

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

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on June 19, 2025, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

**Members Present:** Mr. Richard Armstrong; Ms. Lizbeth Palmer; Mr. John Parcels; Mr. Clarence Roberts; Mr. Charles Tolbert (remote); Ms. Kimberly Swanson.

**Members Absent:** None.

**Staff Present:** Mike Derdeyn, David Hensley, Tanya Johnson, John Lewter, Quin Lunsford, Jeremy Lynn, Alex Morrison, Emily Roach, Danielle Trent, April Walker.

**Staff Absent:** Sabrina Seay.

**Public Present:** Hunter Wood, United Land Corp.

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

The Chair then called the meeting to order. He read the opening Board Chair statement (Attached as Page \_\_\_\_\_), and a quorum was established. He stated that pursuant to State law and the ACSA's policy, Mr. Charles Tolbert is participating in the meeting remotely from his home in Albemarle County due to a temporary medical condition.

***Mr. Parcels moved to approve Charles Tolbert's remote participation in the June 19, 2025, Board of Directors meeting; seconded by Ms. Palmer. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms. Palmer, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.***

### **2. Recognitions**

Mr. Armstrong stated that today is a special recognition in honor of David Hensley and his 40 years of service with the Albemarle County Service Authority. He stated that he would now read the recognition resolution for Mr. Hensley.

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1           ***Mr. Parcells moved to approve the recognition resolution,***  
2           ***seconded by Ms. Palmer. All members voted aye.***

3           Mr. Lynn came forward to share a few words about Mr. Hensley. He  
4           stated that Mr. Hensley began his career with the ACSA in 1980, in the  
5           maintenance department. He stated that Mr. Hensley worked for 9 years with  
6           the ACSA before leaving in December 1989 to take a job as a zoning  
7           inspector with the County of Albemarle. He mentioned that Mr. Hensley  
8           served in that role for about five years but returned to the ACSA in June  
9           1994. He noted that this is when he became a construction inspector and  
10          has served in that role for over 30 years.

11          Mr. Lynn stated that David Hensley brings a wealth of knowledge and  
12          experience to the team and plays a critical role in training the next generation  
13          of inspectors. He mentioned that Mr. Hensley has worked on numerous  
14          ACSA projects including Bellair, Farmington and Buckingham Circle water  
15          projects, as well as Northfields and Fores Lakes sewer projects. He stated,  
16          however, that he is personally grateful for David's involvement in the Hessian  
17          Hills water main replacement project. He stated that this was a challenging  
18          project, and the work had to be performed at night. He noted that for nine  
19          months, Mr. Hensley's normal working hours were 8pm-5am Sunday  
20          through Friday. He stated that he was a project manager at the time and  
21          selfishly wanted the most experienced and qualified inspector assigned to  
22          the project. He stated that David was able to handle everything the project  
23          threw his way, and knowing Mr. Hensley was out there literally allowed him  
24          to sleep at night. He added that, on behalf of the ACSA, he wanted to extend  
25          his sincere thanks to Mr. Hensley and hopes that the organization can rely  
26          on his experience for several more years to come.

27          Ms. Palmer asked how Mr. Hensley managed to stay up all night long  
28          during the Hessian Hills project. Mr. Hensley replied that he was never one  
29          to get eight hours of sleep anyway. He stated that he would sleep during the  
30          day when he could, but it was not always easy with new grandchildren and

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1 family activities. He stated that overall, it was not terrible, but he would not  
2 want to do it again.

### 3 4 3. Approve Minutes of May 15, 2025

5 Mr. Parcels stated that he had a couple of questions. He stated that  
6 on page 8 of the Board packet, there is a discussion from last meeting about  
7 I&I and the great timing of the installation of the new meter. He asked if they  
8 were able to get data and if the prevention is taking place the way they hoped  
9 it would. Mr. Lynn replied that they have not seen that data yet, but he will  
10 put it on the list of items to try and get before the next Board meeting.

11 Mr. Parcels stated that on page 17 of the packet, lines 10-12, he  
12 asked how the operating budget increased by \$1 million because the  
13 numbers did not add up. He noted that Mr. Lunsford replied that he would  
14 reconcile those numbers and get back to him, but he had not heard anything.  
15 Mr. Lunsford replied that it is reconciled in the presentation that is scheduled  
16 for later on in the meeting. He noted, however, that he was incorrect in what  
17 he shared last meeting but would elaborate on that later in the meeting.

18 ***Mr. Parcels moved to approve the minutes of May 15, 2025;***  
19 ***seconded by Ms. Palmer. All members voted aye.***  
20

### 21 4. Matters from the Public

22 Hunter Wood with United Land Corp came forward to address the  
23 Board. He stated that he first wanted to congratulate David Hensley on his  
24 service recognition. He mentioned that Mr. Hensley has inspected tens of  
25 thousands of feet of pipe that he has installed over the last 38 years and it  
26 was awesome to work with him.

27 Mr. Wood stated that he wanted to address the Board today  
28 concerning the Airport Trunk Sewer project. He stated that he has been  
29 waiting for this project to begin, and the County has not been very nice to  
30 him. He mentioned that he has a piece of property that he cannot develop  
31 because there is no sewer capacity, yet the County continues to increase

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1 his taxes. He mentioned that Mr. Lynn was kind enough to write a letter to  
2 the County a couple of years ago, after the ACSA extended the start date of  
3 the project. He stated that Mr. Lynn wrote another letter this year, but the  
4 County would not give him any tax relief since the projected start date of the  
5 project had not moved from the last time. He stated that he is being taxed  
6 pretty high on the Hollymead Town Center property, and he cannot put any  
7 units in the ground. He stated that he is here today to ask the Board to push  
8 that project along. He noted that Mr. Lynn said the ACSA is still waiting for  
9 some easements, but he is asking if they can get the project into the pipeline  
10 quicker.

### 11 12 5. Response to Public Comment

13 Ms. Swanson asked if this was part of a special exemption permit  
14 process. Mr. Wood replied no. He stated that he has an approved site plan  
15 to build units, but he cannot because he has no sewer. Ms. Swanson asked  
16 if it is a jurisdictional boundary issue. Mr. Wood replied no. He stated that  
17 there is a sewer line that runs from Forest Lakes to the Charlottesville-  
18 Albemarle Airport that he physically put in himself 30 years ago. He  
19 mentioned that with new zoning, the line is technically at capacity. He stated  
20 that Hollymead Towne Center was approved around 2006-2007. He stated  
21 that he basically built a sewer line and now is being prevented from having  
22 sewer on his property. He noted that the Airport Trunk Sewer project has  
23 been in the ACSA's CIP for 5-7 years and is now being pushed out again to  
24 FY 2027. He stated that he has been patient, but he cannot continue to wait.

25 Mr. Parcels asked for clarification on what action Mr. Woods wanted  
26 the ACSA Board to take. Mr. Woods stated that he wants the sewer project  
27 moved up on the timeline. He stated that the tax assessment is being  
28 increased on his property, and he is not able to develop the property because  
29 he cannot get a permit from the County without sewer. He mentioned that  
30 he understands that the ACSA has had issues with obtaining the required  
31 easements for the project, but he thinks at some point they need to just

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1 condemn those properties because the project cannot keep getting kicked  
2 down the road.

3 Ms. Swanson asked Mr. Wood what the primary response is that he  
4 has received from the County. Mr. Wood replied that he went to the  
5 Albemarle County Board of Equalization on Monday and they raised his  
6 assessment from last year. He stated that, in his opinion, the project is at a  
7 standstill, but the County can condemn the land and fight the litigation later  
8 for those property owners that do not want to give the easements. Ms.  
9 Swanson asked if Mr. Wood's issue is with another private property owner.  
10 Mr. Wood replied no. He stated that his issue is with the sewer line not being  
11 upgraded yet. He noted that once a sewer line is at a certain capacity, it has  
12 to be replaced. He stated that he thinks it is the ACSA's duty to move forward  
13 with this project, but it keeps getting postponed.

14 Mr. Derdeyn, ACSA attorney, stated that what he gathers from this  
15 is that Mr. Woods' property, and others, is being taxed as if it is developable.  
16 He stated, however, that the sewer line expansion has not occurred and as  
17 a result, his property is not developable. Mr. Armstrong asked if the project  
18 is being delayed because of the easements, which take a long time. Mr.  
19 Derdeyn replied yes, but Mr. Lynn would know better.

20 Mr. Lynn stated that currently, the ACSA has obtained 14 out of the  
21 24 easements required. He stated that two employees are going out today  
22 to get two more easements signed, so they hope to be at 16 by noon. He  
23 noted that they have a couple of verbal agreements but getting them to sign  
24 the easement document has proven to be difficult. He mentioned that there  
25 are three or four they feel may not grant the easement, which is when the  
26 staff would ask the Board to approve a resolution for condemnation. He  
27 added that the project has continued to be pushed out by a year each year  
28 but after realizing the impact on Mr. Wood and meeting with the Board of  
29 Equalization last year, the ACSA made a commitment to not let it slide in this  
30 budget cycle. He noted that the project has remained at the construction date  
31 of FY 2027 since that time. He stated that the ACSA will need to figure out if

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1       there is a way to construct a portion of the project to get Mr. Wood adequate  
2       sewer capacity. He stated that he thinks they need a sit-down meeting with  
3       Mr. Wood to better understand what he needs and his timeline, so that  
4       perhaps they can begin the project concurrently with his site plan process.

5               Mr. Wood stated that he has done this type of work his entire life and  
6       understands that things take time, but it is at the point where there has been  
7       enough time. He stated that if he knew the project was definitely going to  
8       start, he could concurrently apply for permits to build. He mentioned that it is  
9       probably a two-year project to complete the sewer line.

10              Mr. Parcels stated that it strikes him that the County will not allow  
11       Mr. Wood to develop the land without sewer, but they are not willing to work  
12       with the ACSA to facilitate obtaining the easements to move the project  
13       forward. Mr. Lynn stated that the County has granted the easement that the  
14       ACSA needed on their property. He stated that from the County's  
15       perspective, this is an ACSA challenge to obtain the remaining required  
16       easements. Mr. Derdeyn added that it is the ACSA that has condemnation  
17       authority. He stated that, as Mr. Lynn was saying, the ACSA staff would  
18       come before the Board and ask for approval before beginning the  
19       condemnation process. Mr. Parcels asked if the County had any  
20       responsibility or need to act with respect to the ACSA obtaining an easement  
21       or condemning a property. Ms. Palmer replied no. Mr. Derdeyn stated that  
22       the County's only part in this is taxing Mr. Wood on the property.

23              Mr. Armstrong stated that it sounds like Mr. Wood has two problems  
24       – the ACSA getting the easements and the County taxing his property. He  
25       stated that it sounds like he needs to speak with the County as well. Mr.  
26       Wood replied that he just went to the County on Monday and they could not  
27       help him. Mr. Armstrong stated that when, and if, the condemnation request  
28       comes before the Board, they will hear it. He noted that since he has been  
29       on the ACSA Board, there has not been a time when they have not supported  
30       condemnation. He thanked Mr. Wood for coming to speak to the Board today  
31       and bringing this important issue to their attention.

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1           Mr. Roberts stated that he wanted to make sure Mr. Wood  
2 understands that the ACSA has condemnation authority. Mr. Lynn replied  
3 that Mr. Wood understands that. He stated that he thinks Mr. Wood has been  
4 patient, but his patience is running thin, and he is ready for the project to  
5 move forward. Ms. Swanson asked where the parcels that still need  
6 easements are located in relation to Mr. Wood's property. She stated that  
7 she recalls Mr. Lynn saying earlier that perhaps the project could be done  
8 piecemeal and move forward if they have the easements that impact Mr.  
9 Wood's development. Mr. Lynn replied that all of the easements needed are  
10 east of Route 29, behind the Forest Lakes neighborhood. He stated that it is  
11 not ideal for the community to complete the project in pieces, as they are not  
12 going to want the ACSA to come back multiple times. He noted that this is  
13 the challenge they are faced with. He added that they will continue to look at  
14 it and will probably have another meeting with Mr. Wood to see if there is a  
15 solution to get part of his development underway.

16           Mr. Parcels asked if there is a homeowner's association (HOA) that  
17 could centralize negotiations on the easements. Mr. Lynn stated that there  
18 is an HOA that has been very helpful and has granted the ACSA one of the  
19 two easements they need. He stated that the ACSA has not asked for the  
20 second one because they are waiting on some design revisions to see if the  
21 easement limits need to change. He mentioned that the ACSA is in contact  
22 with all 10 of the property owners, and most of the interactions have been  
23 positive. He noted that there is one that has been difficult, and they have a  
24 site meeting with that property owner tomorrow morning. He added that this  
25 project is not important to them, so getting them to commit to a time and sign  
26 the agreement has proved to be challenging.

27           Mr. Parcels asked what the timing is for the ACSA staff to plan in  
28 terms of asking the board for condemnation, if it comes to that. Mr. Lynn  
29 replied, unless the Board wants to speed up the process, the ACSA was  
30 planning to wait until fall to see if they are able to get more easements. He  
31 stated that he would rather approach the Board about 3 or 4 condemnations

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1 than all 10. He noted that if the Board wanted the ACSA to ramp things up  
2 and apply pressure to the property owners, they could do that. He mentioned  
3 that once they do that, however, the ACSA begins to lose trust with the  
4 property owners which creates more challenges. Mr. Armstrong added that  
5 Mr. Lynn has been on the ground with this for years and he thinks the Board  
6 should stay away from micromanaging his job just because one person  
7 complained. Ms. Palmer added that the entire situation has a long history.

### 8 9 6. Consent Agenda

10 **a. Monthly Financial Reports** – Ms. Swanson asked the staff to remind  
11 her what the new CIS system will be for. Ms. Johnson replied that it will be  
12 the new billing system.

13 **b. Monthly Capital Improvement Program (CIP) Report** – Mr. Parcels  
14 referenced the Fontaine Research Park parking garage, and asked why we  
15 would supply water to a parking garage. Mr. Lynn replied that there are  
16 some fire hydrants around that facility, as well as a fire sprinkler system  
17 within the structure. Mr. Parcels stated that the garage seems to be at a  
18 higher elevation and asked if there was some type of pump system that will  
19 have to be provided. Mr. Lynn replied that Fontaine Research Park will have  
20 a pump system. He noted that the ACSA's pressure will not be adequate to  
21 provide flow 7 stories up, so the pump will be on their private system.

22 Ms. Swanson stated that she had a question about the Townwood  
23 project on page 73. She asked Mr. Lynn to help her understand the issue  
24 with recording where property is. Mr. Lynn replied that he learned yesterday  
25 that the County owns Townwood Drive, which is the main road that comes  
26 into the neighborhood. Ms. Swanson asked if he was talking about  
27 Townwood Drive that comes off of Hydraulic Road and goes all the way  
28 down to the former Einstein School. Mr. Lynn replied yes, at least the portion  
29 of the road up to where it splits to the townhomes. He stated that ACSA  
30 believes they need two easements, one from the County and the other from  
31 the Townwood HOA.



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1 Ms. Palmer asked how common this is and why that section of the  
2 road was not transferred to VDOT's ownership. Mr. Lynn replied that he  
3 does not know if it was built to VDOT's standards. He stated that the internal  
4 roads are all privately owned and the responsibility of the HOA. He  
5 mentioned that he thinks that Townwood Drive is one that left the HOA  
6 responsibility but slipped through the cracks and was never turned over to  
7 VDOT. He stated that he assumes the HOA has been maintaining the road.  
8 Mr. Derdeyn stated that according to a 1980 subdivision plat that lists  
9 Townwood Drive, which was then referred to as Greenbrier Drive, as  
10 dedicated to the public.

### ***c. Capital Improvement Program (CIP) Project Close-Outs –***

### ***d. Monthly Maintenance Update –***

13 ***e. IT Monthly Update*** – Mr. Parcels stated that the graphic for the SCADA  
14 and other alarm systems is interesting but shows that May had a huge bump  
15 in alerts compared to other months. Ms. Walker replied that the pump  
16 station alerts were due to a communications issue Verizon had at Ashcroft.  
17 She stated that the alerts at the Operations Center were normal alerts. Mr.  
18 Parcels asked what kind of alerts they were. Ms. Walker replied that some  
19 of them are glass break alarms, which they are currently in the process of  
20 replacing. She mentioned that glass break alarms are triggered by decibels  
21 of sound, so they can be set off by things like dropping a set of keys. She  
22 mentioned that the current alarm system update will eliminate the glass  
23 break sensors and increase the number of motion detectors. She added  
24 that this update has already been done at the ACSA Maintenance  
25 Warehouse and there has been a large decrease in the number of nuisance  
26 alarms. Mr. Parcels asked if the vendor for the project was the same one  
27 that was remarked about doing the upgrade for free. Ms. Walker replied yes.  
28 She stated that they supply all of the equipment for the upgrade for free.

29 Mr. Parcels stated that his next question was about the phone  
30 system upgrade discussion on the next page. He stated that it says the  
31 new phone system will introduce enhanced features powered by AI,

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1 offering even greater functionality and insights. He asked if Ms. Walker  
2 could elaborate on that. Ms. Walker replied that they are waiting for a full  
3 demonstration on everything from the provider, but it does have an AI  
4 feature that will take notes for you and tell you the person's emotional  
5 state on the call as well. She mentioned that it has a lot of other features  
6 that they still need to demonstrate to determine which ones they will be  
7 implementing. Ms. Palmer stated that it sounds dangerous. Mr. Parcels  
8 stated that there was a recent survey in The Post that compared four  
9 different chat bots for the AI intelligence assessing documents and they  
10 all failed compared to a human. He asked the staff to please proceed with  
11 due caution.

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

13 ***g. ACSA Board Policy Future Issues Agenda 2025***

14 ***h. Water and Wastewater Professionals Appreciation Day –***

15 ***Ms. Palmer moved to approve the consent agenda, seconded by***  
16 ***Mr. Parcels. The Chair asked for a roll-call vote: Mr. Parcels, aye; Ms.***  
17 ***Palmer, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye;***  
18 ***Mr. Tolbert, aye.***

19  
20 **7. Public Hearing for Comments on Proposed FY 2026 Budget and**  
21 **Rates**

22 Mr. Armstrong opened the public hearing for comments on the  
23 Proposed FY 2026 Budget and Rates. Hearing no comment from the public,  
24 the chair closed the public hearing.

25  
26 **8. Adoption of Proposed FY 2026 Budget, Rates, and CIP**

27 Tanya Johnson, Director of Finance, came forward to give a  
28 presentation on the proposed FY 2026 Budget and rates (Attached as  
29 Pages\_\_\_\_\_). She stated that she would walk through where the ACSA  
30 currently stands as they close out FY 2025, how the upcoming FY 2026  
31 budget supports the ACSA's strategic goals, and the key drivers behind the

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1 proposed rates and system connection changes. She mentioned that this  
2 presentation is also an opportunity to share how the ACSA is managing  
3 increased costs, especially for water and sewer treatment, and how the  
4 organization is utilizing reserves to ease the impact on its customers.

5 Ms. Johnson stated that she would begin with a quick update on  
6 performance in FY 2025 and how it sets the stage for next year. She stated  
7 that she would then walk the Board through the FY 2026 budget in the  
8 context of the ACSA's Strategic Plan, as well as review rate and system  
9 development charge recommendations, the CIP, and budget next steps.

10 Ms. Johnson stated that water and sewer revenues are trending  
11 above budget, which shows a solid demand and good forecasting. She  
12 stated that on the expense side, water costs came in higher while sewer  
13 and overall departmental spending were well below budget. She stated that  
14 this reflects strong cost control and careful management across all  
15 departments, helping the ACSA to enter FY 2026 in a strong position.

16 Ms. Johnson stated that the ACSA's FY 2026 budget continues to  
17 support the Strategic Plan adopted in 2023. She noted that the four strategic  
18 themes of the plan are data optimization, business resilience, customer  
19 experience, and employee experience. She mentioned that the ACSA is  
20 investing in systems, people, and processes that align with the  
21 organization's goals, planning ahead for needs as opposed to reacting to  
22 them.

23 Ms. Johnson transitioned into the proposed rates for FY 2026. She  
24 stated that she would look at what is driving the need for increases and how  
25 the ACSA is managing the responsibility. She stated that an 8.9% increase  
26 in customer rates is being recommended for FY 2026, which follows  
27 increases in the prior three years necessary to keep pace with escalating  
28 treatment and capital costs. She mentioned that they are also proposing an  
29 increase in system development charges from \$14,430 to \$15,000, with the  
30 last increase being in FY 2024. She noted that when compared to peer  
31 utilities, ACSA's approach to system connection charges is consistent with

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1 those preparing for long-term growth while staying financially stable. She  
2 added that the ACSA continues to align with industry standards and use  
3 best practices.

4 Ms. Johnson stated that the proposed budget relies on reserve funds  
5 to balance needs without putting all the pressure on customer rates. She  
6 stated that the budget prioritizes service, quality, and critical infrastructure.

7 Ms. Johnson stated that on the expense side, the ACSA's largest  
8 increase comes for operational cost drivers and capital projects. She noted  
9 that one of the largest cost drivers this year is the increase in treatment and  
10 capital costs from RWSA, which is up nearly 19% for both water and sewer.  
11 She mentioned that these external costs significantly impact the ACSA's  
12 budget needs. She stated that the total departmental operating budget will  
13 increase by 7%, with four new positions proposed to support operations and  
14 safety.

15 Ms. Johnson stated that using reserves softens rate increases for  
16 customers. She stated that by tapping into both growth and stabilization  
17 reserves, the ACSA is managing responsibility and helping to shield  
18 customers from more significant rate increases. She stated that while there  
19 is an increase, it is moderate and justified by necessary system costs.

20 Ms. Johnson stated that the FY 2026 CIP includes critical projects  
21 for system reliability and growth. She stated that the ACSA continues to  
22 balance approach, timing, and funding.

23 Ms. Johnson stated that in terms of next steps, the staff requests that  
24 the ACSA Board consider adoption of the proposed FY 206 budget and  
25 rates.

26 Mr. Parcels stated that his only comment is that he thinks the budget  
27 includes a good use of reserves to manage the increases. Ms. Palmer  
28 stated that at the last meeting, Ms. Johnsons stated "sound financial  
29 management and a growing system provides the opportunity to smoothly  
30 increase customer rates over time." She stated that this statement reads as  
31 if the growing system is part of what allows the ACSA to smooth rates over

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1 time. She asked if there was no growth at all, would it be harder to smoothly  
2 increase customer rates. She noted that it sounds like the ACSA needs a  
3 growing system in order to take care of its finances, and she does not think  
4 that is supposed to be the case.

5 Mr. Lunsford stated that RWSA is going to charge the ACSA  
6 \$388,000 per month for Crozet, regardless if the area uses maximum  
7 capacity or half of that. He stated that where there is system growth and  
8 fixed charges, the growth in that system does help to offset the necessary  
9 rate increases that would otherwise have to happen. He noted that the  
10 ACSA is able to keep rates lower if they can sell more water, so a growing  
11 system does help in that regard.

12 Ms. Palmer stated that she was surprised to see the large cost for  
13 sewer from RWSA. She stated that so much focus has been put on the  
14 water supply plan, but they cannot forget the sewer. She noted that in the  
15 past, the sewer costs used to be the driver, but it is water now.

16 Mr. Parcels stated that there have been remarks in the past about  
17 whether or not to get a bond issued for the Avon Street project. Ms. Johnson  
18 replied that Davenport & Co. is still gathering information, so they have not  
19 compiled everything yet. She stated that they hope to have something from  
20 them soon. Mr. Lunsford added that it is not an immediate need. He stated  
21 that they are looking into the future and ensuring that adequate reserves  
22 are maintained to be able to analyze other financing options should they  
23 need it.

24 Mr. Roberts stated that the connection fees were increased by \$570  
25 and asked how they arrived at that number. Mr. Lunsford replied that as part  
26 of the rate study process, the ACSA looked at growth and non-growth-  
27 related charges from RWSA's and ACSA's CIP. He stated that in doing so,  
28 they identified the need to increase the system connection fees. He  
29 mentioned that this increase helps to mitigate some of the growth-related  
30 projects on the immediate horizon and provides an opportunity to analyze  
31 whether or not they are adequately covering growth pays for growth in the

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1 future. He noted that this charge could change next year after a full third-  
2 party rate study in FY 2026.

3 Ms. Palmer asked if the same formula was being used. She stated  
4 that during her first stint on the Board, there was a very specific formula  
5 used for the rate study. Mr. Lunsford replied that it is very likely that they will  
6 use the same formula. He mentioned that different firms use different  
7 methodologies, most of which follow AWWA recommendations. He stated  
8 that the firm the ACSA has used for at least the last three rate studies uses  
9 the system buy-in method, the incremental cost method, and a hybrid  
10 method that is a combination of the two and the method that the ACSA uses.  
11 He noted that if the ACSA ends up with the same firm as in the past, the  
12 method will likely be very similar.

13 Mr. Roberts asked about the \$570 specifically, which is the difference  
14 between the old system connection charge and the proposed new charge.  
15 Mr. Lunsford replied that it is about a 4% increase. Mr. Roberts asked how  
16 much the system connection fee was increased in FY 2024. Mr. Lunsford  
17 replied that he did not recall. Mr. Roberts stated that he was asking because  
18 the Board has seen more objection about connection fees in years past than  
19 other charges, and he wanted to ensure the ACSA had an answer for the  
20 public. Mr. Parcels noted that his recollection was that the connection fees  
21 were raised about \$1,000 or more. Mr. Lunsford stated that he would check  
22 on that.

23 Mr. Parcels asked, in terms of timing, if the rate study would be done  
24 in time for the budget process next year. Mr. Lunsford replied yes. Ms.  
25 Johnson stated that they would begin the RFP process next month.

26 Ms. Swanson asked how much public feedback has been received  
27 about the rates. Ms. Johnson replied that there has been none that she is  
28 aware of. Ms. Swanson asked if those that have historically been part of this  
29 process know if that is typical. She stated, in other words, she is asking if  
30 they are seeing less and less engagement. Mr. Lunsford replied that he  
31 would not say less engagement, but he thinks their outreach efforts, like

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1 newsletters and social media posts, help explain the need for some of these  
2 changes. He mentioned that over the last 10 years, maybe 2 or 3 customers  
3 would make their way to him to discuss rates or methodology.

4 Ms. Swanson stated that in the past, Gary O'Connell made himself  
5 available to speak with citizen groups. She asked if Mr. Lunsford has ever  
6 been asked to go speak with a citizen group or HOA to discuss things like  
7 the CIP or rate structure. Mr. Lunsford replied that Mr. Lynn does a great  
8 job of outreach with projects, but they can always do more. He added that  
9 they have not been asked to come speak with any groups but would  
10 certainly do so if they asked.

11 Mr. Roberts stated that when the Board used to meet upstairs, the  
12 room was full of people with questions and concerns. He stated that when  
13 he became Board Chair, he asked Mr. O'Connell to go out into the  
14 community and meet with HOA's and various groups to explain the budget  
15 and answer their questions. He noted that the staff has continued to do that,  
16 and he believes that is why there is no public present today.

17 Ms. Palmer stated that the population that is pushing the public  
18 advocacy around rates has changed. She stated that it used to be  
19 developers pushing to lower the rates. She mentioned that now it is more  
20 affordable housing advocates pushing to reduce connection fees in an  
21 attempt to reduce the cost of building.

22 ***Mr. Roberts moved to approve the resolution adopting***  
23 ***Proposed FY 2026 Operating and Capital Improvement Budget and***  
24 ***Rates, which includes the rate schedule, to be effective July 1, 2025,***  
25 ***seconded by Ms. Palmer. The Chair asked for a roll-call vote: Mr.***  
26 ***Parcells, aye; Ms. Palmer, aye; Mr. Tolbert, aye; Mr. Armstrong, aye;***  
27 ***Ms. Swanson, aye; Mr. Tolbert, aye.***

28  
29 9. **Adoption of Proposed Amendments to Personnel Management Plan**

30 Ms. Roach stated that she has provided a summary in the Board  
31 packet of the overall changes. She mentioned that some of the changes,

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1 like the new positions, have already been approved with the adoption of the  
2 FY 2026 budget. She stated that she would be happy to answer any  
3 questions the Board may have.

4 Mr. Parcels stated that he already spoke with Ms. Roach prior to the  
5 meeting, and she is going to provide him some information on some of the  
6 employee benefits, specifically matching employee's retirement  
7 contributions and their health benefits. He stated that they seem open-  
8 ended and hugely rewarding. He stated that secondly, there was wording in  
9 the performance evaluation section of the PMP that he feels could be  
10 improved. He stated that he would have to find the section and rephrase it,  
11 but he would send it to Ms. Roach at a later date.

12 Ms. Palmer asked if Mr. Parcell's first question was about the  
13 healthcare. Mr. Parcels replied yes, and the retirement savings. He stated  
14 that the PMP just states that the ACSA will match savings and covers  
15 healthcare costs, but he wants to know what percentage. Ms. Palmer asked  
16 if the specifics were something that needed to be included in the document.  
17 Ms. Roach replied that the specifics are captured in the benefits section  
18 within each department's budget and are approved as part of the overall  
19 budget. She stated that this way, they do not have to update the manual  
20 every time those numbers change.

21 ***Mr. Roberts moved to approve the resolution, adopting the***  
22 ***proposed amendments to the ACSA Personnel Management Plan,***  
23 ***seconded by Mr. Parcels. The Chair asked for a roll-call vote: Mr.***  
24 ***Parcells, aye; Ms. Palmer, aye; Mr. Armstrong, aye; Mr. Roberts, aye;***  
25 ***Ms. Swanson, aye; Mr. Tolbert, aye.***

### 26 27 10. Items Not on the Agenda

28 Mr. Roberts stated that he had a question about an email regarding  
29 lowering the water level at Sugar Hollow. He asked if that was to increase  
30 the water flow in the Moorman's River. Mr. Lunsford replied that the water  
31 has been lowered three feet to perform maintenance related to the bladder



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1 issue. He stated that the work is scheduled to be completed at the end of  
2 June. Mr. Roberts asked if the bladder was damaged during a storm. Mr.  
3 Lunsford replied no. He stated that it was due to mechanical failure and  
4 RWSA has done some enhancements to prevent a failure like that in the  
5 future.

6 Ms. Palmer stated that concerning the permitting, every 15 years the  
7 permit has to be reissued. She stated that there has been some confusion  
8 and tension with respect to the fact that there is a public comment period  
9 right now. Ms. Swanson asked why this is a 2023 permit. Ms. Palmer replied  
10 that the permit was from 2008-2023. Mr. Lunsford stated that the permitting  
11 process is slow and years long. Ms. Palmer stated that it takes a long time  
12 to get all of the information together and get approval.

13 Mr. Lunsford stated that Ms. Walker got some interesting information  
14 this morning and asked her to share it with the Board. Ms. Walker came  
15 forward to let the Board know that the ACSA reached a major milestone. She  
16 stated that, as of this morning, the GIS system confirmed that the ACSA has  
17 exceeded 700 miles of water and sewer mains. She noted that this includes  
18 380 miles of water mains and over 320 sewer mains that serve our  
19 community. She added that even more impactful, the staff now has  
20 immediate access digitally to the attribute data of all 700 miles of assets. She  
21 noted a fun fact- the ACSA's oldest in-service main is 100 years old. Ms.  
22 Palmer asked how public this information is. Ms. Walker replied that the  
23 ACSA is very limited in sharing asset data.

### 24 25 11. Executive Session

26 The Chair read a Resolution to enter into Executive Session  
27 pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter  
28 (Attached as Page \_\_\_\_\_).

29 ***Mr. Parcells moved to approve the Resolution as presented***  
30 ***to the Board; seconded by Ms. Swanson. The Chair asked for a roll-***

***call vote: Mr. Parcells, aye; Ms. Palmer, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.***

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

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

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