ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Proposed Fiscal Year 2020 Budget and Rates **STAFF CONTACT/PREPARER:** Quin Lunsford, Director of Finance	**AGENDA DATE:** April 18, 2019 **ACTION:** Informational **ATTACHMENTS:** Yes

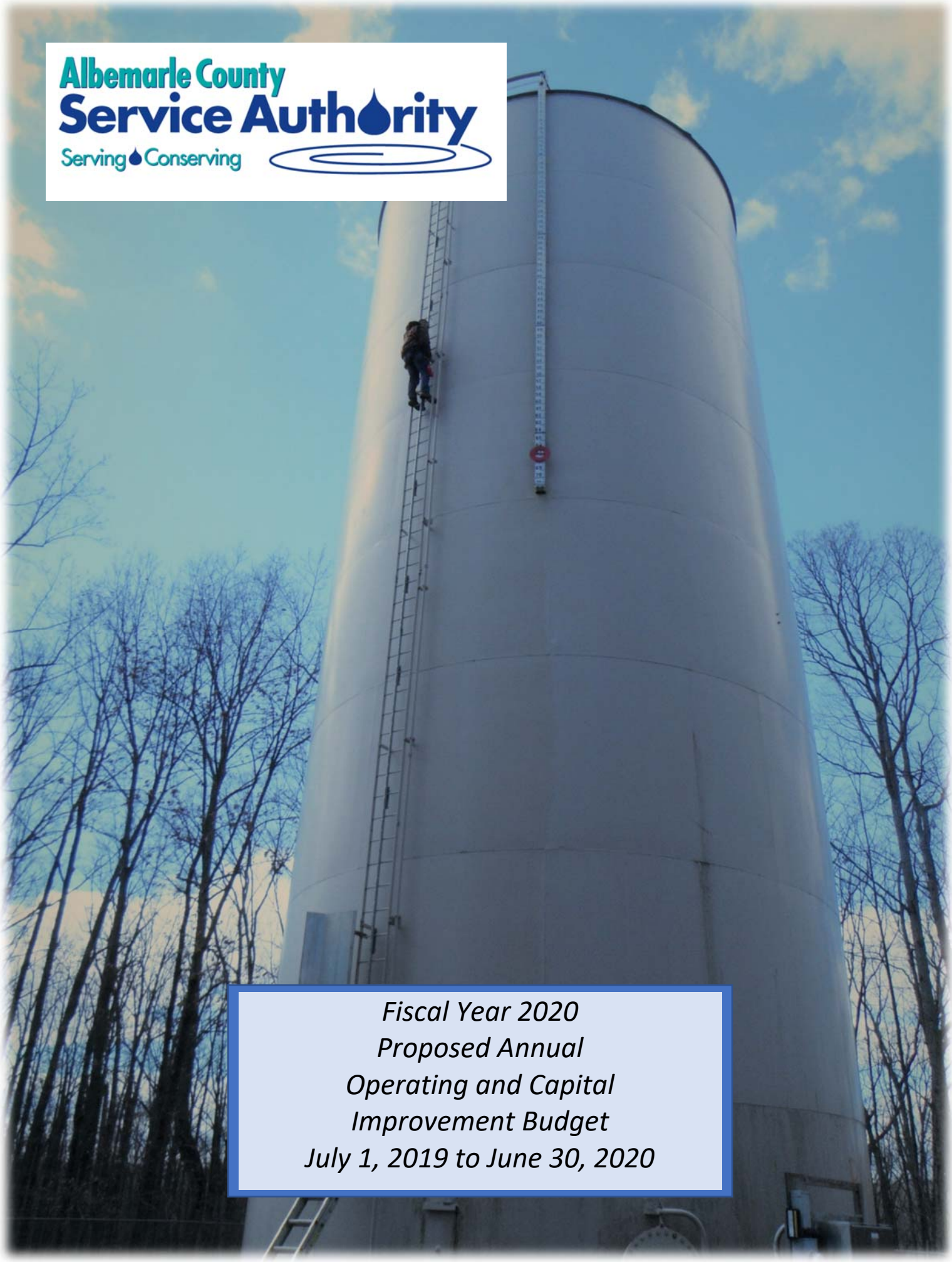
BACKGROUND: The Proposed Fiscal Year 2020 Budget and Rates are included below. This follows five months of preparation by many throughout the ACSA. The overall operating budget is increasing 5.6% and is primarily driven by increases in the rate charged by the RWSA for water and wastewater treatment. The rates proposed for FY 2020 have been evaluated and established to cover this increase in expenses. The budget schedule calls for an in-depth presentation, discussion, and Public Hearing on the Capital Improvements proposal at today's meeting. Also, a short presentation summarizing major items in the Proposed Operating Budget will be provided today. We have a detailed and thorough presentation and workshop planned on the Proposed Operating Budget for the May 16th Board meeting. The budget is considered for adoption at the June 20th Board meeting, following a Public Hearing.

Please also note the ACSA Rules and Regulations, Appendix B attachment. There are proposed rate changes for different items that are based on changing costs associated with those services. These changes will require public notice in conjunction with the budgetary process.

BOARD ACTION REQUESTED: Informational; if there are specific areas or questions you would like addressed in detail at the May Budget workshop, please let us know.

ATTACHMENTS:

1. Proposed FY 2020 Budget and Rates
2. FY 2020 Budget and Rates Overview
3. ACSA Rules and Regulations, Appendix B proposed rate changes



Albemarle County Service Authority

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Fiscal Year 2020 Proposed Annual Operating and Capital Improvement Budget

July 1, 2019 to June 30, 2020

About the Cover: Pictured is an ACSA employee conducting water quality testing at one of our water storage tanks

Albemarle County Service Authority
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Table of Contents

Section I: Budget Overview:

Budget Letter.... 1

Facts At A Glance 6

ACSA Leadership 7

Strategic Goals and Strategies 8

Section II: Financial Structure, Policy and Process:

Fund Descriptions, Fund Structure, Basis of Budgeting and Accounting, Financial Policies 9

Budget Process 11

Section III: Budget Summaries:

Financial Summary 13

Operating Budget Highlights 14

Water and Sewer Rates 15

Frequently Asked Questions 16

Revenue and Expense Summary 17

Budget Revenues 18

Revenue Highlights 19

Changes in Net Position 20

Long-range Financial Plans 21

Section IV: Operating Budgets:

Operating Budget 22

Rivanna Water and Sewer Authority Expenses 23

Operating Budget Detail 24

Administration Department Budget 26

Finance Department Budget 30

Engineering Department Budget 34

Information Technology Budget 38

Section IV: Operating Budgets (continued):

Maintenance Department Budget 42

Debt Financing 46

Capital Equipment Budget 47

Section V: Capital Improvement Program:

Capital Improvement Budget 49

Capital Improvement Projects 53

Section VI: Budget Appendices/Supplemental Information:

Organizational & Personnel Chart 57

Departmental Staffing 58

Supplemental Information – Revenue by Source 59

Supplemental Information – Expense by Function 60

Supplemental Information – Changes in Net Position 61

Supplemental Information – County Demographic and Economic Statistics 62

Supplemental Information – Miscelanneous Statistical Data 63

Glossary 64

Vision and Mission Statement and Guiding Principles 67

Albemarle County Service Authority

Serving Conserving

April 18, 2019

Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

Dear Board Members:

The Albemarle County Service Authority (ACSA) mission remains serving our customers by providing safe, clean and reliable water and exemplary wastewater services. We remain committed to working with our community partners as we maintain and improve our utility system in a timely, cooperative, and financially responsible manner. The proposed Fiscal Year 2020 budget totals $35,222,800 and reflects our continuing commitment to safe and clean water. As our Vision Statement confirms, "serve and conserve today, sustain for tomorrow, and protect our resources forever."

Over the past fifteen years, the ACSA has invested over $56 million in capital improvements to assure system reliability, redundancy, and high-quality water and sewer systems. In Fiscal Year 2020, the ACSA proposes to spend $10,397,300 on ACSA capital improvements that further safe drinking water delivery, the collection of wastewater for treatment and modernization of critical infrastructure and processes. We continue to increase our investment in improving our water and sewer infrastructure through this proposed budget.

Our regional partner, the Rivanna Water and Sewer Authority (RWSA), plans to invest over $97 million over the next five year towards clean water and wastewater treatment capital projects. This is significant to ACSA customers not only for providing safe and clean water, but over 60% of our customer's water and sewer bill is used to pay for water and wastewater treatment from the RWSA. Major RWSA projects include: renovations and upgrades at the Crozet, South Rivanna, and Observatory water treatment plants, installation of a 24" water main from the South Rivanna Water Treatment Plant (SRWTP) to Hollymead Town Center, installation of a wastewater flow equalization tank in Crozet and repairs to the Sugar Hollow and South Rivanna Dam. The Granular Activated Carbon (GAC) advanced water treatment filtering system, is fully operational and providing a high-quality water to all customers in the ACSA's service area. Recent GAC testing continues to show excellent water quality that benefits all ACSA customers.

We are pleased to present ACSA's Proposed Operating and Capital Improvement Budget for Fiscal Year 2020 (July 1, 2019 to June 30, 2020). The FY 2020 budget is largely a "maintenance" budget with an increase in the cost of purchased water and wastewater treatment from the RWSA. RWSA costs are projected

to increase by $1,930,915 with purchased water increasing 7.9% and wastewater treatment increasing 15.6%. We continue to invest in improving our water and sewer infrastructure through this proposed budget.

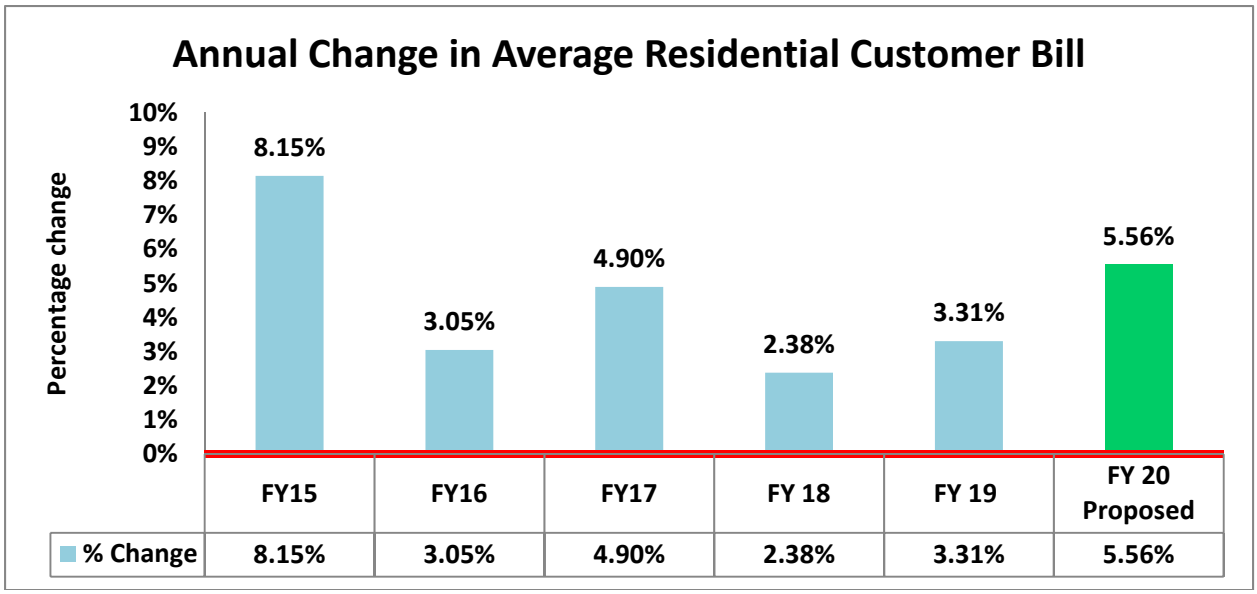
We are proposing a monthly user rate increase to maintain pace with expected expenses. The average residential customer, using 4,000 gallons will see a 5.56% increase in their water and sewer bill, or a $3.63 increase monthly.

ACSA Water and Sewer Monthly User Rates

	FY 2019	FY 2020
Service Charge	$ 8.16	$ 8.57
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 4.27	$ 4.48
Level 2 (3,001-6,000 gallons)	$ 8.55	$ 8.98
Level 3 (6,001-9,000 gallons)	$12.82	$13.46
Level 4 (over 9,000 gallons)	$17.10	$17.96
Multi-Family/Non-Residential (per 1,000 gallons)	$ 8.25	$ 8.66
Sewer/All Users (per 1,000 gallons)	$ 8.93	$ 9.47

Even with the rate increase, one penny equates to over 2.2 gallons, which is a very good value for the ACSA's reliable, high quality, and safe drinking water.

Over the past five (5) years, the ACSA customer has seen changes in the monthly user rates. For the current year beginning July 1, 2018, the average residential customer saw an increase of 3.31%. The average increase over the prior five years is 4.36%.



Five Year Average Change (FY's 15-19): 4.36%

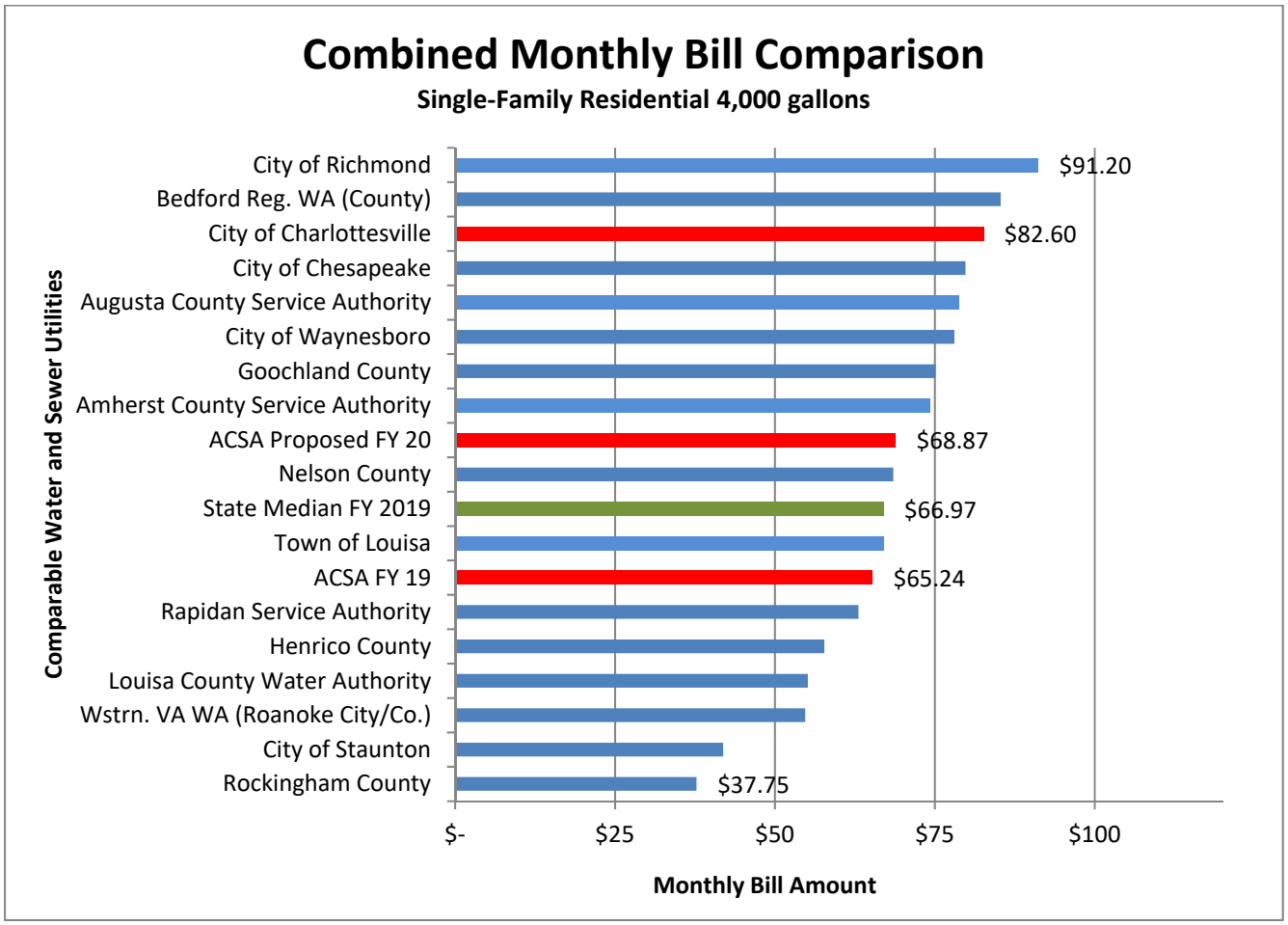
Following an extensive analysis of the cost of service utilizing our rate model, we propose that the monthly service charge be increased. The service charge for a 5/8" meter will increase to $8.57 per month, a $0.41 increase over prior year. This update reflects the actual base cost of doing business.

Rate Design – Monthly Service Charges

Meter Size (inches)	Water Customer Accounts	Current	Recommended
		FY 2019	FY 2020
5/8	18,684	$8.16	$8.57
1	669	$ 15.68	$ 16.46
1 ½	391	$ 28.24	$ 29.65
2	150	$ 43.29	$ 45.45
3	52	$ 83.47	$ 87.64
4	20	$ 128.65	$ 135.08
6	0	$ 246.74	$ 259.08

The service charge covers the cost to appropriately allocate the ACSA revenue requirements among users of the entire system based on the cost of providing service. This includes the costs for distribution, metering and administration, shared among the customer classes.

The ACSA average customer bill has been less than the statewide median, and is less than the City of Charlottesville's comparable residential bill.



Source: The 30th Annual Virginia Water and Wastewater Rate Report 2018, https://daa.com/resources/2018-va-www-rate-report/

The Proposed ACSA Fiscal Year 2020 Operating Expenses totals $24,771,300, as compared to $23,462,689 for the current budget year (FY 2019). This represents an increase of $1,308,611, or 5.6% over the previous year. Our Capital Improvement Program (CIP) is proposed to be $10,397,300, as compared to the current budget of $6,127,450, and includes a continuation of major capital investment in our system, with an emphasis on needed water main replacements and modernization of our metering infrastructure through the implementation of an Advanced Metering Infrastructure (AMI) system.

This budget also proposes that water and sewer connection charges for new development remain at the current total rate, water at $6,650 per Equivalent Residential Connection (ERC) and sewer at $6,820 per ERC. This is based on a recent rate study and detailed analysis of the cost of providing new connections to the ACSA and RWSA

systems, and the needed capacity to be able to serve new development. Capacity related projects create the need to re-evaluate connection charges on an annual basis.

Balancing the delivery of quality water and wastewater treatment, investing in the ACSA's water and sewer system infrastructure, improving service delivery and providing an elevated level of service to our customers are some of the most important challenges facing the ACSA. To manage these challenges, these budgets are built on a solid foundation of over 55 years of water and sewer utility service to our customers in the Albemarle, Crozet and Scottsville communities.

Collectively, we have developed a budget that assures both financial sustainability and quality services to our customers. To everyone involved in the budget development process, from every employee to the Board of Directors, we thank you. We also would like to thank the ACSA Leadership Team of Mike Lynn, Pete Gorham, Travis Marrs, and Emily Niziolek, and the ACSA staff for their work in developing the operating budget, and to Pete Gorham and the Engineering staff for the development of the Capital Improvement Program (CIP) Budget. The proposed FY 2020 Budget follows the rate recommendations as noted in the financial rate model.

Consistent with our Strategic Plan, this proposed budget includes several new initiatives to help leverage our assets and technology, which will improve operational efficiency throughout the ACSA. These initiatives are presented in detail throughout the budget document.

These budgets and proposed rates maintain the ACSA vision for a strong financial future, while ensuring continual improvements to meet the challenges of the future for the Albemarle community we serve daily.

Sincerely,

Gary O'Connell
Executive Director

Quin Lunsford
Director of Finance

History:
In 1964, the Albemarle County Service Authority (ACSA) was created by action of the Albemarle County Board of Supervisors. Beginning in Crozet, and growing into the Urban Areas of Albemarle County and the Town of Scottsville, the ACSA is Albemarle County's water and sewer retail provider. The ACSA celebrates its 55th year of water and sewer service to the Albemarle Community.

Employees:
Approximately 77 dedicated employees serve five different operating departments within the ACSA: Administration, Engineering, Finance, Information Technology, and Maintenance. Our employees are the backbone of the quality services that the ACSA provides to its customers.

Drinking Water Quality:
With a strong emphasis on water quality, the ACSA maintains the water system, provides ongoing system upgrades, and provides water quality testing to meet and exceed all regulatory requirements. The ACSA ensures high quality drinking water to all our customers by performing over 400,000 tests annually. Additional testing information can be found in our annual drinking water quality report at www.serviceauthority.org.

Age of Pipes:
The ACSA water system has a variety of ages, types and conditions of pipes and facilities. We have an ongoing assessment to be sure our water mains deliver reliable water service. We have been active in water main replacement and our annual capital program investment meets our replacement needs. A recent analysis indicated that 56% of our water and sewer mains are less than 25 years old, when a 60-year life can be expected.

Water Distribution System:
ACSA delivers water through 349 miles of interconnected pipes, 8 water pumping stations, 8 water storage tanks, and 2,650 fire hydrants.

Sewer Collection System:
Over 292 miles of sanitary sewer mains and 12 sewer pump stations comprise the ACSA sewer collection systems for businesses and residences in our service area.

Cost for Gallon of Water:
ACSA water is an excellent value. Even with a rate increase next year, 2.2 gallons of ACSA water costs one cent.

ACSA Service Area:
The ACSA provides service to over 74,800 residents, with over 20,000 retail accounts in six magisterial districts: Rio, Jack Jouett, Rivanna, Scottsville, Samuel Miller, and White Hall.

Financial Performance:
The ACSA's financial performance remains very strong and sustainable. With a very low level of debt, the ACSA is able to fund most capital projects out of the annual budgets. The ACSA's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018, from which the information within the Budget Appendices/Supplemental Section (Section VI) has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

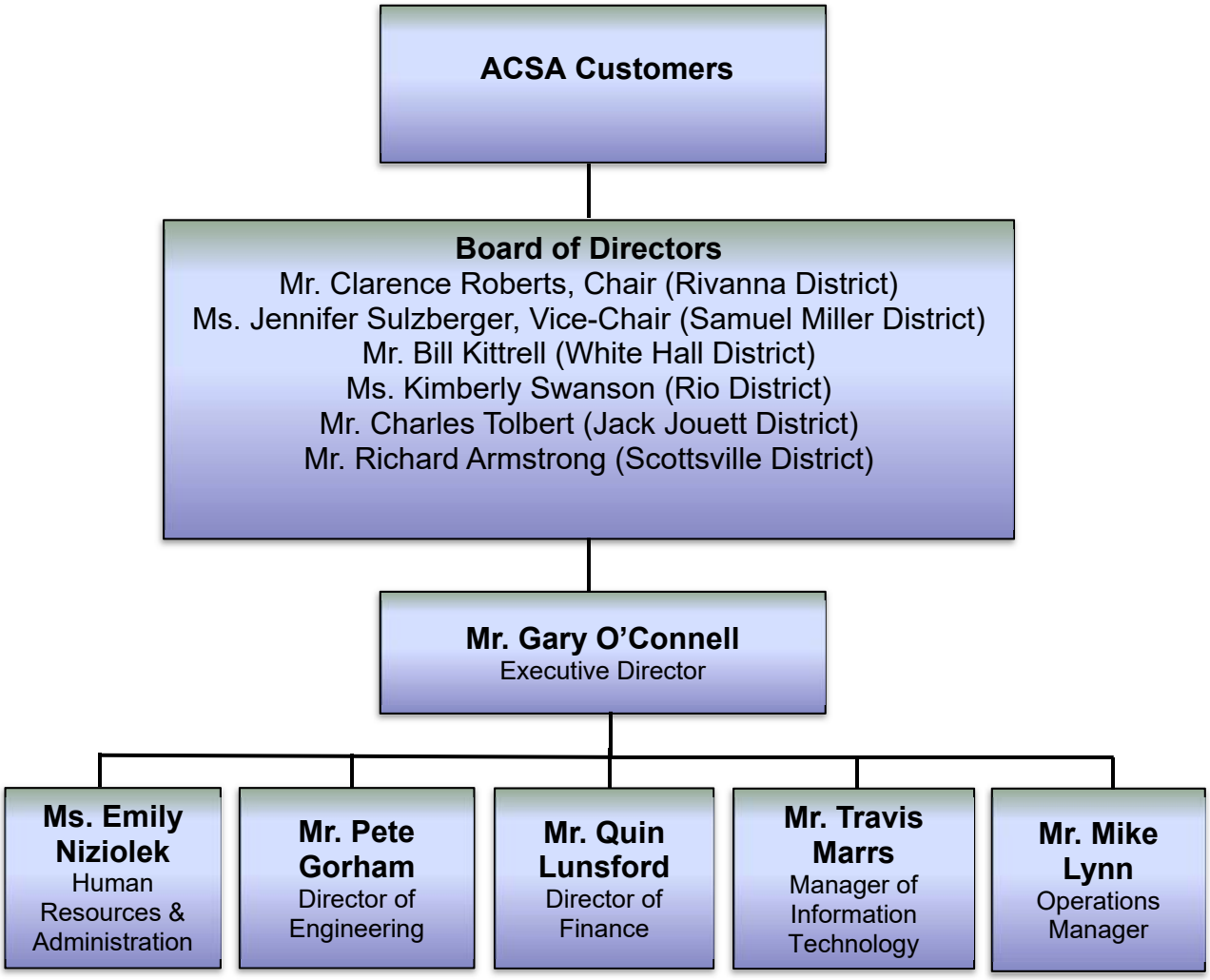
The ACSA was awarded the Distinguished Budget Presentation Award from the GFOA for its FY 2019 budget. This marks the third consecutive year receiving this award and recognizes the ACSA's commitment to the highest principals of governmental budgeting.

Customer Service:
ACSA communicates valuable customer related information through bill inserts, quarterly newsletters, the website www.serviceauthority.org, Twitter, Facebook, and Instagram. An after-hours emergency phone service operates for receiving and responding to a variety of emergency calls from customers. We can be contacted at (434) 977-4511 or webmaster@serviceauthority.org.

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

ACSA Financial Information:
- FY 2020 Total Budget: $35,222,800;
- FY 2020 Capital Improvements Budget: $10,397,300

ACSA Leadership



Strategic Goals and Strategies

The ACSA was created by the Albemarle County (County) Board of Supervisors in 1964 with the Crozet community as its sole customer. In the 1960s, the South Rivanna Dam was constructed and several subdivisions were developed through the County, such as Carrsbrook, Woodbrook, Westmoreland, Northfields, Berkeley, Hessian Hills, Montvue, Colthurst, Flordon and West Leigh. In the late 1960s and early 1970s, these systems were acquired by the County for the ACSA, and the County purchased water from the City of Charlottesville supply to provide all these areas with public water, and eliminate their well systems. In 1973, the Rivanna Water and Sewer Authority (RWSA) was formed and became the wholesale provider of water and wastewater treatment for the City and ACSA.

The ACSA, now 55 years later, provides water distribution and wastewater collection services to 20,000+ accounts with over 349 miles of water mains and over 292 miles of sanitary sewer mains within our service area, including the urban areas of Albemarle County, and nearby communities of Scottsville and Crozet. The community enjoys water drawn from a protected watershed contained almost entirely within the County's borders. The ACSA is governed by a six-member Board of Directors each appointed by the Board of Supervisors of Albemarle County. We distribute treated water, and collect wastewater for treatment, while maintaining, expanding, and replacing the infrastructure within the service area.

The ACSA's five-year Strategic Plan outlines the ACSA's vision, mission, and guiding principles. The plan helps chart our future as we look to our next 50 years and establishes clear strategic actions that will be taken. We believe the Strategic Plan is a true reflection of the ACSA's vision to "serve and conserve" and helps us establish goals for years to come. The ACSA is proud to provide services that positively touch the lives of all our customers, every day. We continue to strengthen the ACSA's role in water leadership in our community, and with the Strategic Plan we identify and communicate our intentions for the future.

The ACSA has established six theme areas in which to achieve positive change. These themes group our priorities as we carry out our mission and allow us to focus our resources in a way that moves us closer to our vision for the future. Incorporated within each of our theme areas are communications with our customers, community partners, and staff. To realize our vision, we believe it is necessary to achieve meaningful outcomes in each of these themes:

- Asset Management – Management of resources and infrastructure used in the operations of the ACSA's water and wastewater system.
- Employees – The people that have accepted the responsibility and duties in the operation of the ACSA, maintaining the high standards of quality to ensure our systems are efficient and effective.
- Operations – A systematic approach to provide essential services for our customer in the function and maintenance of existing and proposed assets for optimal system resources and performance.
- Customer Service – To complete interactions with our rate payers by providing accurate and timely information to notify changes of processes within the ACSA or upon specific account holder request.
- Finance – The accounting practices and methods used to ensure financial stability now and in the future, protecting assets and the investments of funds that have been utilized in the operation of the ACSA's infrastructure.
- Technology – Implementing modern concepts and approaches to acquire and create resources in data distribution/acquisition, communications and documentation.

In addition to the themes, the ACSA has developed detailed strategy and measurement criteria related our goals. The entire 5-year strategic plan can be located on our website at www.serviceauthority.org/Administration/StrategicPlan.pdf.

Fund Descriptions and Fund Structure

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

Basis of Accounting and Budgeting

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

Basis of Budgeting

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

Financial Policies

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

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

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

Operating Budget Policies

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

Operating Budget Policies (cont.)

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

Capital Budget Policies

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

Reserve Policies

- The Authority has implemented "best management practices" which dictate that cash/investment reserves be accumulated to provide for contingencies and planned/unplanned major expenses. The Authority has established three types of reserves for its water and wastewater systems:

    - Operating and Maintenance Reserve (O&M): The O&M reserve serves as working capital and is important to provide funds for the potential lag between operating revenues and operating expenditures, as well as unplanned minor repairs or fluctuations in the operating budget. This type of reserve is also valuable during unusually wet years, which can result in reduced revenue due to lower than anticipated water usage. This reserve combined with the Repair, Renewal, and Replacement Reserve, Capacity and Growth Reserves, and unrestricted cash and investments are to maintain a Days Cash on Hand floor of 270 days. Water and wastewater rates will be set accordingly to replenish these reserves if cash/investment levels dip below the Days Cash on Hand floor.

    - Repair, Renewal, and Replacement Reserve (3R): The 3R reserve provides funds to pay for unexpected major repairs and planned replacement or rehabilitation of system assets. This reserve may be used to pay for capital costs to avoid or minimize the amount that would otherwise be recovered through user fees. Typically, the annual 3R reserve contribution is calculated based on the estimated useful life and replacement cost of equipment held by the Authority.

    - Capacity and Growth Reserves: The Capacity and Growth Reserves are established to fund capacity or growth-related costs or charges. These reserves are funded by the ACSA System Development Charge and the RWSA Capacity Charge.

Revenue and Expenditure Policies

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

Revenue and Expenditure Policies (continued)

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

Debt Policies

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

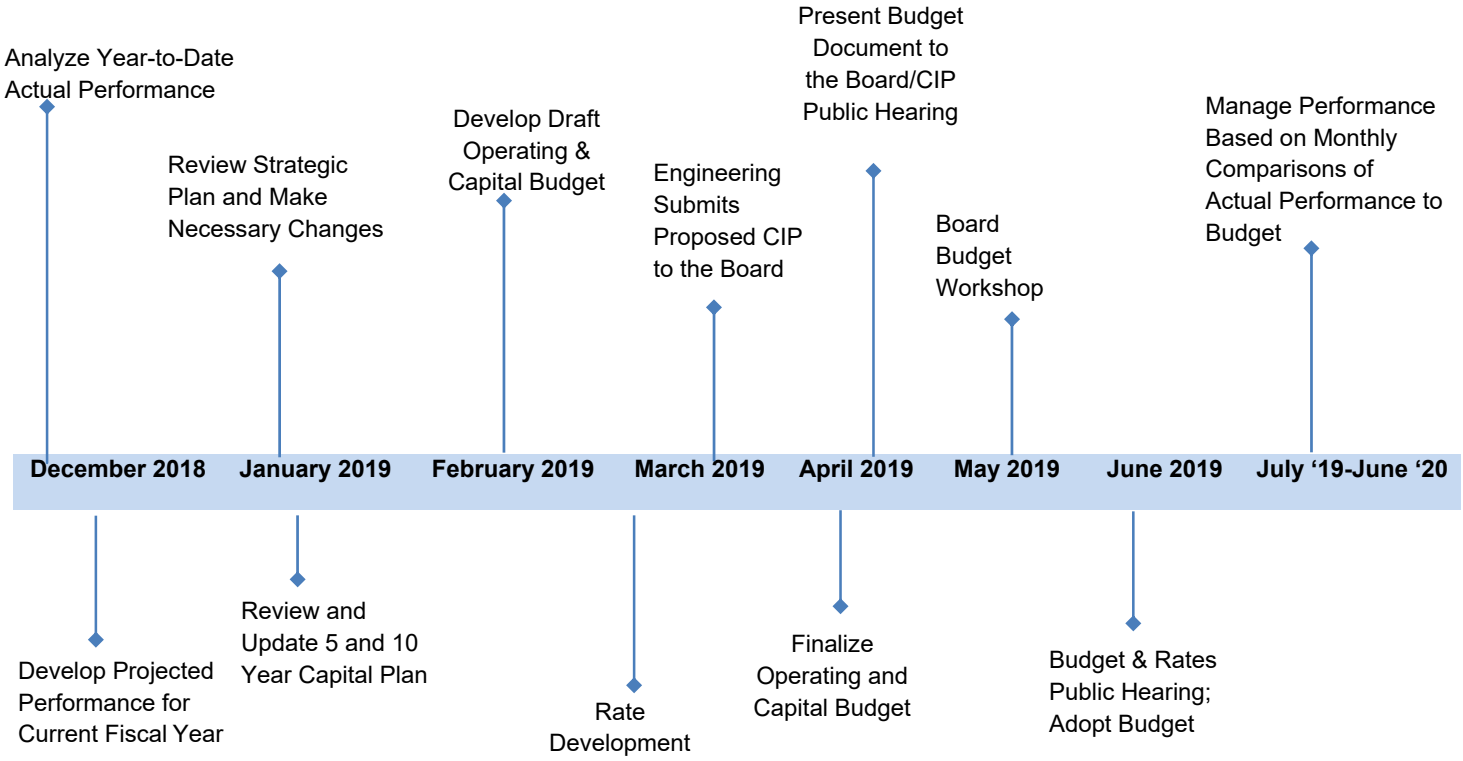
Budget Process

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

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

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

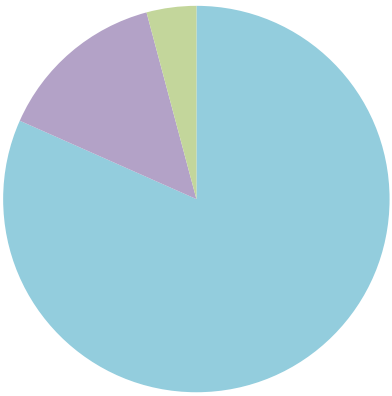
The CIP, revenue, and expense budgets are then combined and presented to the Board in May each year. Public comment and budget workshops are held for discussion and amendments before the final budget is adopted in June. A timeline of our budget process is included on the next page to further illustrate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


Analyze Year-to-Date Actual Performance
Review Strategic Plan and Make Necessary Changes
Develop Draft Operating & Capital Budget
Engineering Submits Proposed CIP to the Board
Present Budget Document to the Board/CIP Public Hearing
Board Budget Workshop
Manage Performance Based on Monthly Comparisons of Actual Performance to Budget
December 2018
January 2019
February 2019
March 2019
April 2019
May 2019
June 2019
July '19-June '20
Develop Projected Performance for Current Fiscal Year
Review and Update 5 and 10 Year Capital Plan
Rate Development
Finalize Operating and Capital Budget
Budget & Rates Public Hearing; Adopt Budget

OVERVIEW

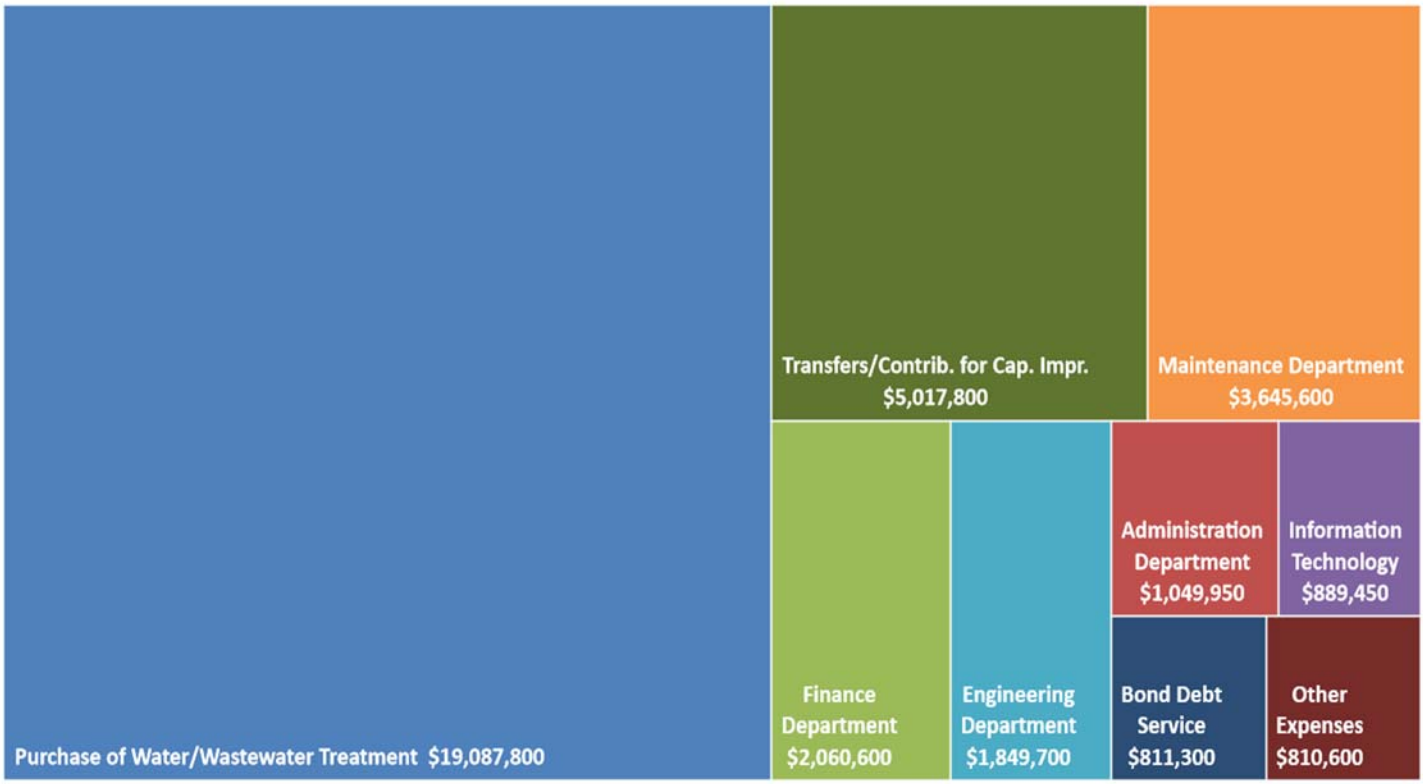
The ACSA's Fiscal Year 2020 Total Budget is $35,222,800:

Where the Dollars Come From



Water/Sewer Charges	$28,757,800	81.64%
System Connection Charges	$ 5,000,000	14.20%
Other Revenues	$ 1,465,000	4.16%
Total Budgeted Revenues	$35,222,800	100.00%

WHERE THE DOLLARS GO



Operating Expenses:

- Approved FY 2019 Operating Budget Expenses totaled $23,462,689
- Proposed FY 2020 Operating Budget Expenses total $24,771,300

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

- Approved FY 2019 totaled $14,258,249
- Proposed FY 2020 total $15,276,000 or 61.7% of the Operating Expense Budget
- Largest single expenditure increase, totaling $1,017,751

Departmental Operating Budgets:

- Approved FY 2019 - $9,204,440
- Proposed FY 2020 - $9,495,300
- Increase of $290,860

Debt Service (Principal and Interest) Expense:

- Approved FY 2019 - $819,240
- Proposed FY 2020 - $811,300

Operations:

Top Budget Priorities:

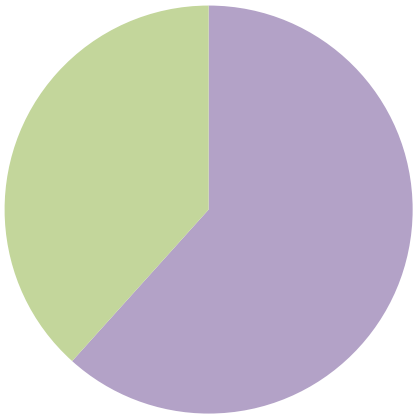
- High quality water delivered to our customers
- Maintain current ACSA programs and services
- Meet financial obligations and financial sustainability
- Elevated level of customer service
- Strategic initiatives
- Invest in our infrastructure
- Major maintenance investments – ongoing
- Administrative support in maintenance operations
- Investment in our employees

Top Operating Initiatives:

- Continue high level of emergency response times; emergency planning
- Continue enhancements to water quality:
  -Regulatory compliance
  -Water system maintenance and replacement
  -Advanced water filtering process (GAC)
- Meet all wastewater standards:
  -Continue sewer system rehabilitations
  -Regulatory compliance

Other ACSA Initiatives:

- Continued implementation of the Strategic Plan
- Succession planning for employee continuity
- Advanced metering infrastructure (AMI)
- Computerized maintenance management system (CMMS) – workorder management, customer requests, asset management and inventory



Purchased Water/Wastewater	$15,276,000	61.67%
ACSA Departmental Budget	$ 9,495,300	38.33%
Total	$24,771,300	100.00%

Water and Sewer Rates – Fiscal Year 2020 Proposed:

The proposed monthly user water and sewer rate increase is driven by the following factors:

- Purchased water from RWSA Urban wholesale rate increase of 3.0%;
- Purchased water from RWSA for the communities of Crozet increased 19.8% and increase for Scottsville by 13.4%;
- Purchased Urban wastewater treatment RWSA wholesale rate increase of 17.2%;
- Purchased wastewater treatment from RWSA for the community of Scottsville increased by 2.8% while no change was proposed for Glenmore;
- Total ACSA Operating Budget increase of 5.6%;
- Capital Improvements Program of $10.397 million.

ACSA Water and Sewer Monthly User Rates

	FY 2019	FY 2020
Service Charge	$ 8.16	$ 8.57
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 4.27	$ 4.48
Level 2 (3,001-6,000 gallons)	$ 8.55	$ 8.98
Level 3 (6,001-9,000 gallons)	$12.82	$13.46
Level 4 (over 9,000 gallons)	$17.10	$17.96
Multi-Family/Non-Residential	$ 8.25	$ 8.66
Sewer/All Users (per 1,000 gallons)	$ 8.93	$ 9.47

Monthly, based on usage noted below, single-family customers will see an increase between $1.31 and $7.57.

Sample Monthly Combined (Water and Sewer) Bills

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2020 Bill	Monthly $ Increase
Single-Family					
Minimal User	5/8	1,200	$ 24.00	$ 25.31	$1.31
Small User	5/8	2,500	$ 41.16	$ 43.45	$2.29
Median	5/8	3,400	$ 54.75	$ 57.80	$3.05
Large User	5/8	6,200	$ 104.55	$ 110.36	$5.81
Excessive User	5/8	7,700	$ 137.18	$ 144.75	$7.57
Multi-Family/Non-Residential*					
Multi-Family	1	33,700	$ 594.65	$ 627.44	$32.79
Com. (Offices)	1	6,300	$ 123.91	$ 130.68	$ 6.77
Com. (Other)	5/8	4,700	$ 88.91	$ 93.78	$ 4.87
Industrial	1 1/2	16,500	$311.71	$328.80	$17.09
Institutional	5/8	13,000	$ 231.50	$ 244.26	$ 12.76

Why does the ACSA need a rate increase?

There are two main reasons: First, the increase in purchased water and wastewater treatment from our regional provider, Rivanna Water and Sewer Authority (RWSA), is our single largest cost input that has major capital projects planned which includes upgrades at three water treatment plants; secondly, the ACSA's cost of doing business which include operating costs, and proactive maintenance to system infrastructure have increased, specifically related to changes in salaries, supplies, services, and maintenance costs.

Why are the Purchase of Water and Wastewater treatment costs increasing?

The ACSA purchases treated water and distributes that water to our customers. Costs related to these purchases from the RWSA are expected to increase by nearly 8%. The cost increase of purchased water is due to a variety of factors but water treatment plant expansion in the Urban and Crozet systems as well as water treatment costs related to Granular Activated Carbon (GAC) contribute to this increase. The ACSA also returns all collected wastewater to the RWSA for treatment. Costs associated with the treatment of wastewater is expected to increase by over 15%. The increase in expected treatment expenses is due to variety of factors but continued investment in infrastructure is a major driver. The recently completed Odor Control system that has been effective in reducing odors at the Moores Creek treatment facility as well as additions to wastewater piping and pumping stations which serve customers in Crozet are additional factors. The new Rivanna Sewer Pumping Station and tunnel have also helped to essentially eliminate sanitary sewer overflows from the system, despite the record amount of rainfall in 2018.

How much will my bill increase?

The average residential customer who uses 4,000 gallons a month will see their water and sewer bill increase by $3.63. About 90% of our customers are single-family residential water users, using on average between 2,500 - 5,000 gallons a month. The monthly bill varies by how much water is consumed and sewer used.

How does this rate increase compare to previous years?

The ACSA current year increase in customer rates is 5.56%, which is comparable to our five-year average of rate changes. The five-year average increase has been approximately 4.36% each year.

Why doesn't the ACSA just cut costs rather than increase the rate?

We review spending very carefully in each budget, but as a growing utility, adding 1-2% new customers annually, our costs to provide service continue to increase each year. Purchased water and wastewater treatment comprises 62% of our costs, which our customers must bear that major increasing expense.

For Small Water Users, does the ACSA have a special rate?

The ACSA has four levels of residential water rates to encourage water conservation. This is an incentive for our customers to conserve water as the greater the use the higher the rate.

How do the ACSA's water and sewer rates compare to other utilities?

On the average residential bill, the ACSA rates compare favorably. We consistently have been below the state-wide median on residential water and sewer bills, and are less than a comparable bill, for example, to our neighboring City of Charlottesville.

Why is the ACSA spending over $10 million this year on Capital Projects?

Many parts of the ACSA are aging with some components more than 40-50 years old. As part of our capital planning, we continue to make improvements in our system through rehabilitation and replacement. This is done to ensure you, the customer, reliable water and sewer service, to meet water quality standards, and wastewater environmental requirements, including a proposed advanced metering infrastructure project that is conservation and customer oriented.

Who pays for growth?

The ACSA has a philosophy that "growth pays for growth." New development water and sewer systems are installed to ACSA standards and specifications by developers. To help pay for the water and sewer capacity in the system, new development pays a "connection charge" per unit that equates to a single water and sewer residential connection at the proposed FY 2020 charges or $13,470.

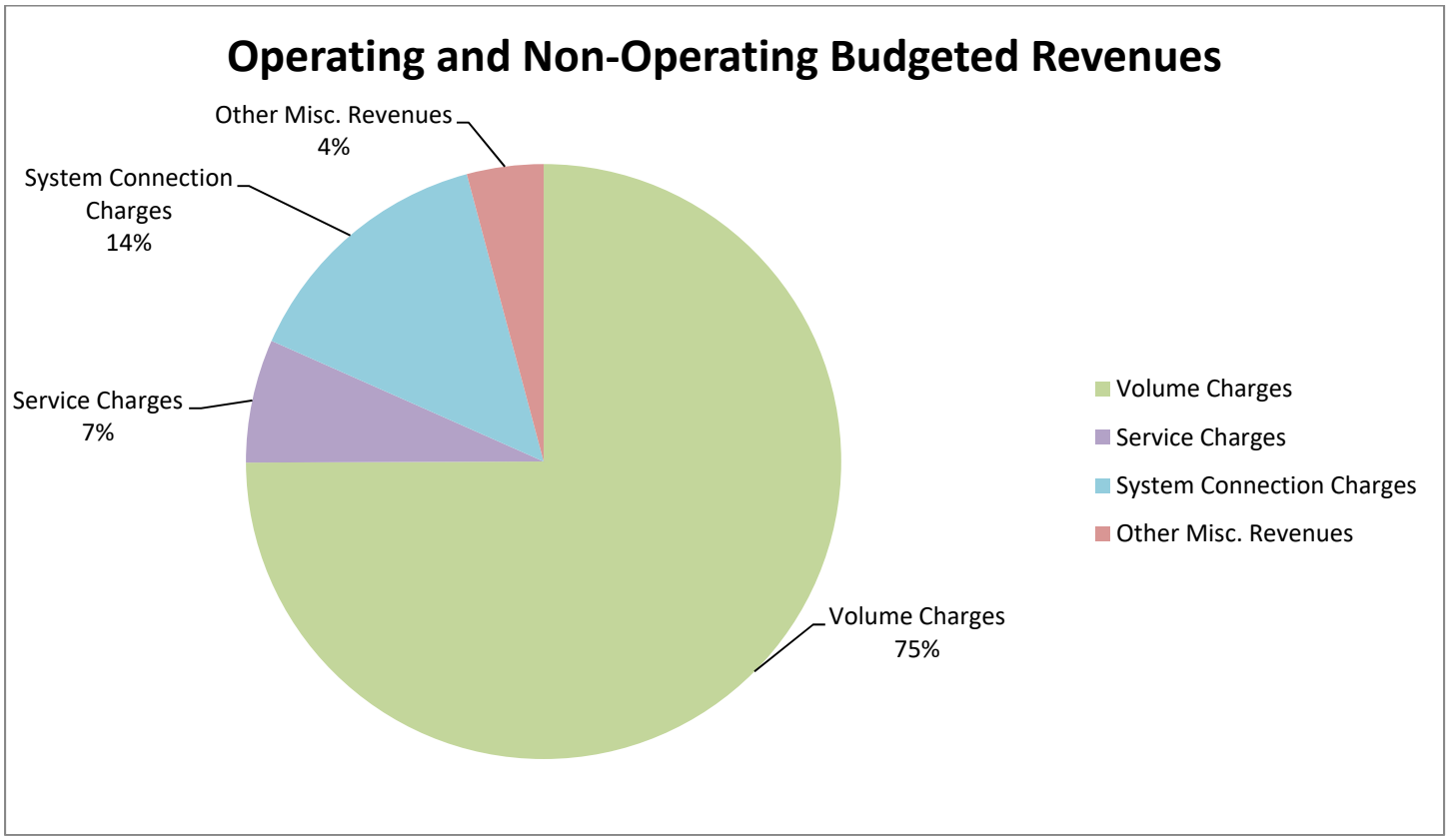
Albemarle County Service Authority
Serving Conserving

FY 2020 Revenue and Expense Summary

		FY 2019 Approved Budget	FY 2020 Proposed Budget	Proposed as % of FY 2019
OPERATING REVENUES				
Total Volume Charges	$	25,360,000	26,396,000	104.1%
Total Service Charges		2,206,000	2,361,800	107.1%
Total Operating Revenues		**27,566,000**	**28,757,800**	**104.3%**
NON-OPERATING REVENUES				
System Connection Charges		4,500,000	5,000,000	111.1%
Rental Income		16,000	16,000	100.0%
Interest Income		400,000	650,000	162.5%
Misc. Utility Charges		648,000	648,000	100.0%
Inspection Fees		33,000	30,000	90.9%
Plan Review & FOG Permit Fees		20,000	20,000	100.0%
Build America Bond Subsidy		108,000	101,000	93.5%
Total Non-Operating Revenues		**5,725,000**	**6,465,000**	**112.9%**
Total Operating & Non-Operating Revenues		**33,291,000**	**35,222,800**	**105.8%**
OPERATING EXPENSES				
Purchase of Water/Wastewater		14,258,249	15,276,000	107.1%
Administration Department		1,018,276	1,049,950	103.1%
Finance Department		1,963,546	2,060,600	104.9%
Engineering Department		1,742,433	1,849,700	106.2%
Maintenance Department		3,653,342	3,645,600	99.8%
Information Technology		826,843	889,450	107.6%
Total Operating Expenses		**23,462,689**	**24,771,300**	**105.6%**
NON-OPERATING EXPENSES				
Capital Equipment Acquisition		41,000	6,000	14.6%
Planned Equipment Replacement		649,400	404,600	62.3%
Repair, Renewal, & Rehabilitation Reserves		360,000	400,000	111.1%
Existing Debt Service and Amortization		819,240	811,300	99.0%
Debt Service for RWSA Growth Projects – Water		1,670,598	2,252,700	134.8%
Debt Service for RWSA Growth Projects – Wastewater		1,228,038	1,559,100	127.0%
Transfer for Capital Expenses		5,060,035	5,017,800	99.2%
Total Non-Operating Expenses		**9,828,311**	**10,451,500**	**106.3%**
Total Operating & Non-Operating Expenses	$	**33,291,000**	**35,222,800**	**105.8%**
CAPITAL IMPROVEMENTS FUNDING				
Transfer from Operating Revenues	$	5,060,035	5,017,800	99.2%
Transfer from 3R Reserves/Growth Reserves		1,067,415	5,379,500	504.0%
Total Capital Improvements Funding		**6,127,450**	**10,397,300**	**169.7%**
CAPITAL IMPROVEMENTS EXPENSES				
Water - Capital Improvement Projects		3,906,925	7,296,925	186.8%
Wastewater - Capital Improvement Projects		2,220,525	3,100,375	139.6%
Total Capital Improvements Expenses	$	**6,127,450**	**10,397,300**	**169.7%**

FY 2020 Budget Revenues

		FY 2019 Approved Budget	FY 2020 Proposed Budget	Proposed as % of FY 2019
OPERATING REVENUES				
Total Volume Charges	$	25,360,000	26,396,000	104.1%
Total Service Charges		2,206,000	2,361,800	107.1%
Total Operating Revenues		**27,566,000**	**28,757,800**	**104.3%**
NON-OPERATING REVENUES				
System Connection Charges		4,500,000	5,000,000	111.1%
Rental Income		16,000	16,000	100.0%
Interest Income		400,000	650,000	162.5%
Misc. Utility Charges		648,000	648,000	100.0%
Inspection Fees		33,000	30,000	90.9%
Plan Review & FOG Permit Fees		20,000	20,000	100.0%
Build America Bond Subsidy		108,000	101,000	93.5%
Total Non-Operating Revenues		**5,725,000**	**6,465,000**	**112.9%**
Total Operating & Non-Operating Revenues	$	**33,291,000**	**35,222,800**	**105.8%**
CAPITAL IMPROVEMENTS FUNDING				
Transfer from Operating Revenues	$	5,060,035	5,017,800	99.2%
Transfer from 3R Reserves/Growth Reserves		1,067,415	5,379,500	504.0%
Total Capital Improvements Funding	$	**6,127,450**	**10,397,300**	**169.7%**



	FY 2019	FY 2020
Total Volume Charges (monthly user rates)	$25,360,000	$26,396,000
Total Service Charges (cost of service)	$2,206,000	$2,361,800
System Connection Charges (new development fees)	$4,500,000	$5,000,000
Other Revenues	$1,225,000	$1,465,000
Total Revenues	$33,291,000	$35,222,800

Total Volume Charges - $26,396,000; water and sewer usage billed to ACSA customer monthly; proposed rate increases primarily driven by increased costs of water and wastewater treatment.

Total Service Charges - $2,361,800; monthly service charge to reflect actual costs for meter reading, billing and customer service; the budget proposes to increase the monthly service charge from $8.16 to $8.57 for our average customer (service charge dependent upon meter size).

System Connection Charges - $5,000,000; the Budget proposes to maintain charges for FY 2020, for new development per new ERC connections.

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

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

		FY 2019	FY 2020
ACSA System Development Charge	Water Wastewater	$1,890* $2,970*	$1,890* $2,970*
RWSA Capacity Charge	Water Wastewater	$4,760* $3,850*	$4,760* $3,850*
	Total	$13,470*	$13,470*
		*per ERC (equivalent residential connection)	

FY 2020 Changes in Net Position

		FY 2018 Actual	FY 2019 Estimated	FY 2020 Proposed
Beginning Net Position	**$**	**159,966,301**	**176,502,239**	**186,502,239**
Change in Net Position		16,535,938	10,000,000	**8,000,000**
Ending Net Position	**$**	**176,502,239**	**186,502,239**	**194,502,239**
Net investment in capital assets	$	140,238,885	147,000,000	**154,000,000**
Restricted for debt service		255,835	250,000	**250,000**
Unrestricted		36,007,519	39,252,239	**40,252,239**
Ending Net Position	**$**	**176,502,239**	**186,502,239**	**194,502,239**

Note: The schedule above reflects audited FY 2018 changes in net position and estimates changes for FY 2019 and FY 2020. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant and estimates related to the timing of the formal dedication of these assets can vary. Please see “Changes in Net Position” in the Budget Appendix for a schedule of historical audited data.

Long-range Financial Plans

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

- Water and sewer rates and charges shall be kept as low as possible over time. It is possible to keep rates low for a period of time by not investing sufficiently in the maintenance of the water and sewer systems, but eventually the systems will deteriorate and require substantial investments leading to the need for significant and immediate rate increases, poor service to our customers and lowered water quality. The assumption that the Authority will continually reinvest in the water and sewer systems to replace assets as they reach the end of their useful lives is built into our analysis to allow for timely and predictable rate increases.

- "Growth pays for growth" – that is, costs related to the expansion of system capacity (i.e. growth related) should be funded via new/future customers who cause the need for such additional capacity. However, if anticipated growth does not occur as expected, existing customers would have to make up the difference via higher user rates.

- The ACSA should maintain reserves to provide for contingencies and unplanned expenses and to ensure that funds are generated to allow for appropriate future system replacement.

The proposed FY 2020 budget supports the above noted principles by:

- Comprehensive re-evaluation of the formal rate study performed in April 2018. The analysis consists of a review of both operating revenues (service and volume charges for water and sewer services) and non-operating revenues (system connection/development charges). This analysis utilizes long range projections of ACSA assets, expected expenses, and development of the system to aide in a rate design that keeps rates/charges as low as possible over time without sacrificing regular planned reinvestment in ACSA infrastructure.

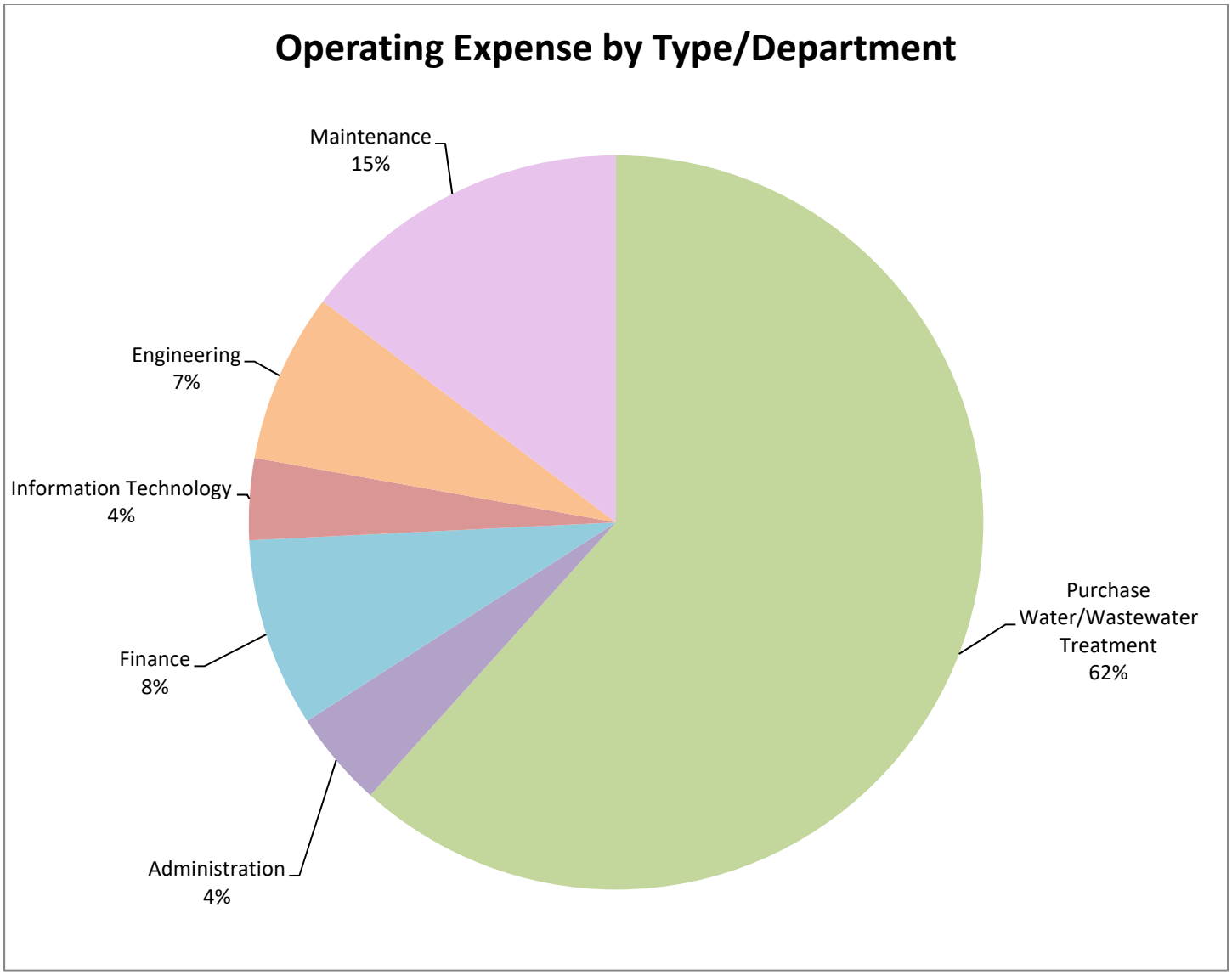
- Contributing to the ACSA's 3R reserve in accordance with our adopted Financial Policies. This contribution to the reserve also assists the ACSA in achieving goals related to three themes in the ACSA's Strategic Plan:
    - Asset Management – assist with planning for long-term sustainability of utility assets used in maintaining water and wastewater resources.
    - Finance – ensure that the ACSA is financially self-sustaining and fiscally strong.
    - Finance – The operating budget has been designed so that operating revenues cover operating expenses and contributions to established reserves when revenues exceed expenses. The reserves established in prior years and current year non-operating revenue financially support nonrecurring capital expenditures as those identified in the formal capital improvement program.

- The formal capital improvement program outlines estimated project costs for FY 2020 and the nine years following. These projects consist of both water and wastewater projects and include but are not limited to replacement of existing water mains, creating redundancy in the water system, identifying infiltration and inflow in our sanitary sewer system, and with Board approval, implementation of an Advanced Metering Infrastructure (AMI) system. This program helps the ACSA achieve its goals related to the following themes:
    - Asset management – assists with collaborative planning to provide future community infrastructure needs. This program also allows for long-term sustainability of utility assets by maintaining water and wastewater resources.
    - Operations – assists in managing and maintaining existing infrastructure to ensure reliable service to our customers by assessing, on an annual basis, current and future needs. This program also improves emergency preparedness and ensures we maintain or exceed industry standards for water and wastewater quality and operations. The program assists in the elimination of asbestos-cement pipe, continued sewer system rehabilitation, program to replace exclusion meters, and water pipe "saddle" connection replacement.

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is at $24,771,300 or a 5.6% increase. The largest single cost of the Operating Budget is RWSA purchased water and wastewater treatment at $15,276,000 or 62% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2020. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at $1,049,950, Finance at $2,060,600, Engineering at $1,849,700, Maintenance at $3,645,600, and Information Technology at $889,450. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2020:



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

The ACSA purchases wholesale water and wastewater treatment from the RWSA. The RWSA oversees the regional water supply at area reservoirs, operates the water treatment plants, and provides water to the ACSA through large water transmission lines. The ACSA is responsible for the retail water distribution system that serves our more than 20,000 accounts.

The RWSA operates the regional wastewater treatment plants, and charges the ACSA at a wholesale rate. The ACSA operates the sewer collection system for our retail sewer customers. Approximately 85% of our customers have both water and sewer service, while approximately 15% of our customers have water service only. While the RWSA charges the ACSA a "wholesale" rate for each service area, the ACSA operates with a single system-wide retail rate for our customers.

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

					FY 2018	FY 2019	FY 2020 Proposed	FY 2020 as % of FY 2019
RWSA EXPENSES								
Purchase of Bulk Water					8,961,870	9,757,539	10,532,900	107.9%
Sewer Treatment Expense					6,955,130	7,399,346	8,554,900	115.6%
Subtotal:				**$**	**15,917,000**	**$17,156,885**	**$19,087,800**	**111.3%**
RWSA EXPENSES BY SERVICE AREA								
WATER	**Rates FY 2018**	**Rates FY 2019**	**Rates FY 2020**					
Urban	$1.969/TG and $285,439/mo.	$2.070/TG and $307,598/mo.	$2.095/TG and $321,303/mo.	$	6,813,378	7,231,983	7,447,617	103.0%
Crozet	$133,901/mo.	$162,746/mo.	$195,010/mo.		1,606,812	1,952,952	2,340,120	119.8%
Scottsville	$45,140/mo.	$47,717/mo.	$54,130/mo.		541,680	572,604	649,560	113.4%
Red Hill	N/A	N/A	$95,603/annual		-	-	95,603	-
Total				**$**	**8,961,870**	**9,757,539**	**10,532,900**	**107.9%**
WASTEWATER								
Urban	$1.951/TG and $222,550/mo.	$2.146/TG and $246,308/mo.	$2.369/TG and $278,174/mo.	$	6,280,652	6,687,082	7,839,686	117.2%
Scottsville	$24,410/mo.	$25,823/mo.	$26,536/mo.		292,920	309,876	318,432	102.8%
Stone-Robinson School	$27,630/annual	$28,084/annual	$22,478/annual		27,630	28,084	22,478	80.0%
Glenmore	$29,494/mo.	$31,192/mo.	$31,192/mo.		353,928	374,304	374,304	100.0%
Total				**$**	**6,955,130**	**7,399,346**	**8,554,900**	**115.6%**

The Operating Budgets for the ACSA are divided into the five sections: Administration (which includes Human Resources), Finance, Engineering, Maintenance, and Information Technology. Purchased water and wastewater treatment is budgeted within the "Operating Budget." These expenses are recurring costs to provide water and sewer services to our customers.

The ACSA operates with a set of budget categories: Personal Services, Operating Supplies, Repair and Maintenance Supplies, Professional and Contractual Services, Repairs and Maintenance, Other Services and Charges, and Capital Outlay. Within each of these departmental budgets, detailed line items for the proposed expenditures for FY 2020 are presented.

Personal Services

- Includes salary, benefits, payroll taxes, and other related expenses.
- Salaries – a 3% performance pay salary pool is proposed to help offset increased personal cost of living expenses for our employees and recognize individual performance. These are performance-based pay increases, with individual performance evaluations for every employee. Additionally, changes to the Authority's salary plan and pay grades are proposed to remain competitive within the local marketplace.
- We are proposing a new position for an Executive Assistant to assist management within the Maintenance Department. If approved, this position will assist the Maintenance Manager in day-to-day administrative tasks as well as work cooperatively with other departmental staff members. Administrative responsibilities have progressively increased as the Authority has grown. We expect this addition in staffing to allow management to more strategically allocate time away from daily administrative tasks and allow greater management oversight. The proposed areas of responsibility for this position will include management of invoices, procurement, timekeeping, inventory, work orders, business data analysis and general administrative support.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; for 2020 the rate remains 5.8%.
- Health Care and Benefit Dollars – the ACSA, through a contract with Albemarle County, provides a Health Care Program for our employees. The ACSA contributes on behalf of all employees. These contributions vary by employee plan type. Also included in this item are the actuarially determined costs for Other Post-Employment Benefits (OPEB).
- Worker's Compensation is a rated policy, with the cost allocated to each department for position types.
- Projected overtime and standby (emergency) duty pay is budgeted here.

Operating Supplies

- General supplies for both field and office operations.
- Gasoline, oil, and grease are the largest items in this category, and are allocated by vehicle to each departmental budget. Fuel is purchased on a long-term competitive contract.
- Safety equipment and personal protection equipment (PPE).
- Heating fuel for buildings.

Repair and Maintenance Supplies

- This category consists of expenses related to field operations for material purchases such as piping, valves, hydrants, pump stations repair supplies, small tools, vault upgrades, various maintenance repair supplies, tires, batteries, CCTV, sewer odor control, hydrant replacement program, etc. This proposed budget has a replacement initiative for obsolete computers.

Professional and Contractual Services

- Uniforms through a rental contract for field employees.
- Postage – a large item, mostly utility billing related.
- Building cleaning contract, and landscaping services contracts.
- Legal and audit expenses.
- Communication charges – landline telephone, cell phone, radio.
- Strategic Plan Emergency Preparedness items – federally required Vulnerability Assessment, and development of an Emergency Response Plan.
- Pump stations – grease removal by contract.
- Easement clearing.

Repairs and Maintenance

- Equipment and vehicle repairs of a wide variety for approximately 150 pieces of rolling stock and equipment.

Other Services and Charges

- Dues and memberships in professional organizations.
- Education and professional development travel.
- Major expense for electricity, particularly at pump stations.
- Advertising and Water Conservation Program.
- Permit from State Office of Drinking Water.
- Software, software maintenance, publication resources.
- General liability insurance.

Capital Outlays

- Office equipment and furniture.
- Major machinery and equipment funded through the Repair, Replacement, and Rehabilitation Fund (3R) as well as machinery and equipment not funded through the 3R Fund (equipment new to the ACSA). These items can be noted on the "Planned Equipment Purchase Summary."

Administration

The Administration Department operates with several major functions: organizational management under the Executive Director, administrative functions, human resource functions and Clerk for the Board of Directors.

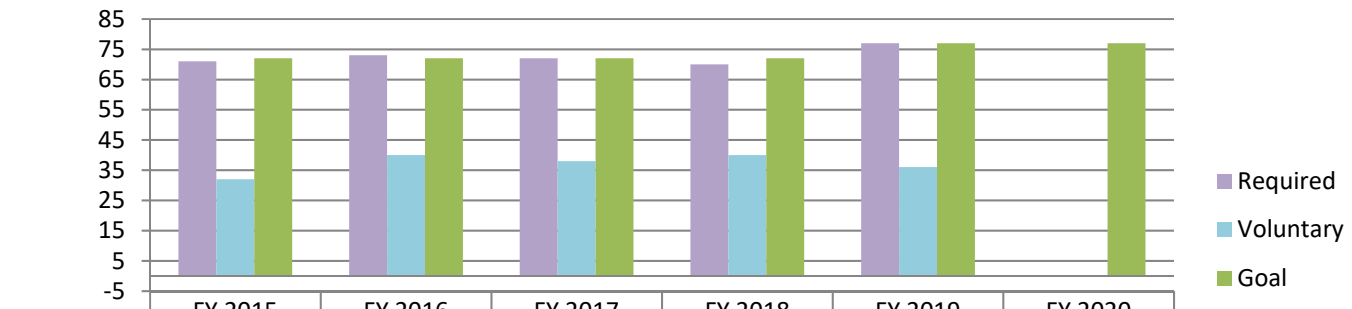
Administration/Human Resources: Provides organizational administrative support; oversees the Risk Management Program (claims, liability insurance, worker's compensation, etc.); serves as Clerk to the Board of Directors (monthly meetings, board correspondence, minutes, dissemination of board packets);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

Key initiatives and changes for FY 2020:

- Expand customer communications through a variety of media, customer education and outreach
- Continue to actively promote water conservation
- Continue to provide training and professional development opportunities for ACSA Employees as part of the Authority's succession plan
- Continue to provide safety training and initiatives for ACSA Employees
- Support the Board of Directors in policy making

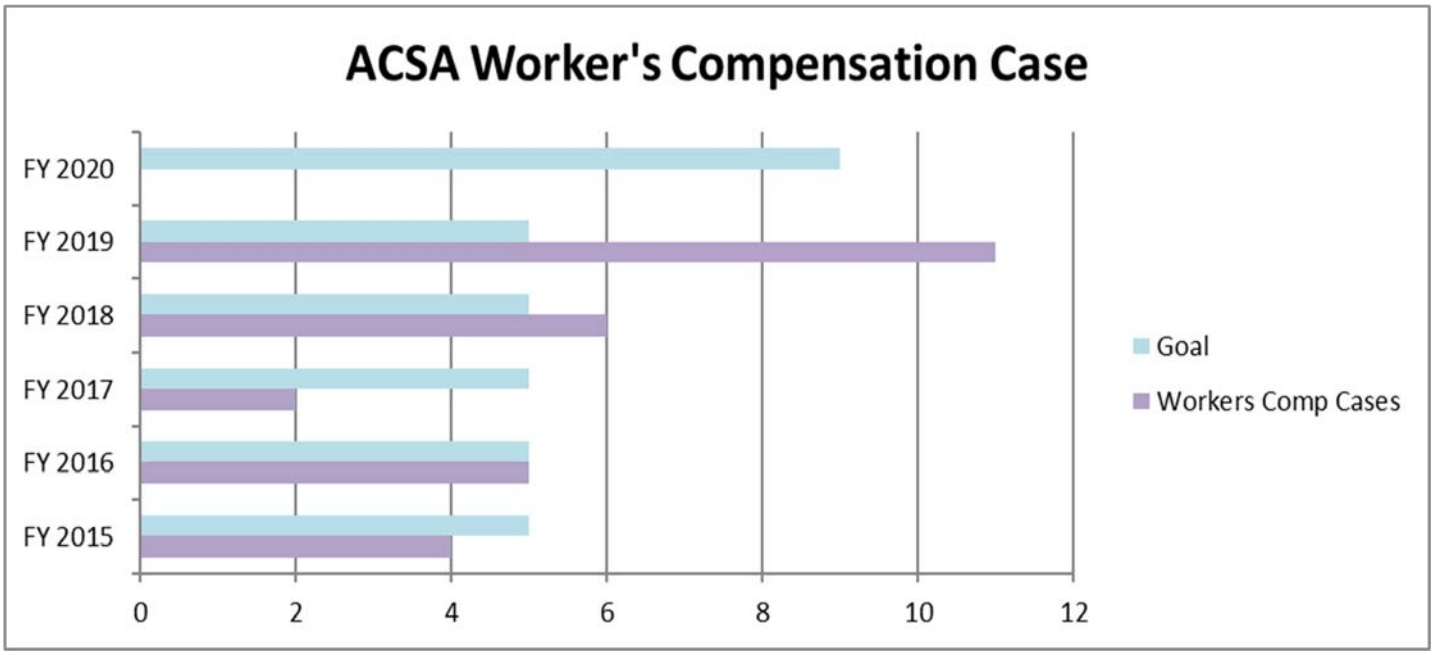
Performance Metrics:

Staff Education and Retention – The ACSA strongly believes in retaining our qualified staff members. As such, we offer many training opportunities for employees to participate in each year. The training opportunities can be required for specific job types, such as safety training for maintenance workers or voluntary training events for all employees. The ACSA's goal is for all employees to attend training sessions offered.



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Required	71	73	72	70	77	0
Voluntary	32	40	38	40	36	0
Goal	72	72	72	72	77	77

Worker's Compensation Cases – The ACSA provides safety training classes each year to reduce work place accidents. Our goal is to maintain no more than 9 worker's compensation cases each fiscal year through training management.



Administration Department

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
PERSONAL SERVICES								
Compensation of Board Members	$	10,853	6,104	9,156	16,995	17,000	17,000	100.0%
Salaries & Wages		399,275	277,539	416,309	413,430	434,000	434,000	105.0%
Overtime		291	-	-	3,000	3,000	3,000	100.0%
Social Security		28,820	18,558	27,837	30,580	32,000	32,000	104.6%
Retirement		12,672	22,648	33,972	23,610	25,000	25,000	105.9%
Health & Benefit Dollars		42,848	33,320	49,980	57,730	58,200	58,200	100.8%
Life Insurance		4,959	3,532	5,298	5,340	5,650	5,650	105.8%
Workers' Compensation		363	231	347	460	500	500	108.7%
Meals		457	200	300	600	600	600	100.0%
Safety Incentive Program		663	-	-	2,000	2,000	2,000	100.0%
Employee Incentives		22,834	17,025	25,538	35,600	35,600	35,600	100.0%
Subtotal:		**524,035**	**379,157**	**568,737**	**589,345**	**613,550**	**613,550**	**104.1%**
OPERATING SUPPLIES								
Office Supplies		3,878	2,413	3,620	5,000	5,000	5,000	100.0%
Copier Supplies		834	714	1,071	1,850	1,850	1,850	100.0%
Janitorial Supplies		3,378	1,972	2,958	4,179	4,200	4,200	100.5%
Small Tools & Equipment		567	1,359	2,039	4,300	4,300	4,300	100.0%
EMS Program		-	-	-	2,500	2,500	2,500	100.0%
Subtotal:		**8,657**	**6,458**	**9,688**	**17,829**	**17,850**	**17,850**	**100.1%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Legal		39,160	20,600	30,900	40,000	46,900	46,900	117.3%
Consultants' Fees		35,865	29,479	44,219	70,500	50,400	50,400	71.5%
Printing and Duplicating		4,388	3,267	4,901	10,750	23,650	23,650	220.0%
Other Contractual Services		4,741	4,495	6,743	9,622	9,700	9,700	100.8%
Subtotal:		**84,154**	**57,841**	**86,763**	**130,872**	**130,650**	**130,650**	**99.8%**

Description	FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
OTHER SERVICES AND CHARGES							
Insurance	39,668	34,764	52,146	49,000	49,000	49,000	100.0%
Dues and Memberships	13,303	12,869	19,304	12,310	11,850	11,850	96.3%
Books and Periodicals	644	334	501	1,450	1,450	1,450	100.0%
Education and Training	14,715	16,944	25,416	52,385	52,500	52,500	100.2%
Board Member Education and Training	784	1,026	1,539	5,000	5,000	5,000	100.0%
Travel	5,154	2,438	3,657	4,985	10,000	10,000	200.6%
Advertising	13,302	3,945	5,918	30,100	33,100	33,100	110.0%
Conservation	52,832	14,673	22,010	65,000	65,000	65,000	100.0%
Permits	56,808	43,680	65,520	60,000	60,000	60,000	100.0%
Subtotal:	**197,210**	**130,673**	**196,011**	**280,230**	**287,900**	**287,900**	**102.7%**
TOTAL ADMINISTRATION $	**814,056**	**574,129**	**861,199**	**1,018,276**	**1,049,950**	**1,049,950**	**103.1%**
PLANNED EQUIPMENT REPLACEMENT							
Planned Equipment Replacement $	-	8,304	12,456	15,000	-	-	0.0%
Total: $	**-**	**8,304**	**12,456**	**15,000**	**-**	**-**	**0.0%**

Finance

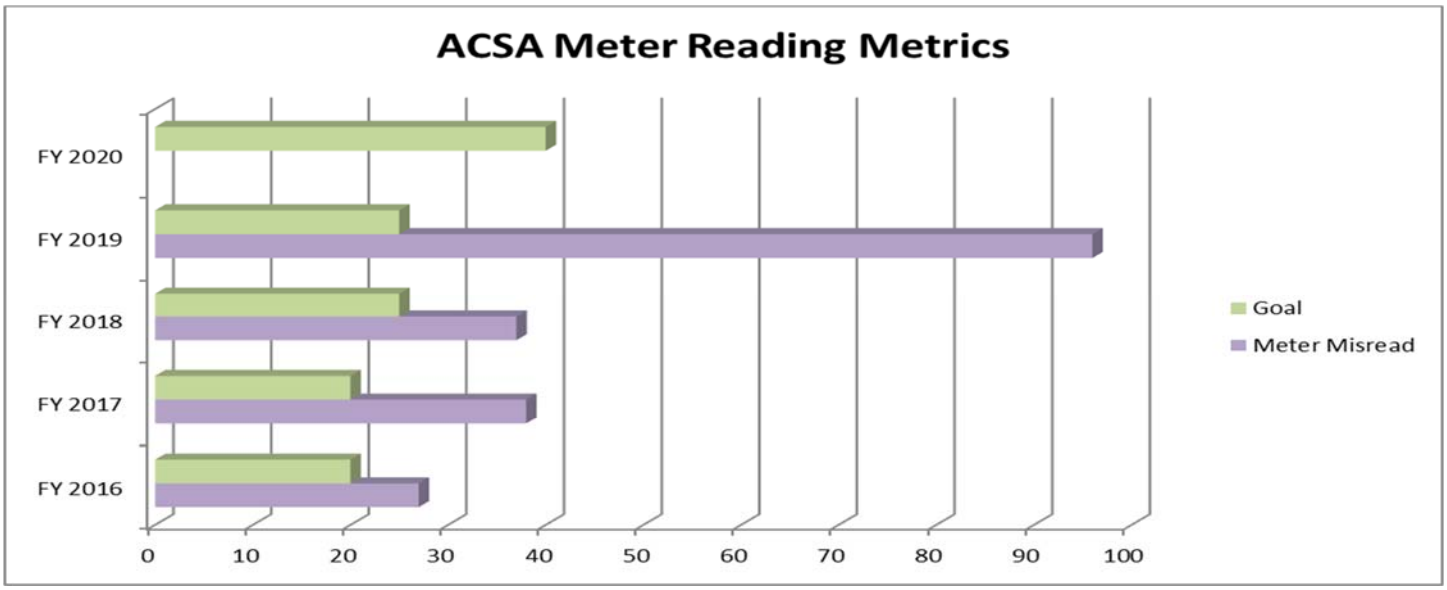
The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budget preparation and control, auditing, debt financing, investment management, and revenue and expenditure forecasting which includes rate modeling. The development of the Comprehensive Annual Financial Report (CAFR), interim financial statements, consumption reports, and preparation of the annual budget are coordinated by Finance.

Key initiatives and changes for FY 2020:

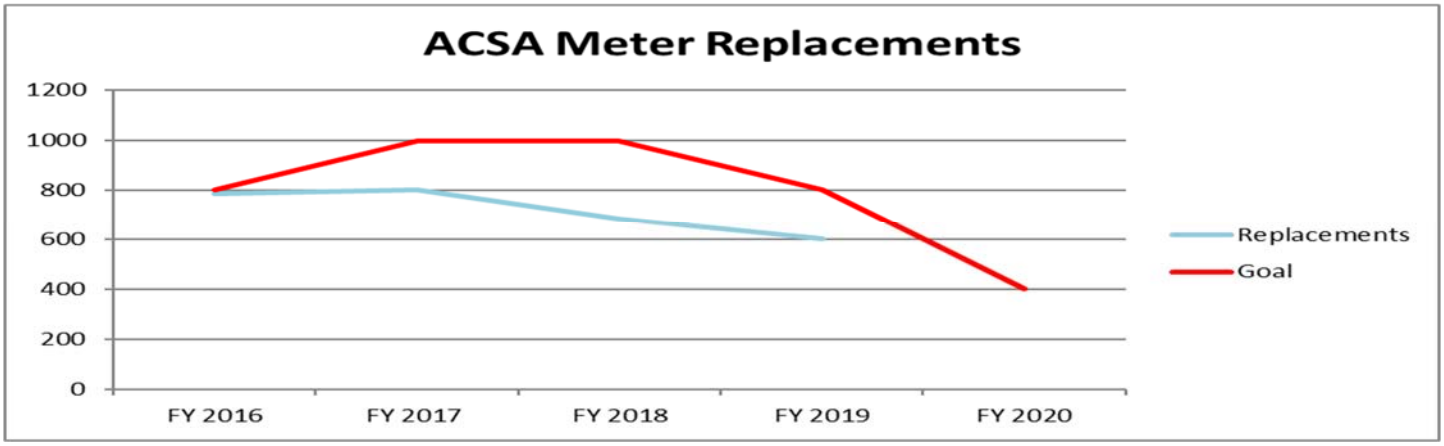
- Design and implementation of the current and future Budget and Rates
- Comprehensive Annual Financial Report preparation (CAFR)
- Focused training for staff
- Training directed toward succession planning
- Administration of the Advanced Metering Infrastructure (AMI) procurement phase and recommendation to the Board for potential future project implementation
- Continue regular testing of meters in the field
- Continuation of strategic investment management

Performance Metrics:

Meter Reading Metrics – Annually, the ACSA reads nearly 242,000 meters per year. These readings contain consumption information for our customers which is then transferred to the customer service department for analysis and billing. The ACSA monitors circumstances related to misreading and has had an annual goal of less than 25-40 misreads for the Meter Operations group for the year. The slight increase noted in FY 2019 is due in large part to training of new staff during the fiscal year. Also, it is important to note that essentially all the misreads noted were identified and resolved through regular review prior to customer billing. The illustration below illustrates statistics related to this performance metric:



Meter Replacement Program – The ACSA recognizes the importance of accurately recording consumption for both our customers and the ACSA. Throughout the year, the ACSA identifies meters that are eligible for replacement due to age or others that need to be replaced. Meter Operations staff have historically established a goal to replace 800 of these meters per year but with the expected Advanced Metering Infrastructure (AMI) project in FY 2020, the replacement goal has been reduced as many of these meters will be upgraded in conjunction with that project.



Finance Department

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
PERSONAL SERVICES								
Salaries & Wages	$	867,055	604,996	907,494	902,090	949,000	949,000	105.2%
Overtime Pay		33,052	24,164	36,246	28,000	32,000	32,000	114.3%
Social Security		65,780	46,122	69,183	71,160	76,000	76,000	106.8%
Retirement		19,282	35,387	53,081	51,740	55,000	55,000	106.3%
Health & Benefit Dollars		159,325	112,900	169,350	222,220	214,000	214,000	96.3%
Life Insurance		10,725	7,761	11,642	11,690	12,300	12,300	105.2%
Workers' Compensation		7,490	4,596	6,894	9,130	9,700	9,700	106.2%
Meals		164	-	-	-	-	-	-
Employee Incentives		516	-	-	-	-	-	-
Subtotal:		**1,163,389**	**835,926**	**1,253,890**	**1,296,030**	**1,348,000**	**1,348,000**	**104.0%**
OPERATING SUPPLIES								
Office Supplies		8,598	10,016	15,024	15,395	15,000	15,000	97.4%
Personal Protective Equipment		2,392	895	1,343	1,551	2,000	2,000	128.9%
Fuel, Oil & Grease		11,707	8,265	12,398	17,540	17,700	17,700	100.9%
Small Tools & Equipment		4,114	3,266	4,899	7,685	2,400	2,400	31.2%
Subtotal:		**26,811**	**22,442**	**33,664**	**42,171**	**37,100**	**37,100**	**88.0%**
REPAIR & MAINTENANCE								
Vehicle Supplies		2,862	2,723	4,085	4,000	4,000	4,000	100.0%
Hydrant Meter Program		1,582	2,936	4,404	2,500	3,000	3,000	120.0%
Materials - Water		165,019	123,037	184,556	239,138	223,400	223,400	93.4%
Subtotal:		**169,463**	**128,696**	**193,045**	**245,638**	**230,400**	**230,400**	**93.8%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Audit		32,000	30,500	45,750	40,000	31,400	31,400	78.5%
Fiscal Agent		1,650	1,650	2,475	1,700	1,700	1,700	100.0%
Uniform Rental		3,975	1,897	2,846	3,594	8,500	8,500	236.5%
Consultants' Fees		48,550	2,150	3,225	9,300	42,000	42,000	451.6%
Service Contracts		39,434	41,596	62,394	44,495	75,600	75,600	169.9%
Postage		72,434	93,151	139,727	128,500	128,300	128,300	99.8%
Printing and Duplicating		8,746	14,139	21,209	20,818	24,800	24,800	119.1%
Other Contractual Services		42,419	23,926	35,889	94,450	95,500	95,500	101.1%
Subtotal:		**249,208**	**209,009**	**313,515**	**342,857**	**407,800**	**407,800**	**118.9%**

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance		2,546	3,936	5,904	8,090	8,000	8,000	98.9%
Vehicle Repair and Maintenance		2,587	518	777	4,000	4,000	4,000	100.0%
Subtotal:		**5,133**	**4,454**	**6,681**	**12,090**	**12,000**	**12,000**	**99.3%**
OTHER SERVICES AND CHARGES								
Rental of Equipment		1,984	1,097	1,646	2,040	2,000	2,000	98.0%
Software		2,017	100	150	3,500	500	500	14.3%
Dues and Memberships		630	570	855	1,485	1,000	1,000	67.3%
Books and Periodicals		306	429	644	1,105	600	600	54.3%
Education and Training		4,610	2,856	4,284	5,280	8,000	8,000	151.5%
Travel		2,822	2,033	3,050	11,350	13,200	13,200	116.3%
Subtotal:		**12,369**	**7,085**	**10,629**	**24,760**	**25,300**	**25,300**	**102.2%**
TOTAL FINANCE	**$**	**1,626,373**	**1,207,612**	**1,811,424**	**1,963,546**	**2,060,600**	**2,060,600**	**104.9%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	-	-	-	-	6,000	6,000	-
Total	**$**	**-**	**-**	**-**	**-**	**6,000**	**6,000**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$	7,150	27,529	41,294	15,000	4,300	4,300	28.7%
Total	**$**	**7,150**	**27,529**	**41,294**	**15,000**	**4,300**	**4,300**	**28.7%**

Engineering

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

Key initiatives for FY 2020:

Capital Improvement Budget:

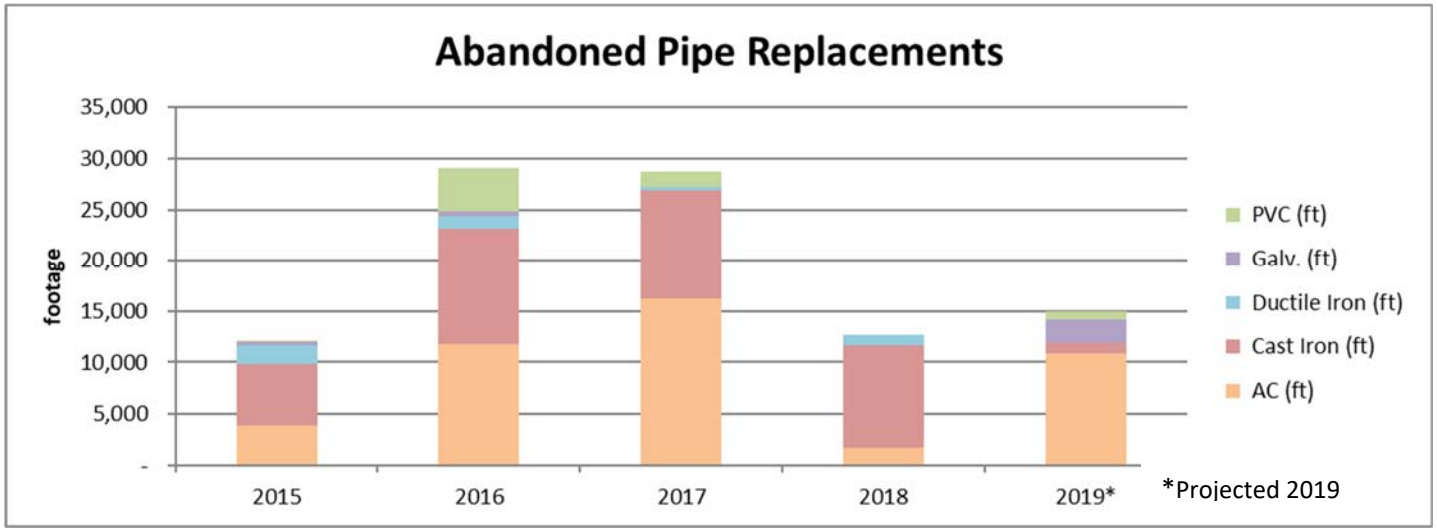
- Replacement of aging, deteriorating and under-sized water mains
- Elimination of asbestos-cement water mains
- Extending the useful life of select water storage tanks
- Begin implementation of an Advanced Metering Infrastructure System
- Rehabilitation and replacement of deteriorating sewer facilities; including abandonment of two pump stations
- Improve resiliency and reliability at several pump stations
- External improvements to the Operations Center and design of a satellite maintenance yard on Avon St. Extended
- Implementation of recommendations from Vulnerability Assessment, increasing security of critical assets
- Conduct an energy audit of all our facilities to improve conservation

Operating Budget:

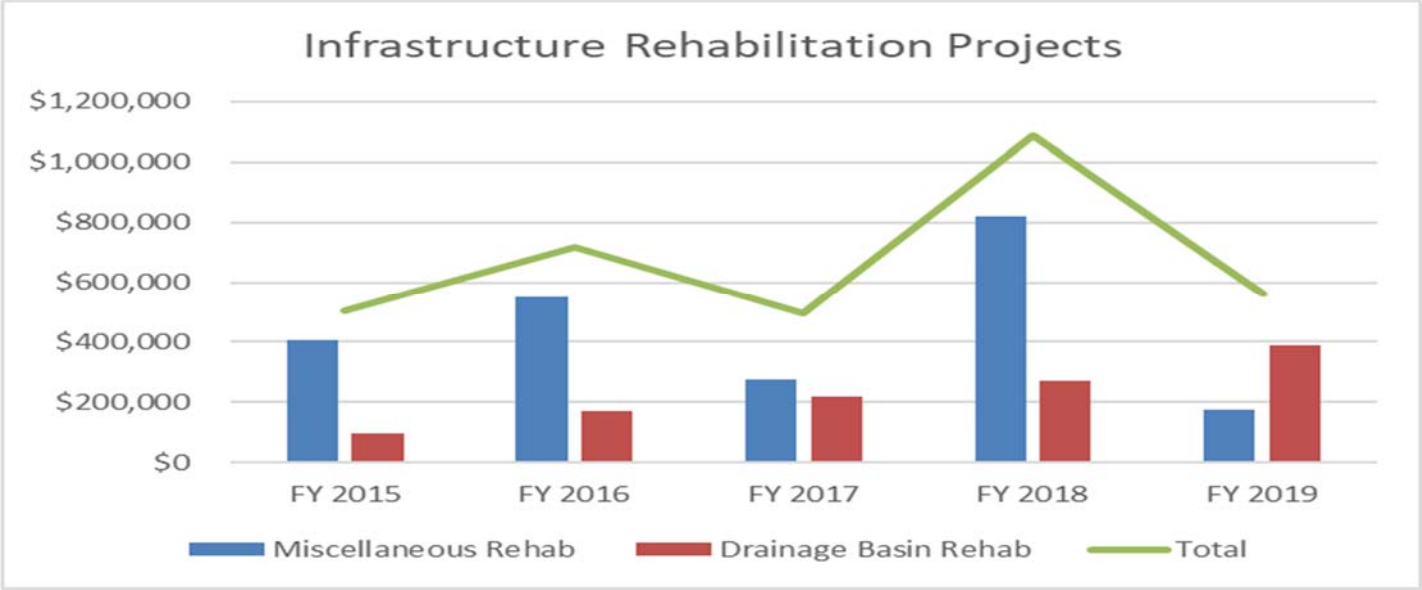
- Scheduled replacement and repair of aging equipment that supports hydraulic modeling, reduction of infiltration (groundwater) and inflow (storm water) into wastewater system, and monitoring of capacity in the wastewater system
- Training directed toward improving workforce skills and succession planning

Performance Metrics:

Pipe Replacement Program – The ACSA has a goal to replace aging, undersized, and inferior pipe within our water distribution system over a period of years to meet updated standards. The illustration below indicates the amount and type of abandoned pipe that has been replaced over recent years. Current amount of pipe requiring replacement is 280,208 linear feet.



Miscellaneous Sewer Rehabilitation – The ACSA has a goal to invest at least $400,000 on miscellaneous sewer rehabilitation projects each fiscal year. Sometimes instances arise where funds may be redirected but our intention is to focus on rehabilitation of our system infrastructure. The graph below shows how much is used each year on the two categories of rehabilitation in relation to our goal for miscellaneous projects. FY 2019 totals have been projected through June 2019.



Engineering Department

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
PERSONAL SERVICES								
Salaries & Wages	$	1,096,000	801,198	1,201,797	1,209,990	1,295,000	1,295,000	107.0%
Overtime Pay		30,540	16,306	24,459	11,000	20,000	20,000	181.8%
Standby		477	-	-	-	-	-	-
Social Security		84,428	60,855	91,283	92,250	100,200	100,200	108.6%
Retirement		25,199	48,291	72,437	69,070	73,200	73,200	106.0%
Health & Benefit Dollars		134,329	99,893	149,840	194,840	196,400	196,400	100.8%
Life Insurance		14,003	10,429	15,644	15,600	16,600	16,600	106.4%
Workers' Compensation		9,919	7,076	10,614	14,200	15,900	15,900	112.0%
Employee Incentives		-	506	-	-	-	-	-
Subtotal:		**1,394,895**	**1,044,554**	**1,566,074**	**1,606,950**	**1,717,300**	**1,717,300**	**106.9%**
OPERATING SUPPLIES								
Shop Supplies		(330)	-	-	-	-	-	-
Personal Protective Equipment		2,270	1,447	2,171	3,435	3,600	3,600	104.8%
Fuel, Oil & Grease		13,821	8,656	12,984	16,800	18,800	18,800	111.9%
Small Tools & Equipment		16,892	7,015	10,523	12,885	21,800	21,800	169.2%
Subtotal:		**32,653**	**17,118**	**25,678**	**33,120**	**44,200**	**44,200**	**133.5%**
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies		4,887	1,751	2,627	3,500	3,500	3,500	100.0%
Subtotal:		**4,887**	**1,751**	**2,627**	**3,500**	**3,500**	**3,500**	**100.0%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Uniform Rental		1,360	1,348	2,022	5,199	4,200	4,200	80.8%
Other Contractual Services		21,383	9,846	14,769	30,890	28,800	28,800	93.2%
Subtotal:		**22,743**	**11,194**	**16,791**	**36,089**	**33,000**	**33,000**	**91.4%**

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance		10,963	1,461	2,192	14,530	7,600	7,600	52.3%
Vehicle Repair and Maintenance		2,979	409	614	4,200	4,200	4,200	100.0%
Subtotal:		**13,942**	**1,870**	**2,806**	**18,730**	**11,800**	**11,800**	**63.0%**
OTHER SERVICES AND CHARGES								
Dues and Memberships		1,262	827	1,241	1,605	1,650	1,650	102.8%
Books and Periodicals		659	-	-	600	600	600	100.0%
Education and Training		10,188	8,025	12,038	16,830	14,400	14,400	85.6%
Travel		11,494	8,357	12,536	25,009	23,250	23,250	93.0%
Subtotal:		**23,603**	**17,209**	**25,815**	**44,044**	**39,900**	**39,900**	**90.6%**
TOTAL ENGINEERING	**$**	**1,492,723**	**1,093,696**	**1,639,791**	**1,742,433**	**1,849,700**	**1,849,700**	**106.2%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	(37)	8,022	12,033	-	-	-	-
Total	**$**	**(37)**	**8,022**	**12,033**	**-**	**-**	**-**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$	5,523	130,513	195,770	127,400	29,500	29,500	23.2%
Total	**$**	**5,523**	**130,513**	**195,770**	**127,400**	**29,500**	**29,500**	**23.2%**

Information Technology

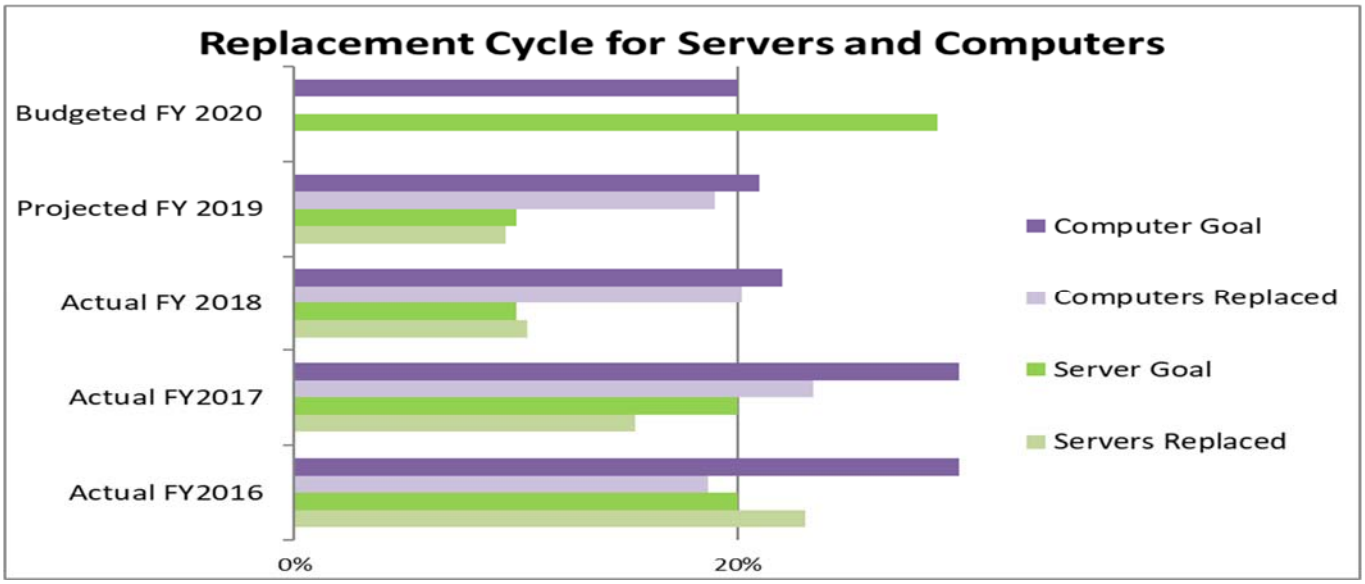
The Information Technology (IT) Department is responsible for planning, managing and protecting our information technology infrastructure and assets. Our responsibilities encompass the implementation, management and security of electronic communications for the organization. As operational needs change, existing methods and assets are reviewed, updated and improved for efficiency. Network and computing environments along with application initiatives are designed and deployed to support specific departmental processes, along with the collaboration of information resources. IT is responsible for all computer related hardware, software, and technology initiatives.

Key initiatives and changes for FY 2020:

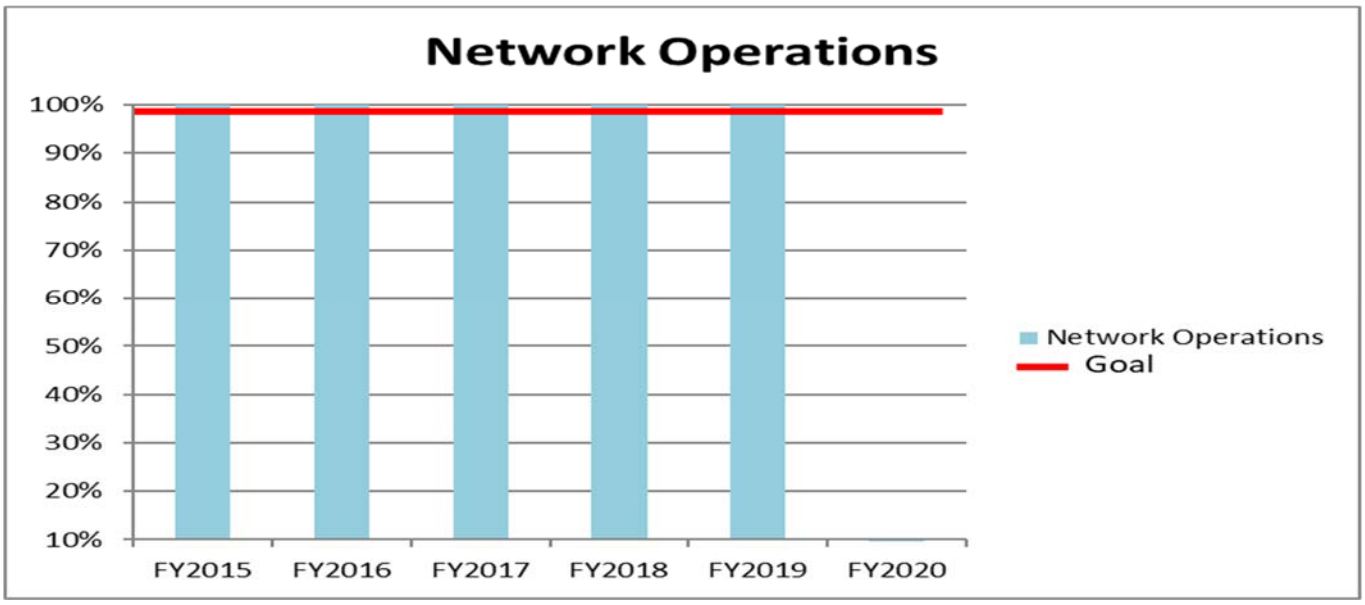
- CityWorks Implementation (work orders, customer requests, asset management, inventory)
- Continue to collect data in the field utilizing cellular network for both GIS and CMMS
    - Utilizing Verizon cell data plans for hotspots & tablets
- Replacement of servers and PCs in accordance with the Strategic Plan and the formalized replacement cycle
- Implement cybersecurity assessment recommendations
- Deploy field computer tablets
- Support the Advanced Metering Infrastructure (AMI) software implementation

Performance Metrics:

Information Technology Hardware/Software Replacement Program – In conjunction with the ACSA's strategic plan, one of the six main themes state that "Implementing modern concepts and approaches to acquire and create resources in data distribution/acquisition, communications, and documentation." The ACSA IT Department has adopted a replacement plan for technological requirements with a goal of replacing between 20%-30% of computers each year and 10%-30% of servers:



Network Operations – The IT Department has an adopted goal of network activity being operational 99% of the workday to ensure operational efficiency and access to internal customers. The chart below illustrates network operations historically and future goals:



Information Technology

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
PERSONAL SERVICES								
Salaries & Wages	$	292,765	195,222	292,833	320,700	338,000	338,000	105.4%
Overtime		578	169	254	2,400	10,000	10,000	416.7%
Social Security		22,224	14,791	22,187	24,720	26,600	26,600	107.6%
Retirement		6,671	11,712	17,568	18,330	19,400	19,400	105.8%
Health & Benefit Dollars		60,700	37,514	56,271	66,950	71,950	71,950	107.5%
Life Insurance		3,728	2,543	3,815	4,140	4,350	4,350	105.1%
Workers' Compensation		291	176	264	350	400	400	114.3%
Employee Incentives		1,134	-	-	-	-	-	-
Subtotal:		**388,091**	**262,127**	**393,192**	**437,590**	**470,700**	**470,700**	**107.6%**
OPERATING SUPPLIES								
Office Supplies		8,036	3,898	5,847	11,000	10,000	10,000	90.9%
Copier Supplies		157	-	-	340	350	350	102.9%
Shop Supplies		1,700	-	-	-	-	-	-
Fuel, Oil & Grease		454	116	174	2,208	1,150	1,150	52.1%
Small Tools & Equipment		28,519	12,091	18,137	49,100	36,900	36,900	75.2%
Subtotal:		**38,866**	**16,105**	**24,158**	**62,648**	**48,400**	**48,400**	**77.3%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Service Contracts		118,131	107,306	160,959	146,720	202,500	202,500	138.0%
Telephone/Communications		62,014	50,549	75,824	86,100	94,700	94,700	110.0%
Subtotal:		**180,145**	**157,855**	**236,783**	**232,820**	**297,200**	**297,200**	**127.7%**
REPAIRS AND MAINTENANCE								
Vehicle Repair and Maintenance		16	-	-	1,750	1,650	1,650	94.3%
Subtotal:		**16**	**-**	**-**	**1,750**	**1,650**	**1,650**	**94.3%**

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	FY 2020 Total Proposed	FY 2020 as % of FY 2019
OTHER SERVICES AND CHARGES								
Software		34,439	18,054	27,081	54,125	42,000	42,000	77.6%
Books and Periodicals		326	57	86	1,000	250	250	25.0%
Education and Training		6,284	(987)	(1,481)	16,110	15,450	15,450	95.9%
Travel		2,834	4,517	6,776	20,800	13,800	13,800	66.3%
Subtotal:		**43,883**	**21,641**	**32,462**	**92,035**	**71,500**	**71,500**	**77.7%**
TOTAL INFORMATION TECHNOLOGY	**$**	**651,001**	**457,728**	**686,595**	**826,843**	**889,450**	**889,450**	**107.6%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	-	40,000	60,000	10,000	-	-	-
Total	**$**	**-**	**40,000**	**60,000**	**10,000**	**-**	**-**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$	38,894	23,009	34,514	93,400	70,300	70,300	75.3%
Total	**$**	**38,894**	**23,009**	**34,514**	**93,400**	**70,300**	**70,300**	**75.3%**

Maintenance

The Maintenance Department operates its program with two primary goals. The first is upgrading and maintaining our water system so that we can provide safe and clean drinking water with minimal service disruptions at a reasonable cost. The second goal is to systematically evaluate and monitor our sewer system with our two camera vans and to perform routine flushing, rodding and repairs to prevent potential sanitary sewer overflows. The Maintenance Department oversees a total of 20 pump stations (12 sewer and 8 water) that are critical for the operation of our system that we continuously perform preventative maintenance activities for optimum reliability. Maintenance is the ACSA's largest department, which shows the level of priority that is placed on keeping the ACSA water and sewer system in optimum condition. Our system continues to grow every year, and the level of maintenance responsibility continues to increase.

Key initiatives for FY 2020:

- Increased emphasis on training, specifically training related to emergency response, safety, and overall system knowledge for maintenance staff as well as operation of the CCTV equipment. The ACSA system continues to grow and with this training, ACSA staff will better understand critical areas and response protocols that are needed to minimize impacts during emergencies

- Replace five (5) service trucks

- Implementation of CityWorks work order and inventory system

- Water pipe saddle replacement program

- Exclusion meter replacement program

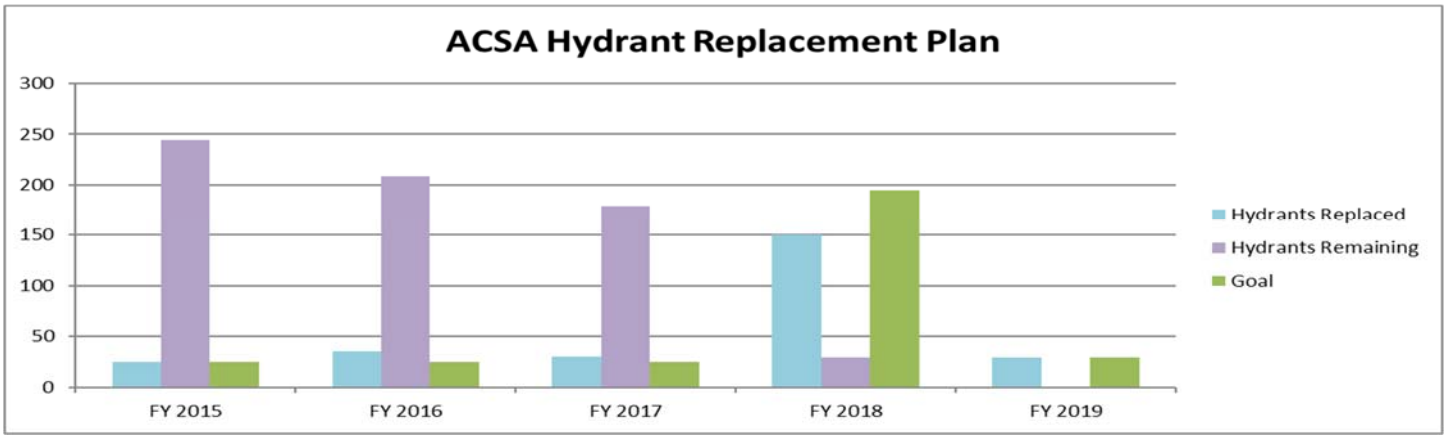
- Vulnerability (Risk) assessment project implementation

- We are proposing a new position for an Executive Assistant to assist management within the Maintenance Department. If approved, this position will assist the Maintenance Manager in day-to-day administrative tasks as well as work cooperatively with other departmental staff members. Administrative responsibilities have progressively increased as the Authority has grown, and we expect this addition in staffing to allow management to more strategically allocate time away from daily administrative tasks to allow greater management oversight. The proposed areas of responsibility for this position will include management of invoices, procurement, timekeeping, inventory, work orders, business data analysis and general administrative support.

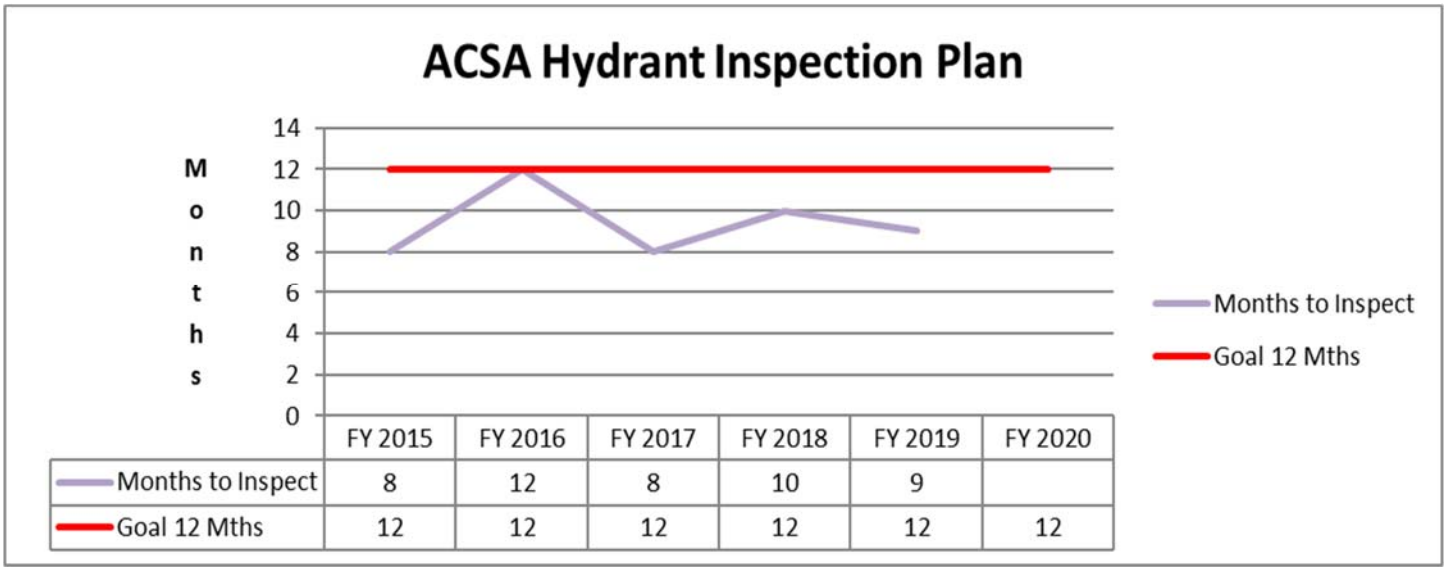
Performance Metrics

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

ACSA Hydrant Replacement Plan – The ACSA maintains 2,650 fire hydrants and is responsible for their proper function and access. Of these 2,600 fire hydrants, 300 of these were identified as needing replacement for operational requirements. The ACSA's goal has been to replace 10 hydrants per year for this project and 15 hydrants in the normal course of business activities through capital improvements (total goal of 25 per year). The chart below illustrates progress related to this new program and the completion of the replacement project in FY 2019:



ACSA Hydrant Inspection Plan -- The ACSA has developed a process to better allow compliance with an AWWA standard that notes "all hydrants should be inspected regularly, at least once a year to ensure their satisfactory operation." Efficiencies in the ACSA program have allowed the ACSA to meet this goal for the five years directly preceding as noted below:



	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Months to Inspect	8	12	8	10	9	
Goal 12 Mths	12	12	12	12	12	12

Maintenance Department

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	Supple-mental Request #1	FY 2020 Total Proposed	FY 2020 as % of FY 2019
PERSONAL SERVICES									
Salaries & Wages	$	1,339,468	993,386	1,490,079	1,628,180	1,697,000	50,000	1,747,000	107.3%
Overtime Pay		39,396	34,758	52,137	60,000	60,000	-	60,000	100.0%
Standby Pay		32,436	26,323	39,485	5,000	5,000	-	5,000	100.0%
Social Security		104,557	78,460	117,690	129,530	135,150	3,850	139,000	107.3%
Retirement		29,608	60,062	90,093	93,980	98,100	2,900	101,000	107.5%
Health & Benefit Dollars		227,364	179,524	269,286	379,240	358,500	14,500	373,000	98.4%
Life Insurance		17,279	13,018	19,527	21,230	22,250	650	22,900	107.9%
Workers' Compensation		36,304	26,145	39,218	53,800	56,150	50	56,200	104.5%
Meals - Overtime		203	628	942	1,200	1,200	-	1,200	100.0%
Employee Incentives		195	-	-	-	-	-	-	-
Subtotal:		**1,826,810**	**1,412,304**	**2,118,457**	**2,372,160**	**2,433,350**	**71,950**	**2,505,300**	**105.6%**
OPERATING SUPPLIES									
Janitorial Support		35	-	-	-	-	-		-
Shop Supplies		5,211	5,069	7,604	27,522	27,200	-	27,200	98.8%
Personal Protective Equipment		15,765	31,963	47,945	65,934	18,300	-	18,300	27.8%
Fuel, Oil & Grease		40,004	24,259	36,389	60,994	63,000	-	63,000	103.3%
Heating Fuel		4,175	2,712	4,068	9,924	9,000	-	9,000	90.7%
Small Tools & Equipment		74,456	26,544	39,816	90,655	61,100	-	61,100	67.4%
Subtotal:		**139,646**	**90,547**	**135,822**	**255,029**	**178,600**	**-**	**178,600**	**70.0%**
REPAIR & MAINTENANCE SUPPLIES									
Vehicle Supplies		13,140	7,084	10,626	34,575	36,300	-	36,300	105.0%
Materials - Water		80,369	47,380	71,070	91,000	87,000	-	87,000	95.6%
Materials - Hydrants		18,596	10,744	16,116	40,000	30,000	-	30,000	75.0%
Materials - Sewer		3,860	4,265	6,398	12,000	12,000	-	12,000	100.0%
Building & Grounds Supplies		25,997	27,424	41,136	34,700	31,400	-	31,400	90.5%
Equipment Supplies		19,903	7,799	11,699	58,025	33,000	-	33,000	56.9%
Water Pump Station Supplies		54,103	85,319	127,979	43,150	41,400	-	41,400	95.9%
Sewer Pump Station Supplies		65,961	55,585	83,378	95,700	95,500	-	95,500	99.8%
Subtotal:		**281,929**	**245,600**	**368,402**	**409,150**	**366,600**	**-**	**366,600**	**89.6%**
PROFESSIONAL & CONTRACTUAL SERVICES									
Labor - Outside Contract		126,333	24,022	36,033	123,003	129,000	-	129,000	104.9%
Uniform Rental		15,007	7,399	11,099	23,970	36,600	-	36,600	152.7%
Building & Grounds Services		59,352	67,297	100,946	144,614	139,500	-	139,500	96.5%
Other Contractual Services		960	-	-	13,891	11,000	-	11,000	79.2%
Subtotal:		**201,652**	**98,718**	**148,078**	**305,478**	**316,100**	**-**	**316,100**	**103.5%**

Description		FY 2018 Expended	FY 2019 Actual Expenses To-Date(Feb)	FY 2019 Anticipated Expenses To-EOFY 2019	FY 2019 Budget	FY 2020 Base Budget	Supple-mental Request #1	FY 2020 Total Proposed	FY 2020 as % of FY 2019
REPAIRS AND MAINTENANCE									
Equipment Repair and Maintenance		18,966	10,535	15,803	75,233	72,000	-	72,000	95.7%
Building & Grounds Repair and Maintenance		3,724	494	741	13,200	13,200	-	13,200	100.0%
Vehicle Repair and Maintenance		28,039	(12,626)	(18,939)	37,303	32,300	-	32,300	86.6%
Emergency Tracking Account		2,186	112,782	112,782	-	-	-		-
Subtotal:		**52,915**	**111,185**	**110,387**	**125,736**	**117,500**	**-**	**117,500**	**93.4%**
OTHER SERVICES AND CHARGES									
Rental of Equipment		1,325	21	32	10,000	10,000	-	10,000	100.0%
Dues & Memberships		411	-	-	-	-	-	-	-
Education and Training		14,995	8,847	13,271	35,260	17,800	-	17,800	50.5%
Travel		7,804	7,290	10,935	16,600	12,400	-	12,400	74.7%
Electricity - Water Pump Station		28,932	17,382	26,073	32,858	32,700	-	32,700	99.5%
Electricity - Sewer Pump Station		28,767	18,284	27,426	38,701	35,200	-	35,200	91.0%
Electricity - Shop & Office		40,736	26,073	39,110	45,240	46,200	-	46,200	102.1%
Permits		(168)	284	426	7,130	7,200	-	7,200	101.0%
Subtotal:		**122,802**	**78,181**	**117,273**	**185,789**	**161,500**	**-**	**161,500**	**86.9%**
TOTAL MAINTENANCE	**$**	**2,625,754**	**2,036,535**	**2,998,419**	**3,653,342**	**3,573,650**	**71,950**	**3,645,600**	**99.8%**
NEW EQUIPMENT ACQUISITION									
New Equipment Acquisition	$	96,184	2,950	4,425	31,000	-	-	-	-
Total	**$**	**96,184**	**2,950**	**4,425**	**31,000**	**-**	**-**	**-**	**0.0%**
PLANNED EQUIPMENT REPLACEMENT									
Planned Equipment Replacement	$	46,858	147,570	221,355	398,600	300,500	-	300,500	75.4%
Total	**$**	**46,858**	**147,570**	**221,355**	**398,600**	**300,500**	**-**	**300,500**	**75.4%**

The Authority does not anticipate the issuance of new debt as it will be using cash or reserves to fund capital projects in the future. The Authority is required to adhere to the rebate and reporting requirements of the federal tax code pertaining to arbitrage. The Authority is in compliance with federal arbitrage regulations. Below is a summary of the ACSA debt service requirements along with the effect to future budget years.

Debt Type	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts Due Within One Year
Revenue Bond	$ 7,903,000	$ -	$ (463,000)	$ 7,440,000	$ 477,000

A single revenue bond for $10,357,000 was issued as a Build American Bond (BAB) on November 1, 2010. Proceeds from the sale were used to (1) provide new money funding for the North Fork Regional Pump Station project and to (2) pay the cost of issuance. All water and sewer revenues are pledged equally and ratably to secure payment of the principal and interest on the revenue bond. This Bond bears interest at the rate of 4.6%, payable semiannually. The true interest cost, after application of the BAB subsidy, is 2.98%.

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

Fiscal Year Ending June 30,	Principal	Interest	Anticipated BAB Subsidy	Net Interest
2019	$ 477,000	$ 342,240	$ (119,784)	$ 222,456
2020	491,000	320,298	(112,104)	208,194
2021	506,000	297,712	(104,199)	193,513
2022	521,000	274,436	(96,053)	178,383
2023	536,000	250,470	(87,665)	162,805
2024-2028	2,931,000	867,330	(303,566)	563,764
2029-2031	1,978,000	183,770	(64,320)	119,450
	$ 7,440,000	**$ 2,536,256**	**$ (887,691)**	**$ 1,648,565**

Capital Equipment Purchases

The Authority purchases capital equipment on an ongoing basis as new or unique needs arise or during planned replacement periods. For budgeting purposes, differentiation between equipment that is being replaced and equipment that is being purchased for the first time has been made to determine the funding source. Those items being replaced are being purchased from the 3R reserve while equipment being purchased for the first time is funded by operating reserves. Please see summaries of equipment purchased below:

Equipment – Newly acquired - $6,000

Finance – Finance has identified the need for an enhanced scanning solution for customer payment remittances. The scanner will be integrated with the Authority's billing system and banking software to automate the payment posting/deposit process. (Budget Impact: $6,000).

Equipment- Replacement - $404,600

Engineering – Scheduled replacement of the pipe locators and three (3) wireless loggers (Budget Impact: $10,000; and $19,500, respectively).

Finance –This budget proposes funds for office furniture and scanner replacement. (Budget impact: $3,300; and $1,000).

Information Technology – Replacement of two (2) servers, seventeen (17) computers, four (4) SCADA server replacements, two (2) rugged field PCs, and three (3) SCADA PLC replacements are planned during FY 2020 in accordance with the ACSA's regularly scheduled change-out policy. (Budget impact: $10,400; $34,000; $14,000; $5,000; and $6,900, respectively).

Maintenance – Scheduled replacement of two (2) crew leader trucks with utility beds, three (3) service trucks, a Rammex Roller, and a skidsteer with bucket and bushhog. (Budget impact: $98,000; $95,000; $29,500; and $78,000, respectively)

Capital Equipment Purchases

Description		FY 2020 Proposed Budget
NEW EQUIPMENT ACQUISITION		
Finance	$	6,000
Total:	**$**	**6,000**
PLANNED EQUIPMENT REPLACEMENT		
Engineering	$	29,500
Finance		4,300
Information Technology		70,300
Maintenance		300,500
Total:	**$**	**404,600**

The following is a summary of the estimated project costs to be undertaken in FY 2020:

Water Projects:	$ 7,296,925
Wastewater Projects:	$ 3,100,375
Total:	**$ 10,397,300**

In this budget approximately 66% of the funds to be expended for water projects will be used to replace aging and undersized pipelines. Approximately 20% of the funds to be expended for sewer projects will address rehabilitation of the existing collection system to reduce infiltration and inflow (I/I). Of the total $10,397,300 budgeted, existing projects account for $8,440,050, while new projects are estimated at $1,957,250.

The new projects include, the replacement of existing water mains, extending the useful life of our water tanks, providing for the future expansion of our maintenance yard, selection of a new financial system, conducting an energy audit of all our facilities, eliminating exclusion meters from our water system, and the replacement of deteriorating pipe saddles. The Maintenance Department will continue to construct some of the CIP Projects. A summary of the proposed CIP projects with their anticipated required funding in FY 2020 follows:

Vulnerability Assessment Improvements: As part of the on-going preparedness program for the ACSA to remain resilient a Vulnerability Assessment was completed in conjunction with our community partners. All our critical assets were analyzed for risks caused by both natural and human-made hazards, using the AWWA Standard J100: Risk and Resilience Management of Water and Wastewater Systems. The result was a report to establish mitigation measures to lower risks and increase resiliency. Some mitigation measures such as industrial strength locks, perimeter security lighting, and access control signage have been completed. Design of the first priority measures will begin in the current fiscal year with funds already budgeted and will carry over into FY 2020. Construction of first priority measures is anticipated in FY 2020. The amount budgeted is for the design and implementation of the second priority improvements in FY 2020 with further actions to be budgeted in FY 2021. **FY 2020 Budget - $87,500 (FY 2019 Budget - $437,450)**

Enterprise Resource Planning (ERP) Transition (New): In 2018 ACSA staff discovered that Microsoft's mainstream support of Dynamics AX, the financial software platform installed by the ACSA in 2016, would expire October 2021. This project will consist of consulting services provided by the Government Finance Officers Association (GFOA) to assist with a review of business processes and technology, an implementation roadmap, and RFP development/review of proposals/contract negotiations. The amount budgeted is for these consulting services in FY 2020. **FY 2020 Budget - $108,150**

Energy Audit (New): This project will consist of a comprehensive energy audit of the Operations Center and all pump stations. It will evaluate current energy consumption and the factors that drive it, as well as, an analysis of utility rate structures to identify potential cost savings. Surveys will be conducted of all systems, including operation and maintenance procedures to determine where energy conservation can be improved. The amount budgeted is for the analysis of our energy footprint and recommendations for improvements**. FY 2020 Budget - $300,000**

ACSA Facilities – Operations Center Expansion Phase 1: The study to evaluate all ACSA properties and develop a master plan for the long-term needs of the organization is nearly complete. In the early phase of the study certain improvements to our existing Operations Center were identified as necessary to begin immediately, which were designated as Phase 1. The conversion of 171 Spotnap Road to office space and the construction of internal renovations to the Administration Building have been completed. The construction of the access stairway to 171 Spotnap Road is underway. The amount budgeted is for the additional funds required to finish construction of the parking area expansion in FY 2020. **FY 2020 Budget - $336,000 (FY 2018 and FY 2019 Budget - $645,000)**

Avon Street Maintenance Yard (New): As part of the Operations Center Expansion Study our consultant reviewed all properties owned by the ACSA that could be utilized as we grow. The Avon Street property has long been held as a future location to build additional facilities in a central location, as needed. The current Maintenance Yard at our Operations Center is becoming overcrowded with equipment and materials, causing us to locate some equipment and larger materials in the former ACSA Maintenance Yard at the Crozet Water Treatment Plant, which we lease from RWSA. This project will begin to develop the Avon Street property into a much larger vehicle and materials storage facility, including a training area for our equipment operators. The amount budgeted is to cover the design and permitting of this site in FY 2020. Additional funding will be required for construction, which is anticipated in FY 2022 and FY 2023. **FY 2020 Budget - $315,000**

Advanced Metering Infrastructure (AMI) Implementation: This project addresses a goal in our upcoming Strategic Plan to convert our existing metering system to an AMI System. It will include the development of a Request for Proposals (RFP), evaluation of potential vendors, the negotiation of a final contract, and the initiation of a proof of concept phase. The proof of concept will include alpha testing (verification of communication protocols with all meter sizes) and beta testing (deployment of a small portion of the AMI System in our service area). The amount budgeted is the estimated cost to complete this work in FY 2020. Costs are allocated equally (50%) to the water and wastewater systems. There will be additional funds ($6.1 million) required in FY 2021 for full deployment of the system. **FY 2020 Budget - $2,500,000**

Camelot Water Main Replacement: This project will replace the asbestos-cement and PVC water mains that have been in service approximately 50 years, some of which are also undersized. Recent repairs in this area have revealed the asbestos-cement water main is deteriorating and becoming unreliable. This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The design is nearing completion in FY 2019 with funds previously appropriated. The amount budgeted is for additional funds to construct the project in FY 2020. **FY 2020 Budget - $943,500 (FY 2017 and FY 2019 Budget - $825,400)**

Scottsville Phase 3 Water Main Replacement: An evaluation of a portion of the water main along East Main Street to investigate reduced fire flow revealed significant tuberculation in the water main. The design of the replacement of this aging and undersized cast iron pipe has been completed using funds already appropriated. The amount budgeted is for additional estimated funds combined with funds previously budgeted to complete construction of the project in FY 2020. **FY 2020 Budget - $184,500 (FY 2017 and FY 2019 Budget - $475,400)**

Scottsville Phase 4 Water Main Replacement: This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast-iron water mains throughout our water systems. The design will begin in FY 2019 and carry over into FY 2020 with funds previously budgeted. Construction is not anticipated to occur until FY 2022 and FY 2023. **FY 2020 Budget - $0 (FY 2018 Budget - $301,900)**

Crozet Phase 4 Water Main Replacement: Our Strategic Plan calls for the eventual replacement of all asbestos-cement and PVC (pre-1990) water mains in our system, as they are older and made of a weaker material than the current industry norm. This project continues our systematic program to replace the aging and undersized asbestos-cement and PVC water mains in the Crozet Water System. This is the fourth of five phases that have been defined to carry out these improvements. The design will begin in FY 2019 and carry over into FY 2020. The amount budgeted is additional funding to complete the design in FY 2020. Construction is anticipated to occur in FY 2021 and 2022 with additional funding**. FY 2020 Budget - $150,300 (FY 2019 Budget - $385,000)**

Ragged Mountain Phase 1 Water Main Replacement (New): This project will replace the oldest active water main remaining in our system, which was part of the water main that served customers out Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which greatly reduces the flow capacity in this section. The amount budgeted is for the design to be completed in FY 2020. Additional funds will be budgeted to construct the project in FY 2022. **FY 2020 Budget - $117,400**

Jefferson Village Water Main Replacement: This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are approximately 50 years old and have reached the end of their useful life. As a former well system that was connected to public water, many of the mains are also undersized. The design phase is nearing completion with funds previously appropriated. The amount budgeted is for construction to begin in FY 2020 and carry over into FY 2021 with additional funding budgeted in that year. **FY 2020 Budget - $353,250 (FY 2018 Budget - $188,800)**

Northfields Water Main Replacement (New): This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are approximately 54 years old and have reached the end of their useful life. As a former well system that was connected to public water, most of the mains are also undersized. The amount budgeted is for the design to be completed in FY 2020. It is anticipated that construction will be separated into phases with the first phase in FY 2022 and FY 2023, and the second phase in FY 2026 and FY 2027, with additional funding budgeted in those years. **FY 2020 Budget - $530,000**

Meriwether Hill Water Main Replacement: This project follows our Strategic Plan goal of replacing all asbestos-cement and galvanized steel water mains in our system. The existing water mains have been in service approximately 42 years and are reaching the end of their useful life. As a former well system that was connected to public water, many of the mains are also undersized. The design phase has been completed and construction bids have been received. The amount budgeted is for construction to be completed in FY 2020. **FY 2020 Budget - $2,564,200 (FY 2018 Budget - $280,000)**

Hessian Hills Water Main Replacement: The water mains in the Hessian Hills area are of a similar age and material as the water mains in the Barterbrook Phase 2 Project, plus they are in the same general area. By extension we are assuming their condition is similar with respect to tuberculation and they are also undersized throughout most of the subdivision. This project follows our Strategic Plan goal to replace aging and undersized water mains throughout our system. It will also eliminate a small amount of PVC main installed in the early 1980's. The design phase is currently underway and will be completed in FY 2020. Construction is anticipated to begin in FY 2021 and carry over into FY 2022 with additional funding. **FY 2020 Budget - $0 (FY 2019 Budget - $372,000)**

Ednam Water Storage Tank Recoating (New): As part of our new program of regular water storage tank cleaning and inspections it was determined that the Ednam Tank was exhibiting generalized degradation of the paint coating on the interior and exterior surfaces. This tank was constructed in 1977 and was last painted in 1997. To be proactive in extending the useful life of our water tanks our consultant recommended the Ednam Tank be recoated. The amount budgeted is for the repainting of the tank in FY 2020. **FY 2020 Budget - $217,200**

Northfields Water Storage Tank Recoating (New): As part of our new program of regular water storage tank cleaning and inspections it was determined that the Northfields Tank was exhibiting degradation of the paint coating on the interior surface. The original tank was replaced in the year 2000 when the pump station building was renovated. To be proactive in extending the useful life of our water tanks our consultant recommended the internal surface of the Northfields Tank be recoated. The amount budgeted is for the repainting of the tank in FY 2020. **FY 2020 Budget - $39,500**

Hollymead Drainage Basin Rehabilitation: ACSA staff has identified other large drainage basins to be evaluated for infiltration and inflow (I/I) to continue our efforts to maintain the integrity of our wastewater collection system. The study area includes the oldest portions of the Hollymead Subdivision, as well as, the offsite portion of the sewer main that serves the westernmost area of Forest Lakes South. The Forest Lakes Offsite Sewer will be the primary collector for the upcoming extensive Brookhill development and the evaluation of this trunk main will provide an excellent baseline of pipe integrity in advance of the future construction activities around this sewer. The SSES is underway and will be completed in FY 2020. The amount budgeted is to complete the rehabilitation work recommended by the SSES. **FY 2020 Budget - $235,000 (FY 2019 Budget - $219,700)**

Miscellaneous Sewer Rehabilitation: This project continues our "find and fix" program of sanitary sewer rehabilitation to reduce I&I in our system during the fiscal year. This work will utilize a publicly bid miscellaneous sewer rehabilitation contract that is renewable on an annual basis up to four times after the initial year long contract. The contract includes cooperative contracting language that could allow the City of Charlottesville to enter into a separate contract with the awarded contractor, if necessary. It will be used to make repairs and rehabilitate problems in our system found with systematic CCTV inspection by ACSA crews and the subcontractor. **FY 2020 Budget - $400,000**

Oak Forest Sewer Pump Station Abandonment: This wastewater pump station was constructed 38 years ago by private development and the original equipment is wearing down. The building and wet well are also undersized and deteriorating. With the development of the Stonefield Area between Route 29 and Commonwealth Drive ACSA staff has identified a sewer main extension project that could eliminate this aging pump station and avoid an expensive upgrade. The design phase is nearing completion with funds previously appropriated and is anticipated to be completed in the current fiscal year. The amount budgeted is additional funding for construction in FY 2020. **FY 2020 Budget - $220,000 (FY 2016 and FY 2019 Budget - $655,000)**

Madison Park Pump Station Upgrade: This wastewater pump station was constructed 33 years ago by private development and the original equipment is wearing down. In addition, the building is undersized, creating difficulty in performing routine maintenance, and making it impossible to install the control panels necessary to include this pump station in our new SCADA System. The study to evaluate the best option for upgrading this pump station has been completed and the selected option will be to replace the existing pump station. The design of the pump station is underway with funds previously budgeted and will carry over into FY 2020. The amount budgeted is additional funding for construction of the project in FY 2020. **FY 2020 Budget - $165,800 (FY 2017 and FY 2018 Budget - $398,700)**

Sewer Pump Stations Comminuters: Three sewer pump stations: Glenmore, Georgetown Green, and Crozet have all been experiencing higher than normal amounts of solid debris that have been causing undue wear and tear on our pumps, reducing their effective life. They have also been subjected to clogging from the fibrous cloth wipes that are marketed as flushable but do not break down in the sanitary sewer collection system. Maintenance identified the need to install comminuters (aka grinders) in the wet wells or just upstream of them, to eliminate these solids that are adversely impacting our pumps. The design will begin in the current fiscal year with funds previously budgeted and carry over into FY 2020. The amount budgeted is additional funding for construction of the project in FY 2020. **FY 2020 Budget - $200,000 (FY 2019 Budget - $240,000**

Exclusion Meters Replacement (New): In the mid 1990's with the development of Glenmore, many new customers installed irrigation systems for their properties and wanted to have their sewer bills reduced by the amount of water that was diverted to irrigate their properties. Private meters were installed behind their ACSA meter to record this volume and it was "excluded" from the calculation of their sewer charges and these became known as exclusion meters. On January 1, 2006 the ACSA Rules and Regulations were modified to no longer allow exclusion meters and required that all future irrigation meters would be tapped separately off our water mains, to be owned and controlled by the ACSA. At that time the existing exclusion meters were grandfathered and allowed to stay in place unless the irrigation system was voluntarily abandoned. This project is a multi-year replacement program by our in-house CIP Crew to install dedicated, ACSA owned irrigation meters that will eliminate all remaining exclusion meters in our system. The amount budgeted is the anticipated annual construction cost. **FY 2020 Budget - $280,000**

Pipe Saddles Replacement (New): The ACSA Maintenance Department has discovered in recent years that pipe saddles used to make water service line connections to PVC water mains have been failing. Either the zinc-coated straps or the cast iron saddle bodies are deteriorating. This project is a multi-year replacement program to be undertaken with our in-house CIP Crew. The amount budgeted is the anticipated annual construction cost. **FY 2020 Budget - $50,000**

Developer Participation: Each year funds are set aside to participate in oversizing utilities constructed to serve new development. The Rate Model includes $100,000 divided equally between water and wastewater projects as a contingency to insure the new pipes are sized to meet the ACSA's long-range needs. **FY 2020 Budget - $100,000**

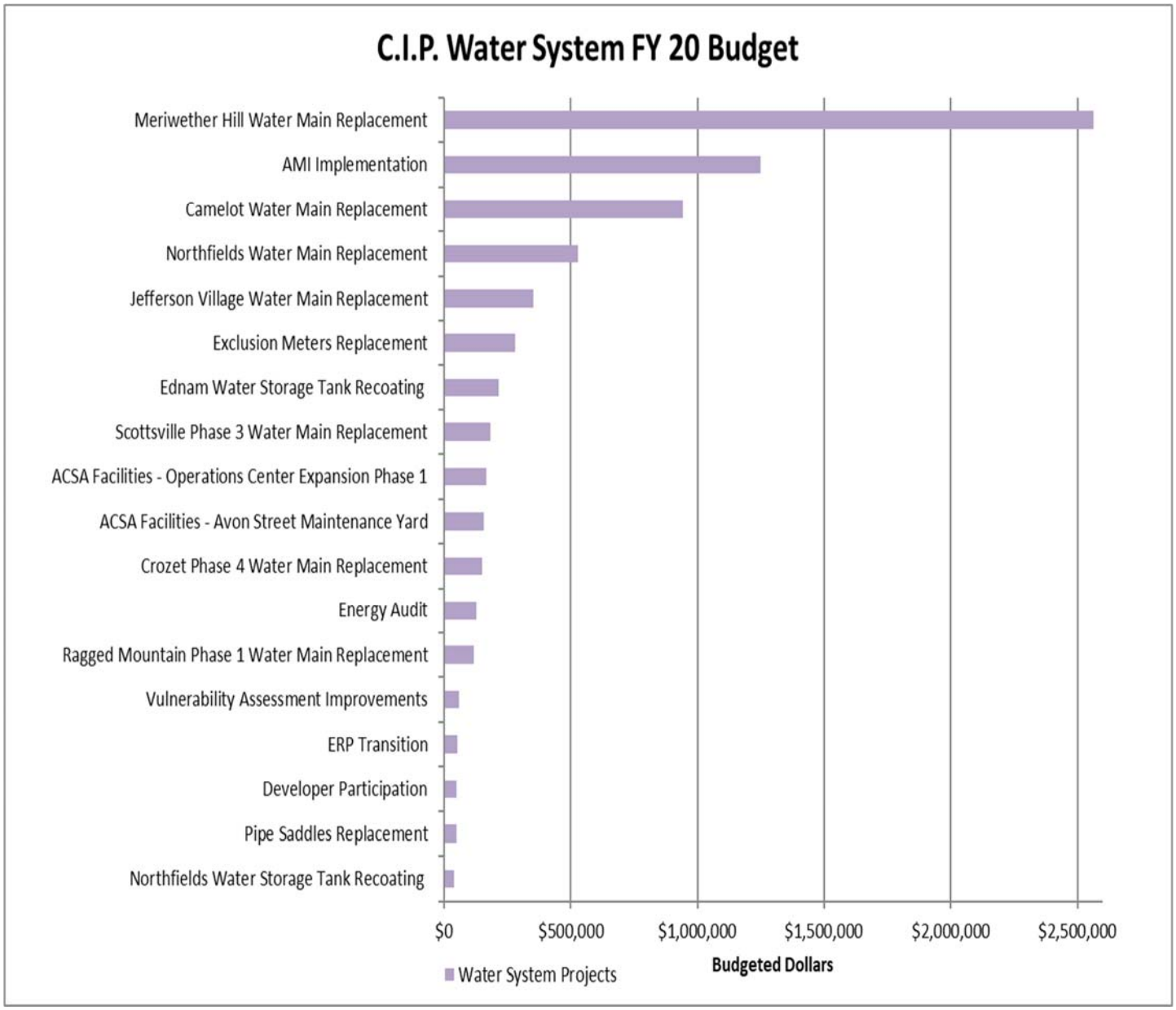
Albemarle County Service Authority Water & Sewer Rate Model
10 Year Capital Improvement Program (CIP)

Water System	Percent Growth	2019 Forecast	**2020 Forecast**	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	10 Year Total Forecast
Vulnerability Assessment Improvements	0%	**322,325**	**60,000**										382,325
ACSA Facilities - HVAC System Upgrade	0%	**178,800**											178,800
ACSA Facilities - Operations Center Expansion Phase 1	100%	**140,100**	**168,000**										308,100
ACSA Facilities - Avon Street Maintenance Yard	100%		**157,500**		1,000,000	1,000,000							2,157,500
ERP Transition	0%		**54,075**										54,075
Energy Audit	0%		**127,500**										127,500
AMI Implementation	15%		**1,250,000**	2,750,000									4,000,000
Scottsville Phase 3 Water Main Replacement	0%	**125,400**	**184,500**										309,900
Scottsville Phase 4 Water Main Replacement	0%				527,650	527,650							1,055,300
Stony Point Water Main Replacement	0%	**175,000**											175,000
Ragged Mountain Phase 1 Water Main Replacement	0%		**117,400**		493,200								610,600
Ashcroft Pump Stations #2 & #3 Capacity Upgrade	50%	**109,800**											109,800
Crozet Phase 4 Water Main Replacement	0%	**385,000**	**150,300**	706,500	2,119,500								3,361,300
Crozet Phase 5 Water Main Replacement	0%					243,000		1,390,000					1,633,000
Jefferson Village Water Main Replacement	0%		**353,250**	588,750									942,000
Rt 785 Water Main Replacement	0%						40,100	215,500					255,600
Stagecoach Rd Water connection	50%									57,800		363,600	421,400
Scottsville Water Storage Tank Recoating	0%	**372,000**											372,000
Ednam Water Storage Tank Recoating	0%		**217,200**										217,200
Northfields Water Storage Tank Recoating	0%		**39,500**										39,500
Carrsbrook Water Main Replacement	0%					200,300	817,500	817,500					1,835,300
Northfields Water Main Replacement	0%		**530,000**		550,000	2,750,000			1,050,000	1,050,000			5,930,000
Wakefield Water Main Replacement	0%					110,000		517,300					627,300
Huntington Village Water Connection	0%			60,700									60,700
Baker Butler -Forest Lakes Water connection	0%									186,500			186,500
Hessian Hills Water Main Replacement	0%	**372,000**		1,705,000	1,395,000								3,472,000
Old Forge Water Main Replacement	0%				195,000		914,000						1,109,000
Airport Acres Water System	100%								93,000		681,700		774,700
Barterbrook Phase 2 Water Main Replacement	0%	**770,000**											770,000
Running Deer Water Extension	100%							951,300					951,300
Parkview Drive Water Connection	0%	**300,000**											300,000
Old Lynchburg Rd Water Connection	0%										150,000		150,000
Exclusion Meters Replacement	0%		**280,000**	280,000	280,000	280,000	280,000						1,400,000
Pipe Saddles Replacement	0%		**50,000**	50,000	50,000	50,000							200,000
Woolen Mills - State Farm Water Connection	0%											662,000	662,000
Glenorchy - Viewmont Court Water Extension	100%										85,000		85,000
Ashcroft Water Main Replacement	0%								427,900		1,987,000		2,414,900
Briarwood Water Main Replacement	0%			220,000	220,000	729,300	1,480,700						2,650,000
Riverrun Water Main Replacement	0%					190,500		920,000					1,110,500
Townwood Water Main Replacement	0%						130,000		600,000				730,000
North Pines Water Main Replacement	0%						358,900		1,719,700				2,078,600
Lewis Hill Water Main Replacement	0%							360,400		1,790,500			2,150,900
Ivy Oaks Water Main Replacement	0%								288,200		1,305,300		1,593,500
Meriwether Hill Water Main Replacement	0%		**2,564,200**										2,564,200
Kearsarge - Ednam Water Connection	0%								205,000		683,400	683,400	1,571,800
Camelot Water Main Replacement	0%	**606,500**	**943,500**										1,550,000
Developer Participation	100%	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	550,000
Total Water Capital Projects		3,906,925	7,296,925	6,410,950	6,880,350	6,130,750	4,071,200	5,222,000	4,433,800	3,134,800	4,942,400	1,759,000	54,189,100

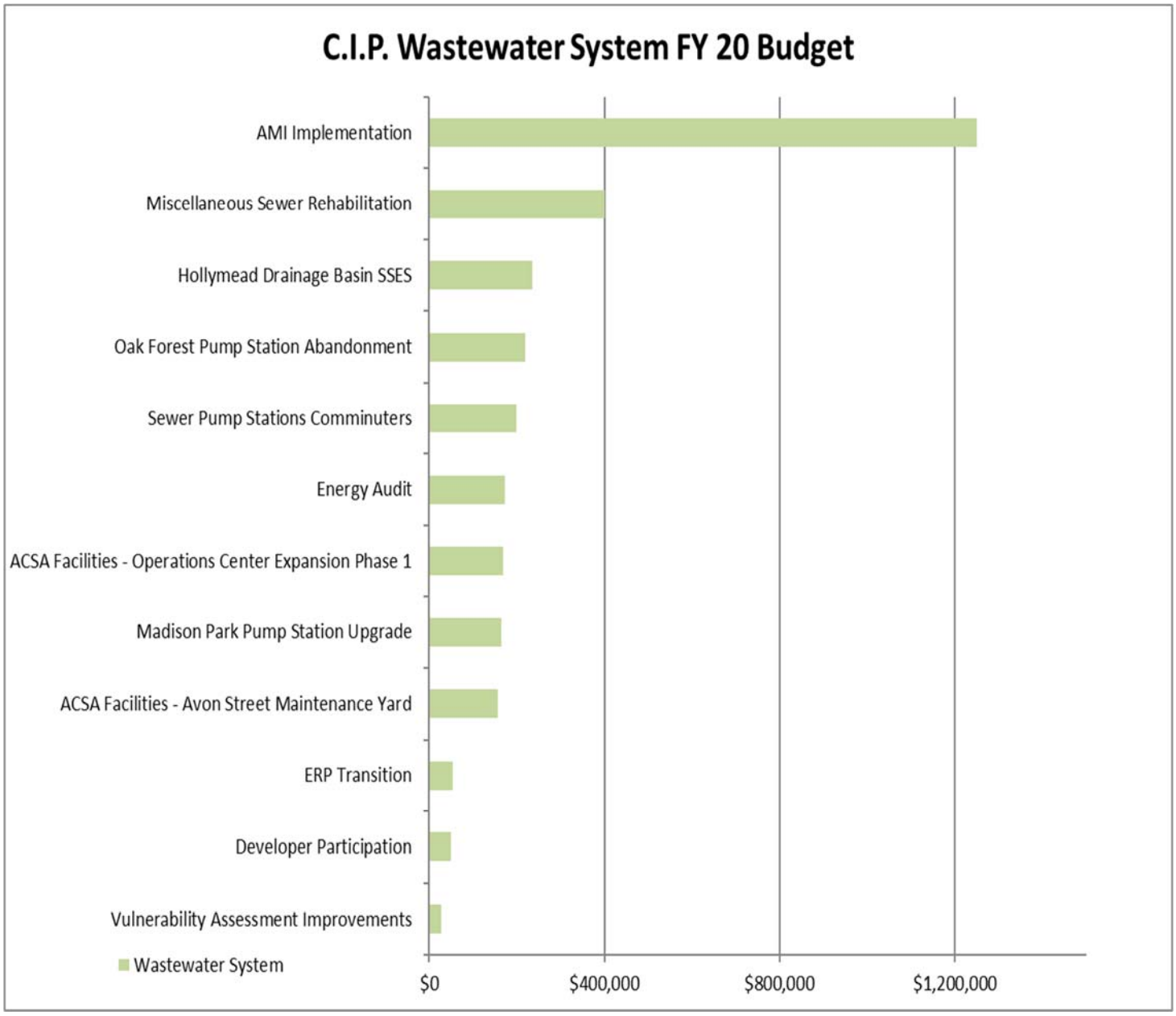
Wastewater System	Percent Growth	2019 Forecast	**2020 Forecast**	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	10 Year Total Forecast
Vulnerability Assessment Improvements	0%	**115,125**	**27,500**										142,625
ACSA Facilities - HVAC System Upgrade	0%	**178,800**											178,800
ACSA Facilities - Operations Center Expansion Phase 1	100%	**140,100**	**168,000**										308,100
ACSA Facilities - Avon Street Maintenance Yard	100%		**157,500**		1,000,000	1,000,000							2,157,500
ERP Transition	0%		**54,075**										54,075
Energy Audit	0%		**172,500**										172,500
AMI Implementation	15%		**1,250,000**	2,750,000									4,000,000
Airport Sewer Collector Upgrade	100%									427,000		2,800,000	3,227,000
Redfields Pump Station Abandonment	0%	**59,800**											59,800
Hollymead Drainage Basin SSES	0%	**219,700**	**235,000**										454,700
Pantops Drainage Basin SSES	0%	**150,000**											150,000
Northfields Sewer	100%						612,000		306,000	306,000		612,000	1,836,000
Buckingham Circle Sewer	100%							730,000					730,000
Madison Park Pump Station Upgrade	50%		**165,800**										165,800
Peter Jefferson Place Pump Station Improvements	0%	**117,000**											117,000
Carrsbrook Collection System	100%						550,000		1,326,500	1,326,500			3,203,000
Deerwood Sewer Phase II	100%										82,800		82,800
Hessian Hills Sewer Phase III	100%										124,200		124,200
Miscellaneous Sewer Rehabilitation	0%	**400,000**	**400,000**	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,400,000
Oak Forest Pump Station Abandonment	0%	**550,000**	**220,000**										770,000
Springfield Pump Station	100%											886,000	886,000
Ednam Forest Sewer	100%							530,000		1,904,800	1,908,800		4,343,600
Brookwood Road Sewer Extension	100%											21,000	21,000
Buck Road Sewer Extension	100%											40,000	40,000
Park Road Sewer Extension	100%											80,400	80,400
Airport Acres Sewer	100%						308,900		976,900				1,285,800
Airport Acres Offsite Sewer	100%					140,000		458,750					598,750
Bellair - Liberty Hills Sewer	100%			313,200		496,800	1,159,200						1,969,200
Sewer Pump Stations Comminuters	0%	**240,000**	**200,000**										440,000
Developer Participation	100%	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	550,000
Total Wastewater Capital Projects		2,220,525	3,100,375	3,513,200	1,450,000	2,086,800	3,080,100	2,168,750	3,059,400	4,414,300	2,565,800	4,889,400	32,548,650
TOTAL CAPITAL IMPROVEMENT PROJECTS		6,127,450	10,397,300	9,924,150	8,330,350	8,217,550	7,151,300	7,390,750	7,493,200	7,549,100	7,508,200	6,648,400	86,737,750

Note: "Percent Growth" column above uses applies engineering estimates to identify projects or percentage of projects that are required due to growth or expected growth within the water and/or sewer system.

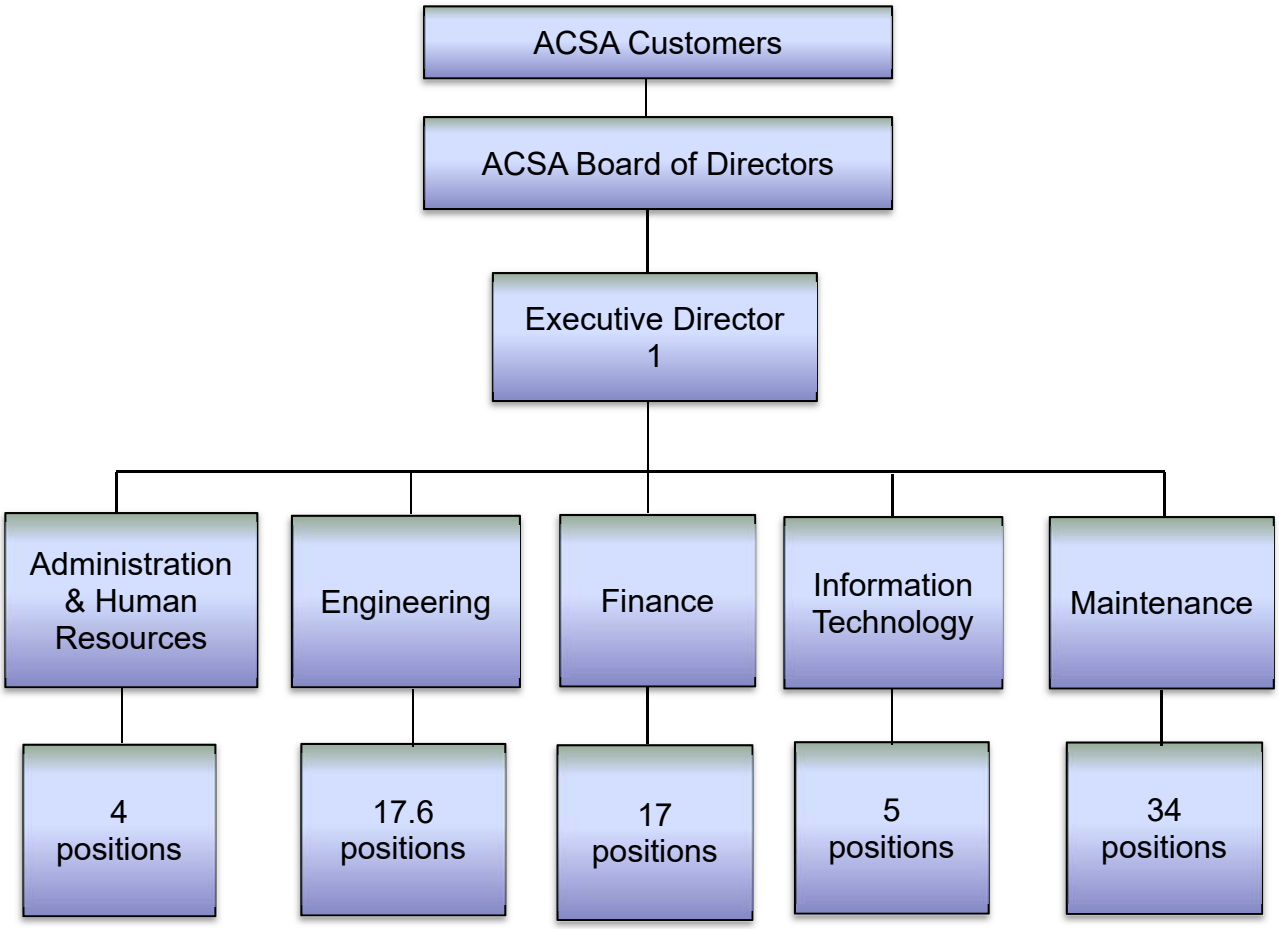
The following is an illustration of estimated water system project costs to be undertaken in FY 2020:



The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2020:



ACSA Organizational & Personnel Chart
Proposed FY 2020



ACSA Departmental Staffing – FY 2020

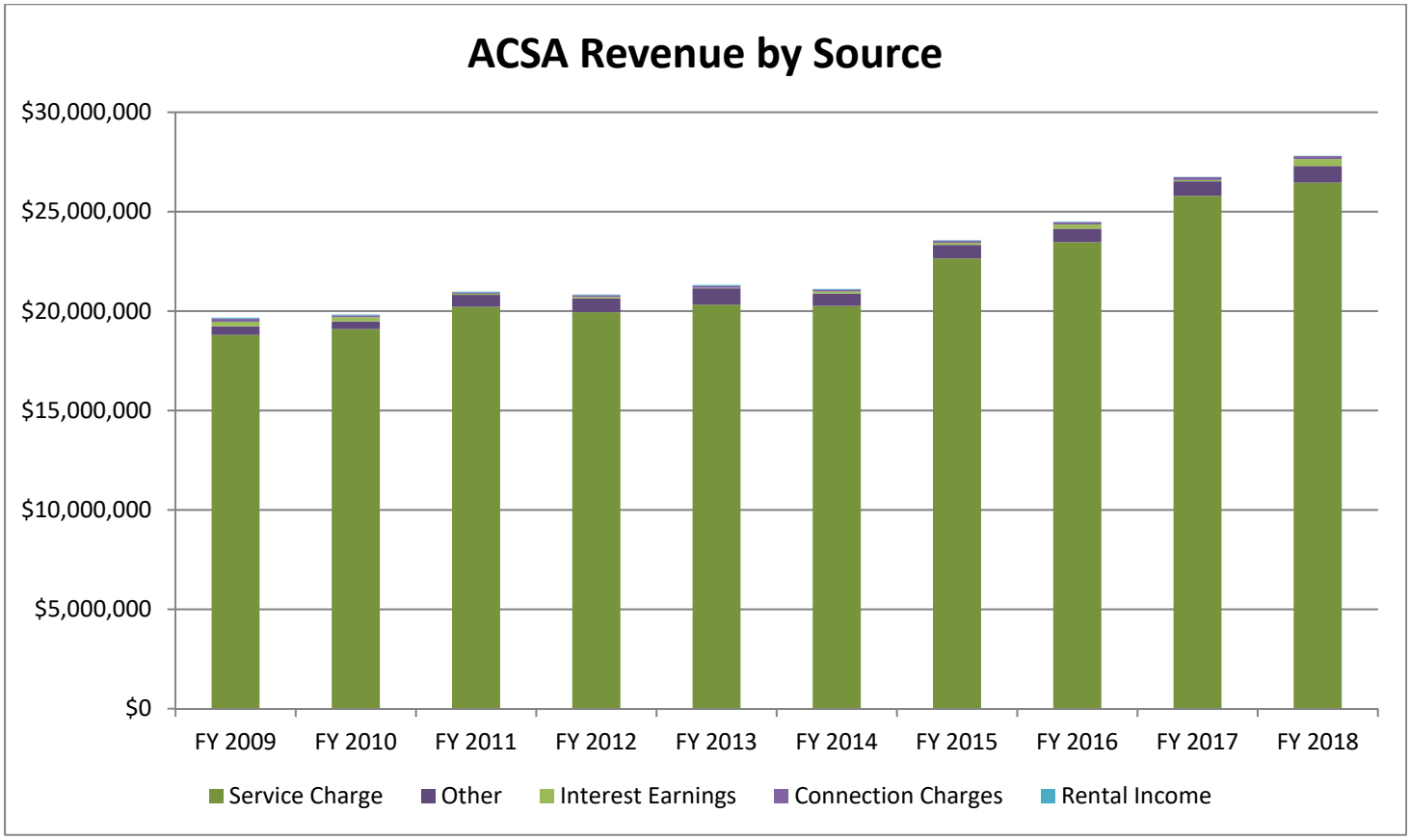
		FY 2018 Number of Positions	FY 2019 Number of Positions	FY 2020 Proposed Number of Positions
ADMINISTRATION	Executive Director	1	1	1
	Human Resources & Admin. Mgr.	1	1	1
	Administrative Office Assoc.	1	1	1
	Executive Assistant	1	1	1
	Human Resources Tech.	1	1	1
INFO. TECH.	Mgr. of Information Technology	1	1	1
	Systems Engineer	1	1	1
	Systems Analyst	1	1	1
	GIS Coordinator	1	1	1
	SCADA/LAN Technician	1	1	1
FINANCE	Director of Finance	1	1	1
	Accounting Supervisor	2	1	1
	Meter Operations Supervisor	1	1	1
	Customer Service Supervisor	1	1	1
	Sr. Customer Service Rep.	1	1	1
	Sr. Meter Technician	1	1	1
	Procurement and Fin. Specialist	1	1	1
	Payroll and Rev. Specialist	1	1	1
	Accounting Clerk	-	1	1
	Customer Service Rep. I/II	4	4	4
	Meter Technician I/II	4	4	4
ENGINEERING	Director of Engineering	1	1	1
	Senior Civil Engineer	2	2	2
	Civil Engineer	1	1	1
	Modeling Engineer	1	1	1
	Envir. Compliance Specialist	1	1	1
	Reg. Compliance Specialist	1	1	1
	Construction Inspector	5	5	5
	Sr. Utility Location Tech.	1	1	1
	Utility Location Tech.	2	2	2
	Engineering Tech.	2	1	1
	Hydraulic Modeling Tech.	-	1	1
	P.T. Engineering Intern	0.6	0.6	0.6
MAINTENANCE	Operations Manager	1	1	1
	Operations Supervisor	2	2	2
	Facilities Supervisor	1	1	1
	Facilities Maintenance Tech.	-	1	1
	Electrician/Pump Technician	1	1	1
	Electrical Pump Apprentice	1	1	1
	CCTV Technician	2	2	2
	Crew Leader I/II	5	5	5
	Utility Worker I/II/III	20	19	19
	Executive Assistant	-	-	1*
	TOTAL	***77.6***	***77.6***	***78.6***

*See Maintenance request for position on page 42.

Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest Earnings	Other	Total
2009	18,797,289	167,218	39,972	220,234	436,474	19,661,188
2010	19,088,212	91,726	39,972	219,634	381,692	19,821,236
2011	20,203,499	69,869	39,972	52,937	608,497	20,974,774
2012	19,932,215	94,442	32,294	68,431	699,885	20,827,267
2013	20,312,821	102,275	43,656	19,745	836,157	21,314,654
2014	20,254,140	92,788	33,810	110,135	621,330	21,112,203
2015	22,641,543	96,992	33,437	102,469	680,717	23,555,158
2016	23,460,681	117,728	27,645	215,035	675,878	24,496,967
2017	25,786,007	138,553	17,213	59,576	738,948	26,740,297
2018	26,453,332	140,451	16,603	348,572	843,004	27,801,962

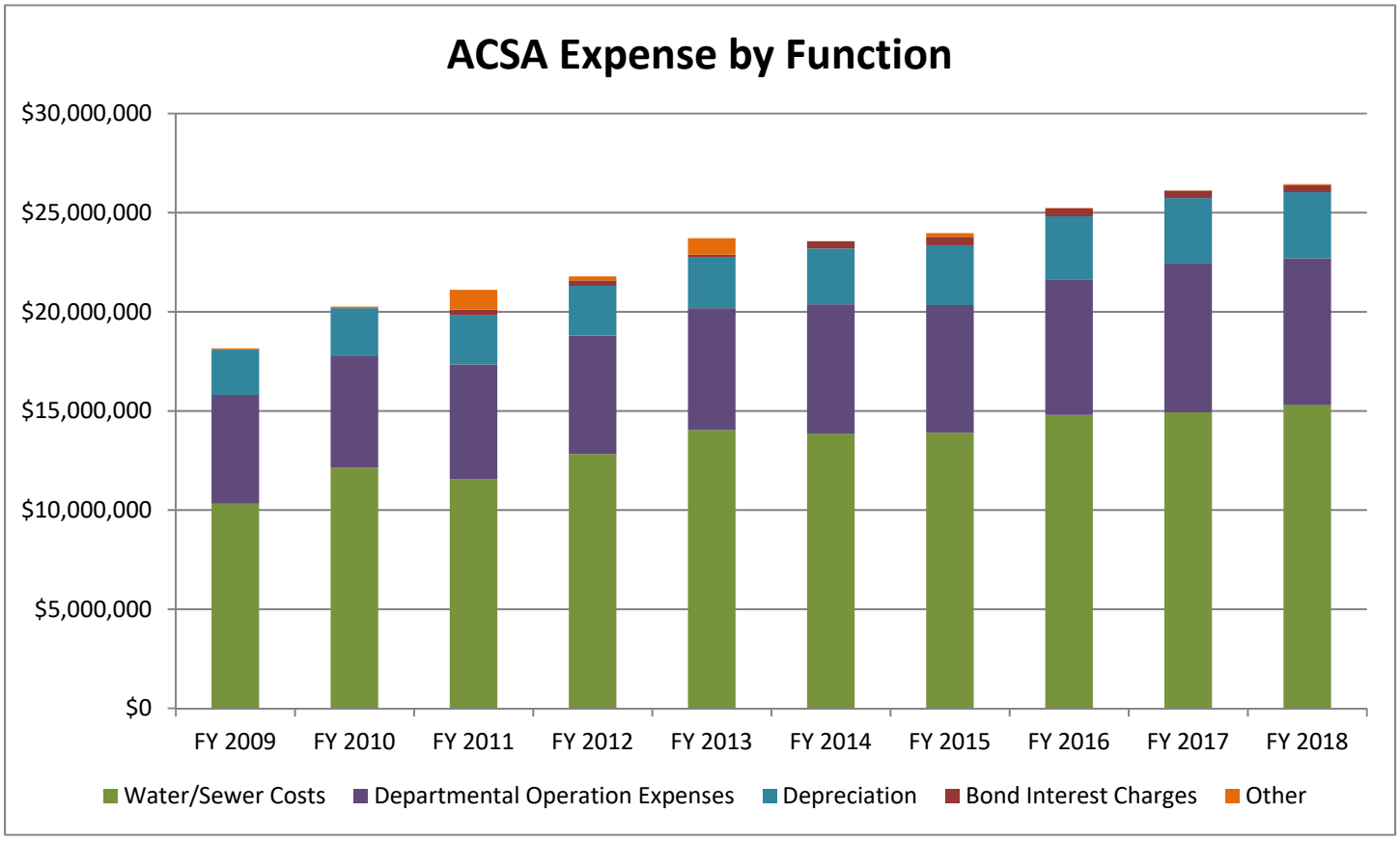
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
2009	10,315,905	5,489,297	21,010	2,275,108	52,131	18,153,451
2010	12,149,203	5,644,236	11,029	2,382,631	70,116	20,257,215
2011	11,560,006	5,783,526	295,636	2,469,557	995,398	21,104,123
2012	12,824,548	5,979,395	275,791	2,501,718	201,333	21,782,785
2013	14,027,324	6,150,195	152,232	2,556,232	825,500	23,711,483
2014	13,849,536	6,524,651	360,711	2,819,633	2,032	23,556,563
2015	13,901,732	6,433,114	414,813	3,026,916	193,203	23,969,778
2016	14,795,643	6,843,659	395,056	3,158,144	22,163	25,214,665
2017	14,928,569	7,501,581	374,726	3,302,779	4,761	26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501

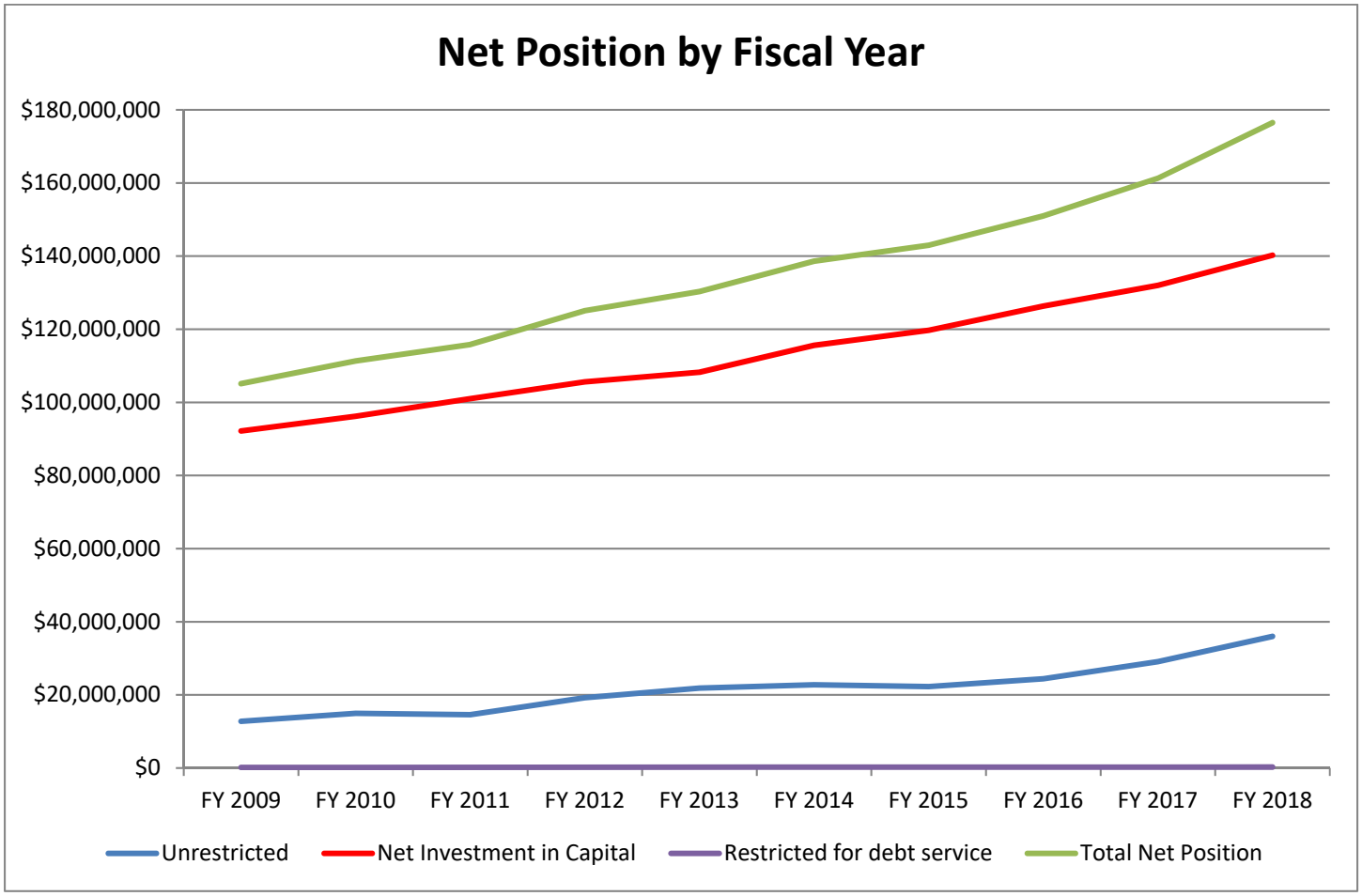
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.



Changes in Net Position

Fiscal Year	Beginning Net Position	Net Investment in Capital Assets	Restricted for debt service	Unrestricted	Ending Net Position	Change in Net Position
2009	98,428,762	92,181,771	157,601	12,773,883	105,113,255	6,684,493
2010	105,113,255	96,191,023	157,601	14,974,733	111,323,357	6,210,102
2011	111,323,357	101,013,464	194,307	14,601,950	115,809,721	4,486,364
2012	115,809,721	105,620,650	218,724	19,210,751	125,050,125	9,240,404
2013	125,050,125	108,233,265	223,963	21,876,992	130,334,220	5,284,095
2014	130,334,220	115,617,250	229,688	22,782,549	138,629,487	8,295,267
2015*	135,919,461	119,714,145	234,890	22,276,215	142,225,250	7,051,692
2016*	142,225,250	126,311,674	240,591	24,423,916	150,976,181	8,750,931
2017	150,976,181	131,997,020	247,015	29,077,339	161,321,374	10,345,193
2018*	159,966,301	140,238,885	255,835	36,007,519	176,502,239	16,535,938

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



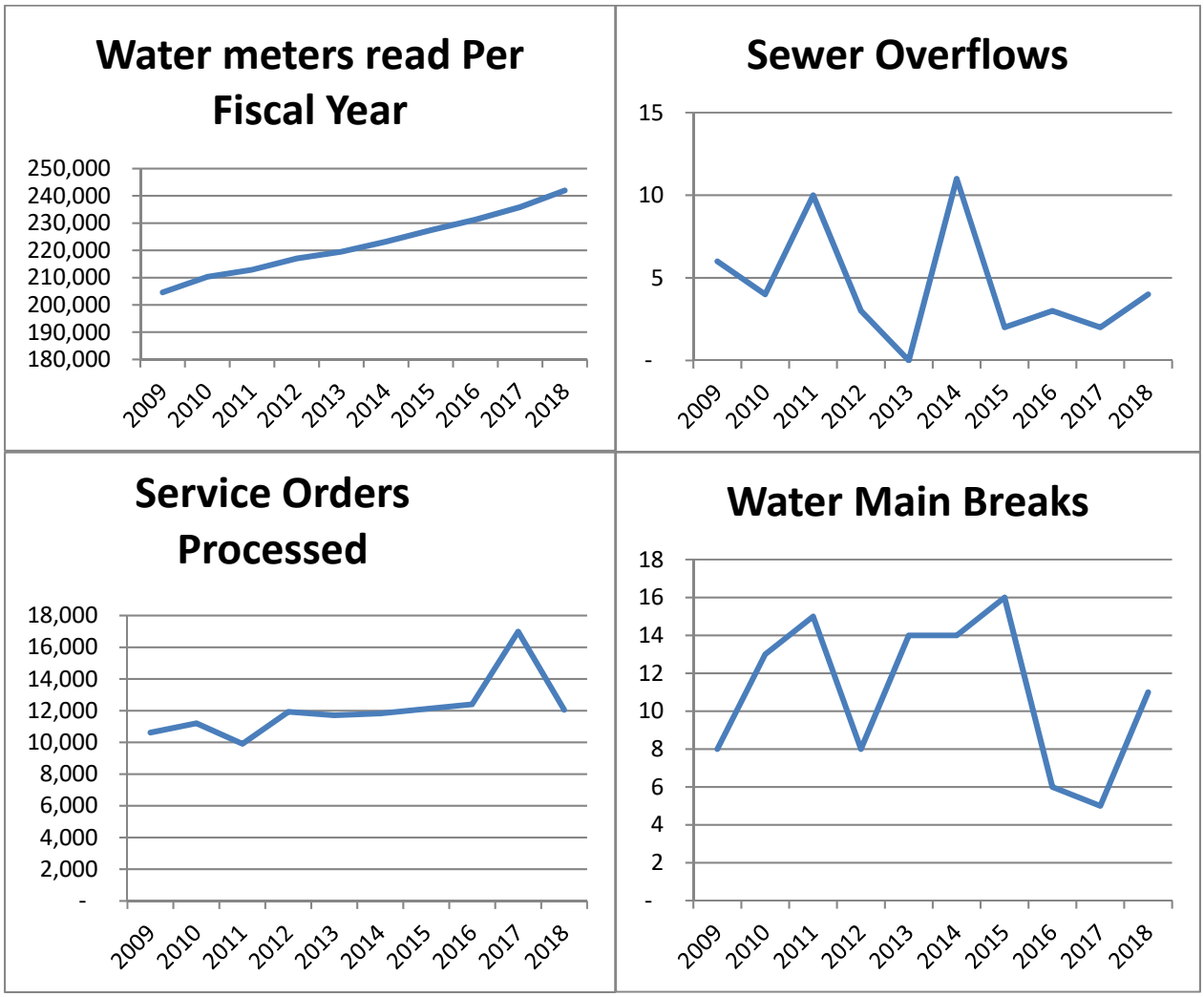
County Demographic and Economic Statistics

Calendar Year	Population	Personal Income	Per Capita Income	Per Capita Income as a Percent of U.S. Average	School Enrollment	Unemployment Rate
2008	94,075	6,823,322,000	49,971	126	12,830	3.0
2009	96,247	7,038,250,000	50,558	123	13,035	5.1
2010	99,150	6,742,806,000	47,779	121	13,222	5.1
2011	98,970	7,014,795,000	49,137	122	13,222	5.1
2012	102,251	7,609,998,000	52,687	124	13,122	5.2
2013	103,000	8,350,340,000	56,979	129	13,263	5.4
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7
2016	106,878	9,182,721,000	60,294	125	13,792	3.5
2017	107,702	9,375,633,000	60,964	124	13,910	3.3

Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

For the Year Ended June 30, 2018

Year Created	1964
Size of Service Area:	
Miles of water lines	349.40
Miles of sewer lines	292.70
Fire hydrants	2,650
Water pumping stations	8
Sewer Pumping stations	12
Water storage tanks	8



Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

ACCRUAL BASIS OF ACCOUNTING – A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

ALBEMARLE COUNTY SERVICE AUTHORITY – ACSA – Established in 1964 to provide water and wastewater to residents in the County of Albemarle Virginia.

AMERICAN WATER WORKS ASSOCIATION – AWWA – Established in 1881, AWWA is the largest nonprofit, scientific and educational association dedicated to managing and treating water. AWWA develops standards that represent a consensus of the water industry.

AMERICAN WITH DISABILITIES ACT – ADA – government regulations regarding discrimination based on disabilities.

AMI – Advanced Metering Infrastructure – enhanced meter reading technology.

ASBESTOS CEMENT (AC) PIPE – A concrete pipe made of a mixture of Portland cement and asbestos fiber and highly resistant to corrosion.

AUTHORITY – A public agency which performs a specified range of services that are usually financed from fees or service charges.

BUDGET – A specific financial plan for the fiscal year that states the expenditures required to meet that plan of operations, and identifies the revenue necessary to finance the plan.

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

CAPITAL IMPROVEMENT BUDGET –The budgetary expenditures as it relates to the Capital Improvement Program.

CAPITAL IMPROVEMENT PROGRAM (CIP) – The 10-year plan of capital projects which includes replacement or improvement to the service area water and sewer infrastructure as well as A.C.S.A. facilities improvements.

CLOSED CIRCUIT TELEVISION – CCTV – closed circuit television equipment used to monitor the inside of water and waste water lines with the system infrastructure to detect blockages or leaks.

COMPREHENSIVE ANNUAL FINANCIAL REPORT – CAFR – A set of financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM – CMMS – A software system that maintains a computer database of information about an organizations maintenance operations, inventory, workorders, asset management, and customer requests.

ENTERPRISE FUND – An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The Authority's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Align

Values

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

Commit

Community

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

Strive

Internal Focus

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

Aspire

Future

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

Albemarle County Service Authority

Serving Conserving

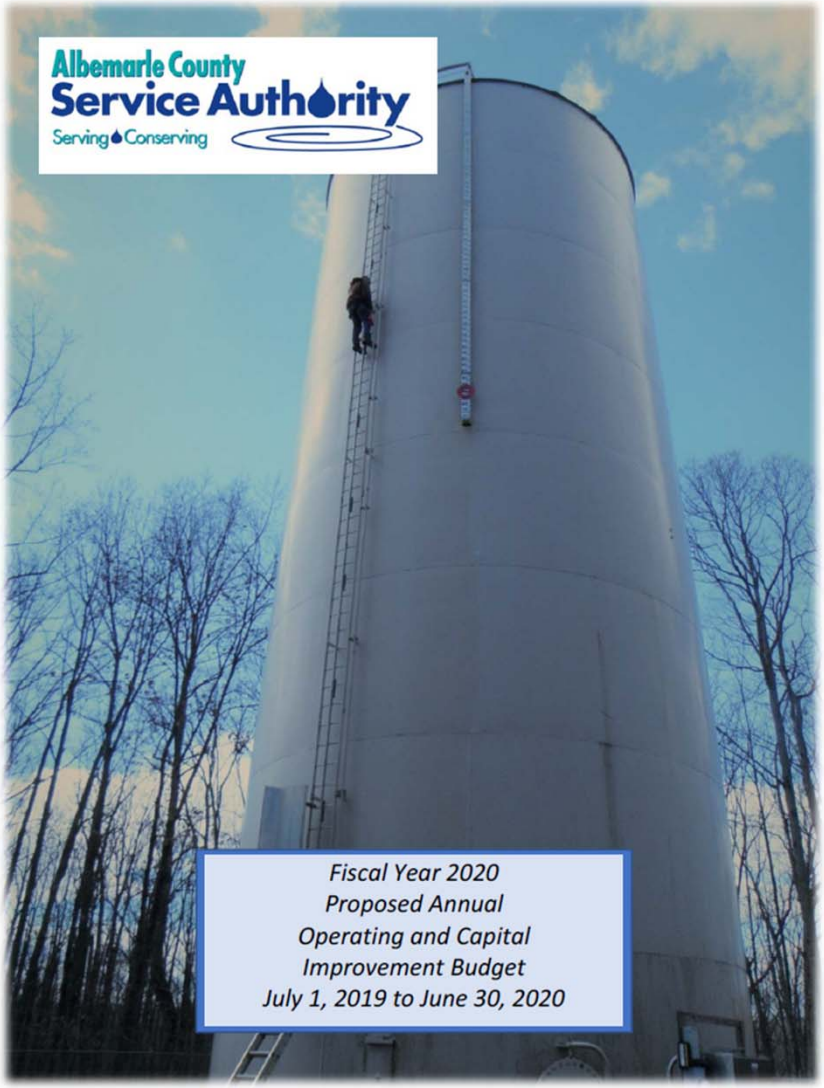
Vision

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

Mission

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

Proposed FY 2020 Budget & Rates

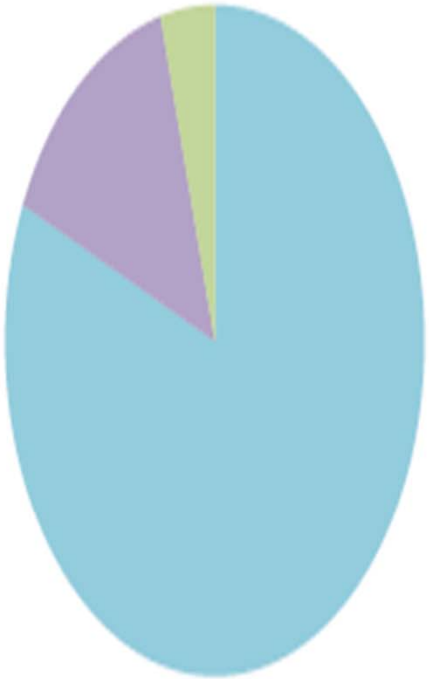


FY 2020 Budget & Rates

- Overview
- Proposed Rates
- Operating Budget
- Capital Improvement Program (CIP)

Revenue Streams

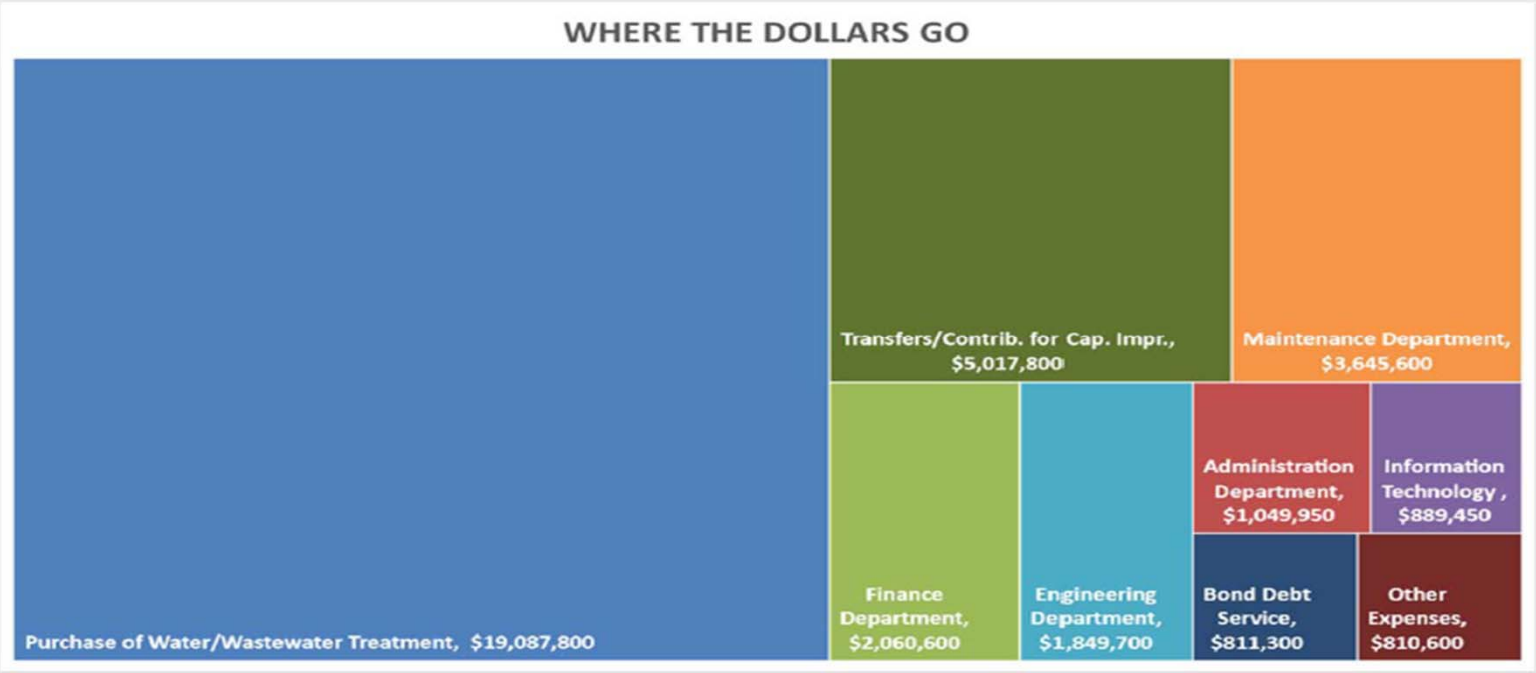
Where the Dollars Come From



Water/Sewer Charges	$28,757,800	81.64%
System Connection Charges	$ 5,000,000	14.20%
Other Revenues	$ 1,465,000	4.16%
Total Budgeted Revenues	$35,222,800	100.00%

Expenses

- Purchased Water/Wastewater
  - **$19,087,800**
- Operating Departments
  - **$ 9,495,300**
- Capital Improvements/Non-Operating
  - **$ 6,639,700**



Water and Sewer Rates- FY 2020 Proposed

The proposed increase in monthly user water and sewer rates is due to:

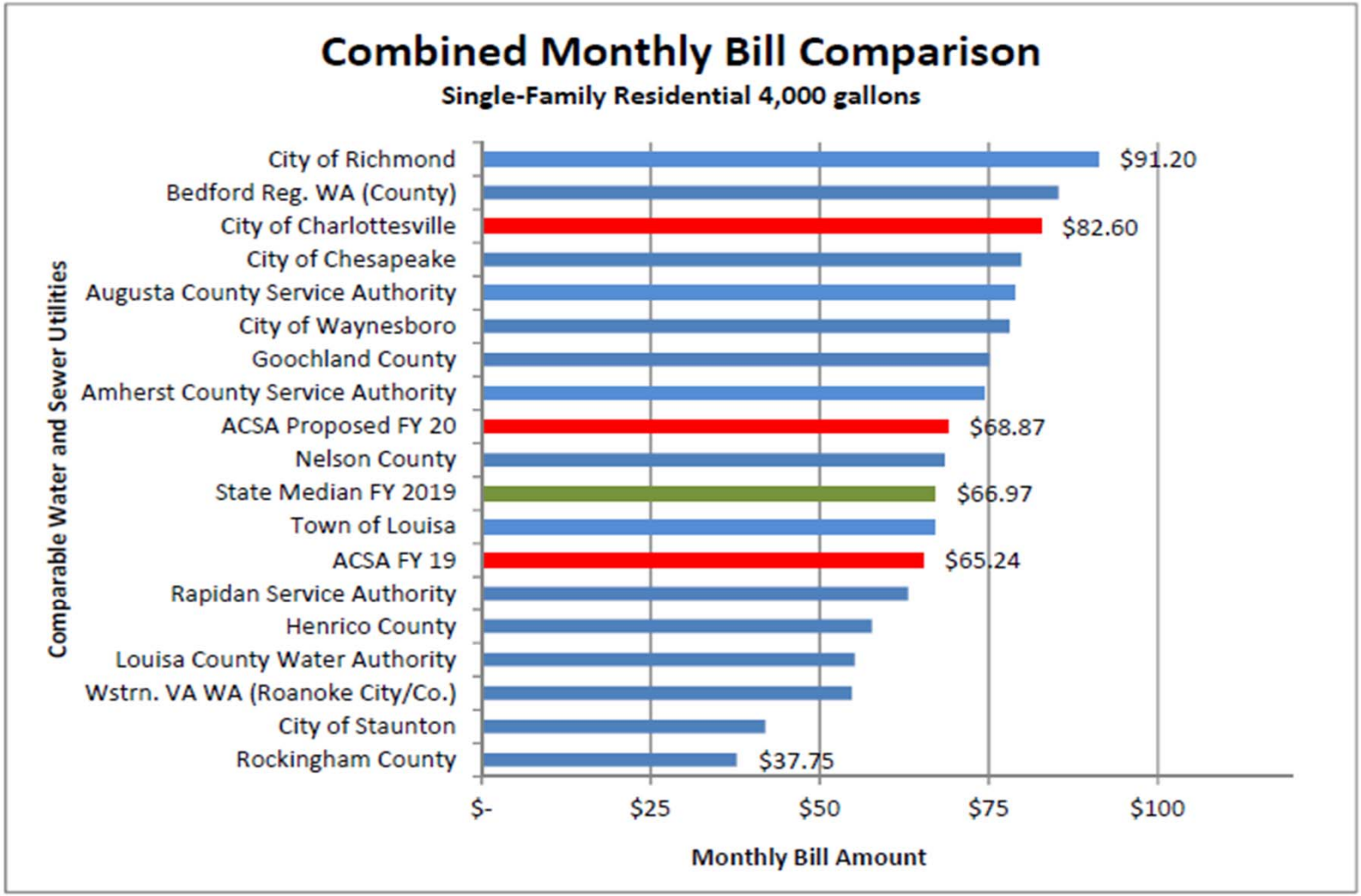
- RWSA Urban rate increase of 3.0%;
- RWSA Urban wastewater treatment rate increase of 17.2%;
- Total operating budget increase of 5.6%

ACSA Water and Sewer Monthly User Rates

	FY 2019	FY 2020
Service Charge	$ 8.16	$ 8.57
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 4.27	$ 4.48
Level 2 (3,001-6,000 gallons)	$ 8.55	$ 8.98
Level 3 (6,001-9,000 gallons)	$12.82	$13.46
Level 4 (over 9,000 gallons)	$17.10	$17.96
Multi-Family/Non-Residential (per 1,000 gallons)	$ 8.25	$ 8.66
Sewer/All Users (per 1,000 gallons)	$ 8.93	$ 9.47

Value of Water

ACSA vs. Others



Source: The 30th Annual Virginia Water and Wastewater Rate Report 2018, https://daa.com/resources/2018-va-www-rate-report/

System Connection Charges

		FY 2019	FY 2020
ACSA System Development Charge	**Water** **Wastewater**	$1,890* $2,970*	$1,890* $2,970*
RWSA Capacity Charge	Water Wastewater	$4,760* $3,850*	$4,760* $3,850*
	Total	$13,470*	$13,470*

*per ERC (equivalent residential connection)

Purchased Water/Wastewater Treatment

- Proposed FY 2020 Budget $19,087,800
  - **Increase of $1,930,915**

- Adopted FY 2019 Budget $17,156,885
  - **Projected FY 19 total $18,378,277**
    - **Water expected to be slightly under budget (3%)**
    - **Wastewater treatment expected to be 21% over budget**
      - **Major increase related to increase in flows (weather) treated by RWSA and allocated to ACSA/City**

Operating Expense By Type/Department

Maintenance
15%

Administration/IT
8%

Finance
8%

Engineering
7%

Purchase of water/wastewater
62%
$15,276,000
(Increase of $1,017,751)

Operations
38%
$9,495,300
(Increase of $290,860)

Major Departmental Initiatives

- Performance pay pool to recognize individual employee performance, help offset increased personal cost of living expenses, and changes to the Authority's salary plan and pay grades to remain competitive within the local marketplace
- Expand communications with customers through a variety of media
- Administration of the Advanced Metering Infrastructure (AMI) Request for Proposal and implementation
- Addition of Executive Assistant within Maintenance Department
- Continuation of meter testing program

Major Departmental Initiatives (cont.)

- Capital Improvement Budget
- Computerized Maintenance Management System (CMMS) implementation (CityWorks)
- Vulnerability assessment project implementation
- Water pipe saddle replacement program; exclusion meter program
- Continuation of Succession Plan Implementation

Capital Improvement Program (CIP)

Proposed FY 2020

Project Type	Proposed Cost
Water Projects	$ 7,296,925
Wastewater Projects	3,100,375
Total	$ 10,397,300

Budget Next Steps

- Budget Workshop May 16th to Review:
  - Revenue Requirements
  - Customers and Usage Summary
  - Recommended Rates/Sample Bills and Comparisons
- 2nd Budget Workshop/Public Hearing- June 20st
- Budget Adoption
- Rate Adoption

Questions?

We welcome any questions you may have. The scheduled budget workshop in May will provide an opportunity to review the Fiscal Year 2020 Proposed Budget in detail.

ALBEMARLE COUNTY SERVICE AUTHORITY
WATER AND SEWER RATE SCHEDULE

Effective ~~August 16, 2018~~ July 1, 2019

Section 2-01. General

3. Additional sets of the *General Water and Sewer Construction Specifications* may be supplied by the Authority to any recipient of the one free set at a cost of $10.00 per set.

Section 7-08. Temporary Water Service

A. Temporary Water Service

Initial Fee	$25.00
Each 30-Day Extension	$25.00

B.

Meter Size	Deposit
5/8" & 1"	$150.00
1 1/2"	$250.00
2"	$350.00

Section 7-09. Temporary Use of Fire Hydrants [Revised 10/1/16]

B. 1" hydrant meter - $~~400~~ 550 ($~~50~~ 60non-refundable)
1 ½ hydrant meter - $~~750~~ 800 ($~~75~~ 80non-refundable)
3" hydrant meter - $2,000 ($100 non-refundable)

D. A usage fee of $20.00 per month will be charged for hydrant use through the hydrant meter. Failure to submit a meter reading will result in a $50.00 non-refundable fee.

Section 8 Cross-Connection and Backflow Prevention; Section 8-21. Violation Charges

Item #	Charge	Violation
1	$1,000	Failure to correct an identified cross-connection – high hazard
2	$500	Failure to correct an identified cross-connection – low to moderate hazard
3	$1,000	Failure to install an approved backflow prevention device – high hazard
4	$500	Failure to install an approved backflow prevention device – low to moderate hazard
5	$1,000	Removal or by-pass of a required backflow prevention device – high hazard
6	$500	Removal or by-pass of a required backflow prevention device – low to moderate hazard
7	$250	Failure to provide a passing test report for a backflow prevention device – high hazard
8	$100	Failure to provide a passing test report for a backflow prevention device – low to moderate hazard

Section 10-03. Meter Testing Charge

5/8" - 1"	$100.00
1½" - 2"	$150.00
3" - larger	$Actual Cost+25%

Section 11-05 Deposits For Temporary Meters

Meter Size	Deposit
5/8" & 1"	$150.00
1 1/2"	$250.00
2"	$350.00

Section 11-06. Deposits For Fire Hydrant Meters

Meter Size	Deposit
1"	$~~400~~ 550 ($~~50~~ 60 non-refundable)
1 ½	$~~750~~ 800 ($~~75~~ 80non-refundable)
3"	$2,000 ($100 non-refundable)

Section 12-02. Water and Sewer Rates

VOLUME CHARGES

In addition to the fixed monthly service charge, a volume charge based upon monthly metered water use will be assessed as follows:

Water

Metered Consumption
Residential and All Irrigation Water Rates:

Level 1 (0-3,000 gallons per month)	$ ~~4.27~~ 4.48per thousand gallons
Level 2 (3,001-6,000 gallons per month)	$ ~~8.55~~ 8.98 per thousand gallons
Level 3 (6,001-9,000 gallons per month)	$~~12.82~~ 13.46 per thousand gallons
Level 4 (over 9,000 gallons per month)	$~~17.10~~ 17.96 per thousand gallons

Non-Residential and Multi-Family Residential Water Rate (except irrigation water):
$~~8.25~~ 8.66per thousand gallons

For customers having both a primary and auxiliary meter, the four rate levels will be applied to the sum of the consumption on both meters, not to each individual meter.

Wastewater

Metered Consumption	$~~8.93~~ 9.47 per thousand gallons

Section 12-03. MONTHLY SERVICE CHARGE

The fixed monthly service charge will be assessed based on meter size as follows:

Meter Size	Service Charge
5/8”	$~~8.16~~ 8.57
1”	$~~15.68~~ 16.46
1 ½”	$~~28.24~~ 29.65
2”	$~~43.29~~ 45.45
3”	$~~83.47~~ 87.64
4”	$~~128.65~~ 135.08
6”	$~~246.74~~ 259.08

Section 12-04. CONNECTION CHARGES

Payment for the applicable connection charges will be accepted only after the issuance of a building permit.

Connection Charges for metered services larger than 5/8" shall be equated to equivalent residential connections (ERC) according to the following ratios:

5/8" meter	=	1 ERC	3" meter	=	16 ERCs
1" meter	=	2.5 ERCs	4" meter	=	25 ERCs
1 1/2" meter	=	5 ERCs	6" meter	=	50 ERCs
2" meter	=	8 ERCs			

System Development and RWSA Capacity Fees for multi-family, hotel, hospital, assisted living facility, nursing care facility, or master-metered mobile home parks shall be charged the higher of a fee based upon meter size or the calculation of the number of units multiplied by the following factors:

Multi-family	1 unit	=	0.50	ERC
Hotels	1 room	=	0.50	ERC
Mobile Home Park	1 mobile home	=	1	ERC
Hospitals	1 bed	=	1	ERC
Assisted Living Facility	1 bed	=	0.40	ERC
Nursing Care Facility	1 bed	=	0.75	ERC

Service Connection (Tap) Charge - To defray the cost of installation of a service connection from the water and/or wastewater main in the public right-of-way to the curb or property line and/or the installation of meters, all new services will be charged according to the following schedule:

(a) Water

Primary Meters	
5/8" meter and connection	$1,026
1" meter and connection	$1,091
Over 1" meter and connection	Actual Cost
5/8" meter only	$ 184
1" meter only	$ 277
Over 1" meter only	Actual Cost
Auxiliary Meters	Actual Cost

(b) Wastewater

All Taps	Actual Cost

Section 12-05. System Development Charge

In order to defray, in part, the cost to the ACSA of providing major transmission/distribution mains, collection lines, pumping stations and storage facilities necessary to provide water and wastewater service to new customers in the ACSA system. This charge shall be assessed on the basis of equivalent residential connections (ERC):

Water	$1,890 per ERC
Wastewater	$2,970 per ERC*

*Except certain Glenmore parcels as defined by Glenmore WWTP Agreement dated June 15, 1995

Section 12-06. Buck Mountain Surcharge

In accordance with the joint resolution signed by the City of Charlottesville, County of Albemarle, Rivanna Water and Sewer Authority (RWSA) and the ACSA, all new ACSA water connections in the urban service area will be assessed a surcharge in accordance with the following table to pay a portion of the Buck Mountain land acquisition costs:

Meter Size	Surcharge	Meter Size	Surcharge
5/8"	$ 200	4"	$ 6,000
1"	$ 500	6”	$12,000
1 1/2"	$ 1,000	8"	$18,000
2"	$ 1,600	10"	$29,000
3"	$ 2,500	12"	$43,000

Section 12-07. Connection Fees for Irrigation Meters

A.	Auxiliary Meters	Actual cost of installation plus the Buck Mountain surcharge, when applicable
B.	Primary Meters	All applicable connection fees as noted in Appendix B, section 12-04 and 12-09

Section 12-08. Line Tapping Fee:

Where the ACSA provides water main taps to accommodate line extensions, fire sprinkler systems and similar uses, a tapping fee will be assessed to the customer in accordance with the following schedule:

TAPPING

MACHINE	TAP SIZE	LINE SIZE	PRICE
E-4	¾" – 1"	1 ¼" – 3"	$140.00
B-100	¾" – 1"	4" – 24"	$140.00
A-2	1 ½" – 2"	6" – 24"	$210.00
CL-12	4" – 12"	4" – 24"	$ 84.00/inch

INSTALLATION OF TAPPING SLEEVES AND TAPPING VALVES

All water mains shall be uncovered and cleaned by the customer, who shall install tapping sleeves and valves. The excavation shall be prepared in accordance with all applicable safety regulations. Return trip charges resulting from the customer failing to properly prepare the trench and pipe for the tapping/inserting operation will be billed to the customer. These additional costs shall include labor, equipment, and overhead costs.

Section 12-09. RWSA Capacity Charge

All new water and sewer connections to the ACSA systems shall be assessed a charge to defray, in part, the cost of providing capacity for a new customer in the RWSA system. This charge shall be assessed on the basis of equivalent residential connections (ERC):

Water	$4,760 per ERC
Wastewater	$3,850 per ERC*

*Except certain Glenmore parcels as define by Glenmore WWTP Agreement dated June 15, 1995

Section 12-11. NFRPS Special Rate District Fees

All sewer connections to the wastewater collection system within the North Fork Regional Pump Station Special Rate District shall be charged the following additional fee effective October 18, 2012:

North Zone	$2,275.00 per ERC
South Zone	$1,389.00 per ERC

Refer to Appendix C for a list of Tax Map Parcels within the North Fork Regional Pump Station Special Rate District and the North Fork Regional Pump Station Special Rate District Map.

Section 13. Miscellaneous Charges

13.02. Account Charge	$8.00 per each new account
13-03. Delinquent Cut Off/On Fee	$26.00/trip during normal work hours
13-04. Reconnection Fee	$72.00 after work hours & weekends
5/8" - 1 1/2" meter	$26.00
2" - 4" meter	$33.00
Larger than 4" meter	Actual Cost

13-05.	Special Service Fee	$26.00/trip during normal work hours $72.00 after work hours & weekends
13-06.	Meter Size Change Fee All Meters	Actual Cost
13-07.	Exceptional Payment Processing Fee	$35.00 (Payable by Cash only)
13-08.	Testing Fee	Actual Cost
13-09.	Delinquent Payment Penalty	10% On Outstanding balance
	Late Payment Charge	1 1/2% per month
13-10.	Meter Re-read Fee	$26.00
13-11.	Construction Plan Review Charge	$49.00/hour
	As-built Plan Review	$49.00/hour Engineer Review $34.00/hour Inspector Review
13-12.	Construction Inspection Fees:	
	Water and/or Sewer lines greater than 400 linear feet	$.78/linear foot
	Water and/or Sewer lines less than 400 linear feet	Actual Cost
	Re-inspection Fee of New Water/Sewer Lines	$34.00/hour
	Inspection of New Pumping Stations	Actual Cost
13-13.	Failure to Report Hydrant Meter Reading	$50.00
13-14.	Irrigation System Application Processing Fees:	
	a. Plan Review and Meter Sizing	$ 25.00
	b. Cost Estimate preparation	$125.00
13-15.	Meter Tampering Fee	$250.00

VOLUME CHARGES DURING EMERGENCY WATER RESTRICTIONS

(As set forth in Section 16)

Water

Beginning with the first billing cycle following adoption of Emergency Water Restrictions, in addition to the fixed monthly service charge, a volume charge based upon monthly metered water use will be assessed as follows:

Single-Family Residential	**Per 1,000 gallons**
Level 1 (0-3,000 gallons per month)	Normal Rate x 1.25
Level 2 (3,001-6,000 gallons per month)	Normal Rate x 1.50
Level 3 (6,001-9,000 gallons per month)	Normal Rate x 2.00
Level 4 (over 9,000 gallons per month)	**Normal Rate x 2.00**
Non-Single Family Residential	**Per 1,000 gallons**
All usage	Normal Rate x 1.50

16-06. PENALTIES.

First offense $ 500.00
Second offense $1,000.00
In addition to the penalty charge, the ACSA may terminate of water service for the duration of the emergency.

Section 18. Carwash Certification Program

18-04. FEES.
CCP Application Fee $100.00
CCP Annual Renewal Fee $100.00

18-05. INSPECTION.
CCP Re-application Fee $100.00

Section 19. Fats, Oils, and Grease (FOG)

19-22. COSTS AND CHARGES.

Item #	Cost/Charge	Description/Infraction
1	$250/3 years	FOG Waste Discharge Permit
2	$1,000/month *	NOV- failure of an FSE to install or repair grease control device
3	$1,000/month *	NOV- repeated failure of an FSE to properly maintain grease control device, and repeated excessive FOG discharge from an FSE
4	$500	NOV - failure of an FSE to keep grease control maintenance records on site and available to the ACSA
5	$500	NOV- falsification by an FSE of grease control device maintenance records
6	$500/month *	NOV- failure of an FSE to submit a FOG Waste Discharge Permit application or pay a permit fee
7	Assessed amount	An FSE whose operations allow grease accumulation - all costs to clean and repair the ACSA facilities
8	Assessed amount	An FSE whose operations allow grease accumulation that results in a sanitary sewer overflow - all costs to clean and repair the ACSA facilities
9	Assessed amount	An FSE whose operations allow grease accumulation that results in a sanitary sewer overflow- all fines levied by the state or federal government
10	Up to $10,000/occurrence	Commercial waste hauler or individual – illegal discharge of grease wastes to the ACSA system

*Until the violation is corrected to the satisfaction of the ACSA.