

**Albemarle County Service Authority Board of Directors**

1           The Board of Directors of the Albemarle County Service Authority  
2 (ACSA) met in a regular session on April 20, 2023, at 9:00 a.m. at the  
3 Administration and Operations Center at 168 Spotnap Road in  
4 Charlottesville, Virginia.

5           **Members Present:** Mr. Richard Armstrong, Chair; Mr. Nathan Moore; Dr.  
6 Lizbeth Palmer; Mr. John Parcels; Mr. Clarence Roberts (virtual); Mr.  
7 Charles Tolbert, Vice-Chair.

8           **Members Absent:** None.

9           **Staff Present:** Mike Derdeyn, Brendan Ganz, Terri Knight, Jeremy Lynn,  
10 Roland Bega, Quin Lunsford, Alex Morrison, Gary O’Connell, Emily Roach,  
11 Danielle Trent, April Walker, Justin Weiler, Deanna Davenport, Jennifer  
12 Bryant, Tonya Foster.

13           **Staff Absent:** Michael Lynn.

14           **Public Present:** None.

15  
16           1.       Call to Order and Establish a Quorum – Statement of Board Chair

17           Mr. Armstrong called the meeting to order, and a quorum was  
18 established. He then read the opening Board Chair statement (Attached as  
19 Page \_\_\_\_\_). He stated that Clarence Roberts, Board member, was  
20 electronically present for the meeting. Mr. Roberts stated that he was  
21 joining the meeting from his home due to a temporary medical condition.  
22 Mr. Armstrong added that Mr. Roberts did notify him of his planned remote  
23 participation in advance, and the Board would now vote on approving his  
24 remote participation.

25           ***Mr. Parcels moved to approve Mr. Robert’s remote***  
26 ***participation in the April 20, 2023, ACSA Board of Directors meeting,***  
27 ***seconded by Dr. Palmer. All members voted aye.***

28  
29           2.       Approve Minutes of March 16, 2023

30           Mr. Parcels stated that he had several corrections to the minutes.  
31 He stated that the first correction is on page 10, line 1. He noted that the

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1 word “can” should be “can’t.” He stated that the second correction is on  
2 page 11, line 1. He stated that it should read “Dr. Palmer” not “Dr.  
3 Parcels.” He stated that on page 12, line 15, the word “began” should be  
4 “begun.” He stated that the fourth correction is on page 14, line 22. He  
5 noted that the letter “y” is missing from the word “battery.” He asked, in  
6 terms of the batteries for the AMI radio units, will there be some sort of  
7 mechanism within the group to ensure they are aware and ready to replace  
8 them at the end of their 20-year life span. Mr. Lunsford replied yes,  
9 absolutely. Mr. Parcels moved to the fifth correction on page 15, line 13.  
10 He stated that the number is missing, which should be one.

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

13  
14 3. Matters from the Public

15 There were no matters from the public.

16  
17 4. Response to Public Comment

18 There was no response to public comment.

19  
20 5. Consent Agenda

- 21 **a. *Monthly Financial Reports*** – Mr. Parcels stated that the  
22 Maintenance department looks to be 20% behind in operating  
23 expenses. He stated that it seems late in the cycle to be so behind. Mr.  
24 Lunsford replied that a lot of that has been driven by vacancies in the  
25 Maintenance department. He stated that additionally, procuring  
26 equipment and materials has been a struggle due to supply chain  
27 issues, thus the staff has not been able to purchase and spend the  
28 funds that were anticipated. Mr. Parcels stated that Mrs. Roach  
29 mentioned at the last Board meeting that offers were made for those  
30 vacant positions, and he asked if they had been filled. Mrs. Roach  
31 replied that they have all been filled except for one. She added that an

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1 offer for the last vacancy has been extended, and they are waiting on a  
2 start date. Mr. O'Connell added that the organization has been short  
3 on maintenance personnel the entire year, and those salaries can add  
4 up in terms of the budget.

5 Mr. Parcels stated that he had another question about the ACSA's  
6 investments. He asked if PFM Asset Management was working on  
7 getting some of the 4% options. Mr. Lunsford replied that PFM is  
8 constantly and actively trading the portfolio, with several trades a day.  
9 He stated that he would be happy to provide the trading activity from  
10 any given month. He mentioned that it is about 10-15 pages of buys  
11 and sells. He noted that that PFM is active and engaged, specifically in  
12 the U.S. Treasury, in various markets to leverage as much of the  
13 interest rate change as they can. He added that the ACSA is seeing  
14 positive returns in its portfolio, contrary to last year when the  
15 organization struggled to earn.

16 Mr. Parcels stated that the third item he wanted to look at was the  
17 receivables arrearages. He stated that the graph dropped to zero and  
18 asked if that was because the staff was successful in negotiating all  
19 those payments or is it due to a write-off. Mr. Lunsford replied that  
20 there are still a number of payment plans that are not reflected in that  
21 graph, but the customers are making payment in accordance with the  
22 terms they established with the ACSA. He mentioned that there are  
23 only a few disconnections every other day or so, and those customers  
24 are reconnecting. He noted that in a pre-COVID environment, there  
25 would be a negative balance in the greater than 90 days category due  
26 to customers paying for service in advance which creates a credit  
27 situation. He added that the organization will be in credit territory again  
28 soon. Mr. Parcels asked if the LIHWAP assistance was still an option.  
29 Mr. Lunsford replied that the ACSA is still actively participating in the  
30 project and encouraging customers that are in danger of disconnection  
31 to participate. He mentioned that the staff has contacted all the

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1 customers on a payment plan to urge them to apply. He stated that the  
2 number of customers taking advantage of the program has slowed,  
3 thus it seems that most of the customers that were eligible have  
4 participated.

5 **b. Monthly CIP** – Mr. Parcels asked about the status of the easement  
6 offer mentioned on page 70, as part of the Crozet Phase 4 Water Main  
7 Replacement project. Jeremy Lynn replied that certified letters have  
8 been sent to the P.O. box and the physical address of the property  
9 owner, but they have yet to accept them. He stated that the staff is  
10 trying to explore other delivery methods to get the offer letter in their  
11 hand before beginning the condemnation process. Mr. Parcels asked  
12 if the property owner is aware of this. Mr. Lynn replied that the owner is  
13 aware that the ACSA is attempting to secure the easement, but he  
14 does not know if they are aware of the final offer because they have  
15 yet to pick up the letter. He stated that the easement is already  
16 encumbered by other easements, so it has limited value.

17 Mr. Parcels stated that he had a question about the Lewis Hills –  
18 West Leigh Water Connection project on page 79. He asked if the  
19 ACSA was waiting on the HOA to decide on the necessary easement.  
20 Mr. Lynn replied that the ACSA is waiting on the HOA’s next Board  
21 meeting so they can discuss whether they want to grant a new  
22 easement or accept the fact that the ACSA can utilize the existing  
23 easement. Mr. Parcels asked when that meeting will be and if it affects  
24 the timing of the project. Mr. Lynn replied that this project will be  
25 constructed under the upcoming repair and replacement project which  
26 has yet to be advertisement, so the easement is not currently holding  
27 up construction.

28 Mr. Parcels stated that he had another question about the Active  
29 Private Development Projects on page 83. He stated that there are  
30 1,385 units total listed as new development. He mentioned that the list  
31 changes a little from month to month but asked if overall, the units

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1 listed are expected to be the new connections being made over the  
2 course of the year. Mr. Lynn replied that each year, the engineers are  
3 tasked with projecting equivalent residential connections, or ERCs, for  
4 the upcoming fiscal year. He stated that they do this by looking at all  
5 the projects and anticipating what will come on service in the upcoming  
6 fiscal year. He mentioned that a lot of the projects will span multiple  
7 fiscal years, so all 1,385 will not necessarily come on service at the  
8 same time.

9 Mr. Tolbert stated that he had a question about the Four-Story  
10 Backflow Prevention Assembly Retrofit project. He asked how many  
11 more retrofits were left to be done. Mr. Lynn replied that the project is  
12 about 1/3 complete. He stated that the staff has begun communicating  
13 with customers in Phases 2 and 3 and installs will begin in early May.  
14 Mr. Tolbert asked if there are new structures being discovered that  
15 need retrofitting or is the staff sure they have identified them all. Mr.  
16 Lynn replied that the staff is quite sure they have identified all the  
17 existing structures and are actively tracking this with new construction  
18 going forward.

19 Mr. Tolbert stated that he had another question about the  
20 Miscellaneous Sewer Rehabilitation project on page 75. He asked  
21 what a “pump and haul” effort was. Mr. Lynn replied that flow continues  
22 to come to a pump station, but they do not want to utilize the pumps  
23 and the force main because the sewers must be relined downstream.  
24 He stated that during a pump and haul operation, a truck is at the  
25 pump station that will pump the fluid from the wet well and haul it to  
26 another location downstream of where the relining efforts are taking  
27 place.

28 Mr. Tolbert stated that page 77 refers to an E/One system and  
29 asked what that is. Mr. Lynn replied that an E/One system is an  
30 individual pump owned by the property owner that pumps wastewater  
31 into a common force main along the road. He stated that every pump

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1 from every lot would pump into a common force main, and each pump  
2 can get that individual property’s wastewater all the way to the gravity  
3 system. He stated that this way, the properties are not dependent upon  
4 each other. Dr. Palmer stated that the thing that has always bothered  
5 her about these systems is the maintenance on the pump. She asked if  
6 Mr. Lynn could speak to how that will be handled. Mr. Lynn replied that  
7 the ACSA does not own any of the E/One systems so it would be the  
8 customer’s responsibility to maintain them. He mentioned that the  
9 pumps should last about 10-15 years, but he has found customers that  
10 did not know they had individual private pumps on their property. He  
11 added that when the ACSA reviews and approves a set of private  
12 development plans, the staff will have identified what lots will be served  
13 by private grinder pumps. Dr. Palmer asked how much it costs to  
14 replace a failed pump. Mr. Lynn replied that new one is in the range of  
15 \$10,000, while a replacement is around a couple thousand dollars.

16 ***c. CIP Authorizations –***

17 ***d. Monthly Maintenance Update –***

18 ***e. Rivanna Water and Sewer Authority (RWSA) Update –*** Dr. Palmer  
19 stated that the update mentioned “productive meetings” with UVA on  
20 easement negotiation regarding two major water pipeline projects. She  
21 asked what “productive” means. Mr. O’Connell replied that the major  
22 takeaway was that everyone agreed to have the matter settled by June  
23 at the latest. He stated that Tim Rose, head of the UVA Foundation,  
24 has been involved in those meetings as well. He noted that some of  
25 the discussion is about money, but some of it is about location. He  
26 added that this is more progress than what has been seen in the past.

27 ***f. ACSA Board Policy Future Issues Agenda 2023 –***

28 ***g. Advanced Metering Infrastructure (AMI) Project Update –***

29 ***h. National Drinking Water Week – Resolution***

30 ***i. 2023-2025 Strategic Plan Update and Amendment –***

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1                    ***Dr. Palmer moved to approve the consent agenda, seconded***  
2                    ***by Mr. Parcels. All members voted aye.***  
3

4                    6.            Proposed FY 2024 Capital Improvement Program (CIP)

5                    Jeremy Lynn, Director of Engineering, stated that he wanted to  
6                    thank several employees that have been involved in the development of  
7                    the FY 2024 CIP program, including Gary O’Connell and the entire  
8                    Engineering department. He mentioned that the Maintenance department’s  
9                    involvement with the CIP was expanded this year because of Mike Lynn’s  
10                    upcoming retirement and to get knowledge and input from personnel who  
11                    perform this work daily. He noted that the IT department played a key role  
12                    on several projects as well.

13                    Mr. Lynn began his Power Point presentation (Attached as Pages  
14                    \_\_\_\_\_). He stated, as the first slide showed, that the FY 2024 CIP  
15                    budget is \$11,552,000. He stated that there are two graphs on the slide,  
16                    one showing the budget breakdown in terms of water vs. sewer projects,  
17                    and the other showing the breakdown of existing vs. new projects.

18                    Mr. Lynn stated that the next slide shows CIP rate model projections  
19                    for the next ten years. He stated that typically, the staff feels it will be in the  
20                    \$11-\$16 million a year range, with an uptick in FY 2025-2027 due to larger  
21                    water main replacement projects that will reach construction by that time.

22                    Mr. Lynn stated that a few years ago, in conjunction with its community  
23                    partners, the ACSA completed a vulnerability assessment, out of which  
24                    came several recommendations. He stated that construction of Priority 1 is  
25                    currently underway with fencing and door hardening improvements. He  
26                    stated that the staff would move into Priority 2 within the coming year, with  
27                    funding already budgeted. He mentioned that Priorities 3 and 4 are out in  
28                    the future, which include some new fencing at some of the pump station  
29                    sites and lightening protection. He noted that there is no money in the FY  
30                    2024 budget for this project.

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1 Mr. Roberts asked if there were security cameras at the pump stations.  
2 Mr. Lynn replied yes. He stated that the IT staff has installed security  
3 cameras at all the sites. He mentioned that the staff became aware of  
4 some illegal activity at one of the pump station sites, so additional security  
5 measures were put into place and the staff coordinated with the local police  
6 department. He noted that this activity has since ceased.

7 Dr. Palmer stated that a while back, there was a presentation on some  
8 projects that included lighting. She stated that she asked the question of  
9 whether the ACSA could switch from the bright, blue LED light to a softer  
10 light and someone on the staff was going to investigate it. Mr. Lynn replied  
11 that part of the ACSA's Energy Audit efforts has been transitioning to LED  
12 lighting at the pump stations and the ACSA Operations Center. Dr. Palmer  
13 stated that she is not talking about the transition to LED lighting, but rather  
14 the type of LED lighting that is being used, or the brightness. She  
15 mentioned that it has an environmental impact, and it would be better to  
16 switch to a softer luminance but was not sure if it would affect security. Mr.  
17 Lynn replied that he would have to speak to the ACSA Facilities team to  
18 see if any of those lights have been implemented or if there are plans to do  
19 so.

20 Mr. Lynn stated that there are a few projects in the CIP that are directly  
21 connected with the ACSA's Strategic Plan, like the Data Management and  
22 Dashboarding project on the next slide. He stated that this project was a  
23 recommendation that came out of the IT Security Assessment and will  
24 create dashboards that allow employees to access summarized data  
25 without accessing the source data. He stated that \$20,000 has been  
26 budgeted for FY 2024, which will be split between the water and sewer  
27 funds.

28 Mr. Lynn stated that the next project is another Strategic Plan item. He  
29 stated that the Customer Information System (CIS) will replace the current  
30 billing system, which is more than 30 years old. He stated that this will  
31 coincide with a website redesign and phone system replacement, all of



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1 which the ACSA will integrate with the AMI and ERP systems. He  
2 mentioned that there is \$150,000 in the budget for FY 2024, which would  
3 be split between water and sewer. He noted that the total budget for the  
4 CIS project is \$400,000.

5 Mr. Lynn stated that the next slide was of the ESRI Utility Network  
6 Implementation, which is another IT-focused CIP project. He stated that the  
7 ACSA is looking to develop and implement a utility network. He mentioned  
8 that in the event of a water main break, the system will tell staff what valves  
9 to close to isolate the break. He stated that with customers connected in  
10 the GIS, the system will also provide staff with an outage report to  
11 determine which customers will be impacted by a service disruption. He  
12 noted that there is \$150,000 in the FY 2024 budget for this project, split  
13 evenly between water and sewer.

14 Mr. Lynn stated that the next project was the Energy Audit, which has  
15 been completed. He stated that the audit looked at the energy usage at the  
16 Operations Center and all the pump stations. He stated that the item in the  
17 audit that the ACSA is proceeding with in FY 2024 is the installation of  
18 vehicle charging stations at the Spotnap facility. He mentioned that the  
19 Engineering department's budget includes the ACSA's very first electric  
20 vehicle, thus the charging station needs to be in place before the vehicle  
21 arrives. He stated that \$50,000 has been included in the FY 2024 budget,  
22 which will be split between water and sewer. Mr. Parcels asked if the  
23 budget for the Avon Street project includes solar panels and charging  
24 stations for that facility. Mr. Lynn replied yes.

25 Mr. Lynn stated that the Avon Operations Center was the next slide.  
26 He stated that this project is the largest one in the CIP budget and is a  
27 Strategic Plan item. He stated that RWSA is beginning to explore  
28 expansion of GAC at the ACSA's Crozet facility, which is where the  
29 overflow storage area is for the Maintenance department. He stated that  
30 the Avon Street property will replace the space that will be lost at the  
31 Crozet maintenance yard. He mentioned that the Avon Street property will

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1 also provide a training area for the ACSA's equipment operators. He stated  
2 that the hope is for construction to begin in FY 2024, carrying over to FY  
3 2025. He stated that there is \$4.4 million budgeted for FY 2024, split  
4 between water and sewer. He noted that the overall budget for this project  
5 is almost \$12 million.

6 Mr. Parcels asked if the \$4.4 million for FY 2024 included all the  
7 grading work that needs to be done. Mr. Lynn replied yes. He stated that  
8 there is more than \$10 million worth of grading and site work to be done.  
9 He stated that hopefully the site work and grading will be completed in the  
10 first year, and the building will begin in the second year. Mr. Parcels asked  
11 if this will all be on the back lot, or if any of the lots that are on Avon Street  
12 are involved. Mr. Lynn replied that all the construction will be on the back  
13 parcel. He mentioned that currently, nothing will be done with the individual  
14 lots along Avon Street. He added that one of those lots is not owned by the  
15 ACSA. Mr. Parcels asked if there was any effort to own it. Mr. O'Connell  
16 replied that the staff has had conversations with the property owner, and he  
17 is not interested in selling. He added that he is aware of what the ACSA will  
18 be doing.

19 Mr. O'Connell stated that RWSA received a grant for GAC in Crozet  
20 and they are moving faster than the ACSA anticipated. He mentioned that  
21 the timing will be tight to complete the facility on Avon Street and get things  
22 moved from Crozet. He added that Avon will also be an overflow facility for  
23 the Spotnap Road maintenance facility. He stated that the ACSA will grow  
24 into it as time goes on, and he suspects there may even be some staff  
25 assigned there in the future.

26 Mr. Parcels asked if there is a backup plan for temporary storage of  
27 equipment if the Avon Street facility is not done in time. Mr. Lynn replied  
28 that the ACSA has two buildings in Crozet currently, with one being more in  
29 need of the space for GAC. He stated that the ACSA will lose that building  
30 sooner than the second one, so there may be an option of consolidating  
31 some of the items into the second building.

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1 Dr. Palmer asked when the ACSA acquired the property on Avon  
2 Street. Mr. O’Connell replied that the property was acquired as part of the  
3 land for the water tank, which was somewhere around 1980. He stated that  
4 it was a condemnation, and it was filed that it would be a tank site and the  
5 ACSA maintenance facility. He stated that it has been siting vacant since,  
6 and the tank is an RWSA tank that serves the Avon area. He added that  
7 there is room for a second tank to accommodate future growth as well.

8 Mr. Lynn stated that the next project is the ACSA Facilities-Fire  
9 Suppression System Replacement project. He stated that this is one of the  
10 four new projects that have been added to the FY 2024 CIP. He stated  
11 that, due to some recent repairs and inspections, the system has been  
12 found to be in poor condition and in need of replacement. He mentioned  
13 that the staff is pursuing a design-build contract that will allow them to  
14 collaborate with the contractor to find the best design and move right into  
15 construction. He stated that \$750,00 has been estimated for this project,  
16 which will be split between water and sewer.

17 Mr. Lynn stated that the Records Management Project is the second  
18 new project, outlined on the next slide. He stated that the ACSA needs to  
19 reduce its physical storage needs and improve its record compliance. He  
20 stated that this project will involve scanning all paper documents and then  
21 destroying them. He noted that \$300,000 is budgeted in FY 2024 for this  
22 project, split between water and sewer.

23 Mr. Lynn moved to the next slide which illustrated the Advanced  
24 Metering Infrastructure (AMI) project. He mentioned that this is the second  
25 largest project in the CIP budget currently. He stated that the full  
26 deployment stage of this project is underway, with almost 2,700 meters in  
27 the ground. He stated that \$800,000 in FY 2204, split between water and  
28 sewer, should bring this project to the finish line.

29 Mr. Lynn stated that moving into some water projects, the next slide  
30 shows the Scottsville Phase 4 Water Main Replacement project. He stated  
31 that this project will replace aging cast iron and asbestos cement (AC)

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1 water mains, as well as a section of RWSA water main between the filter  
2 plant and the water storage tank along James River Road. He stated that  
3 easement acquisition will probably take most of FY 2024. He mentioned  
4 that assuming all goes well with acquiring easements, construction should  
5 begin in FY 2025-2026. He noted that there are no funds budgeted in FY  
6 2024 for this project.

7 Mr. Lynn stated that the next project was the Ragged Mountain Phase 1  
8 Water Main Replacement project. He stated that this is the oldest water  
9 main in the system, at over 90 years old. He stated that the ACSA has  
10 been coordinating closely with VDOT on their bridge replacement project.  
11 He mentioned that he reached out to them earlier this week to get an  
12 update but has not heard back yet. He stated that the hope is to partner  
13 with them to get the project constructed in conjunction with the bridge work.  
14 Mr. Parcels asked why the map of the project shows the line that will be  
15 abandoned (yellow) connected to the line that will be replaced (pink). Mr.  
16 Lynn replied that currently, water comes from the Urban system through  
17 that yellow line to the pink one. He stated that the ACSA will connect into  
18 the Buckingham Circle neighborhood (orange line) which is much closer,  
19 install a PRV to reduce pressure, and then just feed the properties to the  
20 west. He noted that this will allow them to get rid of the water main  
21 represented by the yellow line on the map. Mr. Parcels asked where the  
22 bridge is on the map that is causing the issue. Mr. Lynn replied that the  
23 bridge would be located above where the yellow and pink line meet, just  
24 west of the entrance to Buckingham Circle. He noted that there is \$342,000  
25 budgeted for FY 2024.

26 Mr. Lynn moved to the next slide, which represented the Crozet Phase  
27 4 Water Main Replacement project. He stated that this is the fourth out of  
28 five total water main replacement projects identified in the Crozet area. He  
29 stated that the focus is to replace AC and older PVC water mains, with  
30 most of the work being along Crozet Avenue and Rockfish Gap Turnpike.  
31 He noted that there is one remaining easement that has not been resolved,

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1 which has delayed construction. Mr. Parcels asked where that easement is  
2 located. Mr. Lynn replied that it is near the Lickinghole Creek crossing of  
3 Crozet Avenue. Mr. Parcels asked if there would be any sense in starting  
4 the project with the expectation that the easement will be acquired. Mr.  
5 Lynn replied that the staff did discuss that option. He noted that,  
6 unfortunately, the ACSA needs a water protection ordinance from the  
7 County which they will not grant until all the easements have been  
8 obtained. Mr. Parcels asked how much lead time is required to get pipe  
9 materials for all this work. Mr. Lynn replied that it would be up to the  
10 contractor as to whether they want to order as they go or try to order it all at  
11 once. He stated that the ACSA staff is a bit concerned about what the  
12 supply challenges will be, with the amount of pipe required for this project.  
13 He noted that \$2.175 million is budgeted for FY 2024. He added that the  
14 overall budget for the project is \$6,534,400.

15 Mr. Lynn stated that the next project is the Northfields Water Main  
16 Replacement project. He stated that this neighborhood is a former well  
17 system that was later connected to public water. He mentioned that all the  
18 water mains are AC from the 1960s. He stated that design efforts are  
19 currently underway and there are no funds included in the FY 2024 budget  
20 for this project. He mentioned that construction is expected to take place  
21 during the FY 2026-2027 timeframe. He noted that this is another big  
22 project at an overall budget of \$8.5 million. Mr. Parcels asked what the  
23 size of the project was in terms of miles. Mr. Lynn replied that he could get  
24 the exact size to him, but it was around a couple of miles at least. Mr.  
25 Parcels asked if the road is going to be dug up. Mr. Lynn replied that most  
26 of the work will be in the roadway. He stated that the good part is that  
27 Huntington and Northfield roads are parallel to each other, so residents  
28 should be able to find a way out.

29 Mr. Lynn stated that the next slide was the Huntington Village Water  
30 Connection. He stated that the sole water supply for this neighborhood  
31 currently runs under a large retaining wall. He stated that this project will

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1 provide a second feed at the entrance of the neighborhood. He mentioned  
2 that the staff is hoping to utilize the ACSA's annual water repair and  
3 replacement contract to perform this work, which is expected to occur in FY  
4 2024. Dr. Palmer stated that the Albemarle County Board of Supervisors  
5 (BOS) just approved a large apartment complex in that area and the plans  
6 call for a sidewalk. She stated that she wondered how they would put in a  
7 sidewalk with the wall there. Mr. Lynn stated that there is a ditch line  
8 between the edge of the pavement and the smaller retaining wall. He  
9 stated that there is a shelf and then the larger wall begins. Dr. Palmer  
10 stated that she wanted to mention it as an FYI for the ACSA's project.

11 Mr. Lynn moved to the Exclusion Meters Replacement project on the  
12 next slide. He stated that in the mid-1990s, the ACSA began allowing  
13 private exclusion meters which were predominantly in the Glenmore  
14 subdivision. He stated that a few years ago, the ACSA set out a program to  
15 eliminate all of them. He mentioned that the thought was it would be a five-  
16 year program to get rid of all 495 meters, but the project is four years in  
17 and there are still over 300 meters left. He mentioned that the staff is  
18 starting to explore alternative approaches, which was a recommendation  
19 that came out of the Best Practices Review Panel. He noted that there is  
20 no money included in the FY 2024 budget for this project, and the staff will  
21 continue to update the Board on the progress.

22 Mr. Lynn stated that the next project is the Pipe Saddles Replacement.  
23 He stated that a pipe saddle is a device used to connect the main to the  
24 individual water service line. He mentioned that over the past few years,  
25 these have started to fail primarily due to corrosive soil in the area. He  
26 stated that the staff has identified a couple of neighborhoods where they  
27 want to replace the saddles. He noted that money was previously budgeted  
28 for this project, thus there are no funds included in the FY 2024 budget. He  
29 added that the work will either be done by in-house crews or through the  
30 annual services contract.

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1           Mr. Tolbert asked if the saddles are located near the meter. Mr. Lynn  
2           replied that they are typically in the road. He stated that the main runs  
3           down the road and the pipe saddle is located where it connects to the  
4           service line. Mr. Tolbert asked if that portion of the service line belongs to  
5           the ACSA. Mr. Lynn replied yes. He noted that until the line reaches the  
6           meter, it is the responsibility of the ACSA. Mr. Parcels asked how many  
7           saddles will have to be replaced. Mr. Lynn replied that he is unsure at this  
8           point. He stated that the goal is to target neighborhoods that have less  
9           dense service connections, where it makes sense to replace the saddle as  
10          opposed to the entire pipe. He noted that he would get into a few projects,  
11          such as Briarwood and Townwood, where it makes more sense to replace  
12          the entire pipe because there are too many saddles to dig up and replace  
13          individually.

14          Mr. Parcels stated that the interruption to the homeowner must be at  
15          least a day, if not several. Mr. Lynn replied that the Engineering department  
16          coordinates with the maintenance staff, and they try to tackle multiple  
17          saddles in one day. He stated that there are multiple crews that dig the day  
18          before and get everything ready to go, followed by a shutdown to switch  
19          over multiple saddles on the same day. He noted that it will be about a 6–8  
20          hour shutdown.

21          Mr. Lynn stated that as he mentioned, Briarwood Water Main  
22          Replacement is another project in the FY 2024 CIP. He stated that this  
23          area has had both pipe and saddle failures, with at least five breaks since  
24          2017. He stated that this project will replace older PVC water mains, with  
25          construction planned for FY 2027. He stated that the staff is currently  
26          working through the design phase now and have not begun easement  
27          acquisition, thus no funds are requested in the FY 2024 budget. He added  
28          that this project also allows for the abandonment of the water main on the  
29          map represented by the yellow line. He stated that it runs through the  
30          backyard of several properties, which will connect to the new line along the  
31          front of the properties.

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1           Mr. Lynn stated that the next project is the Barracks West Water Main  
2 Replacement, formally Old Salem Apartments. He stated that this project  
3 will replace cast iron and galvanized water mains from the 1960s and  
4 improve fire protection. He mentioned that design on this project is moving  
5 along quickly, currently at 90% complete. He stated that there is only one  
6 easement to obtain, and construction could begin as early as FY 2024. He  
7 noted that there is \$450,000 included in the FY 2024 budget, with  
8 additional funds in FY 2025 to wrap up construction.

9           Mr. Lynn moved to the Townwood Water Main Replacement project on  
10 the next slide. He stated that this is another area where there have been a  
11 number of saddle issues, with three main breaks in the past two years. He  
12 stated that the design phase is underway, and the field surveying efforts  
13 have been completed. He mentioned that \$30,000 has been included in the  
14 FY 2024 budget to cover some additional soil borings and testing that will  
15 assist in the design process. He noted that the total project budget is \$1.3  
16 million. He added that the staff is looking to make the interconnect to  
17 Webland Drive, which should improve redundancy and reliability to both  
18 neighborhoods.

19           Mr. Lynn stated that the Broadway Street Water Main Replacement  
20 project will replace an aging cast iron water main that was found to be in  
21 poor condition. He stated that the ACSA has also taken this opportunity to  
22 coordinate with Albemarle County's Economic Development Office to look  
23 at their Broadway Blueprint. He mentioned that the ACSA is going to  
24 increase the pipe diameter to accommodate projected future development.

25           Mr. Parcels asked, going back to the Townwood project, if the  
26 interconnect to Webland Drive will be a different water main than what is on  
27 Hydraulic Road and if there are pressure differences. Mr. Lynn replied that  
28 they are the same pressure zone, but there are valves between the  
29 entrance to Townwood and Webland on RWSA's line. He stated that if  
30 there is a section along RWSA's line that has to go down, the ACSA can  
31 still feed through between the neighborhoods.



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1 Mr. Lynn stated that \$625,000 has been included in the FY 2024  
2 budget for the construction of the Broadway project, and staff hopes to get  
3 construction underway this upcoming fiscal year.

4 Mr. Lynn stated that another PVC water main replacement project is  
5 Raintree and Fieldbrook, shown on the next slide. He stated that the pipes  
6 were installed in the 1980s and there have been several failures. He  
7 mentioned that the construction timeframe is FY 2027-2028, so there are  
8 no funds included in the FY 2024 budget for this project. He noted that this  
9 project seems to continue growing, at a total budget amount of \$6,432,300.

10 Mr. Moore asked how many more areas are out there that have pipe in  
11 the ground from the 1980s or before, that are not in the CIP. Mr. Lynn  
12 replied that there are a lot of projects that are on the list Mr. Lunsford pulled  
13 together, which shows projects ten years out. He stated that one of the  
14 things the staff is working on is Operational Insights, which pulls data from  
15 maintenance inspections and work orders in Cityworks and tries to  
16 determine the priorities. He noted that the staff is doing an excellent job of  
17 staying ahead of issues, and they just have to keep being aggressive in  
18 their efforts.

19 Mr. Lynn stated that the next project, Annual Water Repair and  
20 Replacement Contract, is a new project that was shared with the Board last  
21 month. He stated that it is similar to what is done on the sewer side. He  
22 mentioned that smaller jobs that are not conducive to the design-build  
23 process can be given to the on-call contractor, as the design process can  
24 be expensive. He noted that \$200,000 has been included in the FY 2024  
25 budget for this project.

26 Mr. Lynn moved to the next slide, which outlined the Pump Stations –  
27 Rehabilitation Project. He stated that this is the last of the new projects that  
28 he presented last month. He stated that the ACSA facilities personnel was  
29 challenged this year with looking at needs over the next ten years at all the  
30 pump stations, including pumps, motors, grinders, and generators. He  
31 stated that the need identified for FY 2024 was climate control upgrades at

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1 eight pump stations total – three water and five sewer. He mentioned that  
2 \$120,000 has been budgeted for FY 2024 costs, and future funds will  
3 fluctuate on an annual basis depending on the needs. Mr. Parcels asked  
4 how many pump stations there are in total. Mr. Lynn replied there are about  
5 twenty. Mr. Parcels asked if the eight in this project are the priority in terms  
6 of making the upgrades. Mr. Lynn replied that a lot of the other stations are  
7 newer stations and already incorporated climate control measures, so  
8 these eight are the last of them to be done.

9 Mr. Lynn stated that he would next move on to a couple of sewer  
10 projects, beginning with the Airport Trunk Sewer Upgrade project. He  
11 stated that with continued development at the Hollymead Town Center and  
12 increased densities with the Places29 Comprehensive Plan, the existing  
13 sewer is not sized to handle full build-out. He stated that the design is  
14 underway, and staff is in the easement acquisition phase, with 8 of the 24  
15 obtained. He mentioned that the construction timeframe is FY 2025-2026.  
16 He noted that there is some private development activity in the Kohl's area  
17 that may expedite this project and reduce the ACSA's involvement.

18 Mr. Tolbert stated that since this is an upgrade of an existing sewer  
19 line, there must already be some easements across all the properties. Mr.  
20 Lynn replied yes but noted that some of the design includes a parallel  
21 replacement as opposed to an in-trench replacement. He mentioned that  
22 allowing the contractor to go parallel reduces the amount of pumping and is  
23 advantageous but does require an easement. Mr. Parcels asked if the  
24 pond would be problematic when performing the trenching. Mr. Lynn  
25 replied that the ACSA will have to be cognizant of ground water in that area  
26 as well as determine if there is any rock. He noted that the advantage of  
27 going in-trench is that it has already been excavated.

28 Mr. O'Connell asked if Mr. Lynn could speak to the ongoing  
29 development in that area. Mr. Lynn replied that most of the development  
30 the ACSA is hearing of is on the west side. He stated that there is an  
31 apartment complex with a couple hundred units, as well as redevelopment

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1 of the Forest Springs Mobile Home Park. He mentioned that Breeden  
2 Construction is the ACSA's partner in both developments and, if their  
3 rezoning and site plan goes through, they may want to break ground in the  
4 next year or so. He stated that the ACSA has broken this project down into  
5 three segments based on capacity. He stated that the first segment is the  
6 one closest to the Hollymead Dam. He stated that there is a second  
7 segment that will have to be upgraded if the apartment development were  
8 to exceed a certain number of units, which would leave the ACSA with the  
9 upper stretch that includes the crossing under Route 29. He mentioned that  
10 the existing pipe is about a 10", which will be upgraded to an 18" pipe. Mr.  
11 Parcels asked if that would be big enough for all the development. Mr.  
12 Lynn replied that there was a study to size the pipe and 18" is where they  
13 landed. Mr. Parcels asked if it would be a force main or strictly gravity. Mr.  
14 Lyn replied that it would be a gravity main.

15 Mr. Lynn mentioned that the next project was the Northfields Phase 5  
16 Sewer project. He stated that as the staff dove into the Northfields Water  
17 Main Replacement project, several areas were identified where sanitary  
18 sewer could be installed along the roadway to serve customers that are  
19 currently on drainage fields. He stated that the plan is to construct the  
20 sewer project in conjunction with the water project to minimize the impact  
21 to customers. He noted that there is no money included in the FY 2024  
22 budget for this project, with an overall budget of \$650,000. Mr. Tolbert  
23 asked if this project depended on whether the customers decide to connect  
24 to public sewer. Mr. Lynn replied that most of the customers have  
25 expressed an interest in connecting, but it is not required that they do so.  
26 Mr. Tolbert asked if there was a financial advantage for the customer to  
27 connect when the project is completed, as opposed to doing it later. Mr.  
28 Lynn replied no unless connection fees increase in the future.

29 Dr. Palmer asked if some of this work was covered under federal grant  
30 money. Mr. O'Connell replied that there is some funding available for  
31 individual homeowners having septic system issues, but he does not think

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1 that applies here. Mr. Lynn added that the ACSA provided the County with  
2 a number of parcels that have readily available access to existing sanitary  
3 sewer. Mr. O’Connell added that the County did seed a fund with ARPA  
4 money to connect homeowners with failing septic systems, to public sewer.

5 Mr. Lynn stated that the next project is the Madison Office Park Pump  
6 Station Upgrade. He stated that the pump station is a fairly small structure  
7 built in the early 1980s. He mentioned that it is undersized, the equipment  
8 needs to be replaced, and there is no room to connect this station to the  
9 SCADA system. He stated that a contract with Anderson Construction is  
10 underway, with construction scheduled to start later this year. He noted that  
11 \$390,000 has been included in the FY 2024 budget, and the total budget is  
12 approaching \$2 million.

13 Mr. Lynn stated that the next project has been in the ACSA’s budget  
14 for at least the last ten years. He stated that the Miscellaneous Sewer  
15 Rehabilitation is an annual services contract where the ACSA staff  
16 identifies defects in the sanitary sewer system and can then efficiently  
17 issue those work orders to a contractor. He mentioned that the budget has  
18 traditionally been \$400,000, but the staff is proposing an increase to  
19 \$500,000 for FY 2024. Mr. Parcels asked if the increase was due to  
20 current work orders exceeding the budget. Mr. Lynn replied that the staff  
21 has identified some clay pipe that needs to be relined and they want to  
22 ensure there are sufficient funds to do so. Mr. Parcels asked how much  
23 pipe diameter is lost when it is relined. Mr. Lynn replied that most of the  
24 liners are in the 4-6 mm thickness range. He noted that there is less friction  
25 in the relined pipe, so there is no loss in pipe capacity. Mr. Roberts asked  
26 what it costs to reline the pipe, per foot. Mr. Lynn replied that he would say  
27 about \$35-\$40 for an 8” pipe.

28 Mr. Lynn stated that the last sewer project in the CIP is the Bellair-  
29 Liberty Hills Sewer project. He stated that the ACSA was approached by  
30 the community a few years ago with an interest to connect to public sewer.  
31 He stated that the design process has started, and the construction

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1 timeframe is FY 2025-2026, assuming the ACSA can acquire all the  
2 necessary easements. He mentioned that this is one of the neighborhoods  
3 where an E/One system will likely take place, due to the topography of the  
4 area. He mentioned that the current projected overall budget is \$6.3 million  
5 with no funds budgeted for FY 2024. Mr. Parcels asked if the community  
6 members are aware that they will have to pay for the E/One system. Mr.  
7 Lynn replied that the ACSA has not begun those conversations with the  
8 community yet. He stated they are still trying to figure out if there is a cost  
9 savings to the ACSA to install the E/One systems as opposed to a deeper,  
10 more expensive gravity option, and a way to share that cost savings with  
11 the community.

12 Mr. Lynn stated that the last slide is Developer Participation. He stated  
13 that each year, the ACSA budgets \$100,000 for the oversizing of water and  
14 sewer utilities for new developments. He stated that a recent example is  
15 Southwood Village Block 1. He mentioned that their development need was  
16 an 8" water main, however, the ACSA felt the 12" would better serve other  
17 areas of the system. He noted that the budgeted amount of \$100,000 for  
18 FY 2024 will be split between water and sewer.

19 Mr. Lynn stated that the next and final slide outlines the next steps in  
20 the CIP budget process. Mr. Parcels asked if it makes sense to accelerate  
21 any of the projects in the projected FY 2025-26 CIP budget, which is much  
22 higher, to this year's budget to smooth it out. Mr. Lynn replied that the staff  
23 has tried to be realistic in what is feasible each year. He mentioned that  
24 they want to avoid the practice of pulling money into a budget year for  
25 projects that they will not get to that year. He noted that the staff has tried  
26 to make the budget smoother in the past, but the goal this time around was  
27 to be as accurate as possible.

28  
29  
30

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1       7.       Public Hearing – Proposed FY 2024 Capital Improvement Program  
2       (CIP)

3               Mr. Armstrong opened the floor for the public hearing on the CIP  
4       presentation. There were no members of the public present and thus, the  
5       public hearing was closed.

6  
7       8.       PAFR (Popular Annual Financial Report) Presentation

8               Mr. Lunsford stated that there have been some changes in the  
9       Board since the last PAFR presentation, so he would begin his  
10      presentation (Attached as Pages\_\_\_\_\_) by giving a brief overview of the  
11      what the PAFR is, followed by content overview, highlighted information  
12      from the FY 2022 PAFR, and finally a summary.

13              Mr. Lunsford stated that a PAFR is a report that outlines financial  
14      and operational information in a friendly way. He stated that the Annual  
15      Comprehensive Financial Report (ACFR) can contain long and technical  
16      footnote disclosures that are not easily understood. He mentioned that the  
17      intent of the PAFR is to take that information and present it in a way that  
18      someone without a background in public finance can understand. He noted  
19      that it is also an opportunity to share the Authority’s values, vision, and  
20      strategy, as well as highlight key operational projects and community  
21      initiatives.

22              Mr. Lunsford stated that in terms of content overview, the PAFR  
23      shares the ACSA’s values, vision, as well as the new Strategic Plan. He  
24      stated that the PAFR will also provide an opportunity to illustrate who the  
25      ACSA serves with appealing graphics. He stated that the PAFR also allows  
26      the ACSA to highlight some of its key projects like AMI and initiatives such  
27      as MyWater. He stated that the PAFR does provide financial highlights, all  
28      taken from the audited financial reports.

29              Mr. Lunsford stated that, in summary, the PAFR is a document that  
30      is on the ACSA website and available to any customer. He stated that it  
31      summarizes information in a readable format and gives people an idea of

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1 who we are, what we do, and the organization’s financial capacity currently  
2 and ten years from now. He stated that it is another way to interact with  
3 customers in a useful way. He noted, as a piece of historical information,  
4 that the ACSA participated with the Government Finance Officers  
5 Association (GFOA) and ICMA in a fellows program two years ago. He  
6 noted that the gentleman they worked with was from the University of  
7 Oregon, and he took the financial information the ACSA provided and built  
8 a template. He stated that building on what he did, the ACSA was able to  
9 take that template and keep using it in the future. He added that the ACSA  
10 is grateful for that program to help it get off the ground, as this will be the  
11 second PAFR submitted for consideration with the GFOA for award.

12 Mr. Moore asked if the PAFR is distributed to customers via email.  
13 Mr. Lunsford replied that it was not, as the staff wanted to present it to the  
14 Board first. He noted that it is on the website but emailing it would be  
15 something we can do in the future.

16  
17 9. Proposed FY 2024 Budget and Rates – Overview Presentation

18 Mr. O’Connell stated that one of the goals with this year’s budget  
19 was to try and show the connection to the new Strategic Plan. He stated  
20 that he would begin the presentation (Attached as Pages\_\_\_\_\_) with four  
21 general areas that he felt were important to highlight.

22 Mr. O’Connell stated that the first area is the ACSA’s collaboration  
23 with RWSA to improve water and wastewater infrastructure to meet  
24 modern standards, upgrades, and capacity. He noted that this is evident  
25 when looking at the budget and rates. He stated that it is a major  
26 investment and the largest part of the ACSA’s budget, and their rates have  
27 gone up considerably this fiscal year due to their CIP projects.

28 Mr. O’Connell stated that the next area he wanted to highlight was  
29 the specific pieces of the Strategic Plan, which are data optimization,  
30 business resilience, customer experience, and employee experience.

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1           Mr. O’Connell stated that the third area he wanted to highlight, and  
2 a huge thrust in the upcoming fiscal year budget, is supporting the ACSA  
3 workforce during a period of inflation and job marketplace changes. He  
4 stated that the ACSA’s pay consultants made recommendations, which are  
5 included in the budget. He noted that strategically, this will be something  
6 the organization will try to look at every year.

7           Mr. O’Connell stated that the final area he wanted to highlight was  
8 translating strategic priorities into customer rates and being cognizant  
9 about providing good value. He mentioned that the ACSA has a good  
10 product, and the goal is to follow that up with good customer service.

11           Mr. Lunsford stated that before he began his portion of the  
12 presentation, he wanted to direct the Board’s attention to the budget cover.  
13 He stated that Danielle Trent designed the cover and used the ACSA’s  
14 mission and vision statement as the inspiration, and he would encourage  
15 the Board to read the back of the cover, which communicates that in detail.

16           Mr. Lunsford stated that he would now move to the Budgeted  
17 Revenues and Use of Reserves slide, which is one that he has been  
18 shown in years past. He stated that the pie chart shows almost 70% of the  
19 ACSA’s revenues coming from water and sewer rate charges to customers.  
20 He mentioned that the next biggest piece of the pie is connection charges,  
21 which make up about 15% of the funds supporting the FY 2024 budget,  
22 followed by 14% in reserves, and 2% in other revenues. Mr. Armstrong  
23 asked if there was any alteration in the “growth pays for growth” philosophy  
24 in the breakdown of the budgeted revenues and use of reserves. Mr.  
25 Lunsford replied no. He stated that any time the ACSA collects system  
26 capacity and connection charges in excess of what is budgeted for, less of  
27 the reserves are used.

28           Mr. Parcels stated that system connection fees are projected to be  
29 at \$8 million for FY 2024, and then rate stabilization reserves make up \$7.5  
30 million of the budget, but the net position change at the end of the year is  
31 going to be \$10 million. He asked if this is good stewardship of the ACSA’s



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1 money. Mr. Lunsford replied that gross net position change includes  
2 contributions from developers of physical infrastructure which is recorded  
3 as a capital contribution. He noted that this drives the final net position was  
4 well.

5 Dr. Palmer stated that it is probably in the numbers somewhere, but  
6 it might be helpful to see the individual reserves and what they are at the  
7 end of this year and the following year, and how they are repopulated over  
8 the course of the year. Mr. Lunsford replied that they will certainly do that.

9 Mr. Roberts asked if the 14% in reserves shown on the pie chart  
10 will reduce the balance by 14% at the end of the year. Mr. Lunsford replied  
11 that it would be highly unlikely. He stated that the 14% means that if the  
12 ACSA collects exactly what it projected in revenues, spends exactly what it  
13 says departmentally and with RWSA, and the \$11.5 million is spent for the  
14 CIP program, then the reserve balance will go down 14%. He noted that all  
15 these things are very unlikely to happen as there too many variables.

16 Mr. Lunsford stated that the next slide shows a graph of the  
17 budgeted expenses and capital costs for FY 2024, and really shows how  
18 much of the ACSA's budget is driven by what RWSA charges the  
19 organization for water and sewer treatment, as well as water and sewer  
20 debt service. He noted that the nearly \$28 million in charges from RWSA is  
21 about a \$3.5 million increase over what was budgeted last year. He  
22 mentioned that the ACSA can expect similar increases for the next few  
23 years, thus it is critical that the ACSA maintain pace on customer rates to  
24 be able to fund these known future increases.

25 Mr. Lunsford moved to the next slide outlining the proposed water  
26 and sewer rates for FY 2024. He mentioned that the ACSA had a formal  
27 rate study last year that was incorporated into the budget in FY 2023. He  
28 stated that the rate model was updated during the budget and rates  
29 process with current information. He stated that through that analysis, the  
30 ACSA has proposed new rates for Board consideration for FY 2024. He

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1 noted that the 13.5% increase in charges from RWSA is a large driver of  
2 the ACSA's proposed customer rates.

3 Mr. Lunsford moved to the following slide, showing the proposed  
4 system development and capacity charges for FY 2024. He stated that for  
5 the first time since FY 2017, the ACSA is requesting the Board to approve  
6 an increase in these charges. He stated the increase will help to recoup  
7 additional costs related to changes in expected RWSA and ACSA growth-  
8 related projects. He noted that the ACSA's philosophy remains "growth  
9 pays for growth."

10 Mr. Lunsford stated that the next slide shows the total CIP budget  
11 by water and wastewater projects. He noted that Mr. Lynn already did a  
12 wonderful job presenting the CIP program for FY 2024, but he wanted to  
13 add that growth-related projects make up \$3.6 million of the total water  
14 projects and \$2.9 million of the wastewater projects.

15 Mr. Lunsford stated that, as shown on the next slide, the staff  
16 expects to give a comprehensive presentation on May 18<sup>th</sup>, as part of the  
17 budget workshop. He stated that the current areas of focus for that  
18 workshop are how the Strategic plan aligns resources through the budget,  
19 revenue and expense expectations based on historical patterns, proposed  
20 rate changes, evaluation of charges from RWSA, ACSA departmental  
21 initiatives, and the strategic use of ACSA reserves.

22 Mr. Parcels asked if the ACSA works with RWSA to make its  
23 projections for consumption and expenses. Mr. Lunsford replied that  
24 RWSA is a starting point for the ACSA. He stated that RWSA is less  
25 concerned with the allocation of charges than the ACSA. He stated that the  
26 ACSA uses RWSA numbers as a starting point, but then will look at  
27 consumption of the current fiscal year and some of the outliers before that.  
28 He stated that the ACSA comes up with a range and the budget is usually  
29 somewhere in the middle of that range. Mr. Parcels asked if the ACSA  
30 feeds this information back to RWSA, and do they then adjust. Mr.  
31 Lunsford replied that he does not know of them using ACSA's information

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1 to make any adjustments on their side. He noted that he does not think it is  
2 particularly useful to them, as they are only concerned about being made  
3 whole.

4 Dr. Palmer stated that both entities get their information from the  
5 County in terms of new demand and asked if Infiltration and Inflow (I&I) is  
6 the cause of discrepancy. Mr. Lunsford replied that on the wastewater side,  
7 RWSA calculates what gets allocated to the ACSA and the City based on  
8 what both entities report as consumption.

9 Mr. Roberts asked if the \$30 hydrant meter usage fee includes the  
10 \$10.40 service fee, or if it was separate. Mr. Lunsford replied that the  
11 service charge is related to the ¾ inch meter. He stated that the \$30  
12 charge is strictly related to the hydrant meter program.

13 Mr. Moore asked if RWSA had any incentive to keep its costs to the  
14 ACSA down. Mr. O’Connell replied that the charges from RWSA are really  
15 driven by their capital projects. He noted that during COVID, there was no  
16 increase which pushed off some projects. He mentioned that inflation has  
17 also caused some projects to be much higher than anticipated.

18 Mr. Tolbert stated that he had a question about RWSA’s projection  
19 for the increases over the next five years. He stated that it would be nice to  
20 see something similar for the ACSA’s charges to its customers. Mr.  
21 Lunsford replied that he believes this is something that could be done. He  
22 stated that RWSA missed its projection of cost to the ACSA this year by  
23 almost 50%. He mentioned that if he were to do a projection of rates to  
24 ACSA customers based off RWSA projected costs to the ACSA, the  
25 opportunity for those numbers to vary will be great.

26  
27 10. Resolution scheduling Budget and Rates Public Hearing for June  
28 15, 2023

29 ***Mr. Moore moved to approve the resolution as presented to***  
30 ***the Board (Attached as Page \_\_\_\_\_), seconded by Mr. Parcels. The***

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1 ***Chair asked for a roll-call vote: Dr. Palmer, aye; Mr. Parcels, aye; Mr.***  
2 ***Tolbert, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Mr. Moore, aye.***

3  
4 11. **Items Not on the Agenda**

5 Dr. Palmer asked if she could get a hard copy of the budget and  
6 rates. Ms. Trent stated that she would provide Dr. Palmer with a copy after  
7 the meeting. She stated that she also may need to leave the Executive  
8 Session early because she will be leaving to drive out of town.

9  
10 12. **Executive Session – Executive Director Annual Review – Part I –**  
11 **Discussion**

12 The Chair read a Resolution to enter Executive Session  
13 pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter  
14 concerning the Executive Director’s Annual Performance Review (Attached  
15 as Page\_\_\_\_\_).

16 ***Mr. Parcels moved to approve the Resolution as presented***  
17 ***to the Board; seconded by Dr. Palmer. All members voted aye.***

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

22 ***Mr. Parcels moved to approve the Resolution as presented***  
23 ***to the Board, seconded by Dr. Palmer. All members voted aye.***

24  
25 13. **Adjourn**

26 ***There being no further business, Mr. Tolbert moved that the***  
27 ***meeting be adjourned, seconded by Mr. Parcels. All members voted***  
28 ***aye.***

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30 \_\_\_\_\_  
Gary B. O’Connell, Secretary-Treasurer