Albemarle County Service Authority

Serving Conserving

FISCAL YEAR 2018

ANNUAL

OPERATING AND CAPITAL

IMPROVEMENT BUDGET

July 1, 2017 to June 30, 2018

Adopted June 15, 2017

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Albemarle County Service Authority

Serving Conserving

April 20, 2017

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 2018 budget totals $31,538,500 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 2018, the ACSA proposes to spend $5,586,800 on ACSA capital improvements for safe drinking water delivery and treated 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 $20 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 and completion 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 start operation in late 2017. The Rivanna Pump Station and Tunnel construction completion 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 2018 (July 1, 2017 to June 30, 2018). The FY 2018 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 $513,294 with purchased water increasing 4.6% and wastewater treatment increasing 1.70%. We continue to increase our investment in improving our water and sewer infrastructure through this proposed budget.

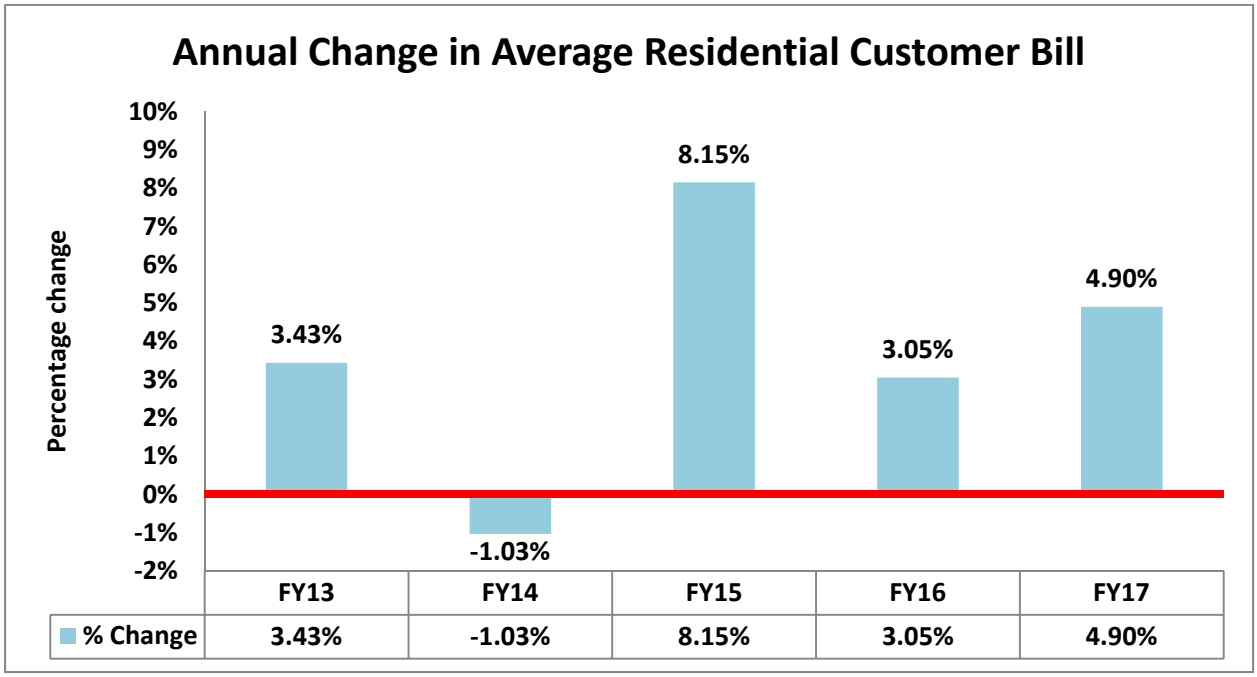
We are proposing a monthly user rate increase to maintain pace with expected expenses. The average residential customer, using 4,000 gallons will see a 2.38% increase in their water and sewer bill, or a $1.47 increase monthly.

ACSA Water and Sewer Monthly User Rates

	FY 2017	FY 2018
Service Charge	$ 7.73	$ 7.92
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 3.99	$ 4.11
Level 2 (3,001-6,000 gallons)	$ 7.98	$ 8.22
Level 3 (6,001-9,000 gallons)	$11.97	$12.33
Level 4 (over 9,000 gallons)	$15.96	$16.44
Multi-Family/Non-Residential (per 1,000 gallons)	$ 7.70	$ 7.93
Sewer/All Users (per 1,000 gallons)	$ 8.50	$ 8.67

Even with the rate increase, one penny equates to nearly 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, 2016, the average residential customer saw an increase of 4.90%. The five (5) year average increase is 3.70%.



Five Year Average Change: 3.70%

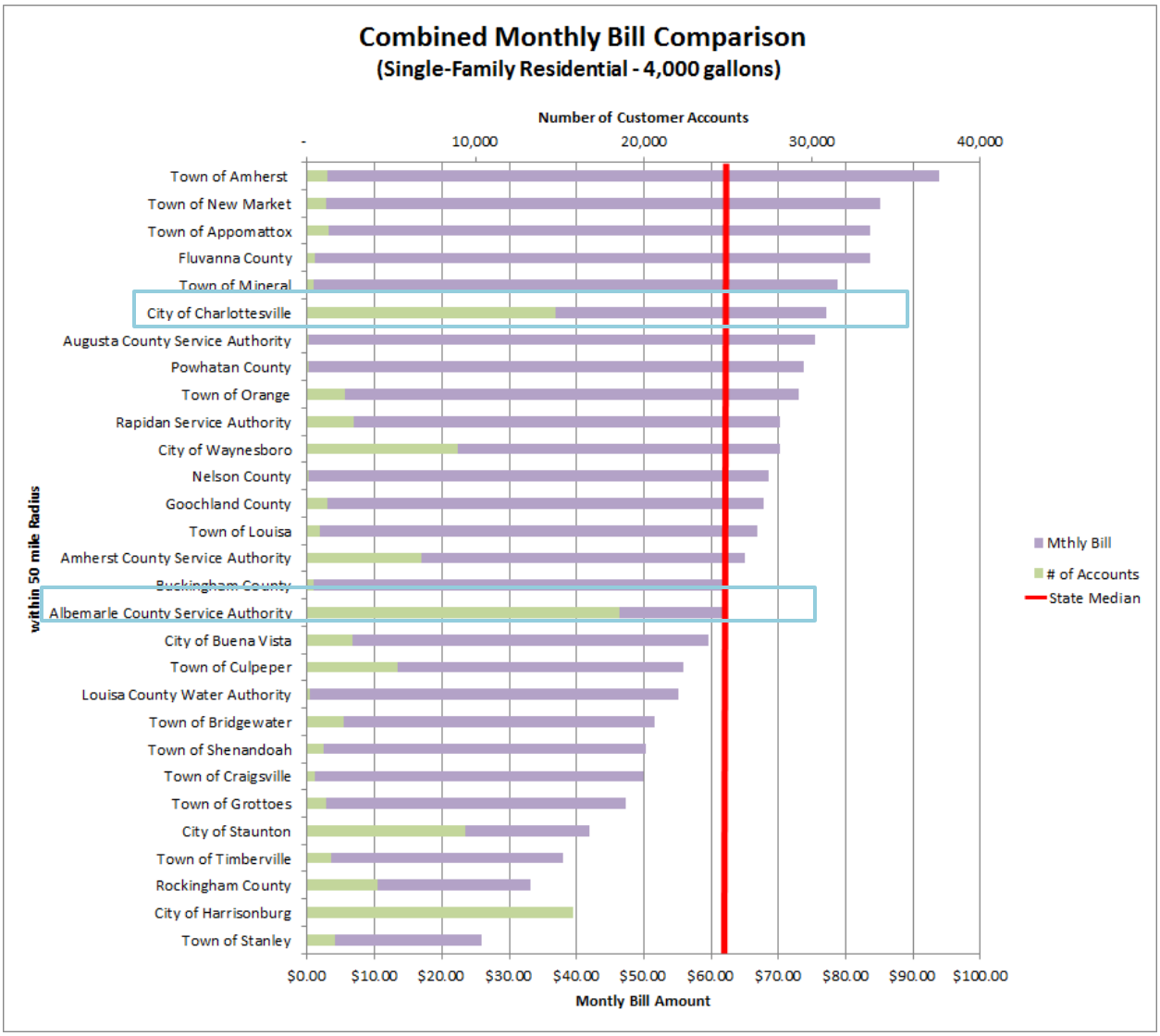
Following an extensive analysis of the cost of service utilizing our rate model, we are proposing that the monthly service charge be increased. The service charge for a 5/8" meter will increase to $7.92 per month, a $0.19 increase over prior year. This update reflects the actual base cost of doing business.

Rate Design – Monthly Service Charges

Meter Size (inches)	Water Customer Accounts	Current	Recommended
		FY 2017	FY 2018
5/8	17,928	$7.73	$7.92
1	589	$14.85	$ 15.22
1 ½	342	$26.75	$ 27.42
2	174	$41.00	$ 42.03
3	50	$79.06	$ 81.04
4	17	$121.85	$ 124.90
6	0	$233.71	$ 239.55

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

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



Source: 27th Annual Water and Sewer Rates Dashboard , www.daa.com/va-rate-study/; 150 rate structures compared in Virginia

The Proposed ACSA Fiscal Year 2018 Operating Expenses totals $24,985,171, as compared to $24,029,351 for the current budget year (FY 2017). This represents an increase of $955,820, or 4.0% over the previous year. Our Capital Improvement Program (CIP) is proposed to be $5,586,800, as compared to the current budget of $6,781,890, and includes a continuation of major capital investment in our system, with a particular emphasis on needed water main replacements.

This budget also proposes that water and sewer connection charges for new development remain at 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

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 create the need to re-evaluate connection charges on an annual basis.

Balancing the delivery of quality water and wastewater treatment, investing in the ACSA's water and sewer system infrastructure, improving service delivery and providing 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 2018 Budget follows the rate recommendations as noted in the financial rate model.

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

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

Sincerely,

Gary O'Connell
Executive Director

Quin Lunsford
Director of Finance

History:

In 1964, the Albemarle County Service Authority (ACSA) was created by action of the Albemarle County Board of Supervisors. Beginning in Crozet, and growing into the Urban Areas of Albemarle County and the Town of Scottsville, the ACSA is Albemarle County's water and sewer retail provider. The ACSA celebrates its 53rd 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 of 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 water mains deliver reliable water service. We have been active in water main replacement and our annual capital program investment meets our replacement needs. A recent analysis indicated that 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 339 miles of interconnected pipes, 9 water pumping stations, 8 water storage tanks, and 2,511 fire hydrants.

Sewer Collection System:

Over 281 miles of sanitary sewer mains and 12 sewer pump stations comprise the ACSA sewer collection systems for businesses and residences in our service area.

Cost for Gallon of Water:

ACSA water is a good value. Even with a rate increase next year, 2.50 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. The ACSA's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016, from which the information on pages 52-56 has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

Customer Service:

ACSA communicates valuable customer related information through bill inserts, bi-annual newsletters, the website www.serviceauthority.org, Twitter, 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.

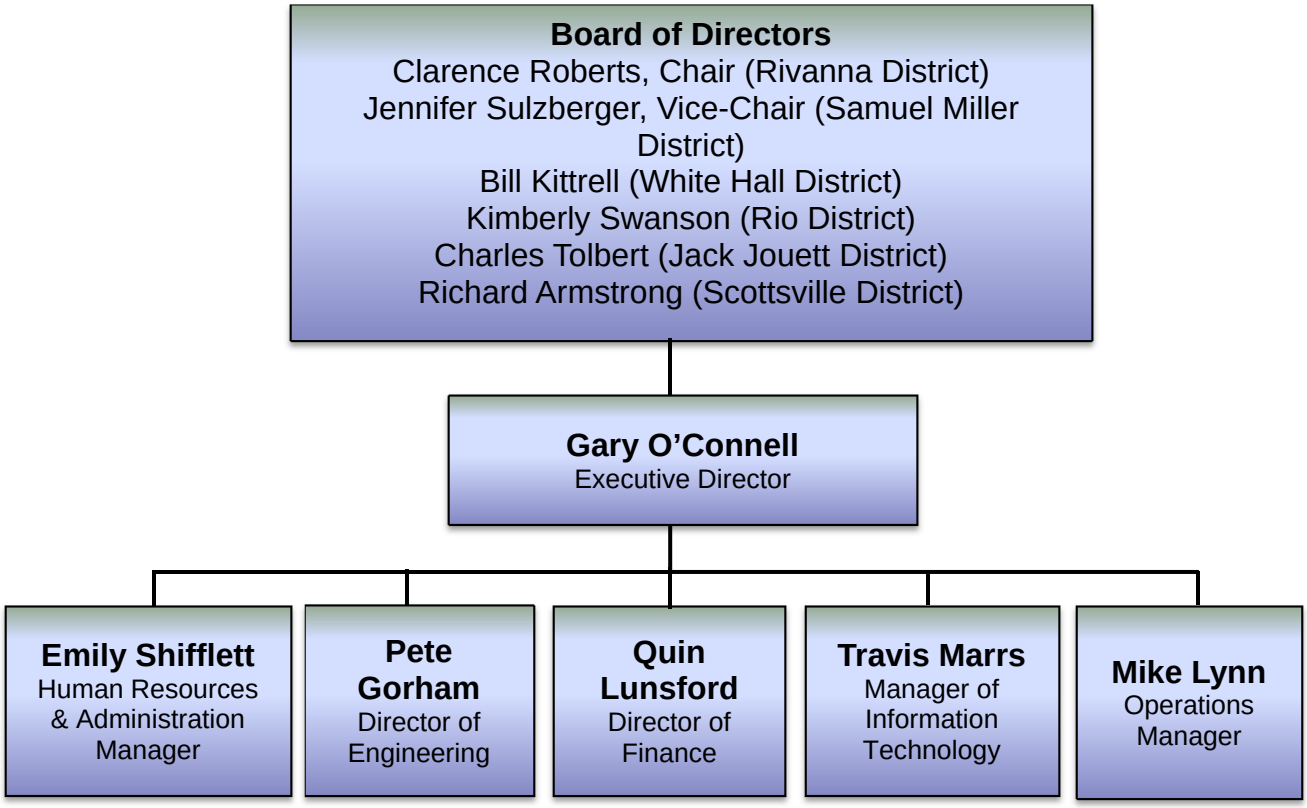
ACSA Financial Information:

- FY 2018 Total Budget: $31,538,500;
- FY 2018 Capital Improvements Budget: $5,586,800

ACSA Service Area:

The ACSA provides service to over 71,200 residents, with over 19,000 retail accounts in six magisterial districts: Rio, Jack Jouett, Rivanna, Scottsville, Samuel Miller, and White Hall.

ACSA Leadership



Strategic Goals and Strategies

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

The ACSA, now 53 years later, provides water distribution and wastewater collection services to 19,000+ accounts with over 339 miles of water mains and over 281 miles of sanitary sewer mains within our service area, including the urban areas of Albemarle County, and nearby communities of Scottsville and Crozet. The community enjoys water drawn from a protected watershed contained almost entirely within the County's borders. The ACSA is governed by a six member Board of Directors each appointed by the Board of Supervisors of Albemarle County. We distribute treated water, and collect wastewater for treatment, while maintaining, expanding, and replacing the infrastructure within the service area.

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

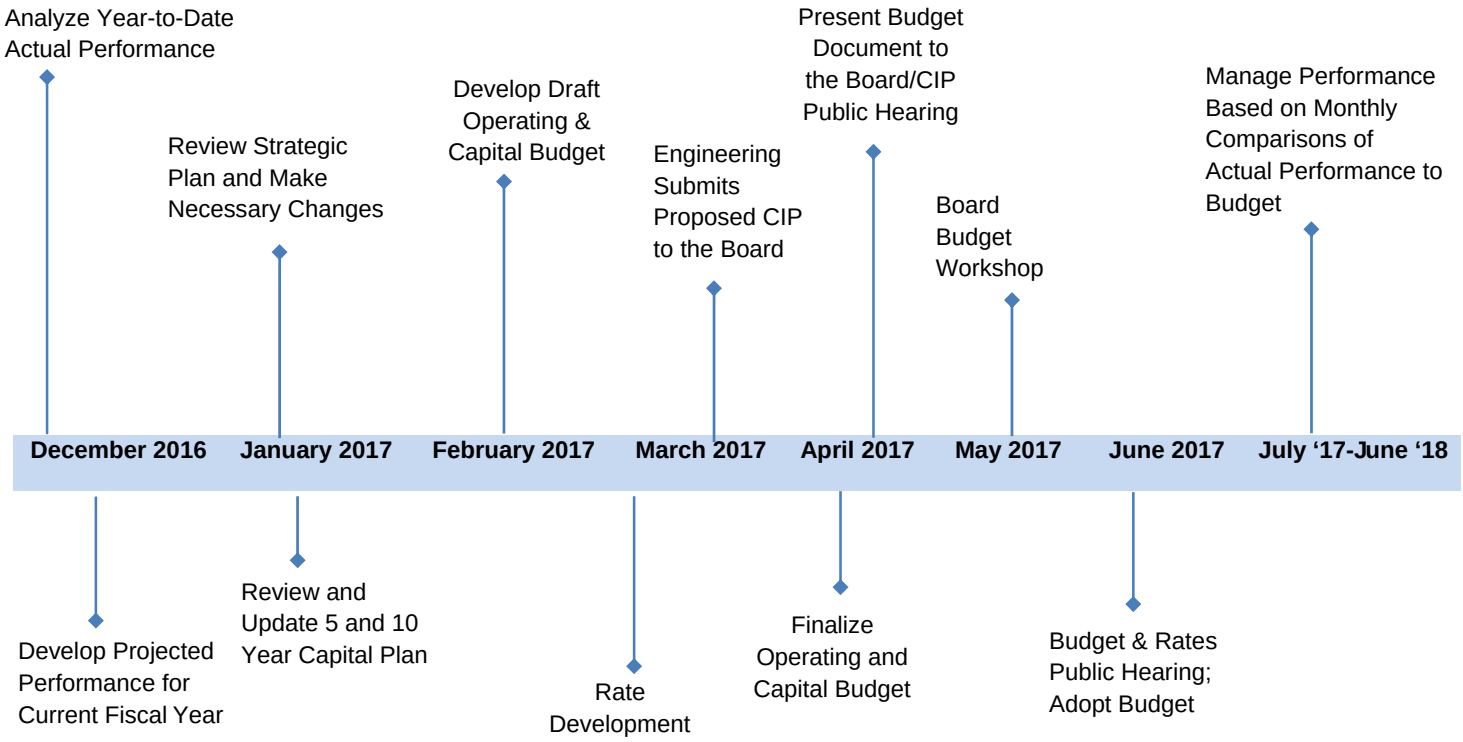
- A diversified and stable revenue system will be maintained to shelter services from short-run fluctuations.
- Rate studies are to be conducted every five years to ensure that the rates will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation/amortization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

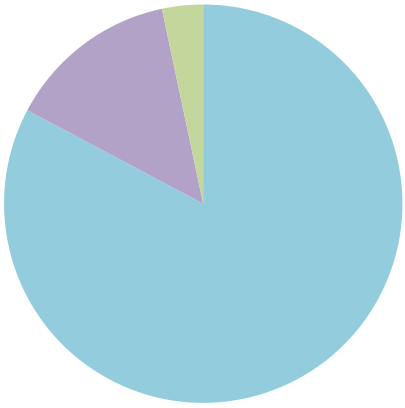
The Authority must adopt its budget prior to July 1 of each year. Development of the budget is influenced by the strategic plan, organization goals and objectives, and external factors such as economic conditions. The Board, Authority staff, and the public participate in the development of the budget.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



OVERVIEW

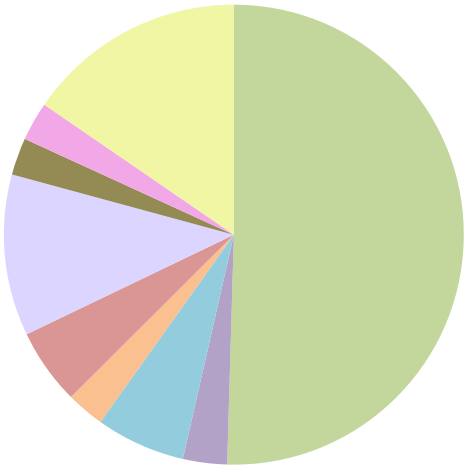
The ACSA's Fiscal Year 2018 Total Budget is $31,538,500:

Where the Dollars Come From



Water/Sewer Charges	$26,106,000	82.78%
System Connection Charges	$ 4,384,000	13.90%
Other Revenues	$ 1,048,500	3.32%
Total Budgeted Revenues	$31,538,500	100.00%

Where the Dollars Go



Purchase of Water/Wastewater	$15,917,000	50.47%
Administration Department	$ 975,800	3.09%
Finance Department	$ 1,984,200	6.29%
Information Technology	$ 844,800	2.68%
Engineering Department	$ 1,682,200	5.33%
Maintenance Department	$ 3,581,171	11.35%
Bond Debt Service	$ 826,600	2.62%
Other Expenses	$ 859,800	2.73%
Transfers/Contrib. for Cap. Impr.	$ 4,866,929	15.44%
Total Budgeted Expenses	$31,538,500	100.00%

FY 2018 Operating Budget Highlights

Operating Expenses:

- Approved FY 2017 Operating Budget Expenses totaled $24,029,351
- Proposed FY 2018 Operating Budget totals $24,985,171

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

- Approved FY 2017 totaled $15,403,706
- Proposed FY 2018 totals $15,917,000 or 63.71% of the Operating Budget
- Largest single expenditure increase, totaling $513,294

Departmental Operating Budgets:

- Approved FY 2017 - $8,625,645
- Proposed FY 2018 - $9,068,171
- Increase of $442,526

Debt Service (Principal and Interest) Expense:

- Approved FY 2017 - $833,192
- Proposed FY 2018 - $826,600

Operations:

Top Budget Priorities:

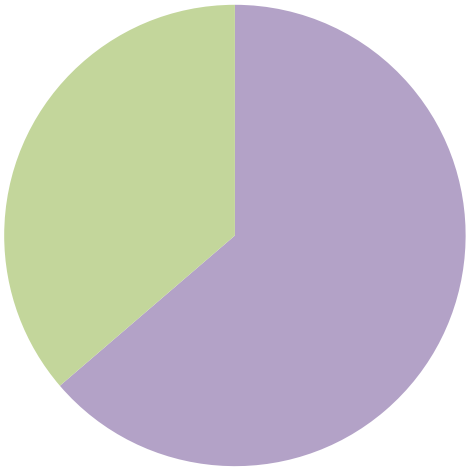
- High quality water delivered to our customers
- Maintain current ACSA programs and services
- Meet financial obligations and financial sustainability
- High level of customer service
- Strategic initiatives
- Invest in our infrastructure
- Major maintenance investments – ongoing
- Invest in our employees

Top Operating Initiatives:

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

Other ACSA Initiatives:

- Continued implementation of the Strategic Plan
- Succession planning for employee continuity
- Staffing increase in Engineering to maintain pace with increasing Miss Utility requests



Purchased Water/Wastewater	$15,917,000	63.71%
ACSA Operation Budget	$ 9,068,171	36.29%
Total	$24,985,171	100.00%

Water and Sewer Rates – Fiscal Year 2018 Proposed:

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

- Purchased water from RWSA wholesale rate increase of 3.9%;
- Purchased water from RWSA for the communities of Crozet increased 7.9% and increase for Scottsville by 4.1%;
- Purchased wastewater treatment RWSA wholesale rate increase of 0.8%;
- Purchased wastewater treatment from RWSA for the communities of Scottsville and Glenmore increased by 11.3% and 10.5% respectively;
- Total Operating Budget increase of 4.0%;
- Capital Improvements Program of $5.587 million.

ACSA Water and Sewer Monthly User Rates

	FY 2017	FY 2018
Service Charge	$ 7.73	$ 7.92
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 3.99	$ 4.11
Level 2 (3,001-6,000 gallons)	$ 7.98	$ 8.22
Level 3 (6,001-9,000 gallons)	$11.97	$12.33
Level 4 (over 9,000 gallons)	$15.96	$16.44
Multi-Family/Non-Residential	$ 7.70	$ 7.93
Sewer/All Users (per 1,000 gallons)	$ 8.50	$ 8.67

Monthly, based on usage noted below, single-family customers will see an increase from $0.53 to $3.19.

Sample Monthly Combined (Water and Sewer) Bills

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2018 Bill	Monthly $ Increase
Single-Family					
Minimal User	5/8	1,200	$ 22.72	$ 23.25	$0.53
Small User	5/8	2,500	$ 38.96	$ 39.88	$0.92
Median	5/8	5,000	$ 78.16	$ 80.04	$1.88
Large User	5/8	6,200	$ 98.73	$ 101.13	$2.40
Excessive User	5/8	7,700	$ 129.44	$ 132.63	$3.19
Multi-Family/Non-Residential*					
Multi-Family	1	33,700	$ 560.79	$ 574.64	$13.85
Com. (Offices)	1	6,300	$ 116.91	$ 119.80	$ 2.89
Com. (Other)	5/8	4,700	$ 83.87	$ 85.94	$ 2.07
Industrial	1 1/2	16,500	$294.05	$301.33	$ 7.28
Institutional	5/8	13,000	$ 218.33	$ 223.72	$ 5.39

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, staffing, and maintenance costs.

Why is the Purchase of 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 4,000 gallons a month will see their water and sewer bill increase by $1.47. About 90% 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 current year increase in customer rates is 2.38%, which is below our five year average of rate changes. The five-year average increase has been approximately 3.7% 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. This is an incentive for our customers to conserve water as the greater the use the higher the rate.

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

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

Why is the ACSA spending nearly $6 million this year on Capital Projects?

Many parts of the ACSA are aging with some components more than 40-50 years old. As part of our capital planning, we continue to make improvements in our system through rehabilitation and replacement. This is done to ensure you, the customer, 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 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 2018 charges or $13,470.

Albemarle County Service Authority
Serving Conserving

FY 2018 Revenue and Expense Summary

		FY 2017 Approved Budget	FY 2018 Proposed Budget	Proposed as % of FY 2017
OPERATING REVENUES				
Total Volume Charges	$	23,267,733	24,019,000	103.2%
Total Service Charges		2,000,000	2,087,000	104.4%
Total Operating Revenues		**25,267,733**	**26,106,000**	103.3%
NON-OPERATING REVENUES				
System Connection Charges		4,384,000	4,384,000	100.0%
Rental Income		-0-	13,500	%
Interest Income		106,000	150,000	141.5%
Buck Mountain Surcharge		50,000	50,000	100.0%
Misc. Utility Charges		600,000	635,000	105.8%
Inspection Fees		25,000	30,000	120.0%
Plan Review & FOG Permit Fees		49,000	55,000	112.2%
Build America Bond Subsidy		125,300	115,000	91.8%
Total Non-Operating Revenues		**5,339,300**	**5,432,500**	**101.7%**
Total Operating & Non-Operating Revenues		**30,607,033**	**31,538,500**	**103.0%**
OPERATING EXPENSES				
Purchase of Water/Wastewater		15,403,706	15,917,000	103.3%
Administration Department		998,724	975,800	97.7%
Finance Department		1,869,968	1,984,200	106.1%
Engineering Department		1,534,889	1,682,200	109.6%
Maintenance Department		3,372,819	3,581,171	106.2%
Information Technology		849,245	844,800	99.5%
Total Operating Expenses		**24,029,351**	**24,985,171**	**104.0%**
NON-OPERATING EXPENSES				
Capital Equipment Acquisition		74,000	292,300	395.0%
Planned Equipment Replacement		235,290	127,500	54.2%
Repair, Renewal, & Rehabilitation Reserves		300,000	390,000	130.0%
Buck Mountain Surcharge		50,000	50,000	100.0%
Existing Debt Service and Amortization		833,192	826,600	99.2%
Transfer for Capital Expenses		5,085,200	4,866,929	95.7%
Total Non-Operating Expenses		**6,577,682**	**6,553,329**	**99.6%**
Total Operating & Non-Operating Expenses	$	**30,607,033**	**31,538,500**	**103.0%**
CAPITAL IMPROVEMENTS FUNDING				
Transfer from Operating Revenues	$	5,085,200	4,866,929	95.7%
Transfer from 3R Reserves		1,696,690	719,871	42.4%
Total Capital Improvements Funding		**6,781,890**	**5,586,800**	**82.4%**
CAPITAL IMPROVEMENTS EXPENSES				
Water - Capital Improvement Projects		5,466,300	3,513,800	64.3%
Wastewater - Capital Improvement Projects		1,315,590	2,073,000	157.6%
Total Capital Improvements Expenses	$	**6,781,890**	**5,586,800**	**82.4%**

FY 2018 Budget Revenues

		FY 2017 Approved Budget	FY 2018 Proposed Budget	Proposed as % of FY 2017
OPERATING REVENUES				
Total Volume Charges	$	23,267,733	24,019,000	103.2%
Total Service Charges		2,000,000	2,087,000	104.4%
Total Operating Revenues		**25,267,733**	**26,106,000**	**103.3%**
NON-OPERATING REVENUES				
System Connection Charges		4,384,000	4,384,000	100.0%
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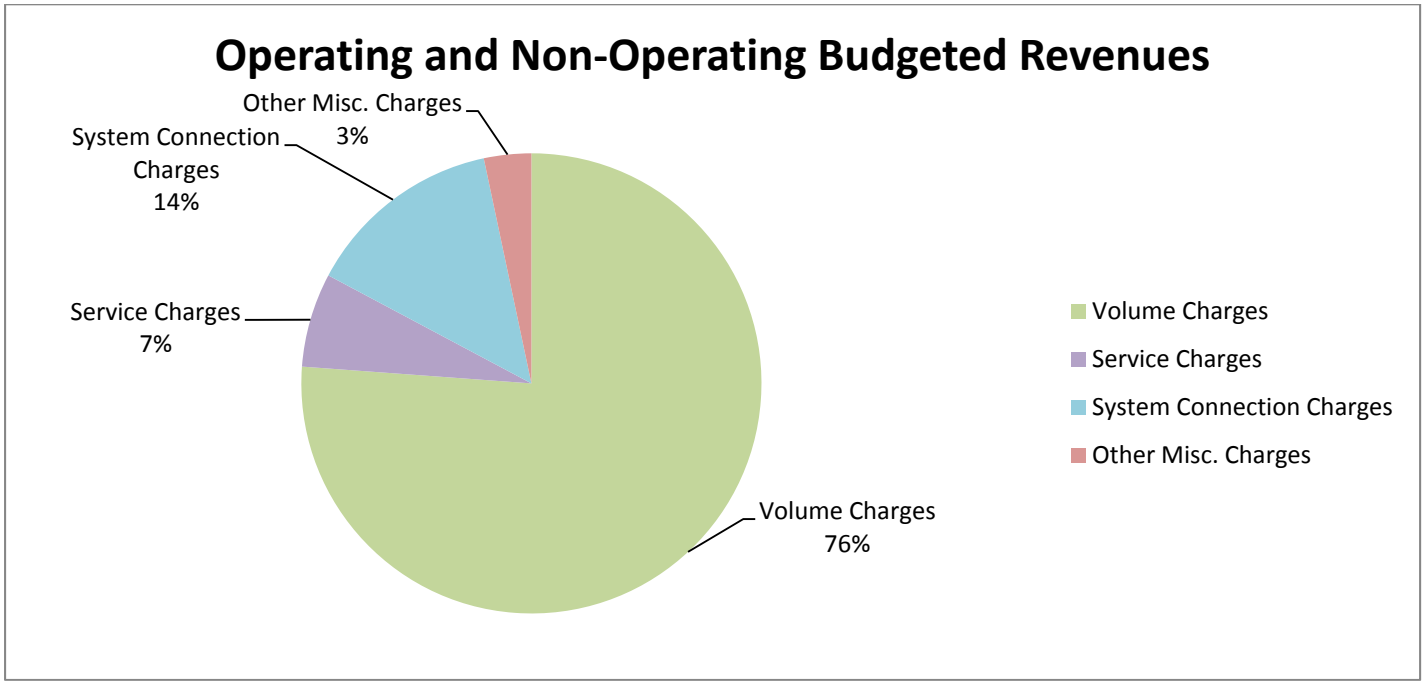


Revenue Highlights – FY 2018

	FY 2017	FY 2018
Total Volume Charges (monthly user rates)	$23,267,733	$24,019,000
Total Service Charges (cost of service)	$2,000,000	$2,087,000
System Connection Charges (new development fees)	$4,384,000	$4,384,000
Other Revenues	$955,300	$1,048,500
Total Revenues	$30,607,033	$31,538,500

Total Volume Charges - $24,019,000; water and sewer usage billed to ACSA customer on a monthly basis; proposed rate increase primarily driven by increased costs of water and wastewater treatment.

Total Service Charges - $2,087,000; monthly service charge to reflect actual costs for meter reading, billing and customer service; the budget proposes to increase the monthly service charge from $7.73 to $7.92 for our average customer (service charge dependent upon meter size).

System Connection Charges - $4,384,000; the Budget proposes to maintain charges for FY 2018, 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 2017	FY 2018
ACSA System Development Charge	Water Wastewater	$1,890* $2,970*	$1,890* $2,970*
RWSA Capacity Charge	Water Wastewater	$4,760* $3,850*	$4,760* $3,850*
	Total	$13,470*	$13,470*
		*per ERC (equivalent residential connection)	

FY 2018 Changes in Net Position

		FY 2016 Actual	FY 2017 Estimated	FY 2018 Proposed
Beginning Net Position	**$**	**142,971,153**	**151,702,917**	**161,699,367**
Change in Net Position		8,731,764	9,966,450	**9,000,000**
Ending Net Position	**$**	**151,702,917**	**161,669,367**	**170,669,367**
Net investment in capital assets	$	127,038,410	134,538,410	**141,265,331**
Unrestricted		24,664,507	27,130,957	**29,404,036**
Ending Net Position	**$**	**151,702,917**	**161,669,367**	**170,669,367**

Note: The schedule above reflects audited FY 2016 changes in net position and estimates changes for FY 2017 and FY 2018. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant and estimates related to the timing of the formal dedication of these assets can vary. Please see “Changes in Net Position” in the Budget Appendix for a schedule of historical audited data.

Long-range Financial Plans

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

- Water and sewer rates and charges shall be kept as low as possible over time. It is possible to keep rates low for a period of time by not investing sufficiently in the maintenance of the water and sewer systems, but eventually the systems will deteriorate and require substantial investments leading to the need for significant and immediate rate increases. 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 2018 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.

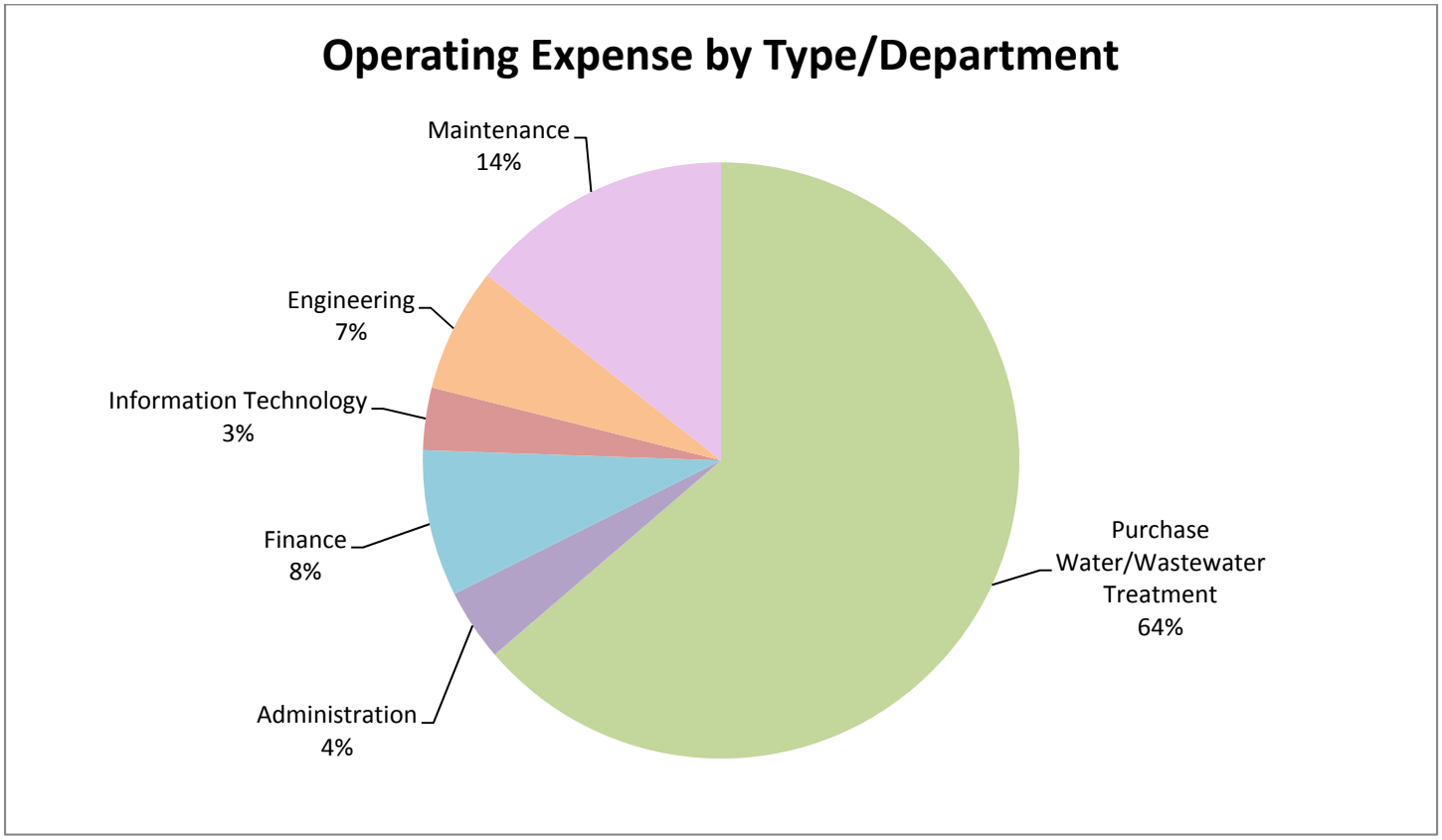
- Making a contribution to the ACSA's 3R reserve in accordance with our adopted Financial Policies. This contribution to the reserve also assists the ACSA in achieving goals related to two themes in the ACSA's Strategic Plan:
    - Asset Management – assist with planning for long-term sustainability 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 2018 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 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 leaded joint fire hydrants in the system (does not come into contact with drinking water).

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is at $24,985,171 or a 4.0% increase. The largest single cost of the Operating Budget is RWSA purchased water and wastewater treatment at $15,917,000 or 64% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2018. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at $975,800, Finance at $1,984,200, Engineering at $1,682,200, Maintenance at $3,581,171, and Information Technology at $844,800. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2018:



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 19,000 accounts.

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

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.

		FY 2016	FY 2017	FY 2018 Proposed	FY 2018 as % of FY 2017
RWSA EXPENSES					
Buck Mountain Surcharge	$	50,800	50,000	50,000	100.0%
Purchase of Bulk Water		8,076,010	8,564,977	8,961,870	104.6%
Sewer Treatment Expense		6,562,734	6,838,729	6,955,130	101.7%
Subtotal:	**$**	**14,689,544**	**$15,453,706**	**$15,967,000**	**103.3%**

RWSA EXPENSES BY SERVICE AREA

	Rates FY 2016	Rates FY 2017	Rates FY 2018					
WATER								
Urban	$1.713/TG and $279,864/mo.	$1.833/TG and $284,031/mo.	$1.969/TG and $285,439/mo.	$	6,119,902	6,554,605	6,813,378	103.9%
Crozet	$113,997/mo	$124,149/mo.	$133,901/mo.		1,367,964	1,489,788	1,606,812	107.9%
Scottsville	$49,012/mo	$43,382/mo.	$45,140/mo		588,144	520,584	541,680	104.1%
Buck Mountain Surcharge					50,800	50,000	50,000	100.0%
Total				**$**	**8,126,810**	**8,614,977**	**9,011,870**	**104.6%**
WASTEWATER								
Urban	$1.789/TG and $232,493/mo.	$1.835/TG and $222,280/mo.	$1.951/TG and $222,550/mo.	$	5,976,255	6,228,082	6,280,652	100.8%
Scottsville	$21,425/mo.	$21,941/mo.	$24,410/mo.		257,100	263,292	292,920	111.3%
Stone-Robinson School	$26,847/annual	$27,027/annual	$27,630/annual		26,847	27,027	27,630	102.2%
Glenmore	$25,211/mo.	$26,694/mo.	$29,494/mo.		302,532	320,328	353,928	110.5%
Total				**$**	**6,562,734**	**6,838,729**	**6,955,130**	**101.7%**

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 2018.

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.
- Change in grade of Customer Service Representative position from Grade 1 to Grade 2. This change was recommended after review of responses by the ACSA's compensation plan consultant after adoption of the new pay structure in March 2017.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; for 2018 the rate will remain 6.6%.
- 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 $867 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, publication resources.
- General liability insurance.

Capital Outlays

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

Administration

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

Administration/Human Resources: Provides organizational administrative support; oversees the Risk Management Program (claims, liability insurance, worker's compensation, etc.); serves as Clerk to the Board of Directors (monthly meetings, board correspondence, minutes, dissemination of board packets); provides organizational document and database management services; leads the Water Conservation Program and initiatives (events, advertising, community relations, and partnership with the City of Charlottesville); administers and maintains benefit administration and employee record management; creates and distributes ACSA semi-annual customer "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. Additionally, the team provides administrative support to the Executive Director of the ACSA.

Key initiatives and changes for FY 2018:

- 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;
- Continue to provide safety training and initiatives for ACSA Employees;
- Seek outside consulting services to assist Human Resources to fully utilize the recently deployed ERP and integrate human resource functionality;

Administration Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
PERSONAL SERVICES								
Compensation of Board Members	$	9,101	5,601	8,402	16,500	16,995	16,995	103.0%
Salaries & Wages		619,386	246,389	369,584	373,378	378,500	378,500	101.4%
Overtime		1,114	-	-	3,000	3,000	3,000	100.0%
Social Security		45,035	16,455	24,683	26,296	28,380	28,380	107.9%
Retirement		12,171	21,894	32,841	23,993	24,300	24,300	101.3%
Health & Benefit Dollars		106,759	49,967	74,951	63,527	57,610	57,610	90.7%
Life Insurance		6,872	3,050	4,575	4,762	4,830	4,830	101.4%
Workers' Compensation		580	230	345	400	410	410	102.5%
Meals		45	33	50	600	600	600	100.0%
Safety Incentive Program		150	400	600	2,000	2,000	2,000	100.0%
Employee Incentives		21,591	15,381	23,072	35,000	35,600	35,600	101.7%
Subtotal:	**$**	**822,804**	**359,400**	**539,103**	**549,456**	**552,225**	**552,225**	**100.5%**
OPERATING SUPPLIES								
Office Supplies	$	3,400	3,217	4,826	5,000	5,000	5,000	100.0%
Copier Supplies		574	803	1,205	1,842	1,850	1,850	100.4%
Janitorial Supplies		2,659	1,957	2,936	3,903	4,179	4,179	107.1%
Small Tools & Equipment		3,840	386	579	4,300	4,300	4,300	100.0%
EMS Program		186	577	866	2,000	3,500	3,500	175.0%
Subtotal:	**$**	**10,659**	**6,940**	**10,412**	**17,045**	**18,829**	**18,829**	**110.5%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Legal	$	37,348	17,400	26,100	81,012	61,020	61,020	75.3%
Audit		27,500	-	-	-	-	-	0.0%
Fiscal Agent		1,650	-	-	-	-	-	0.0%
Consultants' Fees		28,364	25,362	38,043	43,331	45,000	45,000	103.9%
Printing and Duplicating		3,553	25	38	9,150	9,150	9,150	100.0%
Other Contractual Services		5,030	3,522	5,283	6,250	9,622	9,622	154.0%
Subtotal:	**$**	**103,445**	**46,309**	**69,464**	**139,743**	**124,792**	**124,792**	**89.3%**

Administration Department

Description	FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
OTHER SERVICES AND CHARGES							
Insurance	41,899	30,371	45,557	49,000	49,000	49,000	100.0%
Dues and Memberships	13,447	12,253	18,380	11,975	11,975	11,975	100.0%
Books and Periodicals	682	48	72	1,450	1,450	1,450	100.0%
Education and Training	30,928	1,420	2,130	65,685	52,385	52,385	79.8%
Board Member Education and Training	229	24,742	37,113	5,000	5,000	5,000	100.0%
Travel	1,305	3	5	4,270	5,044	5,044	118.1%
Advertising	14,443	2,939	4,409	30,100	30,100	30,100	100.0%
Conservation	27,054	23,947	35,921	65,000	65,000	65,000	100.0%
Permits	54,504	41,537	62,306	60,000	60,000	60,000	100.0%
Subtotal: $	**184,491**	**137,260**	**205,893**	**292,480**	**279,954**	**279,954**	**95.7%**
CAPITAL OUTLAYS							
Furniture and Fixtures	956	-	-	-	-	-	0.0%
Subtotal: $	**956**	**-**	**-**	**-**	**-**	**-**	0.0%
TOTAL ADMINISTRATION $	**1,122,355**	**549,909**	**824,872**	**998,724**	**975,800**	**975,800**	**97.7%**

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 2018:

- Continued mastery of the recently implemented ERP system and continued evaluation of processes;
- Design and implementation of the FY 2018 Budget and Rates;
- Comprehensive Annual Financial Report preparation (CAFR);
- Focused training for staff;
- Replacement of remaining existing meter radio unit components in Farmington as they have reached the end of their useful life. Half of these units were replaced in the prior year;
- Training directed toward succession planning;
- Cash flow and Investment analysis and review for formal recommendation to Board;
- Administration of the Advanced Metering Infrastructure (AMI) feasibility study as noted in the Capital Improvement Budget;
- 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. The ACSA last conducted a formal rate study for fiscal year 2015. The ACSA is proposing an update to the rate model one year in advance of the five year anniversary to proactively evaluate future needs specifically related to system development.

Finance Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
PERSONAL SERVICES								
Salaries & Wages	$	808,180	581,048	871,572	865,090	883,450	883,450	102.1%
Overtime Pay		60,605	25,236	37,854	28,000	28,000	28,000	100.0%
Social Security		63,300	51,371	77,057	68,165	69,730	69,730	102.3%
Retirement		14,754	38,164	57,246	56,588	57,440	57,440	101.5%
Health & Benefit Dollars		148,379	103,504	155,256	188,660	216,260	216,260	114.6%
Life Insurance		8,933	7,267	10,901	11,232	11,400	11,400	101.5%
Workers' Compensation		5,601	5,049	7,574	8,749	8,410	8,410	96.1%
Subtotal:	**$**	**1,109,752**	**811,639**	**1,217,460**	**1,226,484**	**1,274,690**	**1,274,690**	**103.9%**
OPERATING SUPPLIES								
Office Supplies	$	12,045	5,503	8,255	11,225	16,713	16,713	148.9%
Personal Protective Equipment		1,006	1,010	1,515	1,545	1,335	1,335	86.4%
Fuel, Oil & Grease		10,690	4,760	7,140	12,710	16,740	16,740	131.7%
Small Tools & Equipment		11,475	542	813	11,684	2,840	2,840	24.3%
Subtotal:	**$**	**35,216**	**11,815**	**17,723**	**37,164**	**37,628**	**37,628**	**101.2%**
REPAIR & MAINTENANCE								
Vehicle Supplies	$	2,630	519	779	4,000	4,000	4,000	100.0%
Hydrant Meter Program		-	-	-	-	5,000	5,000	0.0%
Materials - Water		220,826	91,793	137,690	260,763	284,296	284,296	109.0%
Subtotal:	**$**	**223,456**	**92,312**	**138,469**	**264,763**	**293,296**	**293,296**	**110.8%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Audit		-	30,950	46,425	36,400	35,000	35,000	96.2%
Fiscal Agent		-	-	-	1,700	1,815	1,815	106.8%
Uniform Rental		3,666	1,712	2,568	4,035	6,059	6,059	150.2%
Consultants' Fees		240	3,600	5,400	3,000	55,000	55,000	1833.3%
Service Contracts		37,853	15,883	23,825	41,415	42,795	42,795	103.3%
Postage		81,868	51,547	77,321	138,640	128,500	128,500	92.7%
Printing and Duplicating		21,458	1,351	2,027	31,820	26,860	26,860	84.4%
Other Contractual Services		31,888	9,477	14,216	39,025	36,525	36,525	93.6%
Subtotal:	**$**	**176,973**	**114,520**	**171,782**	**296,035**	**332,554**	**332,554**	**112.3%**

Finance Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance	$	2,892	103	155	2,350	7,802	7,802	332.0%
Vehicle Repair and Maintenance		753	216	324	4,000	4,000	4,000	100.0%
Subtotal:	**$**	**3,645**	**319**	**479**	**6,350**	**11,802**	**11,802**	**185.9%**
OTHER SERVICES AND CHARGES								
Rental of Equipment	$	1,272	385	578	1,320	2,040	2,040	154.5%
Software		4,000	-	-	500	500	500	100.0%
Dues and Memberships		405	247	371	1,460	1,460	1,460	100.0%
Books and Periodicals		238	710	1,065	1,700	1,600	1,600	94.1%
Education and Training		1,593	5,362	8,043	21,342	15,980	15,980	74.9%
Travel		-	2,022	3,033	12,850	12,650	12,650	98.4%
Subtotal:	**$**	**7,508**	**8,726**	**13,090**	**39,172**	**34,230**	**34,230**	**87.4%**
TOTAL FINANCE	**$**	**1,556,550**	**1,039,331**	**1,559,003**	**1,869,968**	**1,984,200**	**1,984,200**	**106.1%**
Capital Outlays - Capital Equipment								
Machinery and Equipment	$	-	27,604	27,604	28,500	-	-	0.0%
Office Equipment		-	-	-	2,500	-	-	0.0%
Total	**$**	**-**	**-**	**-**	**31,000**	**-**	**-**	0.0%
Planned Equipment Replacement								
Machinery and Equipment	$	-	-	-	-	18,050	18,050	0.0%
Total	**$**	**-**	**-**	**-**	**-**	**18,050**	**18,050**	0.0%

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 2018:

Capital Improvement Budget:

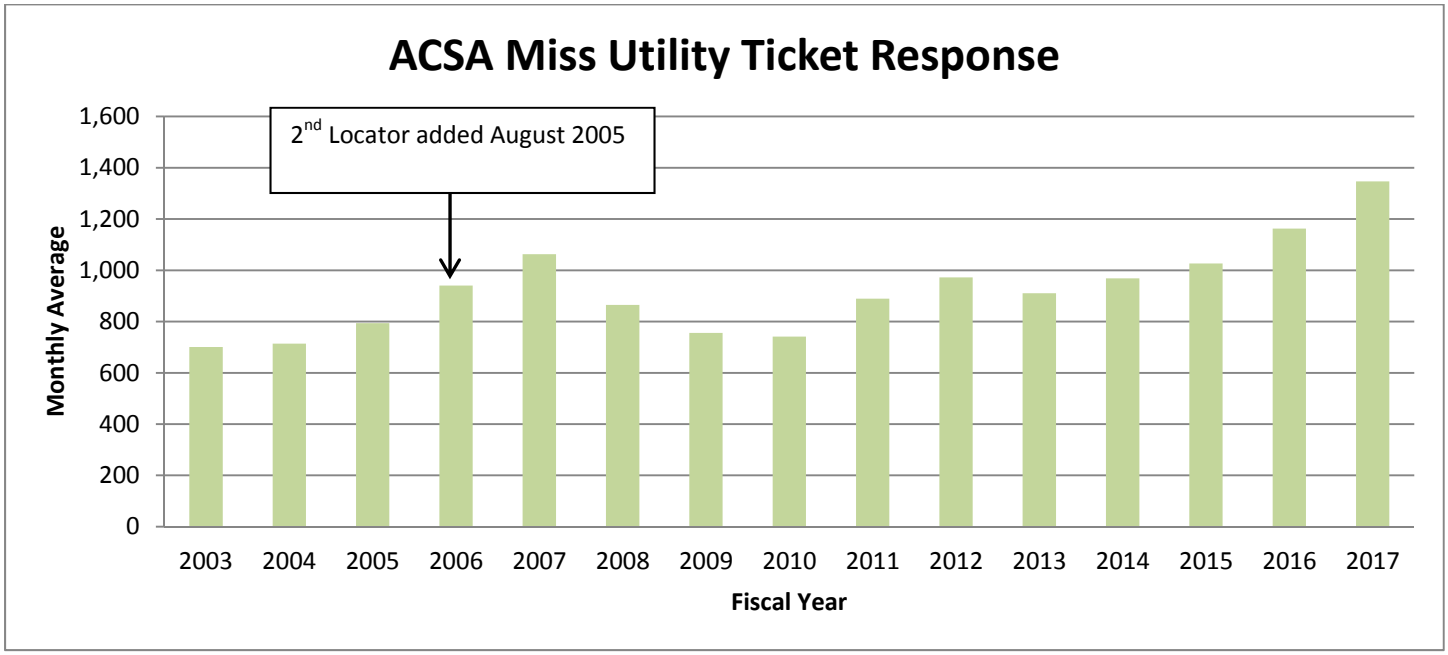
- Replacement of aging, deteriorating and under-sized water mains;
- Elimination of asbestos-cement water mains;
- Adding redundancy to the existing water system;
- Rehabilitation and replacement of deteriorating sewer facilities;
- Increase pumping capacity and improve resiliency and reliability at several pump stations;

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;
- Additional Utility Locator position to handle increasing Miss Utility requests:

New Positions for FY 2018:

Utility Location Technician, Engineering Department – Currently the Utility Location Group within the Engineering Department is staffed with two employees, a Senior Utility Location Technician and a Utility Location Technician. After the Miss Utility Program was mandated by the Commonwealth of Virginia and rules were promulgated by the SCC to enforce the program, the Engineering Department employed a full-time utility locator in 1994 to handle all of the excavation tickets. As the number of tickets increased annually over the first ten years a second utility locator was added to the staff at the beginning of FY 2006. At that time the average number of Miss Utility tickets received per month was approximately 800. At the mid-point of the current FY 2017 the average number of Miss Utility tickets received monthly is approximately 1350 with the maximum monthly total reaching almost 1600 tickets. We recently set a one day record of receiving 136 tickets, which are all required to be processed within 48 hours. Below is a graph showing the increase in average tickets per month by fiscal year. The growth in the pace of private development, along with our aggressive water main replacement CIP projects, requires the support of another full time Utility Location Technician. This will also allow our locators to visit the County Office Building more frequently to process the increasing number of permits associated with the increase in private development. (Requested by the Director of Engineering)



Engineering Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	Supple-mental Request #1	FY 2018 Total Proposed	FY 2018 as % of FY 2017
PERSONAL SERVICES									
Salaries & Wages	$	1,029,260	663,125	994,688	1,067,471	1,102,100	38,800	1,140,900	106.9%
Overtime Pay		12,929	15,665	23,498	11,000	11,000	-	11,000	100.0%
Social Security		77,626	44,473	66,710	82,307	84,392	2,968	87,360	106.1%
Retirement		19,304	45,697	68,546	69,044	71,009	2,561	73,570	106.6%
Health & Benefit Dollars		125,960	109,004	163,506	180,604	196,860	11,120	207,980	115.2%
Life Insurance		11,770	8,673	13,010	13,704	14,102	508	14,610	106.6%
Workers' Compensation		7,980	5,243	7,865	9,159	10,283	1,117	11,400	124.5%
Subtotal:	**$**	**1,284,829**	**891,880**	**1,337,823**	**1,433,289**	**1,489,746**	**57,074**	**1,546,820**	**107.9%**
OPERATING SUPPLIES									
Personal Protective Equipment		905	2,411	3,617	3,796	3,535	349	3,884	102.3%
Fuel, Oil & Grease		12,045	8,216	12,324	16,200	17,000	3,200	20,200	124.7%
Small Tools & Equipment		13,603	5,666	8,499	8,375	8,225	8,805	17,030	203.3%
Subtotal:	**$**	**26,553**	**16,293**	**24,440**	**28,371**	**28,760**	**12,354**	**41,114**	**144.9%**
REPAIR & MAINTENANCE SUPPLIES									
Vehicle Supplies	$	1,957	2,177	3,266	3,500	3,500	390	3,890	111.1%
Subtotal:	**$**	**1,957**	**2,177**	**3,266**	**3,500**	**3,500**	**390**	**3,890**	**111.1%**
PROFESSIONAL & CONTRACTUAL SERVICES									
Uniform Rental	$	1,126	352	528	612	1,738	366	2,104	343.8%
Other Contractual Services		21,153	12,498	18,747	20,190	28,925		28,925	143.3%
Subtotal:	**$**	**22,279**	**12,850**	**19,275**	**20,802**	**30,663**	**366**	**31,029**	**149.2%**

Engineering Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	Supple-mental Request #1	FY 2018 Total Proposed	FY 2018 as % of FY 2017
REPAIRS AND MAINTENANCE									
Equipment Repair and Maintenance	$	5,510	1,155	1,733	12,080	14,415	-	14,415	119.3%
Vehicle Repair and Maintenance		1,300	1,601	2,402	3,300	3,850	300	4,150	125.8%
Subtotal:	**$**	**6,810**	**2,756**	**4,135**	**15,380**	**18,265**	**300**	**18,565**	**120.7%**
OTHER SERVICES AND CHARGES									
Dues and Memberships	$	1,420	715	1,073	1,503	1,605	-	1,605	106.8%
Books and Periodicals		439	-	-	750	750	-	750	100.0%
Education and Training		15,697	8,452	12,678	14,505	15,610	-	15,610	107.6%
Travel		12,308	5,711	8,567	16,789	22,817	-	22,817	135.9%
Subtotal:	**$**	**29,864**	**14,878**	**22,318**	**33,547**	**40,782**	**-**	**40,782**	**121.6%**
TOTAL ENGINEERING	**$**	**1,372,292**	**940,834**	**1,411,257**	**1,534,889**	**1,611,716**	**70,484**	**1,682,200**	**109.6%**
Capital Outlays - Capital Equipment									
Machinery and Equipment	$	10,590	-	-	-	12,470	26,530	39,000	0.0%
Total	**$**	**10,590**	**-**	**-**	**-**	**12,470**	**26,530**	**39,000**	**0.0%**
Planned Equipment Replacement									
Machinery and Equipment	$	-	-	42,590	42,590	3,000	-	3,000	7.0%
Furniture and Fixtures		-	-	-	-	800	-	800	0.0%
Total	**$**	**-**	**-**	**42,590**	**42,590**	**3,800**	**-**	**3,800**	**8.9%**

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 2018:

- CMMS Implementation.
- More data collection in the field utilizing cellular network for both GIS and CMMS.
    - Replacement field computers/tablets.
    - Large increase in Verizon cell data plan for hotspots and tablets.
- Fleet GPS for all vehicles.
- Continue to deploy Office 365 features to get most out of software and add additional functionality to SharePoint Online.
- Replacement of servers in accordance with the Strategic Plan and the formalized replacement cycle for equipment.
- Continue to support and improve SCADA system functionality and security.

Information Technology

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date (Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
PERSONAL SERVICES								
Salaries & Wages		-	148,997	223,496	305,664	296,850	296,850	97.1%
Overtime		-	170	255	2,400	2,400	2,400	100.0%
Social Security		-	11,130	16,695	23,567	22,900	22,900	97.2%
Retirement		-	10,480	15,720	18,300	19,360	19,360	105.8%
Health & Benefit Dollars		-	34,274	51,411	74,344	76,840	76,840	103.4%
Life Insurance		-	1,925	2,888	3,632	3,850	3,850	106.0%
Workers' Compensation		-	175	263	305	330	330	108.2%
Subtotal:	**$**	**-**	**207,151**	**310,728**	**428,212**	**422,530**	**422,530**	**98.7%**
OPERATING SUPPLIES								
Office Supplies	$	9,209	1,217	1,826	15,000	13,000	13,000	86.7%
Copier Supplies		134	-	-	340	340	340	100.0%
Fuel, Oil & Grease		-	178	267	2,208	2,208	2,208	100.0%
Small Tools & Equipment		62,692	12,344	18,516	66,950	58,200	58,200	86.9%
Subtotal:	**$**	**72,035**	**13,739**	**20,609**	**84,498**	**73,748**	**73,748**	**87.3%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Service Contracts		112,361	101,302	151,953	140,665	148,355	148,355	105.5%
Telephone/Communications		49,833	32,594	48,891	75,420	84,060	84,060	111.5%
Subtotal:	**$**	**162,194**	**133,896**	**200,844**	**216,085**	**232,415**	**232,415**	**107.6%**
REPAIRS AND MAINTENANCE								
Vehicle Repair and Maintenance		-	14	21	1,750	1,750	1,750	100.0%
Subtotal:	**$**	**-**	**14**	**21**	**1,750**	**1,750**	**1,750**	**100.0%**

Information Technology

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	FY 2018 Total Proposed	FY 2018 as % of FY 2017
OTHER SERVICES AND CHARGES								
Software	$	19,241	20,457	30,686	49,350	56,150	56,150	113.8%
Books and Periodicals		203	243	365	1,000	1,000	1,000	100.0%
Education and Training		155	-	-	28,925	21,825	21,825	75.5%
Travel		2,079	2,743	4,115	39,425	35,382	35,382	89.7%
Subtotal:	**$**	**21,678**	**23,443**	**35,166**	**118,700**	**114,357**	**114,357**	**96.3%**
TOTAL INFORMATION TECHNOLOGY	**$**	**255,907**	**378,243**	**567,368**	**849,245**	**844,800**	**844,800**	**99.5%**
Capital Outlays - Capital Equipment								
Machinery and Equipment	$	31,940	5,795	5,795	6,000	70,000	70,000	1166.7%
Total	**$**	**31,940**	**5,795**	**5,795**	**6,000**	**70,000**	**70,000**	1166.7%
Planned Equipment Replacement								
Machinery and Equipment	$	-	26,964	163,964	167,900	52,400	52,400	31.2%
Office Equipment			-	3,000	3,000	5,000	5,000	166.7%
Total	**$**	**-**	**26,964**	**166,964**	**170,900**	**57,400**	**57,400**	33.6%

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 2018:

- Expansion of our Hydrant Replacement Program. In FY2017 this item was deemed a capital project due to the number of hydrants requiring replacement. As we move through fiscal year 2018, the maintenance department will proceed with replacing the hydrants;

- 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;

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

- Deploy new equipment and CCTV all wastewater systems within our jurisdiction;

- Reorganize the maintenance crews to better serve our customers and meet project requirements. The maintenance department is proposing a slight reorganization of positions. This reorganization proposes to increase the number of crews while decreasing the number of utility workers per crew. The proposed reorganization increases the combined number of crew leaders I/II to five (increase of one) and decreases the combined Utility Workers I/II/III to twenty (decrease of one). This change will improve efficiency of operations and create opportunities for progression within the maintenance department and help retain skilled workers. Under this proposal there will be no net change in number of maintenance positions in FY2018.

New Equipment Purchase FY2018:

One of the maintenance department strategic objectives was to CCTV all wastewater collection systems to protect waterways and the environment. Sewer systems are designed to function through the use of gravity and typically are installed under roadways that allow for ease of access. As we are installing more systems in rural areas and in easements surrounding houses, accessibility to inspect has become difficult. We are requesting new equipment that will allow us to inspect all sewer lines, especially those existing in easements and/or rural housing areas. Our existing personnel will operate the new equipment allowing us to meet our strategic goals.

Maintenance Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	Supple-mental Request #1	FY 2018 Total Proposed	FY 2018 as % of FY 2017
PERSONAL SERVICES									
Salaries & Wages	$	1,289,262	889,724	1,334,586	1,448,985	1,507,450		1,507,450	104.0%
Overtime Pay		33,416	25,640	38,460	60,000	60,000		60,000	100.0%
Standby Pay		6,916	12,745	19,118	5,000	5,000		5,000	100.0%
Social Security		97,212	69,047	103,571	115,820	120,297		120,297	103.9%
Retirement		22,906	60,609	90,914	94,889	98,629		98,629	103.9%
Health & Benefit Dollars		249,116	219,172	328,758	380,371	400,780		400,780	105.4%
Life Insurance		14,929	11,602	17,403	18,835	19,583		19,583	104.0%
Workers' Compensation		30,361	23,308	34,962	41,406	43,041		43,041	103.9%
Meals - Overtime		139	139	209	1,200	1,200		1,200	100.0%
Subtotal:	**$**	**1,744,257**	**1,311,986**	**1,967,981**	**2,166,506**	**2,255,980**	**-**	**2,255,980**	**104.1%**
OPERATING SUPPLIES									
Janitorial Supplies		5	-	-	-	-		-	0.0%
Shop Supplies		6,630	2,308	3,462	22,254	27,260		27,260	122.5%
Personal Protective Equipment		9,721	10,537	15,806	31,105	25,400		25,400	81.7%
Fuel, Oil & Grease		43,614	33,660	50,490	68,265	67,463		67,463	98.8%
Heating Fuel		3,964	1,839	2,759	11,350	11,869		11,869	104.6%
Small Tools & Equipment		45,916	37,663	56,495	73,555	97,280	14,780	112,060	152.3%
Subtotal:	**$**	**109,850**	**86,007**	**129,012**	**206,529**	**229,272**	**14,780**	**244,052**	**118.2%**
REPAIR & MAINTENANCE SUPPLIES									
Vehicle Supplies	$	13,096	12,816	19,224	33,730	42,375		42,375	125.6%
Materials - Water		86,374	102,506	153,759	63,000	110,000		110,000	174.6%
Materials - Hydrants		62,205	30,013	45,020	100,750	45,000		45,000	44.7%
Materials - Sewer		10,826	7,465	11,198	8,000	12,000		12,000	150.0%
Building & Grounds Supplies		23,637	11,821	17,732	31,850	38,800		38,800	121.8%
Equipment Supplies		25,806	26,829	40,244	40,230	51,925		51,925	129.1%
Water Pump Station Supplies		59,315	20,813	31,220	39,700	82,500		82,500	207.8%
Sewer Pump Station Supplies		64,374	37,595	56,393	99,800	124,900		124,900	125.2%
Subtotal:	**$**	**345,633**	**249,858**	**374,790**	**417,060**	**507,500**	**-**	**507,500**	**121.7%**
PROFESSIONAL & CONTRACTUAL SERVICES									
Labor - Outside Contract	$	39,440	148,720	223,080	202,790	203,600		203,600	100.4%
Uniform Rental		20,092	12,473	18,710	21,439	22,925		22,925	106.9%
Building & Grounds Services		72,569	28,060	42,090	63,491	62,544		62,544	98.5%
Telephone/Communications		110	-	-	-	-		-	0.0%
Other Contractual Services		2,124	675	1,013	10,516	10,861		10,861	103.3%
Subtotal:	**$**	**134,335**	**189,928**	**284,893**	**298,236**	**299,930**	**-**	**299,930**	**100.6%**

Maintenance Department

Description		FY 2016 Expended	FY 2017 Actual Expenses To-Date(Feb)	FY 2017 Anticipated Expenses To-EOFY 2017	FY 2017 Budget	FY 2018 Base Budget	Supple-mental Request #1	FY 2018 Total Proposed	FY 2018 as % of FY 2017
REPAIRS AND MAINTENANCE									
Equipment Repair and Maintenance	$	16,378	17,069	25,604	43,433	52,233		52,233	120.3%
Building & Grounds Repair and Maintenance		1,450	130	195	11,050	12,200		12,200	110.4%
Vehicle Repair and Maintenance		34,524	12,028	18,042	34,823	37,923		37,923	108.9%
Subtotal:	**$**	**52,352**	**29,227**	**43,841**	**89,306**	**102,356**	**-**	**102,356**	**114.6%**
OTHER SERVICES AND CHARGES									
Rental of Equipment	$	1,138	215	323	8,600	10,000		10,000	116.3%
Education and Training		8,711	11,071	16,607	20,495	24,000		24,000	117.1%
Travel		6,314	3,425	5,138	17,895	14,525		14,525	81.2%
Electricity - Water Pump Station		20,884	15,469	23,204	28,215	30,155		30,155	106.9%
Electricity - Sewer Pump Station		27,815	15,387	23,081	66,607	35,743		35,743	53.7%
Electricity - Shop & Office		39,886	23,300	34,950	45,600	49,800		49,800	109.2%
Permits		710	150	225	7,370	7,130		7,130	96.7%
Subtotal:	**$**	**105,458**	**69,017**	**103,528**	**194,782**	**171,353**	**-**	**171,353**	**88.0%**
CAPITAL OUTLAYS									
Furniture and Fixtures		2,115	-	-	400	-		-	0.0%
Machinery and Equipment								-	0.0%
Subtotal:	**$**	**2,115**	**-**	**-**	**400**	**-**	**-**	**-**	**0.0%**
TOTAL MAINTENANCE	**$**	**2,494,000**	**1,936,023**	**2,904,045**	**3,372,819**	**3,566,391**	**14,780**	**3,581,171**	**106.2%**

Capital Outlays - Capital Equipment

Machinery and Equipment	$	-	47,509	47,509	33,000	137,200	45,000	182,200	552.1%
Office Equipment		-	-	4,000	4,000	1,100	-	1,100	27.5%
Furniture and Fixtures		-	-	-	-	-	-	-	0.0%
Total	**$**	**-**	**47,509**	**51,509**	**37,000**	**138,300**	**45,000**	**183,300**	**495.4%**

Planned Equipment Replacement

Equipment Replacement Expense	$	25	8,739	23,739	21,800	48,250		48,250	221.3%
Total	**$**	**25**	**8,739**	**23,739**	**21,800**	**48,250**	**-**	**48,250**	**221.3%**

Capital Equipment Purchases

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

Equipment – Newly acquired - $292,300

Engineering – With the proposed staffing level increase (Utility Location Technician), the need for an additional ACSA vehicle and office furniture has been identified. We have also identified the need for an electromagnetic insertion meter and a confined space winch. (Budget Impact: $25,530, $1,000, $9,470, and $3,000, respectively).

Information Technology – As a strategic plan initiative, the IT group has been tasked with implementation of a Computerized Maintenance Management System (CMMS). This system will enhance the ACSA's ability to manage operating and maintenance responsibilities. (Budget Impact: $70,000).

Maintenance – To better serve our customers, the need for the following items has been noted: additional CCTV equipment to review the rural and easement wastewater lines, office equipment, service vehicle, rescue harnesses/confined space winch/respirators, and a hydrant power tool. (Budget Impact: $98,000, $1,100, $45,000, $25,000 and $14,200, respectively).

Equipment- Replacement - $127,500

Information Technology – Replacement of 2 servers and 20 computers is planned during FY 2018 in accordance with the ACSA's regularly scheduled change out policy. We have also identified the need for office furniture. (Budget impact: $10,400, $42,000, and $5,000, respectively).

Engineering – Replacement of an aged confined space winch and desk chairs. (Budget Impact: $3,000 and $800, respectively).

Maintenance – Replacement of Truck 49A and a hole hog line boring tool. (Budget Impact: $42,000 and $6,250, respectively).

Finance – The need to replace aging fire hydrant meters has been identified in the current year. The hydrant meters being replaced have reached the end of their useful lives and new meters will insure proper consumption data is provided to the ACSA in accordance with the hydrant meter program. (Budget impact: $18,050).

Capital Equipment Purchases

Description		FY 2018 Proposed Budget
CAPITAL OUTLAYS - EQUIPMENT		
Engineering	$	39,000
Information Technology		70,000
Maintenance		183,300
Total:	**$**	**292,300**
PLANNED EQUIPMENT REPLACEMENT		
Engineering	$	3,800
Finance		18,050
Information Technology		57,400
Maintenance		48,250
Subtotal:	**$**	**127,500**

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 2018:

Water Projects:	$ 3,513,800
Wastewater Projects:	$ 2,073,000
Total:	**$ 5,586,800**

In this budget approximately 63% of the funds to be expended for water projects will be used to replace aging and undersized pipelines. Approximately 35% of the funds to be expended for sewer projects will address rehabilitation of the existing collection system to reduce infiltration and inflow (I/I). Of the total $5,586,800 budgeted, existing projects account for $2,899,300, while new projects are estimated at $2,687,500.

The new projects include, the replacement of existing water mains, creating redundancy in the water system, identifying I/I in our sanitary sewer system, and improvements to the ACSA Administration and Maintenance complex. The Maintenance Department will continue to construct some of the CIP Projects. A summary of the proposed CIP projects with their anticipated required funding in FY 2018 follows:

ACSA Facilities – Operations Center Expansion Phase 1 (New): A study is currently underway to evaluate all ACSA properties and develop a master plan for the long-term needs of the organization. It will determine the best use of the facilities as the ACSA continues to grow and expand its operations. In the first phase of the study the house on the hill (171 Spotnap Road) overlooking the Administration Building was identified as potential office space to alleviate some crowded workspaces in the main office building. This project will consist of renovations to 171 Spotnap Road and the Administration Building, as well as, construction of additional parking in the lower level parking area. The amount budgeted is for the design and construction of the renovations and parking in FY 2018. **FY 2018 Budget - $364,800**

ACSA Facilities – HVAC System Upgrade (New): During recent years it has become apparent that the HVAC System serving the Administration Building is in need of replacement. An evaluation of the existing system and modeling of the required heating/cooling loads is currently underway and is expected to be completed in FY 2017. The final report will identify different alternatives with corresponding cost analysis. The amount budgeted is an estimate of the design and construction cost to upgrade the HVAC System in FY 2018. **FY 2018 Budget - $1,020,400**

Advanced Metering Infrastructure (AMI) Feasibility Study (New): This project addresses a goal in our Strategic Plan to evaluate various AMI technologies in relation to our existing metering system, as well as, the compatibility of our existing billing system to convert to an AMI system. It will include a financial analysis, a potential implementation plan, and make recommendations. The study will provide the necessary information for further discussion and help the ACSA determine whether or not implementing an AMI system would better support the needs of our customers and staff into the future. The amount budgeted is the estimated cost to conduct this study in FY 2018. **FY 2018 Budget - $200,000**

Camelot Water Main Replacement: 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 design is currently in progress and is expected to be completed in FY 2017 with funds previously budgeted. Construction is anticipated to take place in FY 2019. **FY 2018 Budget - $0** (**FY 2017 Budget - $218,900)**

Scottsville Phase 3 Water Main Replacement: An evaluation of a portion of the water main along East Main Street to investigate reduced fire flow revealed significant tuberculation in the water main. The design of the replacement of this aging and undersized cast iron pipe is currently underway and is expected to be completed in FY 2017 using funds already appropriated. Construction will begin in FY 2018 with funds previously budgeted. **FY 2018 Budget - $0 (FY 2017 Budget - $350,000)**

Scottsville Phase 4 Water Main Replacement (New): This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast iron water mains throughout our water systems. The amount budgeted is for the design of the replacement of the remainder of the aging pipe within the Scottsville Water System. The

design will be carried out in FY 2018 with construction anticipated to occur in FY 2020 and FY 2021, possibly as separate phases. **FY 2018 Budget - $301,900**

Crozet Phase 3 Water Main Replacement: 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. This project continues our systematic program to replace the aging and undersized asbestos-cement water mains in the Crozet Water System. This is the third of five phases that have been defined to carry out these improvements. The design phase of the project is nearing completion and it will soon be ready to bid. The amount budgeted is for construction to take place in FY 2018. **FY 2018 Budget - $914,200 (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 design phase has been completed but ACSA staff is revisiting certain aspects related to security that we have become more aware of in our Vulnerability Assessment efforts. Construction is anticipated to begin in FY 2018 with funds budgeted in previous fiscal years. **FY 2018 Budget - $0 (FY 2015 to FY 2017 Budgets - $2,125,000)**

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 has been completed and easement acquisition is underway. The amount budgeted, plus funds previously budgeted, is to begin construction in FY 2018 and complete it in FY 2019. **FY 2018 Budget - $530,800 (FY 2016 and FY 2017 Budgets - $1,511,600)**

Jefferson Village Water Main Replacement (New): This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are approximately 49 years old and have reached the end of their useful life. As a former well system that was connected to public water, many of the mains are also undersized. The amount budgeted is for the design phase to be completed in FY 2018 with construction anticipated to take place in FY 2020. **FY 2018 Budget - $188,800**

Barterbrook Phase 2 Water Main Replacement: 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. An investigation into reduced fire flow in the area revealed significant tuberculation in the water main, further reinforcing the need to replace these aging water mains. This project addresses our Strategic Plan goal to replace aging and undersized water mains throughout our system. The design phase is currently underway and is expected to be completed in FY 2017, using funds previously budgeted. Construction is scheduled for FY 2019. **FY 2018 Budget - $0 (FY 2017 Budget - $147,000)**

Meriwether Hill Water Main Replacement (New): This project follows our Strategic Plan goal of replacing all asbestos-cement and galvanized steel water mains in our system. The existing water mains have been in service approximately 41 years and are reaching the end of their useful life. As a former well system that was connected to public water, many of the mains are also undersized. The amount budgeted is for the design phase to be completed in FY 2018 with construction anticipated to take place in FY 2020 and FY 2021. **FY 2018 Budget - $280,000**

Glenmore Drainage Basin Rehailitation: The Glenmore Water Resource Recovery Facility (WRRF) has experienced peak influent flows during wet weather events that have made this drainage basin a priority for investigating infiltration and inflow (I/I). This project continues our efforts to maintain the integrity of our wastewater collection system. The study area included the entire Glenmore Subdivision. The SSES is nearing completion with the final report expected by the end of FY 2017. The amount budgeted is to complete the rehabilitation work identified in the report in FY 2018. **FY 2018 Budget - $75,000**

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 2018. **FY 2018 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 competitive contracting language of the City rehabilitation contract that will allow the ACSA to enter into a separate contract with the winning bidder. The contract is set to be awarded in the very near future and is renewable on an annual basis in four consecutive years. 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 2018 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. The design phase is currently underway and is anticipated to be completed in FY 2017 with funds previously budgeted. Construction is anticipated in FY 2019. **FY 2018 Budget - $0 (FY 2016 Budget - $105,000)**

Peter Jefferson Place Pump Station Improvements: This pump station was constructed 17 years ago and designed to serve a large drainage basin with the potential for dense development. To date the potential development within the drainage basin has been slow and as a result the pumps are over-sized for the amount of flow received at the station. Due to the lower flows the pumps are not operating efficiently and this is increasing the wear and tear on the equipment. A study to evaluate options to improve the efficiency of the pumps was recently completed and the best option included replacing the pumps and making some piping adjustments. The design phase is scheduled to begin in FY 2017 and carry over into FY 2018 with funds previously budgeted. The amount budgeted for FY 2018 is to implement the recommended changes to the pumping equipment, including SCADA controls, and a new emergency standby generator. **FY 2018 Budget - $266,000 (FY 2016 Budget - $105,000)**

Madison Park Pump Station Upgrade: This wastewater pump station was constructed 33 years ago by private development and the original equipment is wearing down. In addition the building is undersized, creating difficulty in performing routine maintenance, and making it impossible to install the control panels necessary to include this pump station in our new SCADA System. The study to evaluate the best option for upgrading this pump station has been completed and the selected option will be to replace the existing pump station. The design of the pump station will begin in FY 2017 with funds previously budgeted and will carry over into FY 2018. The amount budgeted is for the construction of the selected option in FY 2018. **FY 2018 Budget - $338,700 (FY 2017 Budget - $60,000)**

Lewis Hill – West Leigh Water Connection (New): The existing PVC water main that serves as the primary connection between West Leigh Subdivision and Lewis Hill Subdivision is at risk for failure due to the encroachment of a nearby stream. The water main has been taken out of service to avoid a catastrophic failure and the resulting large volume of lost water. This project re-establishes the connection from West Leigh by taking advantage of the recent water main replacement along Sheffield Road with an 8" diameter pipe. Preliminary design work has already begun with an ACSA staff engineer. The amount budgeted is for in-house construction by the Maintenance CIP crew in FY 2018. **FY 2018 Budget - $80,900**

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 second phase is currently under construction and is expected to be completed in FY 2017. The design of Phase 3 is nearing completion and construction is expected to be finished in FY 2018 using funds previously budgeted. **FY 2018 Budget - $0 (FY 2017 Budget - $245,400)**

Ashcroft Pump Stations #2 & #3 Capacity Improvement: 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 design phase is nearing completion with construction expected to begin in FY 2017 and carry over into FY 2018. The amount budgeted is the balance of funds necessary to complete construction in FY 2018. **FY 2018 Budget - $274,600 (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 2018 Budget - $100,000**

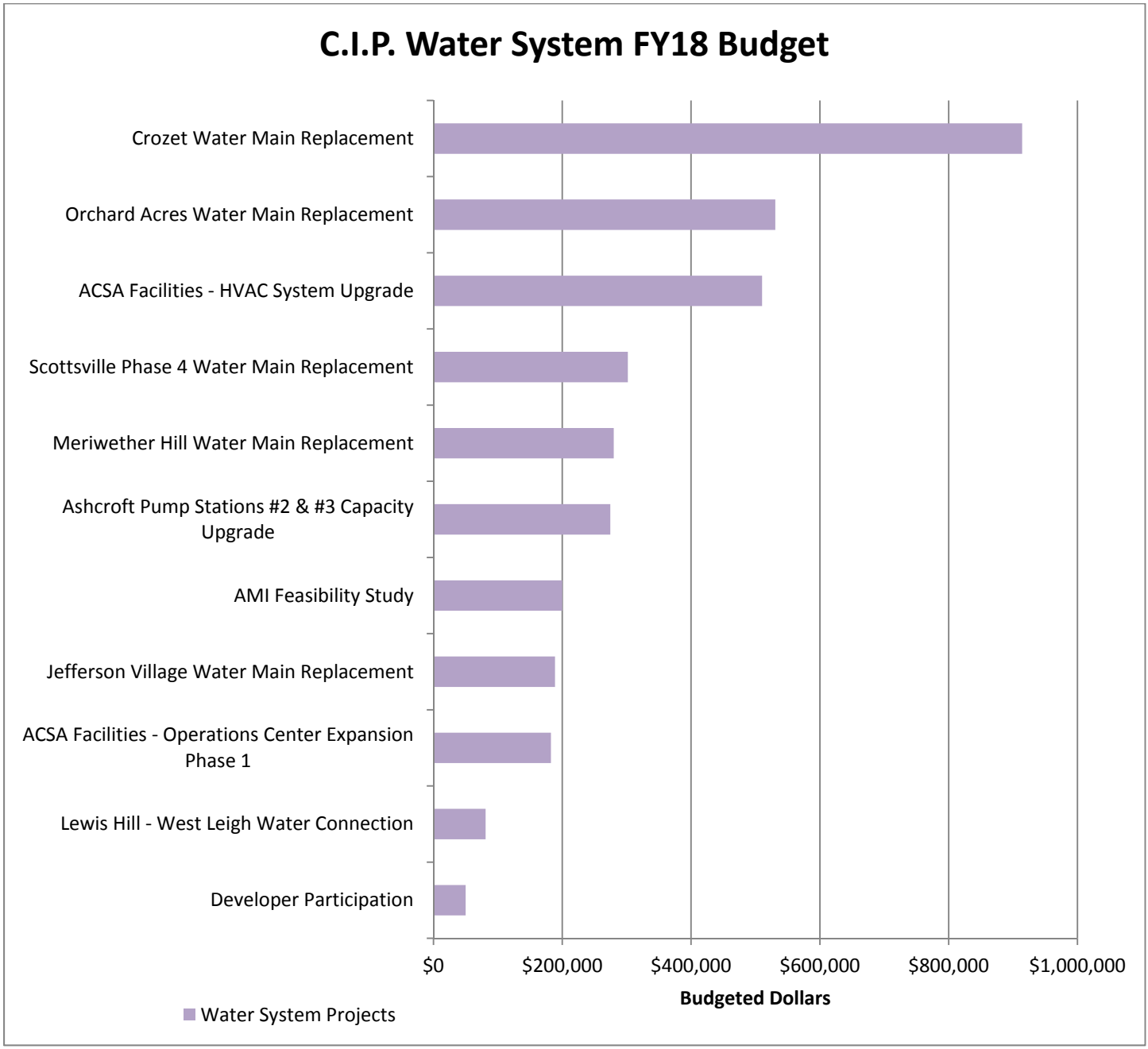
Albemarle County Service Authority Water & Sewer Rate Model

SCHEDULE 6 - CAPITAL IMPROVEMENT PROJECTS

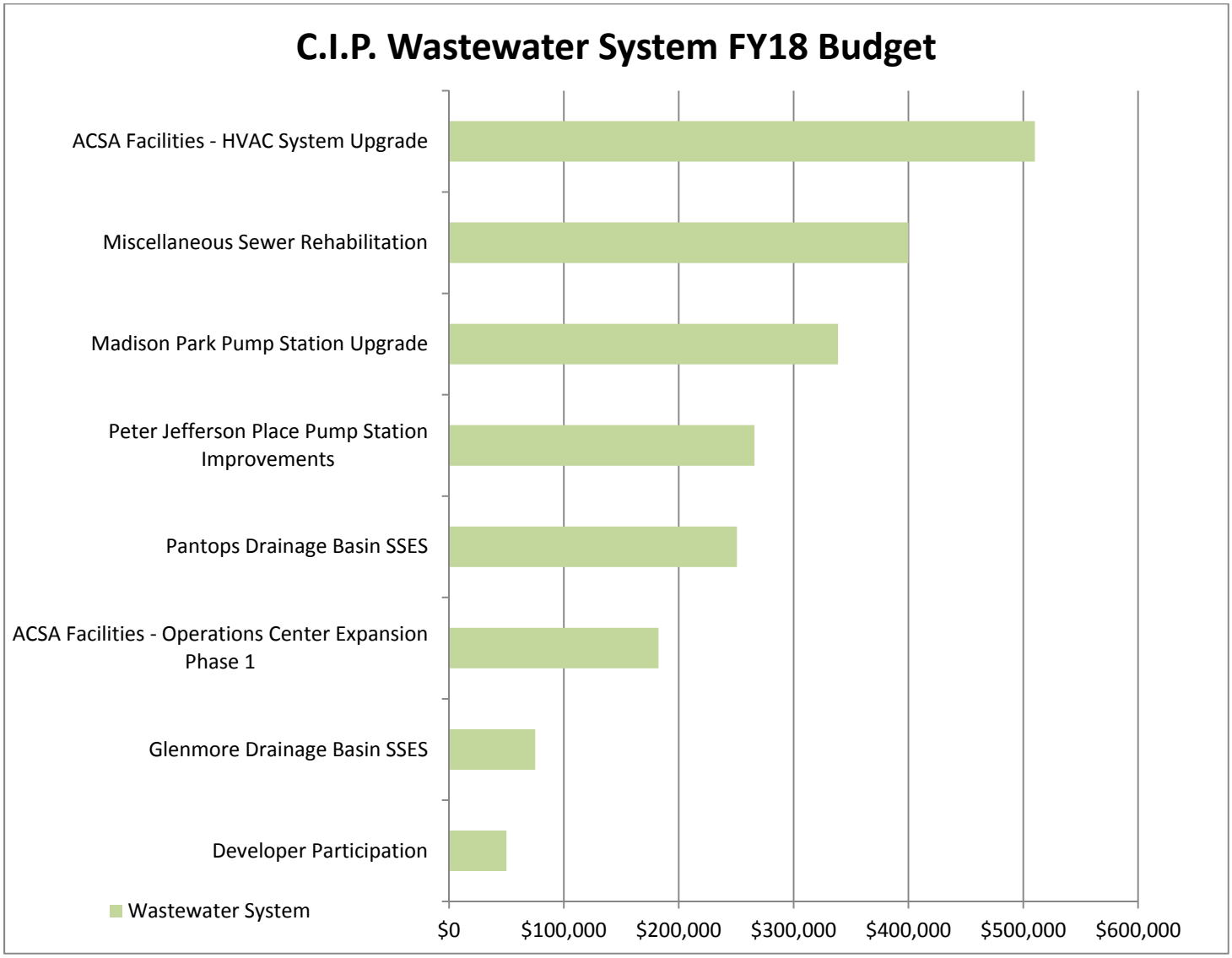
Water System	Percent Growth	2017 Forecast	**2018 Forecast**	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Radio Upgrades	0%	**188,000**										
ACSA Facilities - HVAC System Upgrade	100%		**510,200**									
ACSA Facilities - Operations Center Expansion Phase 1	100%		**182,400**									
ACSA Facilities Paving	0%	**60,500**										
AMI Feasibility Study	50%		**200,000**									
Scottsville Phase 3 Water Main Replacement	0%	**350,000**	**0**									
Scottsville Phase 4 Water Main Replacement	0%		**301,900**		638,600	744,700						
Ragged Mountain Water Phase I	0%						80,000					
Ashcroft Pump Stations #2 & #3 Capacity Upgrade	50%	**312,000**	**274,600**									
Glenmore Tank	100%	**975,000**	**0**									
Crozet Water Main Replacement	0%	**0**	**914,200**	312,000	650,000	1,950,000		243,000		1,042,500	347,500	
Orchard Acres Water Main Replacement	0%	**1,061,600**	**530,800**									
Jefferson Village Water Main Replacement	0%		**188,800**		942,000							
Rt 785 Water Replacement	0%				185,700							
Stagecoach Rd Water connection	50%										57,800	363,600
Berkeley Water Main Replacement	0%	**848,000**										
Westmoreland Water Main Replacement	0%	**791,900**										
Carrsbrook Transite Water Replacement	0%					200,300	594,550	594,550				
Northfields Transite Water Replacement	0%			644,000			1,472,400		1,472,400	1,472,400		
Baker Butler -Forest Lakes Water connection	0%			186,500								
Hessian Hills Water Main Replacement	0%			365,000		1,158,000	772,000					
Airport Acres Water System	100%									93,000	681,700	
Barterbrook Phase 2 Water Main Replacement	0%	**147,000**	**0**	770,000								
Running Deer Water Extension	100%							951,300				
Parkview Drive Water Connection	0%			224,000								
Old Lynchburg Rd Water Connection	50%								150,000			
Lewis Hill - West Leigh Water Connection	0%		**80,900**									
Woolen Mills - State Farm Water Connection	0%											662,000
Glenorchy - Viewmont Court Water Extension	100%							85,000				
Ashcroft Water Main Replacement	0%										140,100	872,000
Fontana Water Loop Connections	0%	**62,300**										
West Woods Water Main Replacement	0%	**155,700**										
Meriwether Hill Water Main Replacement	0%		**280,000**		800,000	800,000						
Kearsarge - Ednam Water Connection	100%										205,000	1,366,800
Camelot Water Main Replacement	0%	**218,900**	**0**	1,213,000								
SCADA System	100%	**245,400**	**0**									
Developer Participation	100%	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Actual Total Water Capital Projects		5,466,300	3,513,800	3,764,500	3,266,300	4,903,000	2,968,950	1,923,850	1,672,400	2,657,900	1,482,100	3,314,400

Wastewater System	Growth Non-Growth:	2017 Forecast	**2018 Forecast**	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Radio Upgrades	0%	**188,000**										
ACSA Facilities - HVAC System Upgrade	100%		**510,200**									
ACSA Facilities - Operations Center Expansion Phase 1	100%		**182,400**									
ACSA Facilities Paving	0%	**60,500**										
Airport Sewer Collector Upgrade Evaluation	100%											427,000
Glenmore WWTP Capacity Upgrade	100%			54,000		54,000			61,000		165,000	
Berkeley Phase II Sewer Relining	0%						252,000					
Redfields Pump Station Abandonment	0%			122,800								
Glenmore Drainage Basin SSES	0%	**300,000**	**75,000**									
Hollymead Drainage Basin SSES	0%			219,700	235,000							
Pantops Drainage Basin SSES	0%		**250,700**	150,000								
Camelot Drainage Basin SSES	0%	**154,100**										
Northfields Sewer	100%				612,000		612,000		612,000		612,000	
Buckingham Circle Sewer	100%				730,000							
Madison Park Pump Station Upgrade	0%	**60,000**	**338,700**									
Peter Jefferson Place Pump Station Improvements	0%		**266,000**									
Carrsbrook Collection System	100%						350,000	1,326,500	1,326,500			
Deerwood Sewer Phase II	100%				82,800							
Hessian Hills Sewer Phase III	100%						124,200					
Miscellaneous Sewer Rehabilitation	0%	**400,000**	**400,000**	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Oak Forest Pump Station Abandonment	0%	**0**	**0**	770,000								
Springfield Pump Station	100%											443,000
Ednam Forest Sewer	100%								530,000	846,600	2,539,700	423,300
Brookwood Road Sewer Extension	100%				21,000							
Buck Road Sewer Extension	100%						40,000					
Park Road Sewer Extension	100%							80,400				
Airport Acres Sewer	100%						308,900	976,900				
Airport Acres Offsite Sewer	100%					140,000	458,750					
Bellair - Liberty Hills Sewer	100%							313,200	414,000	1,242,000		
Greenbrier Drive Sewer Replacement	0%	**152,290**										
Developer Participation	100%	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Actual Total Sewer Capital Projects		1,364,890	2,073,000	1,766,500	2,130,800	644,000	2,595,850	3,147,000	3,393,500	2,538,600	3,766,700	1,743,300
TOTAL CAPITAL IMPROVEMENT PROJECTS		6,831,190	5,586,800	5,531,000	5,397,100	5,547,000	5,564,800	5,070,850	5,065,900	5,196,500	5,248,800	5,057,700

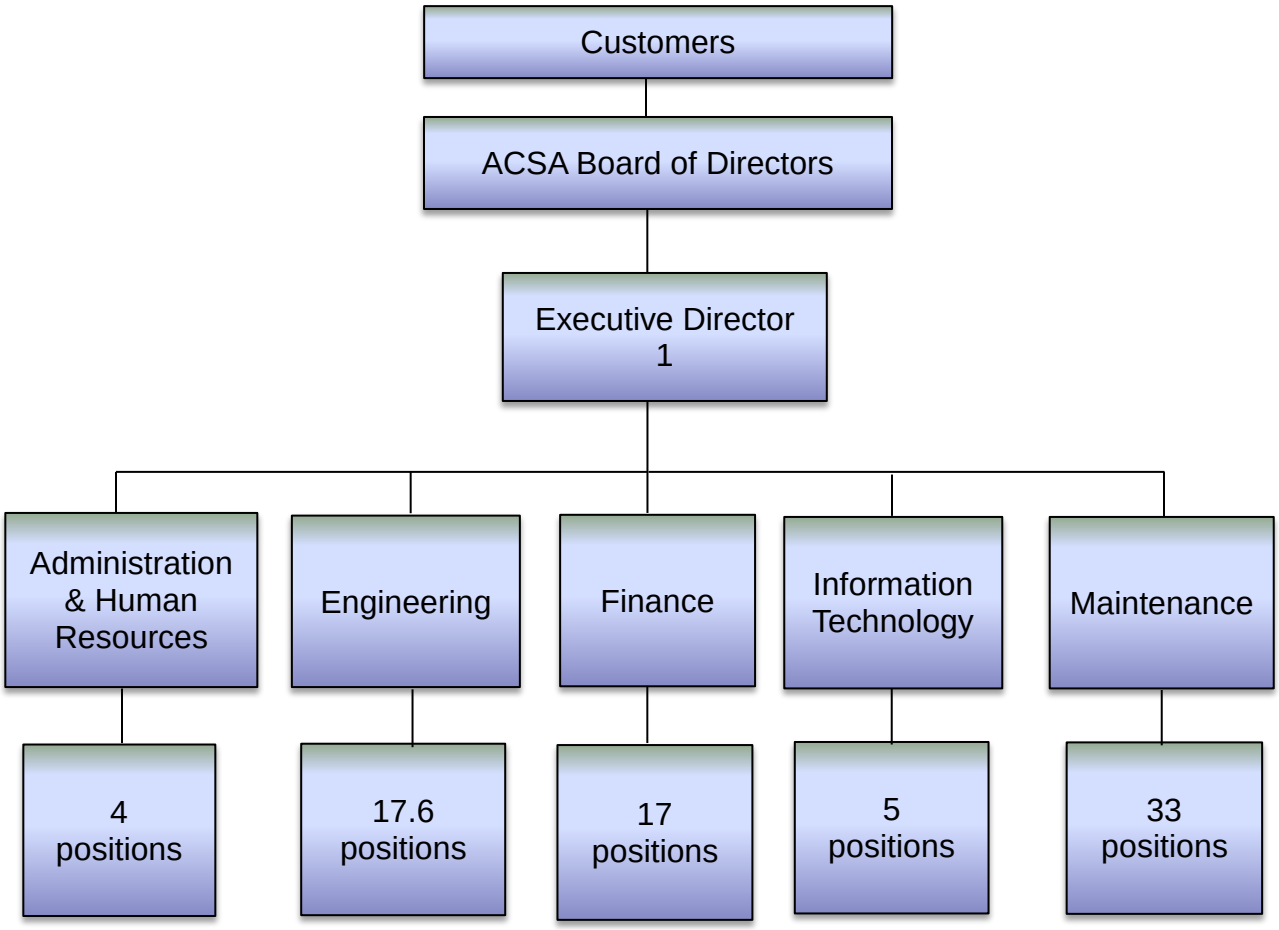
The following is an illustration of estimated water system project costs to be undertaken in FY 2018:



The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2018:



ACSA Organizational & Personnel Chart
Proposed FY 2018



ACSA Departmental Staffing – FY 2018

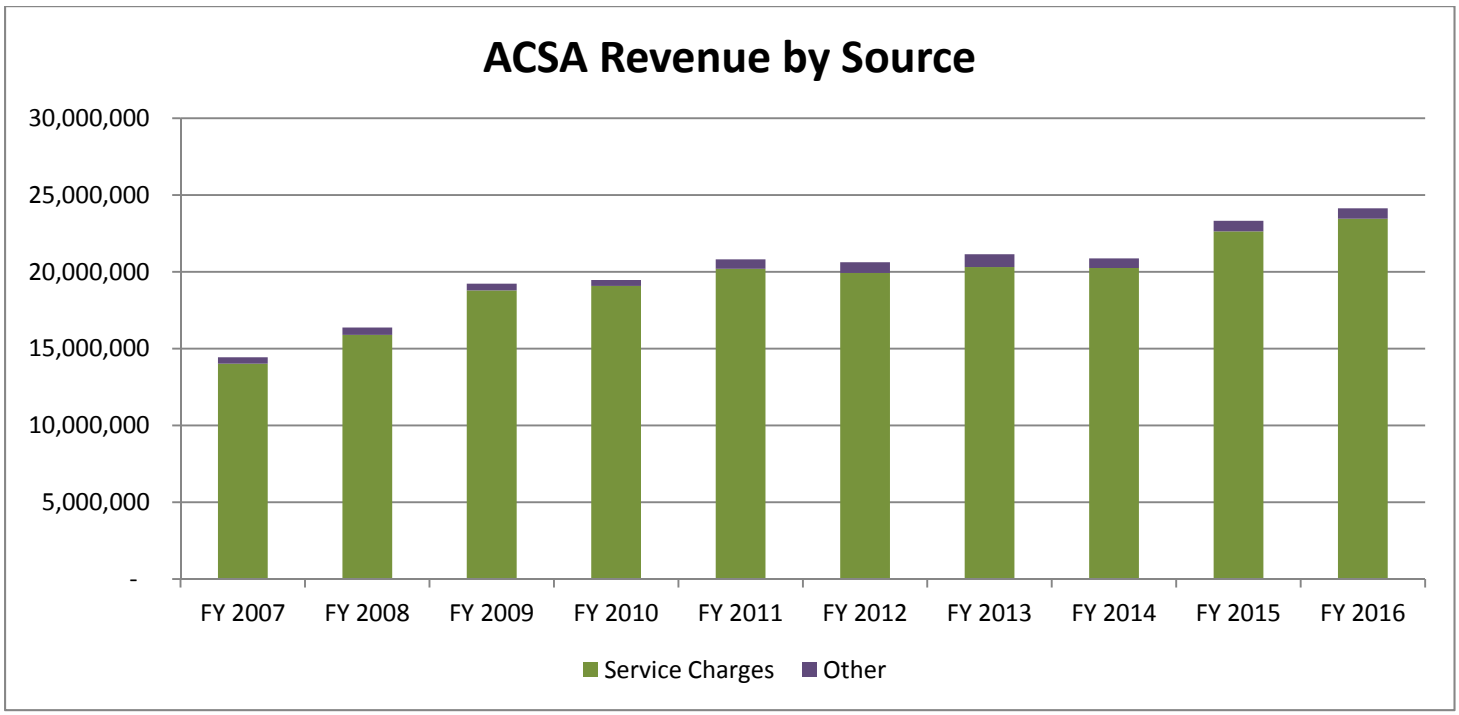
Department	FY 2016 Number of Positions	FY 2017 Current Number of Positions	FY 2018 Proposed Number of Positions
ADMINISTRATION			
Executive Director	1	1	1
Human Resources & Administration Manager	1	1	1
Administrative Associate	3	3	3
INFORMATION TECHNOLOGY			
Manager of Information Technology	1	1	1
Systems 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	5	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	2*
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	5**
Utility Worker 1/II/III	21	21	20**
TOTAL	***75.6***	***76.6***	***77.6***

*One new position proposed for FY2018. Please refer to the Engineering Departmental Budget summary for further information. As our system continues to grow we annually assess staffing needs to meet customers and organizational requirements.
**See Maintenance Reorganization note on page 38.

Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest Earnings	Other	Total
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
2016	23,460,681	117,728	27,645	215,035	675,878	24,496,967

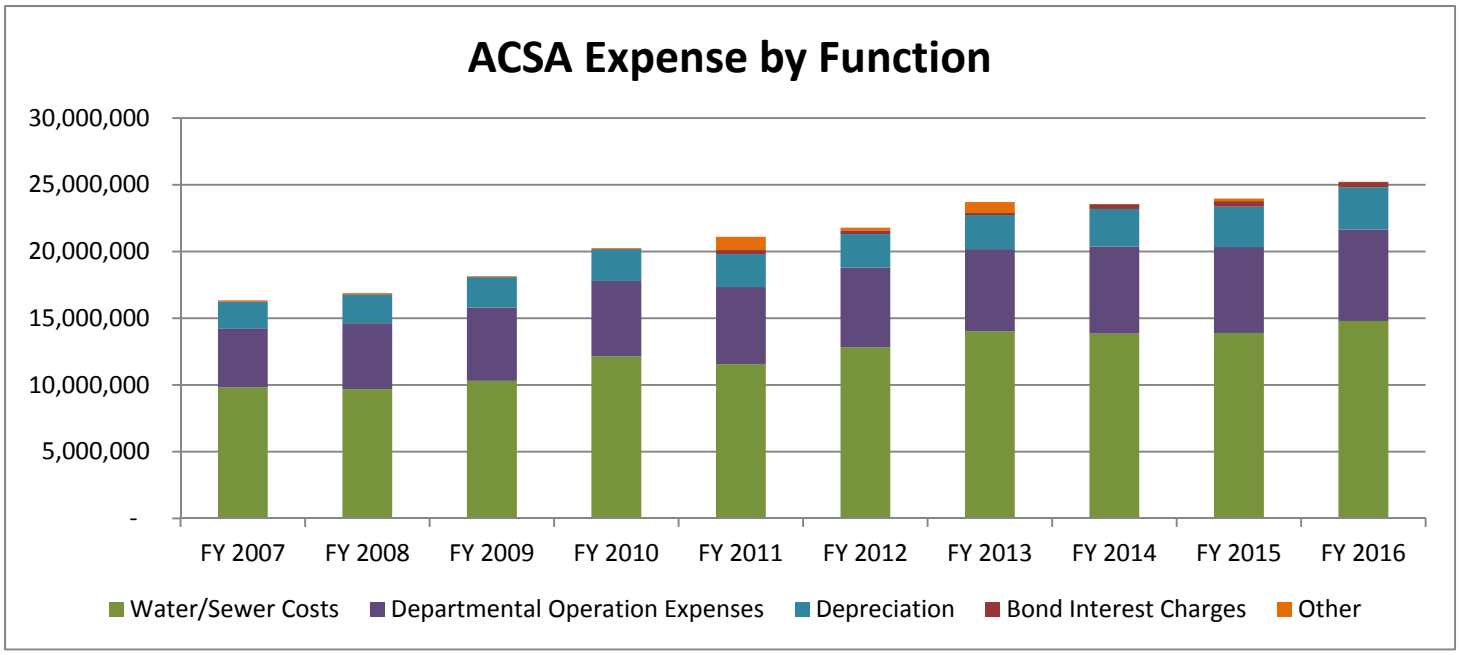
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operation Expenses	Bond Interest Charges	Depreciation	Other	Total
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
2016	14,795,643	6,843,659	395,056	3,177,311	22,163	25,233,832

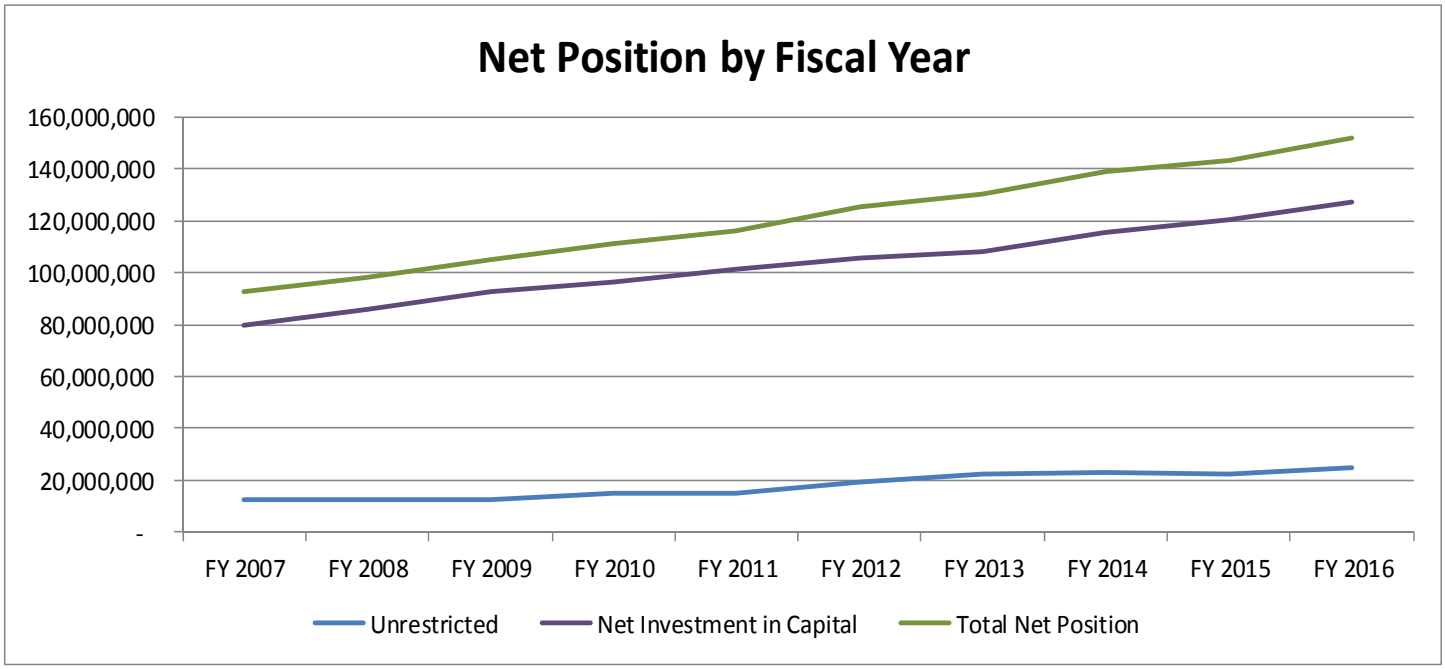
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.



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
2016	142,971,153	127,038,410	24,664,507	151,702,917	8,731,764

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



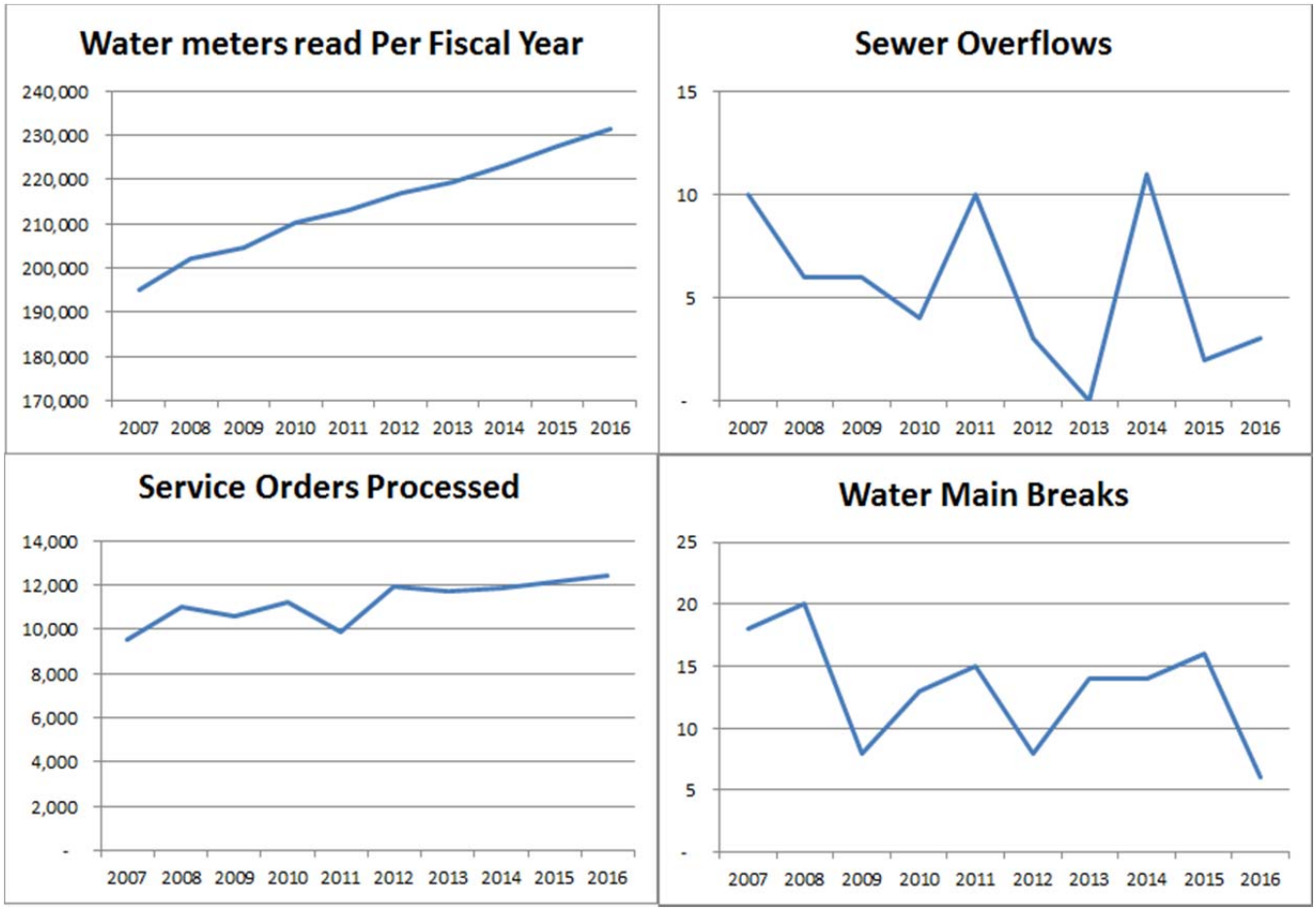
County Demographic and Economic Statistics

Calendar Year	Population	Personal Income	Per Capita Income	Per Capita Income as a Percent of U.S. Average	School Enrollment	Unemployment Rate
2006	92,035	5,785,403,000	43,738	122	12,766	2.5
2007	93,117	6,386,472,000	47,336	124	12,803	2.2
2008	94,075	6,823,322,000	49,971	126	12,830	3.0
2009	96,247	7,038,250,000	50,558	123	13,035	5.1
2010	99,150	6,742,806,000	47,779	121	13,222	5.1
2011	98,970	7,014,795,000	49,137	122	13,222	5.1
2012	102,251	7,609,998,000	52,687	124	13,122	5.2
2013	103,000	8,350,340,000	56,979	129	13,263	5.4
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7

Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

For the Year Ended June 30, 2016

Year Created	1964
Size of Service Area:	
Miles of water lines	338.52
Miles of sewer lines	281.67
Fire hydrants	2,511
Water pumping stations	9
Sewer Pumping stations	12
Water storage tanks	8

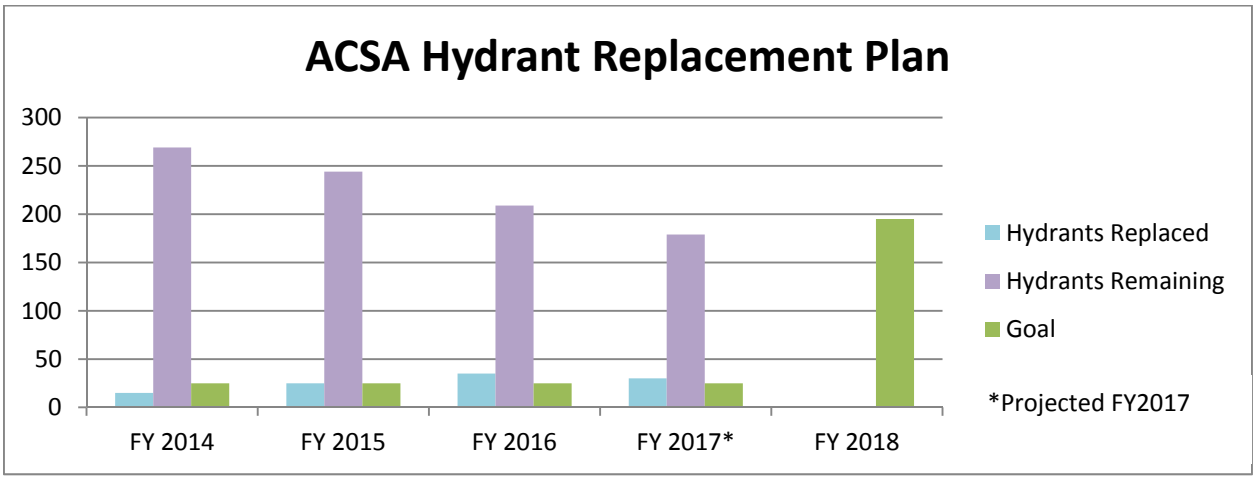


Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

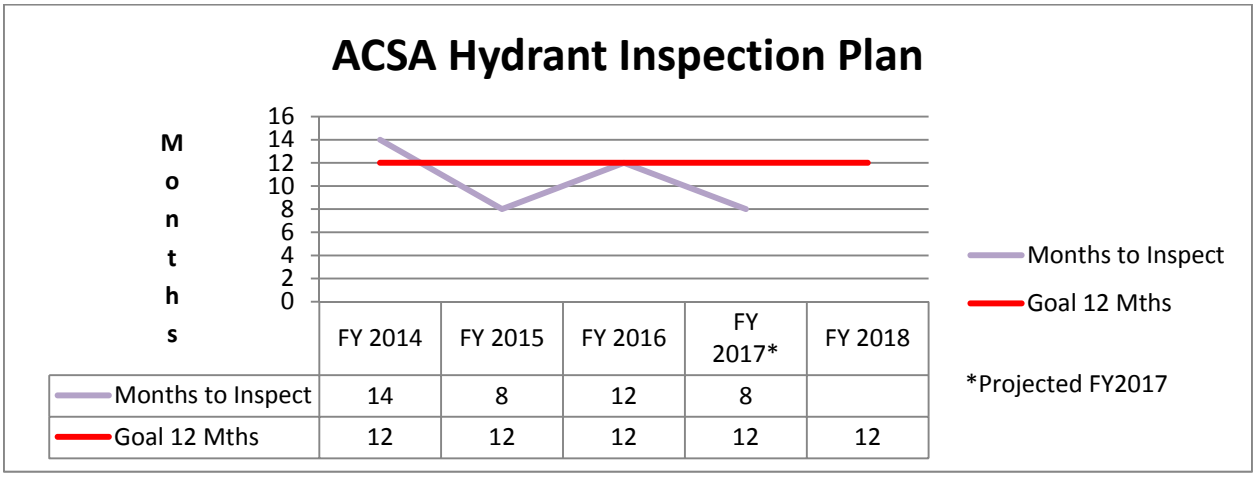
Performance Metrics

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 new program and the new goal to replace 195 hydrants:



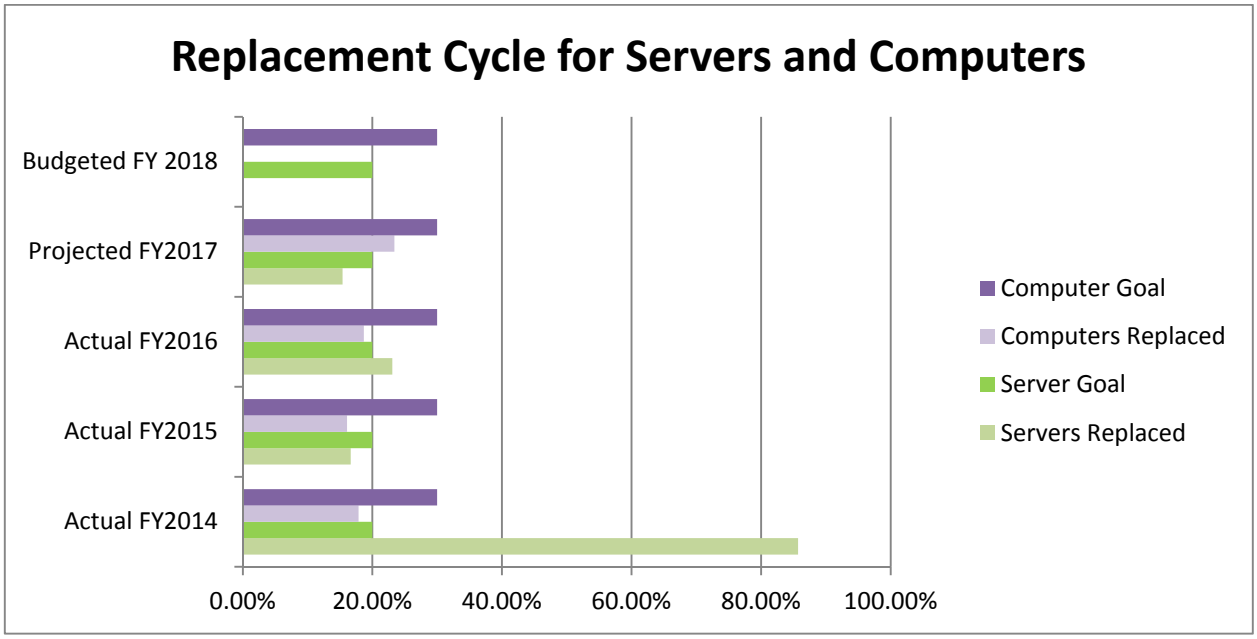
ACSA Hydrant Inspection Plan -- The ACSA has developed a process to better allow compliance with an AWWA standard that notes "all hydrants should be inspected regularly, at least once a year to ensure their satisfactory operation." Efficiencies in the ACSA program have allowed the ACSA to meet this goal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



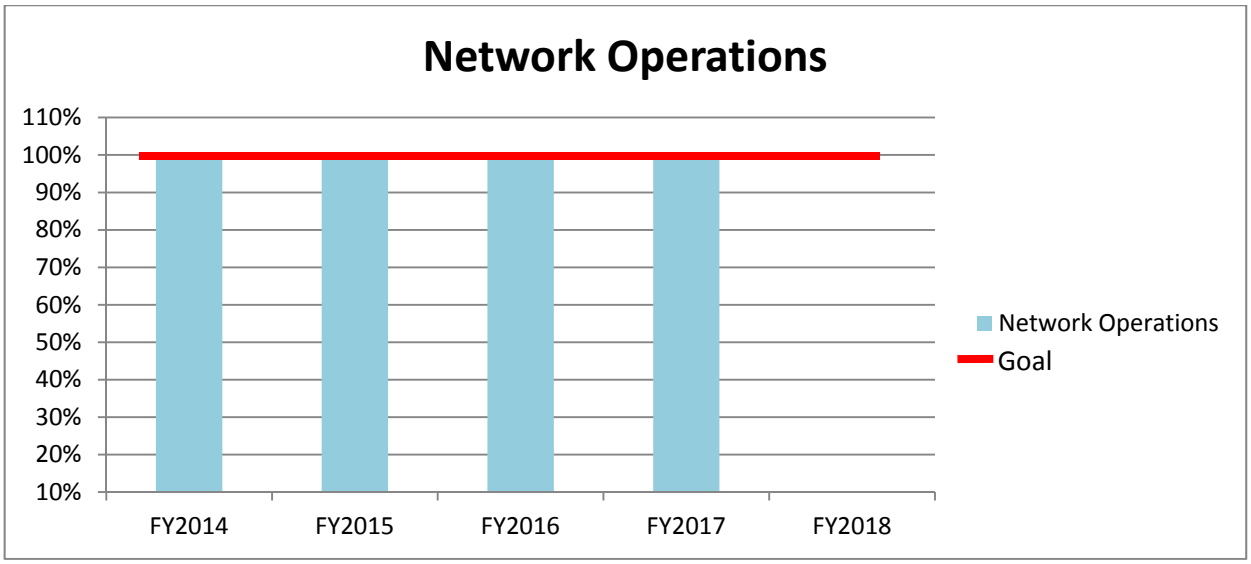
	FY 2014	FY 2015	FY 2016	FY 2017*	FY 2018
Months to Inspect	14	8	12	8	
Goal 12 Mths	12	12	12	12	12

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):

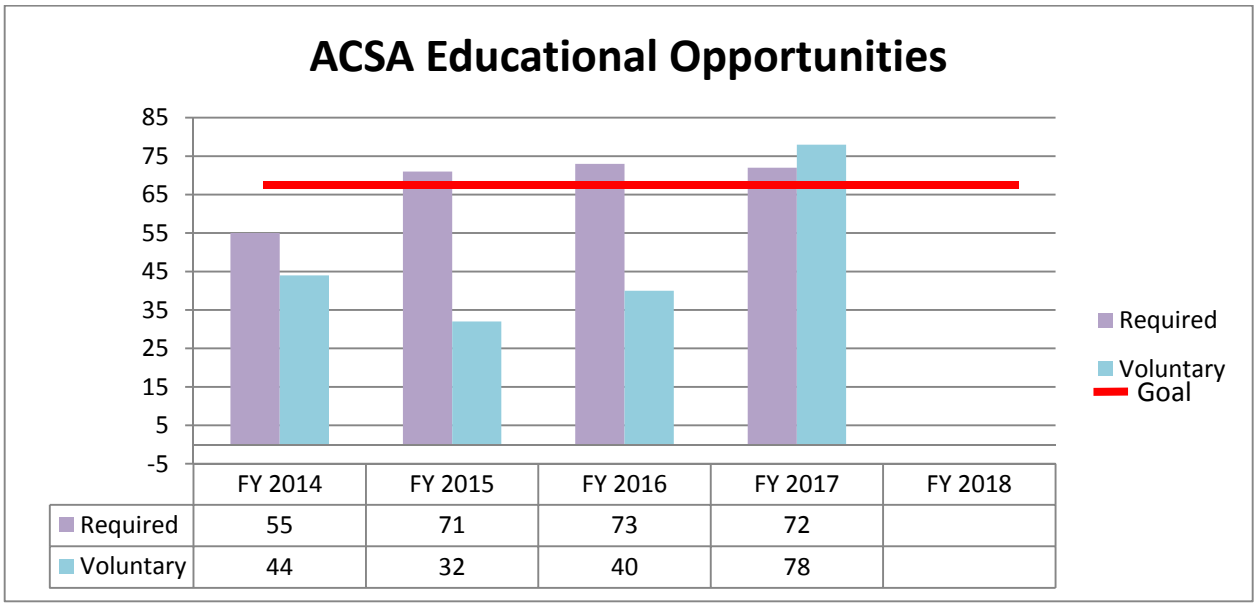


Network Operations – The IT Department has an adopted goal of network activity being operational 99% of the workday to ensure operational efficiency and access to internal customers. The chart below illustrates network operations historically and future goals:



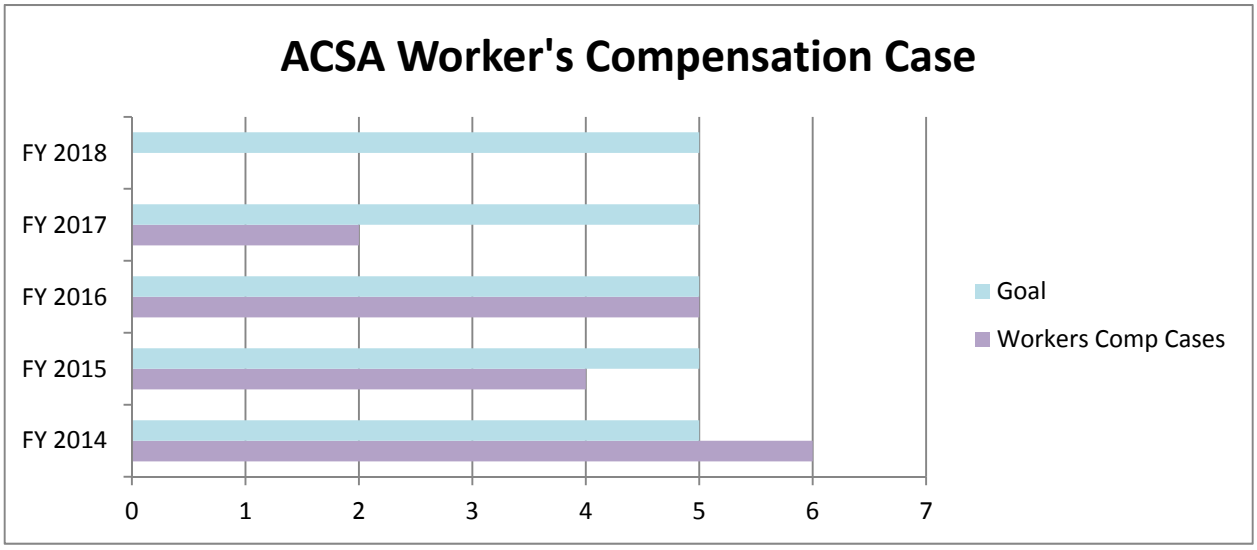
Performance Metrics continued:

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.



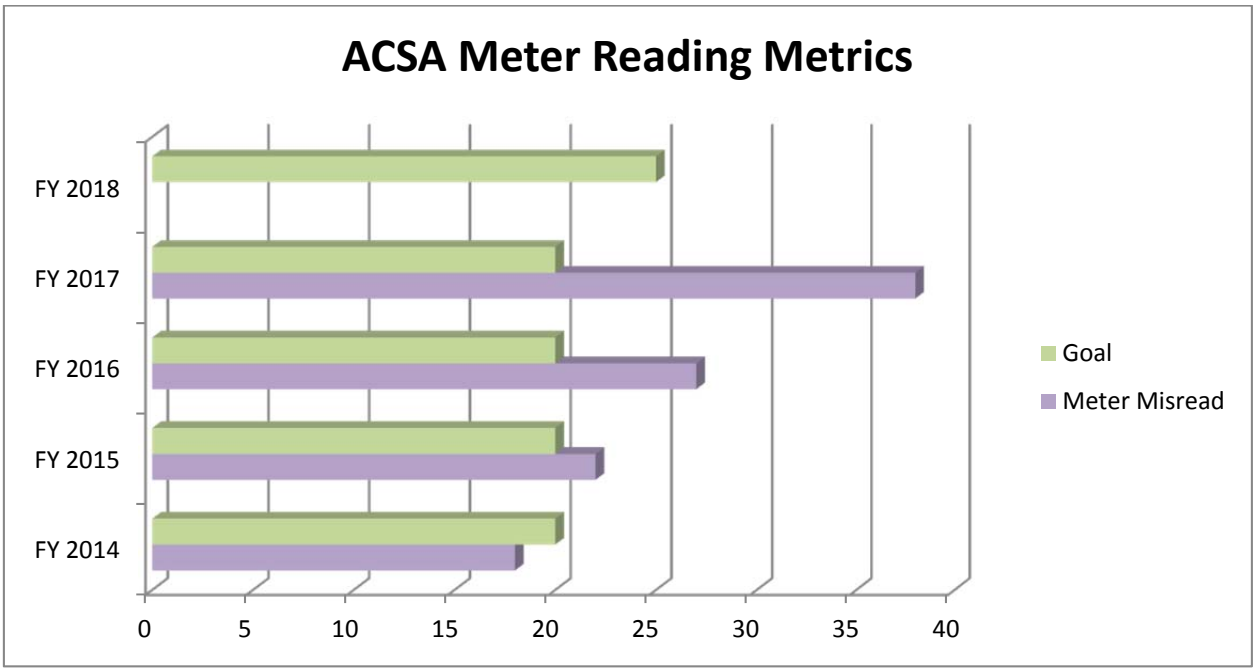
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Required	55	71	73	72	
Voluntary	44	32	40	78	

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.

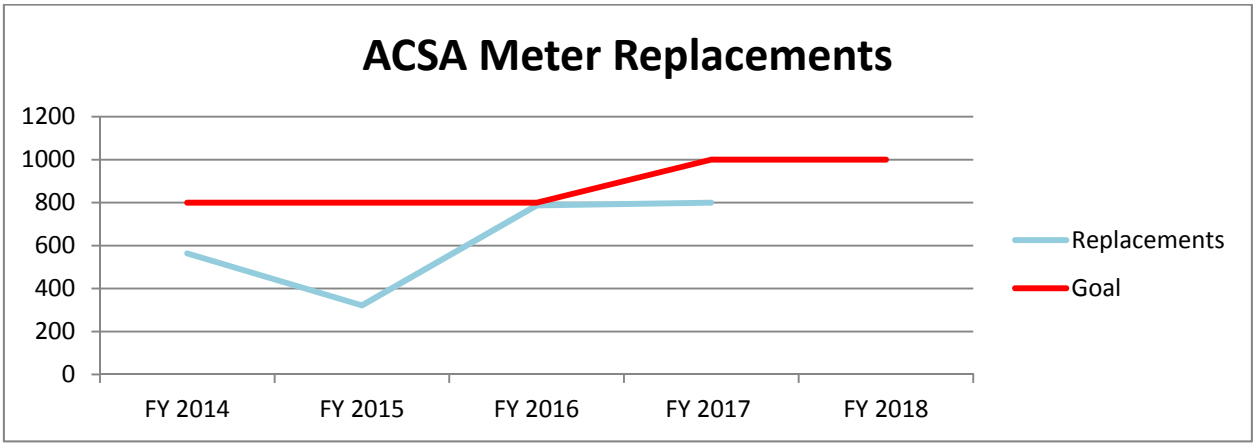


Performance Metrics continued:

Meter Reading Metrics – The ACSA reads over 231,000 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 25 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 1,000 of these meters per year.



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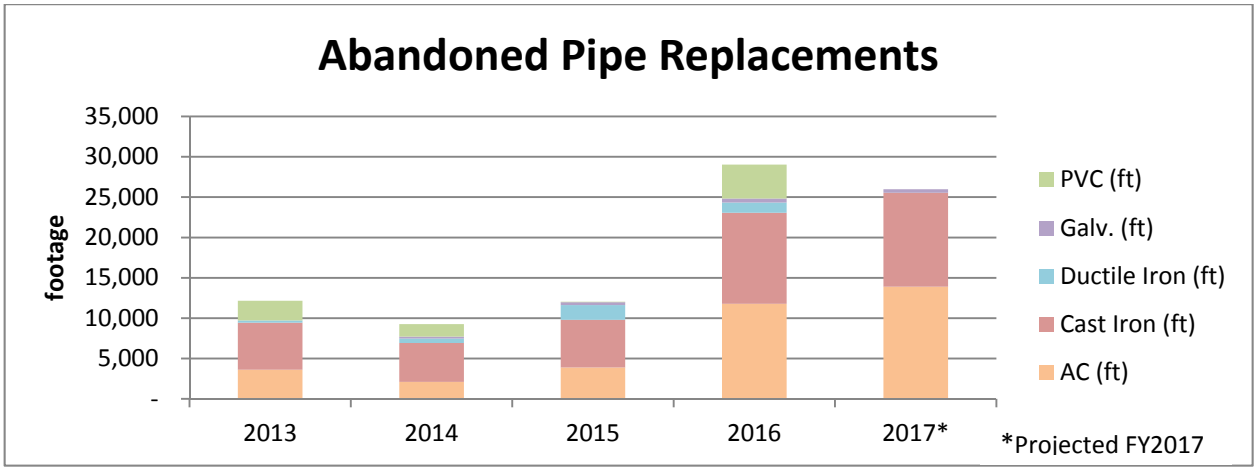
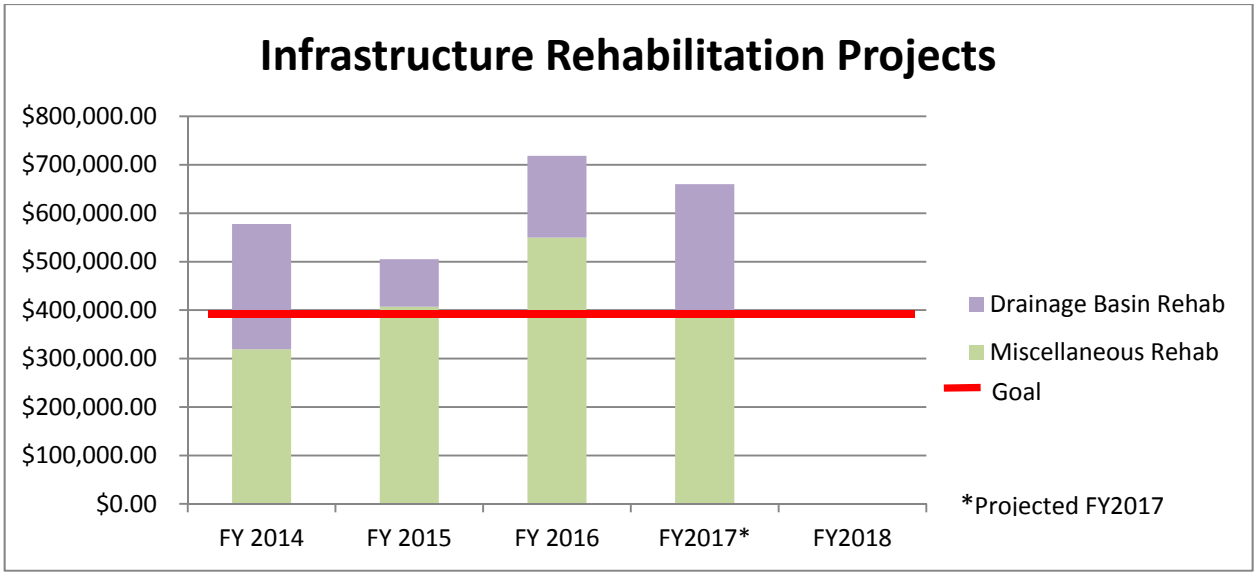
Performance Metrics continued:

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 320,000 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 two categories 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; including sewer system construction.

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-EMPLOYEMENT 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.

Align

Values

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

Commit

Community

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

Strive

Internal Focus

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

Aspire

Future

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

Albemarle County Service Authority

Serving Conserving

Vision

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

Mission

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