22,492	-	4,325,421	0.52%
2020	23,898	23,898	-	4,596,106	0.52%
2021	25,130	25,130	-	4,653,342	0.54%
2022	27,102	27,102	-	5,018,813	0.54%
2023	30,677	30,677	-	5,681,014	0.54%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

## Exhibit 8

**ALBEMARLE COUNTY SERVICE AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**

**June 30, 2023**

<b>Entity Fiscal Year Ended June 30</b>	<b>Employer's Proportion of the Net OPEB Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net OPEB Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Employer's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>VRS - Group Life Insurance - General Employees</b>					
2018	0.02038%	\$ 307,000	\$ 3,757,862	8.17%	48.86%
2019	0.02063%	313,000	3,922,995	7.98%	51.22%
2020	0.02206%	358,975	4,325,421	8.30%	52.00%
2021	0.02233%	372,651	4,596,106	8.11%	52.64%
2022	0.02254%	262,427	4,653,342	5.64%	67.45%
2023	0.02307%	277,785	5,018,813	5.53%	67.21%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2022**

**Note 1. Changes of Benefit Terms**

Pension

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Note 2. Changes of Assumptions**

The actuarial assumptions used in the June 30, 2021, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Largest 10 – Non-Hazardous Duty:**

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdraw rates to better fit experience at each age and service through 9 years of service.
- No change in disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

**All Others (Non 10 Largest) – Non-Hazardous Duty:**

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdraw rates to better fit experience at each age and service through 9 years of service.
- No change in disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

## STATISTICAL SECTION

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The statistical section of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health. This information has not been audited by the independent auditor.

### **Contents**

#### ***Financial Trends***

***Tables 1-4***

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

#### ***Revenue Capacity***

***Tables 5-6***

These schedules contain information to help the reader assess the Authority's most significant revenue sources.

#### ***Debt Capacity***

***Table 7***

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

#### ***Demographic and Economic Information***

***Tables 8-9***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

#### ***Operating Information***

***Tables 10-17***

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Table 1

**ALBEMARLE COUNTY SERVICE AUTHORITY  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015*	2016	2017	2018**	2019	2020	2021	2022	2023***
Business-type activities										
Net investment in capital assets	\$ 115,617,250	\$ 119,714,145	\$ 126,311,674	\$ 131,997,020	\$ 140,238,885	\$ 148,180,254	\$ 156,610,823	\$ 165,640,741	\$ 172,031,606	\$ 175,247,805
Restricted for debt service	229,688	234,890	240,591	247,015	255,835	264,343	269,790	272,895	314,718	331,531
Unrestricted	22,782,549	22,276,215	24,423,916	29,077,339	36,007,519	37,580,516	43,394,497	46,047,071	47,742,895	53,942,334
Total business-type activities net position	<u>\$ 138,629,487</u>	<u>\$ 142,225,250</u>	<u>\$ 150,976,181</u>	<u>\$ 161,321,374</u>	<u>\$ 176,502,239</u>	<u>\$ 186,025,113</u>	<u>\$ 200,275,110</u>	<u>\$ 211,960,707</u>	<u>\$ 220,089,219</u>	<u>\$ 229,521,670</u>

\* GASB Statement No. 68 was adopted in fiscal year 2015. Information from previous years presented is unavailable.

\*\* GASB Statement No. 75 was adopted in fiscal year 2018. Information from previous years presented is unavailable.

\*\*\* GASB Statement No. 87 was adopted in fiscal year 2023. Information from previous years presented is unavailable.

Table 2

**ALBEMARLE COUNTY SERVICE AUTHORITY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Operating expenses</b>										
Operating expenses:										
Water	\$ 10,262,354	\$ 11,204,103	\$ 11,872,889	\$ 12,816,458	\$ 13,029,366	\$ 13,762,043	\$ 14,934,749	\$ 15,418,833	\$ 17,649,112	\$ 20,218,241
Sewer	10,111,833	9,130,743	9,766,413	9,613,692	9,664,393	12,468,623	12,201,559	13,285,061	13,545,928	14,746,778
Other	2,819,633	3,026,916	3,158,144	3,302,779	3,336,765	3,625,254	3,669,899	3,898,244	4,114,076	4,305,016
Total operating expenses	<u>\$ 23,193,820</u>	<u>\$ 23,361,762</u>	<u>\$ 24,797,446</u>	<u>\$ 25,732,929</u>	<u>\$ 26,030,524</u>	<u>\$ 29,855,920</u>	<u>\$ 30,806,207</u>	<u>\$ 32,602,138</u>	<u>\$ 35,309,116</u>	<u>\$ 39,270,035</u>
<b>Operating revenues</b>										
Charges for services:										
Water	\$ 10,665,192	\$ 12,173,073	\$ 12,564,711	\$ 13,916,547	\$ 14,221,088	\$ 14,365,666	\$ 15,839,848	\$ 15,919,103	\$ 17,545,859	\$ 18,720,236
Sewer	9,588,948	10,468,470	10,895,970	11,869,460	12,232,244	12,688,282	13,662,193	13,964,581	15,279,189	15,332,086
Connection	296,724	328,862	329,384	359,660	331,838	356,398	367,451	141,043	131,415	178,642
Total operating revenues	<u>\$ 20,550,864</u>	<u>\$ 22,970,405</u>	<u>\$ 23,790,065</u>	<u>\$ 26,145,667</u>	<u>\$ 26,785,170</u>	<u>\$ 27,410,346</u>	<u>\$ 29,869,492</u>	<u>\$ 30,024,727</u>	<u>\$ 32,956,463</u>	<u>\$ 34,230,964</u>
<b>Net (expense) revenue</b>	<u>\$ (2,642,956)</u>	<u>\$ (391,357)</u>	<u>\$ (1,007,381)</u>	<u>\$ 412,738</u>	<u>\$ 754,646</u>	<u>\$ (2,445,574)</u>	<u>\$ (936,715)</u>	<u>\$ (2,577,411)</u>	<u>\$ (2,352,653)</u>	<u>\$ (5,039,071)</u>
<b>Nonoperating revenues and expenses</b>										
Investment earnings	\$ 110,135	\$ 102,469	\$ 215,035	\$ 59,576	\$ 348,572	\$ 946,599	\$ 733,385	\$ 82,900	\$ (631,795)	\$ 1,084,854
Miscellaneous revenues	310,340	347,692	363,029	412,944	552,586	51,050	333,752	548,486	381,926	462,076
Capital contributions	10,739,627	7,466,312	9,468,629	9,717,312	15,173,477	11,632,967	14,334,718	14,080,638	11,292,904	13,246,309
Other expenses	(221,879)	(473,424)	(288,381)	(257,377)	(293,343)	(662,168)	(215,143)	(449,016)	(561,870)	(321,717)
Total nonoperating revenues and expenses	<u>\$ 10,938,223</u>	<u>\$ 7,443,049</u>	<u>\$ 9,758,312</u>	<u>\$ 9,932,455</u>	<u>\$ 15,781,292</u>	<u>\$ 11,968,448</u>	<u>\$ 15,186,712</u>	<u>\$ 14,263,008</u>	<u>\$ 10,481,165</u>	<u>\$ 14,471,522</u>
<b>Change in net position</b>	<u>\$ 8,295,267</u>	<u>\$ 7,051,692</u>	<u>\$ 8,750,931</u>	<u>\$ 10,345,193</u>	<u>\$ 16,535,938</u>	<u>\$ 9,522,874</u>	<u>\$ 14,249,997</u>	<u>\$ 11,685,597</u>	<u>\$ 8,128,512</u>	<u>\$ 9,432,451</u>



Table 4

**ALBEMARLE COUNTY SERVICE AUTHORITY  
WATER AND SEWER RATES  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Monthly Service Charge<sup>1</sup></b>	\$ 6.15	\$ 7.18	\$ 7.40	\$ 7.73	\$ 7.92	\$ 8.16	\$ 8.57	\$ 8.57	\$ 9.00	\$ 9.45
<b>Water Volume</b>										
<b>Single-family/Non-Residential</b>										
0 - 3,000	3.33	3.69	3.80	3.99	4.11	4.27	4.48	4.48	4.70	5.05
3,001 - 6,000	6.66	7.38	7.60	7.98	8.22	8.55	8.98	8.98	9.43	10.14
6,000 - 9,000	9.99	11.07	11.40	11.97	12.33	12.82	13.46	13.46	14.13	15.19
Over 9,000	13.32	14.76	15.20	15.96	16.44	17.10	17.96	17.96	18.86	20.27
<b>Multi-family/Non-Residential</b>										
All Metered Consumption	6.43	7.12	7.33	7.70	7.93	8.25	8.66	8.66	9.09	10.14
<b>Sewer Volume</b>	7.49	7.86	8.10	8.50	8.67	8.93	9.47	9.47	9.94	10.24

<sup>1</sup> Monthly Service charge varies based on meter size. The amount represented here is for our standard 3/4" meters.



Table 5

**ALBEMARLE COUNTY SERVICE AUTHORITY  
TOP TEN REVENUE PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Customer	Fiscal Year 2023			Fiscal Year 2014		
	Water Billed (in gallons)	Rank	Percent of Total Water Sales	Water Billed (in gallons)	Rank	Percent of Total Water Sales
Martha Jefferson Hospital	23,314,946	1	1.34 %	22,555,400	2	1.47 %
Abbingdon Crossing	22,051,567	2	1.27	-	-	-
Southwood Mobile Homes	20,865,965	3	1.20	23,284,000	1	1.52
University of Virginia	20,209,499	4	1.16	18,457,900	5	1.20
Four Seasons Apts.	19,930,265	5	1.15	17,286,800	7	1.13
SEMF Charleston	18,427,267	6	1.06	18,474,875	4	1.20
County of Albemarle	18,140,382	7	1.04	21,664,200	3	1.41
Barracks West Apts.	17,437,796	8	1.00	18,134,800	6	1.18
Westminster Canterbury	16,589,490	9	0.95	13,910,000	10	0.91
Turtle Creek Apts.	15,620,328	10	0.90	15,066,600	9	0.98
ACRJ	-	-	-	16,042,000	8	1.05
	192,587,505		11.07%	184,876,575		12.05%
Total water consumption:	1,739,170,000			1,534,600,000		

Customer	Fiscal Year 2023			Fiscal Year 2014		
	Sewer Billed (in gallons)	Rank	Percent of Total Sewer Sales	Sewer Billed (in gallons)	Rank	Percent of Total Sewer Sales
Southwood Mobile Homes	25,440,000	1	1.68 %	12,485,736	10	0.96 %
Abbingdon Crossing	22,051,567	2	1.46	19,680,900	2	1.52
University of Virginia	20,165,321	3	1.33	-	-	-
Four Seasons Apts.	19,930,265	4	1.32	17,286,800	5	1.33
SEMF Charleston	18,427,267	5	1.22	18,474,875	3	1.42
Barracks West Apts.	17,437,796	6	1.15	18,134,800	4	1.40
Westminster Canterbury	15,841,490	7	1.05	13,757,000	9	1.06
Turtle Creek Apts.	15,590,128	8	1.03	15,066,600	8	1.16
Westgate Apts.	14,746,057	9	0.98	-	-	-
Martha Jefferson Hospital	14,559,582	10	0.96	21,344,400	1	1.64
County of Albemarle	-	-	-	16,769,400	6	1.29
ACRJ	-	-	-	16,042,000	7	1.24
	184,189,473		12.18%	169,042,511		13.02%
Total sewer usage:	1,511,790,000			1,297,900,000		

Table 6

**ALBEMARLE COUNTY SERVICE AUTHORITY  
OUTSTANDING DEBT PER CONNECTION, PER CAPITA,  
AND DEBT PER CAPITA AS A PERCENTAGE OF INCOME PER CAPITA  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Outstanding Revenue Bond</b>	<b>Number of<sup>1</sup> Connections</b>	<b>Debt per Connection (3) = (1)/(2)</b>	<b>Estimated<sup>2</sup> Population Served (4) = (2) * 2.5</b>	<b>Debt per Capita (5) = (1)/(4)</b>	<b>Income<sup>3</sup> per Capita (6)</b>	<b>Debt per Capita as a % Income per Capita (7) = (5)/(6)</b>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2014	\$ 9,212,000	18,132	\$ 508.05	45,330	\$ 203.22	\$ 56,851	0.3575 %
2015	8,788,000	18,466	475.90	46,165	190.36	58,603	0.3248
2016	8,352,000	18,764	445.11	46,910	178.04	60,294	0.2953
2017	7,903,000	19,257	410.40	48,143	164.16	60,964	0.2693
2018	7,440,000	19,738	376.94	49,345	150.78	67,630	0.2229
2019	6,963,000	20,252	343.82	50,630	137.53	74,613	0.1843
2020	6,472,000	20,787	311.35	51,968	124.54	74,613	0.1669
2021	5,966,000	21,238	280.91	53,095	112.36	77,657	0.1447
2022	5,057,840	21,595	234.21	53,988	93.69	77,606	0.1207
2023	4,583,080	22,138	207.02	55,345	82.81	85,867	0.0964

<sup>1</sup> Connections from Table 12

<sup>2</sup> The Virginia Department of Health estimates 2.5 residents per connection; this number is used in lieu of the population data in Table 8 which is representative of the entire county.

<sup>3</sup> Per capita income data from Table 8 (Source: U.S. Bureau of Economic Analysis, Charlottesville-Albemarle Area)

Note: 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.

Table 7

**ALBEMARLE COUNTY SERVICE AUTHORITY  
PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Direct Operating Expense<sup>1</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage</b>
2014	\$ 31,851,830	\$ 20,374,187	\$ 11,477,643	\$ 411,000	\$ 443,993	\$ 854,993	13.42
2015	31,021,470	20,334,846	10,686,624	424,000	414,813	838,813	12.74
2016	33,965,596	21,639,302	12,326,294	436,000	395,056	831,056	14.83
2017	36,457,609	22,430,150	14,027,459	449,000	374,726	823,726	17.03
2018	42,975,439	22,693,759	20,281,680	463,000	353,776	816,776	24.83
2019	40,149,708	26,230,666	13,919,042	477,000	332,183	809,183	17.20
2020	45,373,703	27,136,308	18,237,395	491,000	309,946	800,946	22.77
2021	44,736,751	28,703,894	16,032,857	506,000	287,044	793,044	20.22
2022	43,999,498	31,195,040	12,804,458	335,000	235,937	570,937	22.43
2023	49,024,203	34,965,019	14,059,184	375,000	102,153	477,153	29.46

<sup>1</sup>Excluding depreciation and amortization

Table 8

**ALBEMARLE COUNTY SERVICE AUTHORITY  
COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Calendar Year</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup></b>	<b>Per Capita Income <sup>2</sup></b>	<b>Per Capita Income as Percent (%) of U.S. Average <sup>2</sup></b>	<b>School Enrollment <sup>3</sup></b>	<b>Unemployment Rate <sup>4</sup></b>
2013	103,000	\$ 8,350,340,000	\$ 56,979	129 %	13,263	5.4 %
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7
2016	106,878	9,182,721,000	60,294	125	13,792	3.5
2017	107,702	9,375,633,000	60,964	124	13,910	3.3
2018	108,718	10,531,351,000	67,630	131	14,013	2.7
2019	109,330	11,702,008,000	74,613	137	14,435	2.5
2020	112,395	12,160,701,000	77,657	138	13,532	5.4
2021	113,535	12,230,910,000	77,606	130	13,749	3.2
2022	114,534	13,670,666,000	85,867	134	13,970	2.7

<sup>1</sup> U.S. Census Bureau (estimates based on July 1)

<sup>2</sup> U.S. Bureau of Economic Analysis, Charlottesville-Albemarle Area, Personal Income, Population, Per Capita Personal Income

<sup>3</sup> County of Albemarle, Department of Education

<sup>4</sup> Virginia Labor Market Information, [www.virginialmi.com](http://www.virginialmi.com)

Calendar year 2023 statistics for the table above are not yet available.

Table 9

**ALBEMARLE COUNTY SERVICE AUTHORITY  
TEN LARGEST EMPLOYERS (ALBEMARLE COUNTY)  
CURRENT YEAR AND NINE YEARS AGO**

<b>Employer</b>	<b>Estimated Product/Service</b>	<b>(1) Estimated Employment in 2023</b>	<b>Rank in 2023</b>	<b>(1) Estimated Employment in 2014</b>	<b>Rank in 2014</b>
University of Virginia/Blue Ridge Hospital	Higher education	1,000 - over	1	1,000 - over	1
Sentara Healthcare/Martha Jefferson Hospital	Health care	1,000 - over	2	1,000 - over	3
U.S. Department of Defense	National security	1,000 - over	3	500 - 999	6
County of Albemarle	Local government	1,000 - over	4	1,000 - over	2
Crutchfield Corporation	Electronic retailers	500 - 999	5	-	-
Wal-Mart	Department stores	500 - 999	6	250 - 499	9
Piedmont Virginia Community College	Higher education	250 - 499	7	250 - 499	8
Northrop Grumman Corporation	Computer & electronic mfg.	250 - 499	8	500 - 999	5
Rmc Events	Event services	250 - 499	9	-	-
Atlantic Coast Athletic Club	Fitness center	250 - 499	10	-	-
State Farm Mutual Automobile Insurance	Insurance services	-	-	1,000 - over	4
Athena Innovative Solutions	Business Management Consultants	-	-	250 - 499	10
GE Fanuc	Computer & electronic mfg.	-	-	500-999	7

Source: Virginia Employment Commission

(1) Actual number of employees not available

Table 10

**ALBEMARLE COUNTY SERVICE AUTHORITY  
FULL-TIME EMPLOYEES  
LAST TEN FISCAL YEARS**

Department	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration/I.T.	10	10	10	10	10	10	10	11	11	12
Finance	15	16	16	17	17	17	17	17	17	17
Engineering	16	16	16	16	17	17	17	17	17	17
Maintenance	31	32	33	33	33	33	34	34	34	34
Total	72	74	75	76	77	77	78	79	79	80

Table 11

**ALBEMARLE COUNTY SERVICE AUTHORITY  
OPERATING INDICATORS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
New connections	314	334	298	493	481	514	535	451	357	543
Water meters read <sup>1</sup>	223,195	227,435	231,275	235,879	241,978	248,182	254,786	260,699	265,753	271,418
Service orders processed <sup>2</sup>	11,823	12,116	12,405	16,988	12,055	8,179	11,091	10,640	8,306	7,988
Water main breaks	14	16	6	5	11	12	6	9	6	14
Sewer overflows	11	2	3	2	4	7	2	6	8	6
Sewer blockages	7	5	3	2	5	8	2	5	1	3

<sup>1</sup> Number of meters read for billing.

<sup>2</sup> Includes new service requests, requests for disconnection, meter installations & exchanges, investigations, and miscellaneous customer requests.

Table 12

**ALBEMARLE COUNTY SERVICE AUTHORITY  
CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of water connections	18,132	18,466	18,764	19,257	19,738	20,252	20,787	21,238	21,595	22,138
Number of sewer connections	15,168	15,508	15,805	16,299	16,764	17,273	17,803	18,257	18,611	19,146
Miles of water lines	351.76	355.00	338.52	344.76	349.40	353.10	357.81	363.79	373.97	374.29
Miles of sewer lines	258.40	261.10	281.67	288.17	292.70	297.60	301.12	316.06	323.52	315.63
Fire hydrants	2,330	2,375	2,511	2,590	2,650	2,747	2,818	3,023	3,137	3,146
Water pumping stations	9	9	9	8	8	9	9	9	9	9
Sewer pumping stations	12	12	12	12	12	12	12	11	11	10
Water storage tanks	7	7	8	8	8	8	8	8	8	8



Table 13

**ALBEMARLE COUNTY SERVICE AUTHORITY  
REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>		<b>Service Charges</b>		<b>Connection Charges</b>		<b>Rental Income</b>		<b>Interest/Investment Earnings(Loss)</b>		<b>Other</b>		<b>Total</b>
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		(631,796)		363,569		32,706,593
2023		34,052,322		178,642		270		1,084,854		461,806		35,777,894

Table 14

**ALBEMARLE COUNTY SERVICE AUTHORITY  
EXPENSES BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Water &amp; Sewer Costs</b>	<b>Departmental Operating Expenses</b>	<b>Bond Interest Charges</b>	<b>Depreciation</b>	<b>Other</b>	<b>Total</b>
2014	13,849,536	6,524,651	360,711	2,819,633	2,032	23,556,563
2015	13,901,732	6,433,114	414,813	3,026,916	193,203	23,969,778
2016	14,795,643	6,843,659	395,056	3,158,144	22,163	25,214,665
2017	14,928,569	7,501,581	374,726	3,302,779	4,761	26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501
2019	18,154,657	8,076,009	332,183	3,625,254	438,731	30,626,834
2020	18,694,581	8,441,727	309,946	3,669,899	7,553	31,123,706
2021	19,858,509	8,845,385	287,044	3,898,244	161,972	33,051,154
2022	21,923,767	9,271,273	235,937	4,114,076	325,933	35,870,986
2023	24,189,739	10,775,280	102,153	4,305,016	219,564	39,591,752

Table 15

**ALBEMARLE COUNTY SERVICE AUTHORITY**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2023**

Insurer	Type of Coverage	Policy Number	Policy Period		Annual Premium
			From	To	
Virginia Risk Sharing Association	Local Government Liability Boiler & Machinery Cyber Liability General Business Policy: Auto General Liability/Excess Property Fidelity & Crime Workers' Compensation	P-2022-2023-VRSA-0107-1	7/1/2022	6/30/2023	\$123,595

Table 16

**ALBEMARLE COUNTY SERVICE AUTHORITY  
BILLED SERVICES AND CONNECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Water Connections</b>	<b>Water Billions Gallons</b>	<b>Consumption Ratio Water/Sewer</b>	<b>Sewer Billions Gallons</b>	<b>Sewer Connections</b>
2014	18,132	1.53	1.2	1.30	15,168
2015	18,466	1.57	1.2	1.33	15,508
2016	18,764	1.61	1.2	1.35	15,805
2017	19,257	1.70	1.2	1.41	16,299
2018	19,738	1.68	1.2	1.41	16,764
2019	20,252	1.63	1.2	1.41	17,273
2020	20,787	1.68	1.2	1.45	17,803
2021	21,238	1.70	1.1	1.48	18,257
2022	21,595	1.78	1.1	1.55	18,611
2023	22,138	1.74	1.2	1.51	19,146

Table 17

**ALBEMARLE COUNTY SERVICE AUTHORITY  
CONSTRUCTION ACTIVITY, PROPERTY VALUE, AND CASH EQUIVALENTS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>		<b>Construction</b>		<b>Property Value</b>		<b>Cash &amp; Cash Equivalents</b>
2014	\$	5,832,585	\$	118,282,983	\$	20,896,235
2015		8,531,307		120,017,051		23,466,968
2016		8,420,418		125,645,948		24,367,711
2017		11,673,410		127,628,676		30,010,727
2018		6,325,642		140,750,579		38,385,906
2019		9,392,718		145,137,081		40,275,478
2020		8,448,320		154,012,341		45,017,607
2021		8,639,796		162,344,686		21,749,451
2022		15,581,064		161,494,661		23,200,232
2023		11,563,824		168,443,035		28,535,583

## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Honorable Members of the Board of Directors  
Albemarle County Service Authority  
Charlottesville, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Albemarle County Service Authority (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 23, 2023

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.**

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
October 23, 2023



**ALBEMARLE COUNTY SERVICE AUTHORITY****SUMMARY OF COMPLIANCE MATTERS**  
**Year Ended June 30, 2023**

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Authority's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

**STATE COMPLIANCE MATTERS***Code of Virginia*

Cash and Investment Laws

Local Retirement Systems

Debt Provisions

Procurement Laws

Uniform Disposition of Unclaimed Property Act

Conflicts of Interest



# Pressure Reducing Valves

Billy Defibaugh, Facilities Supervisor

Roland Bega, Operations Supervisor

Alexander Morrison, PE, Director of Operations



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environmental resources forever.*

# Table of Contents

- What is a Pressure Reducing Valve (PRV)?
- Private Water System PRV's
- Public Water System PRV's
- PRV Stations
- PRV SCADA Implementation
- Questions

# What is a Pressure Reducing Valve (PRV)?

- Mechanical device that maintains reduced output pressure.
- Can be used for a variety of applications such as liquids or gas.
- Provides piping protection from high pressure.
- Utilizes a spring-loaded diaphragm for pressure control.

# Private Water System PRV's

- ½" – 2" (general range).
- Privately owned and maintained.
- Lead Free Certification
- Plumbing code requirement for 80 PSI+ water pressure.



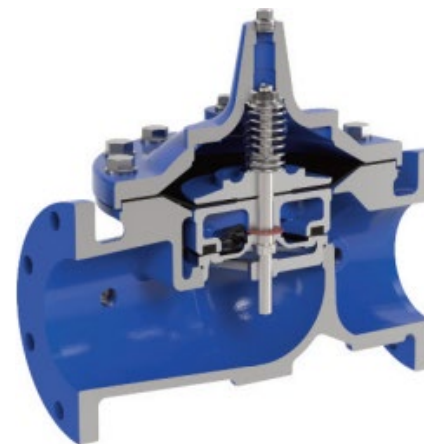
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# Public Water System PRV's

- 2" – 8" (general range).
- Pilot Control System.
- Owned and maintained by the utility company.
- Lead Free Certification.
- Instrumentation Options.



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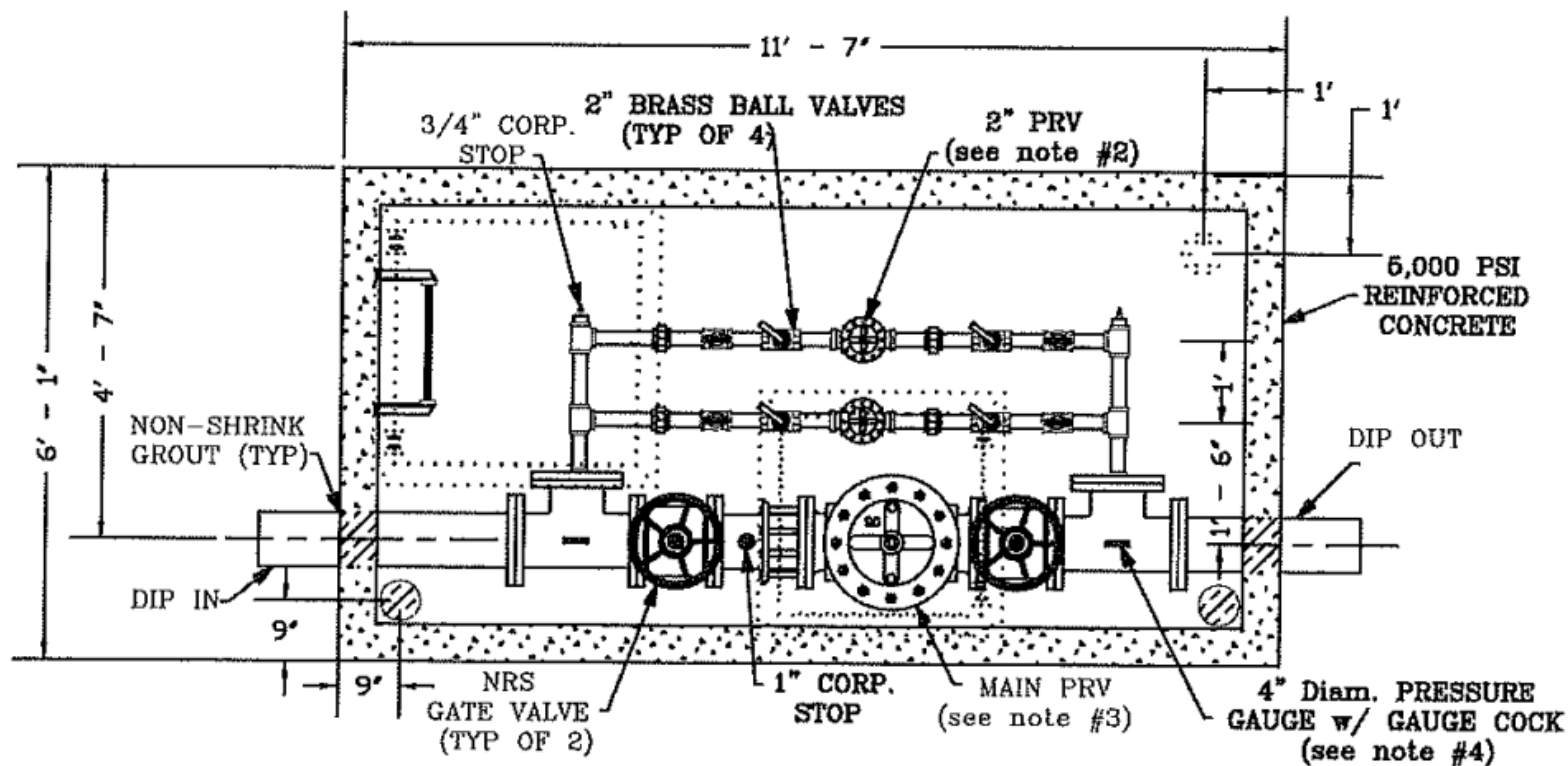
Conserve today, sustain tomorrow, and protect water and  
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# PRV Stations

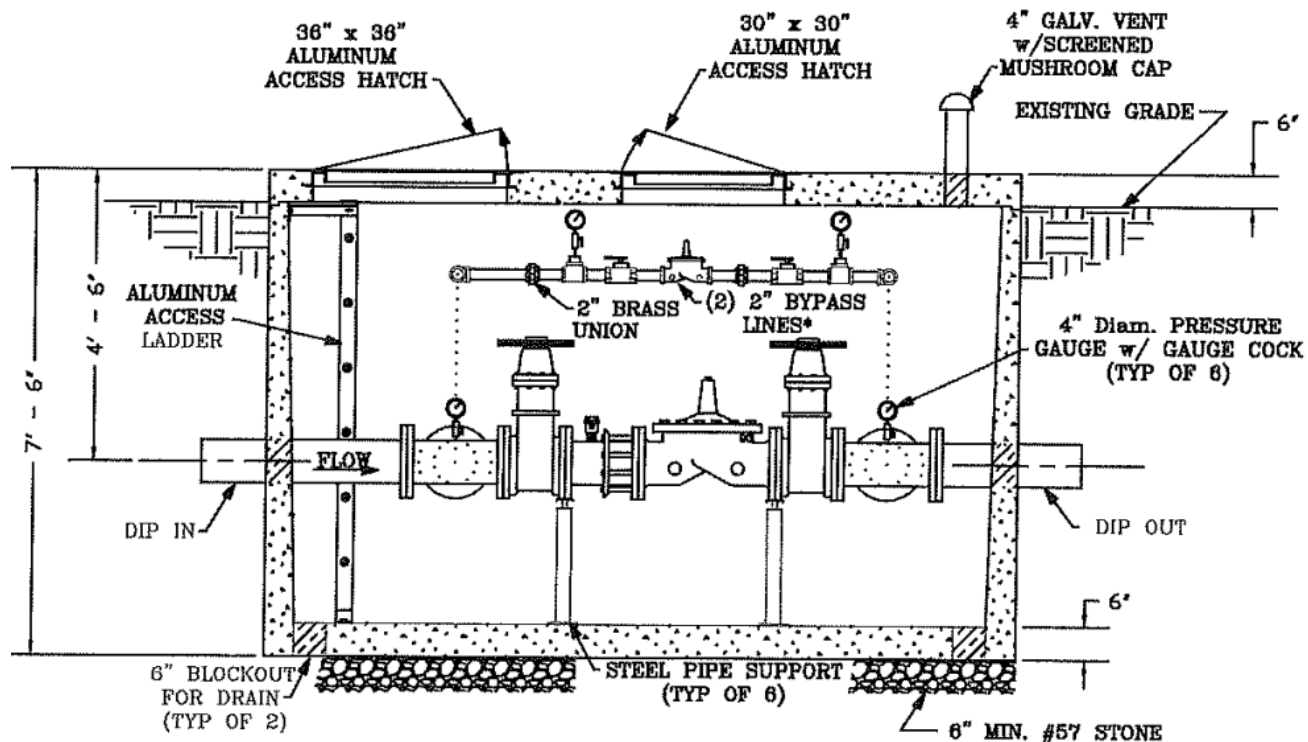
- Concrete Vault with minimum size (W x L x H) 6'1" x 11'7" x 7'6".
- Dual aluminum access hatches.
- Analog pressure gauges (upstream and downstream)
- Ball valves for domestic PRV's.
- Gate valves for main PRV.
- Three (3) parallel PRV's:
  - Main PRV (Fire Flow)
  - 2 x 2" PRV's (Domestic Flow)



# PRV Stations (cont.)



# PRV Stations (cont.)



\* 2" BY-PASS SHOWN OUT OF SECTION FOR CLARITY \*

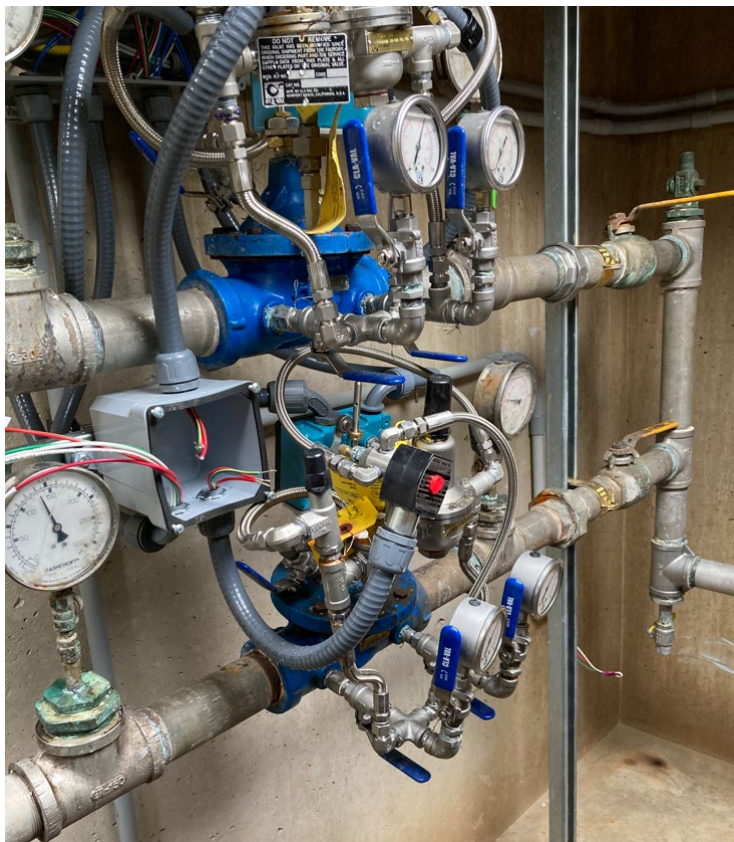
# PRV SCADA Implementation

- Realtime data acquisition and alarms.
- Independent domestic flow and fire flow metering.
- Upstream and downstream pressure monitoring.
- Solenoid control for domestic (2") PRV alternation.
- Intrusion sensors.
- Flood sensors.
- Reconfiguration of 2" piping for stacked configuration.





# PRV SCADA Implementation (cont.)



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# PRV SCADA Implementation (cont.)



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# Questions?



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# ALBEMARLE COUNTY SERVICE AUTHORITY

## AGENDA ITEM EXECUTIVE SUMMARY

<p><b>AGENDA TITLE:</b> Corporate Roles and Responsibilities – By-Laws and Resolution</p> <p><b>STAFF CONTACT(S)/PREPARER:</b> Gary O'Connell, Executive Director and Mike Derdeyn, ACSA Attorney</p>	<p><b>AGENDA DATE:</b> November 16, 2023</p> <p><b>ACTION:</b> Informational</p> <p><b>ATTACHMENTS:</b> Yes</p>
---	---

**BACKGROUND:** Section 15.2-5113 of the Virginia Water and Waste Authorities Act authorizes the Board to appoint an executive to manage the affairs of the authority: “The board members may appoint a chief administrative or executive officer who shall serve at the pleasure of the board members. He shall execute and enforce the orders and resolutions adopted by the board members and perform such duties as may be delegated to him by board members.”

We believe there is a “gap” in clarity over the responsibilities of the Executive Director because those responsibilities are not defined in the By-Laws. Article III of the By-Laws identifies that the “officers . . . shall consist of a Chair, a Vice-Chair, a Secretary-Treasurer, and an Executive Director.” Article IV describes the “Duties of Officers” but neglects to provide any description of the duties of the Executive Director.

We think the proposed changes legally make sense, provide a greater level of authorization that is now lacking, and more concretely in the By-Laws and Resolution recommendation provides a clear authorization for the responsibilities of the Executive Director.

**RECOMMENDATION:** The latest draft that is attached of the By-Laws amendment and proposed Resolution, includes the suggested edits made by the Board at the October 19<sup>th</sup> meeting. A Board notice has been provided beyond 10-days as required in the By-Laws for amendments adoption. Given that notice, the Board can take up the proposed By-Laws amendment and Resolution today. We recommend approval.

### BOARD ACTION REQUESTED:

- (1) Approve the proposed By-Laws amendments
- (2) Approve the proposed Resolution

### ATTACHMENTS:

- Current ACSA By-Laws with blue line edits being proposed;
- Resolution concerning Authority of the Executive Director, with blue line edits



## CURRENT BY-LAWS

### BY-LAWS

#### ALBEMARLE COUNTY SERVICE AUTHORITY

##### ARTICLE I - PREAMBLE

- 1-1. This authority was created on April 16, 1964, by action of the Board of Supervisors of the County of Albemarle, under provisions of Virginia Water and [SewerWaste](#) Authorities Act, Section 15.1-1239 through 15.1-1270, Code of Virginia, 1950, as amended.
- 1-2. The official title of this authority is designated by the aforesaid Board of Supervisors is: "Albemarle County Service Authority".
- 1-3. These bylaws or rules for the transaction of the business of this authority are made pursuant to authority vested in this authority under Section 15.1-1250(b) of the Code of Virginia of 1950 as amended and in accordance with the general provisions of the laws of the Commonwealth of Virginia governing water and [sewerwaste](#) authorities as set forth in said 1950 Code in Chapter 28, Title 9, Virginia Water and [SewerWaste](#) Authorities Act.

##### ARTICLE II - MEMBERS

- 2-1. This authority shall consist of six members, said members to be appointed by the Board of Supervisors pursuant to Section 2-702 of the Albemarle County Code.
- 2-2. All members of this authority are appointed by the Albemarle County Board of Supervisors for terms of four (4) years.
- 2-3. The authority may provide for the payment of expenses of this authority and a reasonable compensation for members of the authority who are not county employees.
- 2-4. Any vacancy in membership will be filled by appointment of the County Board of Supervisors and such appointments will be for the unexpired term only.
- 2-5. Any appointed member may be removed by the Albemarle County Board of Supervisors for inefficiency, neglect of duty, or malfeasance or misfeasance in office.

### **ARTICLE III - OFFICERS AND THEIR SELECTION**

- 3-1. The officers of the Service Authority shall consist of a Chair, a Vice-Chair, a Secretary-Treasurer and an Executive Director. The Secretary-Treasurer and the Executive Director need not be members of the authority.
- 3-2. Nomination of officers shall be made from the floor at the annual meeting held in January of each year. The elections shall take place at the same meeting.
- 3-3. A candidate receiving a majority vote of the entire membership of the Service Authority shall be declared elected. The elected member shall take office immediately and serve for one (1) year, or until a successor takes office.
- 3-4. Vacancies shall be filled by regular election procedures at the next regular meeting.

### **ARTICLE IV - DUTIES OF OFFICERS**

- 4-1. The duties of the Chair are:
  - a. To preside at all meetings.
  - b. To appoint all committees, with the exception of the Executive Committee.
  - c. To rule on procedural questions (subject to a reversal by a 2/3 vote of members present).
  - d. To carry out other duties as assigned by the authority.
- 4-2. The duties of the Vice-Chair are:
  - a. To act in the absence of the Chair.
- 4-3. The duties of the secretary-treasurer are:
  - a. To keep a written record of all business transacted by the authority.
  - b. To notify members of the meetings.
  - c. To keep all official records and reports of the authority.
  - d. To certify all records, and reports of the authority.
  - e. To attend to the correspondence of the authority.
  - f. To keep a record of the minutes of meetings.

4-4. The duties of the Executive Director are:

- a. To be the Chief Executive Officer of the Authority serving at the pleasure of the Board, as provided in Section 15.2-5113(E) of the Virginia Code.
- b. To administer the affairs of the Authority consistent with the provisions of the Rules and Regulations of the Authority, as adopted by the Board.
- c. To execute and enforce the policies, orders, resolutions, budgets and agreements adopted by the Board.
- d. To sign contracts and other instruments on behalf of the Authority as authorized by the Board.
- e. To perform such other duties as may be delegated by the Board from time to time by resolutions.

**ARTICLE V - COMMITTEES**

- 5-1. Special Committees: The Chair may appoint such special committees as deemed necessary.

**ARTICLE VI - MEETINGS**

- 6-1. Regular meetings of the authority shall be held monthly on the third Thursday of the month at 9:00 a.m.
- 6-2. Special meetings shall be called at the request of the Chair or at the request of a majority of the membership. Written notice of meetings shall be given to each member at least two (2) days prior to such meetings.
- 6-3. All regular meetings, records, and accounts shall be open to the public.
- 6-4. A majority (4 of 6) of the membership of the authority shall constitute a quorum. In any meeting where there is otherwise a quorum and any member declares a potential conflict of interest on any matter of business the remaining eligible members shall constitute a quorum for the transaction of that business matter. Approval of any business matter shall require a majority vote of eligible non-abstaining members. Voting may be by roll call, in which case a record shall be kept as part of the minutes.
- 6-5. If a quorum is physically present to conduct a meeting of the Authority's Board of Directors or one of its committees, other members may attend and participate in such meeting from a

remote location by telephone or other audio or video means, provided such attendance complies with the provisions of the Virginia Freedom of Information Act, as amended from time to time. A member wishing to attend in this manner shall advise the clerk of the board a reasonable time before start of the meeting, so that the necessary equipment can be put in place.

## **ARTICLE VII - ORDER OF BUSINESS**

- 7-1. The order of business of a regular meeting shall be:
- a. Call to order by the Chair.
  - b. Determination of a quorum.
  - c. Approval of minutes of regular meeting and of executive committee meetings.
  - d. Matters from the public.
  - e. Consent Agenda.
  - f. Matters of business and discussion.
  - g. Matters not listed on the agenda.
  - h. Adjournment.
- 7-2. Parliamentary procedure in authority meetings shall be governed by the adopted rules of order, namely Robert's Rules of Order.

## **ARTICLE VIII - AMENDMENTS**

- 8-1. These rules, excepting Articles I and II, may change by a two-thirds vote of the entire authority after ten days notice has been given them of the projected change.

<b>BY-LAWS ADOPTED:</b>	<b>January 17, 1966</b>
<b>AMENDED:</b>	<b>March 9, 1967</b>
	<b>March 9, 1978</b>
	<b>April 17, 1986</b>
	<b>December 18, 1997</b>
	<b>December 16, 1999</b>
	<b>December 17, 2009</b>
	<b>July 17, 2014</b>
	<b>February 18, 2016</b>
	<b>March 17, 2016</b>
	<b>November 19, 2020</b>

## DRAFT

**ALBEMARLE COUNTY SERVICE AUTHORITY (ACSA)  
RESOLUTION CONCERNING AUTHORITY OF THE EXECUTIVE DIRECTOR**

**WHEREAS**, pursuant to Section 15.2-5114 of the Virginia Code, ACSA is authorized to procure goods, services, insurance and construction, consistent with the requirements of Section 2.2-430 et seq. of the Virginia Code (the "Virginia Public Procurement Act"); and

**WHEREAS**, pursuant to Section 2.2-4302 of the Virginia Code, ACSA is authorized to adopt procurement resolutions and regulations consistent with the Virginia Public Procurement Act; and

**WHEREAS**, pursuant to Section 15.2-5113 of the Virginia Code, the ACSA Executive Director shall perform such duties as may be delegated by the Board; and

**WHEREAS**, pursuant to Article IV, Section 4.4 of the By-Laws of the Authority, the Board may specifically authorize the Executive Director to sign contracts and other instruments on behalf of the Authority-; and

WHEREAS, this Resolution supersedes and replaces the "Resolution Authorizing Signatory Authority at the Albemarle County Service Authority (ACSA)" adopted by the Board on October 15, 2020.

**NOW, THEREFORE BE IT RESOLVED** that the Board of Directors does hereby authorize the Executive Director as Secretary-Treasurer (or a designee) to sign on behalf of the Authority the following categories of contracts and other instruments that are in accordance with the general policies and directives of the Authority:

1. Contracts for goods or services authorized in the Annual Operating and CIP Budgets adopted by the Board.
2. Developer Agreements for On-Site Facilities and Main System Extensions including reimbursement agreements for design and construction of improvements that exceed the Developer's responsibilities.
3. Community Water and Wastewater Agreements.
4. Betterment Agreements for design and construction of improvements to existing ACSA infrastructure that are affected by other construction projects such as road improvements.
5. Deeds of Easement.
6. Draws Upon Letters of Credit.
7. Demands Upon Bonds, and
8. As Secretary-Treasurer, any documents or instruments pursuant to his~~his~~their authority as custodian of the funds of the Authority;

9. Other documents or instruments expressly approved by the Board;
10. This resolution shall take effect immediately.

### **CERTIFICATE**

The undersigned Secretary of the Albemarle County Service Authority certifies that the forgoing is a true, correct and complete copy of a Resolution adopted by affirmative vote of a majority of the members of the Board present at a public meeting duly called and held on \_\_\_\_\_, \_\_\_\_\_, at which meeting a quorum was present and acting throughout.

---

Gary O'Connell, Executive Director/Secretary-Treasurer



**MOTION:**

**MEETING DATE:** November 16, 2023

**SECOND:**

## **RESOLUTION**

BE IT RESOLVED by the Board of Directors of the Albemarle County Service Authority that the Board needs to enter into Executive Session to consider the following matter:

1. Pursuant to Va. Code §2.2-3711 A (1) to discuss a personnel matter concerning the Executive Director's Mid-Year Review.

**VOTE:**

**AYES:**

**NAYS:**

(For each nay vote, the substance of the departure from the requirements of the Act should be described).

**ABSENT DURING VOTE:**

**ABSENT DURING EXECUTIVE MEETING:**

---

Gary B. O'Connell, Secretary-Treasurer



**MOTION:**

**MEETING DATE:** November 16, 2023

**SECOND:**

### **CERTIFICATION OF EXECUTIVE MEETING**

**WHEREAS**, the Board of Directors of the Albemarle County Service Authority has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

**WHEREAS**, §2.2-3711 A (1) of the Code of Virginia requires a certification by this Board that such executive meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Board.

**VOTE:**

**AYES:**

**NAYS:**

(For each nay vote, the substance of the departure from the requirements of the Act should be described).

**ABSENT DURING VOTE:**

**ABSENT DURING EXECUTIVE MEETING:**

---

Gary B. O'Connell, Secretary-Treasurer