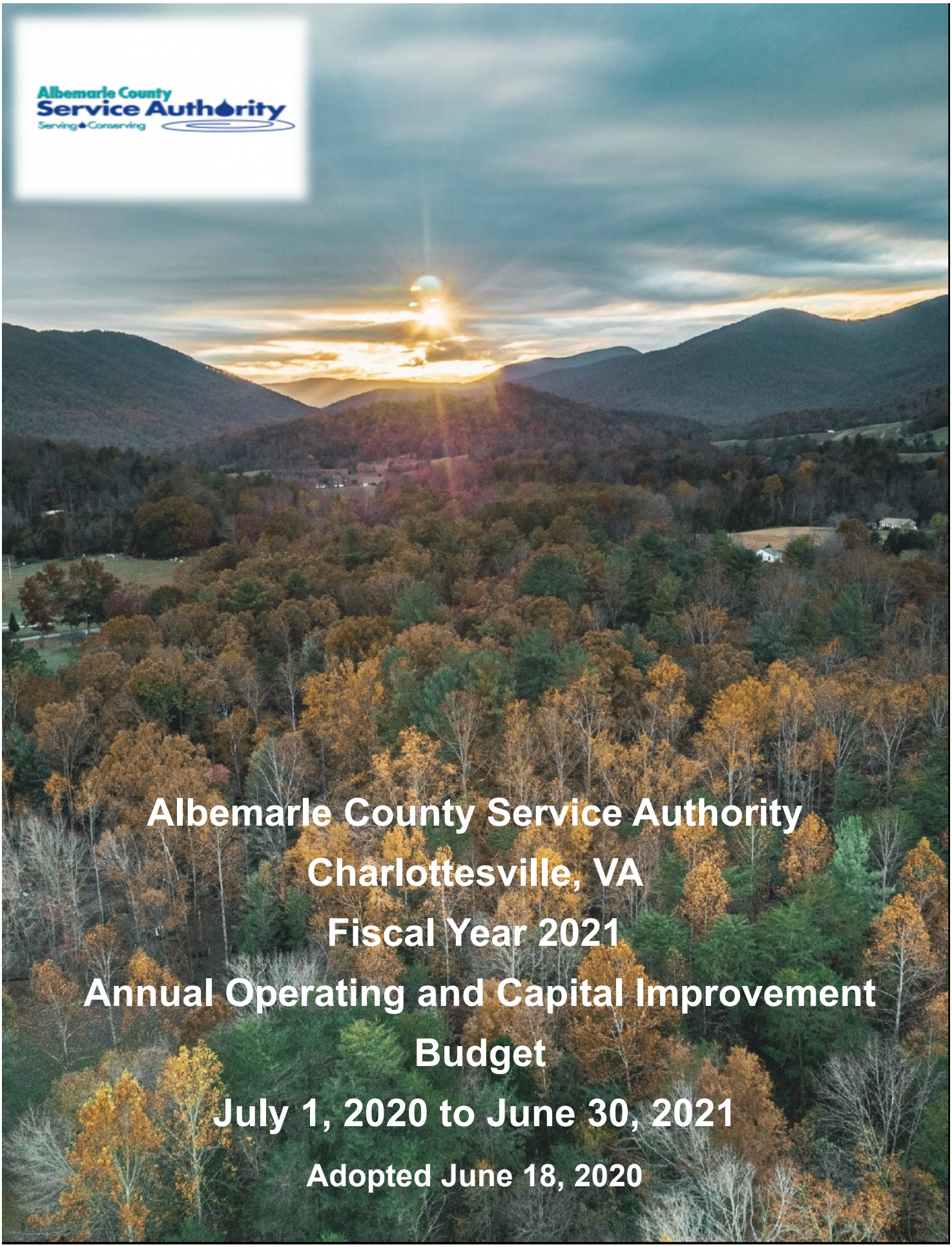


Albemarle County Service Authority
Charlottesville, VA
Fiscal Year 2021
Annual Operating and Capital Improvement Budget
July 1, 2020 to June 30, 2021

Adopted June 18, 2020

Albemarle County Service Authority
Serving Conserving

Table of Contents

Section I: Budget Overview:

Budget Letter 1

Facts At A Glance 8

ACSA Leadership 9

Strategic Goals and Strategies 10

Section II: Financial Structure, Policy and Process:

Fund Descriptions, Fund Structure, Basis of Budgeting and Accounting, Financial Policies 12

Budget Process 14

Section III: Budget Summaries:

Financial Summary 16

Operating Budget Highlights 17

Water and Sewer Rates 18

Frequently Asked Questions 19

Revenue and Expense Summary 20

Budget Revenues 21

Revenue Highlights 22

Changes in Net Position 23

Long-range Financial Plans 24

Section IV: Operating Budgets:

Operating Budget 25

Rivanna Water and Sewer Authority Expenses 26

Operating Budget Detail 27

Administration Department Budget 29

Finance Department Budget 33

Engineering Department Budget 37

Information Technology Budget 41

Section IV: Operating Budgets (continued):

Maintenance Department Budget 45

Debt Financing 49

Capital Equipment Budget 50

Section V: Capital Improvement Program:

Capital Improvement Budget 52

Capital Improvement Projects 56

Section VI: Budget Appendices/Supplemental Information:

Organizational & Personnel Chart 60

Departmental Staffing 61

Supplemental Information – Revenue by Source 62

Supplemental Information – Expense by Function 63

Supplemental Information – Changes in Net Position 64

Supplemental Information – County Demographic and Economic Statistics 65

Supplemental Information – Miscellaneous Statistical Data 66

Glossary 67

Vision and Mission Statement and Guiding Principles 70

Albemarle County Service Authority

Serving Conserving

May 21, 2020

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, reliable Albemarle water for an excellent value. Even in these difficult economic times, we remain committed to working with our community water partners as we maintain and improve our utility system in a timely, cooperative, and financially responsible manner. The proposed Fiscal Year 2021 budget totals $32,570,000 and reflects our continuing commitment to safe and reliable water. As our Vision Statement confirms, "serve and conserve today, sustain for tomorrow, and protect our resources forever."

Over the past ten years, the ACSA has invested nearly $60 million in capital improvements to assure system reliability, redundancy, and high-quality water and sewer systems. In Fiscal Year 2021, the ACSA proposes to spend $6,909,400 on ACSA capital improvements that further safe drinking water delivery, the collection of wastewater for treatment and modernization of critical infrastructure and processes. We continue to increase our investment in improving our water and sewer infrastructure through this proposed budget.

Our regional partner, the Rivanna Water and Sewer Authority (RWSA), plans to invest over $132 million over the next five years towards clean water and wastewater treatment capital projects. This is significant to ACSA customers not only for providing safe and reliable water, but over 60% of our customer's water and sewer bill is used to pay for water and wastewater treatment from the RWSA. Major RWSA projects include: renovations and upgrades at the Crozet, South Rivanna, and Observatory water treatment plants, installation of a 24" water main from the South Rivanna Water Treatment Plant (SRWTP) to Hollymead Town Center, installation of a wastewater flow equalization tank in Crozet and repairs to the Sugar Hollow and South Rivanna Dam. The Granular Activated Carbon (GAC) advanced water treatment filtering system, provides clean, safe water to all customers in the ACSA's service area. Continuing water quality testing shows excellent water quality results that benefits all ACSA customers.

This budget reflects an adjustment for current and future expectations and limitations due to the COVID-19 Pandemic and impacts it has and will have on Authority operations and our customers. We have worked closely with the RWSA to mitigate rate

impacts that would have been felt by our customers. This collaboration facilitated a comprehensive review of current and future capital projects and other budget items that could be deferred in the near-term as we all recover from the real economic and social impacts of the pandemic.

We are pleased to present the ACSA's Proposed Operating and Capital Improvement Budget for Fiscal Year 2021 (July 1, 2020 to June 30, 2021). The FY 2021 budget continues to address long-term strategic initiatives that benefit our customers, while being especially mindful of economic restraints. After comprehensive review of RWSA costs for water and wastewater treatment, we project an increase of only $80,300 or 0.4%. We will continue to invest in improving our water and sewer infrastructure through this proposed budget.

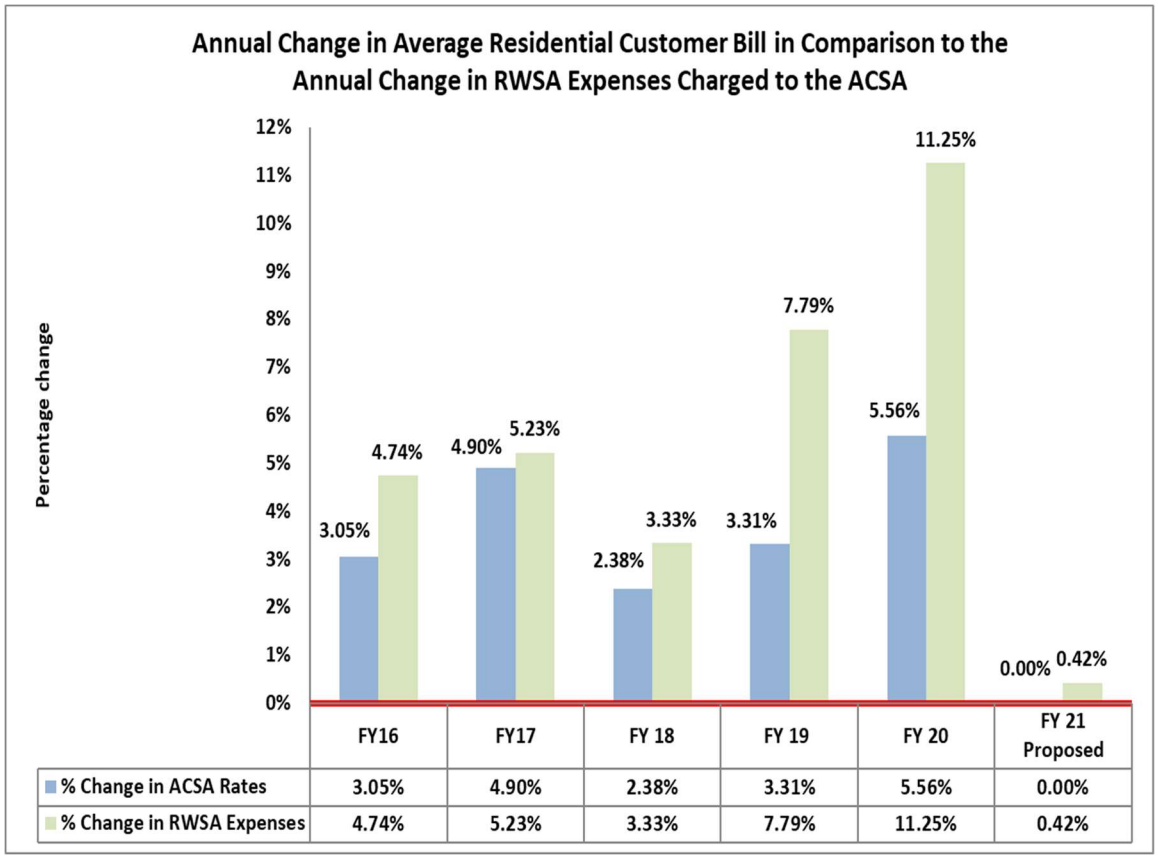
We are proposing that **monthly user rates remain the same, meaning, authority customers will not see changes in their monthly charges**.

ACSA Water and Sewer Monthly User Rates

	FY 2020	FY 2021
Service Charge	$ 8.57	$ 8.57
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 4.48	$ 4.48
Level 2 (3,001-6,000 gallons)	$ 8.98	$ 8.98
Level 3 (6,001-9,000 gallons)	$13.46	$13.46
Level 4 (over 9,000 gallons)	$17.96	$17.96
Multi-Family/Non-Residential (per 1,000 gallons)	$ 8.66	$ 8.66
Sewer/All Users (per 1,000 gallons)	$ 9.47	$ 9.47

One penny continues to buy over 2.2 gallons of water, 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, 2019, the average residential customer saw an increase of 5.56%. The average increase over the prior five years is 3.84%.



	FY16	FY17	FY 18	FY 19	FY 20	FY 21 Proposed
% Change in ACSA Rates	3.05%	4.90%	2.38%	3.31%	5.56%	0.00%
% Change in RWSA Expenses	4.74%	5.23%	3.33%	7.79%	11.25%	0.42%

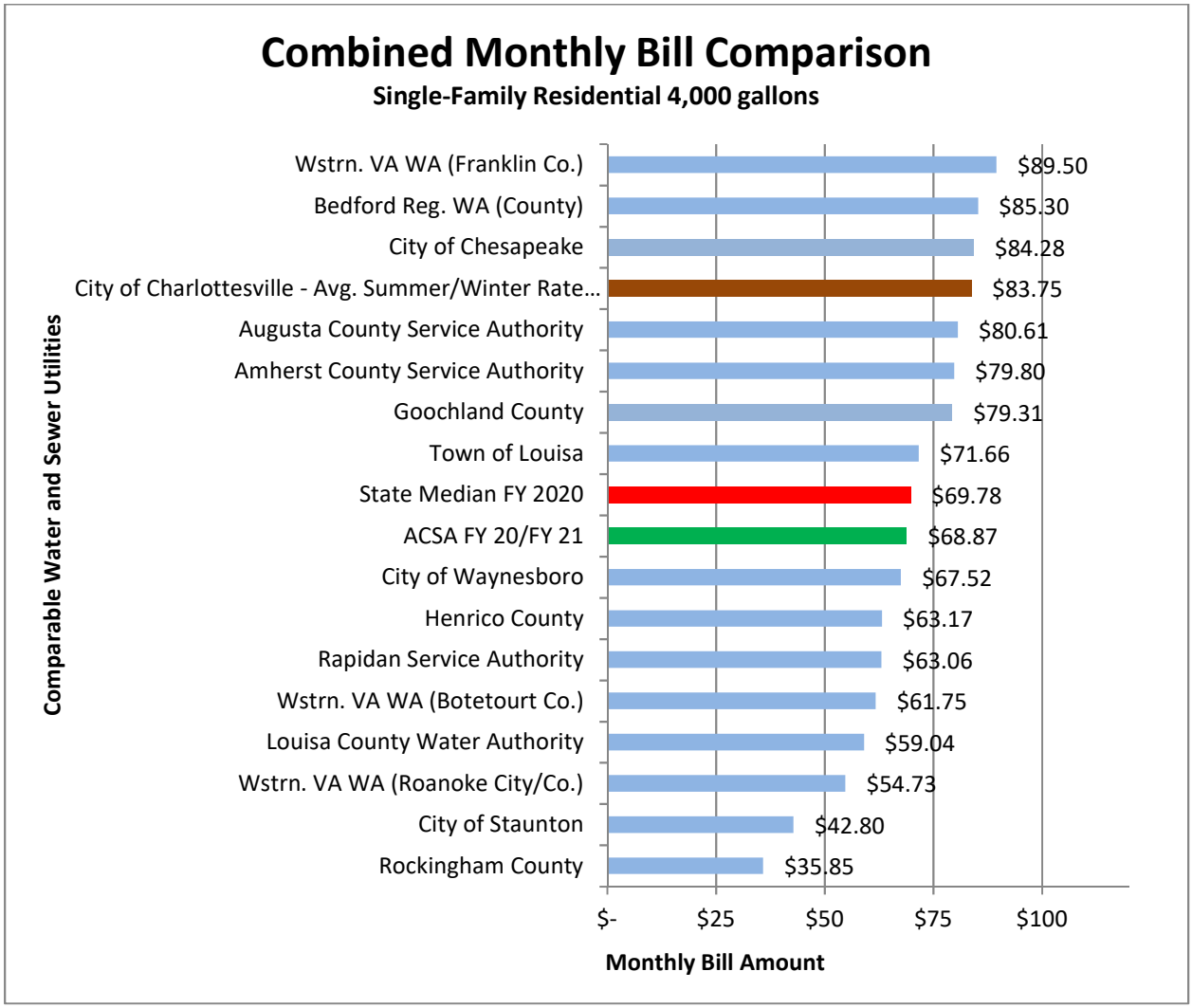
Following an extensive analysis of the cost of service utilizing our rate model, and consideration of impacts from the COVID-19 Pandemic **we propose that the monthly service charge remain unchanged**.

Rate Design – Monthly Service Charges

Meter Size (inches)	Water Customer Accounts	Current	Recommended
		FY 2020	FY 2021
5/8	19,308	$8.57	$8.57
1	691	$ 16.46	$ 16.46
1 ½	404	$ 29.65	$ 29.65
2	155	$ 45.45	$ 45.45
3	54	$ 87.64	$ 87.64
4	20	$ 135.08	$ 135.08
6	0	$ 259.08	$ 259.08

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

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



Source: The 31st Annual Virginia Water and Wastewater Rate Report 2019, http://daa.com/wp-content/uploads/2019/10/Report-2019-for-digital-WW.pdf

The Proposed ACSA Fiscal Year 2021 Operating Expenses totals $25,061,500, as compared to $24,771,300 for the current budget year (FY 2020). This represents an increase of $290,200, or 1.2% over the previous year. Our Capital Improvement Program (CIP) is proposed to be $6,909,400, as compared to the current budget of $10,397,300, and includes a continuation of major capital investment in our system, with an emphasis on needed water main replacements and modernization of our metering infrastructure through the implementation of an Advanced Metering Infrastructure (AMI) system.

This budget also proposes that water and sewer connection charges for new development remain at the current total rate, water at $6,650 per Equivalent Residential Connection (ERC) and sewer at $6,820 per ERC. This is based on a rate model and detailed analysis of the cost of providing new connections to the ACSA and RWSA systems, and the needed capacity to be able to serve new development. Capacity related projects create the need to re-evaluate connection charges on an annual basis to assure that growth is paying for growth.

Balancing the delivery of quality water and wastewater treatment, investing in the ACSA's water and sewer system infrastructure, improving service delivery, providing an elevated level of service to our customers, and now contending with the financial impacts of a new economic environment are some of the most important challenges facing the ACSA. To manage these challenges, these budgets are built on a solid foundation of over 56 years of water and sewer utility service to our customers in the Albemarle, Crozet and Scottsville communities.

Earlier this year, the ACSA released its 2020-2022 Strategic Plan, a roadmap for the immediate future that is specifically focused on efforts designed to benefit the ACSA and its customers as it lays the groundwork for a successful decade. 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.

The ACSA will increase efficiency and interactive metering by upgrading or replacing all our meters to incorporate an advanced metering infrastructure (AMI) system. This proven technology, under the program name MyWater, will enable our customers to view their water usage in near real-time, allowing them to keep a close eye on their bills. Customers will even be able to setup text, phone, and email alerts that will notify them about potential leaks and high bills before they can harm their bank accounts.

At the same time, ACSA staff will use MyWater to gain valuable information about how the water system is performing. We will be able to more rapidly identify problem areas and expedite leak detection. This will enable us to make repairs before volumes of water are wasted and large bills are received. We will also be able to alert customers about leaks on their property.

The ACSA, through its benchmarking work with the American Water Works Association (AWWA), also determined that its current maintenance management system was not meeting the long-term needs of the utility. A new Computerized Maintenance Management System (CMMS) will provide the ACSA with an upgraded ability to manage essential work assignments and new levels of efficiency throughout our entire organization. Following a transparent proposal process, CityWorks was selected because of its ability to directly integrate with the ACSA's current systems. The new CMMS will also offer a customer web portal for the 24/7 creation of customer service requests; improved inventory and asset management; and enhanced tracking of work orders and asset inspections.

To everyone involved in the budget development process, from every employee to the Board of Directors, we thank you. We also would like to thank the ACSA Leadership Team of Mike Lynn, Pete Gorham, Travis Marrs, and Emily Niziolek, and the ACSA staff for their work in developing the operating budget, and to Pete Gorham, Jeremy Lynn and the Engineering staff for the development of the Capital Improvement Program (CIP) Budget.

These budgets and proposed rates maintain the ACSA vision for a strong financial future even while enduring record economic and community difficulties unseen in our lifetime, 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 56th year of water and sewer service to the Albemarle Community.

Employees:
Approximately 78 dedicated employees serve five different operating departments within the ACSA: Administration, Engineering, Finance, Information Technology, and Maintenance. Our employees are the backbone of the quality services that the ACSA provides to its customers.

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

Age of Pipes:
The ACSA water system has a variety of ages, types and conditions of pipes and facilities. We have an ongoing assessment to be sure our water mains deliver reliable water service. We have been active in water main replacement and our annual capital program investment meets our replacement needs. A recent analysis indicated that 53% 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 353 miles of interconnected pipes, 9 water pumping stations, 8 water storage tanks, and 2,747 fire hydrants.

Sewer Collection System:
Over 298 miles of sanitary sewer mains and 12 sewer pump stations comprise the ACSA sewer collection systems for businesses and residences in our service area.

Cost for Gallon of Water:
ACSA water is an excellent value, with 2.2 gallons of ACSA water costing one cent.

ACSA Service Area:
The ACSA provides service to over 77,200 residents, with over 20,000 retail accounts in six magisterial districts: Rio, Jack Jouett, Rivanna, Scottsville, Samuel Miller, and White Hall.

Financial Performance:
The ACSA's financial performance remains very strong and sustainable. With a very low level of debt, the ACSA is able to fund most capital projects out of the annual budgets. The ACSA's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019, from which the information within the Budget Appendices/Supplemental Section (Section VI) has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

The ACSA was awarded the Distinguished Budget Presentation Award from the GFOA for its FY 2020 budget. This marks the fourth consecutive year receiving this award and recognizes the ACSA's commitment to the highest principals of governmental budgeting.

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

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

ACSA Financial Information:
- FY 2021 Total Budget: $32,570,000
- FY 2021 Capital Improvements Budget: $6,909,400

Albemarle County Service Authority

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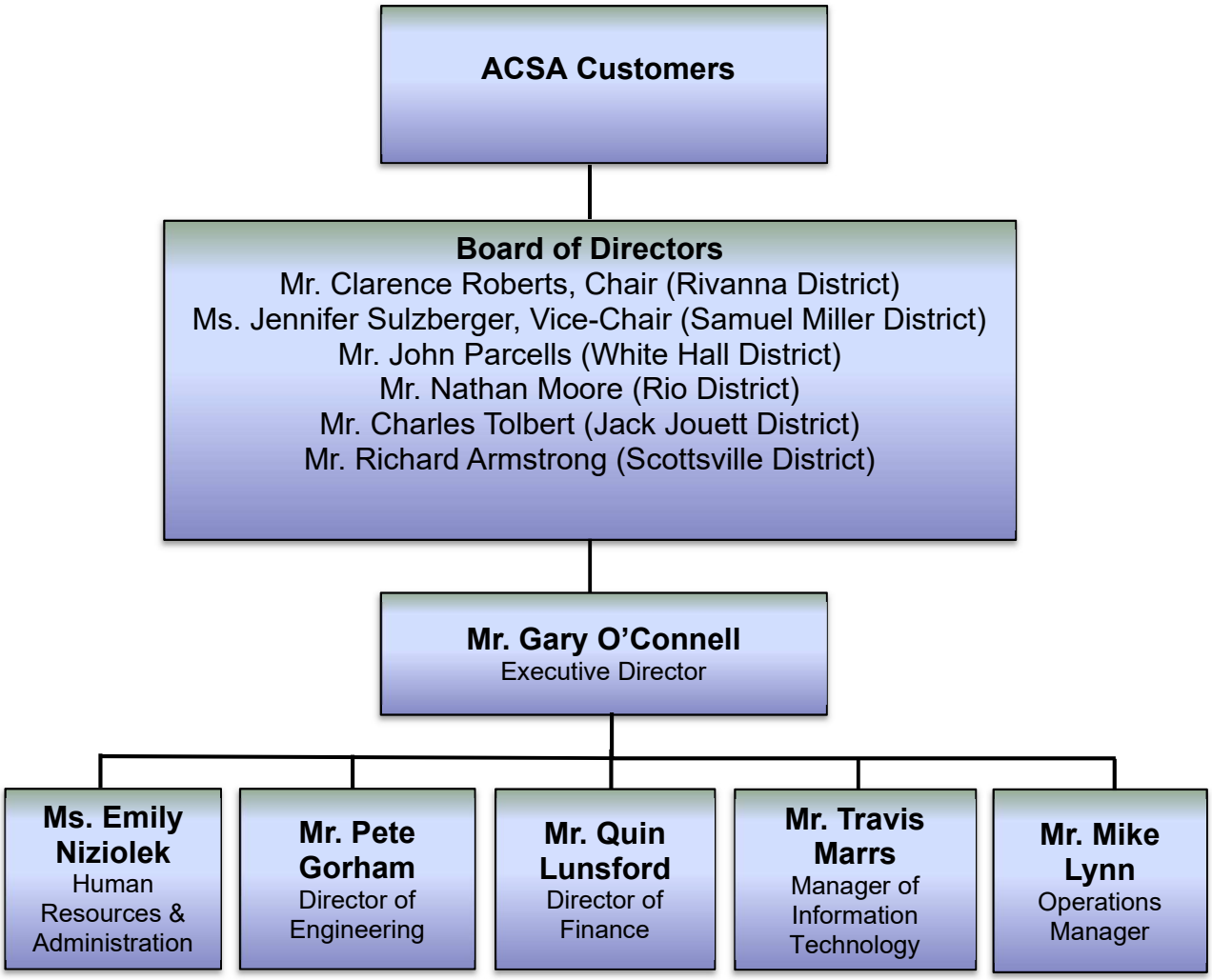


Strategic Goals and Strategies

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 56 years later, provides water distribution and wastewater collection services to 20,000+ accounts with over 353 miles of water mains and over 298 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 three-year Strategic Plan for FY's 2020-2022 outlines the ACSA's vision, mission, and guiding principles. The plan helps chart our future as we look to our next 50 years and establishes clear strategic actions that will be taken. We believe the Strategic Plan is a true reflection of the ACSA's vision to "serve and conserve" and helps us establish goals for years to come. The ACSA is proud to provide services that positively touch the lives of all our customers, every day. We continue to strengthen the ACSA's role in water leadership in our community, and with the Strategic Plan we identify and communicate our intentions for the future.

The ACSA's Strategic Plan sets forth two major initiatives. The first initiative includes deployment of an Advanced Metering Infrastructure (AMI) system that integrates technologically advanced water meters, communications networks, and data management systems that enable enhanced two-way communication between our utility and customers. This upgrades the customer experience, supports green initiatives, adds efficiencies, and provides strategic information for utility decision making. The second major initiative implements a Computerized Maintenance Management System (CMMS) which enables scheduling, tracking, and monitoring of maintenance activities to provide cost, inventory, personnel, and reporting history. This implementation will improve the overall efficiency of utility operations and will apply the latest technologies toward streamlining operational processes. In addition to these two major initiatives, the 2020 - 2022 strategic plan will also aim to address multiple goals that will set the utility on a positive course for the future. These areas of focus under the plan include:

- Succession Planning: Utilities across the country are facing the impacts of an aging workforce and loss of institutional knowledge. The ACSA will continue its succession planning efforts, using mentoring and professional development initiatives to prepare the ACSA for future waves of managerial retirement.
- Best Practice Inclusion: The ACSA will continue striving to learn from the best water utilities and schedule visits with these utilities to engage with leaders from other jurisdictions.
- Emergency Response Plan: Under the America's Water Infrastructure Act, the ACSA will complete training and checklists and our emergency preparedness to avoid water disruptions to our customers, building on our goal to be a highly reliable water provider. We will also incorporate a formal business continuity plan for operations in times of crisis, adding to system reliability.
- Improved Data Management and Utilization: The ACSA will explore the creation of a strategic implementation plan to best manage for upcoming data: GIS, Financial, SCADA, CMMS, AMI, and System Modeling. We will also implement an updated financial system.
- Implementation of IT Risk Assessment: The ACSA is taking a proactive approach to cybersecurity, implementing measures to further protect our computer/IT assets and data.
- Facility Master Planning: A long-term plan to ensure the ACSA can and will grow to meet the operational requirements to provide high quality customer service.

- Water and Energy Audits: The ACSA will incorporate utility best practices to reduce water loss using tools to identify water leaks throughout our system. The first audit is scheduled for 2020 and is expected to be carried out on an annual basis. The ACSA will also research and establish an energy efficiency initiative.
- Employee Pay Plans: The ACSA, in addition to its succession planning, will conduct annual, "market rate" recommendations to stay competitive as an employer in our area. We will emphasize competitiveness and internal equity to keep top performers working on behalf of our customers to provide the best service possible.

Further information related to these initiatives and the entire 3-year Strategic Plan can be found on our website at https://serviceauthority.org/wp-content/uploads/2020/01/ACSA-Strategic-Plan-2020-2022-Brochure.pdf.

Pictured above: Albemarle County Service Authority Staff

Fund Descriptions and Fund Structure

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

Basis of Accounting and Budgeting

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

Basis of Budgeting

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

Financial Policies

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

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

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

Operating Budget Policies

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

Operating Budget Policies (cont.)

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

Capital Budget Policies

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

Reserve Policies

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

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

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

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

Revenue and Expenditure Policies

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

Revenue and Expenditure Policies (continued)

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

Debt Policies

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

Budget Process

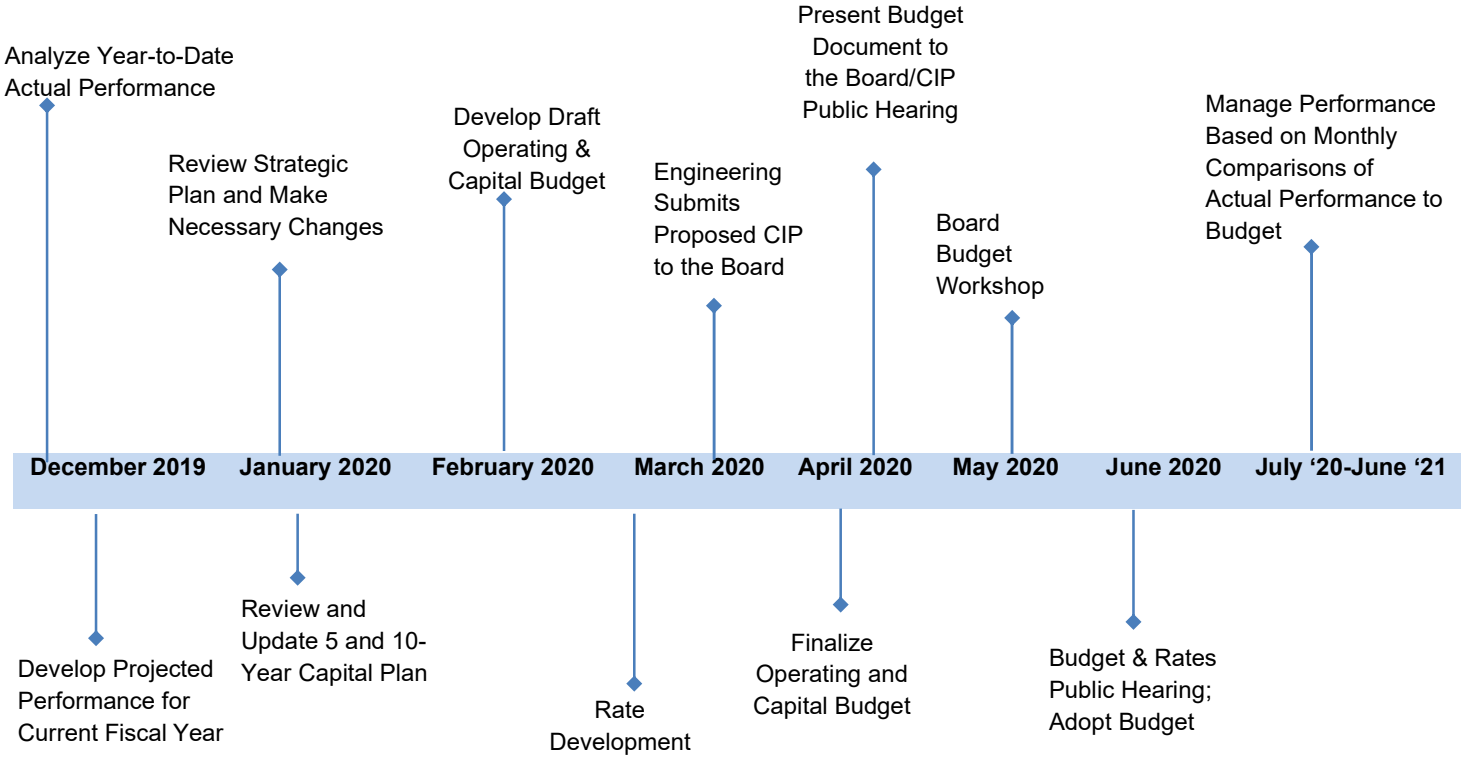
The Authority must adopt its budget prior to July 1st of each year. Development of the budget is influenced by the strategic plan, organization goals and objectives, external factors such as growth, development, and water consumption trends. The Board, Authority staff, and the public participate in the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

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

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

Budget Process (continued)

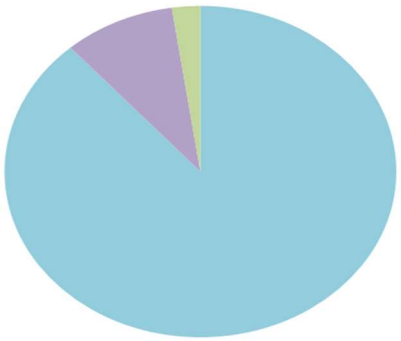
The CIP, revenue, and expense budgets are then combined and presented to the Board in April each year. Public comment and budget workshops are held for discussion in May and amendments before the final budget is adopted in June. A timeline of our budget process is included below to further illustrate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



OVERVIEW

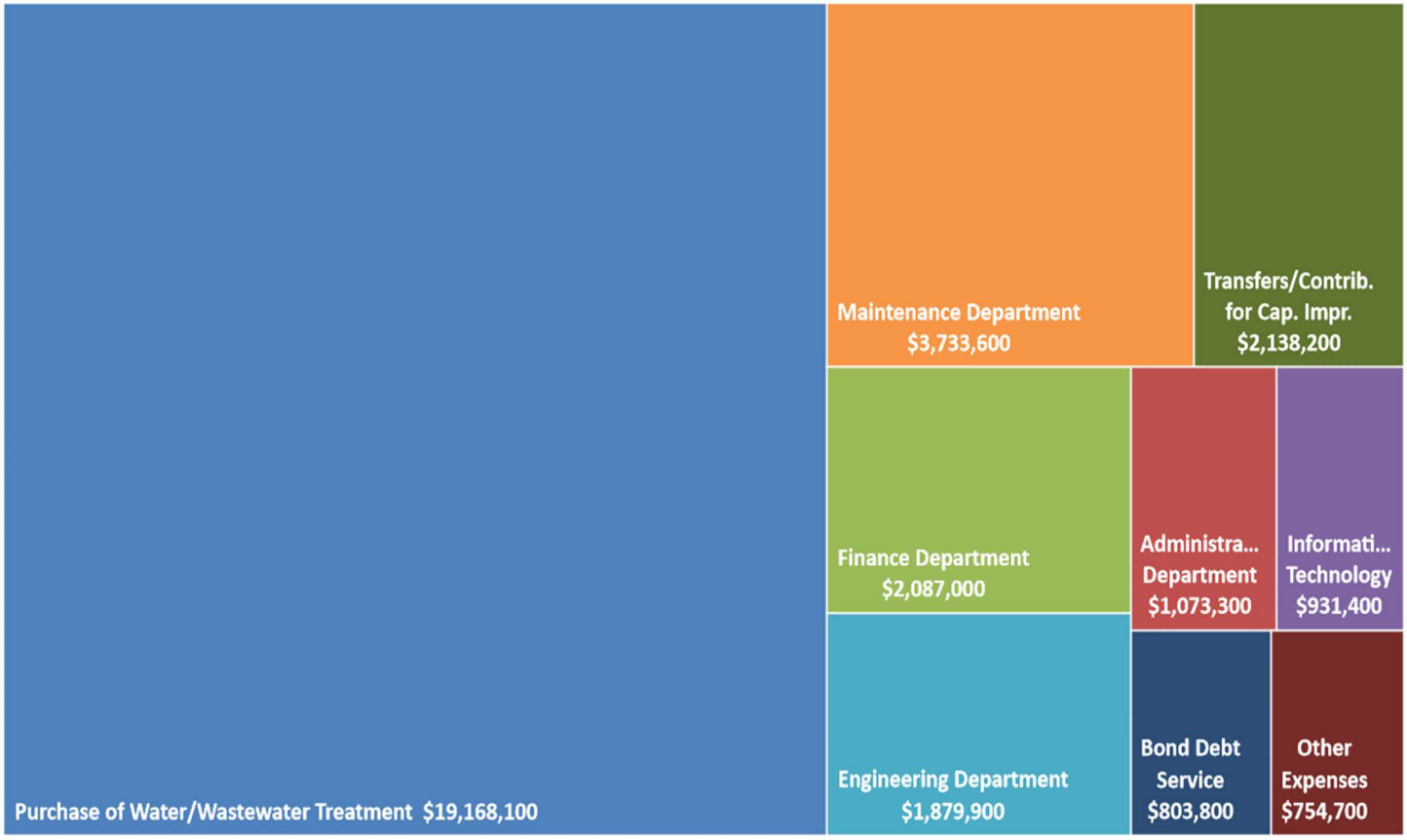
The ACSA's Fiscal Year 2021 Total Budget is $32,570,000:

Where the Dollars Come From



Water/Sewer Charges	$28,810,000	88.46%
System Connection Charges	3,000,000	9.21%
Other Revenues	760,000	2.33%
Total Budgeted Revenues	$32,570,000	100.00%

WHERE THE DOLLARS GO



Operating Expenses:

- Approved FY 2020 Operating Budget Expenses totaled $24,771,300
- Proposed FY 2021 Operating Budget Expenses total $25,061,500

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

- Approved FY 2020 totaled $15,276,000
- Proposed FY 2021 total $15,356,300 or 61.3% of the Operating Expense Budget

Departmental Operating Budgets:

- Approved FY 2020 - $9,495,300
- Proposed FY 2021 - $9,705,200
- Increase of $209,900

Debt Service (Principal and Interest) Expense:

- Approved FY 2020 - $811,300
- Proposed FY 2021 - $803,800

Top Budget Priorities

- Provide service and support to our customers throughout the recovery from the COVID-19 Pandemic, including a rate freeze
- High quality water delivered to our customers
- Maintain current Authority programs and services
- Meet financial obligations and financial sustainability.

Operations:

Top Budget Priorities (cont.):

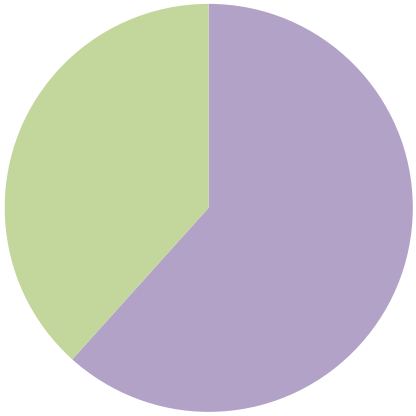
- Elevated level of customer service
- Strategic initiatives
- Investment in our infrastructure

Top Operating Initiatives:

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

Other ACSA Initiatives:

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



Purchased Water/Wastewater	$15,356,300	61.3%
ACSA Departmental Budget	$ 9,705,200	38.7%
Total	$25,061,500	100.0%

Water and Sewer Rates – Fiscal Year 2021 Proposed:

The proposed monthly user water and sewer rates will remain the same as they were in Fiscal Year 2020.

- No changes to service/volume charges for any customer classification as noted below.

ACSA Water and Sewer Monthly User Rates

	FY 2020	FY 2021
Service Charge	$ 8.57	$ 8.57
Volume Charge - Single-Family Residential (per 1,000 gallons)		
Level 1 (0-3,000 gallons)	$ 4.48	$ 4.48
Level 2 (3,001-6,000 gallons)	$ 8.98	$ 8.98
Level 3 (6,001-9,000 gallons)	$13.46	$13.46
Level 4 (over 9,000 gallons)	$17.96	$17.96
Multi-Family/Non-Residential	$ 8.66	$ 8.66
Sewer/All Users (per 1,000 gallons)	$ 9.47	$ 9.47

Based on usage noted below, customers will not see an increase in their monthly bill.

Sample Monthly Combined (Water and Sewer) Bills

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2021 Bill	Monthly $ Change
Single-Family					
Minimal User	5/8	1,200	$ 25.31	$ 25.31	$0.00
Small User	5/8	2,500	$ 43.45	$ 43.45	$0.00
Median	5/8	3,400	$ 57.80	$ 57.80	$0.00
Large User	5/8	6,200	$ 110.36	$ 110.36	$0.00
Excessive User	5/8	7,700	$ 144.75	$ 144.75	$0.00
Multi-Family/Non-Residential*					
Multi-Family	1	33,700	$ 627.44	$ 627.44	$0.00
Com. (Offices)	1	6,300	$ 130.68	$ 130.68	$0.00
Com. (Other)	5/8	4,700	$ 93.78	$ 93.78	$0.00
Industrial	1 1/2	16,500	$328.80	$328.80	$0.00
Institutional	5/8	13,000	$ 244.26	$ 244.26	$0.00

Why isn't the Authority's rate increasing this year?

The COVID-19 Pandemic has adversely affected all aspects of our daily lives. Social and financial impacts have touched all customers at varying levels and a rate increase at this time is not being proposed to recognize the financial strain within our community. Through considerable collaboration with our water partner (RWSA), we have been able to evaluate current and future operations and capital projects to ensure no increase would be passed on to customers in this budget. The current budget will leverage reserves that have been built over the years through sound financial management for exactly this purpose.

Why isn't the Purchase of Water and Wastewater treatment cost increasing?

The ACSA purchases treated water and distributes that water to our customers from the RWSA. The ACSA and RWSA collaborated earlier this spring to develop a budget that keeps these costs the same (freeze) as the current year. To freeze rates in the current year, the RWSA evaluated its Capital Improvement Program to evaluate projects that could be deferred in the near-term without sacrificing the quality of the water that it produces. Like the ACSA, the RWSA will utilize financial reserves in the upcoming budget to minimize financial impacts on customers while we recover from the pandemic and the effects on the local economy.

How much will my bill increase?

Rates charged to customers will not increase in this year.

How does the freezing of rates compare to previous years?

ACSA customer rates will not increase this year. The five-year average increase has been approximately 3.84% each year.

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

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

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

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

Why is the ACSA spending over $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, reliable water and sewer service, to meet water quality standards, and wastewater environmental requirements, including a proposed advanced metering infrastructure project that is conservation and customer oriented.

Who pays for growth?

The ACSA has a philosophy that "growth pays for growth." New development water and sewer systems are installed to ACSA standards and specifications by developers. To help pay for the water and sewer capacity in the system, new development pays a "connection charge" per unit that equates to a single water and sewer residential connection at the proposed FY 2021 charges or $13,470.

Albemarle County Service Authority
Serving Conserving

FY 2021 Revenue and Expense Summary

		FY 2020 Approved Budget	FY 2021 Proposed Budget	Proposed as % of FY 2020
OPERATING REVENUES				
Total Volume Charges	$	26,396,000	26,396,000	100.0%
Total Service Charges		2,361,800	2,414,000	102.2%
Total Operating Revenues		**28,757,800**	**28,810,000**	**100.2%**
NON-OPERATING REVENUES				
System Connection Charges		5,000,000	3,000,000	60.0%
Rental Income		16,000	16,000	100.0%
Interest Income		650,000	300,000	46.2%
Misc. Utility Charges		648,000	300,000	46.3%
Inspection Fees		30,000	30,000	100.0%
Plan Review & FOG Permit Fees		20,000	20,000	100.0%
Build America Bond Subsidy		101,000	94,000	93.1%
Total Non-Operating Revenues		**6,465,000**	**3,760,000**	**58.2%**
Total Operating & Non-Operating Revenues		**35,222,800**	**32,570,000**	**92.5%**
OPERATING EXPENSES				
Purchase of Water/Wastewater		15,276,000	15,356,300	100.5%
Administration Department		1,049,950	1,073,300	102.2%
Finance Department		2,060,600	2,087,000	101.3%
Engineering Department		1,849,700	1,879,900	101.6%
Maintenance Department		3,645,600	3,733,600	102.4%
Information Technology		889,450	931,400	104.7%
Total Operating Expenses		**24,771,300**	**25,061,500**	**101.2%**
NON-OPERATING EXPENSES				
Capital Equipment Acquisition		6,000	101,900	1698.3%
Planned Equipment Replacement		404,600	302,800	74.8%
Repair, Renewal, & Rehabilitation Reserves		400,000	350,000	87.5%
Existing Debt Service and Amortization		811,300	803,800	99.1%
Debt Service for RWSA Growth Projects – Water		2,252,700	2,252,700	100.0%
Debt Service for RWSA Growth Projects – Wastewater		1,559,100	1,559,100	100.0%
Transfer for Capital Expenses		5,017,800	2,138,200	42.6%
Total Non-Operating Expenses		**10,451,500**	**7,508,500**	**71.8%**
Total Operating & Non-Operating Expenses	$	**35,222,800**	**32,570,000**	**92.5%**
CAPITAL IMPROVEMENTS FUNDING				
Transfer from Operating Revenues	$	5,017,800	2,138,200	42.6%
Transfer from 3R Reserves/Growth Reserves		5,379,500	4,771,200	88.7%
Total Capital Improvements Funding		**10,397,300**	**6,909,400**	**66.5%**
CAPITAL IMPROVEMENTS EXPENSES				
Water - Capital Improvement Projects		7,296,925	4,634,975	63.5%
Wastewater - Capital Improvement Projects		3,100,375	2,274,425	73.4%
Total Capital Improvements Expenses	$	**10,397,300**	**6,909,400**	**66.5%**

FY 2021 Budget Revenues

		FY 2020 Approved Budget	FY 2021 Proposed Budget	Proposed as % of FY 2020
OPERATING REVENUES				
Total Volume Charges	$	26,396,000	26,396,000	100.0%
Total Service Charges		2,361,800	2,414,000	102.2%
Total Operating Revenues		**28,757,800**	**28,810,000**	**100.2%**
NON-OPERATING REVENUES				
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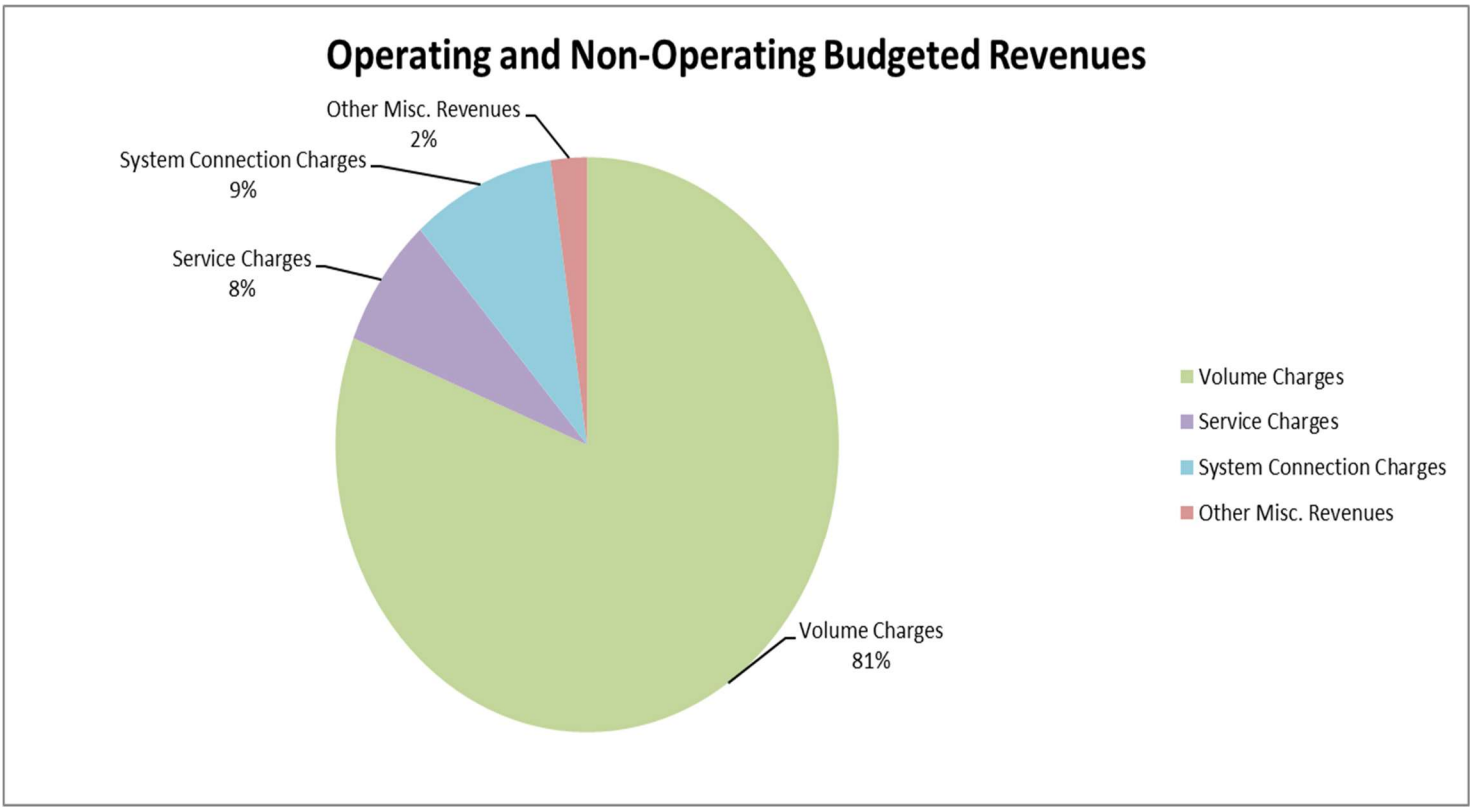


	FY 2020	FY 2021
Total Volume Charges (monthly user rates)	$26,396,000	$26,396,000
Total Service Charges (cost of service)	$2,361,800	$2,414,000
System Connection Charges (new development fees)	$5,000,000	$3,000,000
Other Revenues	$1,465,000	$760,000
Total Revenues	$35,222,800	$32,570,000

Total Volume Charges - $26,396,000; water and sewer usage billed to ACSA customer monthly; proposed rate freeze is expected to generate the same level of revenue as the prior year.

Total Service Charges - $2,414,000; monthly service charge to reflect actual costs for meter reading, billing and customer service; the budget proposes a freeze in the monthly service charge at $8.57 for our average customer (service charge dependent upon meter size).

System Connection Charges - $3,000,000; the Budget proposes to reduce expected revenues for FY 2021, for new development per new ERC connections due to construction uncertainty in the aftermath of the COVID-19 pandemic.

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 2020	FY 2021
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 2021 Changes in Net Position

		FY 2019 Actual	FY 2020 Estimated	FY 2021 Proposed
Beginning Net Position	**$**	**176,502,239**	**186,025,113**	**199,025,113**
Change in Net Position		9,522,874	13,000,000	**5,000,000**
Ending Net Position	**$**	**186,025,113**	**199,025,113**	**204,025,113**
Net investment in capital assets	$	148,180,254	155,230,000	**159,000,000**
Restricted for debt service		264,343	260,000	**260,000**
Unrestricted		37,580,516	43,535,113	**44,765,113**
Ending Net Position	**$**	**186,025,113**	**199,025,113**	**204,025,113**

Note: The schedule above reflects audited FY 2019 changes in net position and estimates changes for FY 2020 and FY 2021. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant, and estimates related to the timing of the formal dedication of these assets can vary. Please see “Changes in Net Position” in the Budget Appendix for a schedule of historical audited data.

Long-range Financial Plans

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

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

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

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

The proposed FY 2021 budget supports the above noted principles by:

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

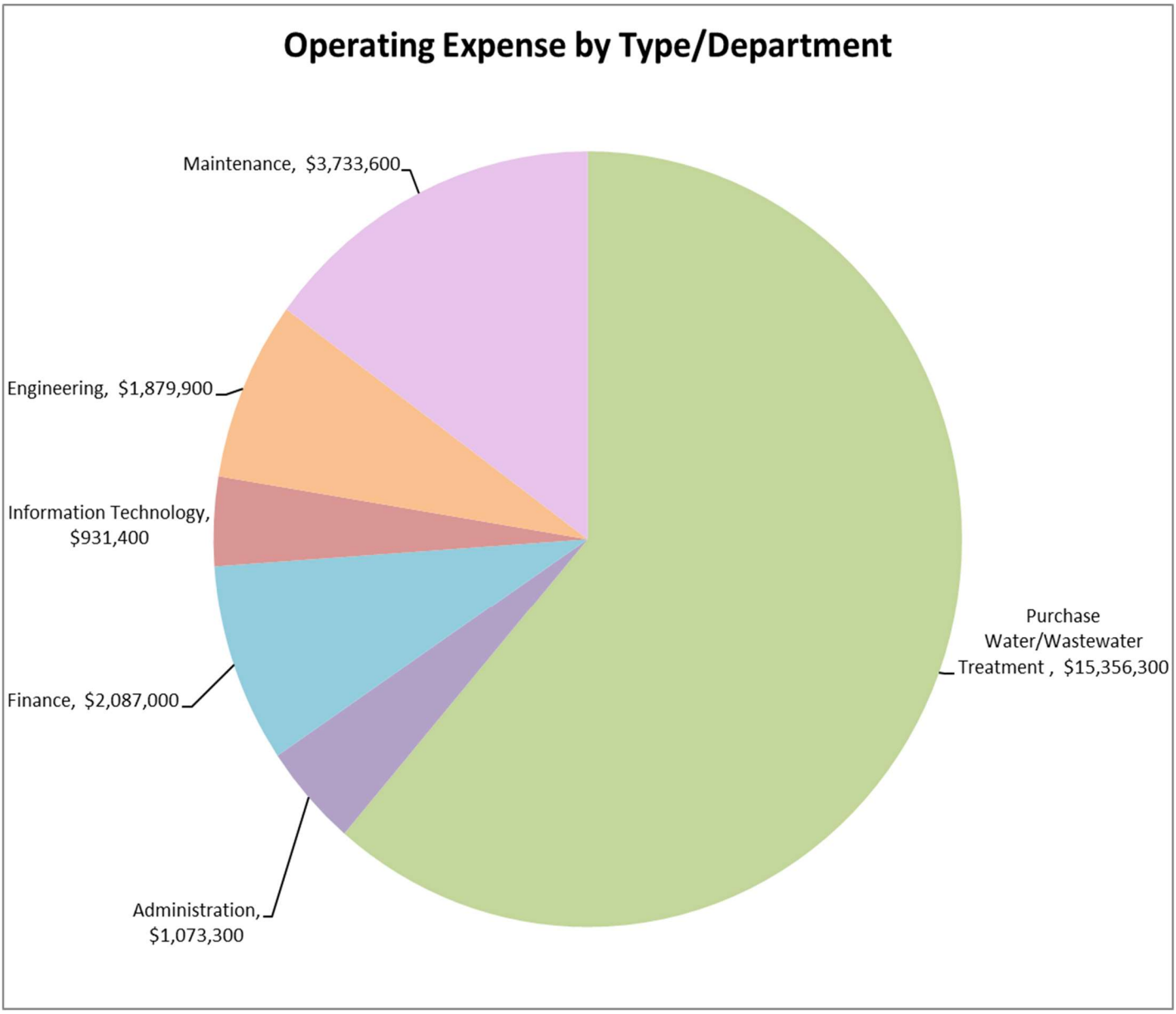
- Contributing to the ACSA's 3R reserve in accordance with our adopted Financial Policies. This contribution to the reserve also assists the ACSA in achieving goals related to three themes in the ACSA's Strategic Plan:
    - Asset Management – assist with planning for long-term sustainability of utility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

- The formal capital improvement program outlines estimated project costs for FY 2021 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, implementation of an AMI system and modern Computerized Maintenance Management System (CMMS). This program helps the ACSA achieve its goals related to the following themes:
    - Asset management – assists with collaborative planning to provide future community infrastructure needs. This program also allows for long-term sustainability of utility assets by maintaining water and wastewater resources.
    - Operations – assists in managing and maintaining existing infrastructure to ensure reliable service to our customers by assessing, on an annual basis, current and future needs. This program also improves emergency preparedness and ensures we maintain or exceed industry standards for water and wastewater quality and operations. The program assists in the elimination of asbestos-cement pipe, continued sewer system rehabilitation, program to replace exclusion meters, and water pipe "saddle" connection replacement.

ACSA Operating Budget

The ACSA Operating Budget as proposed for next year is at $25,061,500 or a 1.2% increase. The largest single cost of the Operating Budget is RWSA purchased water and wastewater treatment at $15,356,300 or 61% of the Operating Budget.

The following pages will outline in more detail the Operating Budget proposals for FY 2021. Beyond the RWSA expenses, are the projected expenses for each of the ACSA Operating Departments including Administration at $1,073,300, Finance at $2,087,000, Engineering at $1,879,900, Maintenance at $3,733,600, and Information Technology at $931,400. Included with each Operating Budget is an explanation of the departmental functions and key initiatives for FY 2021:



Rivanna Water and Sewer Authority Expenses

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

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

The RWSA operates the regional wastewater treatment plants and charges the ACSA at a wholesale rate. The ACSA operates the sewer collection system for our retail sewer customers. Approximately 86% of our customers have both water and sewer service, while approximately 14% of our customers have water service only. While the RWSA charges the ACSA a "wholesale" rate for each service area, the ACSA operates with a single system-wide retail rate for our customers.

The RWSA wholesale rate for fiscal year 2021 will remain the same as those charged in fiscal year 2020.

		FY 2019	FY 2020	FY 2021 Proposed	FY 2021 as % of FY 2020
RWSA EXPENSES					
Purchase of Bulk Water		9,757,539	10,532,900	10,520,400	99.9%
Sewer Treatment Expense		7,399,346	8,554,900	8,647,700	101.1%
Subtotal:		**$ 17,156,885**	**$19,087,800**	**$19,168,100**	**100.4%**

RWSA EXPENSES BY SERVICE AREA

WATER	Rates FY 2019	Rates FY 2020	Rates FY 2021				
Urban	$2.070/TG and $307,598/mo.	$2.095/TG and $321,303/mo.	$2.095/TG and $321,303/mo.	$ 7,231,983	7,447,617	7,447,579	100.0%
Crozet	$162,746/mo.	$195,010/mo.	$195,010/mo.	1,952,952	2,340,120	2,340,120	100.0%
Scottsville	$47,717/mo.	$54,130/mo.	$54,130mo.	572,604	649,560	649,560	100.0%
Red Hill	N/A	$95,603/annual	$83,141/annual	-	95,603	83,141	87.0%
Total				**$ 9,757,539**	**10,532,900**	**10,520,400**	**99.9%**
WASTEWATER							
Urban	$2.146/TG and $246,308/mo.	$2.369/TG and $278,174/mo.	$2.369/TG and $278,174/mo.	$ 6,687,082	7,839,686	7,932,176	101.2%
Scottsville	$25,823/mo.	$26,536/mo.	$26,536/mo.	309,876	318,432	318,432	100.0%
Stone-Robinson School	$28,084/annual	$22,478/annual	$22,788/annual	28,084	22,478	22,788	101.4%
Glenmore	$31,192/mo.	$31,192/mo.	$31,192/mo.	374,304	374,304	374,304	100.0%
Total				**$ 7,399,346**	**8,554,900**	**8,647,700**	**101.1%**

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

The ACSA operates with a set of budget categories: Personal Services, Operating Supplies, Repair and Maintenance Supplies, Professional and Contractual Services, Repairs and Maintenance, Other Services and Charges, and Capital Outlay. Within each of these departmental budgets, detailed line items for the proposed expenditures for FY 2021 are presented.

Personal Services

- Includes salary, benefits, payroll taxes, and other related expenses.
- No adjustments to employee salaries for performance or market adjustments are proposed in this budget.
- Retirement – the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study; the rate for Fiscal Year 2021 has increased to 7.0% compared to 5.8% last year.
- Health Care and Benefit Dollars – the ACSA, through a contract with Albemarle County, provides a Health Care Program for our employees. The ACSA contributes on behalf of all employees. These contributions vary by employee plan type. Also included in this item are the actuarially determined costs for Other Post-Employment Benefits (OPEB).
- Worker's Compensation is a rated policy, with the cost allocated to each department for position types.
- Projected overtime and standby (emergency) duty pay is budgeted here.

Operating Supplies

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

Repair and Maintenance Supplies

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

Professional and Contractual Services

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

Repairs and Maintenance

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

Other Services and Charges

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

Capital Outlays

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

Administration

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

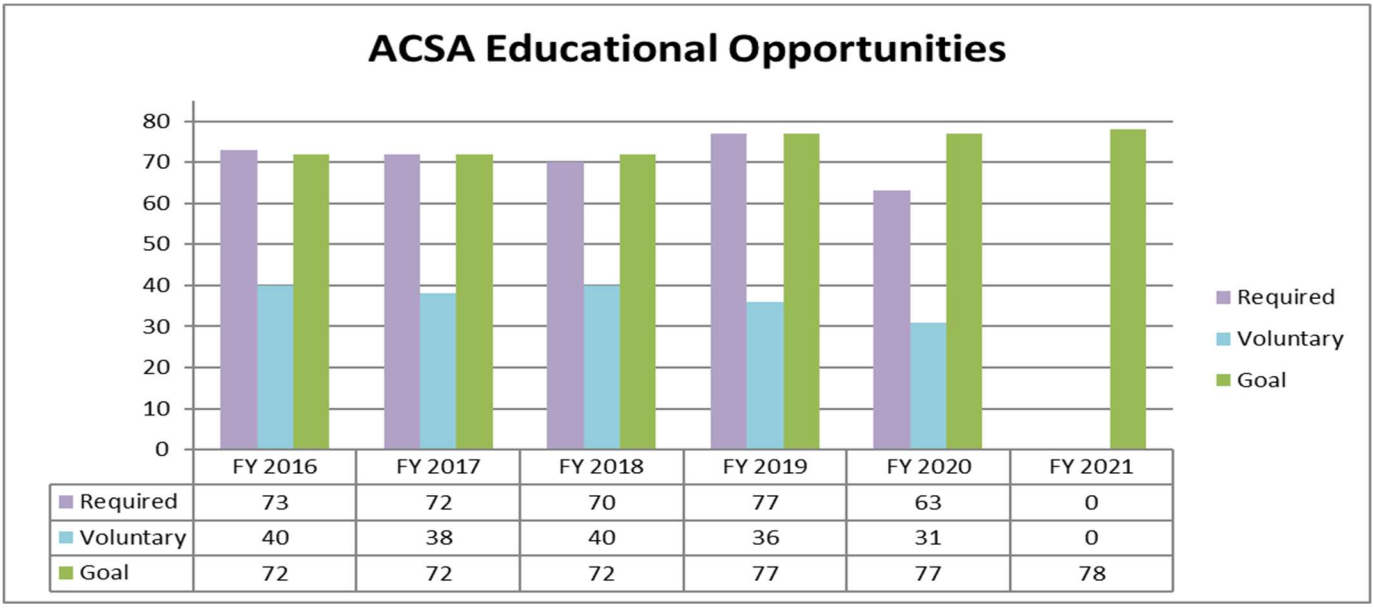
Administration/Human Resources: Provides organizational administrative support; oversees the Risk Management Program (claims, liability insurance, worker's compensation, etc.); serves as Clerk to the Board of Directors (monthly meetings, board correspondence, minutes, dissemination of board packets); provides organizational document and database management services; leads the Water Conservation Program and initiatives (events, advertising, community relations, and partnership with the City of Charlottesville); administers and maintains benefit administration and employee record management; creates; 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 2021:

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

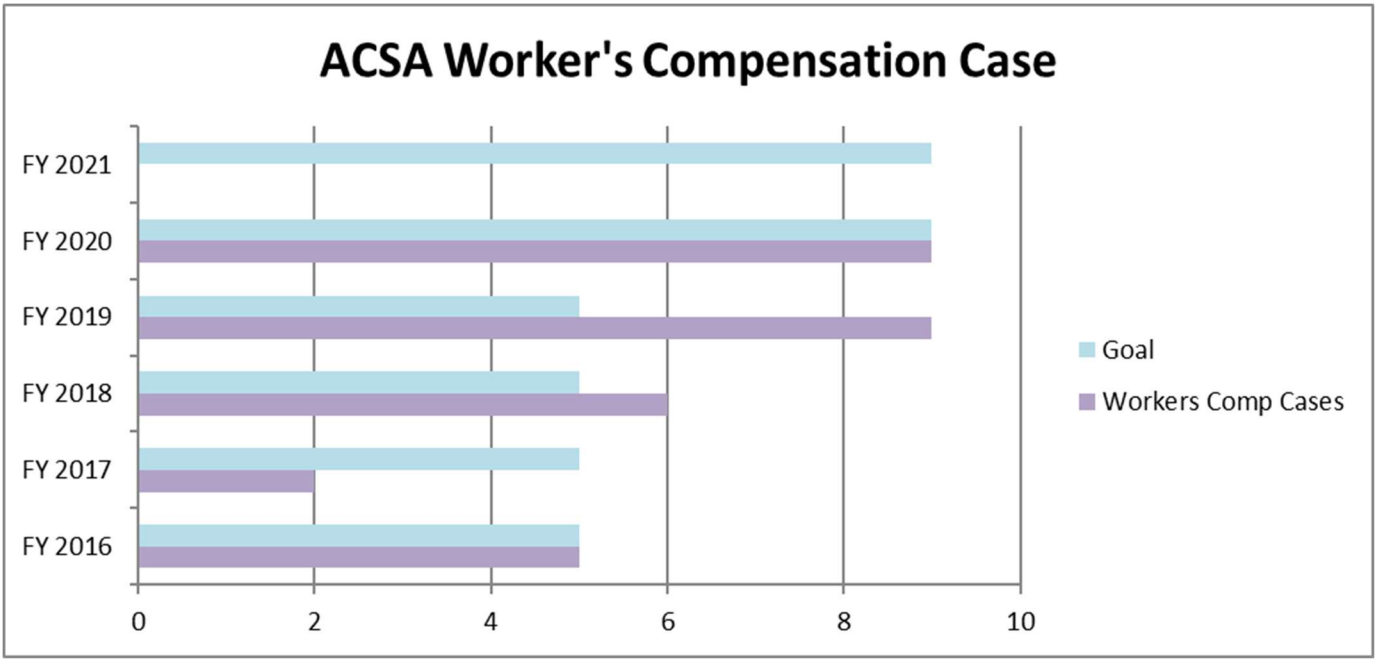
Performance Metrics:

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



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Required	73	72	70	77	63	0
Voluntary	40	38	40	36	31	0
Goal	72	72	72	77	77	78

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



Administration Department

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
PERSONAL SERVICES								
Compensation of Board Members	$	9,770	6,133	10,514	17,000	17,000	17,000	100.0%
Salaries & Wages		431,293	286,762	430,140	434,000	434,000	434,000	100.0%
Overtime		-	-	-	3,000	3,000	3,000	100.0%
Social Security		30,634	19,336	29,004	32,000	32,000	32,000	100.0%
Retirement		(5,620)	26,132	39,192	25,000	29,500	29,500	118.0%
Health & Benefit Dollars		51,834	34,693	52,044	58,200	66,300	66,300	113.9%
Life Insurance		5,299	3,679	5,520	5,650	6,000	6,000	106.2%
Workers' Compensation		302	198	300	500	500	500	100.0%
Meals		306	50	72	600	600	600	100.0%
Safety Incentive Program		974	28	36	2,000	2,000	2,000	100.0%
Employee Incentives		28,923	17,378	26,064	35,600	35,600	35,600	100.0%
Subtotal:		**553,715**	**394,389**	**592,886**	**613,550**	**626,500**	**626,500**	**102.1%**
OPERATING SUPPLIES								
Office Supplies		3,788	4,010	6,012	5,000	5,900	5,900	118.0%
Copier Supplies		1,645	691	1,032	1,850	1,850	1,850	100.0%
Janitorial Supplies		3,813	3,160	4,740	4,200	4,200	4,200	100.0%
Fuel, Oil, and Grease		-	-	-	-	1,000	1,000	-
Small Tools & Equipment		1,448	50	72	4,300	4,300	4,300	100.0%
EMS Program		-	83	120	2,500	2,500	2,500	100.0%
Subtotal:		**10,694**	**7,994**	**11,976**	**17,850**	**19,750**	**19,750**	**110.6%**
REPAIRS AND MAINTENANCE								
Vehicle Repair and Maintenance		-	-	-	-	2,150	2,150	-
Subtotal:		**-**	**-**	**-**	**-**	**2,150**	**2,150**	**-**
PROFESSIONAL AND CONTRACTUAL SERVICES								
Legal		36,543	30,710	46,068	46,900	47,000	47,000	100.2%
Consultants' Fees		57,450	37,957	56,940	50,400	50,400	50,400	100.0%
Printing and Duplicating		4,017	3,535	5,304	23,650	23,700	23,700	100.2%
Other Contractual Services		8,171	3,402	5,100	9,700	9,800	9,800	101.0%
Subtotal:		**106,181**	**75,604**	**113,412**	**130,650**	**130,900**	**130,900**	**100.2%**

Description	FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
OTHER SERVICES AND CHARGES							
Insurance	46,352	36,657	49,000	49,000	55,000	55,000	112.2%
Dues and Memberships	12,893	10,532	15,804	11,850	12,000	12,000	101.3%
Books and Periodicals	359	32	48	1,450	1,500	1,500	103.4%
Education and Training	37,561	17,285	25,932	52,500	52,400	52,400	99.8%
Board Member Education and Training	1,026	721	1,080	5,000	5,000	5,000	100.0%
Travel	4,528	719	1,080	10,000	10,000	10,000	100.0%
Advertising	6,501	3,413	5,124	33,100	33,100	33,100	100.0%
Conservation	30,186	21,838	32,760	65,000	65,000	65,000	100.0%
Permits	58,229	44,693	67,044	60,000	60,000	60,000	100.0%
Subtotal:	**197,635**	**135,890**	**197,872**	**287,900**	**294,000**	**294,000**	**102.1%**
TOTAL ADMINISTRATION $	**868,225**	**613,877**	**916,146**	**1,049,950**	**1,073,300**	**1,073,300**	**102.2%**

Planned Equipment Replacement

Planned Equip. Replacement	$	8,620	-	-	-	-	-	-
Total	**$**	**8,620**	**-**	**-**	**-**	**-**	**-**	**-**

Finance

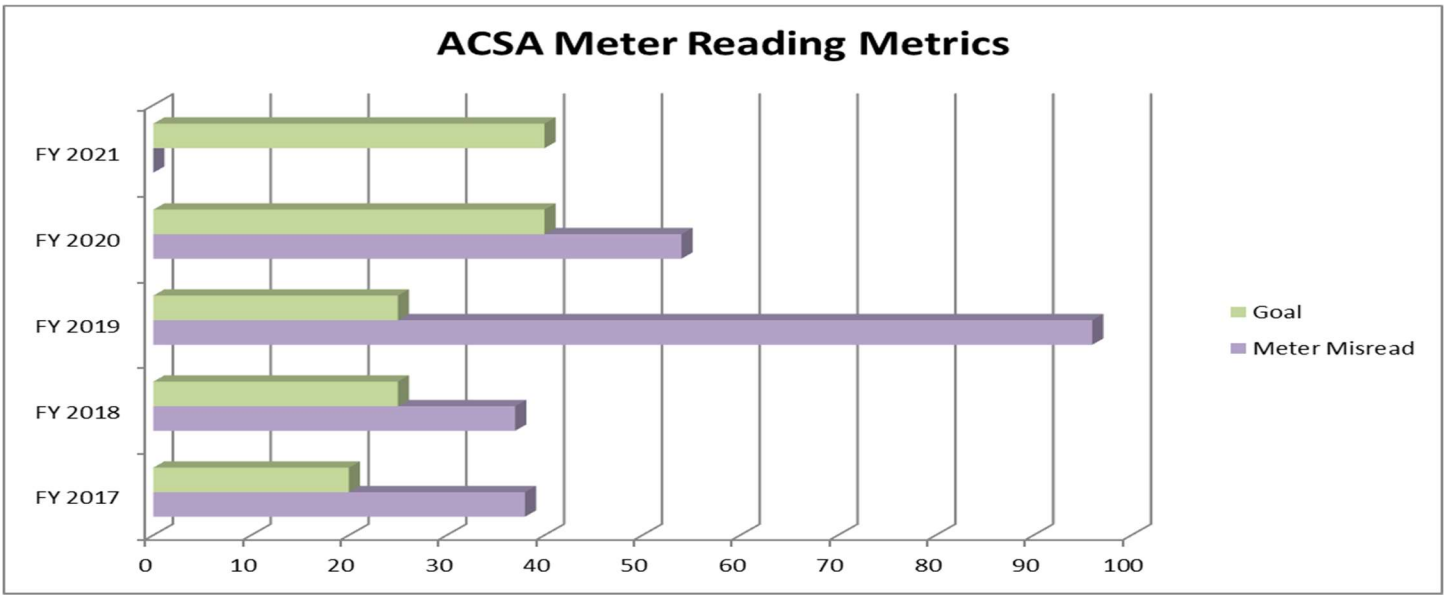
The ACSA Finance Department is responsible for all financial matters at the ACSA including accounting, financial reporting, utility billing and collection, customer service, meter reading, purchasing, budget preparation and control, auditing, debt financing, investment management, and revenue and expenditure 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 2021:

- Design and implementation of the current and future Budget and Rates
- Comprehensive Annual Financial Report preparation (CAFR)
- Focused training for staff, including AMI and CMMS
- Training directed toward succession planning
- Administration of the Advanced Metering Infrastructure (AMI) system deployment and review/re-design of business processes
- Continue regular testing of meters in the field
- Continuation of strategic investment management
- Design and implementation of a modern Electronic Bill Payment and Presentment (EBPP) system.
- Procurement and implementation of an updated Enterprise Resource Planning (ERP) or financial system to replace the current system that will no longer be supported by the vendor.

Performance Metrics:

Meter Reading Metrics – Annually, the ACSA reads over 248,000 meters per year. These readings contain consumption information for our customers which is then transferred to the customer service department for analysis and billing. The ACSA monitors circumstances related to misreading and has had an annual goal of less than 25-40 misreads for the Meter Operations group for the year. The slight increase noted in FY 2019 is due in large part to training of new staff during the fiscal year. Also, it is important to note that essentially all the misreads noted were identified and resolved through regular review prior to customer billing. The illustration below illustrates statistics related to this performance metric:



Finance Department

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
PERSONAL SERVICES								
Salaries & Wages	$	915,155	629,116	943,674	949,000	946,600	946,600	99.7%
Overtime Pay		30,089	13,269	19,904	32,000	32,000	32,000	100.0%
Social Security		69,263	47,394	71,091	76,000	74,900	74,900	98.6%
Retirement		(8,831)	37,643	56,465	55,000	65,800	65,800	119.6%
Health & Benefit Dollars		169,658	112,448	168,672	214,000	215,800	215,800	100.8%
Life Insurance		11,645	8,155	12,233	12,300	12,600	12,600	102.4%
Workers' Compensation		6,009	3,835	5,753	9,700	9,700	9,700	100.0%
Subtotal:		**1,192,988**	**851,860**	**1,277,792**	**1,348,000**	**1,357,400**	**1,357,400**	**100.7%**
OPERATING SUPPLIES								
Office Supplies		11,779	5,426	8,139	15,000	12,100	12,100	80.7%
Personal Protective Equipment		1,259	1,492	2,238	2,000	1,500	1,500	75.0%
Fuel, Oil & Grease		14,776	8,280	12,420	17,700	16,900	16,900	95.5%
Small Tools & Equipment		10,184	570	855	2,400	2,300	2,300	95.8%
Subtotal:		**37,998**	**15,768**	**23,652**	**37,100**	**32,800**	**32,800**	**88.4%**
REPAIR & MAINTENANCE								
Vehicle Supplies		4,731	1,503	2,255	4,000	4,000	4,000	100.0%
Hydrant Meter Program		4,441	5,008	7,512	3,000	4,000	4,000	133.3%
Materials - Water		200,978	142,864	214,296	223,400	229,000	229,000	102.5%
Subtotal:		**210,150**	**149,375**	**224,063**	**230,400**	**237,000**	**237,000**	**102.9%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Audit		37,000	24,900	24,900	31,400	32,300	32,300	102.9%
Fiscal Agent		1,650	1,650	1,650	1,700	1,700	1,700	100.0%
Uniform Rental		3,467	5,969	8,954	8,500	10,600	10,600	124.7%
Consultants' Fees		20,521	-	-	42,000	40,000	40,000	95.2%
Service Contracts		52,406	39,847	59,771	75,600	78,500	78,500	103.8%
Postage		105,422	85,204	127,806	128,300	138,300	138,300	107.8%
Printing and Duplicating		28,248	811	1,217	24,800	20,000	20,000	80.6%
Other Contractual Services		70,666	24,914	37,371	95,500	100,000	100,000	104.7%
Subtotal:		**319,380**	**183,295**	**261,669**	**407,800**	**421,400**	**421,400**	**103.3%**

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance		4,250	3,580	5,370	8,000	8,400	8,400	105.0%
Vehicle Repair and Maintenance		2,476	1,707	2,561	4,000	4,000	4,000	100.0%
Subtotal:		**6,726**	**5,287**	**7,931**	**12,000**	**12,400**	**12,400**	**103.3%**
OTHER SERVICES AND CHARGES								
Rental of Equipment		1,984	1,097	1,646	2,000	2,100	2,100	105.0%
Software		100	-	-	500	500	500	100.0%
Dues and Memberships		627	613	920	1,000	1,000	1,000	100.0%
Books and Periodicals		429	334	501	600	600	600	100.0%
Education and Training		5,726	1,664	2,496	8,000	8,600	8,600	107.5%
Travel		4,126	1,990	2,985	13,200	13,200	13,200	100.0%
Subtotal:		**12,992**	**5,698**	**8,548**	**25,300**	**26,000**	**26,000**	**102.8%**
TOTAL FINANCE	**$**	**1,780,234**	**1,211,283**	**1,803,655**	**2,060,600**	**2,087,000**	**2,087,000**	**101.3%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	(3,363)	880	1,320	6,000	2,000	2,000	33.3%
Total	**$**	**(3,363)**	**880**	**1,320**	**6,000**	**2,000**	**2,000**	**33.3%**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$		-	-	4,300	96,000	96,000	2232.6%
Total	**$**		**-**	**-**	**4,300**	**96,000**	**96,000**	**2232.6%**

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 proactive Fats, Oils and Grease (FOG) Reduction Program to minimize the buildup of these substances in the wastewater collection system that can reduce the capacity in our pipes and result in blockages, causing sanitary sewer overflows (SSO's). The Engineering Department is also tasked with monitoring changes to Federal, State and Local regulations pertaining to water quality, to comply with all the necessary requirements to ensure the high quality of the water we deliver and the service we provide.

Key initiatives for FY 2021:

Capital Improvement Budget:

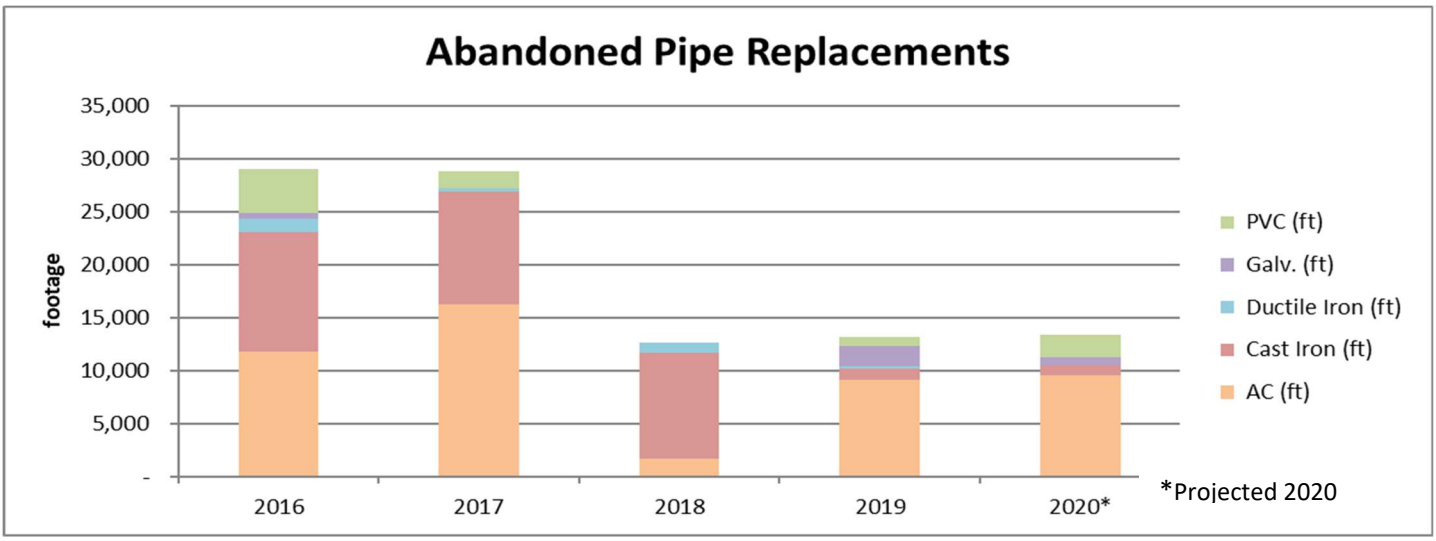
- Replacement of aging, deteriorating and under-sized water mains
- Elimination of asbestos-cement and older PVC water mains
- Continue implementation of an Advanced Metering Infrastructure System
- Rehabilitation and replacement of deteriorating sewer facilities; including abandonment of one pump station
- Improve resiliency and reliability at several pump stations
- Internal and external improvements to the Operations Center and design of a satellite maintenance yard on Avon St. Extended
- Implementation of recommendations from Vulnerability Assessment, increasing security of critical assets
- Conduct an energy audit of all our facilities to improve conservation
- Extend public sanitary sewer service to an existing neighborhood currently served by private septic systems
- Increase wastewater capacity to accommodate continued growth in the development area

Operating Budget:

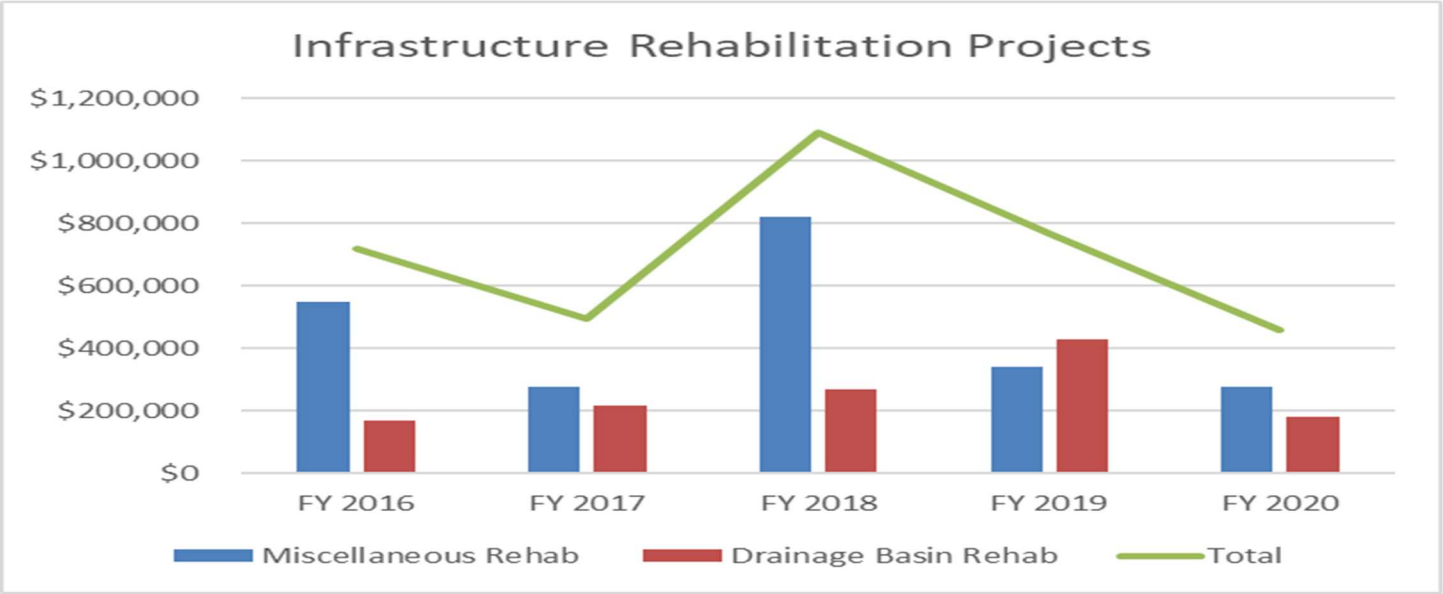
- Scheduled replacement and repair of aging equipment that supports hydraulic modeling, reduction of infiltration (groundwater) and inflow (storm water) into wastewater system, and monitoring of capacity in the wastewater system
- Training directed toward improving workforce skills and succession planning

Performance Metrics:

Pipe Replacement Program – The ACSA has a goal to replace aging, undersized, and inferior pipe within our water distribution system over a period of years to meet updated standards. The illustration below indicates the amount and type of abandoned pipe that has been replaced over recent years. Current amount of pipe requiring replacement is 266,051 linear feet.



Miscellaneous Sewer Rehabilitation – The ACSA has a goal to invest at least $400,000 on miscellaneous sewer rehabilitation projects each fiscal year. Sometimes instances arise where funds may be redirected but our intention is to focus on rehabilitation of our system infrastructure. The graph below shows how much is used each year on the two categories of rehabilitation in relation to our goal for miscellaneous projects. FY 2020 totals have been projected through June 2020.



Engineering Department

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
PERSONAL SERVICES								
Salaries & Wages	$	1,228,595	851,497	1,277,246	1,295,000	1,295,000	1,295,000	100.0%
Overtime Pay		13,666	17,839	26,759	20,000	20,000	20,000	100.0%
Social Security		93,601	64,341	96,512	100,200	100,200	100,200	100.0%
Retirement		(11,996)	50,974	76,461	73,200	88,200	88,200	120.5%
Health & Benefit Dollars		150,034	100,345	150,518	196,400	200,000	200,000	101.8%
Life Insurance		15,647	10,997	16,496	16,600	16,900	16,900	101.8%
Workers' Compensation		9,274	6,325	9,488	15,900	15,900	15,900	100.0%
Subtotal:		**1,498,821**	**1,102,318**	**1,653,480**	**1,717,300**	**1,736,200**	**1,736,200**	**101.1%**
OPERATING SUPPLIES								
Personal Protective Equipment		4,538	598	897	3,600	3,100	3,100	86.1%
Fuel, Oil & Grease		15,275	8,584	12,876	18,800	17,100	17,100	91.0%
Small Tools & Equipment		11,136	9,047	13,571	21,800	16,000	16,000	73.4%
Subtotal:		**30,949**	**18,229**	**27,344**	**44,200**	**36,200**	**36,200**	**81.9%**
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies		3,237	2,048	3,072	3,500	4,800	4,800	137.1%
Subtotal:		**3,237**	**2,048**	**3,072**	**3,500**	**4,800**	**4,800**	**137.1%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Uniform Rental		2,475	1,676	2,514	4,200	6,100	6,100	145.2%
Other Contractual Services		23,342	13,204	19,806	28,800	32,500	32,500	112.8%
Subtotal:		**25,817**	**14,880**	**22,320**	**33,000**	**38,600**	**38,600**	**117.0%**

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance		5,439	3,827	5,741	7,600	8,900	8,900	117.1%
Vehicle Repair and Maintenance		1,887	1,151	1,727	4,200	4,800	4,800	114.3%
Subtotal:		**7,326**	**4,978**	**7,468**	**11,800**	**13,700**	**13,700**	**116.1%**
OTHER SERVICES AND CHARGES								
Dues and Memberships		973	881	1,322	1,650	1,800	1,800	109.1%
Books and Periodicals		629	-	-	600	600	600	100.0%
Education and Training		11,985	6,259	9,389	14,400	17,500	17,500	121.5%
Travel		12,024	10,968	16,452	23,250	30,500	30,500	131.2%
Subtotal:		**25,611**	**18,108**	**27,163**	**39,900**	**50,400**	**50,400**	**126.3%**
TOTAL ENGINEERING	**$**	**1,591,761**	**1,160,561**	**1,740,847**	**1,849,700**	**1,879,900**	**1,879,900**	**101.6%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	-	-	-	-	-	-	-
Total	**$**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equip. Replacement	$	-	4,910	7,365	29,500	66,500	66,500	225.4%
Total	**$**	**-**	**4,910**	**7,365**	**29,500**	**66,500**	**66,500**	**225.4%**

Information Technology

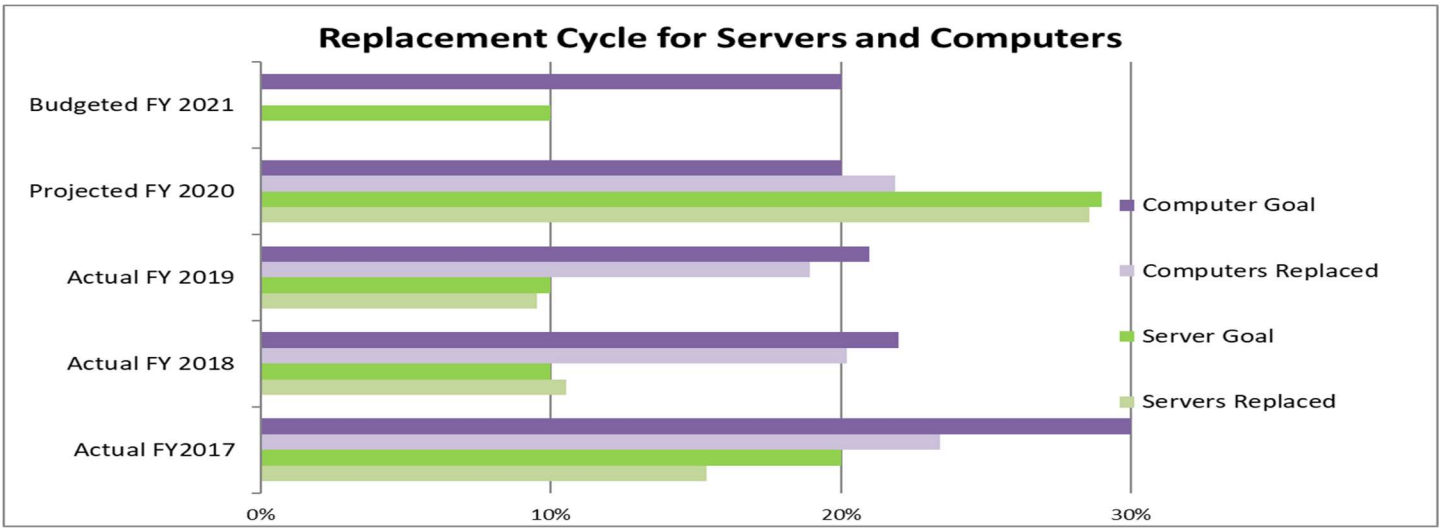
The Information Technology (IT) Department is responsible for planning, managing and protecting our information technology infrastructure and assets. Our responsibilities encompass the implementation, management and security of electronic communications for the organization. As operational needs change, 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 2021:

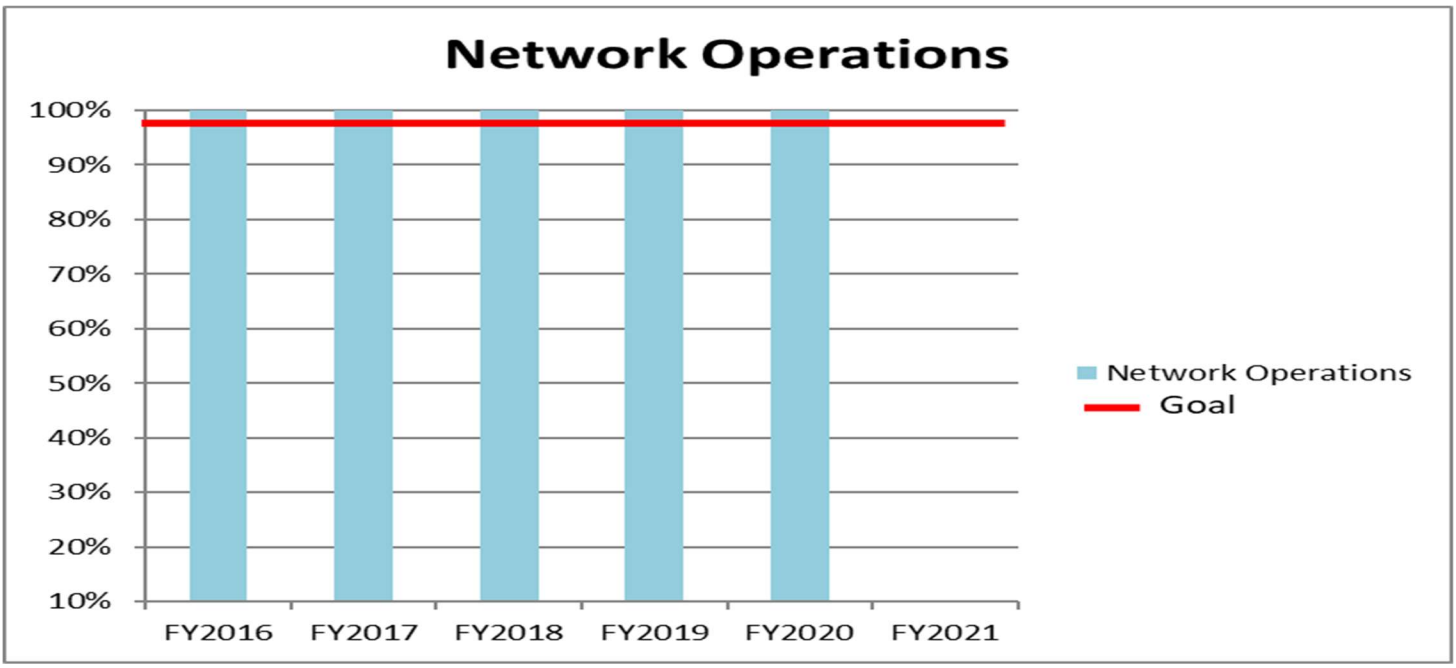
- CityWorks Implementation (work orders, customer requests, asset management, inventory)
- Continue to collect data in the field utilizing cellular network for both GIS and CMMS
    - Utilizing Verizon cell data plans for hotspots & tablets
- Replacement of servers and PCs in accordance with the Strategic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

Performance Metrics:

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



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



Information Technology

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
PERSONAL SERVICES								
Salaries & Wages	$	306,069	205,887	308,831	338,000	357,700	357,700	105.8%
Overtime		953	444	666	10,000	3,000	3,000	30.0%
Social Security		23,181	15,223	22,835	26,600	27,600	27,600	103.8%
Retirement		(2,996)	12,363	18,545	19,400	24,800	24,800	127.8%
Health & Benefit Dollars		54,504	37,755	56,633	71,950	72,800	72,800	101.2%
Life Insurance		3,916	2,657	3,986	4,350	4,800	4,800	110.3%
Workers' Compensation		231	151	227	400	400	400	100.0%
Subtotal:		**385,858**	**274,480**	**411,723**	**470,700**	**491,100**	**491,100**	**104.3%**
OPERATING SUPPLIES								
Office Supplies		7,033	5,908	8,862	10,000	9,000	9,000	90.0%
Copier Supplies		164	-	-	350	350	350	100.0%
Fuel, Oil & Grease		344	106	159	1,150	1,100	1,100	95.7%
Small Tools & Equipment		35,476	14,023	21,035	36,900	34,350	34,350	93.1%
Subtotal:		**43,017**	**20,037**	**30,056**	**48,400**	**44,800**	**44,800**	**92.6%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Service Contracts		122,656	143,193	214,790	202,500	223,000	223,000	110.1%
Telephone/Communications		81,177	50,750	76,125	94,700	98,800	98,800	104.3%
Subtotal:		**203,833**	**193,943**	**290,915**	**297,200**	**321,800**	**321,800**	**108.3%**
REPAIRS AND MAINTENANCE								
Vehicle Repair and Maintenance		16	-	-	1,650	1,650	1,650	100.0%
Subtotal:		**16**	**-**	**-**	**1,650**	**1,650**	**1,650**	**100.0%**

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
OTHER SERVICES AND CHARGES								
Software		34,558	16,444	24,666	42,000	43,000	43,000	102.4%
Books and Periodicals		57	-	-	250	250	250	100.0%
Education and Training		2,651	6,432	9,648	15,450	14,700	14,700	95.1%
Travel		6,877	5,109	7,664	13,800	14,100	14,100	102.2%
Subtotal:		**44,143**	**27,985**	**41,978**	**71,500**	**72,050**	**72,050**	**100.8%**
TOTAL INFORMATION TECHNOLOGY	**$**	**676,867**	**516,445**	**774,672**	**889,450**	**931,400**	**931,400**	**104.7%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	104,474	-	-	-	-	-	-
Total	**$**	**104,474**	**-**	**-**	**-**	**-**	**-**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$	51,029	14,796	22,194	70,300	43,900	43,900	62.4%
Total	**$**	**51,029**	**14,796**	**22,194**	**70,300**	**43,900**	**43,900**	**62.4%**

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. Our system continues to grow every year, and the level of maintenance responsibility continues to increase.

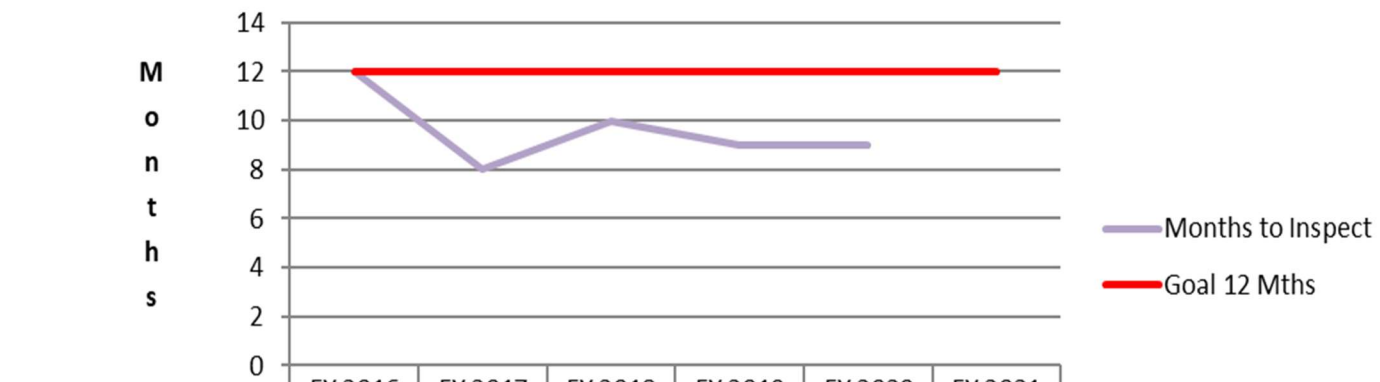
Key initiatives for FY 2021:

- Increased emphasis on training, specifically training related to emergency response, safety, and overall system knowledge for maintenance staff as well as operation of the CCTV equipment. The ACSA system continues to grow and with this training, ACSA staff will better understand critical areas and response protocols that are needed to minimize impacts during emergencies
- Replace one (1) service truck
- Implementation of CityWorks work order and inventory system
- Water pipe saddle replacement program
- Exclusion meter replacement program
- Vulnerability (Risk) assessment project implementation

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 metric below illustrates a key performance metric for the budget year and results from years preceding.

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



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Months to Inspect	12	8	10	9	9	
Goal 12 Mths	12	12	12	12	12	12

Maintenance Department

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
PERSONAL SERVICES								
Salaries & Wages	$	1,545,458	1,075,383	1,613,075	1,747,000	1,747,000	1,747,000	100.0%
Overtime Pay		48,029	36,351	54,527	60,000	60,000	60,000	100.0%
Standby Pay		34,296	25,366	38,049	5,000	5,000	5,000	100.0%
Social Security		121,030	84,375	126,563	139,000	139,000	139,000	100.0%
Retirement		(15,172)	66,791	100,187	101,000	121,700	121,700	120.5%
Health & Benefit Dollars		274,918	189,245	283,868	373,000	388,400	388,400	104.1%
Life Insurance		19,830	14,191	21,287	22,900	23,300	23,300	101.7%
Workers' Compensation		34,353	20,905	31,358	56,200	56,400	56,400	100.4%
Meals - Overtime		982	210	315	1,200	1,200	1,200	100.0%
Subtotal:		**2,063,724**	**1,512,817**	**2,269,229**	**2,505,300**	**2,542,000**	**2,542,000**	**101.5%**
OPERATING SUPPLIES								
Shop Supplies		6,923	1,280	1,920	27,200	26,700	26,700	98.2%
Personal Protective Equipment		45,535	8,820	13,230	18,300	19,100	19,100	104.4%
Fuel, Oil & Grease		54,756	28,959	43,439	63,000	57,800	57,800	91.7%
Heating Fuel		3,532	2,825	4,238	9,000	9,500	9,500	105.6%
Small Tools & Equipment		41,643	24,186	36,279	61,100	87,500	87,500	143.2%
Subtotal:		**152,389**	**66,070**	**99,106**	**178,600**	**200,600**	**200,600**	**112.3%**
REPAIR & MAINTENANCE SUPPLIES								
Vehicle Supplies		10,623	6,532	9,798	36,300	34,100	34,100	93.9%
Materials - Water		84,765	67,959	101,939	87,000	79,000	79,000	90.8%
Materials - Hydrants		16,514	13,823	20,735	30,000	45,000	45,000	150.0%
Materials - Sewer		17,881	13,234	19,851	12,000	22,000	22,000	183.3%
Building & Grounds Supplies		35,027	31,234	46,851	31,400	31,100	31,100	99.0%
Equipment Supplies		31,750	22,222	33,333	33,000	53,500	53,500	162.1%
Water Pump Station Supplies		127,491	17,798	26,697	41,400	35,100	35,100	84.8%
Sewer Pump Station Supplies		111,556	40,512	60,768	95,500	95,100	95,100	99.6%
Subtotal:		**435,607**	**213,314**	**319,972**	**366,600**	**394,900**	**394,900**	**107.7%**
PROFESSIONAL & CONTRACTUAL SERVICES								
Labor - Outside Contract		24,462	45,293	67,940	129,000	128,800	128,800	99.8%
Uniform Rental		15,615	17,254	25,881	36,600	29,000	29,000	79.2%
Building & Grounds Services		123,354	77,325	115,988	139,500	140,900	140,900	101.0%
Other Contractual Services		1,338	200	300	11,000	13,100	13,100	119.1%
Subtotal:		**164,769**	**140,072**	**210,109**	**316,100**	**311,800**	**311,800**	**98.6%**

Description		FY 2019 Expended	FY 2020 Actual Expenses To-Date(Feb)	FY 2020 Anticipated Expenses To-EOFY 2020	FY 2020 Budget	FY 2021 Base Budget	FY 2021 Total Proposed	FY 2021 as % of FY 2020
REPAIRS AND MAINTENANCE								
Equipment Repair and Maintenance		21,569	14,745	22,118	72,000	71,000	71,000	98.6%
Building & Grounds Repair and Maintenance		505	231	347	13,200	13,200	13,200	100.0%
Vehicle Repair and Maintenance		30,472	25,277	37,916	32,300	34,300	34,300	106.2%
Emergency Tracking Account		112,782	-	-	-			-
Subtotal:		**165,328**	**40,253**	**60,381**	**117,500**	**118,500**	**118,500**	**100.9%**
OTHER SERVICES AND CHARGES								
Rental of Equipment		722	75	113	10,000	10,000	10,000	100.0%
Education and Training		20,982	9,389	14,084	17,800	22,000	22,000	123.6%
Travel		14,987	7,466	11,199	12,400	8,700	8,700	70.2%
Electricity - Water Pump Station		30,557	17,798	26,697	32,700	43,900	43,900	134.3%
Electricity - Sewer Pump Station		30,193	19,031	28,547	35,200	31,700	31,700	90.1%
Electricity - Shop & Office		44,077	23,198	34,797	46,200	42,900	42,900	92.9%
Permits		387	-	-	7,200	6,600	6,600	91.7%
Subtotal:		**141,905**	**76,957**	**115,437**	**161,500**	**165,800**	**165,800**	**102.7%**
TOTAL MAINTENANCE	**$**	**3,123,722**	**2,049,483**	**3,074,234**	**3,645,600**	**3,733,600**	**3,733,600**	**102.4%**
NEW EQUIPMENT ACQUISITION								
New Equipment Acquisition	$	(77,905)	-	-	-	99,900	99,900	-
Total	**$**	**(77,905)**	**-**	**-**	**-**	**99,900**	**99,900**	**-**
PLANNED EQUIPMENT REPLACEMENT								
Planned Equipment Replacement	$	(47,655)	170,957	256,436	300,500	96,400	96,400	32.1%
Total	**$**	**(47,655)**	**170,957**	**256,436**	**300,500**	**96,400**	**96,400**	**32.1%**

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

Debt Type	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Revenue Bond	$ 7,440,000	$ -	$ (477,000)	$ 6,963,000	$ 491,000

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

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

Fiscal Year Ending June 30,	Principal	Interest	Anticipated BAB Subsidy	Net Interest
2020	$ 491,000	$ 320,298	$ (112,104)	$ 208,194
2021	506,000	297,712	(104,199)	193,513
2022	521,000	274,436	(96,053)	178,383
2023	536,000	250,470	(87,665)	162,805
2024	552,000	225,814	(79,035)	146,779
2025-2029	3,019,000	732,504	(256,376)	476,128
2030-2031	1,338,000	92,782	(32,474)	60,308
	$ 6,963,000	**$ 2,194,016**	**$ (767,906)**	**$ 1,426,110**

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. Please see summaries of equipment purchased below:

Equipment – Newly acquired - $101,900

Finance – Finance has identified the need for two additional high output scanners (Budget Impact: $2,000)

Maintenance – Maintenance has identified the need for one sewer camera/transporter, two (2) light towers, one (1) guillotine saw, one (1) 5'x8' dump trailer, office furniture, and one (1) diagnostic scanning tool to help maintain vehicles, equipment, and generators. (Budget Impact: $41,400; $16,000; $24,000; $5,000; $2,500; and $11,000, respectively).

Equipment- Replacement - $302,800

Engineering – Scheduled replacement of one (1) fleet vehicle, one (1) water flow meter, three (3) wireless sewer meter loggers and two (2) pipe locators (Budget Impact: $30,000; $8,500; $18,000; and $10,000, respectively).

Finance –Scheduled replacement of three meter operation vehicles. (Budget impact: $96,000).

Information Technology – Replacement of two (2) servers, seven (7) computers, and thirteen (13) iPads in FY 2021 in accordance with the ACSA's regularly scheduled change-out policy. (Budget impact: $10,400; $14,000; and $19,500, respectively).

Maintenance – Scheduled replacement of one (1) utility truck, one (1) generator for utility truck, one (1) sewer camera, and one (1) camera transporter (Budget impact: $45,000; $10,000; $23,200; and $18,200, respectively)

Capital Equipment Purchases

Description		FY 2021 Proposed Budget
NEW EQUIPMENT ACQUISITION		
Finance	$	2,000
Maintenance		99,900
Total:	**$**	**101,900**

PLANNED EQUIPMENT REPLACEMENT		
Engineering	$	66,500
Finance		96,000
Information Technology		43,900
Maintenance		96,400
Total:	**$**	**302,800**

The following is a summary of the estimated project costs to be undertaken in FY 2021:

Water Projects:	$ 4,634,975
Wastewater Projects:	$ 2,274,425
Total:	**$ 6,909,400**

In this budget approximately 79% of the funds to be expended for water projects will be used to replace aging and undersized pipelines. Approximately 38% of the funds to be expended for sewer projects are growth-related by providing increased sewer capacity while nearly 18% will address rehabilitation of the existing collection system to reduce infiltration and inflow (I/I). Of the total $6,909,400 budgeted, existing projects account for $5,222,575, while new projects are estimated at $1,686,825.

The new projects include, renovations at the Operations Center, water distribution system redundancy, the replacement of existing water mains, capacity upgrades to the wastewater collection system, extension of sanitary sewer service to an existing subdivision, and installation of a permanent generator at an existing sewer pump station. 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 2021 follows:

Risk Assessment Improvements: As part of the on-going preparedness program for the ACSA to remain resilient a Vulnerability Assessment was completed in conjunction with our community partners. All our critical assets were analyzed for risks caused by both natural and human-made hazards, using the AWWA Standard J100: *Risk and Resilience Management of Water and Wastewater Systems*. The result was a report to establish mitigation measures to lower risks and increase resiliency. Some mitigation measures such as industrial strength locks, perimeter security lighting, and access control signage have been completed. Design of Priority 1 is currently underway, and construction is anticipated in the upcoming fiscal year. Priority 2 will follow with funds already budgeted. There will be additional funds required in FY 2022 and FY 2024 to cover design and construction of Priorities 3 and 4. **FY 2021 Budget - $0 (FY 2019 and FY 2020 Budgets - $524,950)**

Enterprise Resource Planning (ERP) Transition: In 2018 ACSA staff discovered that Microsoft's mainstream support of Dynamics AX, the financial software platform installed by the ACSA in 2016, would expire October 2021. This project will consist of consulting services provided by the Government Finance Officers Association (GFOA) to assist with a review of business processes and technology, an implementation roadmap, and RFP development/review of proposals/contract negotiations. The amount previously budgeted is for these consulting services. There will be additional funds required in FY 2022 for full implementation of the system. **FY 2021 Budget - $0 (FY 2020 Budget - $108,150)**

Energy Audit: This project will consist of a comprehensive energy audit of the Operations Center and all pump stations. It will evaluate current energy consumption and the factors that drive it, as well as, an analysis of utility rate structures to identify potential cost savings. Surveys will be conducted of all systems, including operation and maintenance procedures to determine where energy conservation can be improved. The amount previously budgeted is for the analysis of our energy footprint and recommendations for improvements. **FY 2021 Budget - $0** (**FY 2020 Budget - $300,000)**

Avon Street Maintenance Yard: As part of the Operations Center Expansion Study our consultant reviewed all properties owned by the ACSA that could be utilized as we grow. The Avon Street property has long been held as a future location to build additional facilities in a central location, as needed. The current Maintenance Yard at our Operations Center is becoming overcrowded with equipment and materials, causing us to locate some equipment and larger materials in the former ACSA Maintenance Yard at the Crozet Water Treatment Plant, which we lease from RWSA. This project will begin to develop the Avon Street property into a much larger vehicle and materials storage facility, including a training area for our equipment operators. The amount budgeted is to cover additional design and permitting of this site in FY 2021. Additional funding will be required for construction, which is anticipated in FY 2022 through FY 2024. **FY 2021 Budget - $265,000** (**FY 2020 Budget - $315,000)**

ACSA Facilities – Bathrooms and Customer Service Renovations (New): As part of the ACSA's program to identify and improve facility needs, ACSA staff has developed a project that will create a new office within the existing Customer Service space as well as renovations of the four bathrooms in the Administration Building. Design of these renovations is currently underway and the amount budgeted is the estimated construction cost to complete the work in FY 2021. **FY 2021 Budget - $125,000**

Advanced Metering Infrastructure (AMI) Implementation: This project addresses a goal in our Strategic Plan to convert our existing metering system to an AMI System. We have completed the Request for Proposals (RFP), evaluation of potential vendors, and recently signed the final contract with the selected vendor. The proof of concept will include alpha testing (verification of communication protocols with all meter sizes) and beta testing (deployment of a small portion of the AMI System in our service area). The amount previously budgeted is the estimated cost to complete the initial phases of the project. There will be additional funds required in FY 2022 and FY 2023 for full deployment of the system. **FY 2021 Budget - $0 (FY 2018 and FY 2020 Budget - $2,700,000)**

Four-Story Residential Backflow Prevention Device Retrofit (New): In late 2018 ACSA staff became aware of four-story residential structures being constructed without proper backflow prevention devices. Section 8 of the ACSA Rules and Regulations details the ACSA Backflow Prevention Program. This program is in accordance with 12VAC5-590-570 through 12VAC5-590-630 of the Virginia Waterworks Regulations. The Containment Policy in 12VAC5-590- 610 outlines the requirement for a backflow prevention (BFP) device on the domestic water service line to high rise structures, defined as four (4) or more stories. At the August 15, 2019 Board Meeting, the Board authorized funds to proceed with the required backflow prevention device retrofit. The amount budgeted is for funding to complete the necessary retrofits in FY 2021. **FY 2021 Budget - $348,000**

Camelot Water Main Replacement: This project will replace the asbestos-cement and PVC water mains that have been in service approximately 50 years, some of which are also undersized. Recent repairs in this area have revealed the asbestos-cement water main is deteriorating and becoming unreliable. This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The design is complete, and the project is currently out to bid for construction. The amount budgeted is for additional funding to complete the construction in FY 2021. **FY 2021 Budget - $328,000 (FY 2017, FY 2019 and FY 2020 Budgets - $1,768,900)**

Scottsville Phase 4 Water Main Replacement: This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast iron water mains throughout our water systems. The design is underway and will continue into FY 2021. The amount budgeted is to cover additional design added to the scope that will replace the Rivanna Water and Sewer Authority's (RWSA) water main between the Scottsville Filter Plant and the RWSA Scottsville Tank along James River Road. Construction is not anticipated to occur until FY 2023 and FY 2024. **FY 2021 Budget - $103,000 (FY 2018 Budget - $301,900)**

Crozet Phase 4 Water Main Replacement: Our Strategic Plan calls for the eventual replacement of all asbestos-cement, galvanized and PVC (pre-1990) water mains in our system, as they are older and made of a weaker material than the current industry norm. This project continues our systematic program to replace the aging and undersized asbestos-cement and PVC water mains in the Crozet Water System. This is the fourth of five phases that have been defined to carry out these improvements. The design is currently underway with funds previously appropriated. Construction is anticipated to occur in FY 2023 and 2024 with additional funding. **FY 2021 Budget - $0 (FY 2019 and FY 2020 Budgets - $535,300)**

Ragged Mountain Phase 1 Water Main Replacement: This project will replace the oldest active water main remaining in our system, which was part of the water main that served customers out Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which greatly reduces the flow capacity in this section. Design of this project is currently underway and the ACSA is coordinating with VDOT on their Morey Creek Bridge Replacement Project. Construction schedule for this project will be dependent on VDOT's bridge replacement project. Additional funds will be budgeted to construct the project in FY 2022. **FY 2021 Budget - $0 (FY 2020 Budget - $117,400)**

Jefferson Village Water Main Replacement: This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are approximately 50 years old and have reached the end of their useful life. As a former well system that was connected to public water, many of the mains are also undersized. The design phase is nearing completion with funds previously appropriated. The amount budgeted is for construction to be completed in FY 2021. **FY 2021 Budget - $1,646,650 (FY 2018 and FY 2020 Budgets - $542,050)**

Northfields Water Main Replacement: This project addresses the goal in our Strategic Plan for the eventual replacement of all asbestos-cement water mains in our system. The existing water mains are approximately 55 years old

and have reached the end of their useful life. As a former well system that was connected to public water, most of the mains are also undersized. The project is currently under design with funds previously budgeted. It is anticipated that construction will be separated into phases with the first phase in FY 2022 and FY 2023, and the second phase in FY 2026, with additional funding budgeted in those years. **FY 2021 Budget - $0 (FY 2020 Budget - $530,000)**

Hessian Hills Water Main Replacement: The water mains in the Hessian Hills area are of a similar age and material as the water mains in the Barterbrook Phase 2 Project, plus they are in the same general area. By extension we are assuming their condition is similar with respect to tuberculation and they are also undersized throughout most of the subdivision. This project follows our Strategic Plan goal to replace aging and undersized water mains throughout our system. It will also eliminate a small amount of PVC main installed in the early 1980's. The design phase is currently underway and will be completed in FY 2020. Construction is anticipated to begin in FY 2021 and carry over into FY 2022 with additional funding. **FY 2021 Budget - $1,175,000 (FY 2019 Budget - $372,000)**

Briarwood Water Main Replacement (New): Our Strategic Plan calls for the eventual replacement of PVC (pre-1990) water mains in our system, as they are older and made of weaker material than the current industry norm. This project will replace the PVC water mains that have been in service since the early 1980's. The design phase will be initiated in FY 2021 and carry over into FY 2022. Construction is expected to take place in FY 2024 and FY 2025 with additional funding budgeted in those years. **FY 2021 Budget - $220,000**

Broadway Street Water Main Replacement (New): This project will replace the cast iron water main that was installed in the early 1970's and has been found to be in deteriorating condition based on recent excavations. With the redevelopment of the Woolen Mills Factory and Albemarle County's increased attention on economic revitalization of this corridor, replacement of this water main is crucial in transforming this area. The amount budgeted is for design to be completed in FY 2021. Construction of this project will likely be coordinated with the County of Albemarle's "Broadway Blueprint". **FY 2021 Budget - $142,800**

Court Place Water Main Replacement (New): This project will replace the 1980 PVC water main that has recently experienced several water main breaks associated with saddle connections. This project has been identified by Maintenance as a high priority for PVC water main replacement. The amount budgeted is for design to be completed in FY 2021. ACSA staff may explore the feasibility of adding this work to the Hessian Hills Water Main Replacement Project due to its proximity. **FY 2021 Budget - $68,325**

Airport Trunk Sewer Upgrade (New): With the continued growth in the Hollymead Town Center area, the existing sewer collector serving the airport and the area west of Route 29 is in need of upgrading to handle full build-out. The existing sewer was originally sized to serve the light industrial zoning designated for that area at the time of construction. The increased density specified in the County Comprehensive Plan for the same drainage basin will exceed the capacity of the existing sewer. The amount budgeted is for the design to be completed in FY 2021. It is anticipated that construction will take place in FY 2024 and FY 2025, with additional funding budgeted in those years. **FY 2021 Budget - $368,800**

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 publicly bid miscellaneous sewer rehabilitation contracts that are renewable on an annual basis up to four times after the initial year long contract. 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 2021 Budget - $400,000**

Oak Forest Pump Station Abandonment: This wastewater pump station was constructed in the late 1970's 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 gravity sewer main extension project that could eliminate this aging pump station and avoid an expensive upgrade. Construction is expected to begin this spring and carry over into the upcoming fiscal year. The amount budgeted is additional funding for construction in FY 2021. **FY 2021 Budget - $535,800 (FY 2016, FY 2019 and FY 2020 Budgets - $875,000)**

Bellair – Liberty Hills Sewer (New): Over the past several years, there has been an uptick in residents of the Bellair Subdivision seeking to connect to public sanitary sewer service since most residents are currently served by private septic fields. In an effort to gauge community interest for such a project, ACSA staff mailed out a survey to the residents seeking feedback on their interest. Based on initial feedback received, a majority of the property owners are interested in connecting to public sewer if it was made available. The amount budgeted is for the design to be completed in FY 2021. It is anticipated that construction will take place in FY 2024 and FY 2025, with additional funding budgeted in those years. **FY 2021 Budget - $313,200**

Madison Office Park Pump Station Upgrade: This wastewater pump station was constructed 37 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 SCADA System. The design of the pump station is underway and should be completed during this fiscal year. The amount budgeted is for construction of the project in FY 2021 with additional funding anticipated in FY 2022. **FY 2021 Budget - $371,625 (FY 2015, FY 2017, FY 2018 and FY 2020 Budgets - $629,500)**

Stony Point Water Main Replacement: This project was originally intended to be part of the Scottsville Phase 4 Water Main Replacement Project, but ACSA staff recognized that it could be constructed by our Maintenance CIP crew. The pipes are undersized cast iron and galvanized steel due to it originally being a well system, which dates back more than 50 years. This project is in accordance with our Strategic Plan to eliminate aging and undersized pipe through our water system. The amount previously budgeted should cover any design efforts. Additional funds will be required in FY 2022 for in-house construction. **FY 2021 Budget - $0 (FY 2019 Budget - $175,000)**

Huntington Village Water Connection (New): The existing water main that serves as the only feed into the Huntington Village off Old Ivy Road is at risk of failure due to an existing rock retaining wall that was constructed overtop of the water main. This project provides a second water connection into Huntington Village which is comprised of approximately 135 residential customers. It is anticipated all the work will be coordinated in-house by Maintenance Department personnel and is expected to be completed in FY 2021. **FY 2021 Budget - $60,700**

Briarwood Pump Station Generator (New): This wastewater pump station was constructed in 1995 by private development and didn't include a permanent generator. In an effort to reduce risk and increase resiliency at the station, Maintenance identified the need to install a generator at this site to avoid deployment of one of our portable generators. It is anticipated all the work will be performed in-house by Maintenance Department personnel and is expected to be completed in FY 2021. **FY 2021 Budget - $40,000**

Exclusion Meters Replacement: In the mid 1990's with the development of Glenmore, many new customers installed irrigation systems for their properties and wanted to have their sewer bills reduced by the amount of water that was diverted to irrigate their properties. Private meters were installed behind their ACSA meter to record this volume and it was "excluded" from the calculation of their sewer charges and these became known as exclusion meters. On January 1, 2006 the ACSA Rules and Regulations were modified to no longer allow exclusion meters and required that all future irrigation meters would be tapped separately off our water mains, to be owned and controlled by the ACSA. At that time the existing exclusion meters were grandfathered and allowed to stay in place unless the irrigation system was voluntarily abandoned. This project is a multi-year replacement program by our in-house CIP Crew to install dedicated, ACSA owned irrigation meters that will eliminate all remaining exclusion meters in our system. The amount budgeted is the anticipated annual construction cost. **FY 2021 Budget - $247,500**

Pipe Saddles Replacement: The ACSA Maintenance Department has discovered in recent years that pipe saddles used to make water service line connections to PVC water mains have been failing. Either the galvanized steel straps or the cast iron saddle bodies are deteriorating. This project is a multi-year replacement program to be undertaken with our in-house CIP Crew. The amount budgeted is the anticipated annual construction cost. **FY 2021 Budget - $50,000**

Developer Participation: Each year funds are set aside to participate in oversizing utilities constructed to serve new development. The Rate Model includes $100,000 divided equally between water and wastewater projects as a contingency to ensure the new pipes are sized to meet the ACSA's long-range needs. **FY 2021 Budget - $100,000**

Albemarle County Service Authority Water & Sewer Rate Model

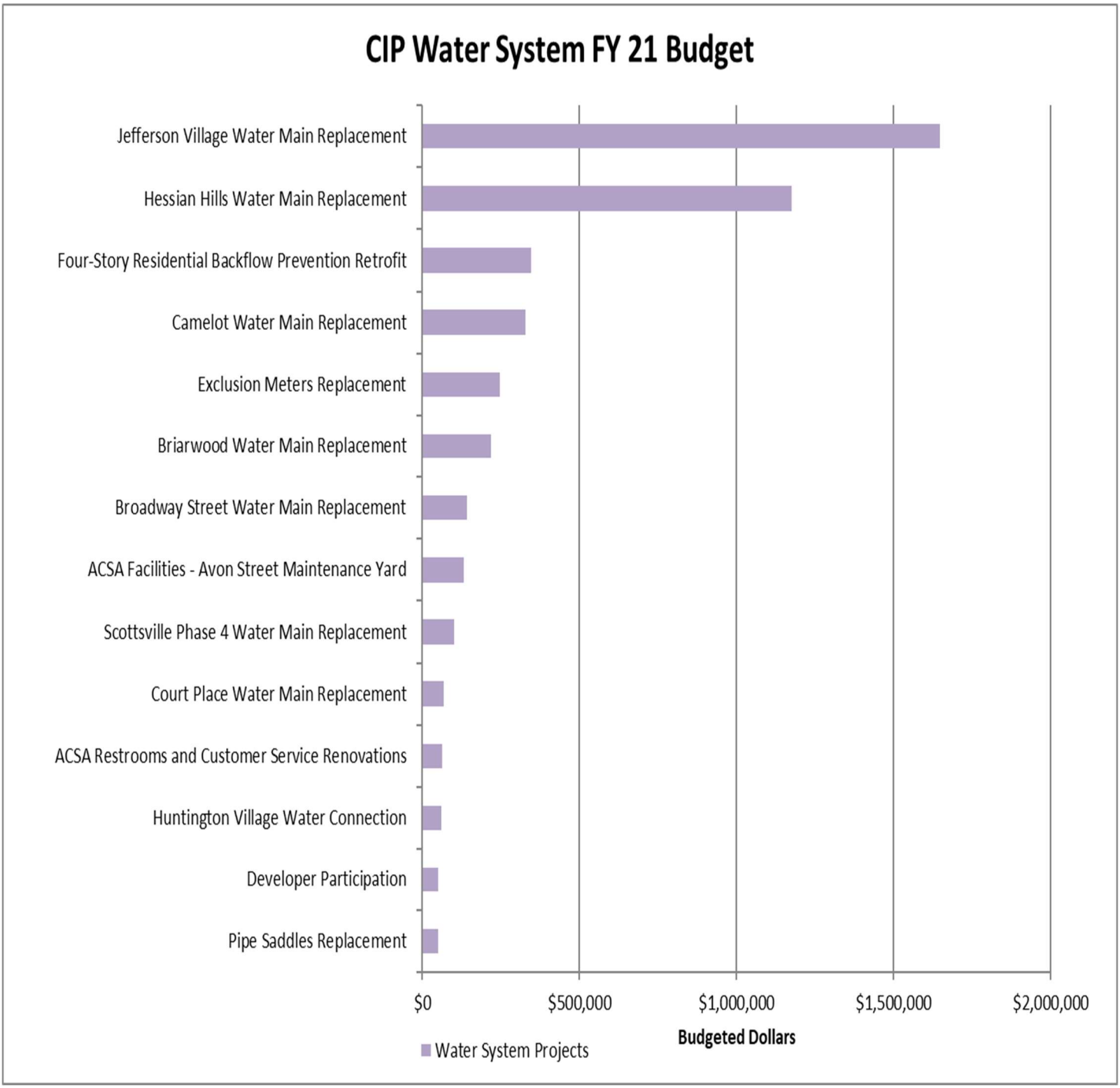
10-Year Capital Improvement Program (CIP)

Water System	Percent Growth	2020 Forecast	**2021 Forecast**	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	10-Year Total Forecast
Risk Assessment Improvements	0%	**60,000**		47,500		324,500							372,000
ERP Transition	0%	**54,075**		200,000									200,000
Energy Audit	0%	**127,500**											-
ACSA Facilities - Operations Center Expansion Phase 1	100%	**168,000**											-
ACSA Facilities - Avon Street Maintenance Yard	100%	**157,500**	**132,500**	1,000,000	2,171,875	390,625							3,695,000
ACSA Restrooms and Customer Service Renovations	0%		**62,500**										62,500
AMI Implementation	80%	**1,250,000**		2,500,000	250,000								2,750,000
Four-Story Residential Backflow Prevention Retrofit	0%		**348,000**										348,000
Camelot Water Main Replacement	0%	**943,500**	**328,000**										328,000
Scottsville Phase 3 Water Main Replacement	0%	**184,500**											-
Scottsville Phase 4 Water Main Replacement	0%		**103,000**		983,500	1,967,000	983,500						4,037,000
Stony Point Water Main Replacement	0%			213,000									213,000
Ragged Mountain Phase 1 Water Main Replacement	0%	**117,400**		642,600									642,600
Crozet Phase 4 Water Main Replacement	0%	**150,300**			2,394,400	2,394,400							4,788,800
Crozet Phase 5 Water Main Replacement	0%				403,175		1,805,100	1,805,100					4,013,375
Jefferson Village Water Main Replacement	0%	**353,250**	**1,646,650**										1,646,650
Rt 785 Water Main Replacement	0%							40,100		215,500			255,600
Ednam Water Storage Tank Recoating	0%	**217,200**											-
Northfields Water Storage Tank Recoating	0%	**39,500**											-
Carrsbrook Water Main Replacement	0%					313,850	313,850		2,144,500	2,144,500			4,916,700
Northfields Water Main Replacement	0%	**530,000**		550,000	2,750,000			2,100,000					5,400,000
Wakefield Water Main Replacement	0%						110,000		517,300				627,300
Huntington Village Water Connection	0%		**60,700**										60,700
Hessian Hills Water Main Replacement	0%		**1,175,000**	2,350,000	1,175,000								4,700,000
Old Forge Water Main Replacement	0%			195,000		914,000							1,109,000
Airport Acres Water System	100%										93,000		93,000
Parkview Drive Water Connection	0%												-
Lewis Hill - West Leigh Water Connection	0%												-
Exclusion Meters Replacement	0%	**280,000**	**247,500**	247,500	247,500	247,500							990,000
Pipe Saddles Replacement	0%	**50,000**	**50,000**	50,000	50,000								150,000
Glenorchy - Viewmont Court Water Extension	100%										166,300		166,300
Ashcroft Water Main Replacement	0%							427,900		1,490,250	496,750		2,414,900
Briarwood Water Main Replacement	0%		**220,000**	220,000		729,300	1,480,700						2,650,000
Riverrun Water Main Replacement	0%			257,100			1,640,100						1,897,200
Townwood Water Main Replacement	0%				170,000			1,073,800					1,243,800
North Pines Water Main Replacement	0%									358,900	429,925	1,289,775	2,078,600
Lewis Hill Water Main Replacement	0%						360,400		1,790,500				2,150,900
Ivy Oaks Water Main Replacement	0%									288,200		1,305,300	1,593,500
Meriwether Hill Water Main Replacement	0%	**2,564,200**											-
Broadway Street Water Main Replacement	0%		**142,800**		901,000								1,043,800
Hollymead Phase 2 Water Main Replacement	0%					204,100		1,477,000					1,681,100
Pantops - Rivanna River Crossing Water Main Replacement	0%								67,300		392,700		460,000
Court Place Water Main Replacement	0%		**68,325**		419,750								488,075
Canterbury Hills Phase 2 Water Main Replacement	0%									586,700		3,809,500	4,396,200
Branchlands PVC Water Main Replacement	0%									354,000		2,213,100	2,567,100
Raintree and Fieldbrook PVC Water Main Replacement	0%								864,600		5,515,000		6,379,600
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	500,000
													-
Total Water Capital Projects		**7,296,925**	**4,634,975**	**8,522,700**	**11,966,200**	**7,535,275**	**6,743,650**	**6,973,900**	**5,434,200**	**5,488,050**	**7,143,675**	**8,667,675**	**73,110,300**

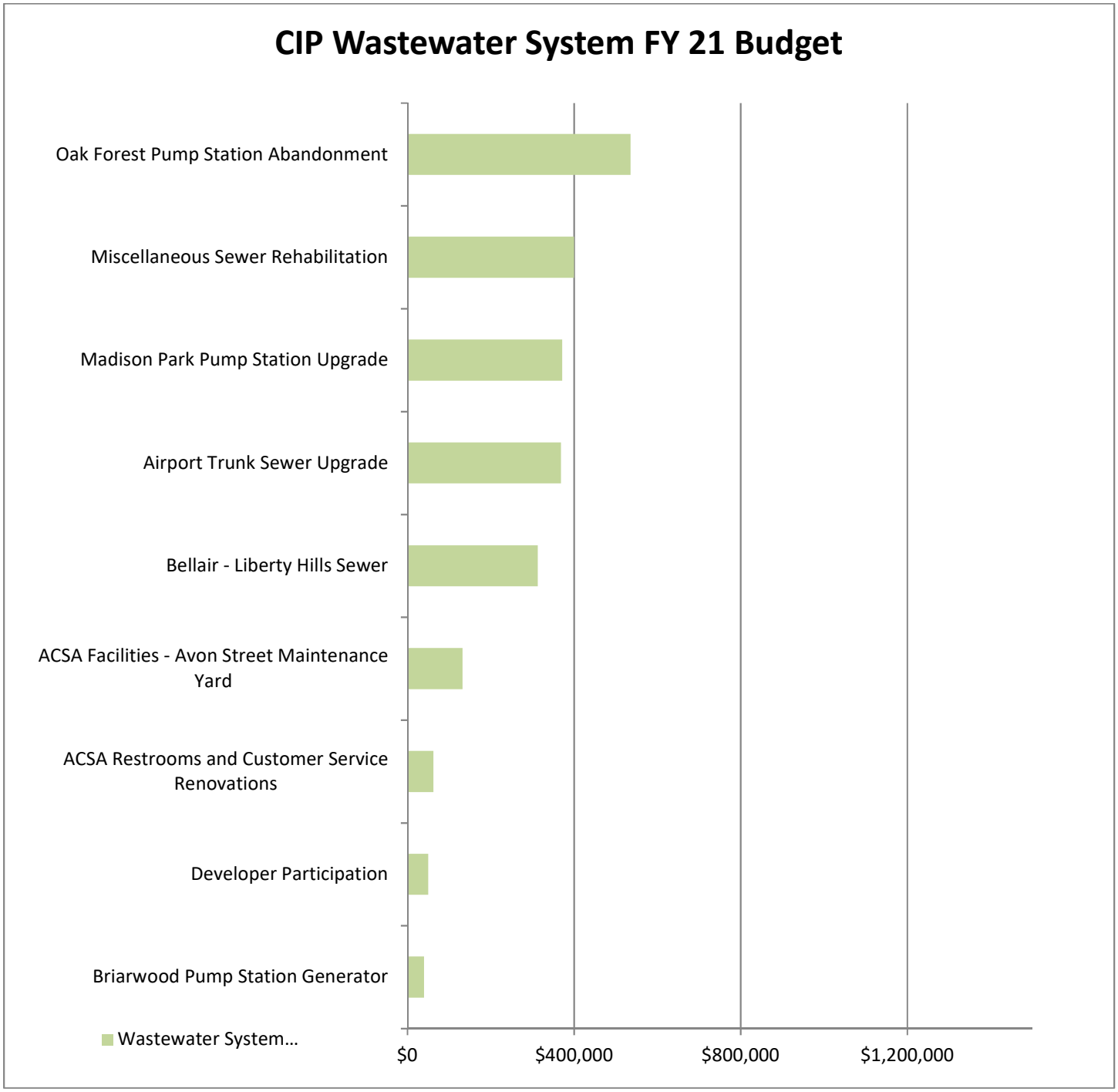
Wastewater System	Percent Growth	2020 Forecast	**2021 Forecast**	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	10-Year Total Forecast
Risk Assessment Improvements	0%	**27,500**		30,000		20,000							50,000
ACSA Facilities - Operations Center Expansion Phase 1	100%	**168,000**											-
ACSA Facilities - Avon Street Maintenance Yard	100%	**157,500**	**132,500**	1,000,000	2,171,875	390,625							3,695,000
ACSA Restrooms and Customer Service Renovations	0%		**62,500**										62,500
ERP Transition	0%	**54,075**		200,000									200,000
Energy Audit	0%	**172,500**											0
AMI Implementation	80%	**1,250,000**		2,500,000	250,000								2,750,000
Airport Trunk Sewer Upgrade	100%		**368,800**			1,400,000	1,400,000						3,168,800
Hollymead Drainage Basin SSES	0%	**235,000**											-
Northfields Sewer	100%							918,000	306,000		612,000		1,836,000
Buckingham Circle Sewer	100%							730,000					730,000
Madison Park Pump Station Upgrade	50%	**165,800**	**371,625**	123,875									495,500
Carrsbrook Collection System	100%					275,000	275,000		1,326,500	1,326,500			3,203,000
Deerwood Sewer Phase II	100%							82,800					82,800
Hessian Hills Sewer Phase III	100%										124,200		124,200
Miscellaneous Sewer Rehabilitation	0%	**400,000**	**400,000**	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,000,000
Oak Forest Pump Station Abandonment	0%	**220,000**	**535,800**										535,800
Ednam Forest Sewer	100%						530,000		1,904,800	1,908,800			4,343,600
Brookwood Road Sewer Extension	100%							21,000					21,000
Buck Road Sewer Extension	100%							40,000					40,000
Park Road Sewer Extension	100%							80,400					80,400
Airport Acres Sewer	100%										461,100		461,100
Airport Acres Offsite Sewer	100%										140,000		140000
Bellair - Liberty Hills Sewer	100%		**313,200**			828,000	828,000						1,969,200
Sewer Pump Stations Comminuters	0%	**200,000**											-
Briarwood Pump Station Generator	0%		**40,000**										40,000
Developer Participation	100%	**50,000**	**50,000**	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Total Wastewater Capital Projects		**3,100,375**	**2,274,425**	**4,303,875**	**2,871,875**	**3,363,625**	**3,483,000**	**2,322,200**	**3,987,300**	**3,685,300**	**1,787,300**	**450,000**	**28,528,900**
TOTAL CAPITAL IMPROVEMENT PROJECTS		**10,397,300**	**6,909,400**	**12,826,575**	**14,838,075**	**10,898,900**	**10,226,650**	**9,296,100**	**9,421,500**	**9,173,350**	**8,930,975**	**9,117,675**	**101,639,200**

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

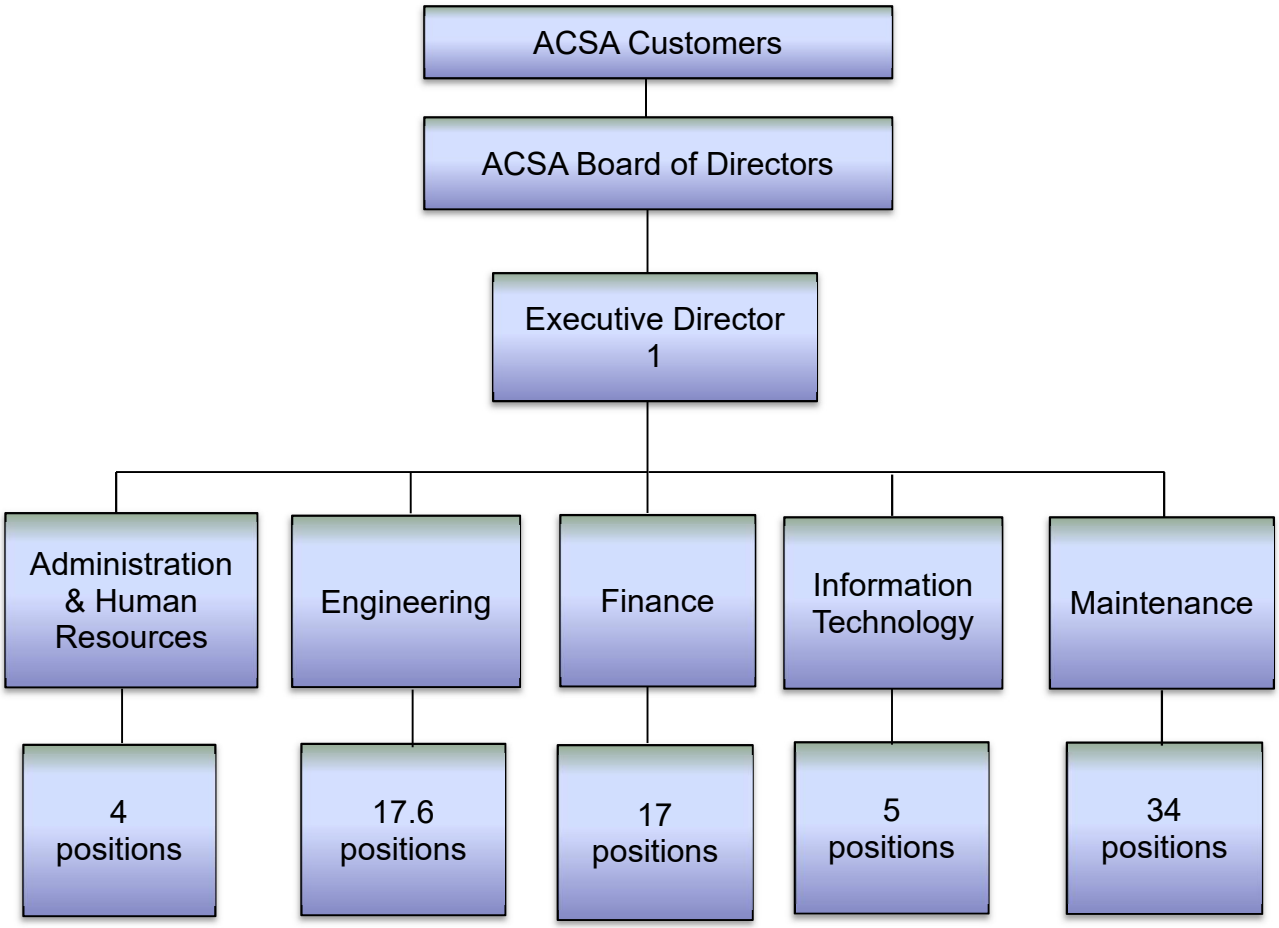
The following is an illustration of estimated water system project costs to be undertaken in FY 2021:



The following is an illustration of estimated wastewater system project costs to be undertaken in FY 2021:



ACSA Organizational & Personnel Chart
Proposed FY 2021



Note: No new positions proposed in Fiscal Year 2021.

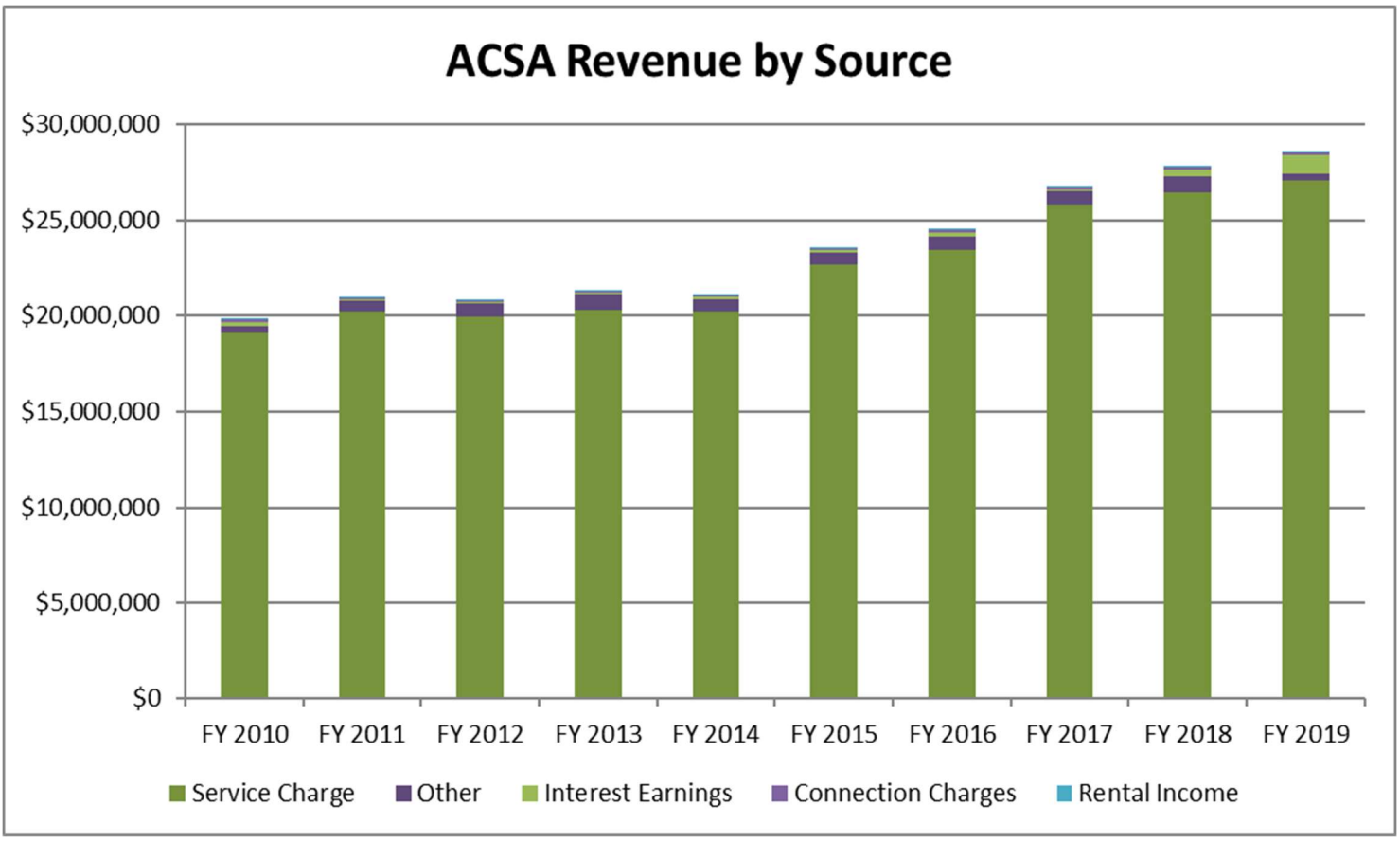
ACSA Departmental Staffing – FY 2021

		FY 2019 Positions	FY 2020 Positions	FY 2021 Proposed Positions
ADMINISTRATION	Executive Director	1	1	1
	Human Resources & Admin. Mgr.	1	1	1
	Administrative Office Assoc.	1	1	1
	Executive Assistant	1	1	1
	Human Resources Tech.	1	1	1
INFO. TECH.	Mgr. of Information Technology	1	1	1
	Systems Engineer	1	1	1
	Systems Analyst	1	1	1
	GIS Coordinator	1	1	1
	SCADA/LAN Technician	1	1	1
FINANCE	Director of Finance	1	1	1
	Accounting Supervisor	1	1	1
	Meter Operations Supervisor	1	1	1
	Customer Service Supervisor	1	1	1
	Sr. Customer Service Rep.	1	1	1
	Sr. Meter Technician	1	1	1
	Procurement and Fin. Specialist	1	1	1
	Payroll and Rev. Specialist	1	1	1
	Accounting Clerk	1	1	1
	Customer Service Rep. I/II	4	4	4
	Meter Technician I/II	4	4	4
ENGINEERING	Director of Engineering	1	1	1
	Senior Civil Engineer	2	2	2
	Civil Engineer	1	1	1
	Modeling Engineer	1	1	1
	Envir. Compliance Specialist	1	1	1
	Reg. Compliance Specialist	1	1	1
	Construction Inspector	5	5	5
	Sr. Utility Location Tech.	1	1	1
	Utility Location Tech.	2	2	2
	Engineering Tech.	1	1	1
	Hydraulic Modeling Tech.	1	1	1
	P.T. Engineering Intern	0.6	0.6	0.6
MAINTENANCE	Operations Manager	1	1	1
	Operations Supervisor	2	2	2
	Facilities Supervisor	1	1	1
	Facilities Maintenance Tech.	1	1	1
	Electrician/Pump Technician	1	1	1
	Electrical Pump Apprentice	1	1	1
	CCTV Technician	2	2	2
	Crew Leader I/II	5	5	5
	Utility Worker I/II/III	19	19	19
	Executive Assistant	-	1	1
	TOTAL	***77.6***	***78.6***	***78.6***

Revenue by Source

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest Earnings	Other	Total
2010	19,088,212	91,726	39,972	219,634	381,692	19,821,236
2011	20,203,499	69,869	39,972	52,937	608,497	20,974,774
2012	19,932,215	94,442	32,294	68,431	699,885	20,827,267
2013	20,312,821	102,275	43,656	19,745	836,157	21,314,654
2014	20,254,140	92,788	33,810	110,135	621,330	21,112,203
2015	22,641,543	96,992	33,437	102,469	680,717	23,555,158
2016	23,460,681	117,728	27,645	215,035	675,878	24,496,967
2017	25,786,007	138,553	17,213	59,576	738,948	26,740,297
2018	26,453,332	140,451	16,603	348,572	843,004	27,801,962
2019	27,053,948	135,007	16,603	946,599	364,584	28,516,741

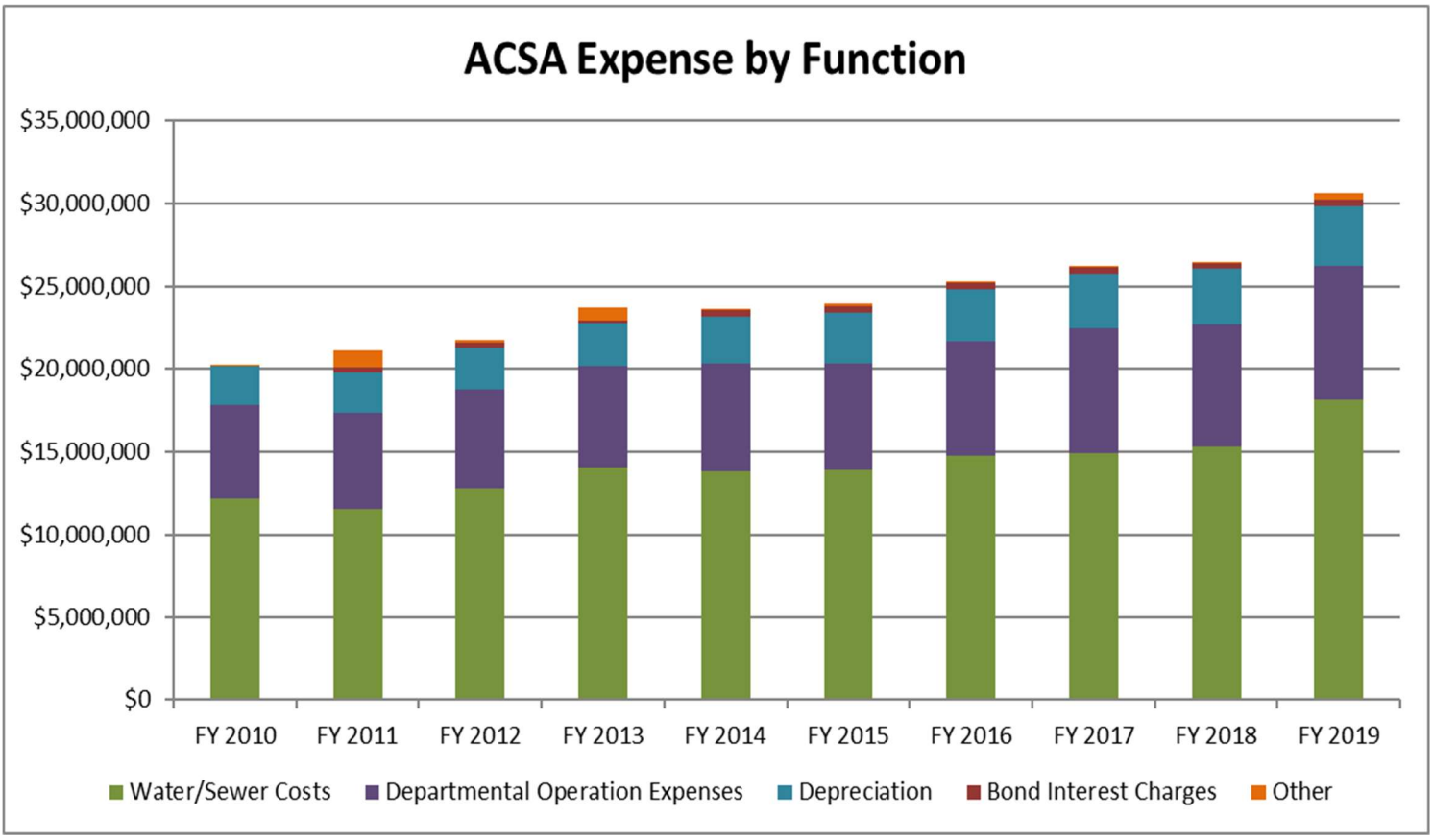
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.



Expense by Function

Fiscal Year	Water/Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
2010	12,149,203	5,644,236	11,029	2,382,631	70,116	20,257,215
2011	11,560,006	5,783,526	295,636	2,469,557	995,398	21,104,123
2012	12,824,548	5,979,395	275,791	2,501,718	201,333	21,782,785
2013	14,027,324	6,150,195	152,232	2,556,232	825,500	23,711,483
2014	13,849,536	6,524,651	360,711	2,819,633	2,032	23,556,563
2015	13,901,732	6,433,114	414,813	3,026,916	193,203	23,969,778
2016	14,795,643	6,843,659	395,056	3,158,144	22,163	25,214,665
2017	14,928,569	7,501,581	374,726	3,302,779	4,761	26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501
2019	18,154,657	8,076,009	332,183	3,625,254	438,731	30,626,834

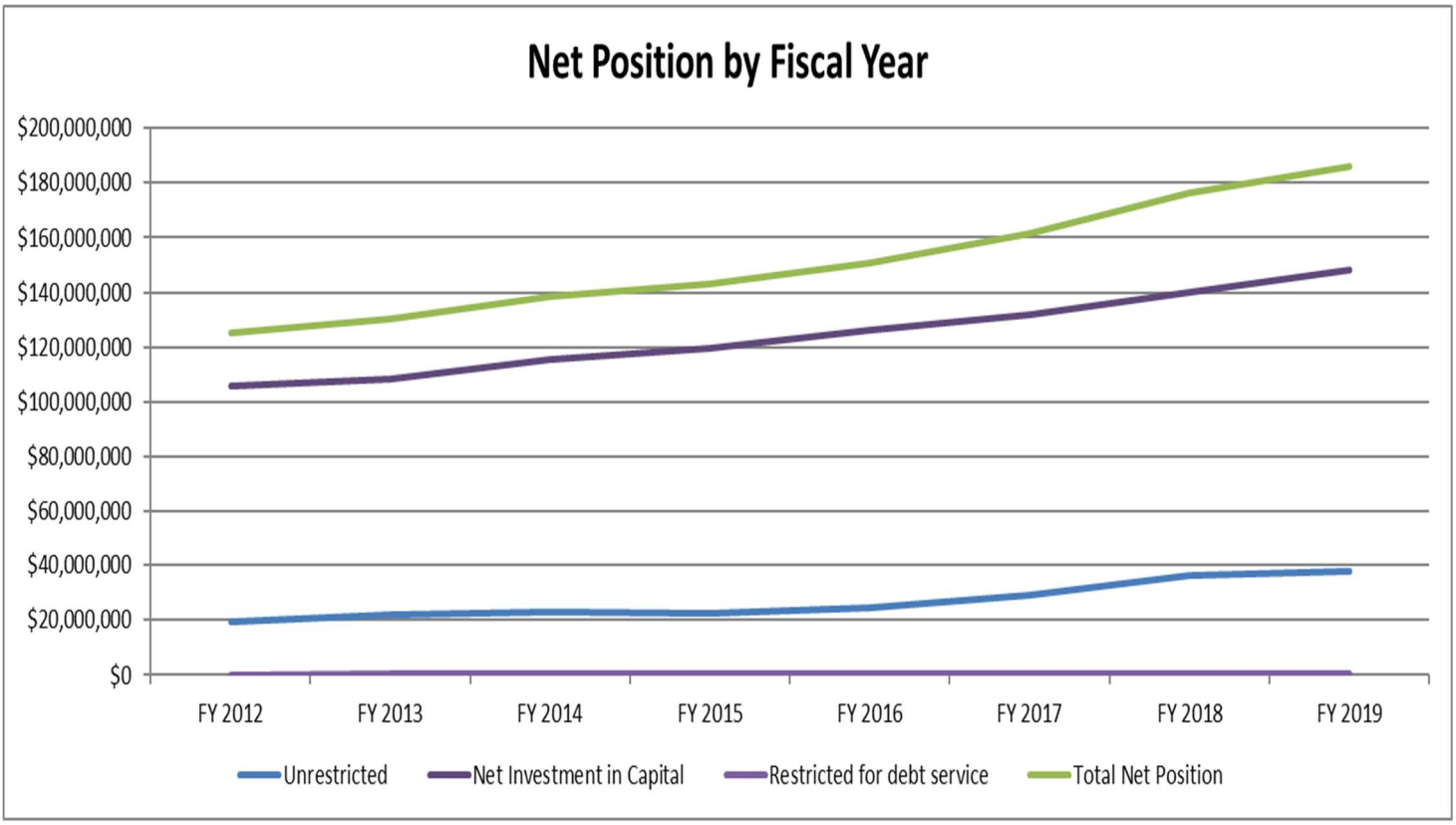
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.



Changes in Net Position

Fiscal Year	Beginning Net Position	Net Investment in Capital Assets	Restricted for debt service	Unrestricted	Ending Net Position	Change in Net Position
2010	105,113,255	96,191,023	157,601	14,974,733	111,323,357	6,210,102
2011	111,323,357	101,013,464	194,307	14,601,950	115,809,721	4,486,364
2012	115,809,721	105,620,650	218,724	19,210,751	125,050,125	9,240,404
2013	125,050,125	108,233,265	223,963	21,876,992	130,334,220	5,284,095
2014	130,334,220	115,617,250	229,688	22,782,549	138,629,487	8,295,267
2015*	135,919,461	119,714,145	234,890	22,276,215	142,225,250	7,051,692
2016*	142,225,250	126,311,674	240,591	24,423,916	150,976,181	8,750,931
2017	150,976,181	131,997,020	247,015	29,077,339	161,321,374	10,345,193
2018*	159,966,301	140,238,885	255,835	36,007,519	176,502,239	16,535,938
2019	176,502,239	148,180,254	264,343	37,580,516	186,025,113	9,522,874

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



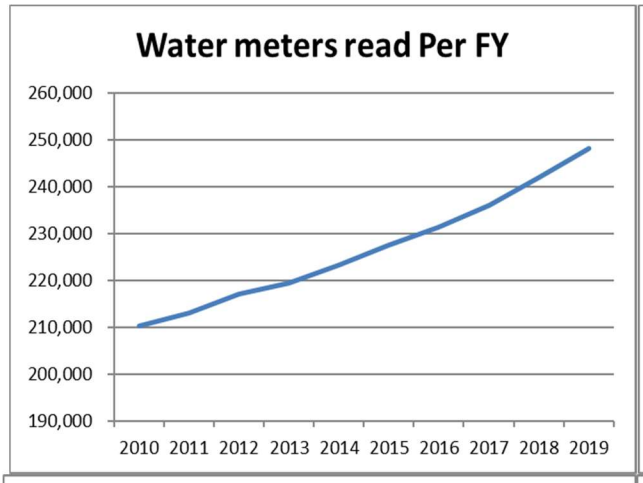
County Demographic and Economic Statistics

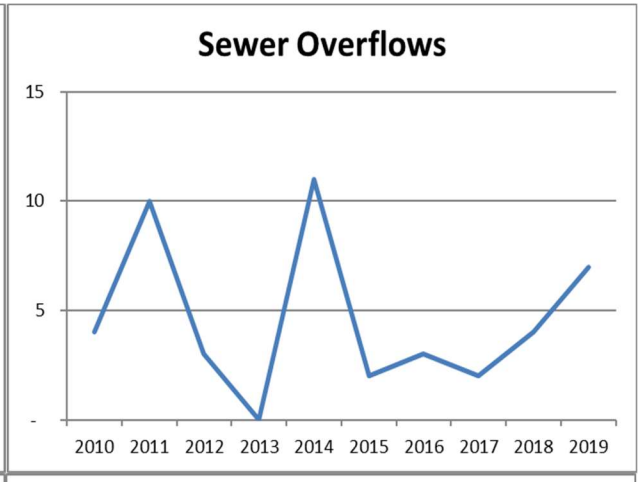
Calendar Year	Population	Personal Income ($)	Per Capita Income ($)	Per Capita Income as a Percent of U.S. Average	School Enrollment	Unemployment Rate(%)
2009	96,247	7,038,250,000	50,558	123	13,035	5.1
2010	99,150	6,742,806,000	47,779	121	13,222	5.1
2011	98,970	7,014,795,000	49,137	122	13,222	5.1
2012	102,251	7,609,998,000	52,687	124	13,122	5.2
2013	103,000	8,350,340,000	56,979	129	13,263	5.4
2014	104,489	8,420,079,000	56,851	128	13,677	4.7
2015	105,703	8,795,194,000	58,603	127	13,737	3.7
2016	106,878	9,182,721,000	60,294	125	13,792	3.5
2017	107,702	9,375,633,000	60,964	124	13,910	3.3
2018	108,718	10,531,351,000	67,630	131	14,013	2.7

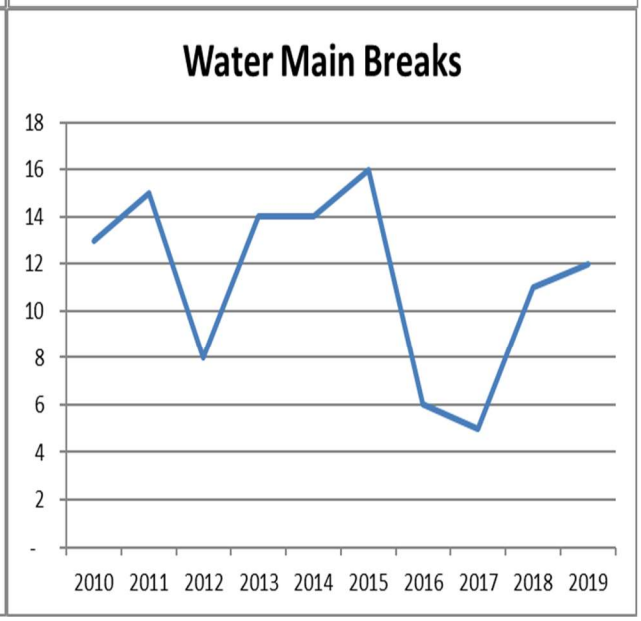
Source: ACSA Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

For the Year Ended June 30, 2019

Year Created	1964
Size of Service Area:	
Miles of water lines	353.10
Miles of sewer lines	297.60
Fire hydrants	2,747
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, 2019.

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

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

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

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

AMI – Advanced Metering Infrastructure – enhanced meter reading technology.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Align

Values

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

Commit

Community

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

Strive

Internal Focus

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

Aspire

Future

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

Albemarle County Service Authority

Serving Conserving

Vision

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

Mission

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