



Albemarle County
Service Authority
Serving • Conserving



FISCAL YEAR 2017
ANNUAL
OPERATING AND CAPITAL
IMPROVEMENT BUDGET
July 1, 2016 to June 30, 2017





Approved Fiscal Year 2017

Annual Operating and

Capital Improvement Budget

Adopted: June 16, 2016

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April 21, 2016

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 with a strong fire protection infrastructure. 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 2017 budget totals \$30,607,033 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.”

In Fiscal Year 2017, the ACSA proposes to spend \$6,781,890 on ACSA capital improvements for safe drinking water delivery and cleaned wastewater. 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 spend nearly \$36 million towards clean water and wastewater treatment 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 continued construction of a new and greatly improved water treatment process, using Granular Activated Carbon (GAC) filtering which is one more step toward higher quality drinking water for ACSA customers through an advanced water treatment set to open in 2017. The Rivanna Pump Station and Tunnel construction and wastewater treatment plant odor control projects are significant improvements for greater environmental sustainability.

We are pleased to present ACSA’s Proposed Operating and Capital Improvement Budget for Fiscal Year 2017 (July 1, 2016 to June 30, 2017). The FY 2017 Budget is largely a “maintenance” budget, with the exception of one staffing level improvement, and an increase in the cost of purchased water and wastewater treatment from the RWSA. The projected increase in RWSA costs are increasing by \$765,000 with purchased water increasing 6.0% and wastewater treatment increasing 4.2%. We continue to increase our investment in improving our water and sewer infrastructure through this proposed budget.

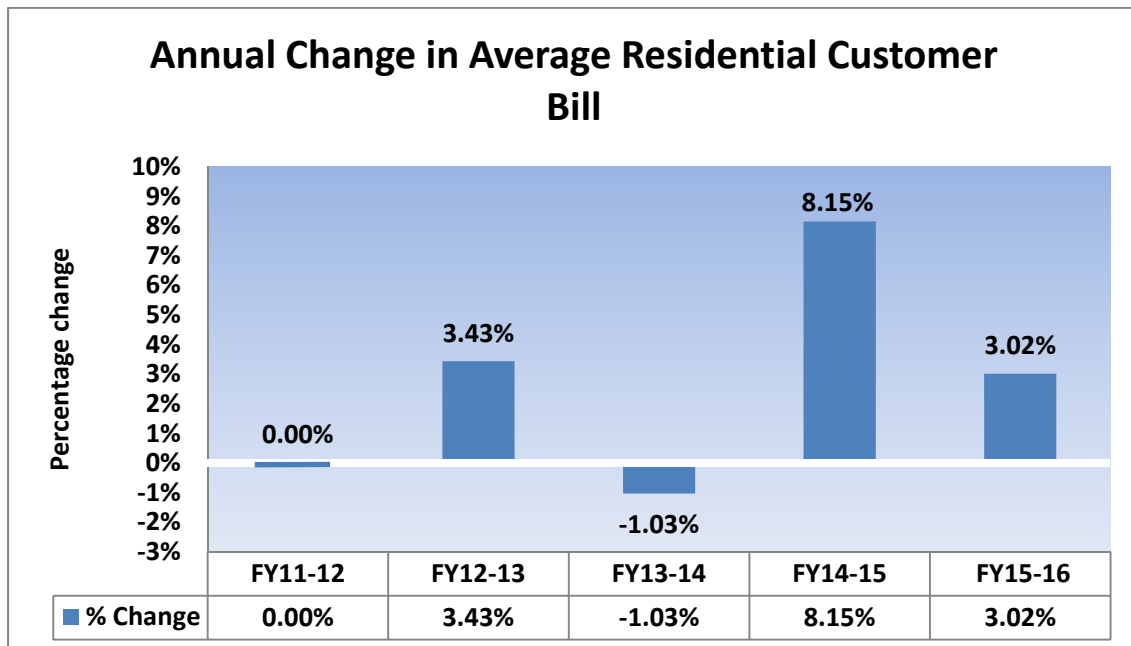
We are proposing a monthly user rate increase to maintain pace with expected expenses. The average residential customer, using 5,000 gallons will see a 4.9% increase in their water and sewer bill, or a \$3.66 increase monthly.

ACSA Water and Sewer Monthly User Rates

	FY 2016	FY 2017
Service Charge	\$ 7.40	\$ 7.73
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 3.80	\$ 3.99
Level 2 (3,001-6,000 gallons)	\$ 7.60	\$ 7.98
Level 3 (6,001-9,000 gallons)	\$11.40	\$11.97
Level 4 (over 9,000 gallons)	\$15.20	\$15.96
Multi-Family/Non-Residential	\$ 7.33	\$ 7.70
Sewer/All Users (per 1,000 gallons)	\$ 8.10	\$ 8.50

Even with the rate increase, one penny equates to over 2.5 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, 2015, the average residential customer saw a moderate 3% increase. The five (5) year average increase is 2.71%.



Five Year Average Change: 2.71%

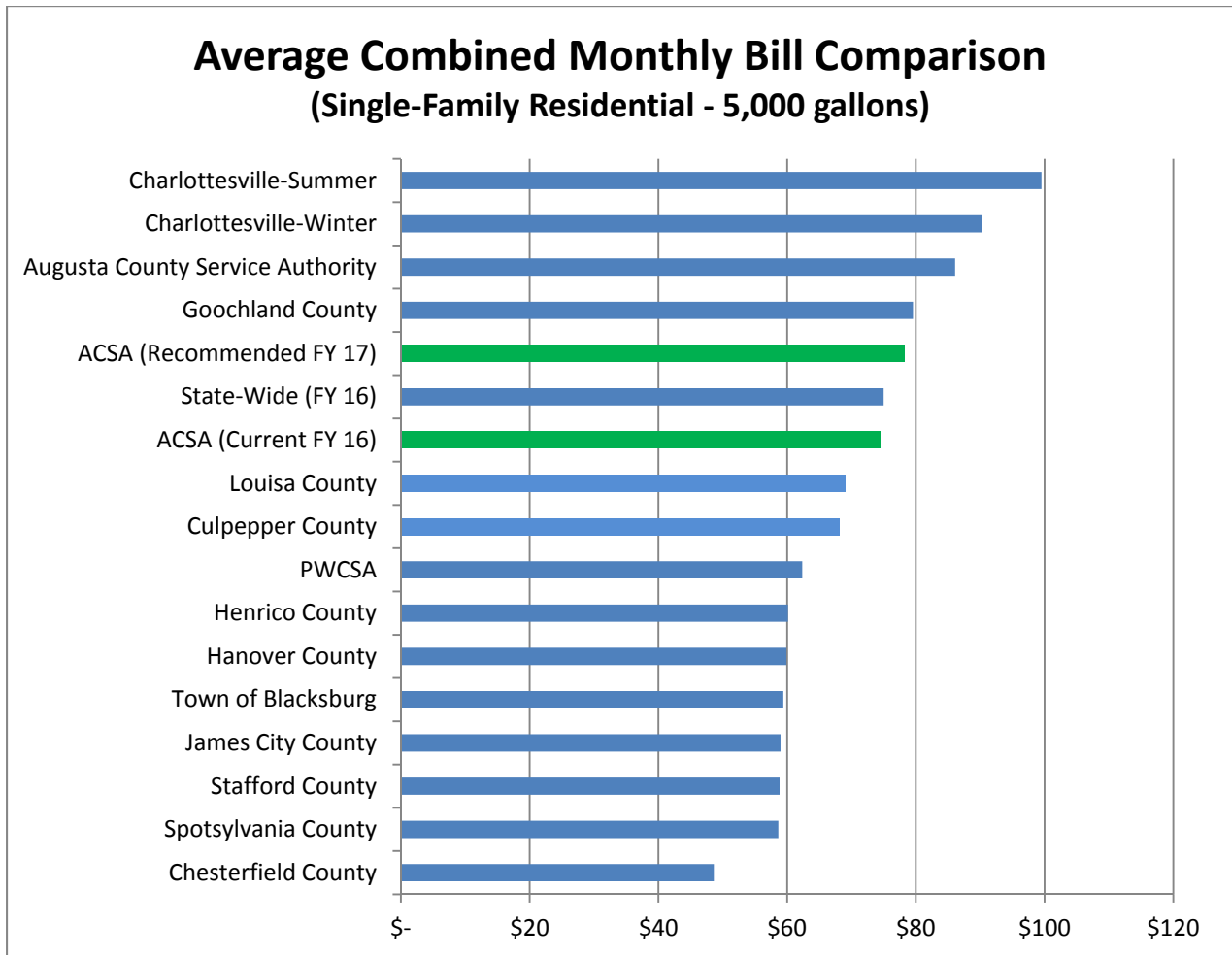
Following an extensive analysis of the cost of service utilizing our rate model, we are proposing that the monthly service charge be increased. The service charge proposed is \$7.73 per month, as compared to the current service charge of \$7.40. This update reflects the actual base cost of doing business.

Rate Design – Monthly Service Charges

Meter Size (inches)	Water Customer Accounts	Current	Recommended
		FY 2016	FY 2017
5/8	17,482	\$7.40	\$7.73
1	574	\$14.22	\$14.85
1 ½	333	\$25.62	\$26.75
2	170	\$39.27	\$41.00
3	49	\$75.72	\$79.06
4	17	\$116.70	\$121.85
6	0	\$230.56	\$233.71

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 average, and is less than the City of Charlottesville’s comparable residential bill.



Source: 27th Annual Water and Sewer Rates Dashboard , www.daa.com/va-rate-study/

The Proposed ACSA Fiscal Year 2017 Operating Expenses totals \$24,029,351, as compared to \$22,880,054 for the current budget year (FY 2016). This represents an increase of \$1,149,297, or 5.0% over the previous year. Our Capital Improvement Program (CIP) is proposed to be \$6,781,890, as compared to the current budget of \$5,656,900, and includes a continuation of major capital investment in our system, with a particular emphasis on needed waterline replacements.

This budget also proposes that water and sewer connection charges for new development increase slightly compared to 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 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 created the need to re-evaluate connection charges.

Balancing the delivery of quality water and wastewater treatment, 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 our customers. To each and every individual involved in the budget development process, from every employee to the Board of Directors, we thank you. We also would like to thank the Leadership Team of Mike Lynn, Pete Gorham, Travis Marrs, 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 2017 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 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 52nd year of water and sewer service to the Albemarle Community.

Employees:

Approximately 75 people are employed at the ACSA in five operating departments: 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. 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 meets 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 355 miles of interconnected pipes, 9 water pumping stations, 7 water storage tanks, and 2,375 fire hydrants.

Sewer Collection System:

Over 261 miles of sanitary sewer lines 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 a good value. Even with a rate increase next year, 2.51 gallons of ACSA water costs one cent.

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. This past year marked 33 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:

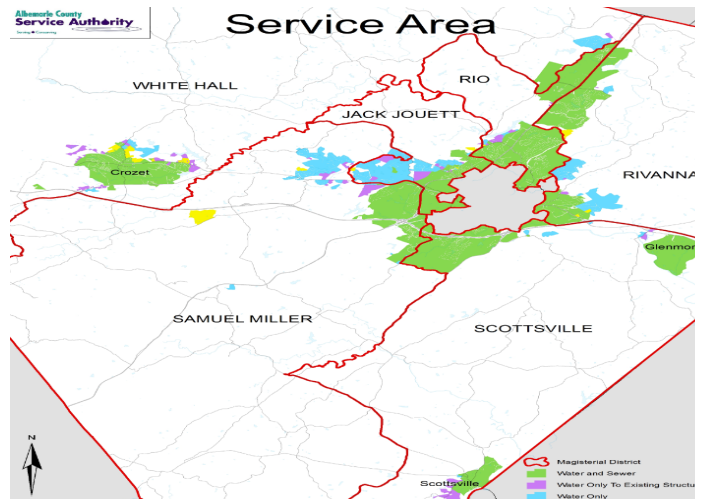
ACSA's Board of Directors establishes policies and guides the overall strategic direction of our organization. The Board is composed of six members representing the six magisterial districts of Albemarle County. The ACSA Board members also set rates, charges and fees, and approve the budget for the Authority.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

ACSA Financial Information:

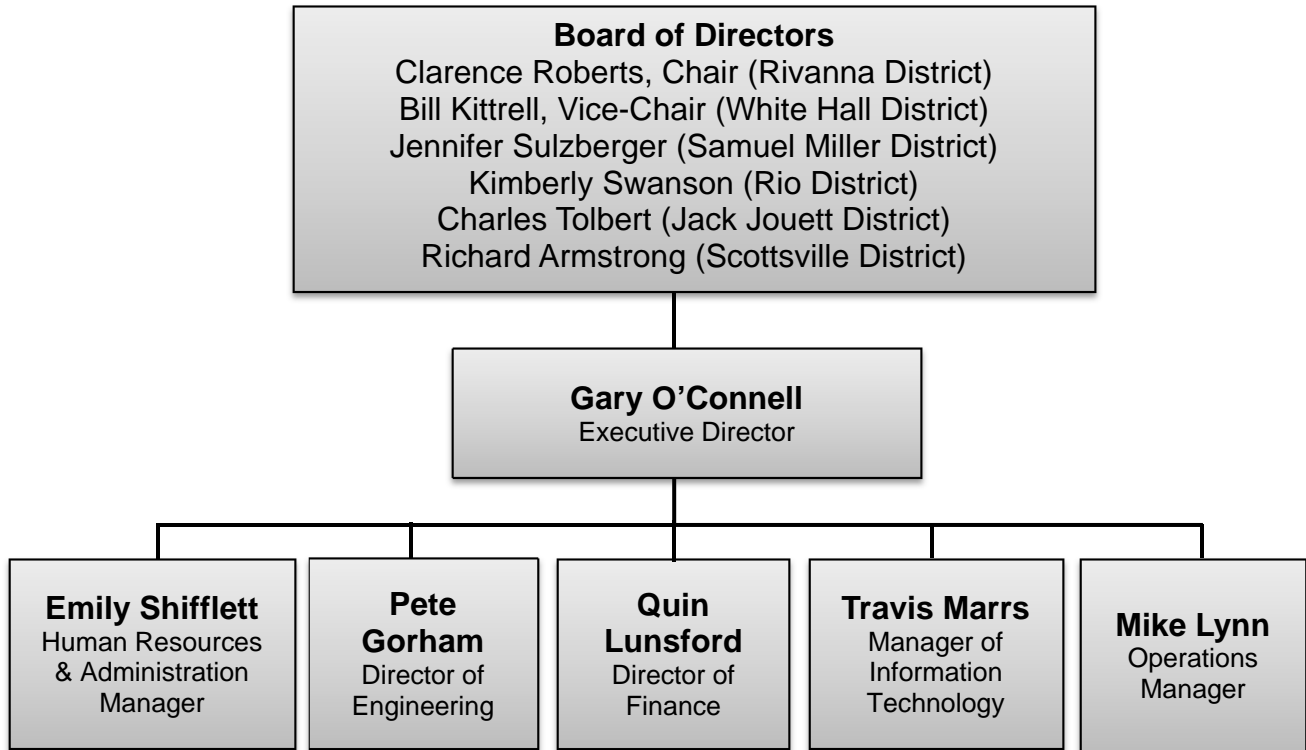
- FY 2017 Total Budget: \$30,607,033;
- FY 2017 Capital Improvements Budget: \$6,781,890

ACSA Service Area:

The ACSA provides service to over 70,500 residents, with over 18,600 retail customers. The map below shows the magisterial districts of Rio, Jack Jouett, Rivanna, Scottsville, Samuel Miller, and White as well as the different types of service available in those districts



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, Colthurts, 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 52 years later, provides water distribution and wastewater collection services to 18,600+ customers with over 355 miles of waterline and over 261 miles of sanitary sewer lines 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, each and 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 functional and maintenance of existing and proposed assets for optimal system resources and performance.
- Customer Service – To complete interactions with our rate payer 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.

The ACSA's list of goals, strategies and implementation matrix can be found at the ACSA's website or www.serviceauthority.org.

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 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

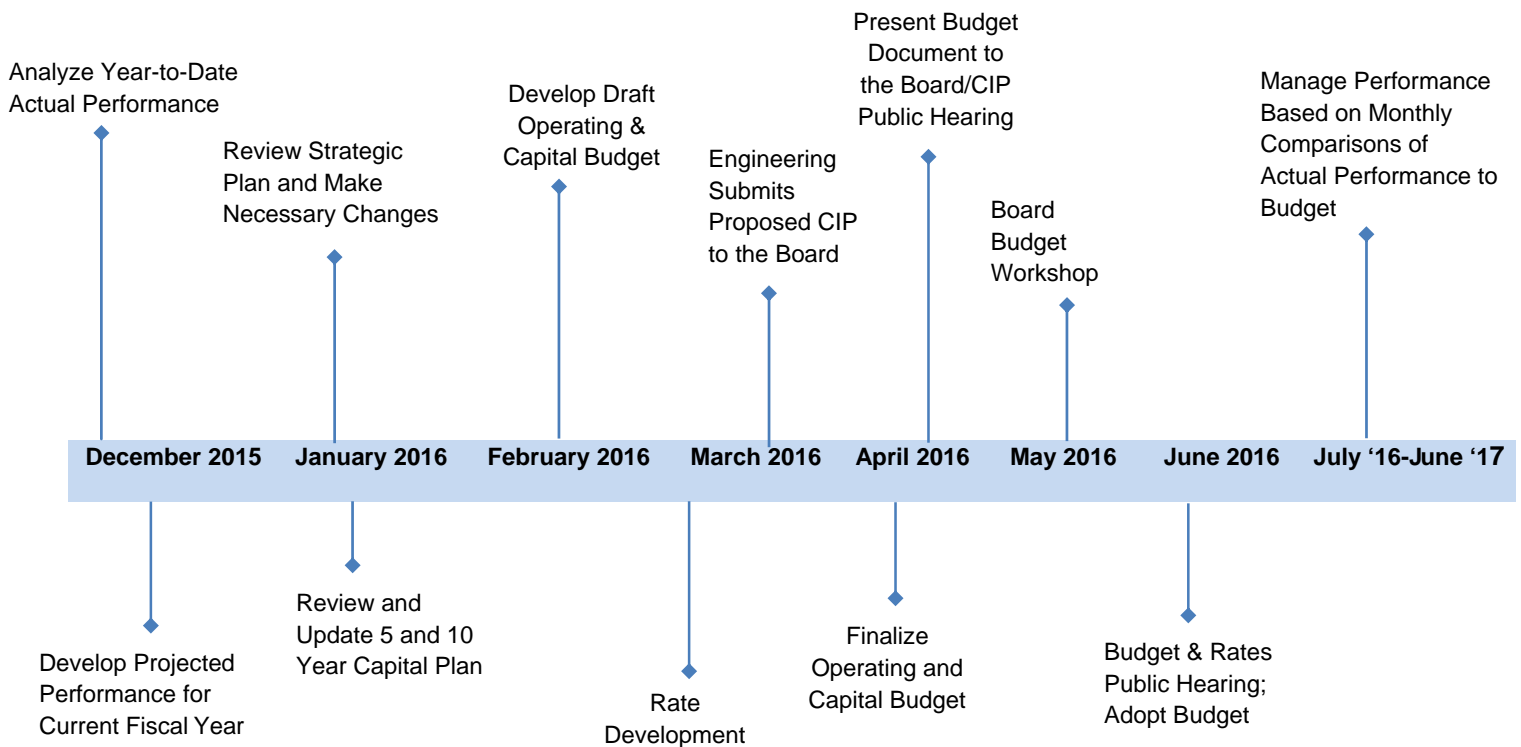
- A diversified and stable revenue system will be maintained to shelter services from short-run fluctuations.
- Rate studies are to be conducted every five years to ensure that the rates will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation/amortization 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.

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. 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

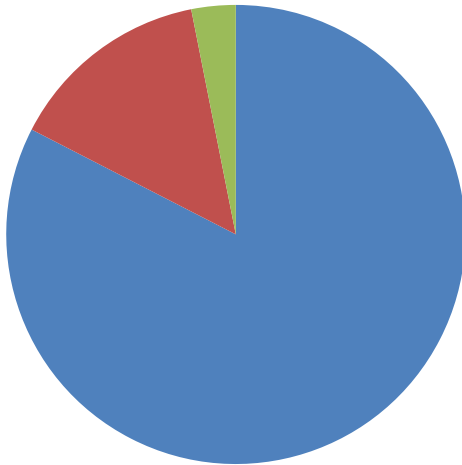
The Authority must adopt its budget prior to July 1 of each year. Development of the budget is influenced by the strategic plan, organization goals and objectives, and external factors such as economic conditions. The Board, Authority staff, and the public participate in the development of the budget.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



OVERVIEW

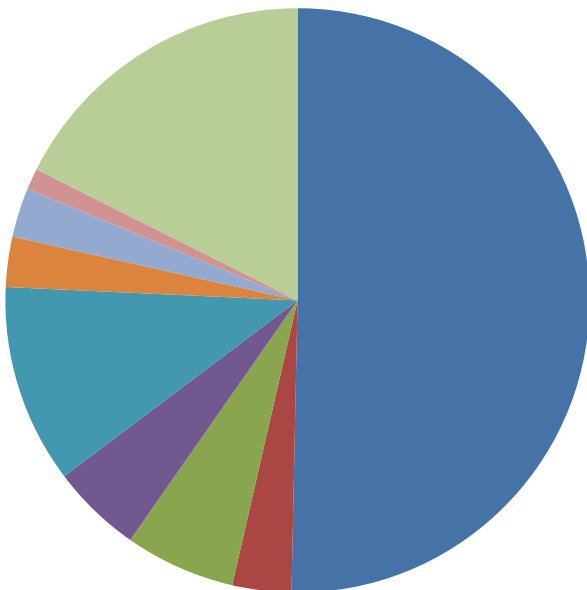
The ACSA's Fiscal Year 2017 Total Budget is \$30,607,033:

Where the Dollars Come From



■ Water Sales/Sewer Charges	\$25,267,733	82.56%
■ System Connection Charges	\$ 4,384,000	14.32%
■ Other Revenues	\$ 955,300	3.12%
Total Budgeted Revenues	\$30,607,033	100.00%

Where the Dollars Go



■ Purchase of Water/Wastewater	\$15,403,706	50.33%
■ Administration Department	\$ 998,724	3.26%
■ Finance Department	\$ 1,869,968	6.11%
■ Engineering Department	\$ 1,534,889	5.02%
■ Maintenance Department	\$ 3,372,819	11.02%
■ Information Technology	\$ 849,245	2.78%
■ Bond Debt Service	\$ 833,192	2.72%
■ Other Expenses	\$ 359,290	1.17%
■ Transfers/Contrib. for Cap. Impr.	\$ 5,385,200	17.59%
Total Budgeted Expenses	\$30,607,033	100.00%

Operating Budgets:

- Approved FY 2016 Operating Budget totaled \$22,880,054
- Proposed FY 2017 Operating Budget totals \$24,029,351

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

- Approved FY 2016 totaled \$14,638,744
- Proposed FY 2017 totals \$15,403,706 or 64.1% of the Operating Budget
- Largest single expenditure increase, totaling \$764,962

Departmental Operating Budgets:

- Approved FY 2016 - \$8,241,310
- Proposed FY 2017 - \$8,625,645
- Increase of \$384,335

Debt Service (Principal and Interest) Expense:

- Approved FY 2016 - \$840,248
- Proposed FY 2017 - \$833,192

Operations:

Top Budget Priorities:

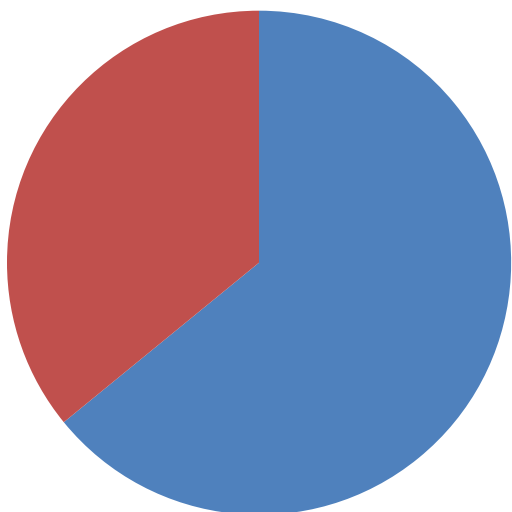
- High quality water delivered to our customers
- Maintain current ACSA programs and services
- Meet financial obligations and financial sustainability
- High level of customer service
- Strategic improvements
- Invest in our infrastructure
- Major maintenance investments – ongoing
- Invest in our employees

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 in meter operations to maintain pace with system growth



■ Purchased Water/Wastewater	\$15,403,706	64.10%
■ ACSA Operational Budget	8,625,645	35.90%
Total	\$24,029,351	100.00%

Water and Sewer Rates – Fiscal Year 2017 Proposed:

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

- Purchased water from RWSA wholesale rate increase of 5.0%;
- Purchased water from RWSA for the communities of Crozet increased 11.5% and decreased for Scottsville by 11.5%;
- Purchased wastewater treatment RWSA wholesale rate increase of 1.3%;
- Purchased wastewater treatment from RWSA for the communities of Scottsville and Glenmore increased by 2.4% and 5.9% respectively;
- Total Operating Budget increase of 5.0%;
- Capital Improvements Program of \$6.782 million.

ACSA Water and Sewer Monthly User Rates

	FY 2016	FY 2017
Service Charge	\$ 7.40	\$ 7.73
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	\$ 3.80	\$ 3.99
Level 2 (3,001-6,000 gallons)	\$ 7.60	\$ 7.98
Level 3 (6,001-9,000 gallons)	\$11.40	\$11.97
Level 4 (over 9,000 gallons)	\$15.20	\$15.96
Multi-Family/Non-Residential	\$ 7.33	\$ 7.70
Sewer/All Users (per 1,000 gallons)	\$ 8.10	\$ 8.50

Monthly, based on usage noted below, single-family customers will see an increase from \$1.04 to \$6.09.

Sample Monthly Combined (Water and Sewer) Bills

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2017 Bill	Monthly \$ Increase
Single-Family					
Minimal User	5/8	1,200	\$21.68	\$22.72	\$1.04
Small User	5/8	2,500	\$37.15	\$38.96	\$1.81
Median	5/8	5,000	\$74.50	\$78.16	\$3.66
Large User	5/8	6,200	\$94.10	\$98.73	\$4.63
Excessive User	5/8	7,700	\$123.35	\$129.44	\$6.09
Multi-Family/Non-Residential*					
Multi-Family	1	33,700	\$534.20	\$560.79	\$26.59
Com. (Offices)	1	6,300	\$111.43	\$116.91	\$5.48
Com. (Other)	5/8	4,700	\$79.91	\$83.87	\$3.96
Industrial	1 1/2	16,500	\$280.20	\$294.05	\$13.85
Institutional	5/8	13,000	\$207.98	\$218.33	\$10.35

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 5,000 gallons a month will see their water and sewer bill increase by \$3.66. About 75% of our customers are single-family residential water users, using on average between 3,300- 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 has actually had small rate decreases or no increase for two of the past five years for our average residential customer. This five-year average increase has been approximately 2.7% 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 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 \$6 million a 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, of reliable water and sewer service, to meet water quality standards, and wastewater environmental requirements.

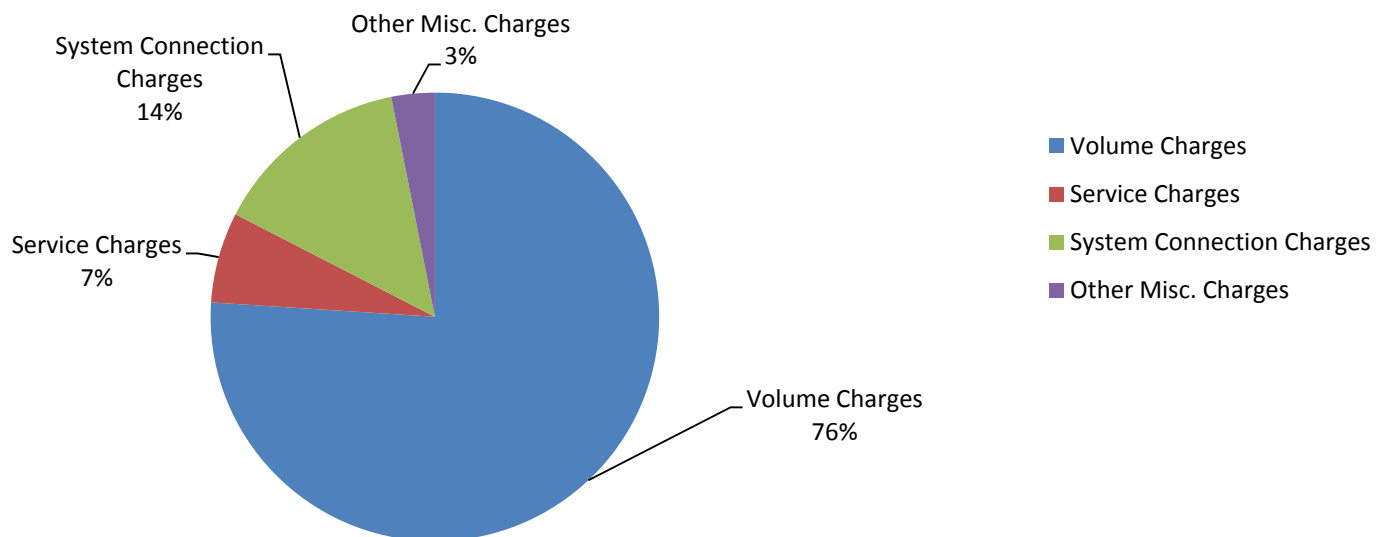
Who pays for growth?

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 charge" per unit that equates to a single water and sewer residential connection at the proposed FY 2017 charges or \$13,470.

	FY 2016 Approved Budget	FY 2017 Proposed Budget	Proposed as % of FY 2016
OPERATING REVENUES			
Total Volume Charges	\$ 22,667,341	23,267,733	102.6%
Total Service Charges	2,000,000	2,000,000	100.0%
Total Operating Revenues	\$ 24,667,341	25,267,733	102.4%
NON-OPERATING REVENUES			
System Connection Charges	3,600,000	4,384,000	121.8%
Rental Income	28,800	-0-	0.0%
Interest Income	82,000	106,000	129.3%
Buck Mountain Surcharge	50,800	50,000	98.4%
Misc. Utility Charges	420,000	600,000	142.9%
Inspection Fees	22,000	25,000	113.6%
Plan Review & FOG Permit Fees	48,250	49,000	101.6%
Build America Bond Subsidy	131,158	125,300	95.5%
Total Non-Operating Revenues	\$ 4,383,008	5,339,300	121.8%
Total Operating & Non-Operating Revenues	\$ 29,050,349	30,607,033	105.4%
OPERATING EXPENSES			
Purchase of Water/Wastewater	\$ 14,638,744	15,403,706	105.2%
Administration Department	958,421	998,724	104.2%
Finance Department	1,716,607	1,869,968	108.9%
Engineering Department	1,515,503	1,534,889	101.3%
Maintenance Department	3,214,333	3,372,819	104.9%
Information Technology	836,446	849,245	101.5%
Total Operating Expenses	\$ 22,880,054	24,029,351	105.0%
NON-OPERATING EXPENSES			
Capital Equipment Acquisition	140,495	74,000	52.7%
Planned Equipment Replacement	156,165	235,290	150.7%
Repair, Renewal, & Rehabilitation Reserves	300,000	300,000	100.0%
Buck Mountain Surcharge	50,800	50,000	98.4%
Existing Debt Service and Amortization	840,248	833,192	99.2%
Transfer for Capital Expenses	4,682,587	5,085,200	108.6%
Total Non-Operating Expenses	\$ 6,170,295	6,577,682	106.6%
Total Operating & Non-Operating Expenses	\$ 29,050,349	30,607,033	105.4%
CAPITAL IMPROVEMENTS FUNDING			
Transfer from Operating Revenues	\$ 4,682,587	5,085,200	108.6%
Transfer from 3R Reserves	974,313	1,696,690	174.1%
Total Capital Improvements Funding	\$ 5,656,900	6,781,890	119.9%
CAPITAL IMPROVEMENTS EXPENSES			
Water - Capital Improvement Projects	\$ 4,127,800	5,466,300	132.4%
Wastewater - Capital Improvement Projects	1,529,100	1,315,590	86.0%
Total Capital Improvements Expenses	\$ 5,656,900	6,781,890	119.9%

	FY 2016 Approved Budget	FY 2017 Proposed Budget	Proposed as % of FY 2016
OPERATING REVENUES			
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Total Service Charges	2,000,000	2,000,000	100.0%
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Total Capital Improvements Funding	\$ 5,656,900	6,781,890	119.9%

Operating and Non-Operating Budgeted Revenues



	FY 2016	FY 2017
Total Volume Charges (monthly user rates)	\$22,667,341	\$23,267,733
Total Service Charges (cost of service)	\$2,000,000	\$2,000,000
System Connection Charges (new development fees)	\$3,600,000	\$4,384,000
Other Revenues	\$783,008	\$955,300
Total Revenues	\$29,050,349	\$30,607,033

Total Volume Charges - \$23,267,733; water and sewer usage billed to ACSA customer on a monthly basis; rate increase proposed primarily driven by increased treatment costs of water and wastewater treatment.

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 \$7.40 to \$7.73 for our average customer (service charge dependent upon meter size).

System Connection Charges - \$4,384,000; the Budget proposes to increase charges for FY 2017, 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 2016	FY 2017
ACSA System Development Charge	Water	\$1,800*	\$1,890*
	Wastewater	\$2,830*	\$2,970*
RWSA Capacity Charge	Water	\$4,760*	\$4,760*
	Wastewater	\$3,670*	\$3,850*
	Total	\$13,060*	\$13,470*
*per ERC (equivalent residential connection)			

		FY 2015 <u>Actual</u>	FY 2016 <u>Estimated</u>	FY 2017 <u>Proposed</u>
Beginning Net Position	\$	135,919,461	142,971,153	148,791,497
Change in Net Position		7,051,692	5,820,344	6,577,909
Ending Net Position	\$	142,971,153	148,791,497	155,369,406
Net investment in capital assets	\$	120,460,048	126,219,130	130,001,020
Unrestricted		22,511,105	22,572,367	25,368,386
Ending Net Position	\$	142,971,153	148,791,497	155,369,406

Note: The schedule above reflects audited FY 2015 changes in net position and estimates changes for FY 2016 and FY 2017. Net position is dependent upon a variety 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. 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 2017 budget supports the above noted principles by:

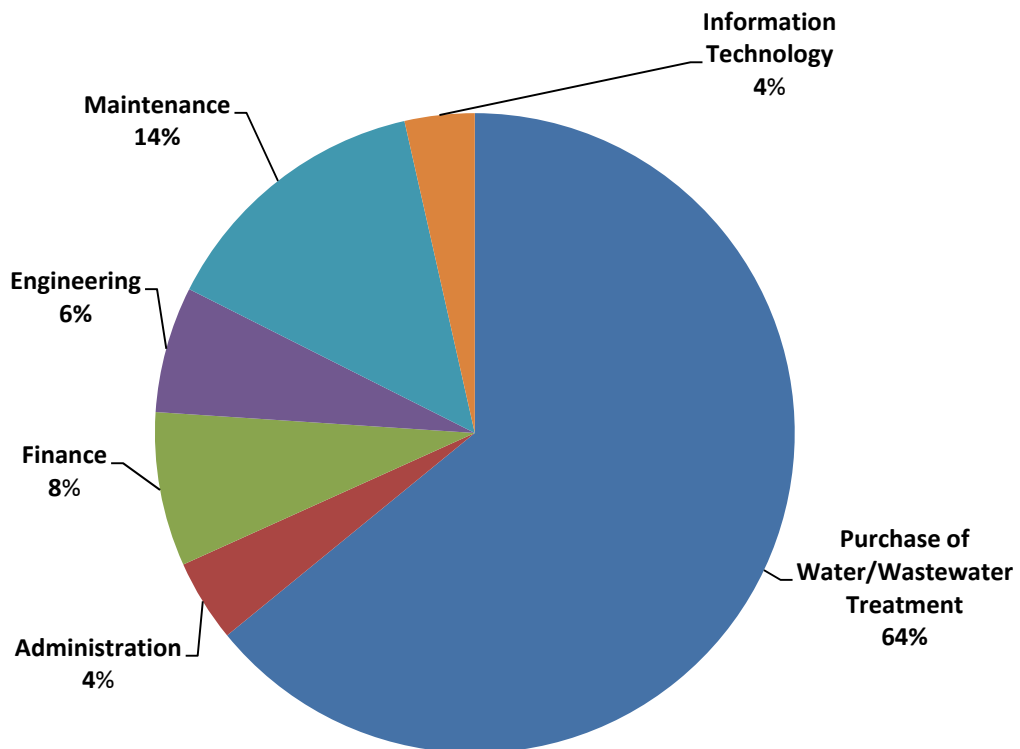
- Comprehensive re-evaluation of the formal rate study performed in May 2014. The analysis consists of review of both operating revenues (service and volume charges for water and sewer) and nonoperating revenues (System Connection/Development Charges). This analysis utilizes long range projections of 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.
- Making a contribution 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 two 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 2017 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. 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 in 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, maintain readily accessible utility right-of-ways, and eliminate exposure to lead for employees and fire personnel.

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is at \$24,029,351 or a 5.0% increase. The largest single cost of the Operating Budget is RWSA purchased water and wastewater treatment at \$15,403,706 or 64% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2017. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at \$998,724, Finance at \$1,869,968, Engineering at \$1,534,889, Maintenance at \$3,372,819, and Information Technology at \$849,245.

Operating Expense by Type/Department



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 18,600 customers.

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. It should be noted that a wastewater metering review was conducted in FY 2016 which impacted allocations of debt service charges between the ACSA and the City of Charlottesville. This review reduces expected wastewater charges to the ACSA for our Urban service area by nearly \$300,000. These savings reduce the overall projected increase in wastewater services by 4%.

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 continued enhancement in the system.

		<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017 Proposed</u>	<u>FY 2017 as % of FY 2016</u>		
RWSA EXPENSES							
Buck Mountain Surcharge		\$ 50,500	50,800	50,000	98.4%		
Purchase of Bulk Water		7,545,159	8,076,010	8,564,977	106.1%		
Sewer Treatment Expense		6,430,673	6,562,734	6,838,729	104.2%		
Subtotal:		\$ 14,026,332	\$14,689,544	\$15,453,706	105.2%		
RWSA EXPENSES BY SERVICE AREA							
WATER	Rates FY 2015	Rates FY 2016	Rates FY 2017				
		\$1.713/TG and	\$1.833/TG and				
Urban	\$3.687/TG	\$279,864/mo.	\$284,031/mo.	\$ 5,945,739	6,119,902	6,554,605	107.1%
Crozet	\$91,942/mo	\$113,997/mo.	\$124,149/mo.	1,103,304	1,367,964	1,489,788	108.9%
Scottsville	\$41,343/mo	\$49,012/mo	\$43,382/mo	496,116	588,144	520,584	88.5%
Buck Mountain Surcharge				50,500	50,800	50,000	98.4%
Total				\$ 7,595,659	\$8,126,810	\$8,614,977	106.0%
WASTEWATER		\$1.789/TG and	\$1.835/TG and				
Urban	\$3.435/TG	\$232,493/mo.	\$222,280/mo.	\$ 5,766,415	5,976,255	6,228,082	104.2%
Scottsville	\$28,879/mo	\$21,425/mo.	\$21,941/mo.	346,548	257,100	263,292	102.4%
Stone-Robinson School	\$24,498/annual	\$26,847/annual	\$27,027/annual	24,298	26,847	27,027	100.7%
Glenmore	\$24,451/mo	\$25,211/mo.	\$26,694/mo.	293,412	302,532	320,328	105.9%
Total				\$ 6,430,673	\$6,562,734	\$6,838,729	104.2%

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 are detailed line items for the proposed expenditures for FY 2017.

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. A 1.5% salary pool is proposed to offset potential changes related to a formal salary study to be performed during the fiscal year.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; for 2017 the rate has decreased from 9.21% to 6.60%. The reduction in the required contribution rate is related to the reduction of the actuarial determined underfunded retirement liability as greater than expected returns on plan investments were realized.
- 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 \$810 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 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 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 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, 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 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 "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 2017:

- 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 to fully integrate the recently deployed ERP and integrate human resource functionality;
- 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;
- Coordinate and implement recommendations from a comprehensive salary study to be performed during the fiscal year;

Administration Department

Description	FY 2015 Expended	FY 2016	FY 2016	FY 2016 Budget	FY 2017	FY 2017	FY 2017	FY 2017
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2016		Base Budget	Total Proposed	as % of FY 2016	Total Adopted
PERSONAL SERVICES								
Compensation of Board Members	\$ 7,998	5,905	8,858	16,500	16,500	16,500	100.0%	16,500
Salaries & Wages	615,577	446,585	669,878	355,847	373,378	373,378	104.9%	373,378
Overtime	885	158	237	3,000	3,000	3,000	100.0%	3,000
Social Security	45,218	31,134	46,701	25,379	26,296	26,296	103.6%	26,296
Retirement	27,016	37,518	56,277	31,713	23,993	23,993	75.7%	23,993
Health & Benefit Dollars	96,135	69,678	104,517	59,719	63,527	63,527	106.4%	63,527
Life Insurance	6,781	4,654	6,981	4,098	4,762	4,762	116.2%	4,762
Workers' Compensation	470	438	657	380	400	400	105.3%	400
Meals	262	2	3	600	600	600	100.0%	600
Safety Incentive Program	300	100	150	2,000	2,000	2,000	100.0%	2,000
Employee Incentives	31,560	14,813	22,220	35,000	35,000	35,000	100.0%	35,000
Subtotal:	\$ 832,202	610,985	916,479	534,236	549,456	549,456	102.8%	549,456
OPERATING SUPPLIES								
Office Supplies	\$ 18,182	2,562	3,843	5,000	5,000	5,000	100.0%	5,000
Copier Supplies	1,525	138	207	1,850	1,842	1,842	99.6%	1,842
Janitorial Supplies	2,060	1,530	2,295	3,903	3,903	3,903	100.0%	3,903
Small Tools & Equipment	94,884	3,668	5,502	4,300	4,300	4,300	100.0%	4,300
EMS Program	76	-	-	2,500	2,000	2,000	80.0%	2,000
Subtotal:	\$ 116,727	7,898	11,847	17,553	17,045	17,045	97.1%	17,045
PROFESSIONAL & CONTRACTUAL SERVICES								
Legal	\$ 47,473	22,420	33,630	81,012	81,012	81,012	100.0%	81,012
Audit	25,950	27,500	41,250	35,000	-	-	0.0%	-
Fiscal Agent	1,650	1,650	2,475	1,650	-	-	0.0%	-
Consultants' Fees	9,204	16,146	24,219	22,300	43,331	43,331	194.3%	43,331
Service Contracts	-	-	-	-	-	-	0.0%	-
Telephone/Communications	-	-	-	-	-	-	0.0%	-
Printing and Duplicating	2,976	2,744	4,116	9,150	9,150	9,150	100.0%	9,150
Other Contractual Services	2,175	3,640	5,460	6,775	6,250	6,250	92.3%	6,250
Subtotal:	\$ 89,428	74,100	111,150	155,887	139,743	139,743	89.6%	139,743

Administration Department

Description	FY 2015 <u>Expended</u>	FY 2016 Actual Expenses <u>To-Date(Feb)</u>	FY 2016 Anticipated Expenses <u>To-EOFY 2016</u>	FY 2016 <u>Budget</u>	FY 2017 <u>Base Budget</u>	FY 2017 <u>Total Proposed</u>	FY 2017 as % of <u>FY 2016</u>	FY 2017 Total <u>Adopted</u>
<i>OTHER SERVICES AND CHARGES</i>								
Software	-	-	-	-	-	-	-	-
Insurance	41,038	31,425	47,138	39,000	49,000	49,000	125.6%	49,000
Dues and Memberships	9,430	12,042	18,063	8,925	11,975	11,975	134.2%	11,975
Books and Periodicals	1,532	46	69	1,450	1,450	1,450	100.0%	1,450
Education and Training	51,655	20,327	30,491	40,000	65,685	65,685	164.2%	65,685
Board Member Education and Training	54	99	149	5,000	5,000	5,000	100.0%	5,000
Travel	12,653	891	1,337	4,270	4,270	4,270	100.0%	4,270
Advertising	18,274	4,236	6,354	25,600	30,100	30,100	117.6%	30,100
Conservation	33,656	20,483	30,725	65,000	65,000	65,000	100.0%	65,000
Permits	53,516	40,878	61,317	60,000	60,000	60,000	100.0%	60,000
Subtotal:	\$ 221,808	130,427	195,643	249,245	292,480	292,480	117.3%	292,480
<i>CAPITAL OUTLAYS</i>								
Furniture and Fixtures	-	-	-	1,500	-	-	-	-
Subtotal:	\$ -	-	-	1,500	-	-	-	-
TOTAL ADMINISTRATION	\$ 1,260,165	823,410	1,235,119	958,421	998,724	998,724	104.2%	998,724

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 2017:

- Continued mastery of the recently implemented ERP system (Microsoft Dynamics AX2012);
- Implement the FY 2017 Budget and Rates and present the FY 2017 budget to the Government Finance Officers Association for consideration related to the Distinguished Budget Award program;
- Comprehensive Annual Financial Report preparation (CAFR);
- Training for staff is expected to increase in FY 2017 compared to FY 2016. With the ERP implementation being completed in FY 2016, staff availability to participate in learning opportunities will increase. Staff will attend regional Virginia Government Finance Officer Association events, procurement conferences, customer service conferences, and continuing education for ACSA payroll staff;
- Annual audit expenses have historically been recorded in the Administration Department but have been transferred to Finance for budget year 2017;
- Replacement of existing radio unit components in Farmington. These units have reached the end of their useful life and are scheduled for replacement;
- Other Post-employment Benefit (OPEB) actuarial study to be performed in accordance with GASB standards. These studies have historically been performed every three years and assist in evaluation/recording the OPEB liability. Changes related to GASB Statement No. 75 will now require these studies to be performed every two years;

New Position for FY 2017:

Meter Technician

An additional Meter Technician position is proposed for the purpose of improving the ACSA's ability to both timely read meter and address service calls. The system has increased in water connections by approximately 19% since the last increase in meter technician staffing. Customer meters are read monthly and with this increase in staff, the ACSA will be able to more efficiently read routes and transfer this information to the Customer Service group for billing and analysis. The increase in staffing will also allow more aged meters to be replaced. Meters that have been in service greater than 15 years are eligible for replacement. These older meters have a tendency to become less sensitive to consumption resulting in potential lost revenue to the ACSA. The position will require additional equipment for the employee, specifically a vehicle. All costs associated with the position have been included in the supplemental portion of the departmental budget.

Finance Department

Description	FY 2015 <u>Expended</u>	FY 2016 Actual Expenses <u>To-Date(Feb)</u>	FY 2016 Anticipated Expenses <u>To-EOFY 2016</u>	FY 2016 <u>Budget</u>	FY 2017 Base <u>Budget</u>	Supple- mental Request <u>#1</u>	FY 2017 Total <u>Proposed</u>	FY 2017 as % of <u>FY 2016</u>	FY 2017 <u>Adopted</u>
<i>PERSONAL SERVICES</i>									
Salaries & Wages	\$ 702,758	537,237	805,856	807,307	834,090	31,000	865,090	107.2%	865,090
Overtime Pay	24,019	49,619	74,429	28,000	28,000	-	28,000	100.0%	28,000
Social Security	52,829	42,182	63,273	63,901	65,793	2,372	68,165	106.7%	68,165
Retirement	32,985	45,676	68,514	73,975	54,542	2,046	56,588	76.5%	56,588
Health & Benefit Dollars	127,403	89,626	134,439	159,890	178,700	9,960	188,660	118.0%	188,660
Life Insurance	8,271	5,853	8,780	9,559	10,826	406	11,232	117.5%	11,232
Workers' Compensation	3,911	4,227	6,341	6,868	7,856	893	8,749	127.4%	8,749
Subtotal:	\$ 952,176	774,420	1,161,632	1,149,500	1,179,807	46,677	1,226,484	106.7%	1,226,484
<i>OPERATING SUPPLIES</i>									
Office Supplies	\$ 7,241	7,804	11,706	12,570	11,225	-	11,225	89.3%	11,225
Personal Protective Equipment	693	618	927	1,280	1,330	215	1,545	120.7%	1,545
Fuel, Oil & Grease	13,330	2,273	3,410	14,700	12,710	-	12,710	86.5%	12,710
Small Tools & Equipment	3,378	9,185	13,778	9,935	11,684	-	11,684	117.6%	11,684
Subtotal:	\$ 24,642	19,880	29,821	38,485	36,949	215	37,164	96.6%	37,164
<i>REPAIR & MAINTENANCE</i>									
Vehicle Supplies	\$ 1,147	1,987	2,981	3,500	4,000	-	4,000	114.3%	4,000
Materials - Water	150,916	135,487	203,231	255,866	260,763	-	260,763	101.9%	260,763
Subtotal:	\$ 152,063	137,474	206,212	259,366	264,763	-	264,763	102.1%	264,763
<i>PROFESSIONAL & CONTRACTUAL SERVICES</i>									
Audit	-	-	-	-	36,400	-	36,400	-	36,400
Fiscal Agent	-	-	-	-	1,700	-	1,700	-	1,700
Uniform Rental	3,179	2,370	3,555	3,335	3,335	700	4,035	121.0%	4,035
Consultants' Fees	-	240	360	500	3,000	-	3,000	600.0%	3,000
Service Contracts	36,215	26,806	40,209	39,230	41,415	-	41,415	105.6%	41,415
Postage	89,736	102,098	153,147	136,175	138,640	-	138,640	101.8%	138,640
Printing and Duplicating	15,801	2,940	4,410	23,460	31,820	-	31,820	135.6%	31,820
Other Contractual Services	36,183	21,690	32,535	39,025	39,025	-	39,025	100.0%	39,025
Subtotal:	\$ 181,114	156,144	234,216	241,725	295,335	700	296,035	122.5%	296,035

Finance Department

Description	FY 2015 <u>Expended</u>	FY 2016 Actual Expenses <u>To-Date(Feb)</u>	FY 2016 Anticipated Expenses <u>To-EOFY 2016</u>	FY 2016 <u>Budget</u>	FY 2017 Base <u>Budget</u>	Supple- mental Request <u>#1</u>	FY 2017 Total <u>Proposed</u>	FY 2017 as % of <u>FY 2016</u>	FY 2017 <u>Adopted</u>
REPAIRS AND MAINTENANCE									
Equipment Repair and Maintenance	\$ 4,583	2,059	3,089	9,291	2,350	-	2,350	25.3%	2,350
Vehicle Repair and Maintenance	1,278	348	522	3,500	4,000	-	4,000	114.3%	4,000
Subtotal:	\$ 5,861	2,407	3,611	12,791	6,350	-	6,350	49.6%	6,350
OTHER SERVICES AND CHARGES									
Rental of Equipment	\$ 1,272	703	1,055	1,320	1,320	-	1,320	100.0%	1,320
Software	13,039	4,000	6,000	500	500	-	500	100.0%	500
Dues and Memberships	621	387	581	680	1,460	-	1,460	214.7%	1,460
Books and Periodicals	140	225	338	1,190	1,700	-	1,700	142.9%	1,700
Education and Training	2,103	-	-	3,400	21,342	-	21,342	627.7%	21,342
Travel	5	-	-	7,650	12,850	-	12,850	168.0%	12,850
Subtotal:	\$ 17,180	5,315	7,974	14,740	39,172	-	39,172	265.8%	39,172
TOTAL FINANCE	\$ 1,333,036	1,095,640	1,643,466	1,716,607	1,822,376	47,592	1,869,968	108.9%	1,869,968
Capital Outlays - Capital Equipment									
Machinery and Equipment	\$ -	-	-	34,665	-	28,500	28,500	82.2%	28,500
	-	-	-	-	2,500	-	2,500	-	2,500
Total	\$ -	-	-	34,665	2,500	28,500	31,000	89.4%	31,000

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 2017:

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;

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;
- Purchase of additional safety equipment for confined space work;
- Training directed toward succession planning;

Engineering Department

Description	FY 2015 Expended	FY 2016 Actual Expenses To-Date(Feb)	FY 2016 Anticipated Expenses To-EOFY 2016	FY 2016 Budget	FY 2017 Base Budget	FY 2017 Total Proposed	FY 2017 as % of FY 2016	FY 2017 Adopted
PERSONAL SERVICES								
Salaries & Wages	\$ 994,371	706,395	1,059,593	1,028,897	1,067,471	1,067,471	103.7%	1,067,471
Overtime Pay	4,315	17,253	25,880	11,000	11,000	11,000	100.0%	11,000
Social Security	74,789	52,744	79,116	79,553	82,307	82,307	103.5%	82,307
Retirement	45,530	61,506	92,259	92,425	69,044	69,044	74.7%	69,044
Health & Benefit Dollars	130,215	89,236	133,854	166,392	180,604	180,604	108.5%	180,604
Life Insurance	11,452	7,883	11,825	11,943	13,704	13,704	114.7%	13,704
Workers' Compensation	5,868	6,024	9,036	9,777	9,159	9,159	93.7%	9,159
Subtotal:	\$ 1,266,540	941,041	1,411,563	1,399,987	1,433,289	1,433,289	102.4%	1,433,289
OPERATING SUPPLIES								
Personal Protective Equipment	1,028	678	1,017	1,362	3,796	3,796	278.7%	3,796
Fuel, Oil & Grease	16,553	2,472	3,708	19,035	16,200	16,200	85.1%	16,200
Small Tools & Equipment	11,084	12,206	18,309	14,860	8,375	8,375	56.4%	8,375
Subtotal:	\$ 28,665	15,356	23,034	35,257	28,371	28,371	80.5%	28,371
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies	\$ 3,244	1,140	1,710	3,400	3,500	3,500	102.9%	3,500
Subtotal:	\$ 3,244	1,140	1,710	3,400	3,500	3,500	102.9%	3,500
PROFESSIONAL & CONTRACTUAL SERVICES								
Uniform Rental	\$ 373	396	594	688	612	612	89.0%	612
Other Contractual Services	17,412	10,638	15,957	22,390	20,190	20,190	90.2%	20,190
Subtotal:	\$ 17,785	11,034	16,551	23,078	20,802	20,802	90.1%	20,802

Engineering Department

Description	FY 2015 <u>Expended</u>	FY 2016 Actual Expenses <u>To-Date(Feb)</u>	FY 2016 Anticipated Expenses <u>To-EOFY 2016</u>	FY 2016 <u>Budget</u>	FY 2017 Base <u>Budget</u>	FY 2017 Total <u>Proposed</u>	FY 2017 as % of <u>FY 2016</u>	FY 2017 <u>Adopted</u>
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance	\$ 6,110	4,168	6,252	14,275	12,080	12,080	84.6%	12,080
Vehicle Repair and Maintenance	3,753	659	989	3,300	3,300	3,300	100.0%	3,300
Subtotal:	\$ 9,863	4,827	7,241	17,575	15,380	15,380	87.5%	15,380
OTHER SERVICES AND CHARGES								
Dues and Memberships	\$ 1,090	1,033	1,550	1,401	1,503	1,503	107.3%	1,503
Books and Periodicals	-	439	659	500	750	750	150.0%	750
Education and Training	9,738	8,855	13,283	17,590	14,505	14,505	82.5%	14,505
Travel	9,669	8,288	12,432	16,715	16,789	16,789	100.4%	16,789
Subtotal:	\$ 20,497	18,615	27,924	36,206	33,547	33,547	92.7%	33,547
TOTAL ENGINEERING	\$ 1,346,594	992,013	1,488,023	1,515,503	1,534,889	1,534,889	101.3%	1,534,889
Capital Outlays - Capital Equipment								
Machinery and Equipment	\$ -	-	-	9,495	-	-	0.0%	-
Total	\$ -	-	-	9,495	-	-	0.0%	-
Planned Equipment Replacement								
Machinery and Equipment	\$ -	-	-	-	42,590	42,590	0.0%	42,590
Total	\$ -	-	-	-	42,590	42,590	0.0%	42,590

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 2017:

- Replacement of computers/servers in accordance with the Strategic Plan and the formalized replacement cycle for equipment;
- Replace current phone system with new VOIP system;
- New network firewall UTM devices to replace older models that are nearing end of life. The UTM devices provide intrusion detection/prevention, virus scan, and event logging that are crucial to both our internal (LAN) and public facing (Web) networks;
- Additional networking equipment and tools to maximize the new fiber optic network infrastructure;
- New server backup solutions to replace current product that is nearing end of life while also providing improved disaster recovery functionality;
- The change in service contracts is due in large part to the addition of VOIP phone system support and slight increases in Dynamics and other IT related programs;
- Replacement computers designed specifically for CCTV vans;
- Continue to deploy Office 365 features to maximize subscription;
- Replacements for aging high volume multi-function printer and plotter;
- Telephone cost increase mainly due to SCADA cell modem data usage and more employees requiring smartphones with data plans;

Information Technology

Description	FY 2015 Expended	FY 2016 Actual Expenses To-Date(Feb)	FY 2016 Anticipated Expenses To-EOFY 2016	FY 2016 Budget	FY 2017 Base Budget	FY 2017 Total Proposed	FY 2017 as % of FY 2016	FY 2017 Total Adopted
PERSONAL SERVICES								
Salaries & Wages	-	-	-	304,020	305,664	305,664	100.5%	305,664
Overtime	-	-	-	1,200	2,400	2,400	200.0%	2,400
Social Security	-	-	-	23,350	23,567	23,567	100.9%	23,567
Retirement	-	-	-	27,575	18,300	18,300	66.4%	18,300
Health & Benefit Dollars	-	-	-	59,719	74,344	74,344	124.5%	74,344
Life Insurance	-	-	-	3,563	3,632	3,632	101.9%	3,632
Workers' Compensation	-	-	-	329	305	305	92.7%	305
Subtotal:	\$ -	-	-	419,756	428,212	428,212	102.0%	428,212
OPERATING SUPPLIES								
Office Supplies	\$ -	1,011	1,517	13,000	15,000	15,000	115.4%	15,000
Copier Supplies	-	134	201	260	340	340	130.8%	340
Fuel, Oil & Grease	-	-	-	-	2,208	2,208	0.0%	2,208
Small Tools & Equipment	-	15,129	22,694	69,720	66,950	66,950	96.0%	66,950
Subtotal:	\$ -	16,274	24,412	82,980	84,498	84,498	101.8%	84,498
PROFESSIONAL & CONTRACTUAL SERVICES								
Service Contracts	73,533	98,808	148,212	121,264	140,665	140,665	116.0%	140,665
Telephone/Communications	54,525	33,725	50,588	59,666	75,420	75,420	126.4%	75,420
Subtotal:	\$ 128,058	132,533	198,800	180,930	216,085	216,085	119.4%	216,085
REPAIRS AND MAINTENANCE								
Vehicle Repair and Maintenance	-	-	-	-	1,750	1,750	0.0%	1,750
Subtotal:	\$ -	-	-	-	1,750	1,750	0.0%	1,750

Information Technology

Description	FY 2015 <u>Expended</u>	FY 2016 Actual Expenses <u>To-Date(Feb)</u>	FY 2016 Anticipated Expenses <u>To-EOFY 2016</u>	FY 2016 <u>Budget</u>	FY 2017 Base <u>Budget</u>	FY 2017 Total <u>Proposed</u>	FY 2017 as % of <u>FY 2016</u>	FY 2017 Total <u>Adopted</u>
<i>OTHER SERVICES AND CHARGES</i>								
Software	\$ 8,664	-	-	77,780	49,350	49,350	63.4%	49,350
Books and Periodicals	-	203	305	500	1,000	1,000	200.0%	1,000
Education and Training	-	155	233	35,075	28,925	28,925	82.5%	28,925
Travel	-	1,686	2,529	39,425	39,425	39,425	100.0%	39,425
Subtotal:	\$ 8,664	2,044	3,067	152,780	118,700	118,700	77.7%	118,700
TOTAL INFORMATION TECHNOLOGY	\$ 136,722	150,851	226,279	836,446	849,245	849,245	101.5%	849,245
Capital Outlays - Capital Equipment								
Machinery and Equipment	\$ -	3,700	-	60,000	6,000	6,000	10.0%	6,000
Total	\$ -	3,700	-	60,000	6,000	6,000	-	6,000
Planned Equipment Replacement								
Machinery and Equipment	\$ -	-	-	89,500	167,900	167,900	187.6%	167,900
Office Equipment	-	-	-	-	3,000	3,000	0.0%	3,000
Total	\$ -	-	-	89,500	170,900	170,900	190.9%	170,900

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 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 2017:

- 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 ACSA is increasing our goal of replacing these hydrants from 35 to 45 for fiscal year 2017;
- Continue efforts to install generators at our water and sewer pump stations that do not currently have them. There are not permanent generators at nine of our pump stations. The Ednam Station is currently being upgraded with focus on installation in fiscal year 2017 at Briarwood Sewer Station, Ashcroft II and III Water Stations, and replacing an aging diesel generator at the Peter Jefferson Sewer Station to improve emissions from the generator;
- Increased emphasis on training, specifically training related to emergency response, safety, and overall system knowledge for maintenance staff. 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;

Maintenance Department

Description	FY 2015 Expended	FY 2016	FY 2016	FY 2016 Budget	FY 2017	FY 2017	FY 2017	FY 2017 Adopted
		Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2016		Base Budget	Total Proposed	as % of FY 2016	
PERSONAL SERVICES								
Salaries & Wages	\$ 1,218,658	886,601	1,329,902	1,440,647	1,448,985	1,448,985	100.6%	1,448,985
Overtime Pay	42,564	21,543	32,315	60,000	60,000	60,000	100.0%	60,000
Standby Pay	5,406	4,547	6,821	5,000	5,000	5,000	100.0%	5,000
Social Security	91,900	65,856	98,784	115,183	115,820	115,820	100.6%	115,820
Retirement	54,647	76,457	114,686	131,357	94,889	94,889	72.2%	94,889
Health & Benefit Dollars	240,099	165,625	248,438	349,280	380,371	380,371	108.9%	380,371
Life Insurance	14,111	10,028	15,042	16,973	18,835	18,835	111.0%	18,835
Workers' Compensation	23,485	23,413	35,120	39,364	41,406	41,406	105.2%	41,406
Meals - Overtime	287	139	209	1,200	1,200	1,200	100.0%	1,200
Subtotal:	\$ 1,691,157	1,254,209	1,881,317	2,159,004	2,166,506	2,166,506	100.3%	2,166,506
OPERATING SUPPLIES								
Shop Supplies	8,978	3,844	5,766	16,954	22,254	22,254	131.3%	22,254
Personal Protective Equipment	15,179	5,543	8,315	20,344	31,105	31,105	152.9%	31,105
Fuel, Oil & Grease	58,434	17,522	26,283	79,595	68,265	68,265	85.8%	68,265
Heating Fuel	7,545	2,386	3,579	11,073	11,350	11,350	102.5%	11,350
Small Tools & Equipment	50,036	24,976	37,464	73,785	73,555	73,555	99.7%	73,555
Subtotal:	\$ 140,172	54,271	81,407	201,751	206,529	206,529	102.4%	206,529
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies	\$ 17,742	7,182	10,773	28,308	33,730	33,730	119.2%	33,730
Materials - Water	90,098	46,299	69,449	62,000	63,000	63,000	101.6%	63,000
Materials - Hydrants	41,602	38,274	57,411	76,250	100,750	100,750	132.1%	100,750
Materials - Sewer	2,166	7,247	10,871	8,000	8,000	8,000	100.0%	8,000
Building & Grounds Supplies	18,731	14,808	22,212	48,400	31,850	31,850	65.8%	31,850
Equipment Supplies	24,551	10,586	15,879	30,435	40,230	40,230	132.2%	40,230
Water Pump Station Supplies	19,779	52,521	78,782	33,900	39,700	39,700	117.1%	39,700
Sewer Pump Station Supplies	39,092	43,657	65,486	79,550	99,800	99,800	125.5%	99,800
Subtotal:	\$ 253,761	220,574	330,863	366,843	417,060	417,060	113.7%	417,060
PROFESSIONAL & CONTRACTUAL SERVICES								
Labor - Outside Contract	\$ 41,042	36,838	55,257	113,140	202,790	202,790	179.2%	202,790
Uniform Rental	16,306	13,004	19,506	21,580	21,439	21,439	99.3%	21,439
Building & Grounds Services	49,009	54,627	81,941	62,996	63,491	63,491	100.8%	63,491
*Telephone	-	110	165	420	-	-	-	-
Other Contractual Services	4,174	1,367	2,051	10,752	10,516	10,516	97.8%	10,516
Subtotal:	\$ 110,531	105,946	158,920	208,888	298,236	298,236	142.8%	298,236

Maintenance Department

Description	FY 2015 Expended	FY 2016 Actual Expenses To-Date(Feb)	FY 2016 Anticipated Expenses To-EOFY 2016	FY 2016 Budget	FY 2017 Base Budget	FY 2017 Total Proposed	FY 2017 as % of FY 2016	FY 2017 Adopted
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance	\$ 32,261	12,341	18,512	45,125	43,433	43,433	96.3%	43,433
Building & Grounds Repair and Maintenance	-	-	-	11,050	11,050	11,050	100.0%	11,050
Vehicle Repair and Maintenance	28,688	23,648	35,472	25,607	34,823	34,823	136.0%	34,823
Subtotal:	\$ 60,949	35,989	53,984	81,782	89,306	89,306	109.2%	89,306
OTHER SERVICES AND CHARGES								
Rental of Equipment	\$ 2,598	275	413	9,000	8,600	8,600	95.6%	8,600
Education and Training	-	3,524	5,286	17,800	20,495	20,495	115.1%	20,495
Travel	-	2,397	3,596	17,795	17,895	17,895	100.6%	17,895
Electricity - Water Pump Station	20,754	11,738	17,607	29,459	28,215	28,215	95.8%	28,215
Electricity - Sewer Pump Station	29,605	15,427	23,141	68,357	66,607	66,607	97.4%	66,607
Electricity - Shop & Office	40,671	22,391	33,587	44,364	45,600	45,600	102.8%	45,600
Permits	4,395	710	1,065	7,390	7,370	7,370	99.7%	7,370
Subtotal:	\$ 98,023	56,462	84,695	194,165	194,782	194,782	100.3%	194,782
CAPITAL OUTLAYS								
Furniture and Fixtures	2,004	2,115	3,173	1,900	400	400	21.1%	400
Machinery and Equipment	-	(1,544)	(2,316)	-	-	-	-	-
Subtotal:	\$ 2,004	571	857	1,900	400	400	21.1%	400
TOTAL MAINTENANCE	\$ 2,356,597	1,728,022	2,592,043	3,214,333	3,372,819	3,372,819	104.9%	3,372,819

*Moved to Information Technology

Capital Outlays - Capital Equipment

Machinery and Equipment	\$ -	-	-	71,000	33,000	33,000	46.5%	33,000
Office Equipment	-	-	-	-	4,000	4,000	-	4,000
Furniture and Fixtures	-	-	-	-	-	-	-	-
Total	\$ -	-	-	71,000	37,000	37,000	52.1%	37,000

Planned Equipment Replacement

Machinery and Equipment	\$ -	-	-	32,000	21,800	21,800	68.1%	21,800
Total	\$ -	-	-	32,000	21,800	21,800	68.1%	21,800

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 reserves. Please see summaries of equipment purchased below:

Equipment – Newly acquired

Finance – With the proposed staffing level increase (meter operations), the need for an additional ACSA vehicle has been identified. We have also identified the need for a more robust office shredder. (Budget impact: \$28,500 and \$2,500, respectively);

Information Technology – In FY 2016, the ACSA purchased multiple Trimble GPS units. A need for one additional unit has been identified. These units are used to locate and “shoot” points to be implanted into the GIS. (Budget impact: \$6,000);

Maintenance – To better serve our customers, the need for the following items has been noted: CCTV upgrade to unit #39, office equipment to retrofit satellite office. (Budget impact: \$33,000 and \$4,000, respectively);

Equipment- Replacement

Engineering – The need to replace an aging vehicle in the engineering fleet has been determined. The vehicle being replaced has reached the end of its useful life. A need to replace data logging equipment has been determined to allow ACSA staff to continue analyzing wastewater flows. (Budget impact: \$27,500 and \$15,090, respectively);

Information Technology – Replacement of 2 servers, 23 computers, and 2 Granite XP Computer upgrades is planned during FY 2017 in accordance with the ACSA’s regularly scheduled change out policy (Budget impact: \$10,400, \$46,000, and \$16,000 respectively). Upgrades related to the ACSA phone system are proposed for FY 2017 (Budget Impact: \$75,000). Other equipment replacements include replacement of a copier, a plotter, and office equipment (Budget Impact: \$8,500, \$12,000, and \$3,000);

Maintenance – Replacement of the current piercing tool and guillotine saw. (Budget impact: \$6,800 and \$15,000, respectively);

Capital Equipment Purchases

Description	FY 2017 Proposed <u>Budget</u>
<i>CAPITAL OUTLAYS - EQUIPMENT</i>	
Finance	\$ 31,000
Information Technology	6,000
Maintenance	37,000
Total:	\$ <u>74,000</u>
 <i>PLANNED EQUIPMENT REPLACEMENT</i>	
Engineering	\$ 42,590
Information Technology	170,900
Maintenance	21,800
Subtotal:	\$ <u>235,290</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 2017:

Water Projects:	\$ 5,466,300
Wastewater Projects:	\$ 1,315,590
Total:	\$ 6,781,890

In this budget approximately 65% of the funds to be expended for water projects will be used to replace aging and undersized pipelines. Approximately 61% 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 \$6,781,890 budgeted, existing projects account for \$4,952,000, while new projects are estimated at \$1,829,890.

The new projects include, the replacement of existing water mains, creating redundancy in the water system, increasing capacity of water pump stations, the replacement of existing sewer mains, identifying I/I in our sanitary sewer system, upgrading an existing sewer pump station, 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 2017 follows:

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

Radio Upgrades (New): The County of Albemarle is upgrading their aging radio broadcasting system that is utilized by several community partners such as law enforcement agencies of the County and the City, fire/rescue agencies, City public works, Emergency Operations Center, RWSA and ACSA. The County project will include new antennas to increase coverage and upgrades to other equipment. Each user of the system is assessed a share of the upgrade based upon the number of radio units supported. The amount budgeted is the ACSA's share of the radio system upgrades. **FY 2017 Budget - \$376,000**

ACSA Facility Improvements – Paving (New): After 20 years of the ACSA Operations Center occupying its current site the asphalt pavement throughout the property has begun to deteriorate. Several recent projects improving the facilities that make up the Operations Center required the removal of pavement. Now that these projects are coming to completion, it is time to address pavement repair. The amount budgeted is an estimate of the cost to repave all existing asphalt on the property. **FY 2017 Budget - \$121,000**

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 design phase of the project is nearing completion. The amount budgeted is for construction to begin in FY 2017 and carry over into FY 2018. **FY 2017 Budget - \$791,900**

Camelot Water Main Replacement (New): This project will replace the asbestos-cement and PVC water mains that have been in service approximately 47 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 amount budgeted is for the design phase with construction anticipated in FY 2018. **FY 2017 Budget - \$218,900**

Scottsville Phase 3 Water Main Replacement (New): A recent evaluation of a portion of water main along East Main Street to investigate reduced fire flow revealed significant tuberculation in the water main. The design of the replacement of aging and undersized cast iron and asbestos-cement pipe throughout the Scottsville Water System is proposed to begin in FY 2016. The design will be completed in FY 2017 with emphasis on the replacement of the deteriorated water

main along East Main Street. The amount budgeted is for the construction of the new water main along East Main Street in FY 2017, with the remainder of the water mains anticipated to be replaced in FY 2018. **FY 2017 Budget - \$350,000**

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. Construction will begin in FY 2016 with funds previously budgeted, plus the additional funds to complete construction in FY 2017. **FY 2017 Budget - \$848,000 (FY 2016 Budget - \$1,400,000)**

Crozet Phase 3 Water Main Replacement: This project continues our systematic program to replace the aging and 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 project is currently in the design phase, which will be completed in FY 2017 with funds previously budgeted. Construction is anticipated to take place in FY 2018. **FY 2017 Budget - \$0 (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 amount budgeted, plus funds previously budgeted, are for construction in FY 2017. **FY 2017 Budget - \$975,000 (FY 2015 and FY 2016 Budgets - \$1,150,000)**

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 design phase is nearing completion. The amount budgeted, plus funds previously budgeted, is to begin construction in FY 2017 and complete it in FY 2018. **FY 2017 Budget - \$1,061,600 (FY 2016 Budget - \$450,000)**

Barterbrook Phase 2 Water Main Replacement (New): In recent years the water main along Solomon Road has experienced multiple breaks in a relatively short segment of pipe. This water main has been in service for approximately 55 years, as have the water mains in the same area, along North Berkshire Road and Inglewood Drive. This project addresses our Strategic Plan goal to replace aging and undersized water mains throughout our system. The amount budgeted is for the design phase to be completed in FY 2017 with construction anticipated in FY 2019. **FY 2017 Budget - \$147,000**

Greenbrier Drive Sewer Replacement (New): While reviewing the design of the City's Hillsdale Drive Extension Project for conflicts with our utility system, the ACSA staff identified an opportunity to potentially construct the Greenbrier Drive Sewer Replacement Project. This project was originally scheduled for FY 2018 in the CIP Rate Model. By incorporating this sewer main replacement into the City's road extension project, which will disturb several existing roadways, ACSA will realize significant cost savings. The design is nearing completion and the amount budgeted is for the construction of these sewer mains in FY 2017. **FY 2017 Budget - \$152,290**

Camelot 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 included 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 field work for the SSES has been finished. The amount budgeted is to complete the rehabilitation work identified in the SSES. **FY 2017 Budget - \$154,100**

Pantops Drainage Basin SSES (New): The recent wastewater flow metering for the update of the RWSA sewer interceptor model has shown the Pantops Area is experiencing peak wet weather flows due to infiltration and inflow (I/I). This project will continue our efforts to maintain the integrity of our wastewater collection system by reducing I/I. The sanitary sewer evaluation survey (SSES) will include the ACSA collection system east of the South Fork Rivanna River and north of I-64, including the Peter Jefferson Place Pump Station. The amount budgeted is to complete the SSES in FY 2017. **FY 2017 Budget - \$250,700**

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 the ACSA piggyback of the City rehabilitation contract that was awarded last year after competitive bidding. 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 2017 Budget - \$400,000**

Oak Forest Pump Station Abandonment: 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. This project is entering the design phase, which will be completed in FY 2017 with funds previously budgeted. Construction is anticipated in FY 2018. **FY 2017 Budget - \$0 (FY 2016 Budget - \$105,000)**

Madison Park Pump Station Upgrade (New): 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. A study is currently underway to evaluate the best option for upgrading this pump station. The amount budgeted is for the design of the selected option in FY 2017 with construction anticipated in FY 2018. **FY 2017 Budget - \$60,000**

Fontana Loop Water Connections (New): With the development of Fontana Phase 4B a few years ago a master pressure reducing valve vault was installed to improve service to a portion of the Fontana Subdivision previously constructed. This eliminated some redundancy in the water system, which this project will restore. Two separate water main segments will be installed on Verona Drive and Olympia Drive to create two loops that can provide secondary water feeds to the Fontana Subdivision. The amount budgeted is for construction by the ACSA Maintenance Department in FY 2017. **FY 2017 Budget - \$62,300**

West Woods Water Main Replacement (New): The West Woods Subdivision was originally a private well system that was connected to the ACSA public water system in 1982 when the well failed. Asbestos-cement water mains along most of the roads in West Woods were replaced at that time and fire hydrants were installed in the subdivision. In 2005 the 2-inch diameter galvanized water mains on the side streets were also replaced. This project completes the replacement of the final asbestos-cement water main along West Pines Drive, in keeping with our Strategic Plan goal to eliminate all of these water mains in our system. The amount budgeted is for construction by the ACSA Maintenance Department in FY 2017. **FY 2017 Budget - \$155,700**

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. 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 complete with construction to begin in FY 2016. The design of Phase 3 is underway and the amount budgeted is for construction in FY 2017. **FY 2017 Budget - \$245,400**

Ashcroft Pump Stations #2 & #3 Capacity Improvement (New): In order to meet current domestic demand, fire flow requirements and future development in Ashcroft, the pumps in stations #2 and #3 will need to be upgraded. This will allow the Ashcroft Water Tank to be cycled more frequently, reducing water age and improving water quality. A Preliminary Engineering Report was completed to determine the best alternative for increasing the pumping capacity within the limited space of the existing buildings, and the available electrical service. The project is currently in the design phase and the amount budgeted is for construction in FY 2017. **FY 2017 Budget - \$312,000**

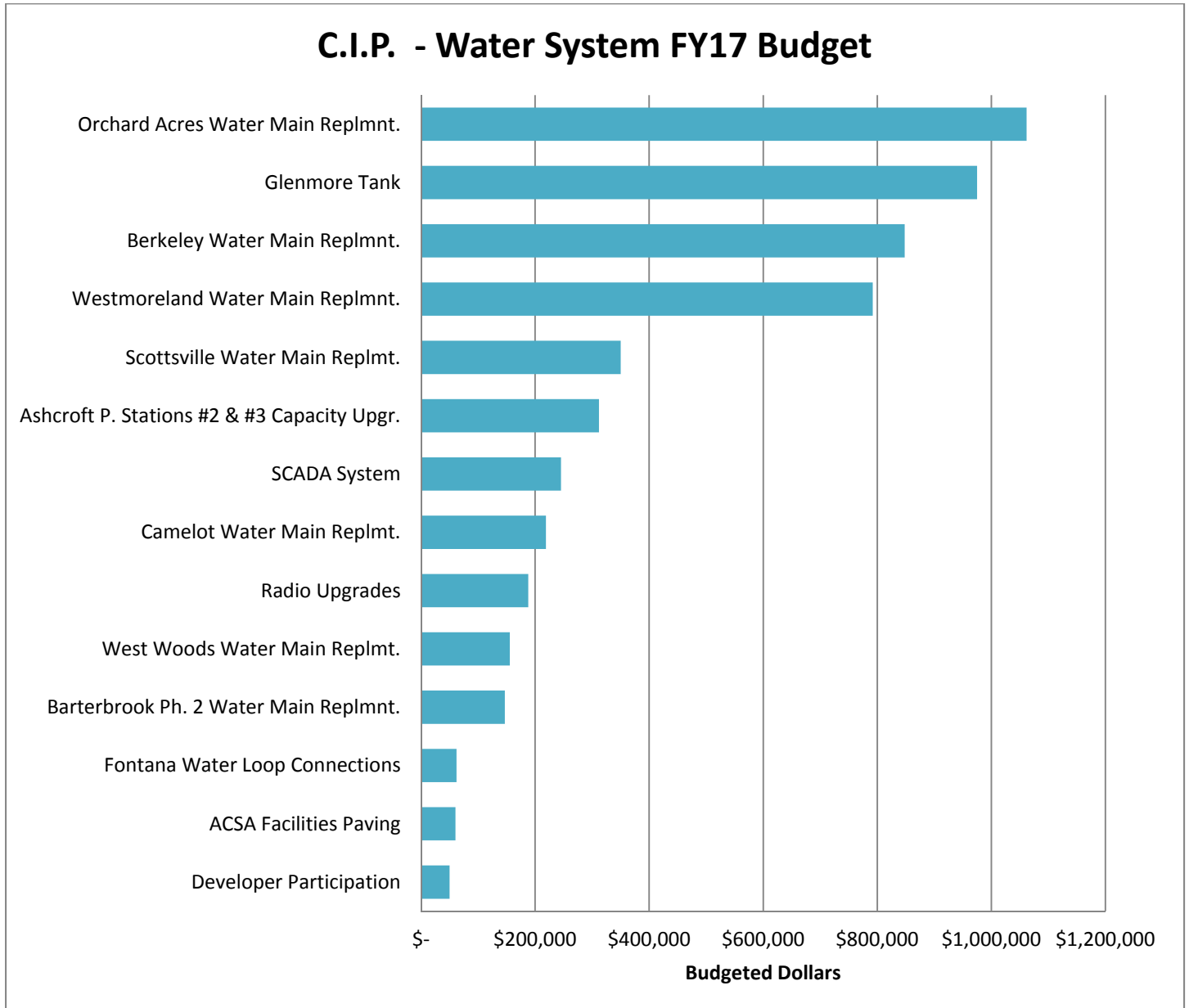
Developer Participation: Each year funds are set aside to participate in oversizing utilities constructed to serve new development. The Rate Model includes \$100,000 divided equally between water and wastewater projects as a contingency to insure the new pipes are sized to meet the ACSA's long-range needs. **FY 2017 Budget - \$100,000**

Albemarle County Service Authority - Proposed FY 2017 Budget
CAPITAL IMPROVEMENT PROJECTS

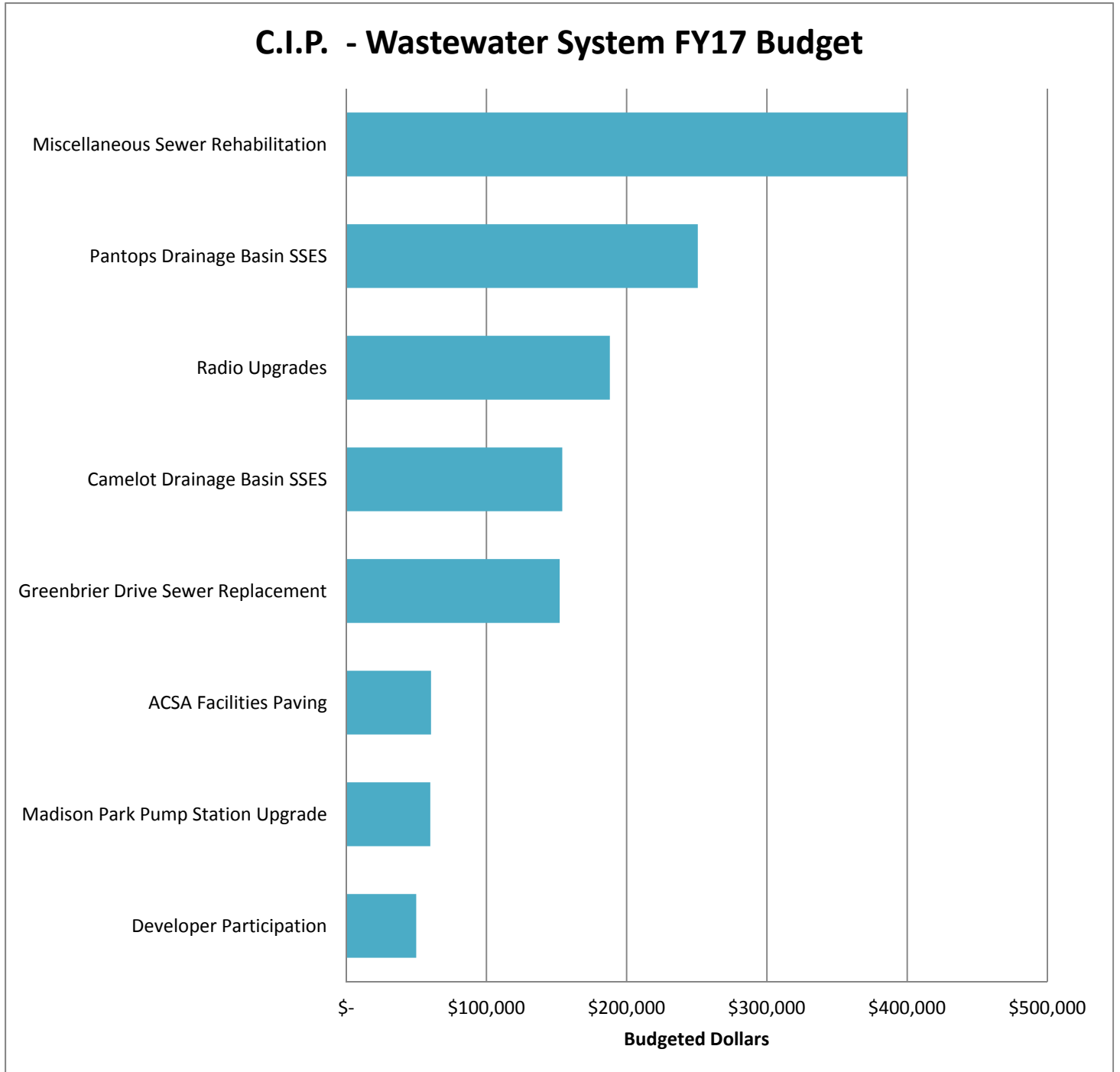
Water System	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Radio Upgrades		188,000									
Facility Improvements - Fueling Station/Vehicle Wash	0										
ACSA Facilities Improvement - Building Improvements	142,500										
ACSA Facilities - Operations Center Expansion Study	25,000										
ACSA Facilities Paving		60,500									
Scottsville Water Main Replacement		350,000	962,250	320,750							
Ragged Mountain Water Phase I				80,000							
Ashcroft Pump Stations #2 & #3 Capacity Upgrade		312,000									
Glenmore Tank	0	975,000									
Ivy Road - Flordon Water Connection	160,000										
Key West Water Main Replacement	600,000										
Crozet Water Main Replacement	197,400	0	1,132,600		312,000	1,950,000	650,000		243,000	1,390,000	
Orchard Acres Water Main Replacement	450,000	1,061,600	530,800								
Proffit Rd - Jefferson Village Replacement			137,300	634,275	211,425						
Rt 785 Water Replacement					185,700						
Stagecoach Rd Water connection									57,800	363,600	
Berkeley Water Main Replacement	1,400,000	848,000									
Westmoreland Water Main Replacement	0	791,900	791,900								
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	0										
Baker Butler -Forest Lakes Water connection					186,500						
Airport Acres Water System										93,000	681,700
Key West - Dunlora Water Connection	768,300										
Barterbrook Phase 2 Water Main Replacement		147,000		770,000							
Running Deer Water Extension								951,300			
Parkview Drive Water Connection					224,000						
Old Lynchburg Rd Water Connection						150,000					
Woolen Mills - State Farm Water Connection											662,000
West Leigh Water Main Replacement Phase 3	65,000										
Glenorchy - Viewmont Court Water Extension								85,000			
Fontana Water Loop Connections		62,300									
West Woods Water Main Replacement		155,700									
Ednam Pump Station Upgrade	215,000										
Meriweather Hill Water Replacement						280,000	800,000	800,000			
Kearsarge - Ednam Water Connection										205,000	1,366,800
Camelot Water Main Replacement		218,900		1,213,000							
SCADA System	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	4,127,800	5,466,300	3,604,850	3,712,025	2,842,325	3,024,550	3,566,950	1,886,300	1,823,200	2,101,600	2,760,500

Wastewater System	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Radio Upgrades		188,000									
Facility Improvements - Fueling Station/Vehicle Wash	0										
ACSA Facilities Improvement - Building Improvements	142,500										
ACSA Facilities - Operations Center Expansion Study	25,000										
ACSA Facilities Paving		60,500									
Oak Hill Sewer Phase 2	345,000										
Airport Sewer Collector Upgrade Evaluation	50,000										
Glenmore WWTP Capacity Upgrade				54,000		54,000			61,000		165,000
Penn Park Lane Sewer Replacement					141,100						
Berkeley Phase II Sewer Relining						252,000					
PVCC Drainage Basin Rehabilitation	80,700										
Redfields Pump Station Abandonment			122,800								
Glenmore Drainage Basin SSES			300,000	75,000							
Hollymead Drainage Basin SSES				219,700	235,000						
Pantops Drainage Basin SSES		250,700	150,000								
Camelot Drainage Basin SSES	210,500	154,100									
Northfields Sewer					612,000		612,000		612,000		612,000
Buckingham Circle Sewer				730,000							
Madison Park Pump Station Upgrade		60,000	300,000								
Peter Jefferson Place Pump Station Improvements	105,000										
Carrsbrook Collection System							350,000	1,326,500	1,326,500		
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 Abandonment	105,000	0	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	414,000	1,242,000			
Greenbrier Drive Sewer Replacement		152,290									
SCADA System	15,400										
Developer Participation	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Actual Total Sewer Capital Projects	1,529,100	1,315,590	2,092,800	1,668,700	2,389,950	2,170,300	1,866,000	3,548,500	3,296,100	2,989,700	2,093,300
TOTAL CAPITAL IMPROVEMENT PROJECTS	5,656,900	6,781,890	5,697,650	5,380,725	5,232,275	5,194,850	5,432,950	5,434,800	5,119,300	5,091,300	4,853,800

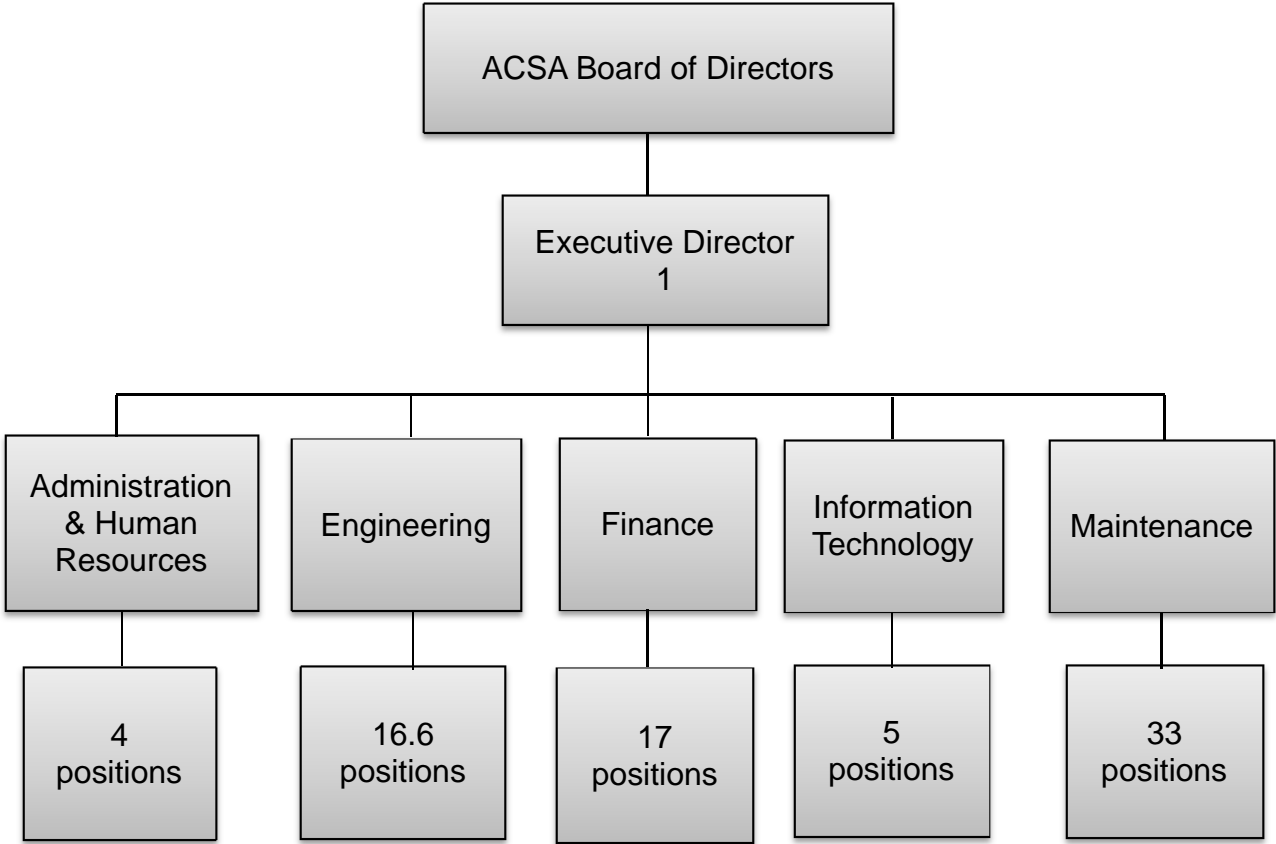
The following is an illustration of estimated water system project costs to be undertaken in FY 2017:



The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2017:



ACSA Organizational & Personnel Chart Proposed FY 2017



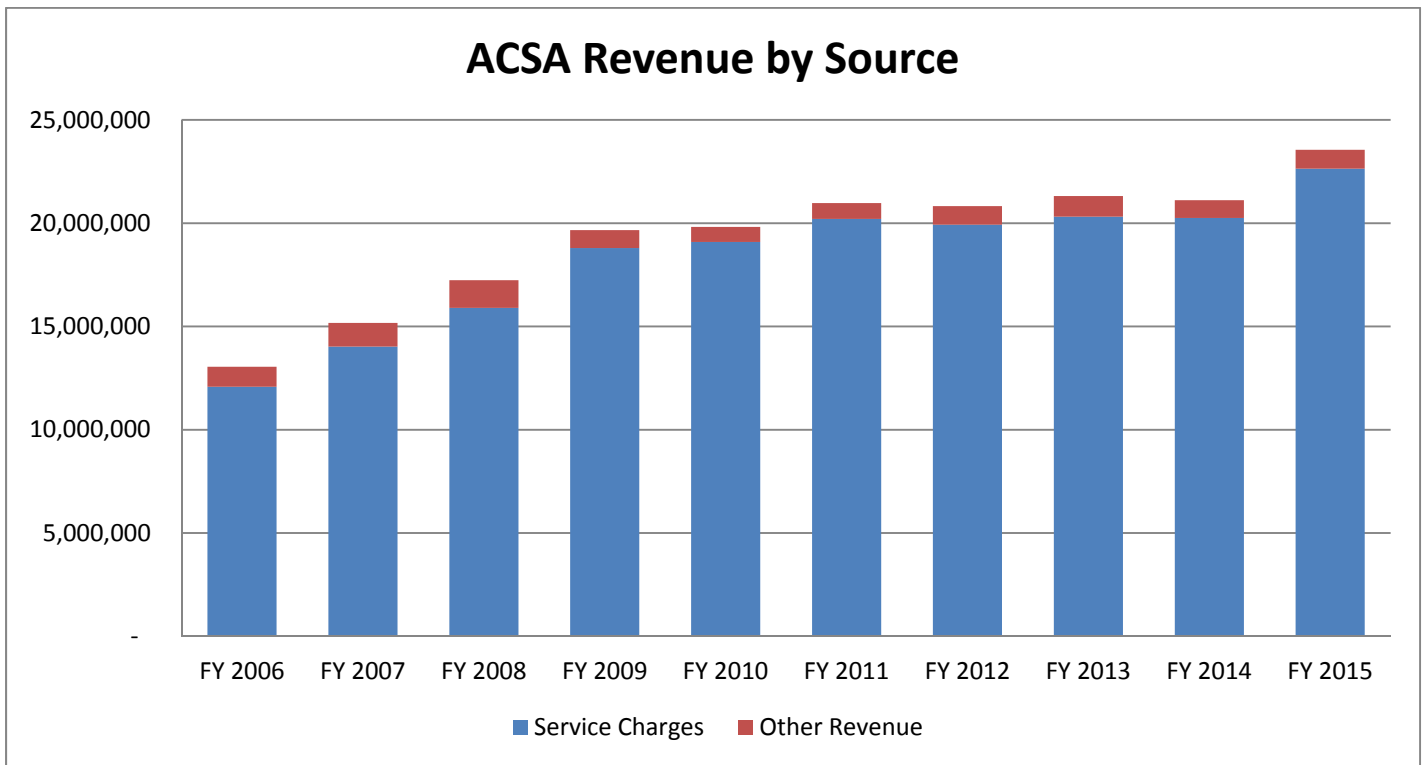
<u>Department</u>	FY 2015 Number of Positions	FY 2016 Current Number of Positions	FY 2017 Proposed Number of Positions
ADMINISTRATION			
Executive Director	1	1	1
Human Resources & Administration Manager	1	1	1
Administrative Associate	3	3	3
INFORMATION TECHNOLOGY			
Manager of Information Technology	1	1	1
Systems Engineer	1	1	1
Systems Analyst	1	1	1
GIS Coordinator	1	1	1
SCADA Technician	1	1	1
FINANCE			
Director of Finance	1	1	1
Accountant	2	2	2
Meter Operations Supervisor	1	1	1
Customer Service Supervisor	1	1	1
Senior Customer Service Representative	1	1	1
Accounting Technician	2	2	2
Customer Service Representative	4	4	4
Meter Technician	4	4	5*
ENGINEERING			
Director of Engineering	1	1	1
Senior Civil Engineer	2	2	2
Civil Engineer	1	1	1
Modeling Engineer	1	1	1
Environmental Compliance Specialist	1	1	1
Regulatory Compliance Specialist	1	1	1
Construction Inspector	5	5	5
Senior Utility Location Technician	1	1	1
Utility Location Technician	1	1	1
Engineering Technician A/B	2	2	2
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
Electrician/Pump Technician	1	1	1
Electrical Pump Apprentice	1	1	1
CCTV Technician	2	2	2
Crew Leader I/II	4	4	4
Utility Worker II/III	7	7	7
Utility Worker I	13	14	14
TOTAL	74.6	75.6	76.6

*One new position is proposed for FY 2017. Please refer to the Finance Departmental Budget summary for further information. As our system continues to grow we annually assess staffing needs to meet customers and organizational requirements.

Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest Earnings	Other	Total
2006	12,083,954	178,510	62,749	251,877	475,452	13,052,542
2007	14,023,928	235,339	58,839	436,257	420,634	15,174,997
2008	15,902,915	184,056	44,713	633,377	478,430	17,243,491
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

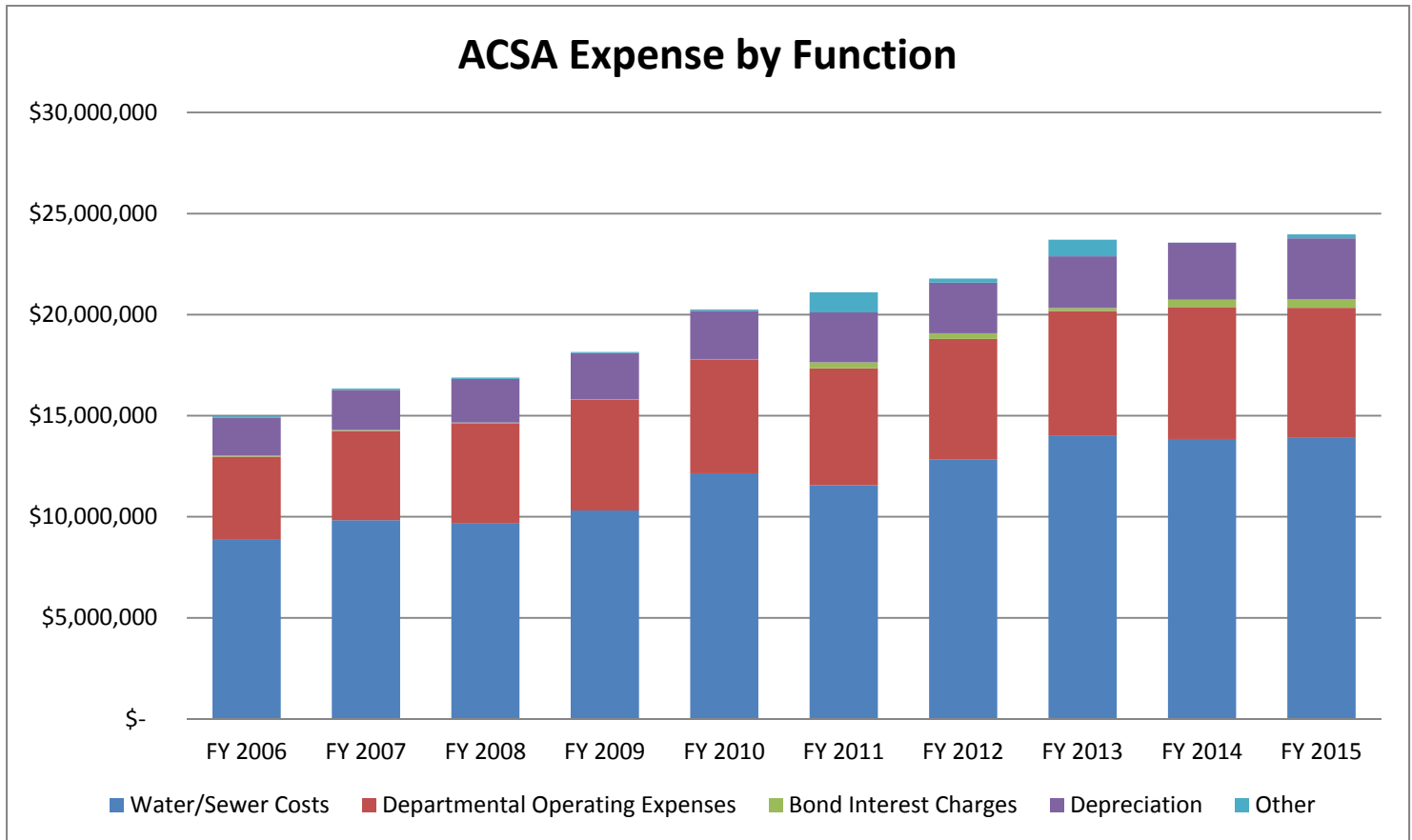
Source: ACSA records



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operation Expenses	Bond Interest Charges	Depreciation	Other	Total
2006	8,854,981	4,116,248	53,517	1,861,723	84,722	14,971,191
2007	9,831,896	4,417,661	40,531	1,983,604	70,550	16,344,242
2008	9,692,393	4,938,905	30,666	2,153,004	72,542	16,887,510
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

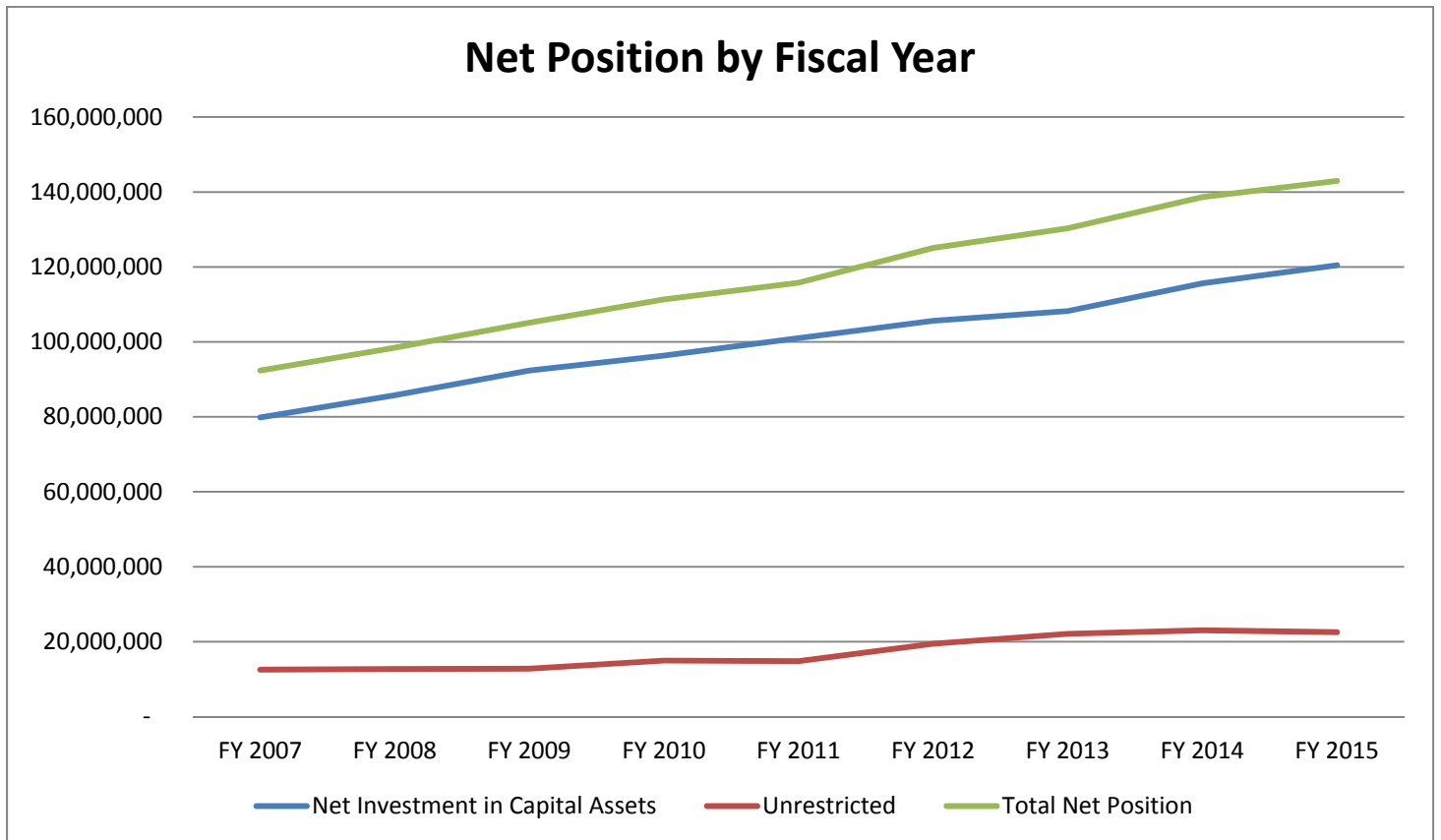
Source: ACSA records



Changes in Net Position

Fiscal Year	Beginning Net Position	Net Investment in Capital Assets	Unrestricted	Ending Net Position	Change in Net Position
2007	87,564,529	79,853,238	12,512,905	92,366,143	4,801,614
2008	92,366,143	85,760,478	12,668,284	98,428,762	6,062,619
2009	98,428,762	92,339,372	12,773,883	105,113,255	6,684,493
2010	105,113,255	96,348,624	14,974,733	111,323,357	6,210,102
2011	111,323,357	101,013,464	14,796,257	115,809,721	4,486,364
2012	115,809,721	105,620,650	19,429,475	125,050,125	9,240,404
2013	125,050,125	108,233,265	22,100,955	130,334,220	5,284,095
2014	130,334,220	115,617,250	23,012,237	138,629,487	8,295,267
2015*	135,919,461	120,460,048	22,511,105	142,971,153	7,051,692

Source: ACSA records, * -- Beginning FY 2015 net position restated in accordance with GASB Statement No. 68



County Demographic and Economic Statistics

Calendar Year	Population ¹	Personal Income ²	Per Capita Income ²	Per Capita Income as a Percent of U.S. Average ²	School Enrollment ³	Unemployment Rate ⁴
2005	88,726	5,231,947,000	37,552	115	12,378	2.3
2006	92,035	5,554,915,000	41,709	114	12,766	2.5
2007	93,117	5,337,131,100	42,919	111	12,803	2.2
2008	94,075	6,059,782,000	45,275	117	12,830	3.0
2009	96,247	6,383,281,000	46,969	111	13,035	5.1
2010	99,150	6,330,202,000	46,163	116	13,222	5.1
2011	98,970	6,463,200,000	45,282	113	13,222	5.1
2012	102,251	6,778,562,000	47,052	113	13,122	5.2
2013	103,000	7,493,869,000	51,255	117	13,263	5.4
2014	104,489	7,764,329,000	52,693	118	13,677	4.7

¹ U.S. Census Bureau, Population Division, Table 1. Intercensal Estimates of the Resident Population for Counties in Virginia: April 1, 2010 to July 1, 2014 (CO-EST00INT-01-51).

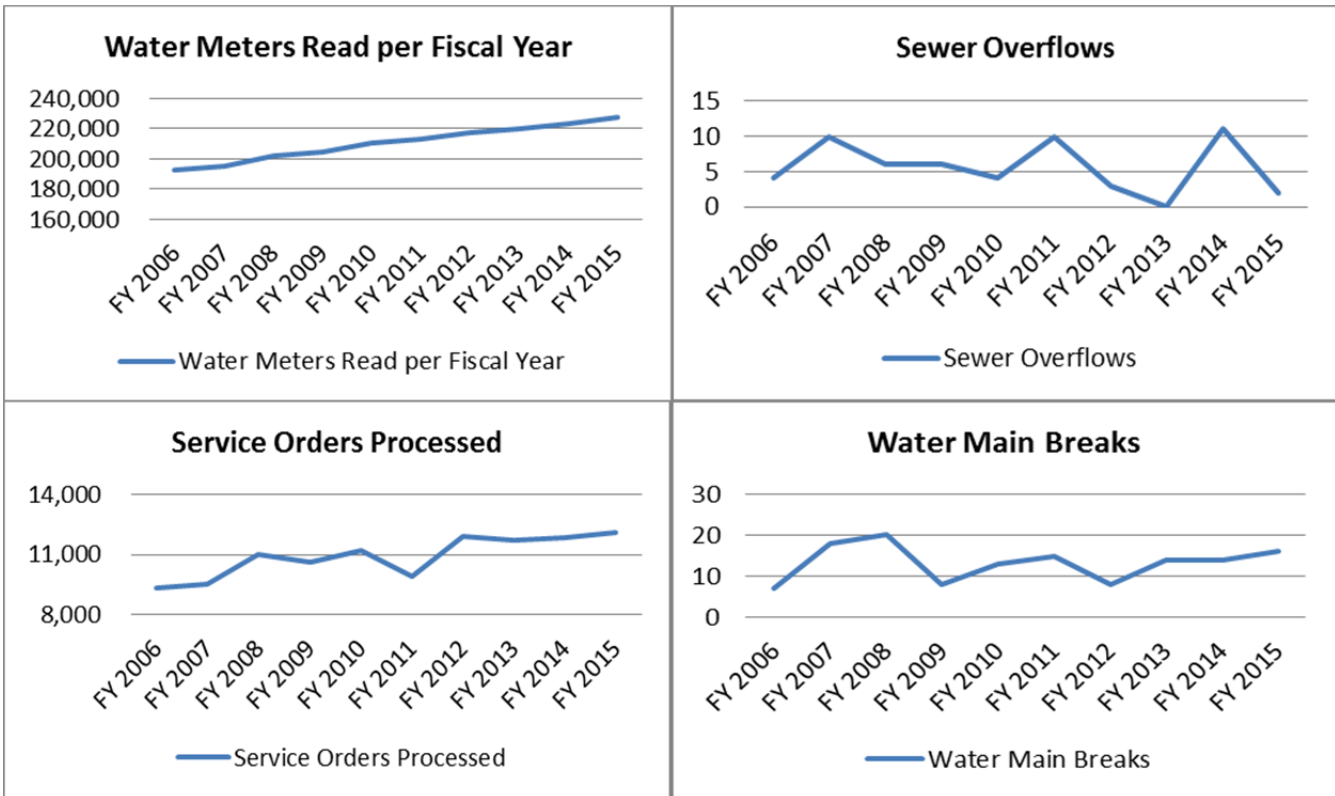
² U.S. Bureau of Economic Analysis, Charlottesville-Albemarle Area, Per capita personal income divided by total mid-year population <http://www.bea.gov/bea/regional/spi/action.cfm>

³ County of Albemarle, Department of Education

⁴ Virginia labor Market Information, www.virginialmi.com

For the Year Ended June 30, 2015

Year Created by Resolution	1964
Size of Service Area:	
Miles of water lines	355.0
Miles of sewer lines	261.1
Fire hydrants	2,375
Water pumping stations	9
Sewer Pumping stations	12
Water storage tanks	7

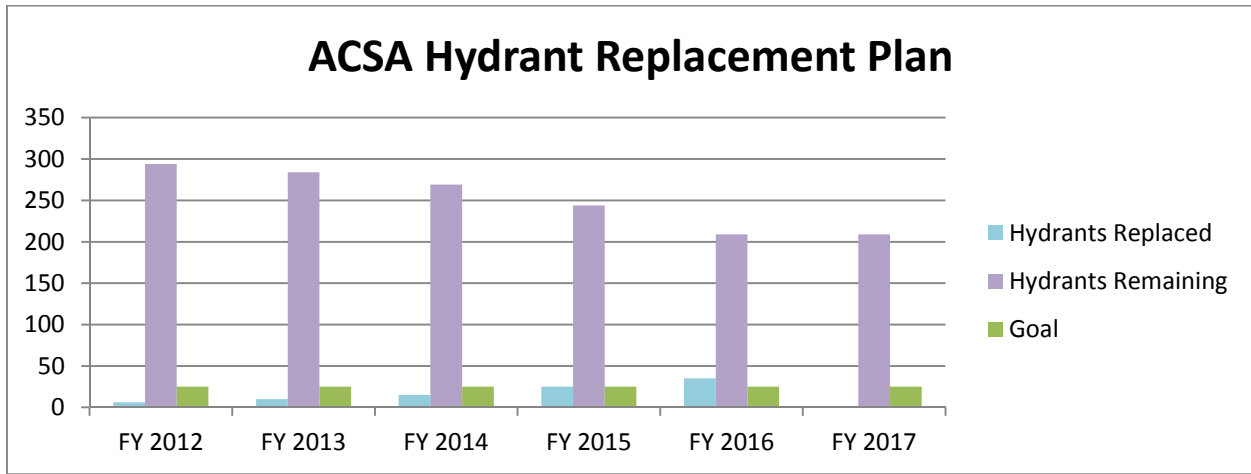


Source: ACSA records

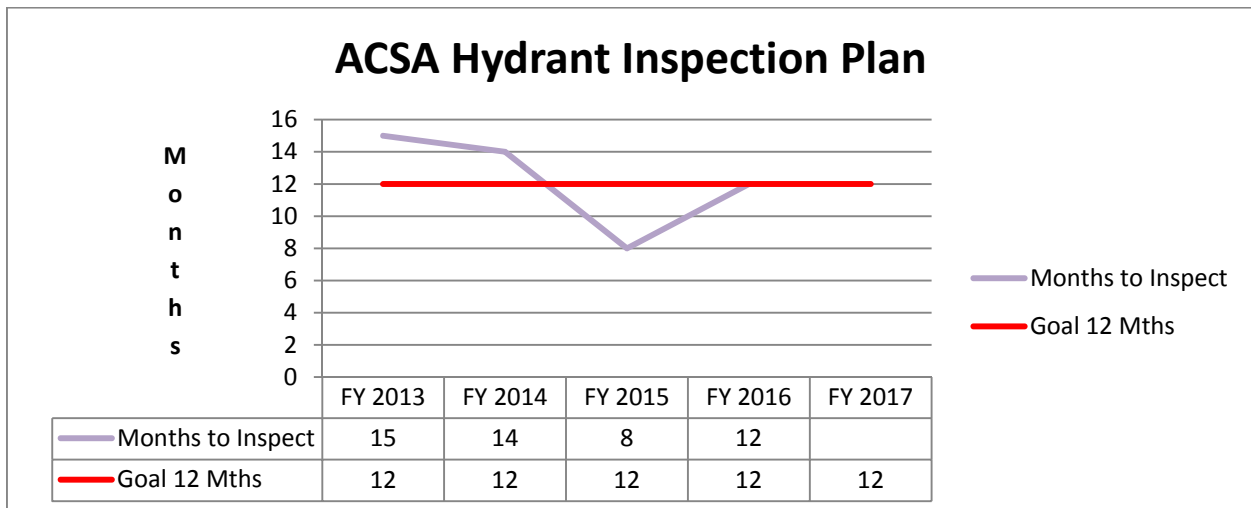
Performance Metrics

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 approximately 2,500 fire hydrants and is responsible for their proper function and access. Of these 2,500 fire hydrants, 300 of these have been 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 plan:

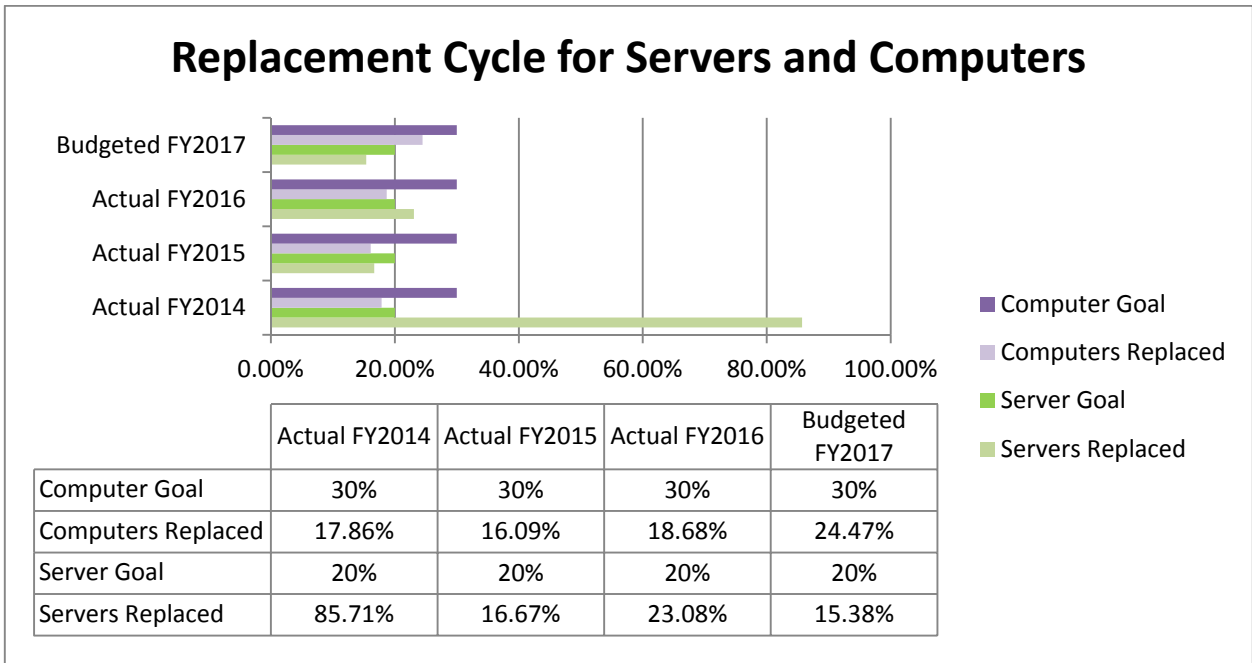


ACSA Hydrant Inspection Plan -- The ACSA has developed a process to better allow compliance with an AWWA standard that notes “all hydrants should be inspected regularly, at least once a year to ensure their satisfactory operation.” Efficiencies in the ACSA program have allowed the ACSA to meet this goal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

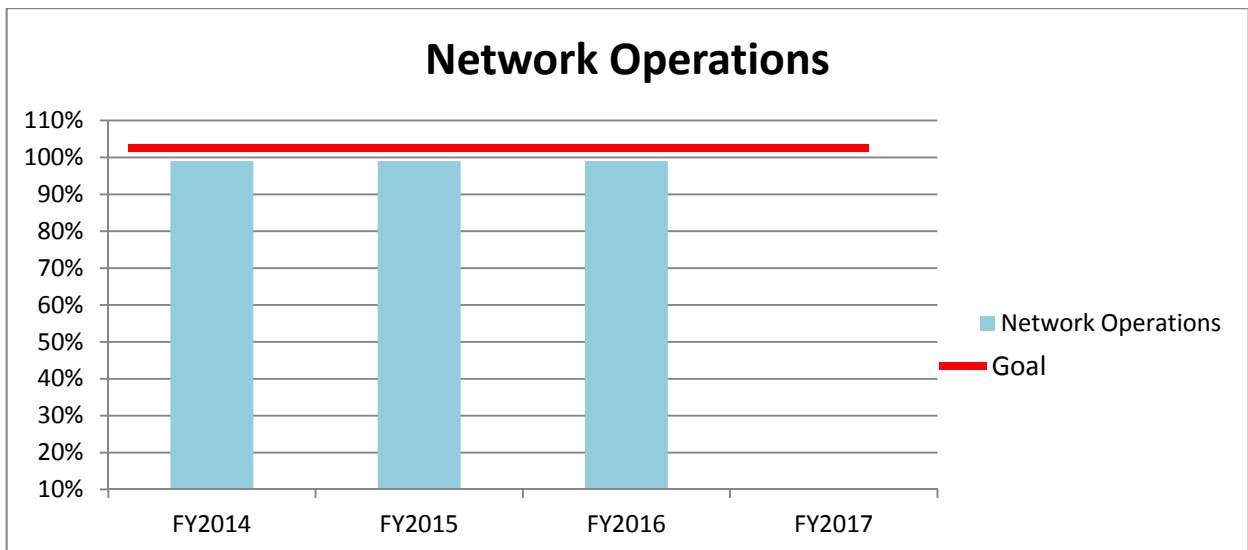


Performance Metrics continued:

Information technology hardware/software replacement program – In conjunction with the ACSA’s strategic plan, one of the six main themes states 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 30% (three year cycle) of computers each year and 20% of servers (five year cycle):

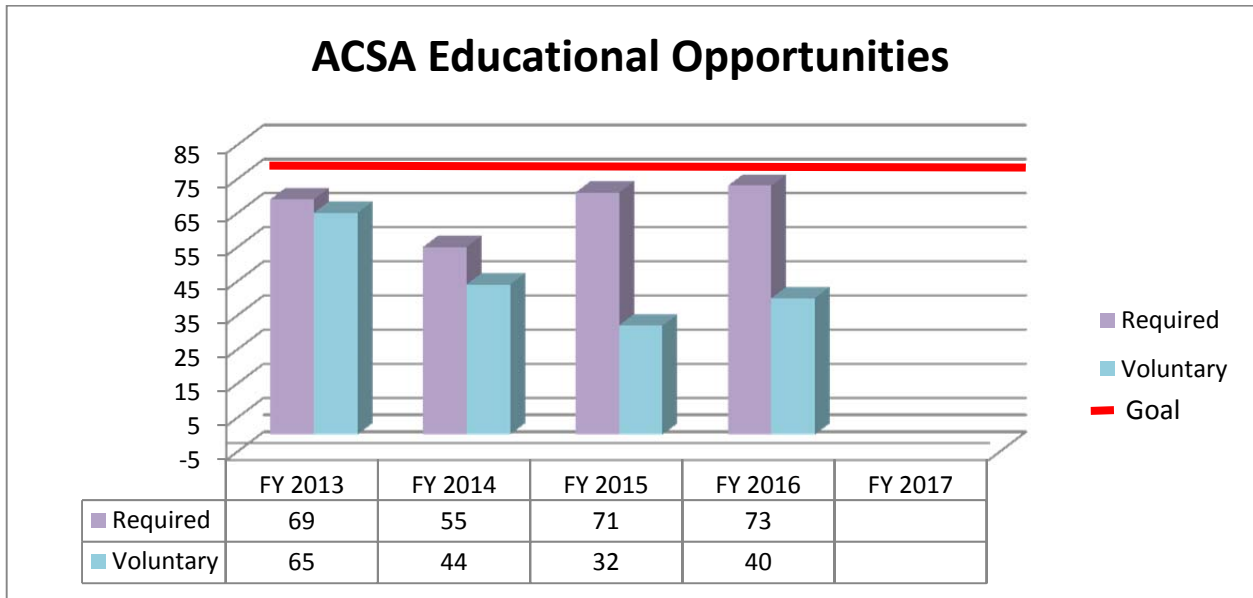


Network Operations – The IT Department has an adopted goal of network activity being operational 99% of the workday to ensure operational efficiency and access to internal customers. The chart below illustrates network operations historically and future goals:

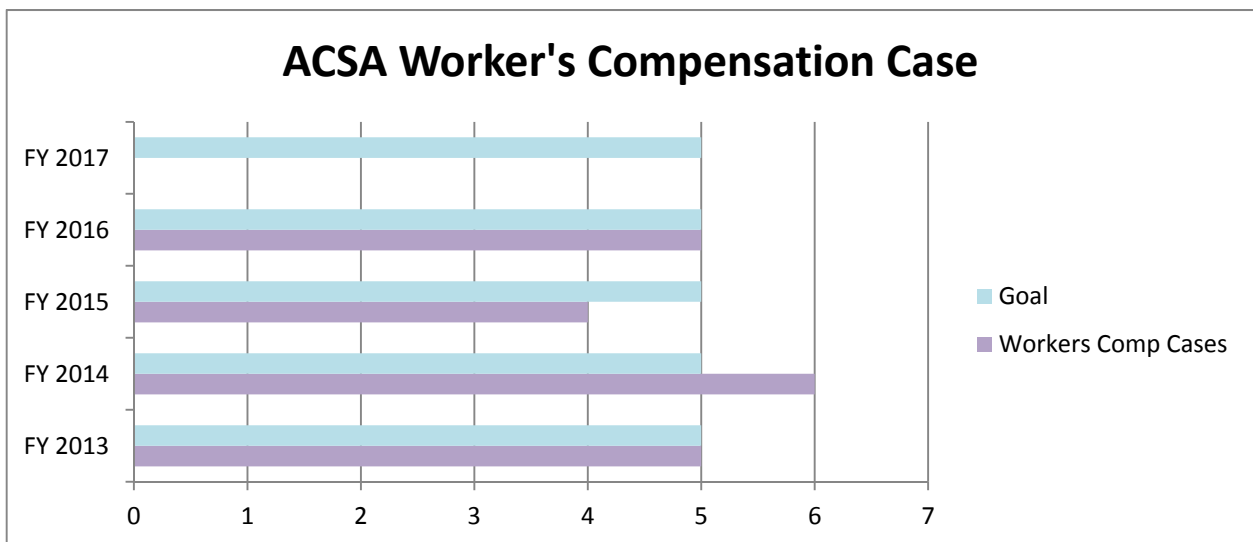


Performance Metrics continued:

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.

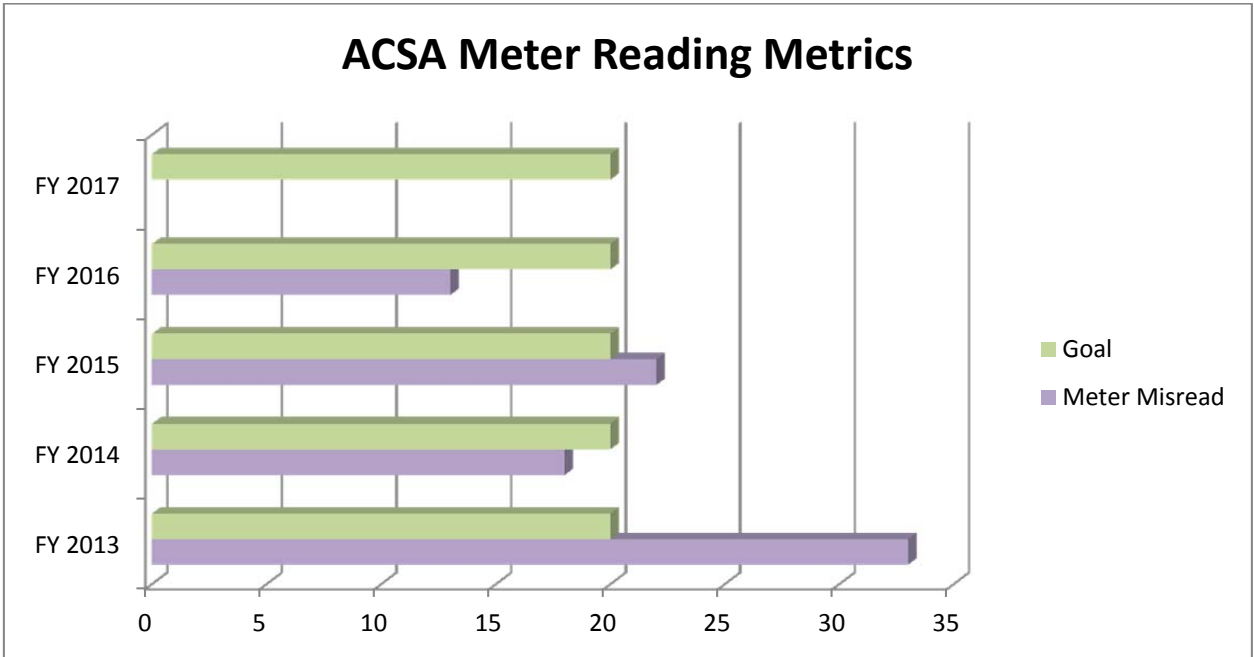


Worker’s Compensation Cases – The ACSA provides safety training classes each year in an effort to reduce work place accidents. Our goal is to maintain no more than 5 worker’s compensation cases each fiscal year through training management.

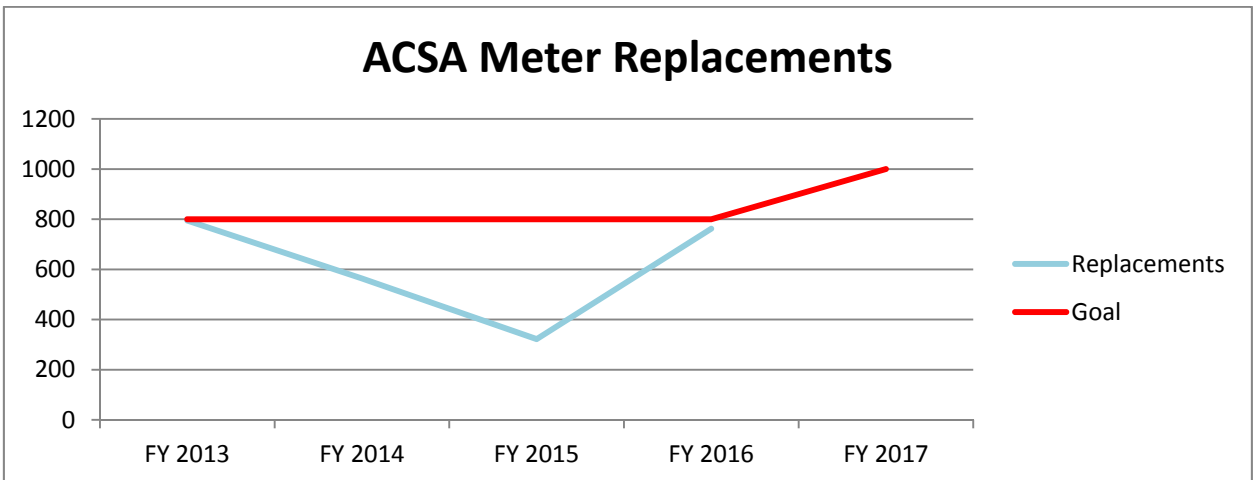


Performance Metrics continued:

Meter Reading Metrics – The ACSA reads over 227,000 meters per year. These readings contain consumption information for our customers and are transferred to the customer service department for analysis and billing. The ACSA monitors circumstances related to mis-readings and has a goal of less than 20 misreads for the Meter Operations group for the year. The illustration below illustrates statistics related to this performance metric:

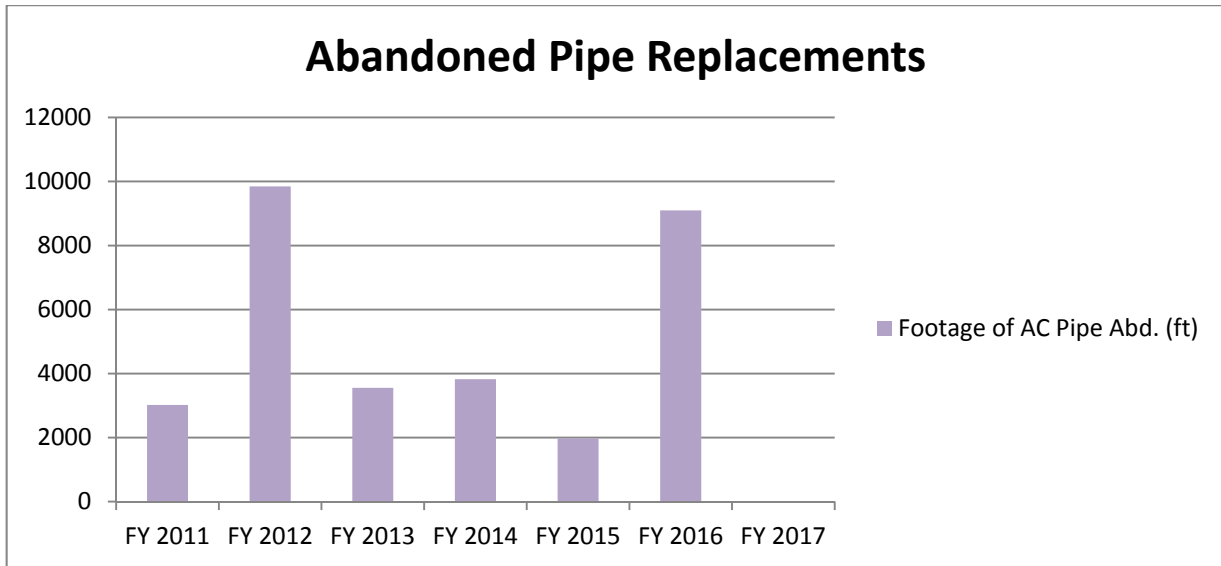


Meter Replacement Program – The ACSA recognizes the importance of accurately recording consumption for both our customers and the ACSA. Throughout the year, the ACSA identifies meters that are eligible for replacement due to age or others that need to be replaced. Meter Operations staff have an established goal to replace 800 of these meters per year. As you will note, this goal has not been met in recent years but we believe the proposed supplemental meter reading position will provide the necessary staffing to better meet the program goal.

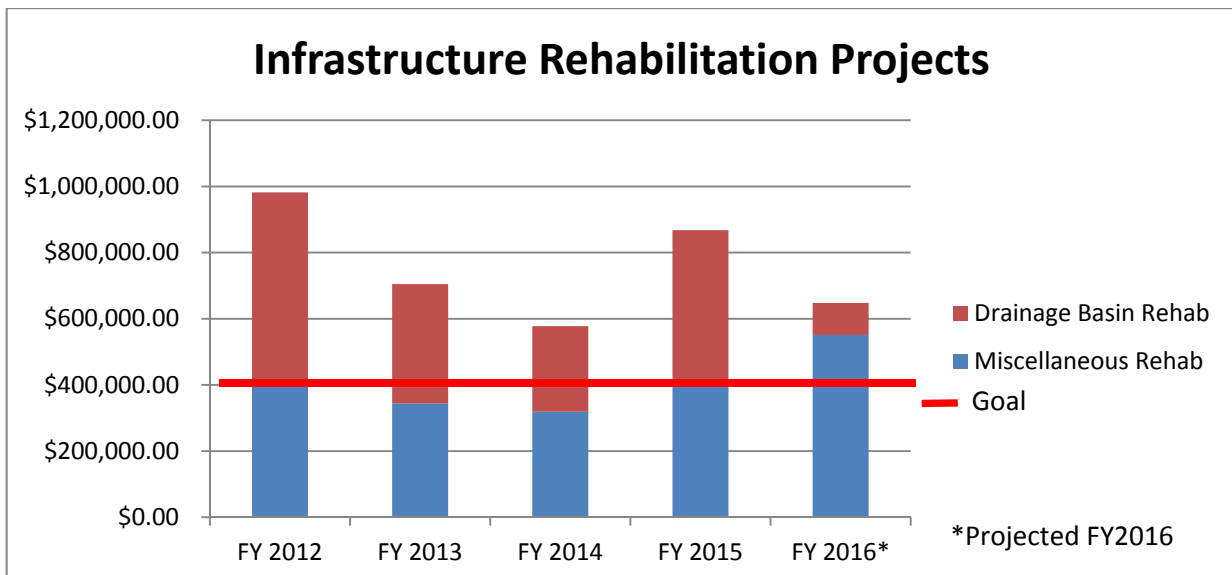


Performance Metrics continued:

Pipe Replacement Program – The ACSA has a goal to replace abandoned pipe formats within our system over a period of years to meet updated standards. The illustration below indicates the amount of abandoned pipe that has been replaced over recent years. Current amount of pipe requiring replacement is 131,500 feet.



Miscellaneous Sewer Rehabilitation – The ACSA has a goal to invest \$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 various types of rehab in relation to our goal for miscellaneous projects.



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.

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

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.

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 (C.I.P.) – 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.

COMMUNITY DEVELOPMENT BLOCK GRANT (C.D.B.G.) – Flexible Federal program that provides communities with resources to address a wide range of unique community development needs.

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

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.

F.Y. – Fiscal Year. 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.

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.

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

PUMP STATION – Structure containing pumps, controls, valves, piping and electrical equipment for pumping water, wastewater or other liquids 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.

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

T.G. – Rate per Thousand Gallons.

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.*