

**Albemarle County Service Authority Board of Directors**

1 The Board of Directors of the Albemarle County Service Authority (ACSA)  
2 met in a regular session on April 16, 2026, at 9:00 a.m. at the Administration  
3 and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

4 **Members Present:** Mr. Armstrong; Ms. McKeel; Ms. Lizbeth Palmer; Mr.  
5 John Parcels; Mr. Clarence Roberts; Ms. Kimberly Swanson (remote  
6 participation).

7 **Members Absent:** None.

8 **Staff Present:** Tim Brown; Quin Lunsford; Jeremy Lynn; Alex Morrison;  
9 Danielle Trent; April Walker.

10 **Staff Absent:** Mike Derdeyn; Emily Roach.

11 **Public Present:** Neil Williamson, Free Enterprise Forum (virtual); Hunter  
12 Wood, United Land Corp.(virtual); Matt Wimmer, Hazen and Sawyer  
13 (virtual).

14  
15 1. Call to Order and Establish a Quorum – Statement of Board Chair

16 Mr. Armstrong called the meeting to order. He then read the opening  
17 Board Chair statement (Attached as Page \_\_\_\_\_), and a quorum was  
18 established. He stated that, pursuant to State law and the ACSA’s policy,  
19 Ms. Swanson is participating in the meeting remotely. Ms. Swanson stated  
20 that she was attending the meeting remotely from her home in Albemarle  
21 County due to a temporary medical condition.

22 ***Mr. Parcels moved to approve Ms. Swanson’s remote***  
23 ***participation in the April 16, 2026, ACSA Board of Directors meeting;***  
24 ***seconded by Ms. Palmer. All members voted aye.***

25  
26 2. Approve Minutes of March 19, 2026

27 There were no additions or corrections to the minutes of March 19,  
28 2026.

29 ***Mr. Parcels moved to approve the minutes of March 19, 2026;***  
30 ***seconded by Ms. Palmer. All other members voted aye.***

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1           3.       Matters from the Public

2                   There were no matters from the public.

3           4.       Response to Public Comment

4                   There was no response to public comment.

5  
6           5.       Consent Agenda

7           **a. Monthly Financial Reports** – Ms. McKeel stated that on page 27, the  
8                   monthly precipitation year to date seems to be decreasing. She stated that  
9                   she would love to know how the reservoirs are doing. She mentioned that  
10                  normally, the area would see rain from the hurricanes during the fall and  
11                  spring, but they have not seen that over the last year or two. She stated  
12                  that she was also thinking about how to better inform the public. Ms. Palmer  
13                  stated that Ms. McKeel can get on RWSA’s mailing list and they will send  
14                  daily updates about the reservoirs. Mr. Lunsford stated that the good news  
15                  is that the reservoirs are full. He stated that precipitation and stream flow,  
16                  however, are in an emergency stage. He noted that the groundwater is in  
17                  a watch stage, which is a bit better than the precipitation and streamflow.  
18                  He noted that this is a change from the March 16<sup>th</sup> DEQ report that showed  
19                  the reservoirs and streamflow as normal, precipitation in a warning stage,  
20                  and the groundwater in a watch stage. He mentioned that there is a  
21                  regional drought committee led by RWSA, with the City of Charlottesville  
22                  and Albemarle County. He stated that when certain things happen,  
23                  different actions are taken and one of the first triggers is when the South  
24                  Rivanna Reservoir level drops a foot below normal pool. He noted that  
25                  there are multiple phases in the ACSA’s drought response plan – including  
26                  a watch stage, warning stage, and an emergency stage. He mentioned that  
27                  the last time the ACSA approached a warning stage was 2017. He added  
28                  that there are things that can and cannot be done during those different  
29                  phases. He noted that from an outreach perspective, he feels the ACSA  
30                  needs to be communicative but also reserved in how they do that when the  
31                  reservoir levels are full. He stated that the availability of water is critical for

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1 everything that happens in society, but it is also important to the ACSA's  
2 budget and the rates, that some level of irrigation does happen. He noted  
3 that it helps keep some of the tier 1 rates low and is helpful to the system  
4 as a whole. Ms. McKeel stated that it is so dry and a lot of people are  
5 watering, not just through irrigation systems but with hoses and things like  
6 that as well. She stated that she follows the fire department's responses  
7 pretty closely, and they are responding to lots of calls for brush fires, which  
8 is very concerning.

9 Ms. Swanson stated that she had a question about the Crozet water  
10 flows comparison on page 35. She asked if Mr. Lunsford could help her  
11 understand, again, the comparison between the RWSA flows and the  
12 ACSA flows. Mr. Lunsford asked, to frame his response properly, if Ms.  
13 Swanson was referring to the ACSA usage being higher than what RWSA  
14 shows to have produced. Ms. Swanson replied that was correct. Mr.  
15 Lunsford replied that this happens on occasion, throughout the year. He  
16 stated that there is a timing difference between when ACSA gets its  
17 readings for the month and when RWSA pulls their readings from their flow  
18 meter. He stated that this most recent difference in usage was large  
19 enough that the ACSA reached out to RWSA to ensure their meter was  
20 reflecting what it should have. He stated that RWSA analyzed the data and  
21 felt their daily readings look reasonable, so they believe it to be a timing  
22 issue again. Ms. Swanson stated that it goes all the way back to November,  
23 which feels like a trend. Mr. Lunsford replied that the ACSA has 3,000  
24 meters in that area and RWSA has one, and that it could be a possible  
25 calibration issue. He noted that the ACSA does not pay RWSA based on  
26 what they produce in Crozet. He stated that it is a fixed monthly charge, so  
27 there is not a financial concern with that anomaly, but it is something they  
28 are paying attention to.

29 ***b. Monthly Capital Improvement Program (CIP) Report*** – Mr. Parcels  
30 stated that he had a question about the Old Lynchburg Road Water  
31 Interconnect project on page 57. He stated that the project shows to be

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1 completed with a budget of \$175,000 but only \$100,639.95 spent to date.  
2 He asked if this meant that they were \$75,000 under budget. Mr. Lynn  
3 replied that there may be a few more items remaining to complete. He  
4 stated that they had to do some repaving of an entrance to a private  
5 building. He stated that in the next couple of months, as part of the CIP  
6 close-outs, they will account for all the costs for the project and present it to  
7 the Board. He added that they will, however, be under budget.

8 Mr. Parcels stated that he had a question about the FY 2026  
9 Miscellaneous Sewer Rehab project on pages 59-60. He stated that the  
10 most recent update states that the ACSA is working with Vortex Services to  
11 utilize their OMNIA Partners contract and asked what that meant. Mr. Lynn  
12 replied that OMNIA Partners is a procurement public service that utilities  
13 and other local government entities can use. He stated that they have all  
14 sorts of contracts, one of which is for sewer rehabilitation work. He  
15 mentioned that Vortex Services is the company that the ACSA currently  
16 uses. He stated that Vortex has bought out Prism and Tri-State, who have  
17 been the ACSA's predominant sewer relining contractors for the past  
18 decade or more. He stated that Vortex is their parent company now, and  
19 they have the OMNIA Partners contract. He stated that the ACSA has  
20 recently received their pricing, which has been reviewed, and they are  
21 getting ready to enter into a contract with Vortex.

22 Mr. Lunsford stated that the State code provides the opportunity for  
23 utilities and localities under its purview to procure cooperatively. He stated  
24 that certain cooperative language within an RFP and contract that allows  
25 other entities to use the contract as part of the competitive process. He  
26 stated that groups like this will issue RFPs and the lowest cost provider wins  
27 the contract. He noted that other entities are then able to procure through  
28 that contract.

29 Mr. Parcels asked if Vortex is the primary and OMNIA is a  
30 subsidiary of theirs. Mr. Lynn replied no. He stated that Vortex is the  
31 contractor that the ACSA will be working with. Mr. Lunsford added that

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1 OMNIA is a procurement group. Ms. Palmer stated that in many different  
2 industries, large companies are buying out smaller companies. She stated  
3 that sometimes they are franchised and sometimes they become part of the  
4 whole. She asked if this is something that the ACSA staff is seeing and if  
5 so, have they encountered any difficulty interacting with the various groups.  
6 Mr. Lynn stated that they have had a contract with Prism for a number of  
7 years and the City has had a contract with Tri-State for a number of years.  
8 He stated that when Vortex bought both of those companies out, the ACSA  
9 continued to have a contract with Prism, but they needed work done that  
10 they could not get to. He mentioned that they used Tri-State’s crews to  
11 perform the work on Broadway Street. He noted that they have seen some  
12 value to having everything under the Vortex umbrella.

13 Ms. Palmer stated that she had a question about the ACSA’s oldest  
14 water line on Reservoir Road that is being replaced. She stated that she  
15 assumes the ACSA will have to flush a lot less but asked if it would still just  
16 go down and stop. Mr. Lynn replied that for now, it will just go down and  
17 stop. He stated that with the development coming at the Seig site, there  
18 may be an opportunity to pull water under the interstate from the end of  
19 Fontaine Avenue Ext. Ms. Palmer stated that the school is there now, which  
20 is using a lot more water and she assumes that has reduced the flushing.  
21 Mr. Lynn stated that they do not have a flusher in that area currently. He  
22 noted that there have been some sediment issues in Bellair. He stated that  
23 once the Ragged Mountain Phase 1 project is complete, there will be an  
24 interconnect between Buckingham Circle and this new pipe with a PRV. Ms.  
25 Palmer stated that she remembered in years past, the ACSA had to go out  
26 periodically and flush the long water line along Reservoir Road. Mr. Lynn  
27 replied that they did when they were dealing with some issues at Camp  
28 Holiday Trails.

29 ***c. Monthly Maintenance Update*** – Mr. Parcels stated that there is a  
30 discussion about water service installations and irrigation. He stated that  
31 the summary notes that the demand for auxiliary meters is on the rise as

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1 irrigation season approaches. He asked, since this is handled in-house,  
2 how the maintenance staff would manage the workload with other in-house  
3 projects. Mr. Morrison replied that it is fairly easy to manage, as an auxiliary  
4 meter installation only takes one crew about half a workday. He stated that  
5 this does not have a huge impact on their other duties. He mentioned that  
6 this is always anticipated work as they approach irrigation season each  
7 year. Mr. Parcels asked if these were new or existing meters. Mr. Morrison  
8 replied that they are new auxiliary meters. Mr. Parcels stated that even  
9 though there are 94 meters left in the exclusion meter project, this work will  
10 add more. Mr. Morrison replied that these meters will be new auxiliary  
11 meters, and the exclusion meter project will convert the old exclusion  
12 meters to auxiliary meters.

13 Mr. Parcels asked if they could forecast what irrigation will look like  
14 for the year. He stated that he is aware weather is a factor but asked if it  
15 was increasing in terms of overall numbers and relative to historical use.  
16 Mr. Lynn asked if Mr. Parcels was speaking from a demand standpoint or  
17 the number of irrigation customers. Mr. Parcels stated that he meant in  
18 terms of demand. Mr. Lunsford stated that some of that information is  
19 included in the Board packet. Ms. Palmer stated that there is a bar graph  
20 in the packet that shows how the irrigation numbers are changing over  
21 time. Mr. Lunsford noted that the two graphs that are included in the Board  
22 packet are the prior fiscal year by month and the current fiscal year to date.  
23 Mr. Parcels stated that March was a dry month and April is turning out to  
24 be really dry, so there is the fear of a drought and what that means in terms  
25 of water use. Ms. Palmer stated that she recalls Mr. Lynn pointing out that  
26 irrigation meters were put at all the single-family homes in North Pointe  
27 when they were built. Mr. Lynn replied that they have the ability to hook up  
28 an irrigation meter. Mr. Parcels stated that he recalls there is language in  
29 the ACSA's policy that allows them to restrict irrigation in the event of a  
30 drought emergency, and there are certain fines associated with that. Mr.  
31 Lynn stated that the AMI system will help tremendously if, and when, they

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1 go into a drought. He stated that they will be able to put alarms and alerts  
2 on any irrigation meter and will know right away if it is registering water.

3 **d. IT Monthly Update** – Mr. Parcels stated that with the new pump stations,  
4 there were more security alerts and there are 11 more pump stations to  
5 monitor, which means there will be more alerts. He stated that he assumes  
6 with this type of security, they are able to resolve the alarms remotely  
7 without having to physically visit the pump stations. He asked if the IT staff  
8 were worried, with the increasing numbers, about the amount of attention it  
9 will require. Ms. Walker replied no. She stated that they are able to modify  
10 the alerts by changing the area of focus. She noted that, for example, the  
11 fire truck will set off the alarm at the Peter Jefferson pump station. She  
12 stated that they adjusted the area of focus to only alert to those things within  
13 the fence line. She stated that with a little more data and time, they will be  
14 able to modify the alerts at the new pump stations as well.

15 **e. ACSA Board Policy Future Issues Agenda 2026 –**

16 **f. National Drinking Water Week –**

17 ***Ms. Palmer moved to approve the consent agenda, seconded by***  
18 ***Mr. Parcels. All members voted aye.***

19  
20 6. **Proposed FY 2027 Capital Improvement Program (CIP) Presentation**  
21 **and Public Hearing**

22 Mr. Lynn stated that last month, he gave a high-level introduction to  
23 the ACSA’s proposed FY 2027 CIP budget. He stated that he primarily  
24 discussed a couple of new projects, as well as some that will be under  
25 construction in the coming fiscal year. He mentioned that today’s  
26 presentation (Attached as Pages\_\_\_\_\_) will cover all of the projects. He  
27 stated that before he begins the presentation, he wanted to reiterate his  
28 appreciation for the ACSA’s CIP team. He stated that a lot of hard work goes  
29 into putting the numbers together, as well as managing the projects and  
30 keeping them moving forward.

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1 Mr. Lynn stated that in terms of the presentation outline, he would  
2 discuss some highlights of the proposed budget, followed by water projects,  
3 sewer projects, the non-utility and facility projects, and next steps. He noted  
4 the ACSA's mission and strategic plan outlined on the next slide. He  
5 mentioned that there are tokens on each CIP project slide that reflect the  
6 various pillars of the strategic plan, which are data optimization, business  
7 resilience, customer experience, and employee experience.

8 Mr. Lynn moved to the next slide outlining highlights of the proposed  
9 FY 2027 CIP budget. He stated that the total budget is \$18,745,000. He  
10 noted that a little over \$4 million of that budget is for water projects, while the  
11 sewer projects are approaching \$14 million, and almost \$1 million for the  
12 non-utility/facility projects. He mentioned that three of the sewer projects –  
13 Airport Trunk, Buckingham Circle, and Bellair comprise about 63% of the  
14 total CIP budget this year. He stated that as he shared last month, there are  
15 three new projects that have been added to the proposed CIP budget for FY  
16 2027. He stated that those are recommendations from the Risk and  
17 Resiliency Assessment, the 5<sup>th</sup> Street aerial sewer replacement, and  
18 improvements at the North Fork and Camelot pump stations.

19 Mr. Lynn stated that the next slide shows the CIP rate model  
20 projections for the next 10 years. He stated that what is important to note is  
21 that for the next six years, the CIP will remain above \$15 million per year.  
22 He added that this is why some of the bonding will be an important part of  
23 the conversation, to ensure they can fund some of the projects that have  
24 been identified as needs. Ms. Swanson noted that the slide shows a 10-year  
25 CIP rate model projection and asked if the rate study was for five years. Mr.  
26 Lunsford replied yes. He stated that there is enough uncertainty in years 6-  
27 10 with regard to projects that they focus on a shorter timeframe for rate  
28 study purposes. Ms. Palmer stated that the 10-year CIP projections are just  
29 for the ACSA, while the rate study includes RWSA's CIP budget.

30 Mr. Lynn stated that the first project on the water side is the  
31 Scottsville Phase 4 Water Main Replacement project. He stated that they are

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1 planning to replace about 14,000 linear feet of cast iron and asbesto-  
2 cement (AC) water mains. He mentioned that this project requires close  
3 coordination with RWSA and VDOT. He stated that easement acquisition  
4 efforts are underway, which has proved to be very challenging. He noted that  
5 they have only been able to acquire 14 of the 30 easements that they have  
6 identified. He stated that VDOT will be repaving some of the streets  
7 downtown, thus the ACSA may need to expedite some of the work in the  
8 downtown area.

9 Ms. Palmer asked what the history was of having a water line in a  
10 rural area such as this one and if that is why they are having trouble getting  
11 easements. Mr. Lynn stated that the map shows the area all the way back to  
12 RWSA's treatment plant. He mentioned that the ACSA will be replacing  
13 RWSA's transite water line as part of its CIP project. Ms. Palmer asked if the  
14 houses were connected. Mr. Lynn replied that there are a handful, but most  
15 of the area is open, rural space. He stated that the challenge is that most of  
16 the people own the property out to the middle of the road. He mentioned that  
17 even though they will be working along the road in a lot of areas, they still  
18 need to acquire easements. He stated that they have added \$1 million to the  
19 FY 2027 budget for this project, with a total budget amount of about \$8.5  
20 million.

21 Mr. Lynn moved to the next slide outlining the Ragged Mountain  
22 Phase 1 Water Main Replacement project. He stated that this project  
23 replaces the ACSA's oldest active water line. He stated that the area shown  
24 in the red circle will be constructed in conjunction with RWSA's raw water  
25 line project. He stated that the purple star indicates a VDOT bridge  
26 replacement project. He stated that there will be a casing pipe installed  
27 above the new box culvert, which will allow the ACSA to finish the project  
28 with an on-call contractor or in-house crews.

29 Mr. Parcels stated that the picture on the slide is several years old.  
30 He asked if it was possible to get an updated picture that shows where all  
31 the new buildings are and what kind of interference there might be. Mr. Lynn

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1       replied yes. He stated that if there is new aerial photography, he can update  
2       the photo. He added that \$950,000 has been included in the FY 2027 budget,  
3       for a total project budget of \$2.8 million.

4               Mr. Parcels asked if they had begun the boring and what the  
5       allowance would be if they encounter rock. Mr. Lynn replied that they have  
6       started boring and have encountered issues. He mentioned that they have a  
7       meeting this afternoon with RWSA. He stated that they have encountered fill  
8       material which has been challenging because the road was built up in that  
9       area. Ms. Palmer asked if a lot of that part of the road was in the flood plain.  
10      Mr. Lynn replied that there is a box culvert that runs through that area, but  
11      he does not know that there is flood plain in that specific area. He noted that  
12      the box culvert is parallel to the orange line on the map. He stated that there  
13      may be some wetlands above where the purple star is on the map, which is  
14      where the UVA Foundation property is located.

15             Mr. Lynn stated that the next project was the Northfields Water Main  
16      Replacement project. He stated that it is an original well system comprised  
17      of AC pipe that is in need of replacement. He stated that they are currently  
18      acquiring easements, with construction anticipated to occur in the 2027-2029  
19      timeframe. He noted that there is \$1.2 million included in the FY 2027 budget  
20      for the project. Mr. Parcels stated that the projections show about \$4 million  
21      in the budget per year, for the next two years. He asked if the construction  
22      beginning in FY 2027 was small enough effort that they only need \$1 million  
23      for that year. Mr. Lynn replied that this will be a long project that will span  
24      over the course of three fiscal years, beginning at the end of FY 2027,  
25      spanning the full 2028 fiscal year, and spilling over into FY 2029. He noted  
26      that there is a lot of work that happens at the end of projects, such as  
27      pavement and restoration, thus there will be more funding needed at the end.  
28      Mr. Parcels asked why they don't need more money at the beginning of  
29      construction. Mr. Lynn replied that they will not get to much of the  
30      construction in FY 2027.

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1 Ms. Palmer asked when Northfields connected to the ACSA's  
2 system. She stated that it has been on the ACSA's service for a long time.  
3 Mr. Lynn replied that he does not know when that connection happened. Mr.  
4 Morrison stated that it was the mid-1980s when a lot of the well systems  
5 were required to connect to the public water system.

6 Mr. Lynn moved to the next slide, outlining the Barracks West Water  
7 Main Replacement project. He stated that this project will replace cast iron  
8 and galvanized water mains from the 1960s. He stated that they have also  
9 taken the opportunity to improve fire hydrant coverage in the apartment  
10 community. He noted that the orange lines on the map represent new pipes,  
11 which allows more redundancy and interconnection in the community.

12 Mr. Parcels asked about the valves when doing this type of  
13 interconnectivity. Mr. Lynn replied that there will be clusters of valves at all  
14 the intersections of pipes. He stated that they will allow water to be brought  
15 from different directions and isolate smaller sections of the community if  
16 there were a need for a shutdown. He added that construction for this project  
17 is underway, and they do not anticipate the need for any additional funding.  
18 He noted that the project will carry over into FY 2027, but the project budget  
19 of \$3.5 million is adequate. Mr. Parcels stated that it is a bit of a picky point,  
20 but Barracks West is now called Blue Ridge Crossing. Mr. Lynn replied that  
21 he saw that sign when he left the community a couple of weeks ago. He  
22 stated that with some projects, it is difficult to keep up with the community  
23 name changes.

24 Mr. Lynn stated that the next project was the Townwood Water Main  
25 Replacement. He stated that this project will replace older PVC water mains  
26 that have started to fail at an increasing rate. He mentioned that they need  
27 three easements, one of which they have. He stated that the second one will  
28 be from the County and the third is a private entity. He noted that the third  
29 easement is the one needed to connect to Webland Drive. He stated that the  
30 project is aimed at replacing the water mains and also creating a second  
31 connection into the neighborhood, which will be beneficial to Webland Drive

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1 as well. He stated that they had a great public meeting, with about 20 or so  
2 residents in attendance. He stated that they posed a lot of good questions  
3 and gave the ACSA some things to think about from a construction  
4 standpoint. He stated that they anticipate construction to occur in FY 2027,  
5 with \$300,000 included in that fiscal year's budget. He added that the total  
6 project cost is \$3.5 million.

7 Ms. McKeel stated that she was not able to make the public meeting  
8 and asked what the main concern was from the Townwood residents. Mr.  
9 Lynn replied that it was parking and the maintenance of traffic. He noted that  
10 there are a couple of areas in the neighborhood that are pretty tight,  
11 particularly on Cool Springs Road. He stated that they were also concerned  
12 with what the roads would look like after construction. He stated that they  
13 discussed the ACSA's plan to repave the roads that it disturbs. He added  
14 that this will be a project that Townwood will not have to take on, resulting in  
15 some pretty significant cost savings. He added that the newer roads in the  
16 back of Townwood will be repaved with their funds, in conjunction with the  
17 ACSA's project.

18 Ms. Swanson asked if the Einstein property is served by public water.  
19 Mr. Lynn replied that it may be served by sewer only, but he would have to  
20 look it up. Mr. Parcels asked where the Einstein property is located. Mr. Lynn  
21 stated that it is located right below the word "Cool Spring" on the map where  
22 the open space and tennis court are shown. Ms. McKeel asked if it was  
23 referred to the Einstein property. Mr. Lynn replied that it is a private school  
24 called The Einstein School. Mr. Morrison added that the property is listed as  
25 a water and sewer property.

26 Mr. Lynn stated that the next project, the Raintree and Fieldbrook  
27 PVC Water Main Replacement, is another project that will replace PVC pipe  
28 from the early 1980s. He stated that it is a pretty big project, including 12,000  
29 linear feet of pipe. He mentioned that easement acquisition is underway, and  
30 he believes they have three so far and two verbal. He noted that construction

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1 is anticipated to occur in the FY 2028-FY2029 time frame, thus no funding  
2 has been included for construction in FY 2027.

3 Mr. Parcels asked if the \$400,000 that has already been allocated  
4 for the project is going towards the easement acquisition process. Mr. Lynn  
5 replied that it is going towards design and easement acquisition. He noted  
6 that most of the easements are hydrant easements, so they are not spending  
7 a lot of money, but they do have to review plats and negotiate smaller dollar  
8 amounts for those easements.

9 Mr. Lynn moved to the next slide, outlining the Albemarle High  
10 School AC Water Main Replacement project. He stated that they have the  
11 opportunity, with the construction of the Albemarle High School (AHS) ACE  
12 Academy, to replace 1,300 feet of AC water main. He mentioned that the  
13 purple portion on the map has already been constructed and placed in  
14 service as part of the school's project. He stated that they will have the  
15 school's contractor install the magenta portion this summer. He noted that  
16 the \$200,00 that has already been budgeted for the project is enough to  
17 cover the ACSA's portion of the project, thus there is no additional funding  
18 anticipated for the project.

19 Mr. Lynn stated that the Exclusion Meters Replacement program  
20 shown on the next slide is an ongoing effort by the ACSA's maintenance  
21 department, with assistance from some private irrigation contractors. He  
22 stated that they began with 495 exclusion meters and, as of this morning,  
23 they are down to 91. He noted that there is no funding included for this  
24 project in FY 2027, and they will continue to operate with the previously  
25 budgeted funds for this project.

26 Mr. Lynn stated that the Board may recall that last month, they were  
27 introduced to the Risk and Resiliency Assessment (RRA) Recommendations  
28 project, outlined on the next slide. He stated that in response to the AWIA  
29 Infrastructure Act of 2018, the ACSA has performed an RRA. He mentioned  
30 that out of those recommendations, there are three primary items – the  
31 installation of some surge relief valves, additional security cameras at some

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1 of the pump stations, and some protective measures for panels at several  
2 pump stations. He mentioned that all of this work is expected to be done in-  
3 house with the maintenance and IT departments. He added that there is  
4 \$140,000 budgeted in FY 2027 for this project.

5 Mr. Lynn moved to the next slide outlining the Annual Water Repair  
6 and Replacement project. He stated that this is typically an annual services  
7 contract to support the maintenance department, but they have also been  
8 using these funds to tackle some projects using the ACSA's in-house  
9 construction crews. He mentioned that this allows them to be agile in  
10 identifying and implementing projects. He stated that Myrtle Street is a good  
11 example. He stated that VDOT was going to repave the roads and the ACSA  
12 was able to use in-house crews to replace an old water line in conjunction  
13 with VDOT's work. He stated that the Old Lynchburg Road interconnection  
14 is another example. He stated that this was another VDOT project. He stated  
15 that they are constructing a roundabout at Old Lynchburg Road. There was  
16 an interconnect identified and ACSA crews worked overnight to complete  
17 that work. He stated that the Rothwell Lane interconnect is a third example.  
18 He stated that this was a project that was envisioned after some private  
19 development work that happened at Old Trail. He noted that the funds allow  
20 the ACSA to address smaller projects that are less conducive to the design-  
21 bid-build process. He added that funding has been increased in FY 2027  
22 from \$300,000 to \$350,000, allowing for more opportunity to complete some  
23 of these types of projects.

24 Mr. Lunsford asked if Mr. Lynn could speak to any of the ancillary  
25 benefits of doing these projects in-house, perhaps from a training  
26 perspective. Mr. Lynn replied that it does give the ACSA's crews an  
27 opportunity to not just fix things but actually install them. He stated that they  
28 get to see what goes into scheduling, coordinating, and working with private  
29 property owners. He mentioned that the Old Lynchburg Road project was an  
30 opportunity to not only do night work but also partner with the on-call  
31 contractor who provided labor necessary for traffic control. Mr. Morrison

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1 added that it gives the ACSA's crews buy-in on a lot of these projects and  
2 they see the benefits from the redundant feeds. He noted that with Old  
3 Lynchburg Road, they also installed a crossing to Stagecoach Road. He  
4 stated that this tees up a project to provide fire protection and domestic  
5 services on that road, which is currently sewer only.

6 Mr. Parcels stated that he was out at Blue Ridge Crossing and he  
7 was crossing the area where ACSA crews were digging a trench. He stated  
8 that the employees were very friendly and polite, and he wanted to pass that  
9 on. Mr. Lynn stated that they have had some compliments from folks out at  
10 Briarwood as well. He stated that it is frustrating for the residents to live in  
11 those construction zones, but the goal is when the crews leave, for the  
12 residents not to be able to tell they were ever there. Mr. Parcels stated that  
13 he can see where the work has been done at Blue Ridge Crossing. He asked  
14 if the ACSA is going to go back and repave that whole road. Mr. Lynn replied  
15 that they have agreed, as part of the easement discussions, to pave the  
16 travel ways as well as the ditch.

17 Mr. Lynn stated that he would now move on to the sewer projects.  
18 He stated that the first one is the Airport Trunk Sewer Upgrade project. He  
19 stated that due to the buildout of the Places29 Comprehensive Plan, the  
20 sewer needs to be upgraded. He stated that they are going from a 10-inch  
21 diameter pipe to a combination of 16- and 18-inch diameter pipe. He  
22 mentioned as he shared last month, all 24 easements were successfully  
23 acquired and they anticipate advertising later this spring, with construction  
24 occurring in FY 2027 and FY 2028. He noted that this is by far the largest  
25 project in the budget, with \$7.2 million included in the FY 2027 budget. He  
26 added that they do anticipate needing additional funding in FY 2028 but will  
27 know more about that once the bids are in.

28 Mr. Lynn stated that the next project is the Northfields Phase 5 Sewer  
29 project. He stated that as they were doing the design of the water main  
30 replacement project, a couple of areas were identified where sanitary sewer  
31 pipes could be constructed in close proximity to, or along, the road. He stated

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1 that this project will be constructed in conjunction with the water main  
2 replacement project. He mentioned that they are working on acquiring  
3 easements, but the easements for the sewer project have been more difficult  
4 to obtain. He noted that the easements are larger and more impactful to the  
5 property owners. He mentioned that he does not think they will spend any of  
6 the sewer money in FY 2027, so there will be funds in FY 2028 to cover  
7 sewer construction.

8 Mr. Lynn moved on to the Buckingham Circle Sewer project outlined  
9 on the next slide. He stated that this community is on private drain fields, and  
10 there was a lot of interest from the residents in extending public sewer  
11 service. He stated that this project will provide public sewer service to about  
12 50 homes and it is currently under design. He mentioned that easement  
13 acquisition will begin later this summer, and they believe they will only have  
14 a handful to acquire. He noted that one of them will be from the UVA  
15 Foundation. He noted that they do anticipate an aerial sewer crossing to get  
16 over Morey Creek. He stated that RWSA's interceptor is on the west side of  
17 the creek and it is not deep enough to allow the sewer to go under the  
18 stream.

19 Ms. Palmer asked if all 50 homes have said that they are going to  
20 connect to the sewer. Mr. Lynn replied that they do not have all 50 homes,  
21 but the ACSA is going to make the service available to all 50. Mr. Parcels  
22 asked if their sewer connection fees would be the same as what shows in  
23 the Rules and Regulations for developers. Mr. Lynn replied that even though  
24 the ACSA is paying for the construction of the project, the residents will pay  
25 the same connection charges as a home in Old Trail or Glenmore. He stated  
26 that it is around \$7,600. He noted that they are only providing a connection  
27 point. He stated that in addition to the connection charge that the customers  
28 will pay, they will also have to hire a plumber or contractor to run the sewer  
29 line from their house to the ACSA's stub out.

30 Ms. Palmer stated that there was one customer that bought their  
31 house and did not know that the septic system had been pumped out. She

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1 stated that they had to get the septic tank drained. Mr. Lynn stated that if  
2 they get enough interest, they will proceed with the CIP project. He stated  
3 that they have \$2.6 million in the FY 2027 budget to allow construction to  
4 begin.

5 Mr. Lynn stated that the next project is another aerial sewer crossing  
6 – the 5<sup>th</sup> Street Aerial Sewer Replacement. He stated that this is a new  
7 project to replace, or strengthen, the aerial sewer on 5<sup>th</sup> street. He mentioned  
8 that the sewer was put in during the 1970s without any pipe support. He  
9 noted that there is \$1 million in the proposed budget to account for  
10 construction involved in reinforcing or replacing the aerial sewer crossing.

11 Mr. Lynn stated that not far from Buckingham Circle is the Bellair-  
12 Liberty Hills neighborhood, which is the location of the next sewer project.  
13 He stated that this is another project that will extend public sewer into the  
14 neighborhood. He stated that they have had a public meeting, and there is a  
15 lot of interest in this project. He mentioned that design efforts are underway.  
16 He stated that this project does present some challenges with water  
17 features, terrain, and rock. He stated that there is a meeting next week with  
18 the ACSA’s design consultants to begin identifying where they will do the  
19 geotechnical borings to get a better idea of what rock the contractor may  
20 encounter during construction.

21 Mr. Parcels asked if this project is bigger than Buckingham Circle.  
22 Mr. Lynn replied that this is a bigger project, with more homes and more  
23 pipe. He stated that \$1 million in the FY 2027 budget will allow construction  
24 to begin in late 2027, depending on their success in acquiring easements.  
25 He noted that they will have to obtain a number of easements in this  
26 neighborhood.

27 Mr. Parcels asked, in terms of community interest, what percentage  
28 of people is needed to do the project. Mr. Lynn replied that they like to see  
29 more than 50% interest. He stated that they do not want to go into a  
30 neighborhood and spend a lot of money, when only 10-20% of the people  
31 are interested. He stated that in both neighborhoods, Buckingham Circle and

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1 Bellair, they have more than 50% of the residents that have expressed a  
2 strong desire to connect to the public sewer. He noted that it is not a legal  
3 contract, but they have indicated that they are going to connect. Ms. McKeel  
4 asked if they are aware of the cost. Mr. Lynn replied yes, they are aware. He  
5 stated that a big part of the community meetings is sharing the anticipated  
6 costs. Mr. Roberts added that it is still cheaper than installing a septic  
7 system, which is a focal point in selling the project. Mr. Lynn stated that it is  
8 better to have the ability to connect to the sewer than not. He stated, for  
9 example, the resident in Buckingham Circle that Ms. Pamer alluded to  
10 earlier. He stated that they did not have another option. He stated that after  
11 they finish this project, they will have another option. He stated that they may  
12 not connect right away, but if they have issues with their septic in the future,  
13 they will have the option to connect.

14 Ms. Swanson stated that she had a question regarding the longer-  
15 term operating budget for this particular project. She asked if it was going to  
16 have grinder pumps or what would be different about this project. Mr. Lynn  
17 replied that both Buckingham Circle and Bellair have low-pressure sewer  
18 systems, so some of the homes will have grinder pumps to get their sewer  
19 into the publicly owned sewer system. He mentioned that the ACSA will own  
20 all of the infrastructure along the road, even the force mains, but the pumps  
21 at each home will be the responsibility of the property owners.

22 Ms. Swanson stated that she thought there was also something that  
23 the ACSA needed to do, a newer approach, to move the sewer along in  
24 Bellair. Mr. Lynn replied that this is the newer approach. He stated that the  
25 ACSA has only allowed this type of system in one spot, which is the very  
26 new section of North Pointe. He stated that the alternative would have been  
27 to build a pump station, so this system was a more cost-effective approach  
28 from a construction and long-term operations standpoint. He stated that the  
29 ACSA will own the shared force main that runs along the road in portions of  
30 both communities, but the pumps that are on each property convey the  
31 wastewater to the gravity system. Ms. Swanson asked what exactly is the

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1 system that the ACSA is putting in. Mr. Lynn replied that it is similar to an  
2 E/One sewer system. He stated that there are a lot of educational videos  
3 online about how those systems work. He mentioned that this type of system  
4 is found a lot in coastal communities where depth and groundwater issues,  
5 as it negates the potential effects of I&I, but they are also found in places  
6 with hilly terrain such as Wintergreen and Massanutten. He stated that he  
7 can get more information for her or sit down and discuss these types of  
8 sewer systems.

9 Mr. Morrison added that with these systems and the ACSA owning  
10 the force main, a majority of them are HDPE pipe. He stated that in-house,  
11 the ACSA has an electrofusion machine and alpha fittings. He stated that if  
12 there is a break along that force main, the ACSA crews can splice a piece  
13 of HDPE pipe in there with the fittings on both sides, hook the machine to it  
14 and fuse that connection for a quick repair. Ms. Swanson stated that this is  
15 what she was getting at and wondered if long-term, it would be something  
16 that the ACSA can manage in-house. Mr. Morrison replied yes. He stated  
17 that they have the equipment and the certifications to do so. Mr. Lynn added  
18 that they weighed the cost of maintenance when making the decision on  
19 what system to use. He noted that the cost of construction for these projects  
20 would be larger if they were using full gravity systems for both. He noted that  
21 they would also need more easements, they would be putting sewer lines  
22 through back yards, and the costs for that would far exceed the budget  
23 numbers that they have currently identified.

24 Ms. Palmer stated that there is one development in Crozet that has  
25 a grinder pump. Mr. Lynn stated that Emerson Commons has a private pump  
26 station and collects everything at one facility. He stated that Bellair will have  
27 individual pumps that will pump the sewer to a common force main that runs  
28 along the road.

29 Mr. Parcels asked if the HDPE was for this sewer system or for  
30 sewer replacement in general. Mr. Lynn replied that it is for the force mains.

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1 He stated that for the gravity systems, they will still be using PVC and ductile  
2 iron pipe.

3 Mr. Lynn stated that the last new project this year is the North Fork  
4 and Camelot Pump Station Improvements. He stated that two months ago,  
5 he discussed the Facilities Conditions Assessment, and last month he  
6 introduced this project to the Board. He stated that this project will replace  
7 four variable frequency drives (VFDs) at North Fork, as well as some float  
8 control instrumentation. He stated that there will be some work at Camelot,  
9 including creating an interconnect between the two wet wells. He stated that  
10 \$475,000 has been included in the FY 2027 budget for this project.

11 Mr. Lynn stated that the last sewer project is the Miscellaneous  
12 Sewer Rehab. He stated that the ACSA's crews are able to identify issues  
13 during regular maintenance and CCTV inspections. He stated that those  
14 work orders are issued to the ACSA's on-call contractor who then makes the  
15 repairs. He mentioned that they will continue with the budget of \$400,000 for  
16 FY 2027, as they have for the last couple of years.

17 Mr. Lynn moved to the next slide outlining the Pump Stations  
18 Rehabilitation project. He stated that similar to the annual water contract,  
19 they have a sewer contract to handle some issues that have been identified  
20 at various pump stations. He mentioned that in FY 2027, there is a budget  
21 of \$200,000 to cover the replacement of two automatic transfer switches,  
22 one at a water pump station and one at a sewer pump station, and to rebuild  
23 a couple of pumps. He noted that all of this work will be done by in-house  
24 ACSA crews.

25 Mr. Lynn stated that the next project is the Customer Information  
26 System (CIS) project. He stated that they have already finished the website  
27 upgrade and replaced the phone system. He stated that the next phase in  
28 the project is the replacement of the billing system, which is more than 30  
29 years old. He mentioned that this project will allow the new system to  
30 integrate with AMI and the ACSA's financial system. He stated that they are  
31 beginning implementation and have some discovery workshops scheduled

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1 over the next couple of weeks. He stated that the ACSA has partnered with  
2 SpryPoint after evaluating a number of really good products. He noted that  
3 the ACSA has also partnered with Validos, who has been the consultant  
4 guiding the staff through the process. He stated that Validos has done three  
5 SpryPoint implementations. He added that two of those were clients that  
6 switched from BillMaster, which is the ACSA's current billing system, to  
7 SpryPoint.

8 Mr. Parcels asked if BillMaster was the current system that was  
9 being replaced. Mr. Lynn replied that BillMaster is the current system that  
10 will go away, and SpryPoint is the new billing system. He stated that there is  
11 \$600,000 in the FY 2027 budget, with a total budget of \$2.6 million. He added  
12 that those funds are divided equally between water and sewer.

13 Mr. Parcels asked how long it will take to get the new billing system  
14 in place. Mr. Lynn replied that the go live date is May 2027. Mr. Parcels  
15 stated that it is still so far away. Mr. Lunsford stated that it is an incredible  
16 amount of work. He stated that there are many situations that need to be built  
17 into the system and tested to ensure they operate as intended. Mr. Parcels  
18 stated that Mr. Tolbert was frequently annoyed with the old system. He  
19 stated that it turns out his wife finds it frustrating to have to login to pay for  
20 something. Mr. Lunsford stated that the ACSA staff will work with the Board  
21 to find an appropriate way to memorialize Mr. Tolbert's encouragement of a  
22 more modernized billing system.

23 Ms. McKeel asked about other localities that are using SpryPoint. Mr.  
24 Lunsford replied that James City Service Authority uses SpryPoint.

25 Mr. Lynn stated that the next project was the Cloud Migration and  
26 ArcGIS Utility Network Implementation. He stated that this will be a cloud  
27 migration of a couple of the ACSA's services and a full deployment of the  
28 utility network. He stated that an RFP is currently being developed and  
29 should be issued in the near future. He mentioned that \$150,000 has been  
30 included in the FY 2027 budget, with a total budget amount of \$575,000.

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1 Mr. Lynn stated that up next was the Avon Operations Center project.  
2 He stated that as the Board can see from the photos, construction is well  
3 underway. He stated that this project will provide the ACSA with additional  
4 storage and meet maintenance needs. He mentioned that the ACSA lost its  
5 storage space in Crozet, as the GAC expansion has taken over that property.  
6 He stated that there is also a training area at the new Avon site for excavation  
7 and confined space. He stated that construction should conclude towards  
8 the end of 2026. He added that there were no additional funds added in FY  
9 2028, and they are doing everything they can to remain within the project  
10 budget of \$18 million.

11 Mr. Parcels asked how much of the \$18 million has been used thus  
12 far. Mr. Lynn replied that he believes they have expended about \$11-\$12  
13 million but is in the monthly CIP report.

14 Mr. Lynn moved to the next slide outlining the ArcFlash Hazard  
15 Assessment Update project. He stated that this project will look at 17 of the  
16 ACSA's facilities, studying the arc flash incidents and identify safe work  
17 procedures and proper PPE. He stated that \$80,000 has been included in  
18 the FY 2027 budget, for a total budget of \$160,000.

19 Mr. Parcels stated that at Merck there was an incident with a contractor  
20 that was not properly outfitted, and he had to be airlifted for treatment. He  
21 stated that he is glad that there has never been an arc flash incident with  
22 any ACSA workers, and he hopes there will never be one. He stated that he  
23 appreciates that the ACSA is ensuring proper and updated PPE. Mr. Roberts  
24 stated that he has had a flash before and it is terrible. Ms. Walker added that  
25 they do currently have PPE but, as equipment has changed over the years,  
26 they want to re-evaluate and ensure that what they are using is adequate.

27 Ms. Swanson asked, in addition to the equipment, what training  
28 opportunities will come along with the assessment. Mr. Lynn replied that the  
29 ACSA's facilities staff will likely go along with the consultants to perform the  
30 evaluations and get a sense for some of the concerns. He stated that they  
31 will identify which PPE category is required for each station, and that will tell

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1       them what the appropriate level of PPE is required. He mentioned that the  
2       consultants should also be able to give tips on reducing those incidents when  
3       they are onsite. Mr. Morrison stated that in terms of training ,there is the  
4       standard lockout/tagout training, as well as traditional electrical safety  
5       training. He mentioned that the new safety supervisor will also be able to  
6       conduct some of the training that was historically done during BizLibrary. He  
7       stated that the safety supervisor is also onsite when crews are performing  
8       activities outside of the normal tasks.

9               Mr. Lynn stated that in preparing this morning, he realized that he  
10       failed to include a slide on developer participation. He stated that each year,  
11       there is \$100,000 included in the budget to potentially oversize water and  
12       sewer mains that will be constructed as part of a private development. He  
13       stated that this allows the ACSA to look ahead and save significant dollars  
14       by paying for the oversizing.

15              Mr. Lynn stated that in terms of next steps, the proposed FY 2027  
16       budget and rates workshop will take place at next month’s Board meeting,  
17       followed by a public hearing for the budget and rates at the June Board  
18       meeting.

19              Mr. Armstrong asked how much the ACSA is integrating AI in terms  
20       of planning for the future. Mr. Lynn stated that in the past, there was so much  
21       institutional knowledge that they could rely solely on staff. He stated that with  
22       new employees and people retiring, they have had to start using more data  
23       analytics. He mentioned that as the CMMS continues to evolve, they will be  
24       able to use that data to predict the likelihood and consequence of failure. He  
25       stated that hopefully, that will guide staff in making future CIP budget  
26       decisions.

27              Ms. Palmer stated that at some point, she would like to hear some  
28       words about how the civil engineer jobs will change with AI. She stated that  
29       she has a couple of sons that are engineering professors and they are  
30       hearing from a lot of people that AI will take over their jobs. She stated that

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1 she does not see that at the ACSA, but she is curious. Mr. Lynn replied that  
2 it still takes humans to do the work.

3 Mr. Morrison stated that, going back to Mr. Armstrong’s question, the  
4 new Pipeline Condition Assessment Technician position that is being  
5 proposed for maintenance will allow them to gain additional insight into the  
6 ACSA’s buried assets, and that data will tie into Cityworks.

7 Mr. Parcels stated that it indicates in the Board packet that 218,000  
8 linear feet of pipe is in the future of CIP work, but it did not indicate the  
9 timeframe that the pipe would be replaced. He stated that looking back over  
10 the past eight years, there have only been 91,000 feet, or about 17 miles, of  
11 pipe replaced. He stated that 218,000 feet is 49 miles and there are 380 odd  
12 miles of pipe in the system. He asked if, at some point, the Board could be  
13 given a characterization of where they are in that 380 miles in terms of what  
14 has been done and what is going to be done. He added that part of that  
15 would also be what has already been replaced, and when the current  
16 replacements will age out. Mr. Lynn replied that it is a good question and a  
17 good exercise for staff to go through.

18  
19 7. Proposed FY 2027 Budget and Rates Overview Presentation

20 Mr. Lunsford stated that next month there will be an in-depth  
21 presentation on some of the specifics in the budget, but today’s presentation  
22 would be more of an overview of the proposed budget (Attached as  
23 Pages\_\_\_\_\_).

24 Mr. Lunsford stated that most of the initiatives in the FY 2027  
25 proposed budget relate back to the ACSA’s Strategic Plan. He stated that  
26 this budget also supports the RWSA and their improvement of water and  
27 wastewater infrastructure to meet both current and future needs and  
28 regulations and provide additional redundancy and resiliency. He stated this  
29 budget incorporates the ACSA’s commitment to be best in class in the  
30 service provided to its customers. He mentioned that the CIS project is a  
31 wonderful example of that, among others. He noted that the proposed

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1 budget also incorporates items related to retaining the highly skilled group of  
2 ACSA employees. He stated that he would venture to guess that the  
3 comment Mr. Parcels made earlier about how friendly the employees were  
4 on the job site would be true for every ACSA job site. He stated that they  
5 have a very solid group of individuals at the ACSA, and the goal is to keep  
6 them engaged and ensure the next round of leaders are able to grow and  
7 continue moving the ACSA forward. He added that at the end of the day, the  
8 ACSA must also continue to provide clean, safe, reliable water.

9 Mr. Lunsford stated that the next slide illustrates the collaboration  
10 required by all departments at the ACSA, to build a budget as they have  
11 done.

12 Mr. Lunsford moved to the next slide illustrating the budgeted  
13 revenues, debt proceeds, and use of reserves. He stated that the majority of  
14 the ACSA's revenues will come from water and sewer charges, which are  
15 projected to total \$50 million in FY 2027. He stated that this budget does  
16 include a request of the Board to authorize a debt issuance estimated at \$20  
17 million, to fund current and future capital projects. He mentioned that this  
18 budget includes the use of growth reserves of about \$3.5 million to offset  
19 some of the growth-related debt service charges from RWSA, which is the  
20 purpose of those reserves. He stated that system connection charges have  
21 been conservatively estimated at about \$9 million. He noted that other  
22 revenues, compared to last year, are slightly less. He stated that with the  
23 spending of some of the reserves and the general uncertainty on investment  
24 returns, they have reduced what is expected in other revenues.

25 Mr. Lunsford stated that the next slide illustrates all of the ACSA's  
26 budgeted expenses and capital costs. He noted that the main takeaway is  
27 that the bulk of ACSA'S costs are related to RWSA's water treatment, sewer  
28 treatment, or their capital projects, and the ACSA's capital improvement  
29 program.

30 Mr. Parcels stated that he was confused by the amount shown for  
31 the purchase of water/wastewater treatment and debt service for RWSA

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1 growth projects. He stated that is shows \$43 million, but later on it will show  
2 that the purchase is only \$34 million. Mr. Lunsford stated that he will go  
3 through the exercise next month, but there are operating costs from RWSA  
4 and costs that have been identified as growth-related debt service charges.  
5 He stated that those two have been broken out in the budget summary that  
6 he believes Mr. Parcels is referring to. He mentioned that a number of years  
7 ago, the ACSA worked closely with RWSA to identify RWSA debt service  
8 that is related to growth and capacity projects. He noted that they did that  
9 purposefully to allow the ACSA to use reserves collected from connection  
10 charges to pay for those. He added that this slide shows the two cost  
11 components in the budget combined, for a total of \$43.7 million.

12 Ms. Palmer stated that for years and years, the debt service from  
13 RWSA was incorporated into the flow. She stated that it took about 10-12  
14 years to change that, so they could see the debt service separately. Mr.  
15 Lunsford replied that it was in the 2015 time frame. Mr. Lunsford stated that  
16 having the debt service included in the variable charge was problematic for  
17 the ACSA and RWSA. He stated that it took a lot of effort from a lot of  
18 different people to change it.

19 Mr. Lunsford moved to the next slide highlighting the proposed FY  
20 2027 water and sewer rates. He stated that these numbers were shared  
21 during the rate study presentation earlier this year, and he would go into  
22 more depth next month. He stated that they had a comprehensive study, and  
23 the rate consultants have provided these recommendations for Board  
24 consideration. He stated that these rate increases reflect about a 17%  
25 increase in the service charge and water charges, and a 3% increase in  
26 sewer charges.

27 Mr. Parcels stated that the rate consultant laid out two scenarios  
28 earlier this year- 2a and 2b. He stated that scenario 2a called for a five-year  
29 plan of a 17% increase for three years, followed by 3% for the latter two  
30 years. He stated that scenario 2b called for a 14% increase across the board.  
31 He mentioned that he thought at that time, they had focused on the 2b

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1 scenario as being more economical or less stressful for the customer. Mr.  
2 Lunsford replied that he does not recall scenario 2b being preferred at the  
3 time, but scenario 2a provides the opportunity to make more adjustments in  
4 the future. He stated that if revenue expectations are understated, or if they  
5 collect connection charges at a different level, they would have more catch  
6 up to do in future years with scenario 2b. He added that they are hopeful that  
7 scenario 2a gets the ACSA closer to where it needs to be, to where a 17%  
8 increase may not be needed the following year.

9 Mr. Lunsford stated that the next slide is a graphic from the rate study  
10 which shows some of the nearby utilities' combined water and sewer monthly  
11 bill for single family residential customers, compared to that of the ACSA. He  
12 noted that, for the ACSA, single family customers using 3,000 gallons per  
13 month will see a little over a \$6 increase in their monthly bill. Mr. Parcels  
14 asked if the rates for the other utilities on the chart were from FY 2025-FY  
15 2026. Mr. Lunsford replied that they are from FY 2026. Mr. Parcels asked if  
16 this graphic will be included when information is sent out to customers about  
17 the rate increases. Mr. Lunsford stated that space is limited on the one-page  
18 mailer, so it will be a condensed version of this.

19 Mr. Lunsford moved to the next slide, stating that it was a response  
20 to a request from the Board last month. He stated that the graph shows what  
21 the cost would be for an apartment complex using 500,000 gallons per  
22 month. He stated that it shows about a 10.1% increase.

23 Mr. Lunsford stated that the next slide shows water connections by  
24 fiscal year. He stated that the chart illustrates how the ACSA's system  
25 continues to grow, and it has done so by about 2% per year for the last  
26 decade. He stated that not all water connections are equal, with a hospital  
27 connection counting the same as a single-family house.

28 Mr. Lunsford moved to the next slide highlighting the proposed FY  
29 2027 changes in system connection charges. He stated that there is a  
30 proposed 10% increase over FY 2026, which is needed to fund the RWSA's  
31 debt service and ACSA's growth-related CIP projects. He stated that the

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1 ACSA's reserves have been spent down to a degree, mostly on the growth  
2 side. He stated that this is an effort to collect revenues to offset increases in  
3 the future related to the CIP program.

4 Ms. Swanson stated that she had a question about the previous slide  
5 that illustrated the proposed changes to the system connection charges. She  
6 stated that during the February presentation by NewGen, they proposed a  
7 \$5,800 water/wastewater connection charge for FY 2027, but the chart today  
8 is showing \$5,900. She asked if that was due to a change that RWSA made  
9 in its projections. Mr. Lunsford replied that there was some back and forth in  
10 the rate study, and they felt it appropriate to increase that line by \$100. Mr.  
11 Parcels stated that they subtracted it elsewhere, as the change is still 10%.

12 Mr. Lunsford stated that the next slide shows the proposed FY 2027  
13 CIP program costs by project type. He noted that Mr. Lynn did a wonderful  
14 job going over the proposed CIP earlier. He stated that the CIP budget is  
15 substantial, but also necessary and important.

16 Mr. Lunsford stated that in terms of the budget workshop planned for  
17 May, they will continue to tie together how this budget supports the Strategic  
18 Plan. He stated that he would also focus on the revenue and expense  
19 expectations, proposed rate changes in detail, as well as a comprehensive  
20 evaluation of the charges from RWSA. He stated that he would speak on a  
21 deeper level about the strategic use of growth reserves to help fund some of  
22 the costs the ACSA is seeing. He noted that Mr. Morrison and Ms. Walker  
23 would also provide some additional information related to some staffing  
24 increases that will be requested in the FY 2027 budget.

25 Mr. Lunsford moved on to the next steps in the budget process. He  
26 stated that after the workshop next month, there would be a second  
27 workshop and a public hearing at the June 18<sup>th</sup> Board meeting. He  
28 mentioned that ACSA staff will ask the Board to adopt the budget and rates  
29 at that time and, pending adoption, the new rates will be effective July 1,  
30 2026.

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1 Ms. Palmer stated that she had a comment about the FAQs related  
2 to the water and sewer rates on page 176 of the Board packet. She stated  
3 that one of the questions asks why the ACSA does not just cut costs rather  
4 than increasing the rates. She stated that the answer alludes to the fact that  
5 the ACSA is a growing utility with about 500 new customers annually, thus  
6 the costs of providing service continue to increase each year. She then noted  
7 that further down on the page, it states that growth pays for growth. She  
8 stated that someone reading this may be confused by those two statements.  
9 Mr. Lunsford replied that as the system grows and matures, the replacement  
10 of that growth in the future is the responsibility of the current customer,  
11 however it is a good point.

12 Mr. Parcels stated that the maintenance projected budget for  
13 overtime is way over budget. He asked what accountability there is for  
14 overspending on overtime. Mr. Lunsford replied that when something  
15 breaks, it has to be fixed regardless of time. He stated that sometimes that  
16 is difficult to anticipate in the budget making process. He mentioned that one  
17 of the other variables is standby time. He noted that depending on how an  
18 employee chooses to be reimbursed for overtime work will affect how it  
19 shows up financially. He stated that as Executive Director, he receives a  
20 summary twice a month on pay-related information, including overtime. He  
21 stated that this provides an opportunity for someone outside of payroll and  
22 the approval group to identify possible abuse of overtime.

23 Mr. Parcels stated that, secondly, the ACSA switched to the  
24 County's health plan but is still paying it for the employees. He stated that  
25 the County's cost is slightly lower than what was planned in prior years, so  
26 the healthcare cost seemingly has gone down overall. Mr. Lunsford replied  
27 that the ACSA is staying with the County's plan, but one of the stipulations  
28 is that the ACSA could only contribute to health insurance at the rate that  
29 County participants receive. Mr. Lunsford stated that in the past, ACSA  
30 participants received more of an employer contribution. He noted that this

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1 budget reflects a lower employer contribution to mirror what the County is  
2 doing.

3  
4 8. Resolution scheduling Budget and Rates Public Hearing for June 18,  
5 2026

6 Mr. Armstrong read the resolution in the Board packet.

7 ***Ms. Palmer moved to adopt a resolution that sets June 18, 2026,***  
8 ***as the date for a Public Hearing on the Proposed FY 2027 budget and***  
9 ***the preliminary schedule fixing and classifying such rates, fees, and***  
10 ***charges for the ACSA, and authorizing the advertising of the Public***  
11 ***Hearing; seconded by Mr. Parcels. The Chair asked for a roll-call vote:***  
12 ***Ms. McKeel, aye; Mr. Parcels, aye; Ms. Palmer, aye; Mr. Armstrong,***  
13 ***aye; Mr. Roberts, aye.***

14  
15 9. Items Not on the Agenda

16 There were no items not on the agenda to discuss.

17  
18 10. Adjourn

19 ***There being no further business, Ms. Palmer moved that the***  
20 ***meeting be adjourned, seconded by Mr. Parcels. All members voted***  
21 ***aye.***

22  
23 \_\_\_\_\_  
24 Quin Lunsford, Secretary-Treasurer