



Albemarle County
Service Authority
Serving  Conserving 

FISCAL YEAR 2016
ANNUAL OPERATING AND
CAPITAL IMPROVEMENT
BUDGET
July 1, 2015 to June 30, 2016





Approved Fiscal Year 2016

Annual Operating and

Capital Improvement Budget

Adopted: June 18, 2015

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April 16, 2015

Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

Dear Board Members:

The Albemarle County Service Authority (ACSA) is all about clean and safe water for our community, and for our environment. This year continues our history of an environmental success story. Our efforts locally to provide safe, clean drinking water, combined with our efforts to provide cleaned wastewater, result in a significant improvement in “clean water” for our community. The proposed Fiscal Year 2016 budget totals \$29,050,349 and reflects our continuing commitment to clean and safe water. As our Vision Statement confirms, “serve and conserve today, sustain for tomorrow, and protect our resources forever.”

In Fiscal Year 2016, the ACSA proposes to spend \$5,656,900 on ACSA capital improvements for safe drinking water delivery and cleaned wastewater, and our regional partner, the Rivanna Water and Sewer Authority (RWSA), plans to spend nearly \$22 million towards clean water oriented capital projects. This is significant to ACSA customers not only for providing safe and clean water, but over 64% of our customer’s water and sewer bill goes towards paying for purchased RWSA water and wastewater treatment. Also proposed for the coming budget year is the construction of a new and greatly improved water treatment process, using Granular Activated Carbon (GAC) filtering. This is one more step towards higher quality drinking water for ACSA customers.

We are pleased to present ACSA’s Proposed Operating and Capital Improvement Budget for Fiscal Year 2016 (July 1, 2015 to June 30, 2016). The FY 2016 Budget is largely a “maintenance” budget, with the exception of one staffing level improvement, and an increase in the cost of purchased water from the RWSA. The projected purchased treatment costs from RWSA are increasing by \$662,912 with the largest part being a 7.0% increase for purchased water. It should be noted that the wholesale rate for the Urban area accounts for only 33% of this increase. Crozet and Scottsville account for 50% and 17%, respectively, of the overall 7% increase. We also continue to make an increasing investment in improving our water and sewer infrastructure through this proposed budget.

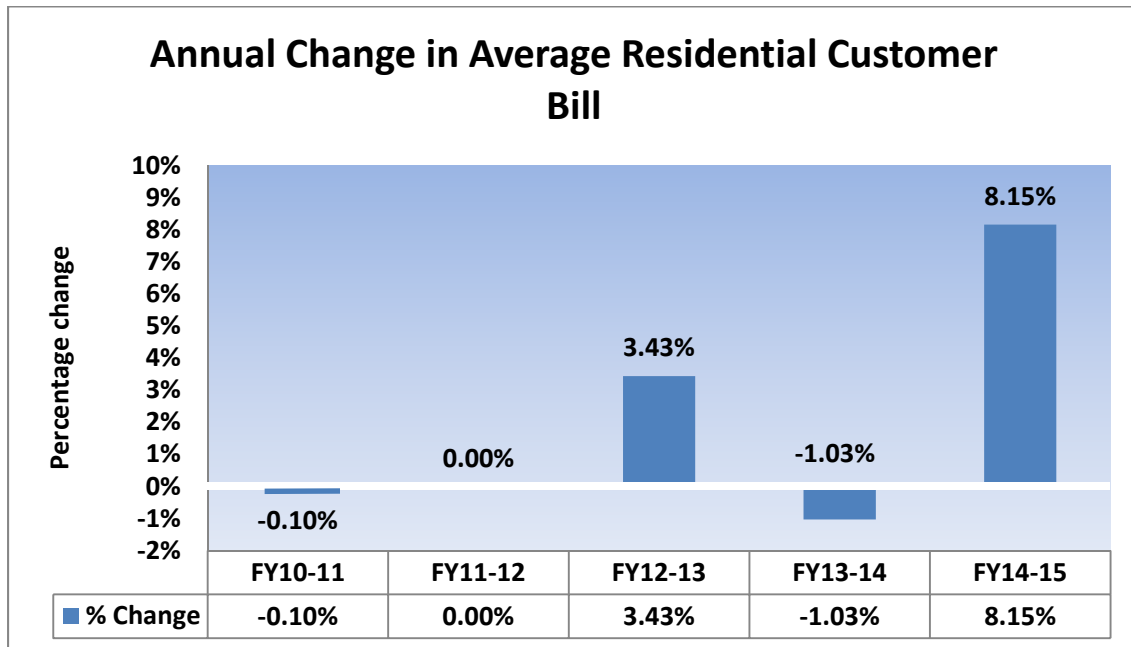
We are proposing a monthly user rate increase to maintain pace with expected expenses. The average residential customer, using 3,300 gallons will see a 3% increase in their water and sewer bill, or a \$1.41 increase monthly.

ACSA Water and Sewer Monthly User Rates

	FY 2015	FY 2016
Service Charge	\$ 7.18	\$ 7.40
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 3.69	\$ 3.80
Level 2 (3,001-6,000 gallons)	\$ 7.38	\$ 7.60
Level 3 (6,001-9,000 gallons)	\$11.07	\$11.40
Level 4 (over 9,000 gallons)	\$14.76	\$15.20
Multi-Family/Non-Residential	\$ 7.12	\$ 7.33
Sewer/All Users (per 1,000 gallons)	\$ 7.86	\$ 8.10

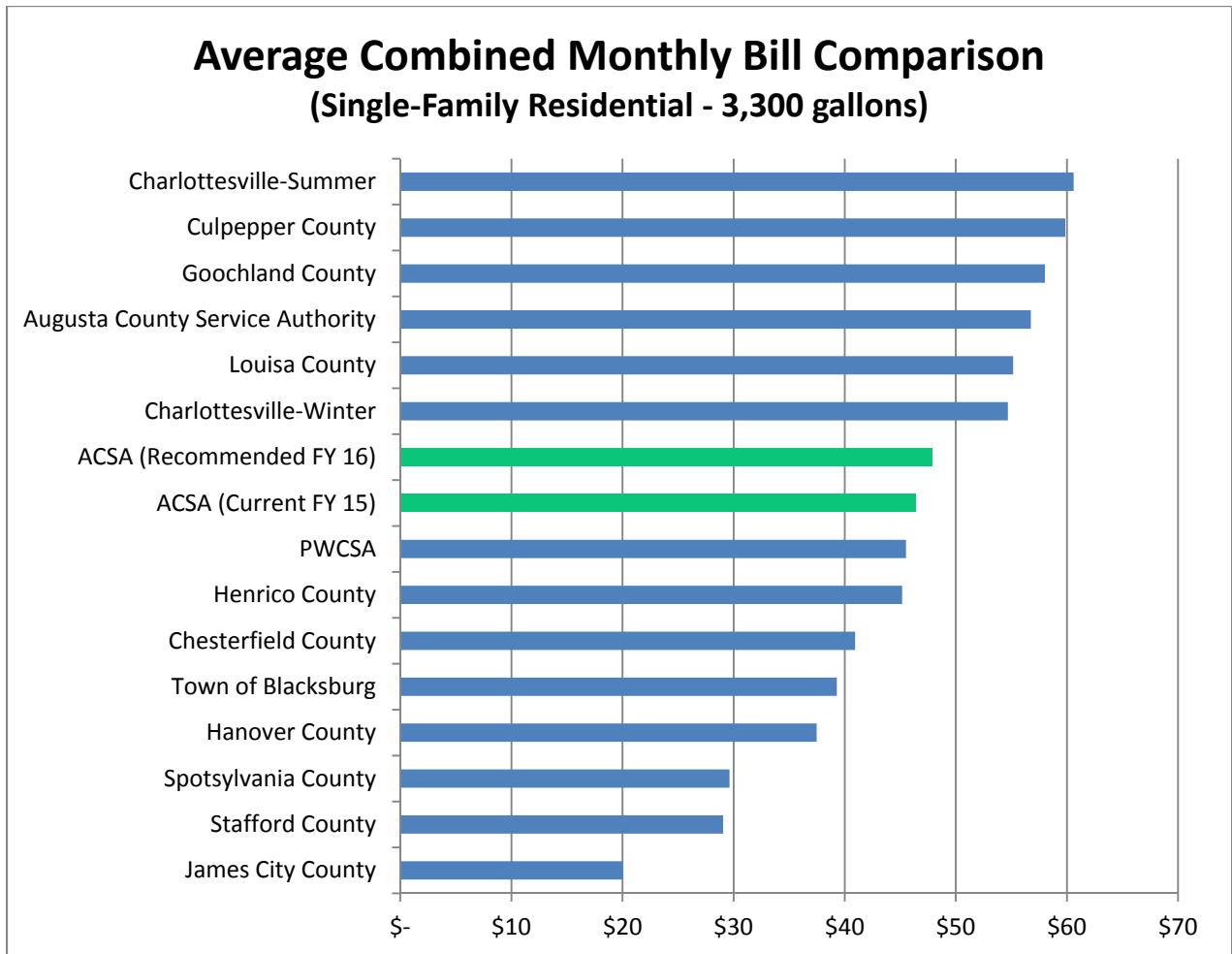
Even with a rate increase, one penny equates to over 2.6 gallons, which is a very good value for the ACSA's reliable, high quality, and safe drinking water.

Over the past five (5) years, the ACSA customer has seen changes in the monthly user rates. For the current year beginning July 1, 2014, the average residential customer saw the largest increase in their rates over the five years directly preceding. Even with this increase, the five (5) year average increase is 2.09%.



Five Year Average Change: 2.09%

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



The Proposed ACSA Fiscal Year 2016 Operating Expenses totals \$22,880,054, as compared to \$22,026,870 for the current budget year (FY 2015). This represents an \$853,184 increase, or 3.9% over the previous year. Our Capital Improvement Program (CIP) is proposed to be \$5,813,065, as compared to the current budget of \$5,496,565, and includes replacement of capital equipment that has exceeded its useful life and a continuation of major capital investment in our system, with a particular emphasis on waterline replacements.

This budget also proposes that water and sewer connection charges for new development remain at the current total rate, water at \$6,560 per Equivalent Residential Connection (ERC) and sewer at \$6,500 per ERC. This is based on a detailed analysis of the cost of providing new connections to the ACSA and RWSA systems, and the needed capacity to be able to serve new development. The ACSA and RWSA capital

projects being proposed are mostly maintenance related, with few being for increased capacity (growth). Capacity related projects could create the need to re-evaluate connection fees.

Following an extensive analysis of the cost of service in the previous year, we are proposing that the monthly service charge be increased. The service charge proposed is \$7.40 per month, as compared to the current service charge of \$7.18. This update reflects the actual base cost of doing business.

Rate Design – Monthly Service Charges

Meter Size (inches)	Water Customer Accounts	Current	Recommended
		FY 2015	FY 2016
5/8	17,876	\$7.18	\$7.40
1	594	\$13.81	\$14.22
1 1/2	345	\$24.87	\$25.62
2	177	\$38.13	\$39.27
3	51	\$73.51	\$75.72
4	18	\$113.30	\$116.70
6	0	\$223.84	\$230.56

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.

Balancing the delivery of quality water, wastewater treatment costs, investing in the ACSA’s water and sewer system infrastructure, improving service delivery and providing a high level of customer service are some of the most significant challenges facing the ACSA. To manage these challenges, these budgets are built on a strong foundation of over 50 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 each and every individual involved in the budget development process, from every employee to the Board members, we thank you. I want to thank the Leadership Team of Mike Lynn, Pete Gorham, Tommy Henley, and Emily Shifflett, and the ACSA staff for their work in developing the Operating Budgets, and to Pete Gorham and the Engineering staff for the development of the Capital Improvement Program (CIP) Budget. The proposed FY 2016 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 budgets and proposed rates maintain the ACSA vision for a strong financial future, while ensuring continual improvements to meet the challenges of the future.

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. This year 2015, the ACSA celebrates 51 years of water and sewer service to the Albemarle Community.

Service Area:

Providing service to over 69,500 residents, with over 18,300 retail customers. The map below shows the ACSA service areas.

Employees:

Approximately 75 people are employed at the ACSA in four operating departments: Maintenance, Engineering, Finance, and Administration. Our employees are the backbone of the quality services that the ACSA customers receive.

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. 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 waterlines deliver a reliable water service. We have been active in water line replacement and our annual capital program investment is keeping up with our replacement needs. A recent analysis indicated that 60% 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 354 miles of interconnected pipes, 9 water pumping stations, 7 water storage tanks, and 2,330 fire hydrants.

Sewer Collection System:

Over 260 miles of sanitary sewer lines and 12 sewer pump stations comprise the ACSA sewer collection systems for business and residences in our service area.

Cost for Gallon of Water:

ACSA water is a good value. Even with a rate increase next year, 2.63 gallons of ACSA water costs one cent.

Financial Performance:

The ACSA has a very strong and sustainable financial picture. With a very low level of debt, the ACSA is able to fund most capital projects out of the annual budgets. This past year marked 32 consecutive years of receiving the prestigious Government Finance Officers Association Certificate for Excellence in Financial Reporting.

Customer Service:

ACSA communicates valuable customer related information through bill inserts, bi-annual newsletters, the website www.serviceauthority.org, and via Facebook. An after-hours emergency phone service at (888) 252-3468 operates for receiving and responding to, a variety of emergency calls from customers. During normal business hours we operate at (434) 977-4511.

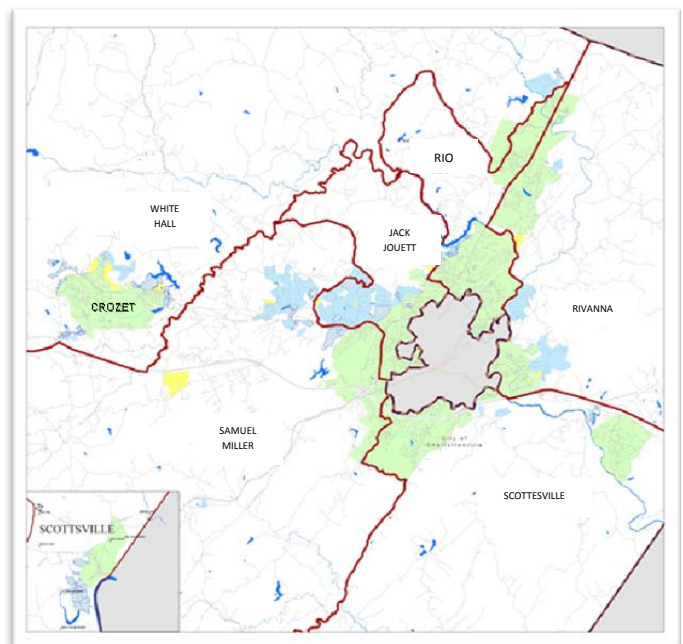
Governance:

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.

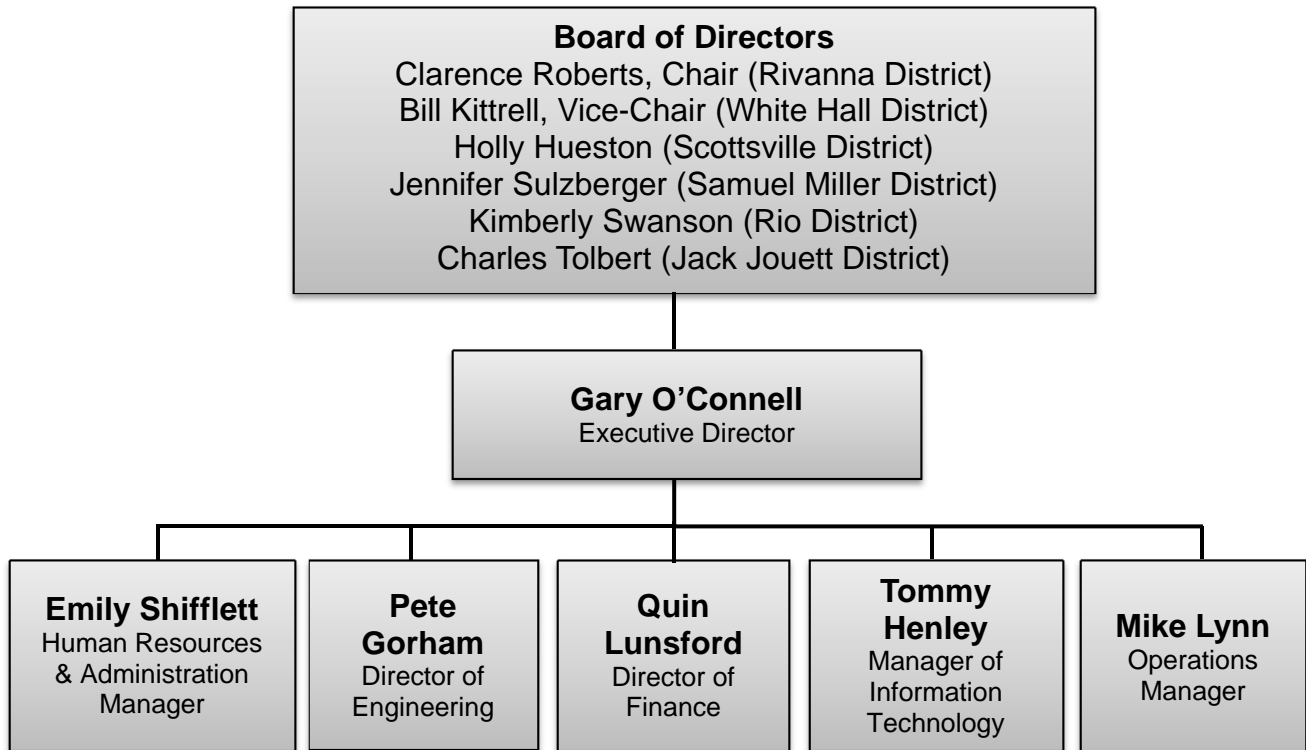
ACSA Financial Information:

- FY 2016 Total Budget: \$29,050,349;
- FY 2016 Capital Improvements Budget: \$5,813,065

ACSA Service Area:



ACSA Leadership



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 chargers. 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 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, 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

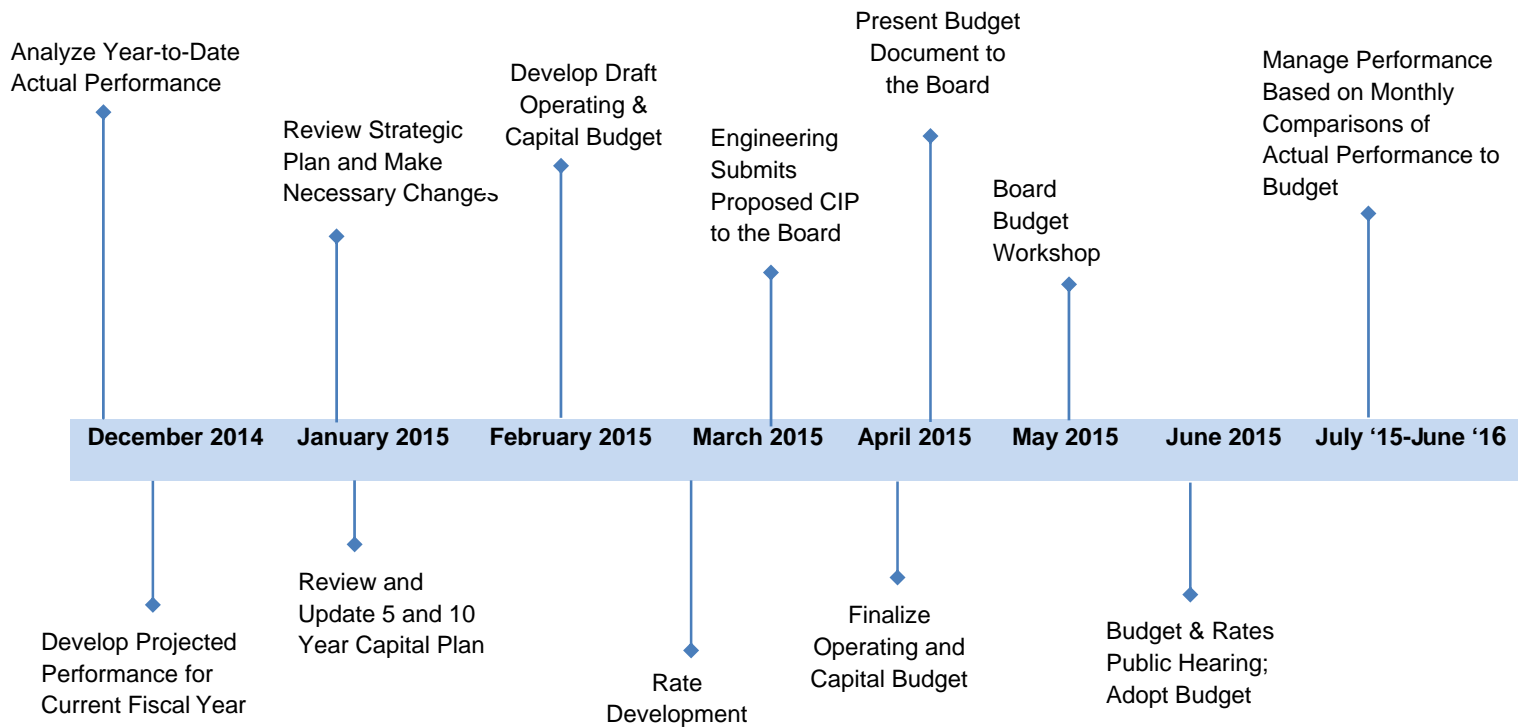
- The Authority has implemented "best management practices" which dictate that cash/investment reserves be accumulated to provide for contingencies and planned/unplanned major expenses. The Authority has established two types of reserves for its water and wastewater systems:
 - Operating and Maintenance 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 is to maintain a minimum reserve equal to three months of operating expenses as calculated from the previous fiscal year. Water and wastewater rates are to be set accordingly to ensure the O&M fund maintains the three month target.
 - 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 in order 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.

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.
- 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.

Budget Process

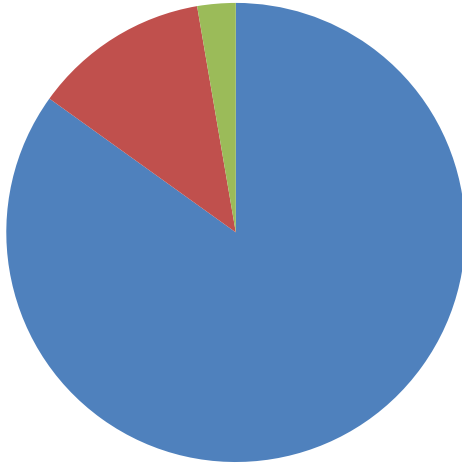
The Authority must adopt its budget prior to July 1 of each year. Development of the budget is influenced by the strategic plan, organization goals and objectives, and external factors such as economic conditions. The Board, Authority staff, and the public participate in the development of the budget.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



OVERVIEW

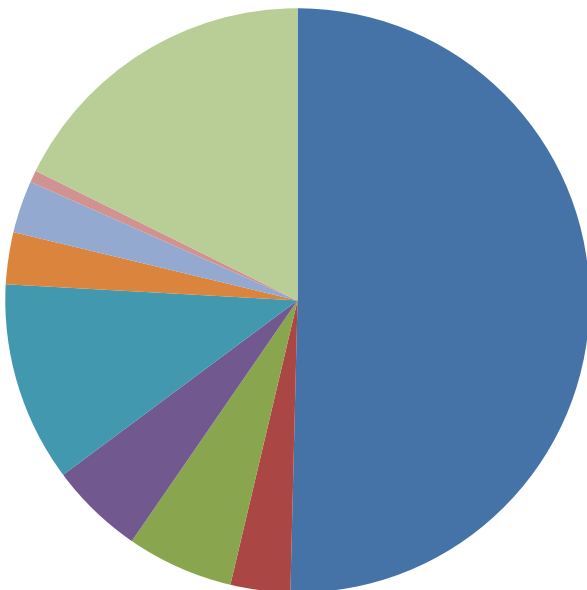
The ACSA's Fiscal Year 2016 Total Budget is \$29,050,349

Where the Dollars Come From



■ Water Sales/Sewer Charges	\$24,667,341	84.91%
■ System Connection Charges	\$ 3,600,000	12.39%
■ Other Revenues	\$ 783,008	2.70%
Total Budgeted Revenues	\$29,050,349	100.00%

Where the Dollars Go



■ Purchase of Water/Wastewater	\$14,638,744	50.39%
■ Administration Department	\$ 958,421	3.30%
■ Finance Department	\$ 1,716,607	5.91%
■ Engineering Department	\$ 1,515,503	5.22%
■ Maintenance Department	\$ 3,214,333	11.06%
■ Information Technology	\$ 836,446	2.88%
■ Bond Debt Service	\$ 840,248	2.89%
■ Other Expenses	\$ 191,295	0.66%
■ Transfers/Contrib. for Cap. Impr.	\$ 5,138,752	17.69%
Total Budgeted Expenses	\$29,050,349	100.00%

Operating Budgets:

- Approved FY 2015 Operating Budget totaled \$22,026,870
- Proposed FY 2016 Operating Budget totals \$22,880,054

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

- Approved FY 2015 totaled \$13,975,832
- Proposed FY 2016 totals \$14,638,744 or 64.1% of the Operating Budget
- Largest single expenditure increase, totaling \$662,912

Departmental Operating Budgets:

- Approved FY 2015 - \$8,051,038
- Proposed FY 2016 - \$8,241,310
- Increase of \$190,272

Debt Service (Capital Project) Expense:

- Approved FY 2015 - \$847,752
- Proposed FY 2016 - \$840,248

Operations:

Top Budget Priorities:

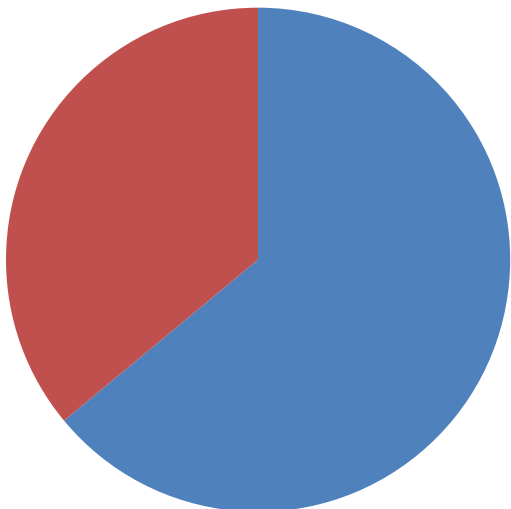
- High Quality Water Delivered to our Customers
- Maintain Current ACSA Programs and Services
- Meet Financial Obligations and Financial Sustainability
- High Level of Customer Service
- Strategic Improvements
- Invest in our Infrastructure
- Major Maintenance Investments – ongoing
- Invest in our Employees

Top Operating Initiatives:

- Continue high level of Emergency Response times; Emergency Planning
- Continue Enhancements to Water Quality:
 - Regulatory Compliance
 - Water System Maintenance
 - New advanced water filtering process
- Meet all Wastewater Standards:
 - Continue Sewer System Rehabilitations
 - Regulatory Compliance

Other ACSA Initiatives:

- Continued implementation of the Strategic Plan
- Succession Planning for employee continuity
- Staffing increase to meet AWWA standards related to Fire Hydrant annual inspections



■ Purchased Water/Wastewater	\$14,638,744	63.98%
■ ACSA Operational Budget	\$ 8,241,310	36.02%
Total	<u>\$22,880,054</u>	<u>100.00%</u>

Water and Sewer Rates – Fiscal Year 2016 Proposed:

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

- Purchased water from RWSA wholesale rate increase of 2.9%;
- Purchased water from RWSA for the communities of Crozet and Scottsville increased 22.3%;
- Purchased wastewater treatment RWSA wholesale rate increase of 3.6%;
- Purchased wastewater treatment from RWSA for the communities of Scottsville and Glenmore decreased by 12.6%;
- Total Operating Budget increase of 3.9%;
- Capital Improvements Program of \$5.813 million.

ACSA Water and Sewer Monthly User Rates

	FY 2015	FY 2016
Service Charge	\$ 7.18	\$ 7.40
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 3.69	\$ 3.80
Level 2 (3,001-6,000 gallons)	\$ 7.38	\$ 7.60
Level 3 (6,001-9,000 gallons)	\$11.07	\$11.40
Level 4 (over 9,000 gallons)	\$14.76	\$15.20
Multi-Family/Non-Residential	\$ 7.12	\$ 7.33
Sewer/All Users (per 1,000 gallons)	\$ 7.86	\$ 8.10

Monthly, based on usage noted below, single-family customers will see an increase from \$0.64 to \$2.80.

**Sample Monthly Combined
(Water and Sewer) Bills**

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2016 Bill	Monthly \$ Increase
Single-Family					
Minimal User (10th percentile)	5/8	1,200	\$21.04	\$21.68	\$0.64
Small User (25th percentile)	5/8	2,000	\$30.28	\$31.19	\$0.91
Median (50th percentile)	5/8	3,300	\$46.40	\$47.81	\$1.41
Large User (75th percentile)	5/8	4,700	\$67.74	\$69.77	\$2.03
Excessive User (90th percentile)	5/8	6,300	\$93.23	\$96.03	\$2.80
Multi-Family/Non-Residential*					
Multi-Family	1	33,700	\$518.63	\$534.20	\$15.57
Com. (Offices)	1	6,300	\$108.19	\$111.43	\$3.24
Com. (Other)	5/8	4,700	\$77.58	\$79.91	\$2.33
Industrial	1 1/2	16,500	\$272.04	\$280.20	\$8.16
Institutional	5/8	13,000	\$201.92	\$207.98	\$6.06

Why does the ACSA need a rate increase?

There are two main reasons: First, the increase in purchased water from our Regional provider Rivanna Water and Sewer Authority (RWSA), is our single largest cost input; secondly, the ACSA's cost of doing business and operating costs have increased, specifically related to changes in salaries, supplies, services, employee education, and maintenance costs.

Why is the Purchased Water Cost increasing?

The ACSA purchases treated water and distributes that water to our customers. Our provider RWSA, through a lengthy community discussion, approved a new water treatment process called GAC (granular activated carbon filtering). This advanced water treatment filtering produces an even higher quality of water, yet it is very expensive. To pay our water treatment bill, we are sharing the RWSA wholesale rate increase with our customers.

How much will my bill increase?

The average residential customer who uses around 3,300 gallons a month will see their water and sewer bill increase by \$1.41. About 75% of our customers are single-family residential water users, using on average between 3,300- 4,000 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 has actually had small rate decreases or no increase for three of the past five years for our average residential customer. This five-year average increase has been approximately 2% each year.

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

We look at spending very carefully in each budget, and with everything we purchase, 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 64% 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. The greater the use, the higher the rate which acts as an incentive to conserve water.

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

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

Why does the ACSA spend over \$5 million a year on Capital Projects?

Many parts of the ACSA are aging and deteriorating, some 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 assure you, the customer, of reliable water and sewer service, to meet water quality standards, and wastewater environmental requirements.

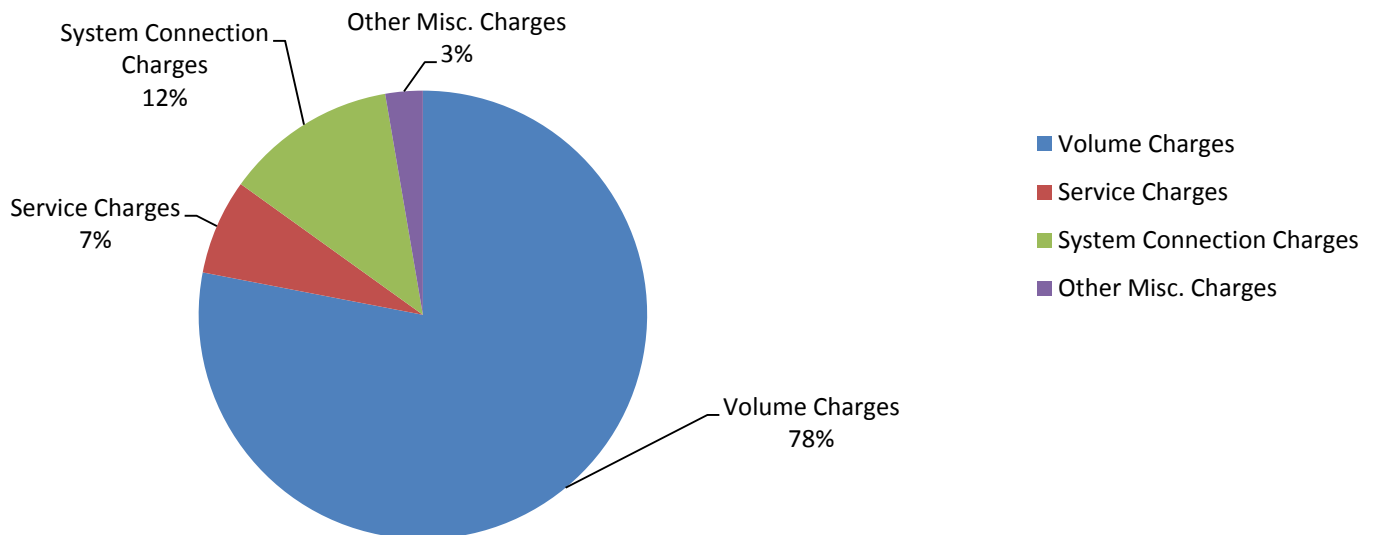
Who pays for growth?

The ACSA has a philosophy that "growth pays for growth." New development water and sewer systems are installed to ACSA standards by the developers. To help pay for the water and sewer capacity in the system, new development pays a "connection fee" per unit that equates to a single water and sewer residential connection at the proposed FY 2016 charges or \$13,060.

	FY 2015 Approved Budget	FY 2016 Proposed Budget	Proposed as % of FY 2015
OPERATING REVENUES			
Total Volume Charges	\$ 22,007,127	22,667,341	103.0%
Total Service Charges	1,900,000	2,000,000	105.3%
Total Operating Revenues	\$ 23,907,127	24,667,341	103.2%
NON-OPERATING REVENUES			
System Connection Charges	3,600,000	3,600,000	100.0%
Rental Income	30,500	28,800	94.4%
Interest Income	120,000	82,000	68.3%
Buck Mountain Surcharge	50,500	50,800	100.6%
Misc. Utility Charges	565,000	420,000	74.3%
Inspection Fees	22,000	22,000	100.0%
Plan Review & FOG Permit Fees	48,250	48,250	100.0%
Build America Bond Subsidy	154,930	131,158	84.7%
Total Non-Operating Revenues	\$ 4,591,180	4,383,008	95.5%
Total Operating & Non-Operating Revenues	\$ 28,498,307	29,050,349	101.9%
OPERATING EXPENSES			
Purchase of Water/Wastewater	\$ 13,975,832	14,638,744	104.7%
Administration Department	923,028	958,421	103.8%
Finance Department	1,721,120	1,716,607	99.7%
Engineering Department	1,415,303	1,515,503	107.1%
Maintenance Department	3,239,029	3,214,333	99.2%
Information Technology	752,558	836,446	111.1%
Total Operating Expenses	\$ 22,026,870	22,880,054	103.9%
NON-OPERATING EXPENSES			
Capital Equipment Acquisition	76,620	140,495	183.4%
Repair, Renewal, & Rehabilitation Reserves	1,000,000	300,000	30.0%
Buck Mountain Surcharge	50,500	50,800	100.6%
Existing Debt Service and Amortization	847,752	840,248	99.1%
Transfer for Capital Expenses	4,496,565	4,838,752	107.6%
Total Non-Operating Expenses	\$ 6,471,437	6,170,295	95.3%
Total Operating & Non-Operating Expenses	\$ 28,498,307	29,050,349	101.9%
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,496,565	4,838,752	107.6%
Transfer from 3R Reserves	1,000,000	974,313	97.4%
Total Capital Improvements Funding	\$ 5,496,565	5,813,065	105.8%
CAPITAL IMPROVEMENTS EXPENSES			
Water - Capital Improvement Projects	\$ 4,588,965	4,127,800	90.0%
Wastewater - Capital Improvement Projects	907,600	1,529,100	168.5%
Planned Equipment Replacement	-	156,165	-
Total Capital Improvements Expenses	\$ 5,496,565	5,813,065	105.8%

	FY 2015 Approved Budget	FY 2016 Proposed Budget	Proposed as % of FY 2015
OPERATING REVENUES			
Total Volume Charges	\$ 22,007,127	22,667,341	103.0%
Total Service Charges	1,900,000	2,000,000	105.3%
Total Operating Revenues	\$ 23,907,127	24,667,341	103.2%
NON-OPERATING REVENUES			
System Connection Charges	3,600,000	3,600,000	100.0%
Rental Income	30,500	28,800	94.4%
Interest Income	120,000	82,000	68.3%
Buck Mountain Surcharge	50,500	50,800	100.6%
Misc. Utility Charges	565,000	420,000	74.3%
Inspection Fees	22,000	22,000	100.0%
Plan Review & FOG Permit Fees	48,250	48,250	100.0%
Build America Bond Subsidy	154,930	131,158	84.7%
Total Non-Operating Revenues	\$ 4,591,180	4,383,008	95.5%
Total Operating & Non-Operating Revenues	\$ 28,498,307	29,050,349	101.9%
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,496,565	4,838,752	107.6%
Transfer from 3R Reserves	1,000,000	974,313	97.4%
Total Capital Improvements Funding	\$ 5,496,565	5,813,065	105.8%

Operating and Non-Operating Budgeted Revenues



	FY 2015	FY 2016
Total Volume Charges (monthly user rates)	\$22,007,127	\$22,667,341
Total Service Charges (cost of service)	\$1,900,000	\$2,000,000
System Connection Charges (new development fees)	\$3,600,000	\$3,600,000
Other Revenues	\$991,180	\$783,008
Total Revenues	\$28,498,307	\$29,050,349

Total Volume Charges - \$22,667,341; water and sewer usage billed to ACSA customer on a monthly basis; rate increase proposed primarily driven by increased treatment costs of water.

Total Service Charges - \$2,000,000; monthly service charge to reflect actual costs for meter reading, billing and customer service; the budget proposes to increase the monthly service charge from \$7.18 to \$7.40 for our average customer (charge increases as meter size increases).

System Connection Charges - \$3,600,000; the Budget proposes to keep the overall fees the same for FY 2016, for new development per new ERC connections.

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

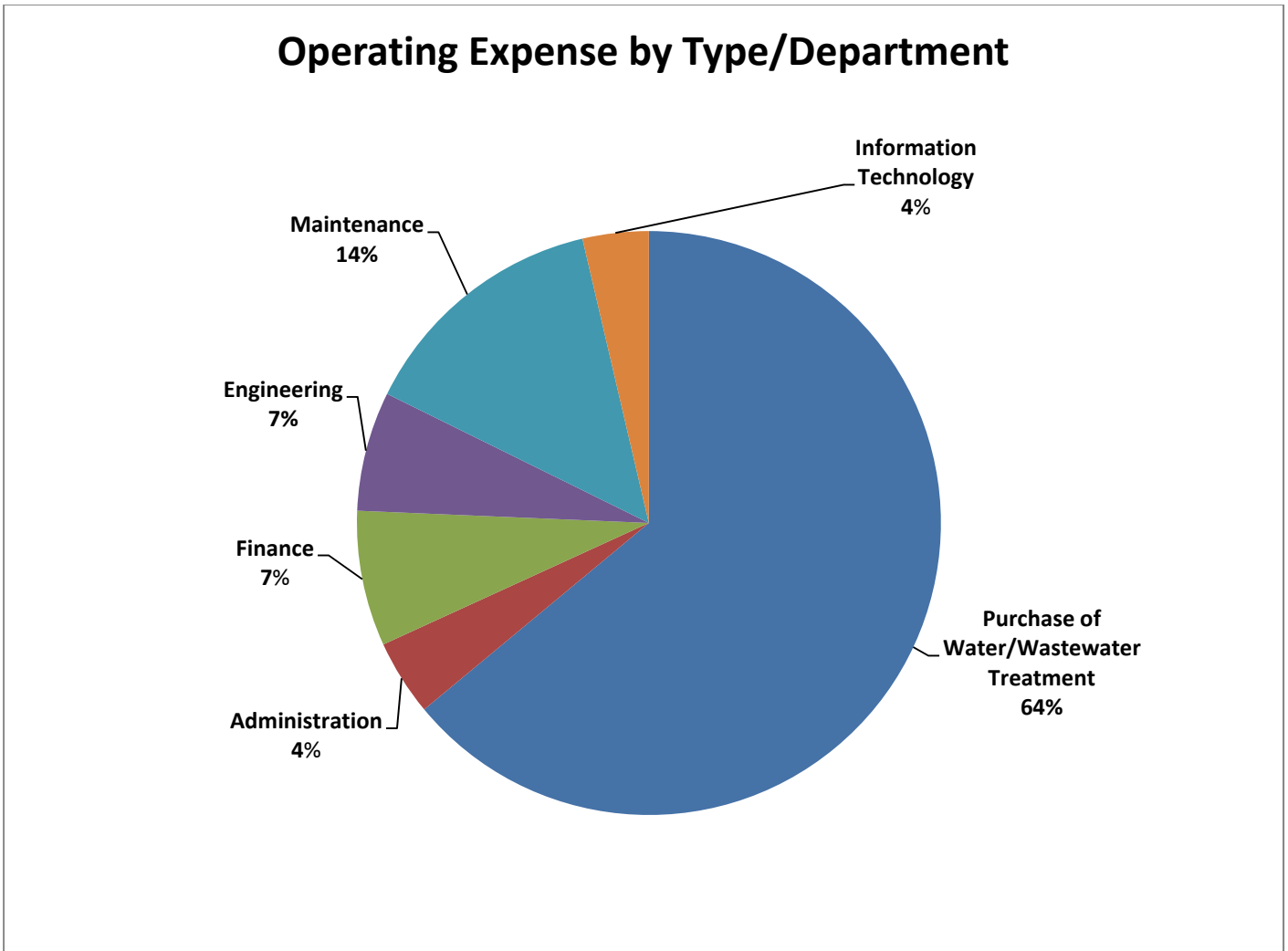
RWSA Capacity Fees offsets the capital costs of backbone capacity in the Rivanna Water and Sewer Authority's (wholesale water and wastewater treatment provider) water and sewer systems for which the ACSA is responsible for covering the costs per agreements.

		FY 2015	FY 2016
ACSA System Development Fee	Water	\$1,800*	\$1,800*
	Wastewater	\$2,830*	\$2,830*
RWSA Capacity Fee	Water	\$4,760*	\$4,760*
	Wastewater	\$3,670*	\$3,670*
	Total	\$13,060*	\$13,060*
		*per ERC (equivalent residential connection)	

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is at \$22,880,054 or a 3.9% increase. The largest single cost of the Operating Budget is RWSA purchased water and wastewater treatment at \$14,638,744 or 64% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2016. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at \$958,421, Finance at \$1,716,607, Engineering at \$1,515,503, Maintenance at \$3,214,333, and Information Technology at \$836,446. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2016:



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 18,300 customers.

On the sewer side, 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 84% of our customers have both water and sewer service, while approximately 16% of our customers have water service only.

The chart below shows the RWSA charges for water and wastewater treatment, with increases in purchased water costs for next year due, in part, to an increase in RWSA operating expenses and costs associated with long deferred maintenance items and for the reservoir management study for Scottsville and Crozet.

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016 Proposed</u>	<u>FY 2016 as % of FY 2015</u>
RWSA EXPENSES				
Buck Mountain Surcharge	\$ 52,400	50,500	50,800	100.6%
Purchase of Bulk Water	6,884,413	7,545,159	8,076,010	107.0%
Sewer Treatment Expense	6,270,172	6,430,673	6,562,734	102.1%
Subtotal:	\$ 13,206,985	\$14,026,332	\$14,689,544	104.7%

RWSA EXPENSES BY SERVICE AREA

	<u>Rates FY 2014</u>	<u>Rates FY 2015</u>	<u>Rates FY 2016</u>						
WATER									
Urban	\$3.333/TG	\$3.687/TG	\$3.795/TG	\$	5,376,289	5,945,739	6,119,902	102.9%	
Crozet	\$84,630/mo	\$91,942/mo.	\$113,997/mo.		1,015,560	1,103,304	1,367,964	124.0%	
Scottsville	\$41,047/mo	\$41,343/mo	\$49,012/mo		492,564	496,116	588,144	118.5%	
Buck Mountain Surcharge					52,400	50,500	50,800	100.6%	
Total				\$	6,936,813	\$7,595,659	\$8,126,810	107.0%	
WASTEWATER									
Urban	\$3.463/TG	\$3.435/TG	\$3.560/TG	\$	5,616,066	5,766,415	5,976,255	103.6%	
Scottsville	\$28,295/mo	\$28,879/mo.	\$21,425/mo.		339,540	346,548	257,100	74.2%	
Stone-Robinson School	Actual	\$24,498/annual	\$26,847/annual		24,298	24,298	26,847	110.5%	
Glenmore	\$24,189/mo	\$24,451/mo.	\$25,211/mo.		290,268	293,412	302,532	103.1%	
Total				\$	6,270,172	\$6,430,673	\$6,562,734	102.1%	

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 annual 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 are detailed line items for the proposed expenditures for FY 2016.

Personal Services

- Includes salary, benefits, payroll taxes, and other related expenses.
- Salaries – a 3% salary pool is proposed to keep pace with the area marketplace to remain competitive, and to help offset increased personal cost of living expenses for our employees. These are performance based pay increases, with individual performance evaluations for every employee.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; for 2016 the rate has remained constant at 9.21%.
- Health Care and Benefit Dollars – the ACSA, through a contract with Albemarle County, provides a Health Care Program for our employees. The ACSA employer contribution is proposed to increase to \$750 per month. Also included in this item are the actuarially determined costs for OPEB (Other Post-Employment Benefits).
- 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 is the largest item in this category, and is 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

- Much of this category are 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, etc. (one of the strategic plan items is a scheduled Hydrant Replacement Program; an increase in funding is proposed to accomplish over time). 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 contract.
- 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 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, books.
- 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, Clerk for the Board of Directors, and Information Technology (IT) for the ACSA. For the purpose of budget preparation and presentation, IT expenses have been extracted from the Administration budget. Please refer to the Information Technology Operating Budget summary as provided later in this document.

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 "Pipeline" 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. Provides administrative support for the Executive Director.

Key initiatives and changes for FY 2016:

- Expand customer communications through a variety of media;
- Continue to actively promote water conservation;
- Continue to provide training and professional development opportunities for ACSA Employees;
- Coordinate with the Finance Department during implementation of the ERP and integrate the Human Capital Management Module; the overtime budget has been increased to account for extra effort that will likely be required.
- Budgeted legal expenses have been estimated based on historical experience and an assumed change in the fee assessed to the ACSA.
- Budgeted education and training expenses have increased over the prior year as participation in the ACSA's Continuing Education Program has increased.

Administration Department

Description	FY 2014 Expended	FY 2015	FY 2015	FY 2015 Budget	FY 2016	FY 2016	FY 2016	FY 2016
		Actual Expenses To-Date(Jan)	Anticipated Expenses To-EOFY 2015		Base Budget	Total Proposed	as % of FY 2015	Total Adopted
PERSONAL SERVICES								
Compensation of Board Members	\$ 9,608	4,635	7,946	16,500	16,500	16,500	100.0%	16,500
Salaries & Wages	340,976	196,737	337,263	358,319	355,847	355,847	99.3%	355,847
Overtime	236	12	21	412	3,000	3,000	728.2%	3,000
Social Security	24,871	13,723	23,525	28,016	25,379	25,379	90.6%	25,379
Retirement	31,515	15,327	26,275	32,353	31,713	31,713	98.0%	31,713
Health & Benefit Dollars	49,244	27,185	46,603	51,756	59,719	59,719	115.4%	59,719
Life Insurance	4,006	1,999	3,427	4,723	4,098	4,098	86.8%	4,098
Workers' Compensation	266	208	357	334	380	380	113.8%	380
Meals	412	211	362	600	600	600	100.0%	600
Safety Incentive Program	138	-	-	2,000	2,000	2,000	100.0%	2,000
Employee Incentives	23,084	17,702	30,346	35,000	35,000	35,000	100.0%	35,000
Subtotal:	\$ 484,356	277,739	476,125	530,013	534,236	534,236	100.8%	534,236
OPERATING SUPPLIES								
Office Supplies	\$ 9,778	3,255	5,580	5,000	5,000	5,000	100.0%	5,000
Copier Supplies	1,258	776	1,330	1,990	1,850	1,850	93.0%	1,850
Janitorial Supplies	3,104	1,168	2,002	4,062	3,903	3,903	96.1%	3,903
Small Tools & Equipment	614	321	550	4,550	4,300	4,300	94.5%	4,300
EMS Program	2,100	-	-	5,000	2,500	2,500	50.0%	2,500
Subtotal:	\$ 16,854	5,520	9,462	20,602	17,553	17,553	85.2%	17,553
PROFESSIONAL & CONTRACTUAL SERVICES								
Legal	\$ 80,177	26,993	46,274	63,000	81,012	81,012	128.6%	81,012
Audit	48,423	22,450	38,486	35,000	35,000	35,000	100.0%	35,000
Fiscal Agent	1,500	1,650	2,829	1,500	1,650	1,650	110.0%	1,650
Consultants' Fees	69,492	8,404	14,407	22,228	22,300	22,300	100.3%	22,300
Printing and Duplicating	5,158	438	751	9,150	9,150	9,150	100.0%	9,150
Other Contractual Services	5,364	1,147	1,966	6,775	6,775	6,775	100.0%	6,775
Subtotal:	\$ 210,114	61,082	104,713	137,653	155,887	155,887	113.2%	155,887

Finance

The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting through accounts payable and accounts receivable, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budgeting, auditing, debt financing, investments, monitoring spending, and revenue and expenditure forecasting which includes rate modeling. The development of the annual financial report, interim financial statements, usage consumption reports, and preparation of the annual budget are coordinated by Finance. Also the Department can often be called upon for special studies and costs analysis to determine the cost/benefit or the financial feasibility of a project or program.

Key initiatives and changes for FY 2016:

- Complete implementation of the ERP system (Microsoft Dynamics AX2012); The input to be provided by staff will require additional effort, this results in the additional budgeted overtime in FY 2016.
- Implement the FY 2016 Budget and Rates and present the FY 2016 budget to the Government Finance Officers Association for consideration related to the Distinguished Budget Award program;
- Comprehensive Annual Financial Report preparation (CAFR).
- Update of the ACSA's Procurement/Purchasing Policies.
- The change in the budgeted amount of other contractual services is related to the manner in which we are assessed our investment custodial services. Previously, these charges were assessed and withdrawn from the ACSA's money market investment account upon ACSA approval.

Finance Department

Description	FY 2014 Expended	FY 2015 Actual Expenses To-Date(Jan)	FY 2015 Anticipated Expenses To-EOFY 2015	FY 2015 Budget	FY 2016 Base Budget	FY 2016 Total Proposed	FY 2016 as % of FY 2015	FY 2016 Adopted
PERSONAL SERVICES								
Salaries & Wages	\$ 776,743	439,831	753,996	787,031	807,307	807,307	102.6%	807,307
Overtime Pay	15,270	9,634	16,515	15,450	28,000	28,000	181.2%	28,000
Social Security	56,207	31,006	53,153	62,213	63,901	63,901	102.7%	63,901
Retirement	63,100	38,570	66,120	72,850	73,975	73,975	101.5%	73,975
Health & Benefit Dollars	122,559	70,596	121,022	141,140	159,890	159,890	113.3%	159,890
Life Insurance	7,854	5,002	8,575	10,523	9,559	9,559	90.8%	9,559
Workers' Compensation	3,746	3,097	5,309	5,042	6,868	6,868	136.2%	6,868
Subtotal:	\$ 1,045,479	597,736	1,024,690	1,094,249	1,149,500	1,149,500	105.0%	1,149,500
OPERATING SUPPLIES								
Office Supplies	\$ 7,193	2,695	4,620	10,966	12,570	12,570	114.6%	12,570
Personal Protective Equipment	478	563	965	1,760	1,280	1,280	72.7%	1,280
Fuel, Oil & Grease	15,358	6,736	11,547	19,416	14,700	14,700	75.7%	14,700
Small Tools & Equipment	5,570	1,745	2,991	13,260	9,935	9,935	74.9%	9,935
Subtotal:	\$ 28,599	11,739	20,123	45,402	38,485	38,485	84.8%	38,485
REPAIR & MAINTENANCE								
Vehicle Supplies	\$ 2,126	324	555	3,500	3,500	3,500	100.0%	3,500
Materials - Water	176,789	90,050	154,371	269,851	255,866	255,866	94.8%	255,866
Subtotal:	\$ 178,915	90,374	154,926	273,351	259,366	259,366	94.9%	259,366
PROFESSIONAL & CONTRACTUAL SERVICES								
Uniform Rental	2,972	1,715	2,940	3,578	3,335	3,335	93.2%	3,335
Consultants' Fees	-	-	-	500	500	500	100.0%	500
Service Contracts	37,175	19,844	34,018	43,650	39,230	39,230	89.9%	39,230
Postage	98,856	82,013	140,594	134,060	136,175	136,175	101.6%	136,175
Printing and Duplicating	9,931	1,078	1,848	27,620	23,460	23,460	84.9%	23,460
Other Contractual Services	26,062	17,781	30,482	31,025	39,025	39,025	125.8%	39,025
Subtotal:	\$ 174,996	122,431	209,882	240,433	241,725	241,725	100.5%	241,725

Finance Department

Description	FY 2014 Expended	FY 2015 Actual Expenses To-Date(Jan)	FY 2015 Anticipated Expenses To-EOFY 2015	FY 2015 Budget	FY 2016 Base Budget	FY 2016 Total Proposed	FY 2016 as % of FY 2015	FY 2016 Adopted
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance	\$ 2,244	2,441	4,185	8,869	9,291	9,291	104.8%	9,291
Vehicle Repair and Maintenance	1,205	662	1,135	3,500	3,500	3,500	100.0%	3,500
Subtotal:	\$ 3,449	3,103	5,320	12,369	12,791	12,791	103.4%	12,791
OTHER SERVICES AND CHARGES								
Rental of Equipment	\$ 1,283	703	1,205	1,320	1,320	1,320	100.0%	1,320
Software	2,010	-	-	11,741	500	500	4.3%	500
Dues and Memberships	499	483	828	745	680	680	91.3%	680
Books and Periodicals	916	119	204	1,690	1,190	1,190	70.4%	1,190
Education and Training	7,436	2,033	3,485	16,370	3,400	3,400	20.8%	3,400
Travel	1,037	-	-	23,450	7,650	7,650	32.6%	7,650
Subtotal:	\$ 13,181	3,338	5,722	55,316	14,740	14,740	26.6%	14,740
TOTAL FINANCE	\$ 1,444,619	828,721	1,420,663	1,721,120	1,716,607	1,716,607	99.7%	1,716,607
Planned Equipment Replacement								
Machinery and Equipment	\$ -	-	-	-	34,665	34,665	-	34,665
Total	\$ -	-	-	-	34,665	34,665	-	34,665

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, in order 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 2016:

Capital Improvement Budget:

- Replacement of aging, deteriorating and under-sized water mains.
- Elimination of all asbestos-cement water mains.
- Adding redundancy to the existing water system.
- Rehabilitation and replacement of deteriorating sewer facilities.
- Short and long term improvements at our Headquarters site.

Operating Budget:

- 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 succession planning.

Engineering Department

Description	FY 2014 Expended	FY 2015 Actual Expenses To-Date(Jan)	FY 2015 Anticipated Expenses To-EOFY 2015	FY 2015 Budget	FY 2016 Base Budget	FY 2016 Total Proposed	FY 2016 as % of FY 2015	FY 2016 Adopted
PERSONAL SERVICES								
Salaries & Wages	\$ 955,759	591,486	1,013,976	975,700	1,028,897	1,028,897	105.5%	1,028,897
Overtime Pay	5,200	5,400	9,257	10,300	11,000	11,000	106.8%	11,000
Social Security	72,234	42,848	73,454	76,300	79,553	79,553	104.3%	79,553
Retirement	88,413	51,187	87,749	89,100	92,425	92,425	103.7%	92,425
Health & Benefit Dollars	137,600	69,107	118,469	139,800	166,392	166,392	119.0%	166,392
Life Insurance	11,120	6,621	11,350	12,800	11,943	11,943	93.3%	11,943
Workers' Compensation	5,829	4,657	7,983	7,500	9,777	9,777	130.4%	9,777
Subtotal: \$	1,276,155	771,306	1,322,238	1,311,500	1,399,987	1,399,987	106.7%	1,399,987
OPERATING SUPPLIES								
Personal Protective Equipment	982	542	929	1,476	1,362	1,362	92.3%	1,362
Fuel, Oil & Grease	19,201	8,811	15,105	21,710	19,035	19,035	87.7%	19,035
Small Tools & Equipment	9,407	4,433	7,599	11,520	14,860	14,860	129.0%	14,860
Subtotal: \$	29,590	13,786	23,633	34,706	35,257	35,257	101.6%	35,257
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies	\$ 3,917	1,449	2,484	3,400	3,400	3,400	100.0%	3,400
Subtotal: \$	3,917	1,449	2,484	3,400	3,400	3,400	100.0%	3,400
PROFESSIONAL & CONTRACTUAL SERVICES								
Uniform Rental	\$ 1,294	322	552	1,661	688	688	41.4%	688
Other Contractual Services	16,385	7,719	13,233	23,250	22,390	22,390	96.3%	22,390
Subtotal: \$	17,679	8,041	13,785	24,911	23,078	23,078	92.6%	23,078

Engineering Department

Description	FY 2014 <u>Expended</u>	FY 2015 Actual Expenses <u>To-Date(Jan)</u>	FY 2015 Anticipated Expenses <u>To-EOFY 2015</u>	FY 2015 <u>Budget</u>	FY 2016 <u>Base Budget</u>	FY 2016 <u>Total Proposed</u>	FY 2016 as % of <u>FY 2015</u>	FY 2016 <u>Adopted</u>
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance	\$ 3,489	5,381	9,225	8,750	14,275	14,275	163.1%	14,275
Vehicle Repair and Maintenance	2,987	2,155	3,694	3,300	3,300	3,300	100.0%	3,300
Subtotal: \$	6,476	7,536	12,919	12,050	17,575	17,575	145.9%	17,575
OTHER SERVICES AND CHARGES								
Dues and Memberships	\$ 661	1,056	1,810	1,141	1,401	1,401	122.8%	1,401
Books and Periodicals	457	-	-	600	500	500	83.3%	500
Education and Training	18,497	5,938	10,179	14,190	17,590	17,590	124.0%	17,590
Travel	8,477	5,276	9,045	12,805	16,715	16,715	130.5%	16,715
Subtotal: \$	28,092	12,270	21,034	28,736	36,206	36,206	126.0%	36,206
TOTAL ENGINEERING \$	1,361,909	814,388	1,396,093	1,415,303	1,515,503	1,515,503	107.1%	1,515,503
Capital Outlays - Capital Equipment								
Machinery and Equipment	\$ -	-	-	6,500	9,495	9,495	146.1%	9,495
Total	\$ -	-	-	6,500	9,495	9,495	146.1%	9,495

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 2016:

- Expenses related to IT have been separated from the Administrative Department in FY 2016. This is intended to permit even greater transparency and evaluation of IT related costs.
- Replacement of computers/servers in accordance with the Strategic Plan and the formalized replacement cycle for equipment.
- Replacement of GPS units used to locate and record points implanted into the GIS system.
- Continue progress related to projects currently underway, specifically implementation of the ERP system. This will permit further focus on implementation of a Computerized Maintenance Management System (CMMS).
- Migration to Office 365
- Phone system upgrade
- Security System Replacement
- The budgeted changes in Education and Training and Travel expenses are due in part to the expected need for continuing training/education related to the Dynamics AX. In addition, this will allow analysis of additional modules that are anticipated to be implemented in the future.
- The change in service contracts is due in large part to annual costs associated with Dynamics AX and other IT related programs.

Information Technology

Description	FY 2014 Expended	FY 2015 Actual Expenses To-Date(Jan)	FY 2015 Anticipated Expenses To-EOFY 2015	FY 2015 Budget	FY 2016 Base Budget	FY 2016 Total Proposed	FY 2016 as % of FY 2015	FY 2016 Total Adopted
PERSONAL SERVICES								
Salaries & Wages	292,123	168,550	288,943	306,981	304,020	304,020	99.0%	304,020
Overtime	353	19	33	618	1,200	1,200	194.2%	1,200
Social Security	20,848	11,504	19,721	23,484	23,350	23,350	99.4%	23,350
Retirement	27,029	13,145	22,534	27,747	27,575	27,575	99.4%	27,575
Health & Benefit Dollars	42,976	23,726	40,673	51,244	59,719	59,719	116.5%	59,719
Life Insurance	3,373	1,684	2,887	3,977	3,563	3,563	89.6%	3,563
Workers' Compensation	211	165	283	266	329	329	123.7%	329
Subtotal:	\$ 386,913	218,793	375,074	414,317	419,756	419,756	101.3%	419,756
OPERATING SUPPLIES								
Office Supplies	\$ 5,995	6,282	10,769	15,000	13,000	13,000	86.7%	13,000
Copier Supplies	-	-	-	-	260	260	-	260
Small Tools & Equipment	41,221	45,075	77,271	111,900	69,720	69,720	62.3%	69,720
Subtotal:	\$ 47,216	51,357	88,040	126,900	82,980	82,980	65.4%	82,980
PROFESSIONAL & CONTRACTUAL SERVICES								
Service Contracts	68,437	64,031	109,767	87,551	121,264	121,264	138.5%	121,264
Telephone/Communications	50,095	29,977	51,389	45,470	59,666	59,666	131.2%	59,666
Subtotal:	\$ 118,532	94,008	161,156	133,021	180,930	180,930	136.0%	180,930
OTHER SERVICES AND CHARGES								
Software	\$ 1,546	1,630	2,794	31,870	77,780	77,780	244.1%	77,780
Books and Periodicals	-	-	-	-	500	500	-	500
Education and Training	3,193	2,406	4,125	26,950	35,075	35,075	130.1%	35,075
Travel	4,250	-	-	19,500	39,425	39,425	202.2%	39,425
Subtotal:	\$ 8,989	4,036	6,919	78,320	152,780	152,780	195.1%	152,780
TOTAL INFORMATION TECHNOLOGY	\$ 561,650	368,194	631,189	752,558	836,446	836,446	111.1%	836,446

Information Technology

Description	FY 2014 <u>Expended</u>	FY 2015 Actual Expenses <u>To-Date(Jan)</u>	FY 2015 Anticipated Expenses <u>To-EOFY 2015</u>	FY 2015 <u>Budget</u>	FY 2016 Base <u>Budget</u>	FY 2016 Total <u>Proposed</u>	FY 2016 as % of <u>FY 2015</u>	FY 2016 Total <u>Adopted</u>
Capital Outlays - Capital Equipment								
Machinery and Equipment	\$ -	-	-	-	60,000	60,000	-	60,000
Total	\$ -	-	-	-	60,000	60,000	-	60,000
Planned Equipment Replacement								
Machinery and Equipment	\$ -	-	-	-	89,500	89,500	-	89,500
Total	\$ -	-	-	-	89,500	89,500	-	89,500

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 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 21 pump stations (12 sewer and 9 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. We are a growing system each and every year, and the level of maintenance responsibility continues to increase.

Key initiatives for FY 2016:

- Expansion of our Hydrant Replacement Program. The ACSA Strategic Plan has a goal to replace all of the systems older hydrants that use melted lead to secure the hose nozzle connections. The goal for replacement in 2015 was 25 per year with an increase in that goal to 35 in fiscal year 2016.
- Continue evaluation of new technology as it becomes available to make the ACSA an industry leader. In conjunction with technological advancement, the ACSA will also make the commitment to provide the necessary training that our employees will need to excel and succeed in the future.

New Program for FY 2016:

Utility Worker I – Fire Hydrant Inspector

An additional Utility Worker I – Fire Hydrant Inspector position is proposed for the purpose of improving the ACSA's ability to inspect fire hydrants within the system. At current staffing levels, it takes the ACSA 16 months to inspect all 2,350+ fire hydrants within the system and repair/maintain those needing immediate attention. The American Water Works Association, which sets industry standards, notes "all hydrants should be inspected regularly, at least once a year, to ensure their satisfactory operation." This addition would increase the hydrant crew to three, which would allow the ACSA to meet the industry standard of annual fire hydrant inspections.

Maintenance Department

Description	FY 2014	FY 2015	FY 2015	FY 2015	FY 2016	Supple-	FY 2016	FY 2016	FY 2016
	Expended	Actual Expenses To-Date(Jan)	Anticipated Expenses To-EOFY 2015	Budget	Base Budget	mental Request #1	Total Proposed	as % of FY 2015	Adopted
PERSONAL SERVICES									
Salaries & Wages	\$ 1,121,672	733,024	1,256,613	1,408,954	1,410,647	30,000	1,440,647	102.2%	1,440,647
Overtime Pay	47,106	26,981	46,253	58,710	60,000	-	60,000	102.2%	60,000
Standby Pay	2,373	3,119	5,347	4,120	5,000	-	5,000	121.4%	5,000
Social Security	85,890	52,981	90,825	113,870	112,888	2,295	115,183	101.2%	115,183
Retirement	100,551	61,864	106,053	130,463	128,594	2,763	131,357	100.7%	131,357
Health & Benefit Dollars	233,079	126,508	216,871	296,140	340,040	9,240	349,280	117.9%	349,280
Life Insurance	13,192	8,172	14,009	18,740	16,616	357	16,973	90.6%	16,973
Workers' Compensation	19,644	19,038	32,637	32,905	38,536	828	39,364	119.6%	39,364
Meals - Overtime	182	156	267	1,200	1,200	-	1,200	100.0%	1,200
Subtotal:	\$ 1,623,689	1,031,843	1,768,875	2,065,102	2,113,521	45,483	2,159,004	104.5%	2,159,004
OPERATING SUPPLIES									
Shop Supplies	3,844	3,069	5,261	18,002	16,954	-	16,954	94.2%	16,954
Personal Protective Equipment	8,925	4,529	7,764	20,150	19,719	625	20,344	101.0%	20,344
Fuel, Oil & Grease	76,029	28,465	48,797	97,021	78,890	705	79,595	82.0%	79,595
Heating Fuel	5,029	3,590	6,154	9,081	11,073	-	11,073	121.9%	11,073
Small Tools & Equipment	44,320	33,081	56,710	75,020	69,785	4,000	73,785	98.4%	73,785
Subtotal:	\$ 138,147	72,734	124,686	219,274	196,421	5,330	201,751	92.0%	201,751
REPAIR & MAINTENANCE SUPPLIES									
Vehicle Supplies	\$ 10,418	9,510	16,303	28,960	28,058	250	28,308	97.7%	28,308
Materials - Water	80,049	48,485	83,117	75,000	62,000	-	62,000	82.7%	62,000
Materials - Hydrants	39,348	15,938	27,322	56,500	76,250	-	76,250	135.0%	76,250
Materials - Sewer	5,832	330	566	12,000	8,000	-	8,000	66.7%	8,000
Building & Grounds Supplies	10,268	5,796	9,936	42,200	48,400	-	48,400	114.7%	48,400
Equipment Supplies	12,929	14,061	24,105	29,460	30,435	-	30,435	103.3%	30,435
Water Pump Station Supplies	15,083	16,141	27,670	36,800	33,900	-	33,900	92.1%	33,900
Sewer Pump Station Supplies	49,416	23,506	40,296	76,100	79,550	-	79,550	104.5%	79,550
Subtotal:	\$ 223,343	133,767	229,315	357,020	366,593	250	366,843	102.8%	366,843
PROFESSIONAL & CONTRACTUAL SERVICES									
Labor - Outside Contract	\$ 26,064	24,007	41,155	211,925	113,140	-	113,140	53.4%	113,140
Uniform Rental	14,809	9,766	16,742	25,040	20,995	585	21,580	86.2%	21,580
Building & Grounds Services	44,884	29,783	51,057	93,068	62,996	-	62,996	67.7%	62,996
*Telephone	220	-	-	-	-	420	420	-	420
Other Contractual Services	8,092	2,604	4,464	11,832	10,621	131	10,752	90.9%	10,752
Subtotal:	\$ 94,069	66,160	113,418	341,865	207,752	1,136	208,888	61.1%	208,888

Maintenance Department

Description	FY 2014 Expended	FY 2015 Actual Expenses To-Date(Jan)	FY 2015 Anticipated Expenses To-EOFY 2015	FY 2015 Budget	FY 2016 Base Budget	Supple- mental Request #1	FY 2016 Total Proposed	FY 2016 as % of FY 2015	FY 2016 Adopted
REPAIRS AND MAINTENANCE									
Equipment Repair and Maintenance	\$ 12,013	11,278	19,334	34,175	45,125	-	45,125	132.0%	45,125
Building & Grounds Repair and Maintenance	4,756	-	-	9,400	11,050	-	11,050	117.6%	11,050
Vehicle Repair and Maintenance	35,275	3,322	5,695	22,941	25,607	-	25,607	111.6%	25,607
Subtotal:	\$ 52,044	14,600	25,029	66,516	81,782	-	81,782	123.0%	81,782
OTHER SERVICES AND CHARGES									
Rental of Equipment	\$ 4,740	803	1,377	8,250	9,000	-	9,000	109.1%	9,000
Education and Training	-	6,022	10,323	17,030	17,800	-	17,800	104.5%	17,800
Travel	-	1,901	3,259	12,505	17,795	-	17,795	142.3%	17,795
Electricity - Water Pump Station	19,623	10,332	17,712	30,101	29,459	-	29,459	97.9%	29,459
Electricity - Sewer Pump Station	33,418	15,062	25,821	73,972	68,357	-	68,357	92.4%	68,357
Electricity - Shop & Office	38,127	19,284	33,058	41,424	44,364	-	44,364	107.1%	44,364
Permits	2,938	3,675	6,300	5,970	7,390	-	7,390	123.8%	7,390
Subtotal:	\$ 98,846	57,079	97,850	189,252	194,165	-	194,165	102.6%	194,165
CAPITAL OUTLAYS									
Furniture and Fixtures	4,650	-	-	-	1,900	-	1,900	-	1,900
Subtotal:	\$ 4,650	-	-	-	1,900	-	1,900	-	1,900.00
TOTAL MAINTENANCE	\$ 2,234,788	1,376,183	2,359,173	3,239,029	3,162,134	52,199	3,214,333	99.2%	3,214,333

*Moved to Administration

Capital Outlays - Capital Equipment

Machinery and Equipment	\$ -	25,564	43,824	66,000	42,000	29,000	71,000	107.6%	71,000
Office Equipment	-	-	-	2,170	-	-	-	-	-
Furniture and Fixtures	-	-	-	1,950	-	-	-	-	-
Total	\$ -	25,564	43,824	70,120	42,000	29,000	71,000	101.3%	71,000

Planned Equipment Replacement

Machinery and Equipment	\$ -	-	-	-	32,000	-	32,000	-	32,000
Total	\$ -	-	-	-	32,000	-	32,000	-	32,000

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 either funded by operating revenues or operating reserves. Please see summaries of equipment purchased below:

Equipment – Newly acquired

Engineering – The need for a very accurate flow meter has been noted and will be addressed with this purchase. The type of meter that is being evaluated can be inserted in water mains and assist with model calibrations and/or leakage studies. (Budget impact: \$9,495)

Information Technology – As a strategic plan initiative, the IT group has been tasked with implementation of a Computerized Maintenance Management System (work-order system). This system will enhance the Maintenance Departments ability to manage operations and maintenance responsibilities. (Budget impact: \$60,000)

Maintenance – To better serve our customers, the need for the following items has been noted: Ground Penetrating Locator, a CCTV system that will allow sewer lateral inspections, a vehicle for the newly proposed position, and two road plates. (Budget impact: \$14,000, \$18,000, \$29,000 and \$10,000, respectively)

Equipment- Replacement

Finance – The need to replace current meter reading equipment has been determined. The meter readers each use a handheld device that reads and records consumption information from each meter electronically. The current devices are obsolete and will no longer be supported by the manufacturer. Upgrade to current technology offering deemed necessary. (Budget impact: \$34,665)

Information Technology – Replacement of 31 computers is planned during FY 2016. The computers that are being replaced were placed in service in FY 2011. (Budget impact: \$62,000) Multiple Trimble GPS units are scheduled for replacement. These units are used to locate and “shoot” points to be implanted into the GIS. These units were last purchased in FY 2006. (Budget impact: \$27,500)

Maintenance – Replacement of the current generator at Peter Jefferson Pump Station. (Budget impact: \$32,000)

Capital Equipment Purchases

Description	FY 2016 Base <u>Budget</u>
<i>CAPITAL OUTLAYS - EQUIPMENT</i>	
Engineering	\$ 9,495
Information Technology	60,000
Maintenance	71,000
Total:	<u>\$ 140,495</u>
<i>PLANNED EQUIPMENT REPLACEMENT</i>	
Finance	\$ 34,665
Information Technology	89,500
Maintenance	32,000
Subtotal:	<u>\$ 156,165</u>

Note: The equipment purchases noted above are a summary of those scheduled and discussed in the corresponding detail department budgets.

The following is a summary of the estimated project costs to be undertaken in FY 2016:

Water Projects:	\$ 4,127,800
Wastewater Projects:	\$ 1,529,100
Total:	\$ 5,656,900

In this budget approximately 66% of the funds to be expended for water projects will be used to replace aging and undersized pipelines. Approximately 45% of the funds to be expended for sewer projects will address rehabilitation of existing systems to reduce infiltration and inflow (I/I). Of the total \$5,656,900 budgeted, existing projects account for \$3,885,700, while new projects are estimated at \$1,771,200.

The new projects include, the replacement of existing water mains, creating redundancy in the water system, identifying I/I in our sanitary sewer system, abandoning a sewer pump station, improving efficiency in an existing sewer pump station, increasing capacity in the wastewater system and improvements to the ACSA administration and maintenance complex. 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 2016 is on the following pages, also you will find the projected ten (10) year Capital Improvements Program (CIP).

The proposed Capital Budget places an emphasis on advancing or completing the following major projects and key initiatives:

Facility Improvements – Fueling Station/Vehicle Wash Area: Our Environmental Management System (EMS) effort has identified six significant aspects to be addressed, two of which are: Contractor Delivery of Fuel and Vehicle Washing. This project will address these two aspects with the construction of improvements to our Fueling Station and the construction of a designated Vehicle Wash Area. The upgrade of the Fueling Station will replace the existing aging fuel tanks with state of the art underground fuel tanks and provide a catchment berm to prevent pollution of the storm water system due to a fuel spill during vehicle fueling and fuel delivery. The construction of the area dedicated to vehicle washing will allow the capture of contaminated wash water and deliver it to the sanitary sewer system and avoid pollution of the storm water system. The project design phase is nearly finished, with the amount previously budgeted to be used to complete construction in the coming fiscal year. **FY 2016 Budget - \$0 (FY 2014 and FY 2015 Budgets - \$450,000)**

ACSA Facility Improvements – Security Upgrades/Warehouse (New): This project will consist of security upgrades to the Main Office Building and the Maintenance Area including additional cameras, additional card-secured doors; upgrades to computer network wiring; and a renovated Customer Service counter. Also included in this project is the replacement of deteriorating doors on the Maintenance Warehouse. **FY 2016 Budget - \$285,000**

ACSA Facilities – Operations Center Expansion Study (New): This project will study the ACSA property and develop a master plan for the long term needs of the organization. It will determine the best use of the facilities as the ACSA continues to grow and expand its operations. **FY 2016 Budget - \$50,000**

Key West Water Main Replacement: In the late 1990's, the Key West Subdivision was a large well system that was rescued with a public water main extension after being contaminated with a gasoline additive. The existing water mains consist of a variety of materials, such as galvanized, PVC and asbestos-cement, which are aging and deteriorating. There are many that are also undersized and fire protection in some areas is inadequate. Some minor improvements have been made in the Key West water system in recent years and this project seeks to complete the upgrade of all water mains in the subdivision, including the addition of fire hydrants. The amount budgeted is to complete construction. **FY 2016 Budget - \$600,000 (FY 2013 and FY 2014 Budgets - \$1,932,000)**

Westmoreland 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 49 years old and have recently experienced multiple leaks. The Westmoreland Subdivision is between the Carrsbrook and Northfields Subdivisions that are also scheduled to have their water mains upgraded and this project will provide for a possible phasing of these two future CIP projects. The project is currently in the design phase, which will be completed in FY 2016. Construction is anticipated to take place in FY 2017. **FY 2016 Budget - \$0 (FY 2015 Budget - \$150,000)**

Michie Tavern Water Main Replacement: This project will replace the water main that has been in service approximately 70 years, which currently serves the Michie Tavern. In recent years this water main that extends from the City system and crosses under I-64 has been experiencing an increasing number of leak repairs. The project is currently in the design phase with the amount previously budgeted to be used to complete construction in the coming fiscal year. **FY 2016 Budget - \$0 (FY 2015 Budget - \$500,000)**

Berkeley Water Main Replacement: In recent years the water mains in the Berkeley Subdivision have been experiencing increasing numbers of failures and leaks. The existing water mains are approximately 56 years old and consist of cast iron pipe. This project continues our systematic program to replace aging and deteriorating water mains throughout our system. The amount budgeted is for construction beginning in FY 2016 and completion in FY 2017. **FY 2016 Budget - \$1,400,000**

Crozet Water Main Replacement Phase 3 (New): This project continues our systematic program to replace the aging, undersized asbestos-cement water mains in the Crozet Water System. Our Strategic Plan calls for the eventual replacement of all asbestos-cement water mains in our system, as they are older and made of a weaker material than the current industry norm. Multiple phases have been defined to carry out these improvements. The amount budgeted is for the design of the new water mains to provide a more reliable distribution system. **FY 2016 Budget - \$197,400**

Glenmore Tank: The Glenmore Subdivision is served by a single water main that extends approximately four and a half miles to the easternmost terminus of our water system. The ACSA has had a long standing policy of creating redundancy in the water system to better deal with emergency or planned disruptions of service. This project provides a water storage tank at a high point in the Glenmore Subdivision to provide at least a full day of domestic water supply in the event of a major failure of the water main that extends to this area. The construction of the water storage tank and pump station with connecting piping to the existing distribution system is to begin in FY 2016. **FY 2016 Budget - \$0 (FY 2015 Budget - \$1,150,000)**

Ivy Road – Flordon Water Connection: This project is one of several phased improvements identified in the West Leigh Redundancy Evaluation to provide an alternate source of water to the West Leigh Area. It is a water main extension along Route 250 West (Ivy Road) to connect the Ednam Pressure Band to the Stillhouse Pressure Band in Flordon. It is to be constructed in conjunction with the Ednam Pump Station Upgrade to provide water to the West Leigh Area for domestic and fire protection uses in the event of a major break on the RWSA Stillhouse Mountain water transmission main. Construction will begin in FY 2015 with funds already budgeted, plus the additional funds to complete construction in FY 2016. **FY 2016 Budget - \$160,000 (FY 2015 Budget - \$380,000)**

Ednam Pump Station Upgrade: This project is one of several phased improvements identified in the West Leigh Redundancy Evaluation to provide an alternate source of water to the West Leigh Area. It is an upgrade to the existing Ednam Pump Station to increase the pumping capacity and provide new control panels that will interface with the SCADA System. It is to be constructed in conjunction with the Ivy Road – Flordon Water Connection to provide water to the West Leigh Area for domestic and fire protection uses in the event of a major break on the RWSA Stillhouse Mountain water transmission main. The amount budgeted along with the previous year's budget amount is for construction. **FY 2016 Budget - \$215,000 (2015 Budget - \$235,000)**

Orchard Acres Water Main Replacement: This project continues our systematic program to replace the aging and undersized cast iron and asbestos-cement water mains in the Crozet Water System. It also addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. These water mains have been in service for approximately 59 years and have reached the end of their useful life. The amount budgeted is to begin construction in FY 2016 and complete it in FY 2017. **FY 2016 Budget - \$450,000**

Key West – Dunlora Water Connection (New): To continue the ACSA goal of building redundancy into the water system this project provides another major water main connection across the Rivanna River. By creating a loop with the Dunlora Subdivision and the Key West Subdivision it will help fortify the water system on the east side of the Urban Ring. It will also reduce water age in the Key West Subdivision. The design is essentially complete as it was done concurrently with the water main replacement project. The amount budgeted is for construction in FY 2016. **FY 2016 Budget - \$768,300**

Oak Hill Sewer Phase 2: In fiscal year 2012 approximately three quarters of the lots in this subdivision were provided with public sewer using funds from a Community Development Block Grant (CDBG) from the Virginia Department of Housing and Community Development (VDHCD). The current proposed project provides public sewer service to the remaining lots in the subdivision where private septic systems are failing due to age and poor soil drainage conditions. This project qualifies for Construction-Ready Funding for water and sewer projects under the CDBG program to help pay

for the project. The amount budgeted is the ACSA contribution for construction of the sewer system in FY 2016. **FY 2016 Budget - \$345,000**

Camelot Drainage Basin SSES (New): 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 Camelot and Briarwood Subdivisions, as well as, the offsite portion of the sewer main that serves the Rivanna Station facilities where the National Ground Intelligence Center and Joint Use Intelligence Analysis Facility are located. The amount budgeted is to complete the SSES and begin any rehabilitation work identified. **FY 2016 Budget - \$210,500**

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 will require a renewal of the ACSA piggyback of the new City contract that was recently awarded after competitive bidding. It will be utilized to make repairs and rehabilitate problems in our system found with systematic CCTV inspection by ACSA crews and the subcontractor. **FY 2016 Budget - \$400,000**

PVCC Drainage Basin Rehabilitation: This project is the final priority drainage basin scheduled for I&I reduction in our DEQ Consent Order. The study area is south of Moore’s Creek and lies between Route 20 South on the east and Avon Street Extended on the west. The southernmost boundary incorporates the Avinity Subdivision and the Kappa Sigma Fraternity Headquarters. The old Blue Ridge Sanitarium site is also included, which lies just east of Route 20 South and just south of I-64. The SSES is completed and the amount budgeted is for completion of the rehabilitation work. **FY 2016 Budget - \$80,700**

Oak Forest Pump Station Abandonment (New): This wastewater pump station was constructed 35 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 amount budgeted is for the design phase with construction not anticipated until FY 2018. **FY 2016 Budget - \$105,000**

Peter Jefferson Place Pump Station Improvements (New): This pump station constructed 17 years ago was designed to serve a large drainage basin with the potential for dense development. To date the potential development within the drainage basin has been slow and as a result the pumps are over-sized for the amount of flow received at the station. Due to the lower flows the pumps are not operating efficiently and this is increasing the wear and tear on the equipment. A study to evaluate options to improve the efficiency of the pumps without replacing them will be undertaken to determine the best approach. The budgeted amount is for completion of the study, design of improvements and the implementation of changes to the pumping equipment, assuming the worst case scenario. **FY 2016 Budget - \$105,000**

Airport Sewer Collector Upgrade Evaluation (New): The original sewer collector serving the airport and the area west of Route 29, which now includes the Hollymead Town Center and Willow Glen, was originally sized to serve the light industrial zoning designated for that area at the time of construction. As a result, the increased density specified in the County Comprehensive Plan for the same drainage basin, at build-out, will exceed the capacity of the existing sewer main. This project will review the current zoning, the County’s Places 29 Master Plan and the existing conditions of the sewer system to develop a plan for upgrading the capacity of the Airport Sewer Collector. **FY 2016 Budget - \$50,000**

West Leigh Water Main Replacement Phase 3: The West Leigh Subdivision was originally a private well system that was eventually connected to public water. The existing water mains are approximately 41 years old and consist primarily of asbestos-cement pipe. Since the subdivision began as a private well system many of the water mains are also undersized. This addresses the goal of our Strategic Plan to eventually eliminate all asbestos-cement mains from our utility system. Some of the water mains in West Leigh have already been replaced and this project will replace the remaining water mains along two roads over the next fiscal year. The amount budgeted is for construction by ACSA personnel. **FY 2016 Budget - \$65,000**

SCADA System: The ACSA Utility System has over 40 critical assets that include water and wastewater pump stations, water storage tanks and master PRV stations. This project will create a Supervisory Control and Data Acquisition (SCADA) System that will allow ACSA employees to remotely monitor the operations of these critical assets from the main office building. It will also allow personnel to change the operational settings of some pump stations from the main office building. Using alarms we will be able to more quickly evaluate problems and prevent some failures before they happen. The first phase is complete and in operation. The design of the second phase is nearing completion with bids to be requested soon for construction in fiscal year 2016. The amount budgeted is for the design of Phase 3 with construction anticipated for FY 2017. **FY 2016 Budget - \$70,000**

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 2016 Budget - \$100,000**

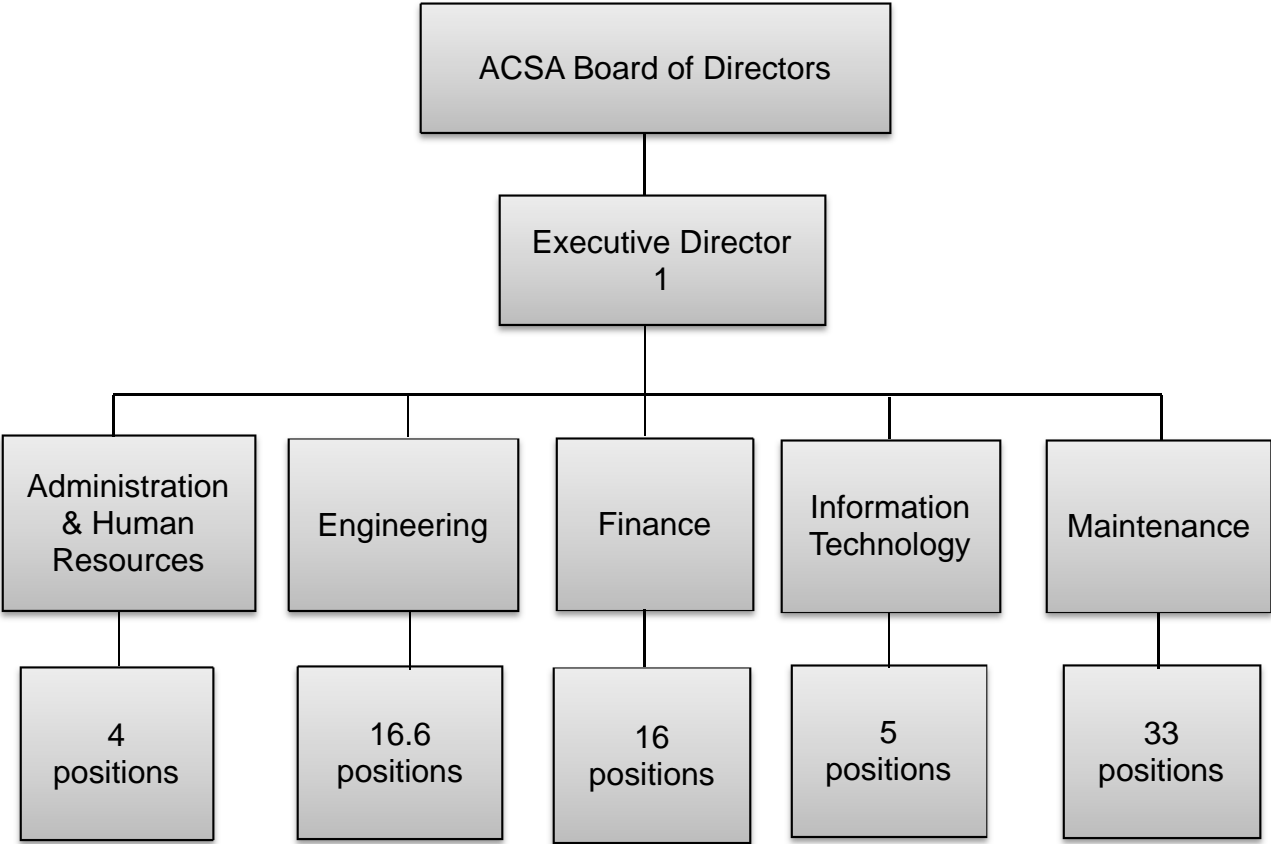
Albemarle County Service Authority - Proposed FY 2016 Budget

CAPITAL IMPROVEMENT PROJECTS

Water System	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Facility Improvements - Fueling Station/Vehicle Wash	60,000	0									
ACSA Facilities Improvement - Building Improvements	5,000	142,500									
ACSA Facilities - Operations Center Expansion Study		25,000									
ACSA Facilities Paving			55,500								
Ragged Mountain Water Phase I				80,000							
Willoughby - Bent Creek Parkway Water Connection						180,000					
Glenmore Tank	1,150,000	0	1,225,000								
Ivy Road - Flordon Water Connection	380,000	160,000									
Key West Water Main Replacement	0	600,000									
Crozet Water Main Replacement	900,000	197,400	566,300	566,300		312,000	1,300,000	1,300,000		243,000	1,390,000
Orchard Acres Water Main Replacement	180,000	450,000	950,000								
Proffit Rd - Jefferson Village Replacement				137,300	845,700						
Rt 785 Water Replacement						185,700					
Stagecoach Rd Water connection									57,800	363,600	
Berkeley Water Main Replacement	200,000	1,400,000	270,000								
Westmoreland Water Main Replacement	150,000	0	1,180,000								
Carrsbrook Transite Water Replacement							200,300	594,550	594,550		
Northfields Transite Water Replacement				644,000	1,472,400	1,472,400	1,472,400				
Michie Tavern Water Main Replacement	500,000	0									
Baker Butler -Forest Lakes Water connection				186,500							
Airport Acres Water System											774,700
Key West - Dunlora Water Connection		768,300									
Running Deer Water Extension						951,300					
Old Lynchburg Rd Water Connection							150,000				
Woolen Mills - State Farm Water Connection											662,000
West Leigh Water Main Replacement Phase 3	160,000	65,000									
Glenorchy - Viewmont Court Water Extension						85,000					
Ednam Pump Station Upgrade	235,000	215,000									
Meriweather Hill Water Replacement							280,000	800,000	800,000		
Kearsarge - Ednam Water Connection									205,000	1,366,800	
Automatic Flushing Assemblies	25,000										
Arc Flash Hazard Risk Assessment	81,565										
SCADA System	512,400	54,600	245,400								
Developer Participation	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Water Capital Projects	4,588,965	4,127,800	4,542,200	1,664,100	2,368,100	3,236,400	3,452,700	2,744,550	1,707,350	2,023,400	2,876,700

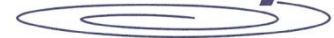
Wastewater System	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Facility Improvements - Fueling Station/Vehicle Wash	60,000	0									
ACSA Facilities Improvement - Building Improvements	5,000	142,500									
ACSA Facilities - Operations Center Expansion Study		25,000									
ACSA Facilities Paving			55,500								
Oak Hill Sewer Phase 2	45,000	345,000									
Airport Sewer Collector Upgrade Evaluation		50,000									
Penn Park Lane Sewer Replacement				141,100							
Berkeley Phase II Sewer Relining			252,000								
PVCC Drainage Basin Rehabilitation	120,000	80,700									
Ednam Drainage Basin Rehabilitation	65,000										
Glenmore Drainage Basin SSES				300,000	75,000						
Hollymead Drainage Basin SSES			219,700	235,000							
Camelot Drainage Basin SSES		210,500	45,000								
Northfields Sewer					612,000		612,000	612,000			612,000
Buckingham Circle Sewer				730,000							
Madison Park Pump Station Upgrade	65,000										
Peter Jefferson Place Pump Station Improvements		105,000									
Carrsbrook Collection System							350,000	663,250	1,989,750		
Deerwood Sewer Phase II						82,800					
Hessian Hills Sewer Phase III						124,200					
Miscellaneous Sewer Rehabilitation	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Oak Forest Pump Station - Gravity Sewer		105,000		770,000							
Springfield Pump Station											443,000
Ednam Forest Sewer								530,000	846,600	2,539,700	423,300
Brookwood Road Sewer Extension			21,000								
Buck Road Sewer Extension								40,000			
Park Road Sewer Extension			80,400								
Airport Acres Sewer				308,900	976,900						
Airport Acres Offsite Sewer				140,000	458,750						
Bellair - Liberty Hills Sewer					313,200	1,242,000	414,000				
Greenbrier Drive Sewer Replacement				472,900							
SCADA System	97,600	15,400	55,000								
Developer Participation	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Sewer Capital Projects	907,600	1,529,100	1,178,600	3,547,900	2,885,850	1,899,000	1,826,000	2,295,250	3,286,350	2,989,700	1,928,300
TOTAL CAPITAL IMPROVEMENT PROJECTS	5,496,565	5,656,900	5,720,800	5,212,000	5,253,950	5,135,400	5,278,700	5,039,800	4,993,700	5,013,100	4,805,000

ACSA Organizational & Personnel Chart Proposed FY 2016



<u>Department</u>	<u>FY 2015 Current Number of Positions</u>	<u>FY 2016 Proposed Number of Positions</u>
ADMINISTRATION		
Executive Director	1	1
Manager of Information Technology	1	1
Human Resources & Administration Manager	1	1
Systems Engineer	1	1
Systems Analyst	1	1
GIS Coordinator	1	1
SCADA/LAN Technician	1	1
Administrative Associate	3	3
FINANCE		
Director of Finance	1	1
Accountant	2	2
Meter Operations Supervisor	1	1
Customer Service Supervisor	1	1
Senior Customer Service Representative	1	1
Accounting Technician	2	2
Customer Service Representative	4	4
Meter Technician	4	4
ENGINEERING		
Director of Engineering	1	1
Senior Civil Engineer	2	2
Civil Engineer	1	1
Modeling Engineer	1	1
Environmental Compliance Specialist	1	1
Regulatory Compliance Specialist	1	1
Construction Inspector	5	5
Senior Utility Location Technician	1	1
Utility Location Technician	1	1
Engineering Technician A/B	2	2
P.T. Engineering Intern	0.6	0.6
MAINTENANCE		
Operations Manager	1	1
Operations Supervisor	2	2
Facilities Supervisor	1	1
Electrician/Pump Technician	1	1
Electrical Pump Apprentice	1	1
CCTV Technician	2	2
Crew Leader I/II	4	4
Utility Worker II/III	7	7
Utility Worker I	13	14*
TOTAL	74.6	75.6

*One new position is proposed for FY 2016. Please refer to the Maintenance Departmental Budget summary for further information. As our system continues to grow we annually assess staffing needs to meet customers and organizational requirements.



A lign

Values

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

C ommit

Community

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

S trive

Internal Focus

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

A spire

Future

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

Vision

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

Mission

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