

BOARD OF DIRECTORS' MEETING

August 20, 2026
9:00 A.M.

AGENDA

This meeting is being held pursuant to and in compliance with Va. Code Section 2.2-3708(3). The ACSA Board of Directors is responsible for receiving public comment. The opportunities for the public to access and participate in the electronic meeting are as follows: Join the meeting virtually through Zoom by visiting our website at www.serviceauthority.org; call in and leave a message prior to the meeting at (434) 977-4511, or email the Board prior to the meeting at board@serviceauthority.org.

9:00 a.m.	1. Call to Order and Establish a Quorum –Statement of the Board Chair
9:05 a.m.	2. Recognitions – Doug Herr, 30 Years of Service
9:10 a.m.	3. Approve Minutes of June 18, 2026
9:20 a.m.	4. Matters from the Public
9:30 a.m.	5. Response to Public Comment
9:40 a.m.	6. Consent Agenda
	a. Monthly Financial Reports
	b. Monthly Capital Improvement Program (CIP) Report
	c. CIP Authorizations
	d. Monthly Maintenance Update
	e. IT Monthly Update
	f. Rivanna Water and Sewer Authority (RWSA) Monthly Update
	g. ACSA Board Policy Issues Agenda 2026
10:00 a.m.	7. Operational Presentation – Physical and Digital Security Overview
10:20 a.m.	8. Annual Year-End Appropriations
10:30 a.m.	9. Presentation and Consider to Vote to Approve: Bond Proposal – Series 2026 Bond for Construction Funding
10:50 a.m.	10. Items Not on the Agenda
10:55 a.m.	11. Adjourn



ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CHAIR TO OPEN AUGUST 20, 2026 MEETING

This meeting today is being held pursuant to and in compliance with Va. Code Section 2.2-3708.3.

The opportunities for the public to access and participate in the electronic meeting are posted on the ACSA's website. Participation will include the opportunity to comment on those matters for which comments from the public will be received.

R E S O L U T I O N

***WHEREAS Doug Herr began his career on August 22, 1996,
and has served the Albemarle County Service Authority for***

3 0 Y E A R S; and

***WHEREAS his dedicated service in the Maintenance Department
has helped ensure the reliability and proper functioning of the
County's sewer infrastructure, preventing overflows and protecting
customers and the health of the community; and***

***WHEREAS Doug has consistently demonstrated a commitment to
his coworkers and the organization by willingly sharing his
knowledge, mentoring others, and providing training and
guidance to help develop the skills and capabilities of those
around him; and***

***WHEREAS the Albemarle County Service Authority and its
customers have greatly benefited from his dedicated and reliable
service; and***

***WHEREAS the Board of Directors of this Authority believes that
such recognition should be publicly made;***

***NOW, THEREFORE, BE IT RESOLVED that the Board
of Directors of the Albemarle County Service Authority expresses
its sincere gratitude to
Doug Herr
for his service to the customers of the
Albemarle County Service Authority.***

*I hereby certify the foregoing to be a true and exact copy of a resolution adopted by
the Board of Directors of the Albemarle County Service Authority in a regularly
scheduled meeting held August 20, 2026, by a vote of _ to _.*

Quin Lunsford, Secretary-Treasurer

Albemarle County Service Authority Board of Directors

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on June 18, 2026, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

Members Present: Mr. Armstrong; Ms. McKeel; Ms. Lizbeth Palmer; Mr. John Parcels; Mr. Clarence Roberts; Ms. Kimberly Swanson.

Members Absent: None.

Staff Present: Quin Lunsford; Jeremy Lynn; Alex Morrison; Emily Roach; Sabrina Seay; Danielle Trent; April Walker.

Staff Absent: None.

Public Present: Neil Williamson, Free Enterprise Forum.

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

Mr. Armstrong called the meeting to order. He then read the opening Board Chair statement (Attached as Page _____), and a quorum was established.

2. Employee Recognition – Sabrina Seay, ServiceDesk Plus Certification

April Walker, Director of Information Technology, came forward to present the recognition. Ms. Walker stated that Sabrina recently obtained the ManageEngine ServiceDesk Plus Cloud Certification. She stated that ManageEngine ServiceDesk Plus is the ACSA's helpdesk ticketing system, which assists with IT asset management and inventory as well. She mentioned that it is designed to help efficiently manage all IT operations, including centralizing service requests, incidents, changes, assets, and knowledge management. She noted that it also helps to improve service delivery, increase efficiency, and provide better support to end users. She stated that to earn the certification, Ms. Seay completed specialized training and successfully demonstrated efficiency in configuring, administering, and utilizing the software platform. She added that this achievement enhances Sabrina's ability to support the IT department's service management

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1 initiatives and maximizes their value in the software investment. She stated
2 that they are very proud of Sabrina and asked the Board to join in
3 congratulating her.

4 Mr. Armstrong stated that the way the IT department handles the
5 technological aspect of the Board meetings is always seamless. Ms. Palmer
6 asked how many hours are required to receive this certification. Ms. Seay
7 replied that the certification consisted of an 8-hour class, followed by a 60-
8 question exam. She stated that the exam required a 60% score to pass, and
9 she received an 85% score.

10
11 3. Approve Minutes of May 21, 2026

12 There were no additions or corrections to the minutes of May 21,
13 2026.

14 ***Mr. Parcels moved to approve the minutes of May 21, 2026;***
15 ***seconded by Ms. Palmer. All other members voted aye.***

16
17 4. Matters from the Public

18 There were no matters from the public.

19
20 5. Response to Public Comment

21 There was no response to public comment.

22
23 6. Consent Agenda

24 ***a. Monthly Financial Reports –***

25 ***b. Monthly Capital Improvement Program (CIP) Report –***

26 ***c. Monthly Maintenance Update –***

27 ***d. IT Monthly Update –***

28 ***e. Rivanna Water and Sewer Authority (RWSA) Monthly Update –*** Ms.

29 Palmer stated that she had a request related to the Rivanna Interceptor
30 stream crossing repairs update on page 115. She stated that she asked
31 if she could get a map of the areas where they found erosion at two

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1 stream crossings. Mr. Lunsford replied he would be happy to provide her
2 with that.

3 Ms. Swanson asked what was going on with the South Fork Rivanna
4 River Crossing referenced on page 104. Mr. Lynn stated that RWSA's
5 contractor has been unable to complete the South Rivanna River
6 crossing to date. He stated that they had successfully made a pass with
7 a smaller diameter, but as they went back and forth to increase the
8 opening size to pull the final diameter through, they ran into some
9 obstacles. He mentioned that the last he heard, they may need to restart
10 the boring work. He added that he believes the previous subcontractor
11 that was performing the work has left the job site and he does not know
12 if they have identified a new boring contractor to complete the work.

13 Ms. Palmer asked if there was a rock issue. Mr. Lynn replied that he
14 does not know if it was a rock issue. He stated that something happened
15 with the equipment and the reaming head that increases the diameter of
16 the hole came off. He stated that it is under the river, and he does not
17 think they have been able to retrieve it.

18 Ms. Swanson stated that the pipe has already been staged to be
19 pulled under the river and asked if it would interfere with the work being
20 done with the raw water pipeline. Mr. Lynn replied that they are in
21 separate areas. He stated that the raw water pipeline is coming down
22 Woodburn Road from the filter plant, out towards Rio Road. He
23 mentioned that the river crossing work zone is in the land between
24 Berkmar Drive and the dam. Ms. Swanson stated that the pipe is actually
25 staged on Woodburn Road. Mr. Lynn replied that he did not realize that
26 but does not believe it is in the way of their work. Ms. Swanson asked
27 how deep the river crossing is. Mr. Lynn replied that he thought he heard
28 60 ft, but it is very deep under the river. Ms. Swanson asked if the
29 completion date would still be in 2027. Mr. Lynn replied that he has not
30 heard of a revised completion date, given the challenges that they have

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1 encountered. Mr. Lunsford added that he heard they expect it to be 12
2 months before the new bore is complete.

3 ***f. ACSA Board Policy Future Issues Agenda 2026 –***

4 ***g. Water and Wastewater Professionals Appreciation Day –***

5 ***h. VERIP Application*** – Ms. Palmer stated that she had a question about
6 the early retirement package but would skip it for now because she could
7 not recall what it was. Mr. Armstrong asked if it would be helpful to have the
8 VERIP item discussed in general. Ms. Palmer replied yes, and perhaps that
9 might help her remember her question. She stated that she did not
10 understand the eligibility and how that works.

11 Emily Roach, Director of Human Resources and Administration,
12 came forward to address the Board. She stated that VERIP stands for
13 Voluntary Early Retirement Incentive Program. She stated that there are
14 certain criteria employees must meet to be eligible for the program. She
15 mentioned that first, the employee must be able to apply for early or full
16 retirement under the Virginia Retirement System (VRS), which is based on
17 their start date and vesting date. She stated that secondly, the employee
18 must have worked for the ACSA for at least 10 consecutive years. She
19 stated that thirdly, employees must not be on disability.

20 Ms. Roach stated that with VERIP, the ACSA calculates the
21 difference between the monthly benefit an employee would receive if they
22 retired at age 65 and the reduced monthly benefit, they would receive by
23 retiring before age 65. She stated that the ACSA then pays that difference
24 as a monthly benefit to the employee until they turn 65 years of age, at
25 which time the benefit ends.

26 Ms. Palmer asked, hypothetically, if she retired from the ACSA at 60
27 and had been employed there for 20 years, what part of her health
28 insurance would be paid by the ACSA until she would be eligible for
29 Medicare. Ms. Roach replied that the ACSA would make the same
30 healthcare contribution as it does for current employees. She stated that the
31 employee would have the choice to either stay on the ACSA's health plan

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1 and pay the employee premium or take the employer contribution as a lump
2 sum payment and purchase health insurance elsewhere.

3 Ms. Palmer asked if the ACSA's healthcare contribution would look
4 different for someone retiring at 60 years old with 20 years of service, than
5 someone with 30 years of service. Ms. Roach replied no. She stated that
6 the healthcare contribution is not related to years of service but rather is
7 determined by the employee's health plan coverage level. Ms. Palmer
8 asked if employees could elect a different health plan when they retire than
9 the one they had while they were employed. Ms. Roach replied yes. She
10 mentioned that there are three plans, including point of service plans and a
11 high-deductible plan. She noted that the ACSA piggybacks on the County's
12 healthcare plan, and they have strict guidelines. She stated, for example, if
13 an employee's spouse has coverage elsewhere, they cannot participate in
14 the ACSA's plan. She added that the IRS has some guidelines they must
15 follow as well. She mentioned, for example, employees cannot receive
16 contributions for a high-deductible HSA six months before they are eligible
17 to retire.

18 Mr. Roberts stated that employees were currently vested in VRS
19 after five years of service. He asked if that was changing to ten years of
20 service. Ms. Roach replied no. She stated that the criteria for the VERIP is
21 that employees have to have 10 years of consecutive service with the ACSA
22 to be eligible. She stated that VERIP is an ACSA benefit, but it is tied to
23 VRS guidelines.

24 Mr. Parcels asked how many people have taken advantage of the
25 VERIP benefit. Ms. Roach replied that it varies depending on the
26 employee's specific situation. She stated that this is the first one they have
27 seen in two years.

28 ***Ms. Swanson moved to approve the consent agenda, seconded***
29 ***by Mr. Parcels. The Chair asked for a roll-call vote: Ms. McKeel, aye;***
30 ***Mr. Parcels, aye; Ms. Palmer, aye; Mr. Armstrong, aye; Mr. Roberts,***
31 ***aye; Ms. Swanson, aye.***

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1 7. Public Hearing for Comments on Proposed FY 2027 Budget and
2 Rates

3 Mr. Armstrong opened the public hearing for comments on the
4 Proposed FY 2027 Budget and Rates. Hearing no comment from the public,
5 the chair closed the public hearing.

6
7 8. Adoption of Proposed FY 2027 Budget, CIP, and Rates, which rates
8 are reflected in the Proposed Amendments to Appendix B to the ACSA Rules
9 and Regulations

10 Quin Lunsford, ASCA Executive Director, came forward to address
11 the Board. He stated that he wanted to thank the Board for their input over
12 the last 4-5 months related to the rate study and the budget process. He
13 stated that there have been many great questions that have been helpful as
14 they worked through the process. He stated that he would now jump into the
15 presentation (Attached as Pages _____).

16 Mr. Lunsford stated that this is the second budget workshop,
17 following last month's detailed review. He stated that he would update the
18 Board on FY 2026 and expectations for the last month of the fiscal year. He
19 stated that he would review the ACSA's Strategic Plan and how that is
20 incorporated into the FY 2027 budget. He mentioned that he would go over
21 the water and sewer rate analysis, as well as some of the budget highlights.
22 He stated that he would re-present the proposed rates and the value of
23 water, briefly highlight the FY 2027 CIP and, ultimately, request the Board to
24 adopt the FY 2027 operating and CIP budget and rates.

25 Mr. Lunsford began with the ACSA's vision and mission statements.
26 He stated that every day, the ACSA employees strive to provide clean, safe,
27 reliable water and wastewater services to everyone they serve, and they
28 believe this budget helps to do that.

29 Mr. Lunsford moved to the next slide, which he stated is similar to
30 last month's, showing where the ACSA is from a financial perspective. He
31 stated that water revenues were showing to be slightly below budgeted

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1 expectations last month. He noted, however, that through the end of June
2 they expect to be slightly above budget by .8%, and about 2.1% above
3 budget expectations for sewer revenues, which was about 1% last month.
4 He mentioned that they expect water expenses to be about .6% below
5 budgeted expectations. He stated that due to the generally drier year and
6 less wastewater treated, sewer expenses are below what was anticipated in
7 the FY 2026 budget. He added that departmental expenses were also below
8 budgeted expectations by about 13%.

9 Mr. Lunsford stated that he mentioned before how the proposed FY
10 2027 budget aligns with all four themes of the ACSA's Strategic Plan. He
11 stated that the proposed budget supports continued improvement in data
12 optimization, business resilience, customer experience, and employee
13 experience. He mentioned that they attempted to outline specific
14 components of the budget document that fall under these four themes.

15 Mr. Lunsford moved to the next slide highlighting the FY 2027 rate
16 recommendations. He stated that the ACSA conducted a formal rate study
17 earlier this spring and the recommendations have been incorporated into the
18 FY 2027 budget. He mentioned that for water and sewer customers, the
19 combined increase to their monthly bill is about 9.4% for FY 2027, which
20 includes a 17% increase on the water side and a 3% increase on the sewer
21 side. He stated that the average single-family customer will see about a
22 \$7.00 increase in their monthly bill. He mentioned that there was also a
23 recommendation included in the rate study to increase the system
24 development/capacity charges by 10%, which would increase the per ERC
25 charge from \$15,000 to \$16,500. He noted that the proposed budget also
26 includes a debt issuance of \$20 million to help fund the ACSA's CIP program.
27 He stated that this is a very important component of this budget to help keep
28 rate increases at a reasonable level as they finance projects over time. He
29 added that there is also the use of about \$3.6 million of growth reserves
30 proposed in this budget to offset RWSA-related debt service.

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1 Mr. Lunsford stated that the pie chart on the next slide is an
2 illustration of where the ACSA's financing sources are coming from. He
3 noted that the bulk of the ACSA's incoming funds are from water and sewer
4 charges. He stated that debt proceeds are a significant component this year,
5 as well as the system connection charges.

6 Mr. Lunsford stated that on the budgeted expenses and capital cost
7 side, reflected on the next slide, the RWSA charges to the ACSA still remain
8 the largest driver in the budget process. He stated that the ACSA's CIP
9 program is aggressive but necessary and is well over \$18 million.

10 Ms. Palmer asked what RWSA's operating budget is currently. She
11 stated that it could be a ballpark figure, as she was not looking for an exact
12 amount. Mr. Lunsford replied that \$43 million divided by 60%, or .6, would
13 yield an answer that would be pretty close, but he does not know off the top
14 of his head. Ms. Palmer asked if that would be just what it costs to run their
15 facilities. Mr. Lunsford replied yes, and service their associated debt.

16 Mr. Lunsford stated that the next slide is a graph that they have
17 shown for the past few years, illustrating the charges from RWSA to the
18 ACSA. He noted the steep incline between 2022 and 2031. He mentioned
19 that there are critical investments that need to be made for the community,
20 but the ACSA has to be able to fund those priorities. He stated that the rate
21 study has illustrated that the ACSA will need rate increases well into the
22 future to meet those needs.

23 Ms. Swanson asked at what point is the ACSA's portion of the raw
24 water pipeline reflected on the graph. Mr. Lunsford replied that the raw water
25 pipeline is part of the RWSA's CIP program. He stated that those costs are
26 incorporated into the figures on the graph as they incur those costs. Ms.
27 Swanson asked if they begin to be incorporated around 2026. Mr. Lunsford
28 stated that there are costs related to that project, such as engineering costs,
29 that are already incorporated into the current and past years. He added that
30 RWSA is going to issue debt later this summer or early fall, to fund the bulk
31 of some the ongoing water projects.

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1 Mr. Lunsford stated that the next slide lists the proposed water and
2 sewer rates for FY 2027. He pointed out that the service charge and water
3 charge have increased 17% and sewer charges have increased 3% across
4 the Board.

5 Mr. Lunsford stated that the table on the next slide illustrates the
6 connection charges by ERC. He stated that these charges fund the ACSA's
7 growth and capacity-related projects, as well as growth-related debt service
8 from RWSA. He stated that there is a proposed 10% increase in these
9 charges.

10 Mr. Lunsford stated that, looking more closely, the proposed
11 increase in the water and sewer rates is largely driven by increases in RWSA
12 treatment and debt service related to water and sewer. He mentioned that
13 for RWSA, water costs are increasing by 18.1%, which includes the
14 operating and debt service costs, and sewer costs are increasing by 10.4%.

15 Mr. Lunsford mentioned that the FY 2027 budget that he shared with
16 the Board today shows an increase of 8.2% in ACSA departmental operating
17 expenses. He stated that this aligns with the ACSA's Strategic Plan and the
18 retention of essential employees is included in this budget. He noted that
19 there are three new positions proposed, which he spoke to last month. He
20 added that there are increases in costs related to other operating expenses
21 as well, similar to many other localities.

22 Mr. Lunsford stated that the chart on the next slide, which is included
23 in the budget document, illustrates what different types of customers at
24 different consumption levels can expect in terms of increases in their monthly
25 water and sewer bill. He mentioned that an average customer consumption
26 for the ACSA is about 3,200 gallons per month, and that customer will see a
27 \$7.07 monthly increase.

28 Mr. Lunsford moved to the next slide, providing a high-level overview
29 of the proposed FY 2027 CIP. He stated that Mr. Lynn and his team prepared
30 a comprehensive presentation earlier this spring related to the CIP. He noted
31 that the major water projects were the Northfield Water Main Replacement,

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1 part of Scottsville Phase 4 Water Main Replacement, and the Ragged
2 Mountain Phase 1 Water Main Replacement. He stated that the \$4 million in
3 water projects, those three make up a little over \$3 million. He stated that on
4 the wastewater side, the Airport Trunk Sewer project is \$7.2 million, the
5 Buckingham Circle sewer project is \$2.6 million, and the Bellair-Liberty Hills
6 sewer project is \$2 million, all making up the bulk of the wastewater CIP
7 budget.

8 Mr. Lunsford stated that in terms of next steps, they are requesting
9 the Board consider adoption of the proposed FY 2027 budget and rates. He
10 stated that the ACSA staff is thankful for the Board's support and he is happy
11 to answer any questions they may have.

12 Ms. Swanson stated that the Board inquired last meeting about
13 RWSA's credit rating, and ACSA staff found out that they were AA+ rated.
14 She asked if it is true that they will not know how RWSA's rating will impact
15 the ACSA's rating until they go through the rating process. Mr. Lunsford
16 replied that this is true.

17 Ms. Palmer asked if RWSA has had any conversations about the
18 federal government reducing state funds for wastewater projects. She stated
19 that it is going to put a lot of pressure on localities that have wastewater
20 projects they desperately need to complete. Mr. Lunsford replied that there
21 have been no specific conversations with RWSA that he has been a part of
22 related to the matter. He mentioned that there have been conversations
23 related to grant programs that RWSA participates in, and uncertainty as to
24 whether those funds will be available. Mr. Parcels added that there was an
25 expectation to receive a big chunk of funding to assist with the Beaver Creek
26 Dam. Mr. Lunsford replied that this is what he was referencing and it is still
27 the expectation. He added that they have received a small portion of funding,
28 but the bulk of the funds have yet to be received.

29 Ms. Palmer asked how the ACSA figures out where it places in the
30 job it does with its infrastructure, with respect to spending. She stated that
31 there is a concern that in several years, we may be charging more than

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1 people can afford. Mr. Lunsford replied that it is a legitimate question. He
2 stated that balancing affordability and providing exemplary service is a
3 challenge but has to happen. He mentioned that this community made it
4 clear a number of years ago that the water supply needed to be upgraded.
5 He mentioned that the community is in the position it is today because of
6 what has happened thus far. He noted that it will continue to be a challenge.
7 Ms. Palmer stated that 20 years ago, there wasn't even a master sewer plan,
8 nor were the sewer overflows being reported. She stated that she is proud
9 of how far they have come but at the same time, she wonders how to move
10 forward. Mr. Roberts added that 20 years ago, the CIP budget was only
11 around \$5 million.

12 Ms. Swanson stated that she wanted to piggyback on Ms. Palmer's
13 comments. She stated that one of the slides from the Davenport presentation
14 regarding the rating process showed four components. She stated that one
15 of them was community characteristics and the ability of the community to
16 afford the investment. She stated that she knows the County has done
17 economic analyses in the past, probably for their own debt issuance, but
18 asked if they keep that type of information available for the ACSA to look at.
19 Mr. Lunsford replied yes. He stated that there is a draft presentation that is
20 being worked on by Davenport currently illustrating much of that information
21 that will ultimately go to the credit agencies. He stated that once they have
22 had an opportunity to clean it up and verify numbers, they will share it with
23 the Board. He stated that there are grants out there for communities that are
24 not as financially affluent and self-sustaining as ours, which does not work
25 in our favor in terms of receiving a grant. He noted, however, that it does
26 help with the credit rating agencies.

27 ***Ms. Palmer moved to approve the resolution (Attached as***
28 ***Page___) adopting Proposed FY 2027 Operating and Capital***
29 ***Improvement Budget and Rates, which includes the rate schedule, to***
30 ***be effective July 1, 2026, seconded by Mr. Roberts. The Chair asked for***

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1 ***a roll-call vote: Ms. McKeel, aye; Mr. Parcells, aye; Ms. Palmer, aye; Mr.***
2 ***Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye;***

3
4 9. **Adoption of other Proposed Amendments to ACSA Rules and**
5 **Regulations**

6 Jeremy Lynn, Director of Engineering, came forward to address the
7 Board. He stated that it has been a couple of years since they have had
8 significant changes to the ACSA Rules and Regulations. He stated that the
9 ACSA staff reviewed the document and proposed some changes that have
10 been included in the Board packet today. He mentioned that in the packet,
11 he has provided a cover memo summarizing the changes, a red-line edit of
12 the document, a resolution, and a clean version of the amended document.
13 He added that he would step through a couple of the bigger changes and
14 answer any questions the Board may have.

15 Mr. Lynn stated that the first change is to Section 7 of the document.
16 He stated that some language from Section 12 related to auxiliary meters
17 was moved to this section and the process for obtaining an irrigation meter
18 was streamlined. He noted that the current process is cumbersome for both
19 internal stakeholders and customers. He stated that they have identified a
20 better process that eliminates the need to go out and perform an estimate.

21 Mr. Lynn stated that in Section 8, they have incorporated language
22 requiring the installation of backflow assemblies for multi-family residential
23 customers. He stated that they also made it clear that the Virginia
24 Department of Health (VDH) requires backflow devices on any residential
25 unit with four or more stories. He stated that this is something that has been
26 a requirement through the building permit process, but they wanted to make
27 it clear in the Rules and Regulations.

28 Mr. Lynn stated that in Section 12, they are proposing very clear
29 language indicating that no portion of the connection charges can be waived.
30 He stated that in Section 13, the irrigation application processing fee is
31 eliminated. He noted that in Section 18, there are proposed changes related

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1 to the Carwash Certification Program. He mentioned that over the years it
2 has been difficult to gain interest in this program from a small number of
3 customers. He noted that currently, there are 14 facilities in the ACSA's
4 service area. He stated that they have incorporated language to indicate that
5 the policy is only applicable to facilities that are served by the ACSA and that
6 serve the public. He noted that it does not apply to carwashes for car
7 dealerships and rental companies. He added that after some research, he
8 found that there are very few public utilities that have carwash certification
9 programs, such as the City of Charlottesville, Spotsylvania, Colorado
10 Springs, and San Antonio. Ms. Swanson noted that most of the carwashes
11 use recycled water. Mr. Lynn concurred. He stated that most have some sort
12 of reclaimed water that they treat and reuse.

13 Ms. Palmer asked if Mr. Lynn could explain the section of the Rules
14 and Regulations related to connection charges not being waived. She asked
15 what portion of the charges people try not to pay, or why was it necessary to
16 include that in the document. Mr. Lynn replied that the ACSA wanted to
17 ensure if there was any pressure around affordability, affordable housing, or
18 economic development, that it was clear the ACSA's connection fees are not
19 negotiable. Mr. Roberts asked how the connection fees compare to drilling
20 a well or putting in a septic system. Mr. Lynn stated that they have not
21 conducted that analysis, but he feels the cost would be fairly comparable if
22 serving a single-family home.

23 Ms. Swanson stated that she had a question about the permitting for
24 well drilling. She asked if a property can be served by public water, would
25 the municipality prevent the property owner from drilling a well. Mr. Lynn
26 replied that the County zoning would prohibit it. He stated that if a property
27 can be served by public water, the property owner cannot drill a well for
28 domestic purposes. He mentioned that the County and VDH will allow wells
29 to be drilled for irrigation purposes. He noted that there are several
30 throughout many of the subdivisions served by the ACSA such as Glenmore,
31 Farmington, and Old Trail.

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1 Ms. Palmer stated that the ACSA used to look at how many houses
2 were being built in the rural area versus the development area. She stated
3 that they tried to make sure they were not incentivizing people to build in the
4 rural areas through the high connection fees. Mr. Roberts added that since
5 then, the government has drilled wells for farmers. He stated that his son has
6 several wells on his property that the government put in for free so that the
7 cows will have drinking water. Ms. Swanson and Ms. Palmer stated that
8 those wells were to get the cows out of the streams.

9 Mr. Lynn stated that in Section 19, related to the ACSA's Fats, Oils,
10 and Grease (FOG) program, they strengthened the language about the
11 possibility of an establishment needing to upgrade their grease control
12 devices if they modify or expand their operation. He added that lastly, they
13 have also reiterated the changes in Appendix B to ensure they are included
14 with the resolution approving the Rules and Regulations changes.

15 ***Mr. Parcels moved to approve the resolution (Attached as***
16 ***Page____) adopting the revised ACSA Rules and Regulations,***
17 ***seconded by Mr. Roberts. The Chair asked for a roll-call vote: Ms.***
18 ***McKeel, aye; Mr. Parcels, aye; Ms. Palmer, aye; Mr. Armstrong, aye;***
19 ***Mr. Roberts, aye; Ms. Swanson, aye;***
20

21 10. **Adoption of Proposed Amendments to Personnel Management Plan**

22 Ms. Roach came forward to address the Board. She stated that she
23 did not have any additional items to discuss regarding the proposed
24 amendments to the ACSA's Personnel Management Plan (PMP) as they are
25 outlined in the cover memo, but she was happy to answer any questions the
26 Board may have.

27 Ms. Swanson asked if the changes included random drug testing or
28 how recreational marijuana use will come into play next year. Ms. Roach
29 replied that the ACSA's PMP does include random drug testing, but that
30 testing is only for CDL holders and is dictated by the federal government.

31 ***Mr. Parcels moved to approve the resolution (Attached as***

Albemarle County Service Authority Board of Directors

1 ***Page__*) adopting the amendments to the ACSA's Personnel**
2 ***Management Plan, seconded by Ms. McKeel. The Chair asked for a roll-***
3 ***call vote: Ms. McKeel, aye; Mr. Parcels, aye; Ms. Palmer, aye; Mr.***
4 ***Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye;***

5
6 11. Items Not on the Agenda

7 Mr. Lunsford stated that he had a quick update on reservoir levels
8 and drought status. He stated that as of this morning, the usable capacity
9 of all the RWSA reservoirs was 98.1% full. He stated that the dry weather
10 is making an impact. He mentioned that he checked the Virginia Department
11 of Environmental Quality's (VDEQ) drought map for the state and it is
12 unchanged from what has been provided in the Board packet. He noted that
13 there was a news article that came out yesterday, which included an
14 interview with RWSA. He stated that in the interview, RWSA communicated
15 that the reservoirs are 98% full and a conservation mandate is not
16 necessary at this time. He stated, with that said, RWSA is rerunning the
17 drought model tomorrow to incorporate current factors and the future
18 weather forecast to determine if the drought committee needs to meet for
19 possible action. He added that should they move to a different status, the
20 Board will be informed.

21 Ms. McKeel stated that she has seen maps tracking conditions and
22 they are similar to where the community was in 2001, which is scary. Mr.
23 Lunsford stated that RWSA gave a nice presentation in April, which might
24 be worth sharing with the ACSA Board. He noted that it highlighted what
25 was happening in 2002 compared to what is happening now, and there are
26 a few key differences. He added that there have also been improvements
27 made to the water supply as well. Ms. Palmer added that she does not know
28 if people are seeing wells dry up yet. Mr. Lunsford replied that he fielded a
29 call Friday from someone that was experiencing sediment in their well that
30 they usually do not see.

Albemarle County Service Authority Board of Directors1 12. Executive Session

2 The Chair read a Resolution to enter into Executive Session
3 pursuant to Virginia Code §2.2-3711 A (1) to discuss a personnel matter
4 (Attached as Page _____).

5 ***Ms. Palmer moved to approve the Resolution as presented***
6 ***to the Board; seconded by Mr. Parcells. The Chair asked for a roll-call***
7 ***vote: Ms. McKeel, aye; Mr. Parcells, aye; Ms. Palmer, aye; Mr.***
8 ***Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.***

9 The Board of Directors came back into regular session. The Chair
10 read into record a Resolution stating that only matters so previously stated
11 and exempted from open discussion in regular session were discussed in
12 Executive Session (Attached as Page _____).

13 ***Ms. Palmer moved to approve the Resolution as presented***
14 ***to the Board, seconded by Ms. McKeel. The Chair asked for a roll-***
15 ***call vote: Ms. McKeel, aye; Mr. Parcells, aye; Ms. Palmer, aye; Mr.***
16 ***Armstrong aye; Mr. Roberts, aye; Ms. Swanson, aye.***

17
18 13. Adjourn

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

22
23 _____
24 Quin Lunsford, Secretary-Treasurer

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Monthly Financial Reports STAFF CONTACT/PREPARER: Emily Roach, Interim Director of Finance; Quin Lunsford, Executive Director	AGENDA DATE: August 20, 2026 ACTION: Informational ATTACHMENTS: Yes
---	---

BACKGROUND: Water and sewer financial reports and check registers for the month of June and July are attached for your review.

DISCUSSION:

- Water consumption for the month of June decreased 0.6% compared to May. Water consumption for the month of June 2026 compared to June 2025 increased 7.7%.
- RWSA's invoice of \$3,086,061 for the month of May was paid on June 10, 2026. RWSA's invoice of \$3,070,706 for the month of June was paid on July 10, 2026.
- Unearned water and sewer connection charges totaled \$4,001,787 at month end.
- System connection charge revenue is exceeding budgeted expectations with \$1,210,640 recognized in June.
- Water and Wastewater revenues for FY 2026 are above budgeted expectations by 1.2%. Water and Wastewater revenues for FY 2027 are above budgeted expectations by 12.9%. Please see the water/wastewater trend analysis included illustrating that when adjustment for expected variations in seasonal consumption is considered, revenues are 4.5% more than budgeted expectations.
- Investment update: LGIP's effective monthly yield stands at 3.9%, while PFM's yield to maturity at market is 4.2%, reflecting current market conditions and portfolio performance.
- Customer Information System (CIS) Update: The ACSA CIS project team continues to work closely with the vendor as we work toward the initial build of the system. Teams have begun testing the first iteration of the system and are validating data conversation. Go-Live is anticipated in May 2027.

ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY**

BUDGET IMPACT: Informational only.

RECOMMENDATIONS: None

BOARD ACTION REQUESTED: None; informational item only.

ATTACHMENTS:

1. Statement of Net Position (June 2026 and July 2026)
2. Year-to-Date Budget to Actual Comparison/Commentary (June 2026 and July 2026)
3. Investment Summary
4. Capacity/System Development Reserves
5. Connection Charges/ERC Analysis
6. Monthly Water and Sewer Charges from the RWSA
7. Monthly Water Consumption
8. Water and Sewer Report; Customer Class Report
9. Major Customer Analysis
10. Water/Wastewater Revenue Trend Analysis
11. Aged Receivables Analysis
12. Check Register (June 2026 and July 2026)

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF NET POSITION
June 30, 2026

ASSETS

Cash and cash equivalents	\$ 6,484,319
Accounts receivable	6,199,349
Investments	37,591,613
Capital assets: (net of accumulated depreciation)	215,964,464
Inventory	609,793
Prepays	446,914
Cash and cash equivalents, restricted	<u>731,701</u>
 Total assets	 <u>268,028,153</u>

DEFERRED OUTFLOWS OF RESOURCES

Combined deferred outflows of resources	<u>2,217,085</u>
---	------------------

LIABILITIES

Accounts payable	3,901,198
Accrued liabilities	406,162
Compensated absences	2,035,404
Net pension liability	4,150,155
Other post-employment benefits	1,251,493
Unearned connection fees	1,281,213
Long-term debt	<u>3,129,413</u>
 Total liabilities	 <u>16,155,038</u>

DEFERRED INFLOWS OF RESOURCES

Combined deferred inflows of resources	<u>887,971</u>
--	----------------

NET POSITION

253,202,229

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF NET POSITION

July 31, 2026

ASSETS

Cash and cash equivalents	\$ 8,527,832
Accounts receivable	6,687,087
Investments	37,655,635
Capital assets: (net of accumulated depreciation)	216,888,031
Inventory	669,437
Prepays	446,914
Cash and cash equivalents, restricted	<u>785,744</u>
Total assets	<u>271,660,680</u>

DEFERRED OUTFLOWS OF RESOURCES

Combined deferred outflows of resources	<u>2,217,085</u>
---	------------------

LIABILITIES

Accounts payable	4,434,133
Accrued liabilities	417,547
Compensated absences	2,035,404
Net pension liability	4,150,155
Other post-employment benefits	1,251,493
Unearned connection fees	4,001,787
Long-term debt	<u>3,129,413</u>
Total liabilities	<u>19,419,932</u>

DEFERRED INFLOWS OF RESOURCES

Combined deferred inflows of resources	<u>887,971</u>
--	----------------

NET POSITION

253,569,862

ALBEMARLE COUNTY SERVICE AUTHORITY
For the One Month Ending June 30, 2026

25

	Budget FY 2026	Budget Year-to-Date 2026	June Actual Year-to-Date	Actual vs. Budget	Variance Percentage
Revenues					
Water Sales	25,260,000	25,260,000	25,482,696	222,696	0.88%
Sewer Service	19,600,000	19,600,000	19,932,002	332,002	1.69%
Total operating revenues	44,860,000	44,860,000	45,414,698	554,698	1.24% A
Operating Expenses					
Purchase of bulk water	(22,697,500)	(22,697,500)	(22,631,167)	66,333	(0.29%) B
Purchase of sewer treatment	(15,256,000)	(15,256,000)	(14,205,248)	1,050,752	(6.89%) B
Administration	(1,601,400)	(1,601,400)	(1,397,269)	204,131	(12.75%) C
Finance	(3,436,700)	(3,436,700)	(3,069,856)	366,844	(10.67%) C
Information Technology	(2,259,300)	(2,259,300)	(1,817,662)	441,638	(19.55%) C
Engineering	(2,823,000)	(2,823,000)	(2,579,370)	243,630	(8.63%) C
Maintenance	(5,639,900)	(5,639,900)	(4,711,101)	928,799	(16.47%) C
Total operating expenses	(53,713,800)	(53,713,800)	(50,411,673)	3,302,127	(6.15%)
Operating gain(loss)	(8,853,800)	(8,853,800)	(4,996,975)	3,856,825	(43.56%)
Nonoperating Revenues					
System connection charges	9,400,000	9,400,000	10,150,140	750,140	7.98% D
Investment/Interest Income	2,000,000	2,000,000	1,809,163	(190,837)	(9.54%) E
Rental income	16,000	16,000	18,993	2,993	18.71%
Miscellaneous revenues	726,000	726,000	968,763	242,763	33.44% F
Total nonoperating revenues (expenses)	12,142,000	12,142,000	12,947,059	805,059	6.63%
Nonoperating Expenses					
Miscellaneous expenses	(1,337,200)	(1,337,200)	(145,751)	1,191,449	(89.10%) G
Bond interest charges	(183,859)	(183,859)	(142,190)	41,669	(22.66%) H
Depreciation	-	-	(4,950,005)	(4,950,005)	0.00% I
Total nonoperating revenues (expenses)	(1,521,059)	(1,521,059)	(5,237,946)	(3,716,887)	244.36%
Capital contributions	-	-	8,152,231	8,152,231	
Change in Net Position	1,767,141	1,767,141	10,864,369	9,097,228	514.80%

**Albemarle County Service Authority
Budget-to-Actual Year to Date Commentary**

- A.** Water and sewer revenues were more than budgeted amounts by 1.2%. Consumption through June (gallons) appears reasonable considering the ACSA's normal seasonal consumption pattern. Further information related to seasonal revenue expectations can be found later in the Board packet.
- B.** Expenses related to purchases of bulk water and sewer treatment from the RWSA are less than budgeted amounts by 2.9%. Monthly billings prepared by the RWSA allocate total water/wastewater flows to the ACSA/City based on the consumption of each for the quarter immediately preceding.
- C.** Departmental operating budgets through the current month remain below budgeted expectations for the fiscal year.
- D.** System connection charge revenue is higher than the budgeted amount. Connection charge revenue is often difficult to project and can fluctuate from year to year. These charges are dependent upon new customers connecting to the system.
- E.** Investment income, which includes both interest income and adjustments to fair market value are recorded in these accounts. Investment earnings are slightly behind budgeted expectations through the current month.
- F.** Miscellaneous revenues consist of multiple lines and include inspection fees, plan review, reconnections/initial bill fees, invoiced water usage, and gains associated with sales of capital assets retired from service.
- G.** The budgeted amount includes expected outlays for capital equipment and losses on disposal of capital assets. Equipment is capitalized when placed in service.
- H.** Bond interest charges are recorded as incurred.
- I.** Depreciation is not a budgeted line-item accounting for the variance. Depreciation expense is considered during the annual budgeting process as this expense is utilized to calculate the required contribution to the 3r reserve.

ALBEMARLE COUNTY SERVICE AUTHORITY
For the One Month Ending July 31, 2026

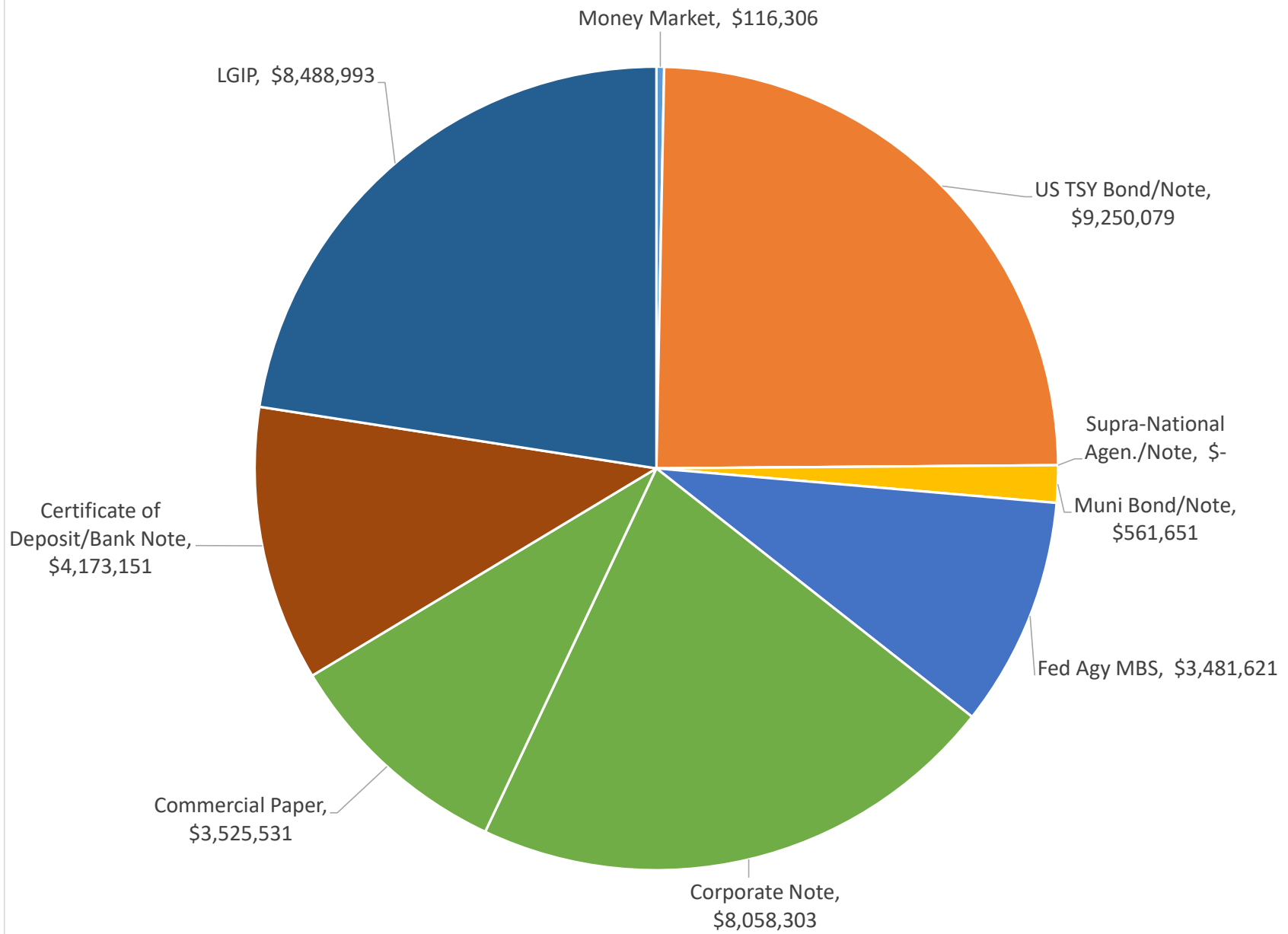
27

	Budget FY 2027	Budget Year-to-Date 2027	July Actual Year-to-Date	Actual vs. Budget	Variance Percentage
Revenues					
Water Sales	29,750,000	2,479,167	2,931,347	452,180	18.24%
Sewer Service	20,200,000	1,683,333	1,767,165	83,832	4.98%
Total operating revenues	49,950,000	4,162,500	4,698,512	536,012	12.88% A
Operating Expenses					
Purchase of bulk water	(26,814,100)	(2,234,508)	(2,374,612)	(140,104)	6.27% B
Purchase of sewer treatment	(16,843,600)	(1,403,633)	(1,251,340)	152,293	(10.85%) B
Administration	(1,639,100)	(136,592)	(92,927)	43,665	(31.97%) C
Finance	(3,523,200)	(293,600)	(200,230)	93,370	(31.80%) C
Information Technology	(2,865,200)	(238,767)	(116,414)	122,353	(51.24%) C
Engineering	(2,963,400)	(246,950)	(242,815)	4,135	(1.67%) C
Maintenance	(6,054,500)	(504,542)	(374,479)	130,063	(25.78%) C
Total operating expenses	(60,703,100)	(5,058,592)	(4,652,817)	405,775	(8.02%)
Operating gain(loss)	(10,753,100)	(896,092)	45,695	941,787	(105.10%)
Nonoperating Revenues					
System connection charges	9,000,000	750,000	542,400	(207,600)	(27.68%) D
Investment/Interest Income	750,000	62,500	95,325	32,825	52.52% E
Rental income	16,000	1,333	1,215	(118)	(8.88%)
Miscellaneous revenues	676,000	56,333	99,585	43,252	76.78% F
Total nonoperating revenues (expenses)	10,442,000	870,167	738,525	(131,642)	(15.13%)
Nonoperating Expenses					
Miscellaneous expenses	(1,754,900)	(146,242)	(45,362)	100,880	(68.98%) G
Bond interest charges	(1,108,000)	(92,333)	(33)	92,300	(99.96%) H
Depreciation	-	-	(418,291)	(418,291)	0.00% I
Total nonoperating revenues (expenses)	(2,862,900)	(238,575)	(463,686)	(225,111)	94.36%
Capital contributions	-	-	1,389	1,389	
Change in Net Position	(3,174,000)	(264,500)	321,923	586,423	(221.71%)

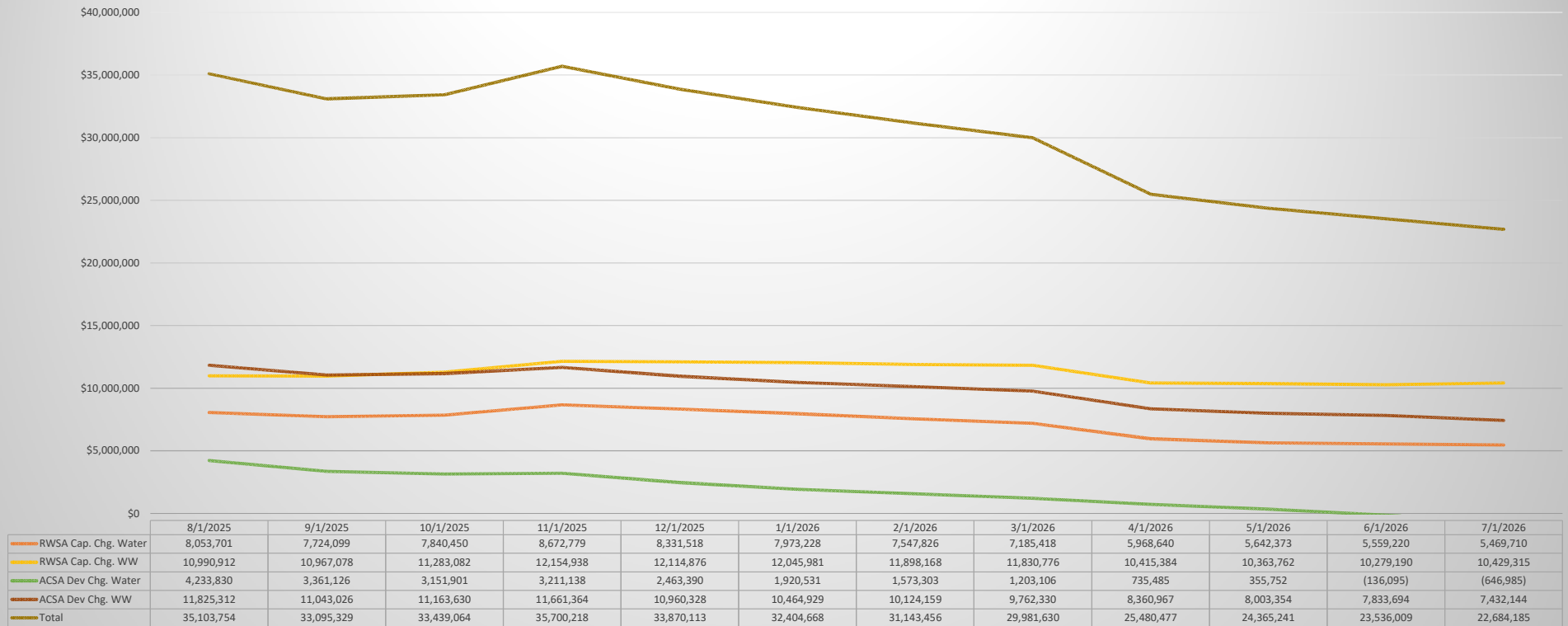
**Albemarle County Service Authority
Budget-to-Actual Year to Date Commentary**

- A.** Water and sewer revenues were more than budgeted amounts by 12.9%. Consumption through July (gallons) appears reasonable considering the ACSA's normal seasonal consumption pattern. Further information related to seasonal revenue expectations can be found later in the Board packet.
- B.** Expenses related to purchases of bulk water and sewer treatment from the RWSA are less than budgeted amounts by 0.3%. Monthly billings prepared by the RWSA allocate total water/wastewater flows to the ACSA/City based on the consumption of each for the quarter immediately preceding.
- C.** Departmental operating budgets through the current month remain below budgeted expectations for the fiscal year. Variations early in the fiscal year are expected as timing of expenses can more greatly impact variances. Departmental expenses will continue to be monitored throughout the fiscal year and are expected to align with the budget.
- D.** System connection charge revenue is lower than the budgeted amount. Connection charge revenue is often difficult to project and can fluctuate from year to year. These charges are dependent upon new customers connecting to the system.
- E.** Investment income, which includes both interest income and adjustments to fair market value are recorded in these accounts. Investment earnings are higher than budgeted expectations through the current month.
- F.** Miscellaneous revenues consist of multiple lines and include inspection fees, plan review, reconnections/initial bill fees, invoiced water usage, and gains associated with sales of capital assets retired from service.
- G.** The budgeted amount includes expected outlays for capital equipment and losses on disposal of capital assets. Equipment is capitalized when placed in service.
- H.** Bond interest charges are recorded as incurred.
- I.** Depreciation is not a budgeted line-item accounting for the variance. Depreciation expense is considered during the annual budgeting process as this expense is utilized to calculate the required contribution to the 3r reserve.

Allocation of Investments by Type



Capacity/System Development Reserves



Note: Additions to Capacity/System Development Reserves are from monthly connection charges, reductions to the reserves are from monthly growth related expenses/capital costs.

Portfolio Summary and Statistics

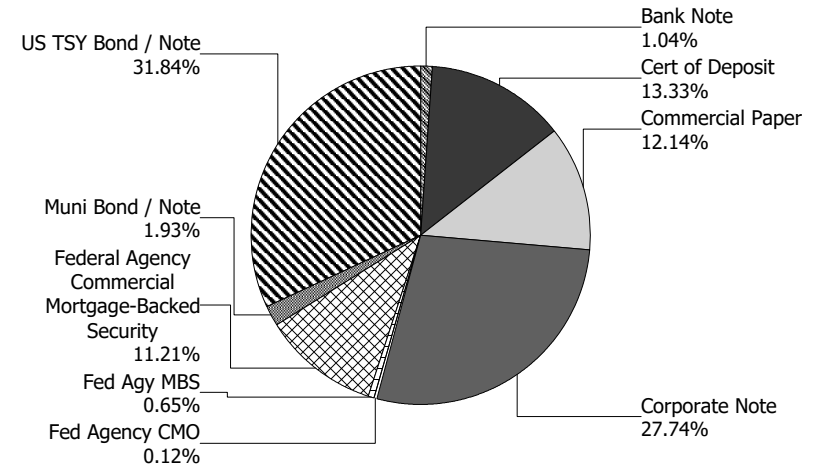
For the Month Ending **July 31, 2026**

ACSA OPERATING FUNDS - 03100100

Account Summary

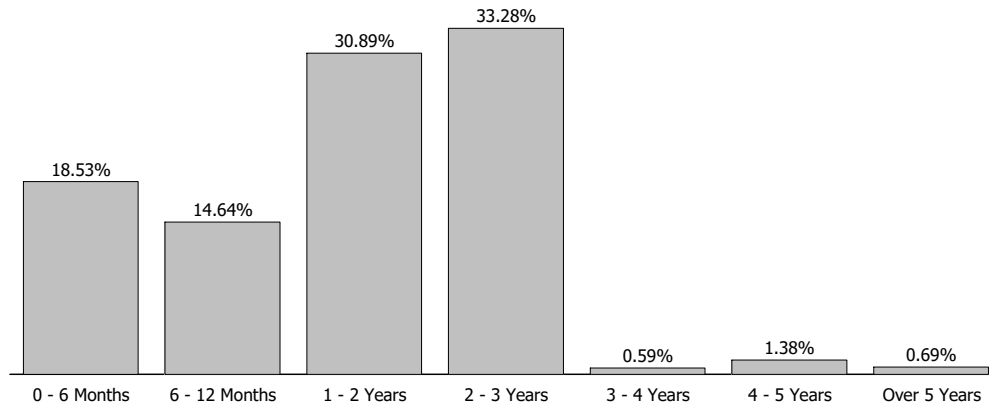
Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	9,325,000.00	9,250,079.14	31.84
Municipal Bond / Note	560,000.00	561,651.12	1.93
Federal Agency Mortgage-Backed Security	196,975.02	188,783.91	0.65
Federal Agency Commercial Mortgage-Backed Security	3,304,268.24	3,256,947.52	11.21
Federal Agency Collateralized Mortgage Obligation	39,167.19	35,889.95	0.12
Corporate Note	8,125,000.00	8,058,303.02	27.74
Commercial Paper	3,600,000.00	3,525,531.00	12.14
Certificate of Deposit	3,875,000.00	3,871,109.12	13.33
Bank Note	300,000.00	302,042.10	1.04
Managed Account Sub-Total	29,325,410.45	29,050,336.88	100.00%
Accrued Interest		290,794.12	
Total Portfolio	29,325,410.45	29,341,131.00	

Sector Allocation



Unsettled Trades 0.00 0.00

Maturity Distribution



Characteristics

Yield to Maturity at Cost	4.08%
Yield to Maturity at Market	4.24%
Weighted Average Days to Maturity	592

Albemarle County Service Authority
Connection Fee Analysis
June 2026

32

Area	June 2026 Monthly Connection Fees	June 2025 Monthly Connection Fees	\$ Change	% Change
Crozet	\$ 142,600	\$ 288,600	\$ (146,000)	-51%
Urban	1,053,040	444,835	608,205	137%
Scottsville	15,000	-	15,000	-
Total Connection fees	\$ 1,210,640	\$ 733,435	\$ 477,205	65%
Through June				
Area	YTD FY 2026 Connection Fees	YTD FY 2025 Connection Fees	\$ Change	% Change
Crozet	\$ 1,669,540	\$ 1,659,620	\$ 9,920	1%
Urban	8,451,170	\$ 6,970,600	\$ 1,480,570	21%
Scottsville	29,430	-	29,430	-
Total Connection fees	\$ 10,150,140	\$ 8,630,220	\$ 1,519,920	18%

Area	June 2026 ERC's	June 2025 ERC's	Change	% Change
Crozet	10	20	(10)	-50%
Urban	70	31	39	126%
Scottsville	1	-	1	-
Total ERC's	81	51	30	59%
Through June				
Area	YTD FY 2026 ERC's	YTD FY 2025 ERC's	Change	% Change
Crozet	112	115	(3)	-3%
Urban	563	481	82	17%
Scottsville	2	-	2	-
Total ERC's - YTD	677	596	81	14%

Note: This analysis shows, both in dollars and ERC's, connections by month and YTD for the period under review. As noted above, connection fees are comparable to the prior year. See the "Three Year Connection Fee Comparison" for further discussion related to this change.

**Albemarle County Service Authority
Three Year Connection Fee Comparison
June 2026**

Area	June 2026 ERC's	June 2025 ERC's	June 2024 ERC's
Crozet	10	20	10
Urban	70	31	45
Scottsville	1	-	-
Total ERC's	81	51	55

Through June			
Area	YTD 2026 ERC's	YTD 2025 ERC's	YTD 2024 ERC's
Crozet	112	115	202
Urban	563	481	438
Scottsville	2	-	10
Total ERC's - YTD	677	596	650

Note: The information above present ERCs by month and YTD for the current and past two fiscal years. As noted in the YTD portion of the analysis, current YTD ERCs appear reasonable considering continued development within the ACSA's service area.

**Albemarle County Service Authority
Consumption Analysis
Fiscal Year 2026**

	FY 2026 Consumption	FY 2025 Consumption		Monthly Precipitation (In.)	
				FY 2026	FY 2025
July	161,008,092	178,898,841	-10.00%	6.90	2.97
August	169,360,775	167,569,158	1.07%	1.38	4.56
September	172,168,239	168,622,791	2.10%	2.48	11.90
October	163,268,117	154,505,280	5.67%	2.10	1.89
November	158,906,212	157,629,026	0.81%	0.67	1.41
December	143,404,511	142,576,100	0.58%	2.18	3.15
January	139,142,866	135,634,117	2.59%	2.63	6.58
February	141,527,610	140,077,622	1.04%	2.14	4.51
March	138,588,050	133,246,908	4.01%	2.17	0.89
April	144,679,586	141,119,829	2.52%	0.96	2.11
May	165,877,807	154,027,224	7.69%	3.45	8.89
June	164,933,909	153,095,431	7.73%	0.80	4.48
YTD	1,862,865,774	1,827,002,327	1.96%	27.86	53.34

Note: Consumption through June 2026 is 2.0% more than the same period in fiscal year 2025. Monthly precipitation figures have been included for comparison purposes. Trends in rainfall can sometimes correlate with trends in consumption however, depending on the intensity, days between rain events, or other factors, this may not always be the case.

Note: Precipitation data obtained from National Oceanic and Atmospheric Administration (NOAA):
<https://www.ncdc.noaa.gov/cdo-web/search>.

**Albemarle County Service Authority
Water and Sewer Charges from the RWSA
Fiscal Year 2026**

	FY 2026	FY 2025	Increase	
	RWSA Charges	RWSA Charges	(Decrease)	
July	\$ 3,189,024	\$ 2,622,835	\$ 566,189	21.59%
August	3,121,371	2,648,222	\$ 473,149	17.87%
September	3,106,969	2,718,386	\$ 388,583	14.29%
October	3,117,465	2,733,598	\$ 383,867	14.04%
November	2,995,760	2,540,444	\$ 455,316	17.92%
December	2,977,409	2,510,685	\$ 466,724	18.59%
January	3,005,162	2,576,967	\$ 428,195	16.62%
February	3,032,315	2,638,650	\$ 393,665	14.92%
March	3,064,958	2,569,796	\$ 495,162	19.27%
April	3,069,215	2,547,552	\$ 521,663	20.48%
May	3,086,061	2,665,003	\$ 421,058	15.80%
June	3,070,706	2,596,414	\$ 474,292	18.27%

YTD	\$ 36,836,415	\$ 31,368,552	\$ 5,467,862	17.43%
------------	---------------	---------------	--------------	--------

Note: The charges noted above from the RWSA include operating and debt service charges.



Water and Sewer Report

(Volumes in Gallons)

June 2026

Metered by Area:	Water	Sewer
Crozet	21,042,485	17,732,977
Scottsville	1,291,118	915,488
Urban	142,543,262	114,668,246
Red Hill	57,044	0
Total	164,933,909	133,316,711

Wastewater Flows by Sewer Plant:	
Total Urban and Crozet	132,401,223
less Glenmore WRRF	-3,813,711
Moore's Creek AWRRF	128,587,512
Scottsville WRRF	915,488
Total	129,503,000

Number of Installed Meters:	
Urban	28
Crozet	20
Scottsville	0
Total	48

Hydrant Meter Consumption (billed by invoice):	
Urban	1,717,900
Crozet	242,115
Scottsville	0
Total	1,960,015

Number of Septic-to-Sewer Connections:	
Urban	0
Crozet	1
Scottsville	0
Total	1

Estimated Water Loss:	
2424 Whitney Ct-6/19	2,000
Total	2,000

Billed Consumption for Selected Customers					
	Water	Sewer		Water	Sewer
Virginia Land Holding	148,303	148,303	Boar's Head Inn	395,928	357,546
Southwood Mobile Homes	982,480	1,440,000	Farmington Inc.	1,147,806	499,840
Turtle Creek Apartments	1,266,619	1,266,382	Westgate Apartments	1,093,101	1,091,214
Blue Ridge Crossing Owner LLC	1,015,640	1,015,640	PR Charger C'ville Holdings-		
Monroe Health & Rehab.	629,693	629,693	Cobalt Ridge Apartments	1,990,691	1,990,691
Sunrise Senior "Colonnades"	918,880	807,437	Four Seasons Apts and Condos	1,740,843	1,740,843
ACRJ	886,100	728,672	Ch'ville/Alb Airport	211,303	211,409
Westminster Canterbury	1,492,640	1,392,640	State Farm Insurance-Pantops	609,800	425,020
SEMF Charleston -			Hyatt Place at Stonefield	311,683	311,683
Commonwealth/Peyton Dr.	1,488,287	1,488,287	Doubletree by Hilton Hotel	766,472	766,472
Martha Jefferson Hospital	1,922,262	1,124,818	Arden Place Apartments	550,032	550,032
Crozet Mobile Home Village	222,753	222,753	Hilton Garden Inn	247,865	241,959
The Home Depot/Fashion Sq Prop	0	0	The Blake at Charlottesville	268,165	268,165
County of Albemarle	2,610,536	1,132,434	The Lodge at Old Trail	236,194	236,194
University of Virginia	3,067,724	3,062,609	Gov't-Defense Complex	1,042,382	976,730
Wegmans	360,688	360,688	Harris Teeter Stores (2)	195,130	195,130

June 2026

WATER

Class Type	Number of Connections by Area			Total
	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	
Single-Family Residential	16,787	4,235	197	21,219
Multi-Family Residential	606	56	3	665
Commercial (Offices)	202	12	5	219
Commercial (Other)	954	77	54	1,085
Industrial	42	12	4	58
Institutional	179	33	12	224
Total Water Connections	18,770	4,425	275	23,470
Plus Multiple Units	14,681	854	89	15,624
Total Water Units	33,451	5,279	364	39,094

SEWER

Class Type	Number of Connections by Area			Total
	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	
Single-Family Residential	14,472	3,968	159	18,599
Multi-Family Residential	575	54	4	633
Commercial (Offices)	186	12	5	203
Commercial (Other)	743	51	46	840
Industrial	17	5	1	23
Institutional	141	26	10	177
Total Sewer Connections	16,134	4,116	225	20,475
Plus Multiple Units	14,257	850	56	15,163
Total Sewer Units	30,391	4,966	281	35,638

POPULATION SERVED

Population served is the total Single-Family and Multi-Family units using an occupancy of 2.5 residents per unit:

	<u>Urban</u>	<u>Crozet</u>	<u>Scottsville</u>	<u>Total</u>
Total Water Customers	78,670	12,723	715	92,108
Total Sewer Customers	71,823	12,045	538	84,405

**Albemarle County Service Authority
Major Customer Analysis
June 2026 and May 2026**

	June 2026		May 2026		Increase(Decrease) Water Consumption	Increase(Decrease) Sewer Usage
	Water*	Sewer*	Water*	Sewer*		
University of Virginia	3,067,724	3,062,609	2,555,728	2,550,861	20.03%	20.06%
Southwood Mobile Homes	982,480	1,440,000	946,230	1,410,000	3.83%	2.13%
Martha Jefferson Hospital	1,922,262	1,124,818	1,952,390	1,237,283	-1.54%	-9.09%
Turtle Creek Apts.	1,266,619	1,266,382	1,341,316	1,341,063	-5.57%	-5.57%
Four Seasons Apts.	1,740,843	1,740,843	1,852,104	1,852,104	-6.01%	-6.01%
County of Albemarle	2,610,536	1,132,434	2,803,767	1,510,456	-6.89%	-25.03%
Westgate Apts.	1,093,101	1,091,214	1,195,407	1,194,087	-8.56%	-8.62%
Westmisnster Canterbury	1,492,640	1,392,640	1,640,050	1,504,050	-8.99%	-7.41%
SEMF Charleston	1,488,287	1,488,287	1,660,465	1,660,465	-10.37%	-10.37%
PR Charger C'ville Holdings	1,990,691	1,990,691	2,224,469	2,224,469	-10.51%	-10.51%
Blue Ridge Crossing Owner LLC	1,015,640	1,015,640	1,156,431	1,156,431	-12.17%	-12.17%
ACRJ	886,100	728,672	1,027,550	943,647	-13.77%	-22.78%
State Farm	609,800	425,020	788,880	556,482	-22.70%	-23.62%

Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

*** -- Consumption/usage in gallons.**

**Albemarle County Service Authority
Major Customer Analysis
June 2026 and June 2025**

	June 2026		June 2025		Increase(Decrease)	Increase(Decrease)
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
State Farm	609,800	425,020	208,930	39,606	191.87%	973.12%
University of Virginia	3,067,724	3,062,609	2,011,575	2,005,594	52.50%	52.70%
County of Albemarle	2,610,536	1,132,434	2,177,807	1,156,596	19.87%	-2.09%
Westmisnster Canterbury	1,492,640	1,392,640	1,462,050	1,368,050	2.09%	1.80%
Blue Ridge Crossing Owner LLC	1,015,640	1,015,640	1,034,349	1,034,349	-1.81%	-1.81%
Westgate Apts.	1,093,101	1,091,214	1,115,679	1,114,459	-2.02%	-2.09%
Turtle Creek Apts.	1,266,619	1,266,382	1,345,909	1,341,036	-5.89%	-5.57%
SEMF Charleston	1,488,287	1,488,287	1,595,847	1,595,847	-6.74%	-6.74%
Martha Jefferson Hospital	1,922,262	1,124,818	2,147,557	1,322,243	-10.49%	-14.93%
Four Seasons Apts.	1,740,843	1,740,843	1,955,800	1,955,800	-10.99%	-10.99%
PR Charger C'ville Holdings	1,990,691	1,990,691	2,255,825	2,255,825	-11.75%	-11.75%
ACRJ	886,100	728,672	1,075,220	928,220	-17.59%	-21.50%
Southwood Mobile Homes	982,480	1,440,000	1,496,870	1,740,200	-34.36%	-17.25%

Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

* -- Consumption/usage in gallons.

Albemarle County Service Authority

Major Customer Analysis

Year-to-date Comparison: Current Year/Prior Year -- June

	YTD FY 2026		YTD FY 2025		Increase(Decrease)	
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
University of Virginia	34,115,765	33,973,378	24,442,581	24,364,052	39.58%	39.44%
State Farm	5,180,270	3,656,281	3,938,510	2,723,030	31.53%	34.27%
Westminster Canterbury	19,119,040	18,061,040	17,259,880	16,445,880	10.77%	9.82%
SEMF Charleston	19,613,303	19,613,303	17,751,621	17,751,621	10.49%	10.49%
County of Albemarle	23,567,132	13,596,828	21,801,642	12,954,264	8.10%	4.96%
Four Seasons Apts.	22,932,100	22,932,100	21,463,056	21,463,056	6.84%	6.84%
ACRJ	12,065,280	10,450,949	11,381,370	10,158,370	6.01%	2.88%
PR Charger C'ville Holdings	27,326,527	27,326,527	25,905,902	25,905,902	5.48%	5.48%
Martha Jefferson Hospital	26,635,695	16,744,661	26,121,926	16,684,758	1.97%	0.36%
Westgate Apts.	14,118,967	14,108,205	14,282,020	14,270,934	-1.14%	-1.14%
Turtle Creek Apts.	16,753,911	16,560,415	19,137,135	19,080,246	-12.45%	-13.21%
Southwood Mobile Homes	16,082,820	19,849,800	21,208,830	22,980,200	-24.17%	-13.62%
Blue Ridge Crossing Owner LLC	12,235,392	12,235,392	16,899,102	16,799,102	-27.60%	-27.17%

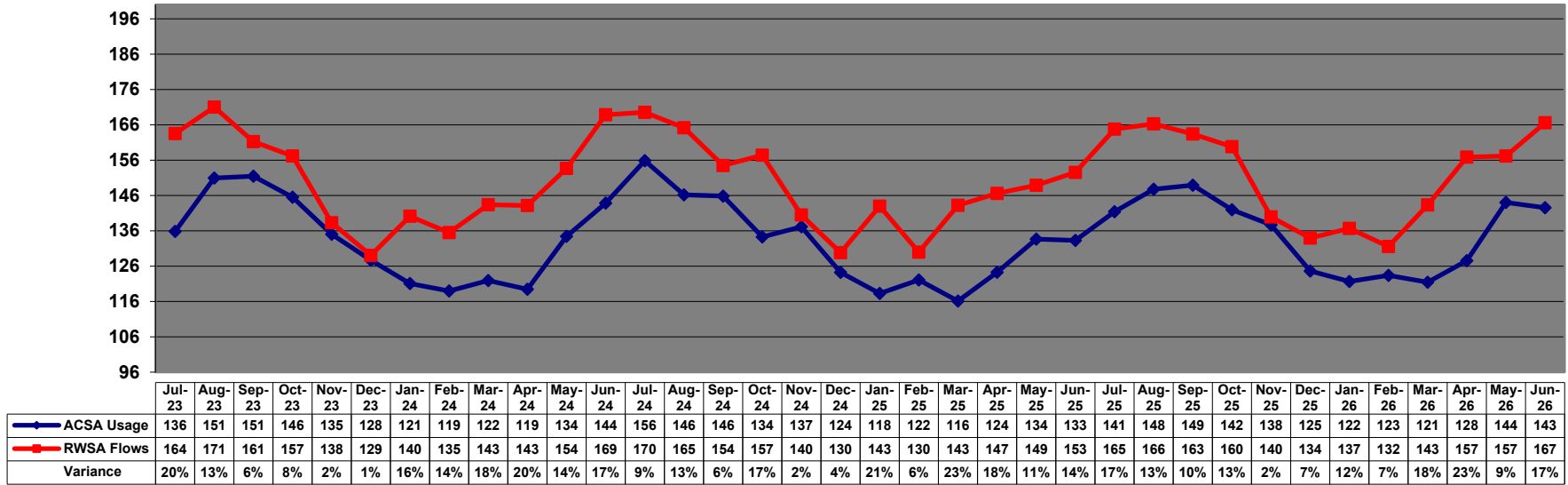
Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

*** -- Consumption/usage in gallons.**

FY 2024, 2025, and 2026 Urban Water Comparison RWSA Flows & ACSA Customer Usage

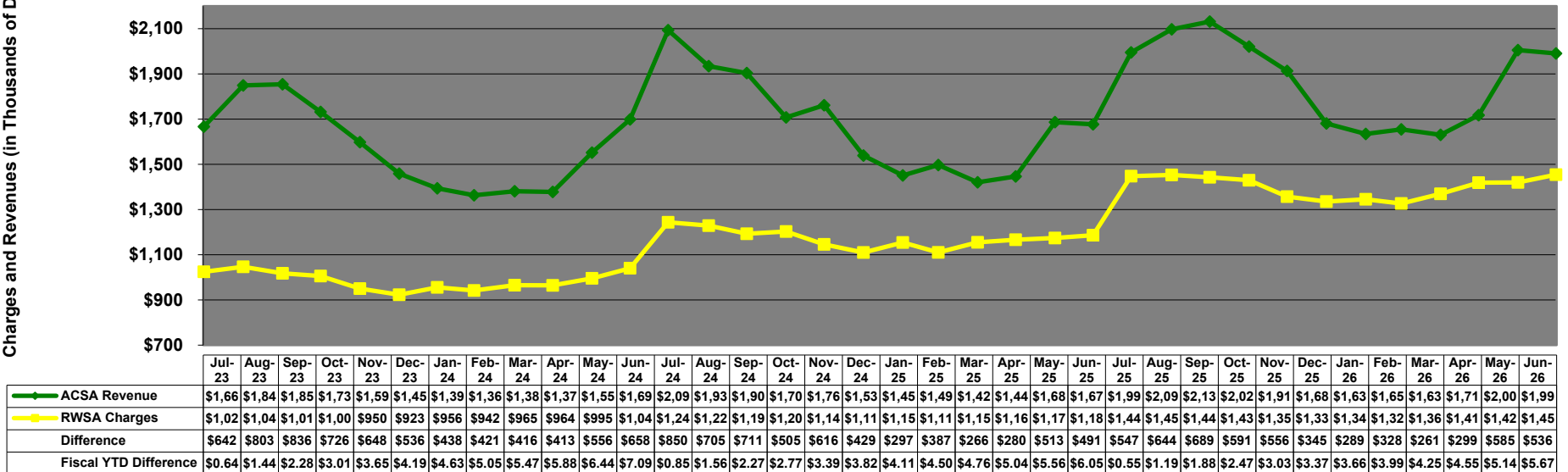
41

Flows & Usage (in Millions of Gallons)



Charges and Revenues (in Thousands of Dollars)

FY 2024, 2025, and 2026 Urban Water Comparison RWSA Billed Water Charges & ACSA Billed Water Revenues

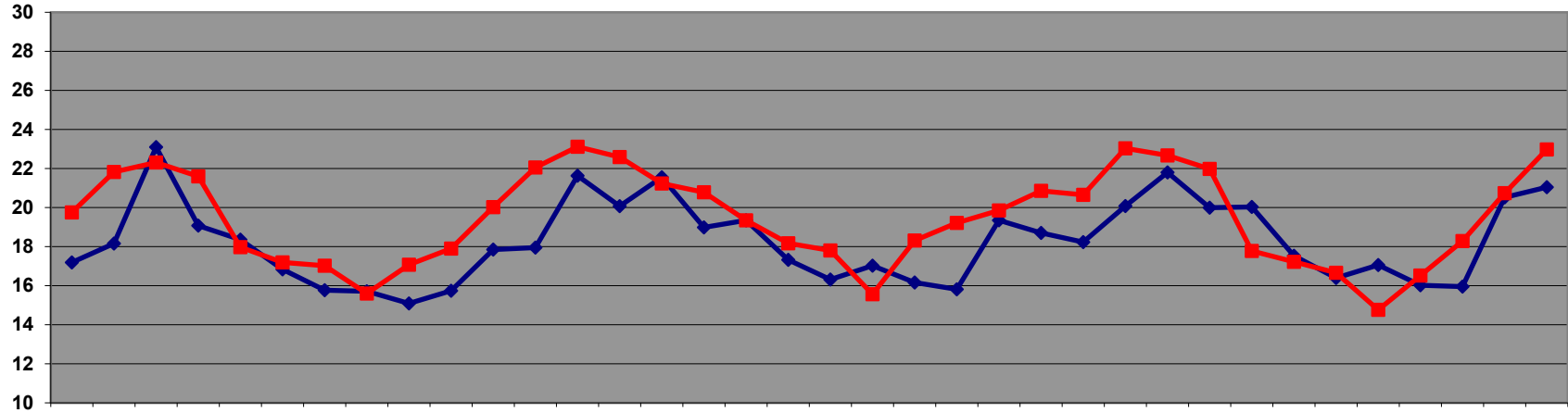


Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

FY 2024, 2025, and 2026 Crozet Water Comparison RWSA Flows & ACSA Customer Usage

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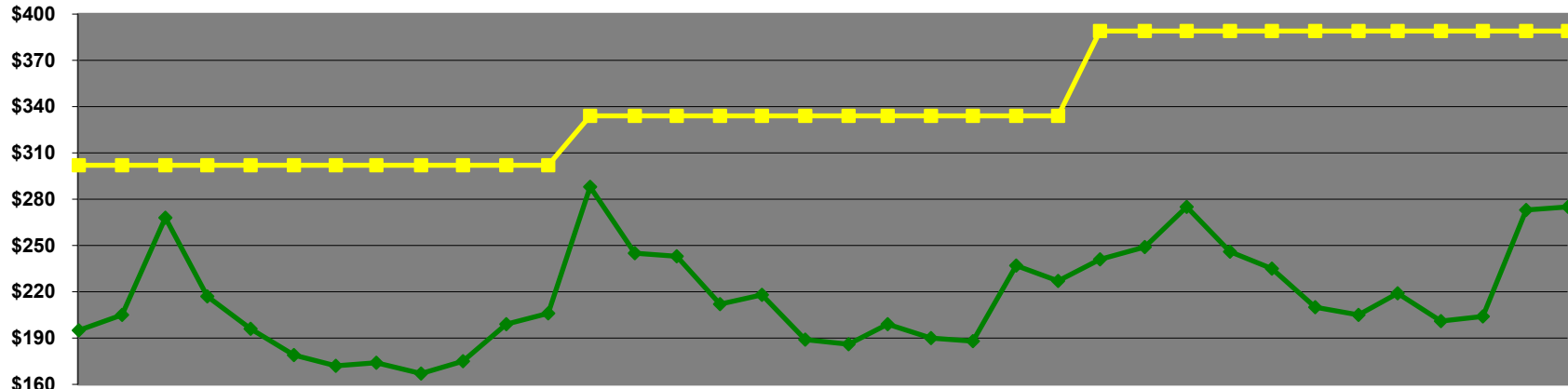
Flows & Usage (in Millions of Gallons)



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ACSA Usage	17	18	23	19	18	17	16	16	17	18	20	22	22	20	22	19	19	17	16	16	16	16	19	19	18	20	22	20	20	18	16	17	16	16	21	21
RWSA Flows	20	22	22	22	18	17	16	16	17	18	20	22	23	23	21	21	19	18	18	16	18	19	20	21	21	23	23	22	18	17	17	15	16	18	21	23
Variance	15%	20%	-3%	13%	-2%	2%	8%	-1%	13%	14%	12%	23%	7%	13%	-1%	9%	0%	5%	9%	-9%	13%	22%	3%	12%	13%	15%	4%	10%	-11%	-2%	2%	-13%	3%	15%	1%	9%

FY 2024, 2025, and 2026 Crozet Water Comparison RWSA Billed Water Charges & ACSA Billed Water Revenues

Charges and Revenues (in Thousands of Dollars)



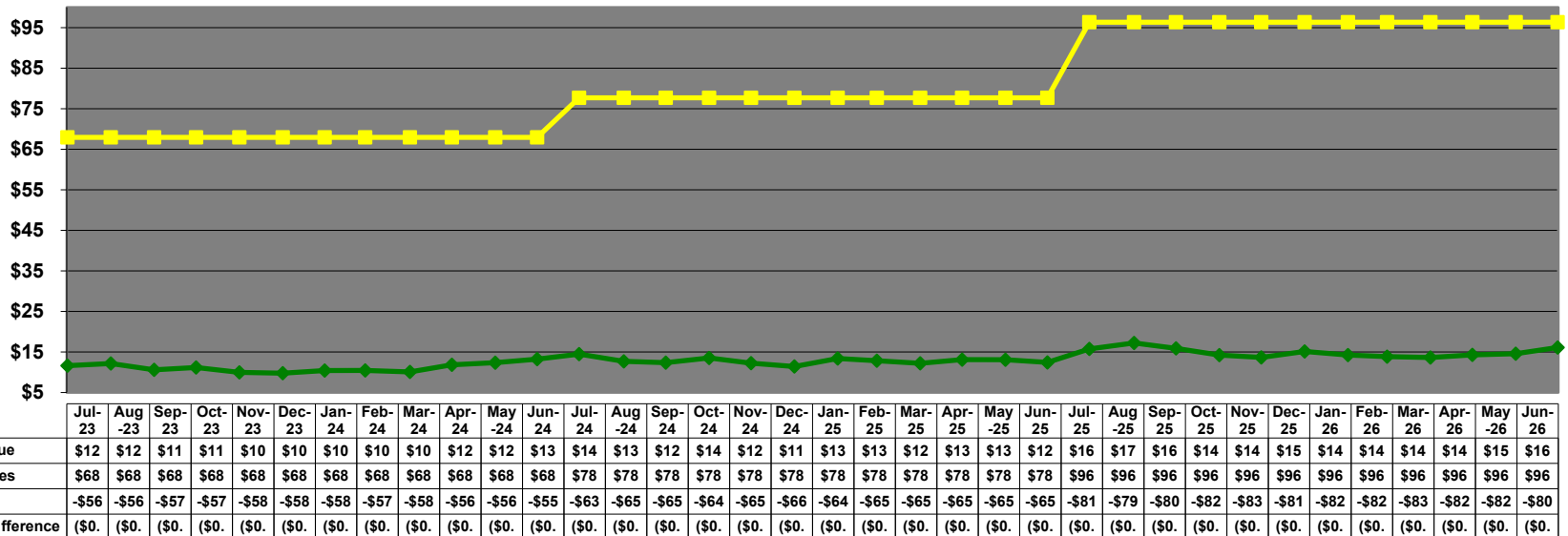
	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ACSA Revenue	\$195	\$205	\$268	\$217	\$196	\$179	\$172	\$174	\$167	\$175	\$199	\$206	\$288	\$245	\$243	\$212	\$218	\$189	\$186	\$199	\$190	\$188	\$237	\$227	\$241	\$249	\$275	\$246	\$235	\$210	\$205	\$219	\$201	\$204	\$273	\$275
RWSA Charges	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$302	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$334	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389	\$389
Difference	(\$107)	(\$97)	(\$34)	(\$85)	(\$106)	(\$123)	(\$130)	(\$128)	(\$135)	(\$127)	(\$103)	(\$96)	(\$46)	(\$89)	(\$91)	(\$122)	(\$116)	(\$145)	(\$148)	(\$135)	(\$144)	(\$146)	(\$97)	(\$107)	(\$148)	(\$140)	(\$114)	(\$143)	(\$154)	(\$179)	(\$184)	(\$170)	(\$188)	(\$185)	(\$116)	(\$114)
Fiscal YTD Difference	(\$0.1)	(\$0.2)	(\$0.2)	(\$0.3)	(\$0.4)	(\$0.5)	(\$0.6)	(\$0.8)	(\$0.9)	(\$1.0)	(\$1.1)	(\$1.2)	(\$0.0)	(\$0.1)	(\$0.2)	(\$0.3)	(\$0.4)	(\$0.6)	(\$0.7)	(\$0.8)	(\$1.0)	(\$1.1)	(\$1.2)	(\$1.3)	(\$0.1)	(\$0.2)	(\$0.4)	(\$0.5)	(\$0.7)	(\$0.8)	(\$1.0)	(\$1.2)	(\$1.4)	(\$1.6)	(\$1.7)	(\$1.8)

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	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ACSA Usage	1.3	2.0	1.7	1.4	1.1	1.0	1.3	1.2	1.1	1.3	1.4	1.5	1.6	1.4	1.2	1.2	1.0	0.9	0.9	1.0	0.8	0.8	0.9	1.0	1.4	1.7	1.6	1.3	1.1	1.2	0.9	0.9	0.9	1.0	1.4	1.4
RWSA Flows	1.7	2.0	1.8	1.6	1.3	1.2	1.4	1.2	1.2	1.3	1.4	1.5	1.8	1.9	1.7	1.9	1.4	1.3	1.3	1.1	1.3	1.2	1.4	1.5	1.7	1.9	1.8	1.7	1.7	1.8	1.9	1.8	1.8	2.1	2.5	2.4
Variance	36%	23%	22%	25%	40%	57%	69%	38%	44%	33%	44%	41%	29%	47%	45%	58%	33%	38%	26%	22%	45%	24%	38%	38%	31%	32%	25%	37%	49%	49%	77%	76%	73%	86%	96%	84%

**FY 2024, 2025, and 2026 Scottsville Water Comparison
RWSA Billed Water Charges & ACSA Billed Water Revenues**

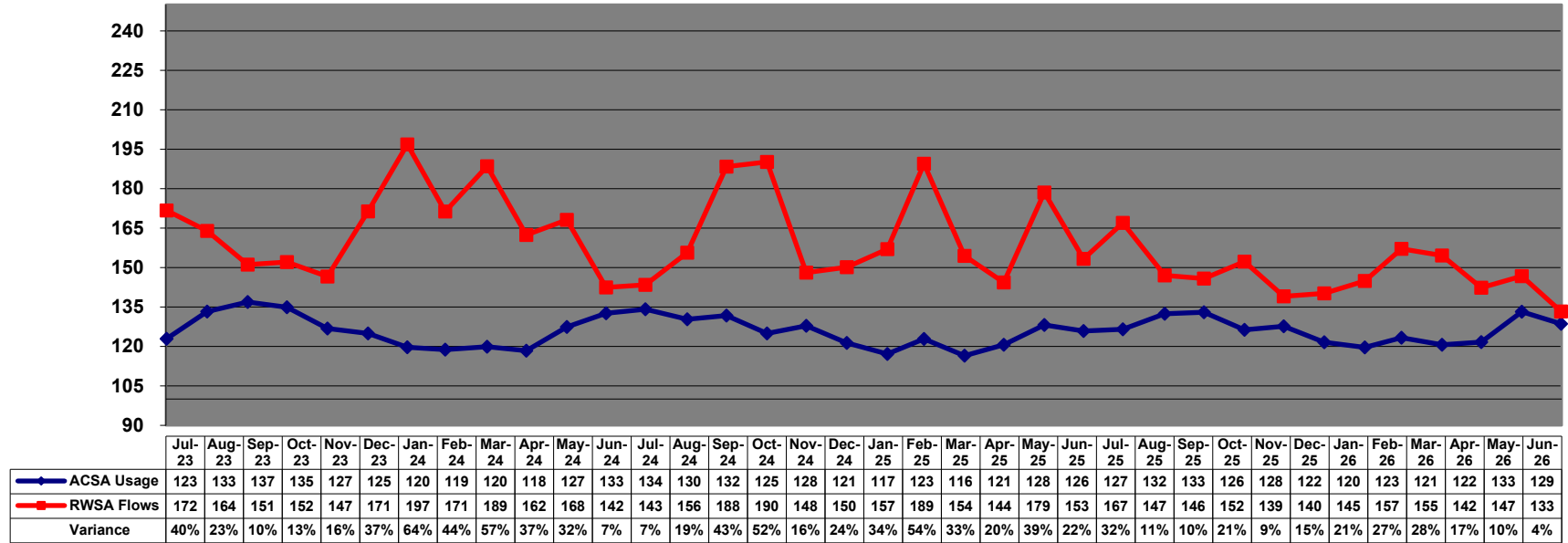
Charges and Revenues (in Thousands of Dollars)



**FY 2024, 2025, and 2026 Urban (including Glenmore) & Crozet Sewer Comparison
ACSA Customer Usage & RWSA Flows**

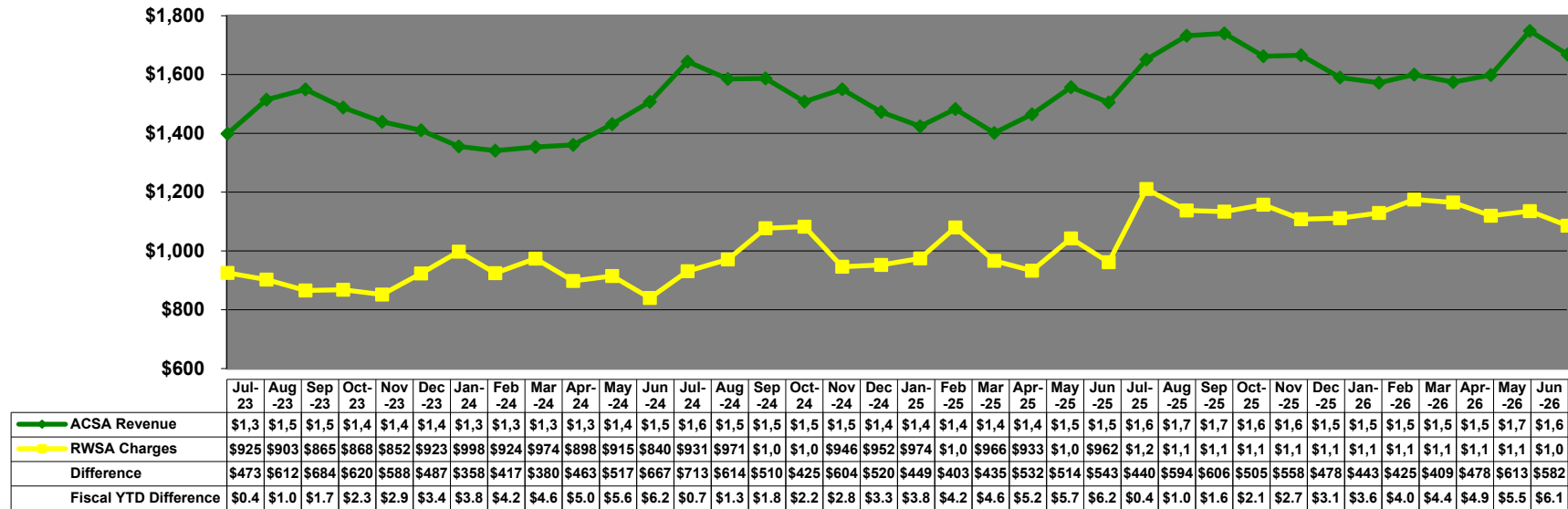
44

Usage & Flows (in Millions of Gallons)



**FY 2024, 2025, and 2026 Urban (including Glenmore) & Crozet Sewer Comparison
ACSA Billed Sewer Usage & RWSA Billed Sewer Charges**

Charges & Revenues (in Thousands of Dollars)

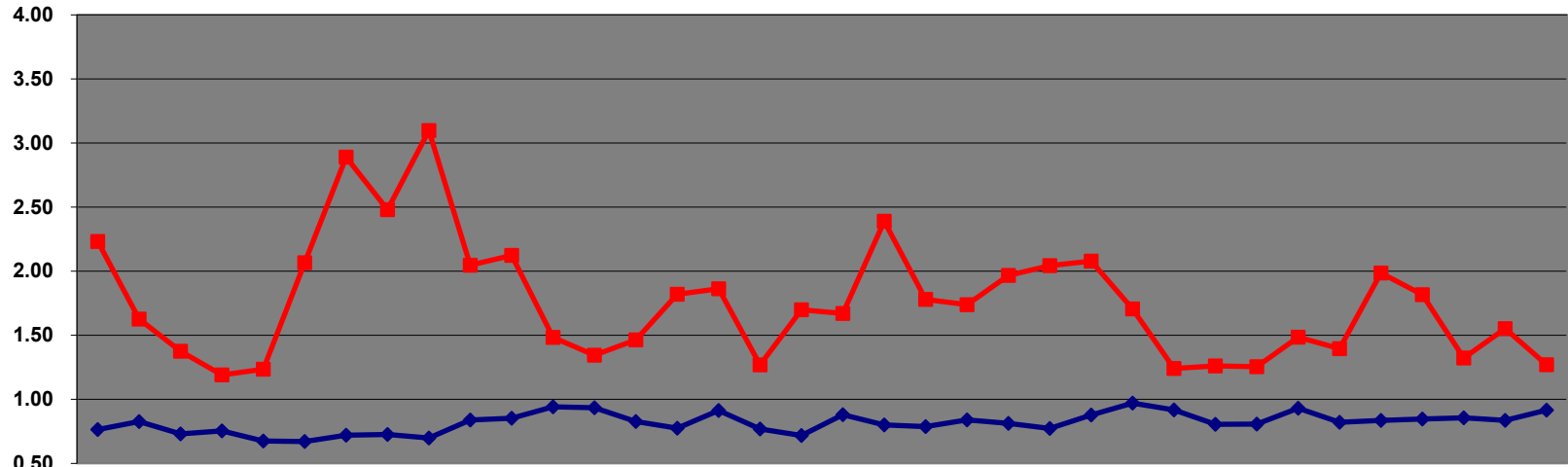


Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

FY 2024, 2025, and 2026 Scottsville Sewer Comparison ACSA Customer Usage & RWSA Flows

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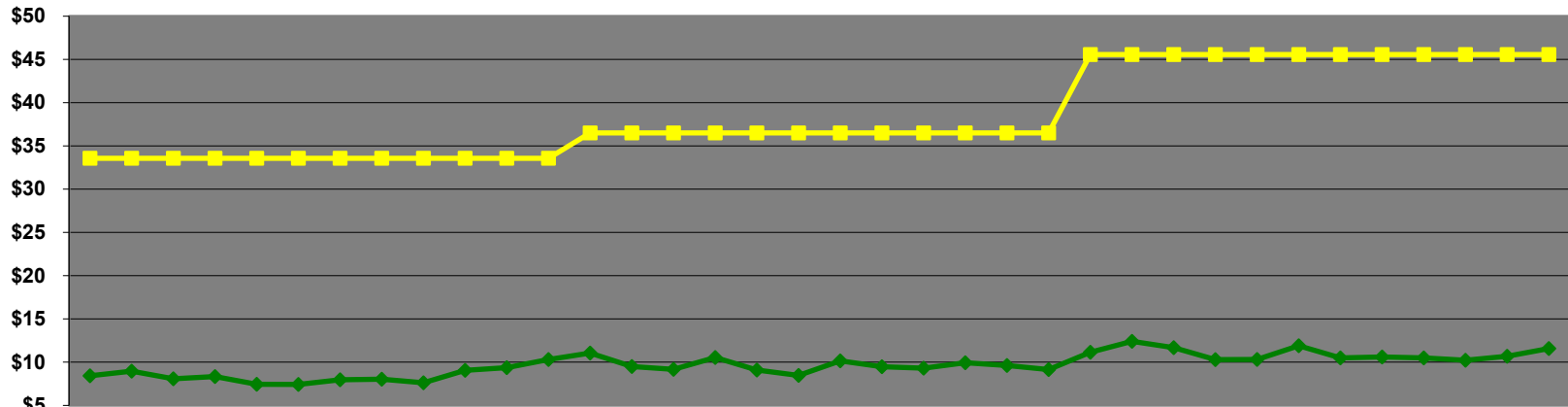
Usage & Flows (in Millions of Gallons)



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ACSA Usage	0.76	0.83	0.73	0.75	0.67	0.67	0.72	0.73	0.70	0.84	0.85	0.94	0.93	0.83	0.77	0.91	0.77	0.72	0.88	0.80	0.79	0.84	0.81	0.77	0.88	0.97	0.92	0.81	0.81	0.93	0.82	0.84	0.85	0.86	0.84	0.92
RWSA Flows	2.23	1.63	1.38	1.19	1.24	2.07	2.89	2.48	3.10	2.05	2.12	1.48	1.34	1.46	1.82	1.86	1.27	1.70	1.67	2.39	1.78	1.74	1.97	2.04	2.08	1.71	1.24	1.26	1.25	1.48	1.40	1.99	1.82	1.32	1.55	1.27
Variance	192%	97%	88%	58%	83%	208%	301%	242%	344%	144%	149%	58%	44%	77%	135%	104%	65%	137%	90%	199%	126%	107%	142%	164%	137%	76%	35%	57%	56%	60%	70%	138%	115%	55%	86%	39%

FY 2024, 2025, and 2026 Scottsville Sewer Comparison ACSA Billed Sewer Usage & RWSA Billed Sewer Charges

Charges & Revenues (in Thousands of Dollars)



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
ACSA Revenue	\$8.4	\$8.9	\$8.0	\$8.3	\$7.4	\$7.4	\$7.9	\$8.0	\$7.6	\$9.0	\$9.3	\$10.	\$11.	\$9.4	\$9.1	\$10.	\$9.0	\$8.4	\$10.	\$9.4	\$9.3	\$9.9	\$9.6	\$9.1	\$11.	\$12.	\$11.	\$10.	\$10.	\$11.	\$10.	\$10.	\$10.	\$10.	\$10.	\$11.
RWSA Charges	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$34	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$36	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46	\$46
Difference	-\$25	-\$25	-\$25	-\$25	-\$26	-\$26	-\$26	-\$26	-\$26	-\$25	-\$24	-\$23	-\$25	-\$27	-\$27	-\$26	-\$27	-\$28	-\$26	-\$27	-\$27	-\$27	-\$27	-\$27	-\$34	-\$33	-\$34	-\$35	-\$35	-\$34	-\$35	-\$35	-\$35	-\$35	-\$35	-\$34
Fiscal YTD Difference	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.	-\$0.

Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

Single-Family Residential Water Usage

(Including irrigation through exclusion, irrigation, and auxiliary meters)

	FY 2024											
	July	August	September	October	November	December	January	February	March	April	May	June
Level 1 (0 - 3,000 gallons)	46,186,939	46,955,054	47,747,914	46,680,010	47,232,775	46,900,575	46,887,506	45,996,822	45,827,255	46,036,892	47,780,002	47,875,553
Level 2 (3,001 - 6,000 gallons)	15,834,490	16,832,305	18,509,951	15,902,249	16,363,806	14,914,361	15,260,215	13,399,431	13,147,547	13,022,922	16,802,275	17,350,136
Level 3 (6,001 - 9,000 gallons)	4,271,446	4,916,430	6,033,699	4,583,776	4,409,091	2,899,484	2,944,132	2,249,613	2,237,129	2,308,042	3,982,755	4,614,178
Level 4 (over 9,000 gallons)	5,743,519	6,973,528	8,880,933	6,336,335	4,866,834	2,138,821	1,860,892	1,447,502	1,143,464	1,180,879	3,039,434	4,885,532
Total	72,036,394	75,677,317	81,172,497	73,502,370	72,872,506	66,853,241	66,952,745	63,093,368	62,355,395	62,548,735	71,604,466	74,725,399

	FY 2025											
	July	August	September	October	November	December	January	February	March	April	May	June
Level 1 (0 - 3,000 gallons)	48,258,421	47,554,370	47,554,370	47,586,217	47,984,582	47,237,540	47,035,387	46,948,579	46,241,521	47,143,752	48,616,333	48,033,036
Level 2 (3,001 - 6,000 gallons)	19,809,724	16,778,453	16,778,453	16,138,831	16,446,572	14,261,229	14,493,012	13,964,024	12,824,070	13,657,323	17,060,057	16,098,991
Level 3 (6,001 - 9,000 gallons)	7,348,528	4,954,506	4,954,506	4,136,026	4,371,171	2,670,441	2,618,266	2,428,986	2,146,815	2,552,948	4,199,654	3,841,139
Level 4 (over 9,000 gallons)	12,997,404	6,847,041	6,847,041	3,767,467	5,031,979	1,474,327	1,046,523	1,036,524	756,536	1,291,913	3,364,637	3,125,938
Total	88,414,077	76,134,370	76,134,370	71,628,541	73,834,304	65,643,537	65,193,188	64,378,113	61,968,942	64,645,936	73,240,681	71,099,104

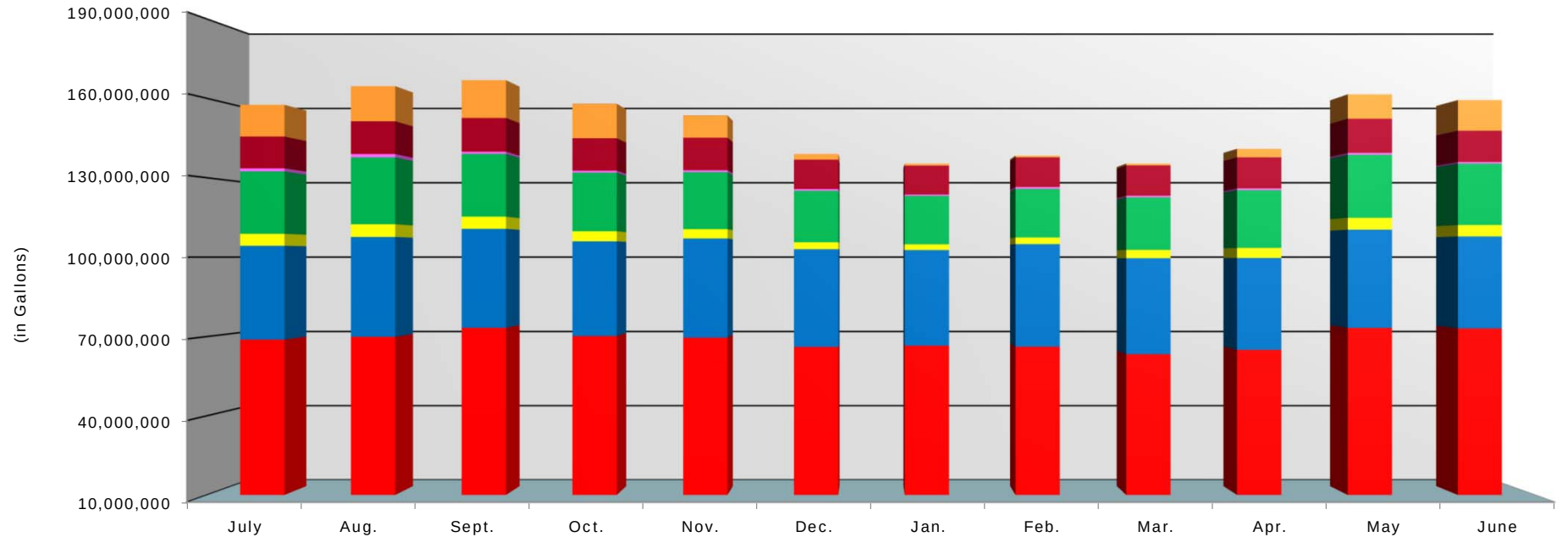
	FY 2026											
	July	August	September	October	November	December	January	February	March	April	May	June
Level 1 (0 - 3,000 gallons)	47,852,952	48,182,425	48,900,560	48,339,047	48,565,752	47,920,052	47,808,680	47,712,263	46,903,781	47,647,253	49,550,661	49,210,583
Level 2 (3,001 - 6,000 gallons)	16,125,752	16,549,206	17,925,898	16,398,842	16,303,999	14,431,454	14,768,307	14,485,743	13,087,333	13,842,323	18,013,514	18,134,173
Level 3 (6,001 - 9,000 gallons)	4,317,743	4,595,876	5,270,256	4,659,590	4,188,769	2,733,464	2,696,119	2,645,250	2,266,433	2,639,314	4,875,383	5,266,645
Level 4 (over 9,000 gallons)	4,721,394	5,211,824	6,832,376	6,480,023	4,147,055	1,361,585	1,272,907	1,308,156	1,033,070	1,280,486	4,891,427	5,536,907
Total	73,017,841	74,539,331	78,929,090	75,877,502	73,205,575	66,446,555	66,546,013	66,151,413	63,290,617	65,409,376	77,330,985	78,148,308

System-Wide Irrigation Water Usage

(All usage measured through exclusion, irrigation, and auxiliary meters)

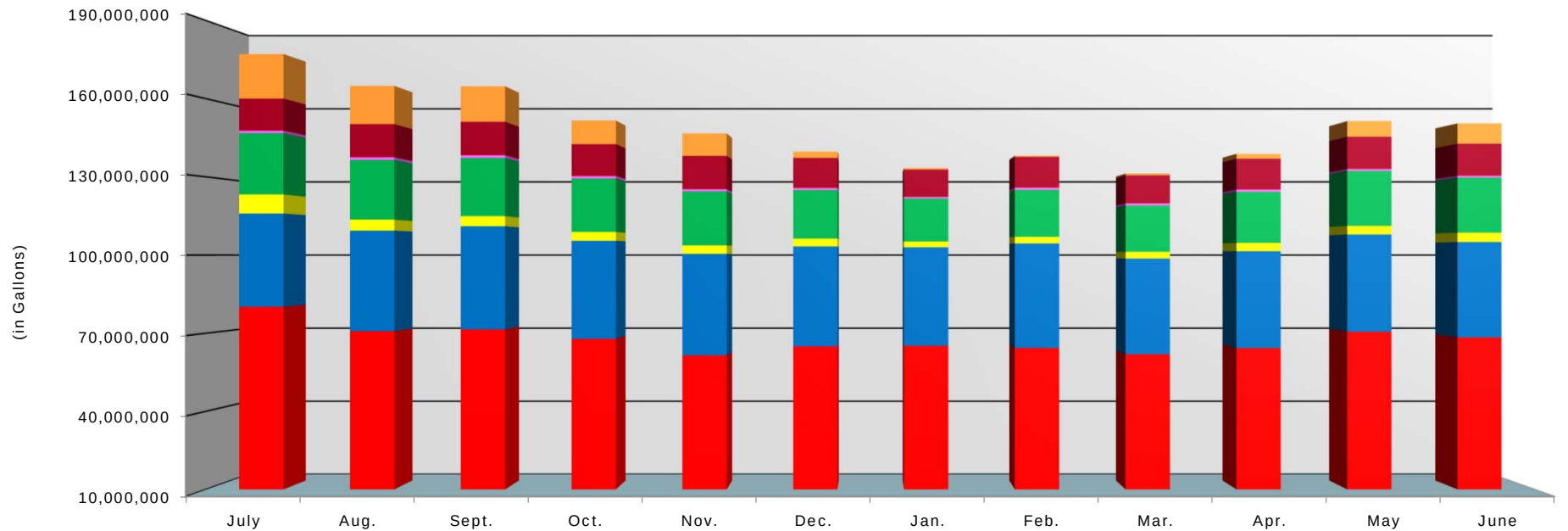
FY 2026	July	August	September	October	November	December	January	February	March	April	May	June
Level 1 (0 - 3,000 gallons)	107,034	46,597	122,813	128,544	78,074	13,472	1,154	195	3,957	34,027	96,642	154,587
Level 2 (3,001 - 6,000 gallons)	587,461	221,646	672,477	684,190	477,981	67,227	2,434	798	8,980	148,484	514,353	717,308
Level 3 (6,001 - 9,000 gallons)	846,814	348,418	976,797	962,180	696,232	86,334	3,308	1,571	4,451	149,885	731,149	995,712
Level 4 (over 9,000 gallons)	10,450,496	12,677,741	12,541,506	11,276,491	7,189,571	2,005,905	733,317	647,386	688,344	2,891,020	7,881,956	9,717,381
Total	11,991,805	13,294,403	14,313,593	13,051,405	8,441,858	2,172,939	740,213	649,950	705,732	3,223,416	9,224,100	11,584,988

Monthly Water Consumption Fiscal Year 2026

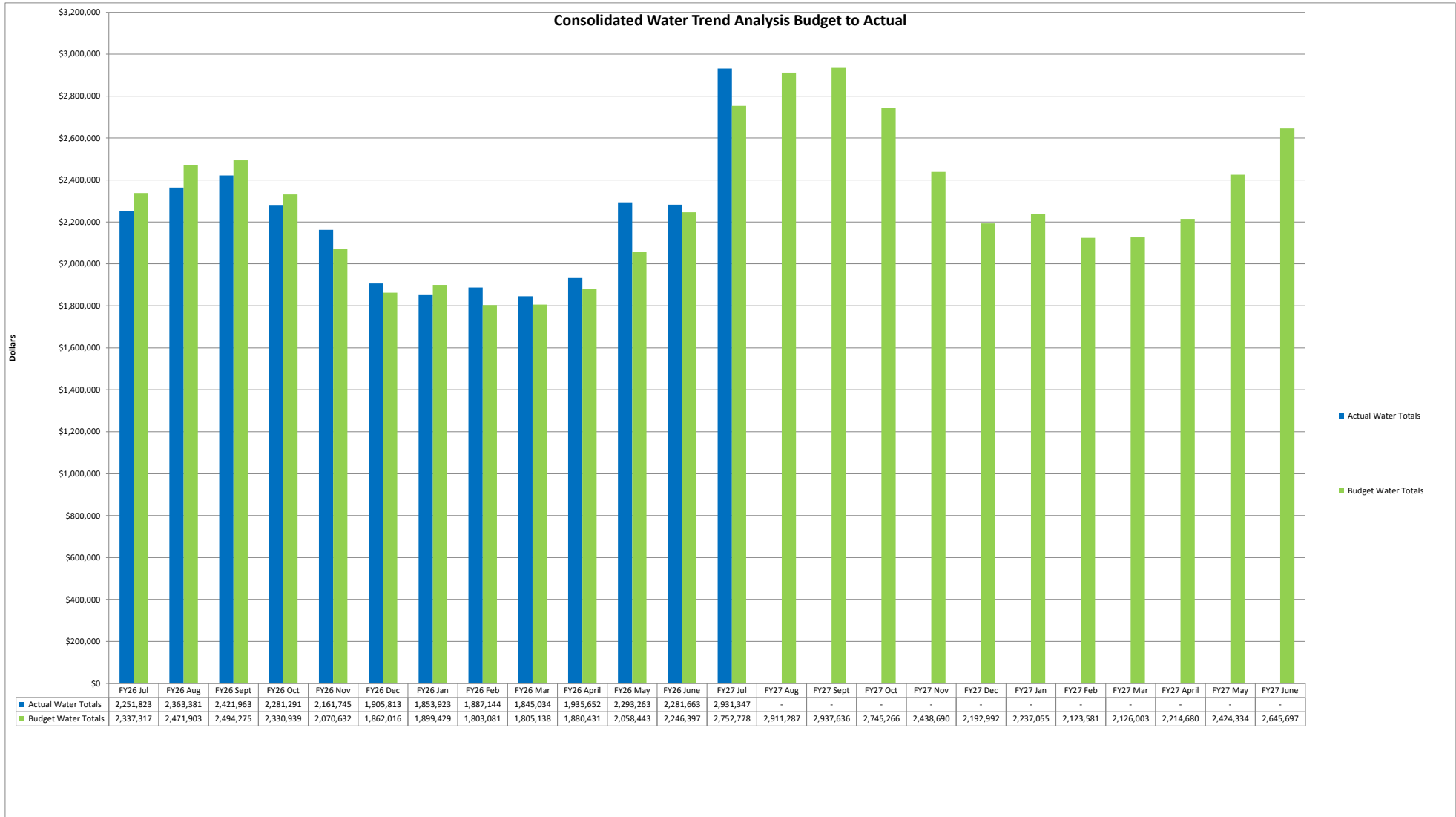


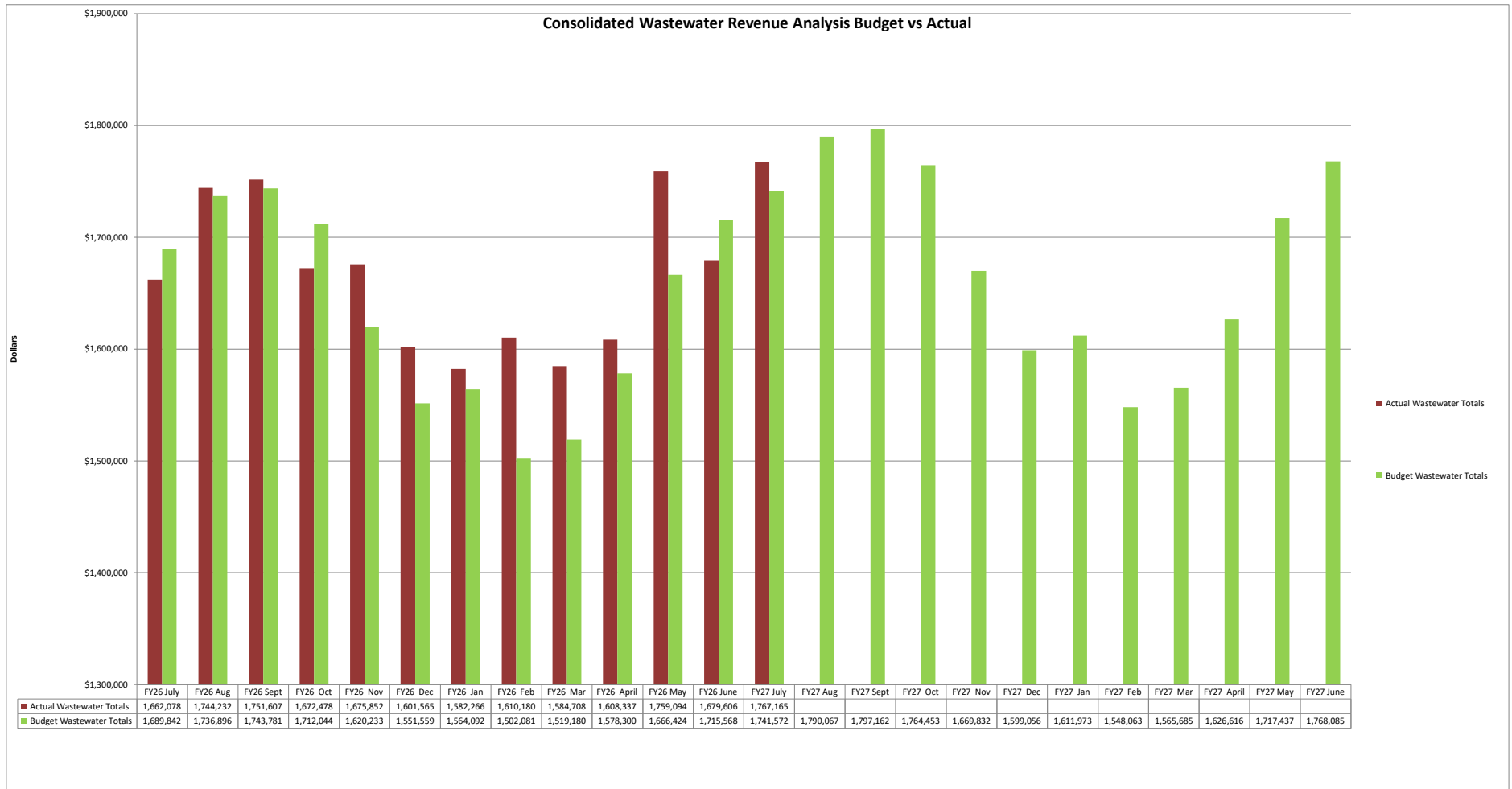
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
% Irrigation to total	7.61%	8.08%	8.58%	8.26%	5.50%	1.56%	0.55%	0.47%	0.52%	2.29%	5.71%	7.27%
Total Irrigation	11,991,805	13,294,403	14,313,593	13,051,405	8,441,858	2,172,939	740,213	649,950	705,732	3,223,416	9,224,100	11,584,989
Institutional - Domestic Consumption	11,998,763	12,363,541	12,757,079	12,250,646	12,287,057	11,116,683	10,948,963	11,226,113	11,458,674	11,737,899	12,910,292	11,802,476
Industrial - Domestic/Processing less Exclusion	1,150,878	1,228,612	805,432	710,838	685,662	610,393	494,880	683,692	597,620	641,673	707,581	623,399
Comm. (Other) - Domestic Consumption	23,606,046	25,290,928	23,724,464	22,164,502	21,574,711	19,479,689	18,302,540	18,406,142	19,885,080	21,850,858	23,797,588	23,198,917
Offices - Domestic Consumption	4,517,166	4,802,634	4,592,742	3,815,261	3,506,028	2,637,452	2,168,459	2,458,810	3,117,116	3,795,381	4,517,266	4,319,332
MFR - Domestic Consumption	35,425,568	37,740,832	37,408,623	35,784,274	37,481,920	36,914,974	36,157,326	38,795,023	36,263,573	34,718,894	37,106,409	34,743,910
SFR - Domestic Consumption	68,864,020	69,898,309	73,304,708	70,200,066	69,592,671	66,077,861	66,533,527	66,155,710	63,338,303	64,964,636	73,268,854	73,082,473

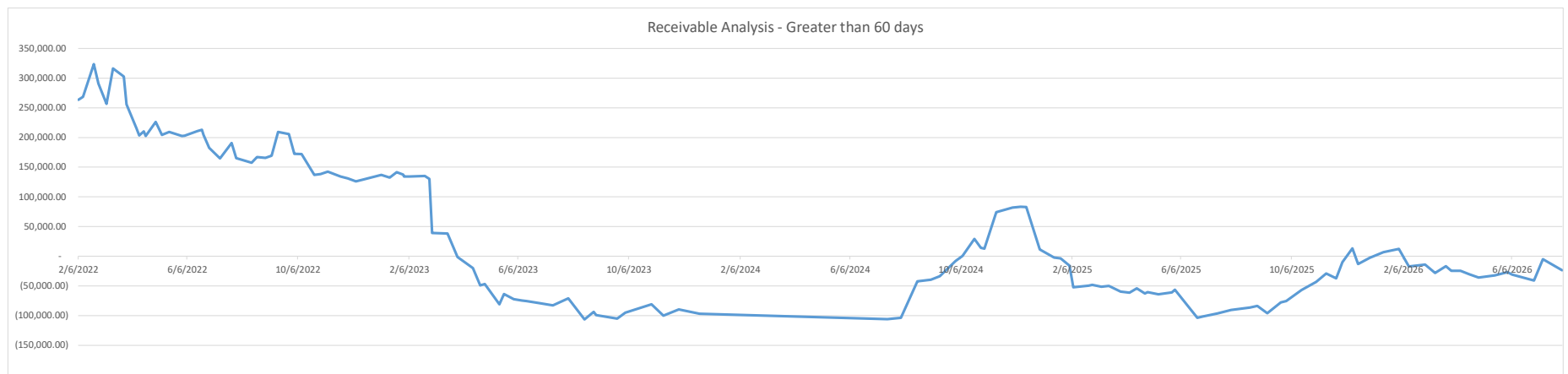
Monthly Water Consumption Fiscal Year 2025



	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
% Irrigation to total	9.64%	8.91%	8.27%	5.99%	5.89%	1.74%	0.44%	0.34%	0.53%	1.33%	3.96%	5.19%
Total Irrigation	17,079,430	14,696,602	13,623,827	9,081,789	8,636,482	2,432,830	585,068	469,134	696,636	1,846,811	5,990,339	7,808,363
Institutional - Domestic Consumption	12,328,689	12,717,097	12,852,592	12,226,743	12,776,310	11,525,008	10,478,463	11,827,112	10,736,750	11,833,994	12,353,714	12,262,956
Industrial - Domestic/Processing less Exclusion	896,757	1,001,502	989,373	921,447	831,432	751,608	614,555	841,759	862,057	890,423	780,333	742,695
Comm. (Other) - Domestic Consumption	23,544,391	22,901,694	22,343,612	20,525,442	20,707,159	18,686,680	16,525,984	18,006,869	17,715,945	19,570,661	21,072,481	21,086,432
Offices - Domestic Consumption	7,326,174	4,224,213	3,900,576	3,395,625	3,273,265	3,002,426	2,204,354	2,543,092	2,621,256	3,217,743	3,318,816	3,634,967
MFR - Domestic Consumption	35,779,666	38,616,171	39,588,858	37,631,815	38,963,425	38,294,909	37,769,443	40,103,465	36,696,445	37,161,617	37,284,308	36,567,350
SFR - Domestic Consumption	80,148,241	70,757,380	71,457,368	67,842,949	61,479,926	64,998,789	65,202,247	64,339,038	61,953,728	64,299,759	70,587,210	68,405,449







Albemarle County Service Authority

June 2026 Payments

CHECK NUMBER	CHECK DATE	VENDOR NAME	AMOUNT	DESCRIPTION OVER \$5,000
772740642	06/10/2026	Rivanna Water & Sewer Authority	3,086,060.85	May 2026 Bulk Water & Sewer Treatment
774753887	06/15/2026	Daniel & Company Incorporated	633,432.30	Avon Operations
73976	06/15/2026	Commonwealth Excavating	468,814.55	Barracks West Waterline Replacement - May 26
ACH	06/30/2026	Payroll	194,962.22	Net Pay
ACH	06/15/2026	Payroll	192,480.00	Net Pay
782290209	06/30/2026	County of Albemarle	71,131.02	Payroll
782290210	06/30/2026	IRS - Federal Tax Deposit	68,898.68	Payroll
774753895	06/15/2026	IRS - Federal Tax Deposit	68,105.33	Payroll
774753894	06/30/2026	County of Albemarle	65,862.06	Payroll
780783531	06/25/2026	The Bank of New York Mellon	47,987.92	Debt Service
774753891	06/30/2026	Virginia Retirement System	45,714.22	Payroll
780783535	06/30/2026	Virginia Retirement System	45,714.18	Payroll
74030	06/15/2026	Validos LLC	44,187.43	Customer Information System Upgrade
74021	06/15/2026	SpryPoint Services Inc.	43,508.24	Customer Information System Upgrade
73967	06/15/2026	Blue Whale EV LLC	42,335.02	EV Charging Infrastructure
74122	06/30/2026	Virginia Risk Sharing Association	41,650.00	FY27 Insurance Renewal
74097	06/30/2026	Paymentus Corporation	33,074.78	Transaction Fees
73966	06/15/2026	Bank of America	26,267.78	Supplies & Memberships
74058	06/30/2026	Daly Computers Incorporated	15,055.00	Sophos MDR Complete, Sophos Firewall - Avon
74062	06/30/2026	Christopher Douty	15,000.00	Easements
73970	06/15/2026	Capital Electric	12,335.00	Automatic Transfer Switch - Warehouse
73996	06/15/2026	Networks 2000	12,269.80	Server Warranties
782290211	06/30/2026	Virginia Dept of Taxation	12,207.22	Payroll
774753896	06/15/2026	Virginia Dept of Taxation	12,099.30	Payroll
74119	06/30/2026	Verizon Wireless Services LLC	8,406.87	Cell Service
774753893	06/15/2026	VALIC	8,152.56	Payroll
782290208	06/30/2026	VALIC	8,152.56	Payroll
74063	06/30/2026	Electrical Equipment Company	8,031.96	Georgetown Pump Station Panel
74042	06/30/2026	Amazon Capital Services	7,769.83	Supplies
74067	06/30/2026	Fortiline Incorporated	7,318.13	Inventory
73991	06/15/2026	Letterpress Communications LLC	7,188.98	Communication Services
74080	06/30/2026	Launch! Consulting Incorporated	6,903.40	ERP Update
782290214	06/30/2026	Voya Financial	6,228.10	Payroll
774753899	06/15/2026	Voya Financial	6,202.12	Payroll
73979	06/15/2026	Dominion Energy Virginia	6,145.81	Energy
74061	06/30/2026	Dominion Energy Virginia	5,633.34	Energy
74017	06/15/2026	RSG Landscaping LLC	5,390.55	Landscaping
774753890	06/15/2026	Nationwide	5,012.50	Payroll
780783534	06/30/2026	Nationwide	5,012.50	Payroll
73995	06/15/2026	Mansfield Oil Company of Gainesville Inc	4,386.23	
74033	06/15/2026	Whitman, Requardt & Associates LLP	3,899.06	
73981	06/15/2026	Ed's Floor Care Services LLC	3,703.33	
74104	06/30/2026	Rooterman of VA	3,600.00	
73965	06/15/2026	Atlantic Machinery Incorporated	3,477.78	
74020	06/15/2026	Siemens Industry Inc.	3,321.60	
73992	06/15/2026	Lowe's	3,293.08	
74113	06/30/2026	UniFirst Corporation	2,918.71	
74098	06/30/2026	PFM Asset Management LLC	2,911.36	
74099	06/30/2026	Ramboll Americas Engineering	2,531.00	
74100	06/30/2026	Rappahannock Electric Cooperative	2,266.09	
74019	06/15/2026	Safeware Incorporated	2,133.52	
74124	06/30/2026	Whitman, Requardt & Associates LLP	2,025.32	
774753898	06/15/2026	ACSA Flexible Spending	1,938.72	
782290213	06/30/2026	ACSA Flexible Spending	1,938.72	
73986	06/15/2026	Flora Pettit PC	1,920.00	
774753897	06/15/2026	Flexible Benefit	1,913.00	
782290212	06/30/2026	Flexible Benefit	1,913.00	
74032	06/15/2026	Virginia Utility Protection	1,911.60	
74130	06/30/2026	Minnesota Life Insurance Co	1,873.43	

73982	06/15/2026	Evoqua Water Technologies LLC	1,821.04
74023	06/15/2026	Ting Fiber	1,814.31
73999	06/15/2026	Old Trail Golf Club	1,767.38
73978	06/15/2026	Cues Incorporated	1,758.83
74035	06/15/2026	Faulconer Construction	1,723.90
74026	06/15/2026	UniFirst Corporation	1,676.12
74117	06/30/2026	University of Virginia Foundation	1,542.53
74128	06/30/2026	Guardian	1,438.32
73980	06/15/2026	BSC Acquisition Sub LLC	1,408.73
74064	06/30/2026	Ferguson Enterprises LLC #1300	1,290.55
782290207	06/30/2026	VACORP	1,257.98
73974	06/15/2026	BRC Enterprises Incorporated	1,223.10
74037	06/15/2026	John Notis	1,100.00
74028	06/15/2026	University Tire & Auto	1,089.98
74015	06/15/2026	Rivanna Water & Sewer Authority	1,066.91
74103	06/30/2026	Rivanna Water & Sewer Authority	1,066.91
74053	06/30/2026	County of Albemarle	1,049.44
74074	06/30/2026	Home Depot Credit Services	1,016.86
73993	06/15/2026	Mailing Services of Virginia	1,009.20
74036	06/15/2026	Cynthia J. Herman	1,000.00
74109	06/30/2026	Super Shoes Store/Macro Retailing LLC	944.46
74118	06/30/2026	Virginia Association of Municipal	934.00
74029	06/15/2026	USABlueBook	906.68
74018	06/15/2026	S L Williamson Company Inc	807.86
774753892	06/30/2026	AFLAC	791.98
780783536	06/30/2026	AFLAC	791.98
73990	06/15/2026	LB Technology Incorporated	762.50
74065	06/30/2026	Fisher Auto Parts Incorporated	693.65
73963	06/15/2026	Albemarle Lock & Safe Company	684.00
74088	06/30/2026	ODP Business Solutions LLC	671.18
74085	06/30/2026	Jose Marquez	659.56
73998	06/15/2026	ODP Business Solutions LLC	645.67
74055	06/30/2026	Crown Communication LLC	579.63
774753889	06/30/2026	ACAC	558.50
780783533	06/30/2026	ACAC	558.50
74105	06/30/2026	S L Williamson Company Inc	555.67
74114	06/30/2026	United Rentals (North	549.52
74102	06/30/2026	Rivanna Solid Waste Authority	501.00
73968	06/15/2026	C-ville Holdings LLC	500.00
74082	06/30/2026	Mailing Services of Virginia	477.12
74076	06/30/2026	Cox Piping Supply	471.93
74009	06/15/2026	Raul Palacios	450.58
74004	06/15/2026	Mason Laur	450.00
74007	06/15/2026	Sam Thomas	450.00
74022	06/15/2026	The Supply Room	417.60
74013	06/15/2026	Red Wing Business Advantage Account	384.49
74121	06/30/2026	Protocol SSD Corporation	372.75
74115	06/30/2026	University Tire & Auto	352.26
74056	06/30/2026	The Crozet Gazette LLC	350.00
74041	06/30/2026	All-American Publications, LLC	349.00
74011	06/15/2026	Quality Welding Inc.	345.86
73983	06/15/2026	Ferguson Enterprises LLC #1300	343.09
74010	06/15/2026	Priority Elevator	325.58
73984	06/15/2026	Fisher Auto Parts Incorporated	318.65
74014	06/15/2026	Republic Services #410	306.89
74002	06/15/2026	Arthur Vamado	300.00
74091	06/30/2026	Dennis Wislon	300.00
74094	06/30/2026	Robert Cox	300.00
74025	06/15/2026	U. S. Bank	295.77
74120	06/30/2026	Virginia Dept of Transportation	290.00
74052	06/30/2026	Comcast	252.10
74107	06/30/2026	Stanley Martin	248.48

74051	06/30/2026	Martha Clark	241.32
74047	06/30/2026	Joseph Calarco	235.24
74084	06/30/2026	Malloy Ford	215.00
74027	06/15/2026	United Rentals (North	203.00
74101	06/30/2026	Red Wing Business Advantage Account	200.00
74057	06/30/2026	Cues Incorporated	196.06
73969	06/15/2026	Campbell Equipment Inc	186.99
74078	06/30/2026	New Virginia Tractor LLC	183.57
74126	06/30/2026	Anytime Fitness-Pantops	160.00
74012	06/15/2026	Robert Ramsey	151.04
74001	06/15/2026	Anna Persinger	150.00
74003	06/15/2026	Linda Boling	150.00
74006	06/15/2026	Ronald Thomas	150.00
74008	06/15/2026	Sarah Woodard	150.00
74038	06/15/2026	Frank Kattwinkel	150.00
74089	06/30/2026	Bret Theakston	150.00
74090	06/30/2026	Colleen Zanin	150.00
74092	06/30/2026	Lester Whittaker	150.00
74093	06/30/2026	Meredith Adams	150.00
74096	06/30/2026	Tenzin Yangdol	150.00
74073	06/30/2026	Allan Holland	144.66
74005	06/15/2026	Michael Lindsay	139.00
74129	06/30/2026	Herbert Beskin Trustee	135.00
73964	06/15/2026	American Pest Incorporated	134.52
74131	06/30/2026	Snap Fitness	124.88
74110	06/30/2026	T-Mobile USA Inc.	121.07
74066	06/30/2026	Flexible Benefit Administrators Inc	114.00
74034	06/15/2026	WA Wells Excavating, LLC	105.00
73971	06/15/2026	Cardinal Home Center	101.65
74045	06/30/2026	Cranium Holding Incorporated	96.48
74059	06/30/2026	Lisa Davis	93.85
73977	06/15/2026	Core & Main LP	88.42
74044	06/30/2026	Shannon Arthur	88.13
74069	06/30/2026	Heather Gardner	84.17
74123	06/30/2026	Gretchen Wells	82.19
74071	06/30/2026	Gingerich Outdoor Power Spec	78.53
74068	06/30/2026	Jennifer Frazier	75.76
74087	06/30/2026	Noland Company	73.96
74072	06/30/2026	Kenneth Hall	72.13
74060	06/30/2026	Document Destruction of	69.95
73962	06/15/2026	Aireco Supply Incorporated	68.77
73997	06/15/2026	O'Reilly Automotive Stores Inc	67.01
73989	06/15/2026	Home Depot Credit Services	66.72
74039	06/30/2026	A Squared Pizza LLC	65.02
74075	06/30/2026	Hoshin Hunt	62.97
74000	06/15/2026	Abinash Ghale-Gurung	60.00
73987	06/15/2026	Melanie Garrison	59.84
74054	06/30/2026	Cove Creek Industries Incorporated	57.68
774753900	06/05/2026	Energy Earth LLC	50.00
73973	06/15/2026	Central Battery Specialist	47.48
74116	06/30/2026	UVA Facilities Management	46.93
73985	06/15/2026	Flexible Benefit Administrators Inc	42.35
73975	06/15/2026	City of Charlottesville	41.22
73972	06/15/2026	Howard Carr	40.74
74016	06/15/2026	Amanda Robertson	40.58
74024	06/15/2026	Troy's Auto & Diesel LLC	40.00
74031	06/15/2026	VEC LLC	40.00
74127	06/30/2026	Anytime Fitness-Ruckersville	40.00
74049	06/30/2026	Central Virginia	38.51
74086	06/30/2026	Greg Morgan	37.16
74070	06/30/2026	Genuine Parts Company Incorporated	36.97
74106	06/30/2026	Spyglass Hill LLC	33.77

74125	06/30/2026	William T. Wilmer	33.71
74043	06/30/2026	Appalachian Power	31.58
74048	06/30/2026	Central Battery Specialist	31.34
73961	06/15/2026	Advance Auto Parts	31.27
74095	06/30/2026	Sarah Polchow	30.00
74050	06/30/2026	City of Charlottesville	28.51
74108	06/30/2026	Katie Sullivan	27.38
74079	06/30/2026	Patricia Kesler	26.80
73994	06/15/2026	Malloy Chevrolet Charlottesville LLC	20.00
74083	06/30/2026	Malloy Chevrolet Charlottesville LLC	20.00
74112	06/30/2026	The Trust of David Boyd	19.39
74081	06/30/2026	Summer Layton	18.61
73988	06/15/2026	Charlottesville Auto Parts	18.52
74111	06/30/2026	The Supply Room	17.75
74077	06/30/2026	Ellison Jeanes	14.87
74046	06/30/2026	Cindy & Paul Blackburn	12.30
74040	06/30/2026	Advance Auto Parts	6.14
			5,509,915.70

Albemarle County Service Authority
July 2026 Payments

CHECK NUMBER	CHECK DATE	VENDOR NAME	AMOUNT	DESCRIPTION OVER \$5,000
782855475	07/10/2026	Rivanna Water & Sewer Authority	3,070,705.96	Water & Sewer Treatment
782856687	07/15/2026	Daniel & Company Incorporated	530,263.60	Avon Operations
74227	07/31/2026	Commonwealth Excavating	311,434.70	Barracks West Waterline
ACH	07/15/2026	Payroll	233,489.82	Net Pay
ACH	07/31/2026	Payroll	207,143.35	Net Pay
782856695	07/15/2026	IRS - Federal Tax Deposit	90,105.43	Payroll
74220	07/31/2026	Carter Machinery Company Incorporated	88,068.00	Articulating Boom Lift
74205	07/22/2026	Anderson Construction Incorporated	75,596.54	Madison Park PS - Final
784271351	07/31/2026	IRS - Federal Tax Deposit	75,153.15	Payroll
784271350	07/31/2026	County of Albemarle	71,507.93	Payroll
782856694	07/31/2026	County of Albemarle	66,211.05	Payroll
74157	07/15/2026	Fortiline Incorporated	50,093.58	Inventory
784271347	07/31/2026	Virginia Retirement System	45,930.62	Payroll
782856691	07/31/2026	Virginia Retirement System	45,930.60	Payroll
784271341	07/24/2026	The Bank of New York Mellon	47,987.92	Debt Service
74192	07/15/2026	SpryPoint Services Inc.	43,380.00	CIS Upgrade
74141	07/15/2026	HTM/MTE Associates Inc	38,115.00	2026 Nissan Frontier
74265	07/31/2026	Paymentus Corporation	36,598.00	Transaction Fees
74182	07/15/2026	Prism Contractors	30,775.77	FY 26 Sewer Rehabilitation
74280	07/31/2026	Traffic Safety Supplies LLC	27,432.00	AFAD-212-RADIO
74146	07/15/2026	Dewberry Engineers Incorporated	25,190.00	Avon Operations Center
74228	07/31/2026	Consolidated Pipe & Supply	18,710.00	Inventory
74196	07/15/2026	Validos LLC	16,830.00	CIS - Project Management
74137	07/15/2026	Bank of America	16,766.46	Supplies & Memberships
74286	07/31/2026	Whitman, Requardt & Assoc LLP	15,821.03	Scottsville Ph4 Design
782856696	07/15/2026	Virginia Dept of Taxation	15,631.08	Payroll
784271352	07/31/2026	Virginia Dept of Taxation	13,331.92	Payroll
74246	07/31/2026	JBAK Consulting LLC	11,219.92	Wireless Door Locks-Avon Op
74250	07/31/2026	Mansfield Oil Company of Gainesville Inc	9,078.34	Fuel
782856693	07/15/2026	VALIC	8,892.50	Payroll
74234	07/31/2026	Dominion Energy Virginia	8,883.43	Energy
784271349	07/31/2026	VALIC	8,865.00	Payroll
74143	07/15/2026	County of Albemarle	8,775.90	800 MHz Radio System
74198	07/15/2026	Cellco Partnership	8,441.50	Cellular Service
74166	07/15/2026	Letterpress Communications LLC	7,266.62	Communications Services
74201	07/15/2026	Whitman, Requardt & Assoc LLP	6,924.08	Scottsville Ph4 Design
782856699	07/15/2026	Voya Financial	6,653.84	Payroll
784271355	07/31/2026	Voya Financial	6,606.44	Payroll
74244	07/31/2026	Home Depot Credit Services	6,533.53	Small Tools
74175	07/15/2026	NewGen Strategies & Solutions	5,947.50	FY 2027 Rate Study
74150	07/15/2026	EWT Holdings III Corporation	5,918.38	Bioxide
74173	07/15/2026	Michael Baker International Incorporated	5,828.62	Airport Trunk Sewer
74152	07/15/2026	Ferguson Enterprises LLC#7575	5,678.45	Inventory
74189	07/15/2026	RSG Landscaping LLC	5,390.55	Landscaping
784271346	07/31/2026	Nationwide	5,175.00	Payroll
782856690	07/15/2026	Nationwide	5,162.50	Payroll

74207	07/22/2026	JBAK Consulting LLC	4,933.40
74151	07/15/2026	Evoqua Water Technologies LLC	4,907.70
74171	07/15/2026	Mansfield Oil Company of Gainesville Inc	4,746.06
74134	07/15/2026	Amazon Capital Services	4,587.24
74249	07/31/2026	M T Electronics, Inc	4,465.00
74235	07/31/2026	Duncan Parnell	4,194.00
74200	07/15/2026	Vortex Holdco LLC	4,000.00
74215	07/31/2026	Atlantic Machinery Incorporated	3,897.49
74149	07/15/2026	Ed's Floor Care Services LLC	3,703.33
74158	07/15/2026	Gage Environmental Products & Services I	3,665.00
74167	07/15/2026	Lowe's	3,036.79
74268	07/31/2026	PFM Asset Management LLC	2,817.32
74270	07/31/2026	Ramboll Americas Engineering	2,651.50
74164	07/15/2026	L/B Water Service Incorporated	2,589.68
74245	07/31/2026	Hydraflo Incorporated	2,360.55
74279	07/31/2026	Thacker Brothers Funeral Home Inc.	2,267.58
74271	07/31/2026	Rappahannock Electric Cooperative	2,205.69
74294	07/31/2026	Minnesota Life Insurance Co	2,120.43
74199	07/15/2026	Virginia Utility Protection	1,984.80
74156	07/15/2026	Flora Pettit PC	1,984.00
782856698	07/15/2026	ACSA Flexible Spending	1,938.72
784271354	07/31/2026	ACSA Flexible Spending	1,938.72
782856697	07/15/2026	Flexible Benefit	1,913.00
784271353	07/31/2026	Flexible Benefit	1,913.00
74238	07/31/2026	Fisher Auto Parts Incorporated	1,904.35
74194	07/15/2026	Ting Fiber	1,814.31
74237	07/31/2026	Ferguson Enterprises LLC #1300	1,649.62
74210	07/31/2026	Allison Partners	1,595.00
74292	07/31/2026	Guardian	1,438.32
74180	07/15/2026	Pitney Bowes Global	1,418.22
74142	07/15/2026	Column Software PBC	1,393.70
74226	07/31/2026	Comcast	1,359.95
74135	07/15/2026	Atlantic Emergency	1,355.40
784271344	07/31/2026	VACORP	1,339.30
74148	07/15/2026	Dominion Energy Virginia	1,270.02
74253	07/31/2026	ODP Business Solutions LLC	1,224.91
74275	07/31/2026	S.I.S Paint Inc.	1,169.04
74187	07/15/2026	Rivanna Water & Sewer Authority	1,147.50
74193	07/15/2026	Macro Retailing LLC	1,067.96
74278	07/31/2026	T-Mobile USA Inc.	1,065.25
74153	07/15/2026	Ferguson Enterprises LLC #1300	939.75
74282	07/31/2026	UniFirst Corporation	931.83
74154	07/15/2026	Fisher Auto Parts Incorporated	904.85
74211	07/31/2026	Amazon Capital Services	861.39
74195	07/15/2026	UniFirst Corporation	848.32
74229	07/31/2026	Core & Main LP	837.81
74283	07/31/2026	United Rentals (North	813.38
74163	07/15/2026	LB Technology Incorporated	762.50
74212	07/31/2026	American Equipment Group, LLC	675.29

782856692	07/31/2026	AFLAC	654.03
784271348	07/31/2026	AFLAC	654.03
74247	07/31/2026	New Virginia Tractor LLC	633.44
74277	07/31/2026	Macro Retailing LLC	600.00
74243	07/31/2026	Heritage Crystal Clean LLC	598.47
74230	07/31/2026	Crown Castle	579.63
782856689	07/31/2026	ACAC	558.50
784271345	07/31/2026	ACAC	558.50
74174	07/15/2026	Moore's Electrical & Mechanical	551.32
74276	07/31/2026	Specialty Fasteners of	550.26
74181	07/15/2026	W & H Resources Incorporated	489.00
74272	07/31/2026	Red Wing Business Advantage Account	483.69
74203	07/15/2026	Lindsay Huff	450.00
74259	07/31/2026	Krishna Gandhi	450.00
74262	07/31/2026	Rhonda Jones	450.00
74177	07/15/2026	ODP Business Solutions LLC	445.05
74169	07/15/2026	Mailing Services of Virginia	436.92
74186	07/15/2026	Rivanna Solid Waste Authority	422.52
784271342	07/17/2026	Energy Earth LLC	400.00
784271343	07/17/2026	Energy Earth LLC	400.00
74161	07/15/2026	Hawkins-Graves Incorporated	390.22
74242	07/31/2026	Hathaway Solutions LLC	384.50
74285	07/31/2026	Protocol SSD Corporation	384.50
74184	07/15/2026	Republic Services	376.20
74267	07/31/2026	Petrotest Incorporated	330.00
74273	07/31/2026	S L Williamson Company Inc	329.86
74144	07/15/2026	Data West	322.50
74281	07/31/2026	U. S. Bank	314.31
74241	07/31/2026	Genuine Parts Company Incorporated	309.70
74190	07/15/2026	S L Williamson Company Inc	304.20
74133	07/15/2026	Shannon Jenkins	300.00
74256	07/31/2026	Christopher Layman	300.00
74263	07/31/2026	Sally Scott	300.00
74185	07/15/2026	Ricoh USA Incorporated	275.00
74225	07/31/2026	Comcast	252.12
74264	07/31/2026	Michelle D. Parker	247.72
74240	07/31/2026	Fortiline Incorporated	243.16
74266	07/31/2026	Performance Signs LLC	225.00
74168	07/15/2026	Luck Stone Corporation	219.97
74248	07/31/2026	Leonard Holdings Incorporated	217.95
74183	07/15/2026	Red Wing Business Advantage Account	200.00
74136	07/15/2026	Sean Ayers	191.60
74208	07/31/2026	Advance Stores Company Inc	172.02
74290	07/31/2026	Anytime Fitness-Pantops	160.00
74178	07/15/2026	David Schmidt	150.00
74179	07/15/2026	Elizabeth Dahmus	150.00
74202	07/15/2026	Jacob Smith	150.00
74204	07/15/2026	William Linville	150.00
74254	07/31/2026	Adriea Clarke	150.00

74255	07/31/2026	Charlie Hurt	150.00
74257	07/31/2026	Debra Faulknier	150.00
74258	07/31/2026	Jeremy Katras	150.00
74293	07/31/2026	Herbert Beskin Trustee	135.00
74209	07/31/2026	Albemarle Lock & Safe Company	134.75
74217	07/31/2026	Beverage Tractor & Equipment LLC	127.57
74295	07/31/2026	Snap Fitness	124.88
74288	07/31/2026	David K. Winder	120.32
74159	07/15/2026	Generator Service Company Inc	120.00
74239	07/31/2026	Flexible Benefit Administrators Inc	116.00
74232	07/31/2026	Ditch Witch of Roanoke Incorporated	114.66
74236	07/31/2026	Ferguson Enterprises LLC#7575	107.00
74218	07/31/2026	Blue Ridge Farmers Co-op	106.97
74138	07/15/2026	Beverage Tractor & Equipment LLC	106.96
74284	07/31/2026	University Tire & Auto	104.95
74219	07/31/2026	Adam Brenneis	103.25
74191	07/15/2026	Specialty Fasteners of	99.99
74139	07/15/2026	MWP Supply Incorporated	96.03
74132	07/15/2026	Albemarle Lock & Safe Company	95.00
74145	07/15/2026	Marianne Daughtrey	94.50
74165	07/15/2026	Leonard Holdings Incorporated	89.99
74216	07/31/2026	Bailey Printing Incorporated	85.00
74233	07/31/2026	Document Destruction of	69.95
74197	07/15/2026	VEPGA	65.00
74160	07/15/2026	W W Grainger Incorporated	60.54
74287	07/31/2026	Troy Wills	59.01
74155	07/15/2026	Flexible Benefit Administrators Inc	42.35
74251	07/31/2026	US Electrical Services Incorporated	42.24
74176	07/15/2026	O'Reilly Automotive Stores Inc	40.45
74170	07/15/2026	Malloy Chevrolet Charlottesville LLC	40.00
74291	07/31/2026	Anytime Fitness-Ruckersville	40.00
74274	07/31/2026	Karen Short	39.31
74221	07/31/2026	Central Virginia Electric Cooperative	38.35
74222	07/31/2026	BRC Enterprises Incorporated	35.50
74206	07/22/2026	Cox Piping Supply	35.00
74224	07/31/2026	Robert Coleman	34.81
74223	07/31/2026	City of Charlottesville	32.44
74172	07/15/2026	Shaune McKinnon	31.75
74214	07/31/2026	Appalachian Power	31.62
74260	07/31/2026	Lisa Towner	30.00
74261	07/31/2026	Lisa Towner	30.00
74231	07/31/2026	Cues Incorporated	28.84
74252	07/31/2026	O'Reilly Automotive Stores Inc	28.49
74140	07/15/2026	City of Charlottesville	23.72
74147	07/15/2026	Department of Labor and Industry	20.00
74213	07/31/2026	API Service Center	20.00
74269	07/31/2026	Michel LLC	14.62
74188	07/15/2026	Neil L. Rose	4.46
			5,571,391.74

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: FY 2027 Capital Improvement Program (CIP) Report STAFF CONTACT(S)/PREPARER: Jeremy M. Lynn, P.E., Director of Engineering	AGENDA DATE: August 20, 2026 CONSENT AGENDA: ACTION: ■ INFORMATION: ■ ATTACHMENTS: YES
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BACKGROUND: Monthly CIP Memo including a status report on active CIP Projects and a list of active Private Development Projects.

DISCUSSION:

- Questions about the status of active CIP Projects.
- Questions about the status of active Private Development Projects.

BUDGET IMPACT: None.

RECOMMENDATIONS: None.

BOARD ACTION REQUESTED: Approval of the Consent Agenda.

ATTACHMENTS:

- Monthly CIP Report
- List of Active Private Development Projects

Albemarle County Service Authority (ACSA)
Capital Improvement Program Report
August 2026

Water System CIP Projects

1. Scottsville Phase 4 Water Main Replacement (Account Code 1758):

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	September 2026 (Phase 4A)
Completion:	August 2027 (Phase 4A)
Total Budget:	\$8,554,900
Spent to Date:	\$597,941.68

Project Description: This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast-iron water mains throughout our water distribution system. Roads impacted by water replacement work include James River Road, Warren Street, Hardware Street, Moores Hill, and the downtown streets of Page, Bird, and West Main. This project requires extensive coordination with the Rivanna Water and Sewer Authority (RWSA) as it includes the replacement of their asbestos-cement water main along James River Road. Project Length = 13,700 LF.

8/12/2026: The Phase 4A portion of this project (primarily downtown) was advertised for construction on June 30, 2026, and on August 11, 2026, five bids were received. Below is a summary of the bid results. A Board authorization is proposed for this project.

Contractor	Total Bid Amount
Concrete Foundations Inc.	\$5,313,497.00
Rocktown Excavating LLC	\$5,577,108.68
Morgan Contracting Inc.	\$5,718,775.00
Haymes Brothers, Inc.	\$5,919,615.00
Sagres Construction Corp.	\$6,392,947.90

2. Ragged Mountain Phase 1 Water Main Replacement (Account Code 1760):

Consultants:	Dewberry Engineers, Inc. (Dewberry) and Kimley-Horn and Associates (KHA)
Project Status:	Design/Construction
Percent Complete:	90% Design
Contractors:	RWSA Project – Thalle Construction (Thalle) VDOT Project – Burleigh Construction (Burleigh)
Construction Start:	February 2024
Completion:	December 2028
Total Budget:	\$2,826,400

Spent to Date: \$290,588.23

Project Description: This project will replace the oldest active water main remaining in our system serving residents along Fontaine Avenue Extended and Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which significantly reduces the flow capacity in this section. Project Length = 1,800 LF.

8/12/2026: Thalle has provided pricing on two boring options to cross under the Route 29/250 Bypass, which is currently under review by RWSA and their consultant.

3. Northfields Water Main Replacement (Account Code 1763/1764):

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Design
Percent Complete:	95%
Contractor:	Undetermined
Construction Start:	2026
Completion:	2028
Total Budget:	\$10,330,000 Water and \$1,270,000 Sewer
Spent to Date:	\$551,263.79

Project Description: This project continues our systematic program to replace the aging and undersized 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. During design of the Northfields Water Main Replacement Project, ACSA staff identified several sections of sanitary sewer that could be installed along the roadway in coordination with the water main replacement work. These efforts will provide sanitary sewer service to nearly 20 existing neighborhood properties currently served by private septic fields. Project Length = 22,000 LF.

8/12/2026: Minor comments have been received from VDOT, and those comments will be incorporated into the bid documents. With VDOT approving ACSA's request to install a portion of the new gravity sewer system in the roadway, all easements required for construction have been obtained.

4. Barracks West Water Main Replacement (Account Code 1769):

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	75%
Contractor:	Commonwealth Excavating, Inc. (Commonwealth)
Construction Start:	March 2026
Completion:	October 2026
Total Budget:	\$3,500,000
Spent to Date:	\$1,857,102.22

Project Description: This project will replace the undersized and aging cast iron and galvanized water mains that were installed in the late 1960's. These water mains are original to the Old Salem Apartments development, now called Barracks West. This

project follows our Strategic Plan goal to replace aging and undersized water mains throughout our system and will provide for an opportunity to improve fire protection to these multi-family apartments. Project Length = 4,300 LF.

8/12/2026: Commonwealth has completed switchovers for water services along Saponi Lane and Runnel Court, and is now working along Burgoyne Road.



5. Townwood Water Main Replacement (Account Code 1773):

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	0%
Contractor:	Commonwealth Excavating, Inc. (Commonwealth)
Construction Start:	September 2026
Completion:	May 2027
Total Budget:	\$3,500,000
Spent to Date:	\$200,443.14

Project Description: This project continues our systematic program to replace PVC water mains that have been in service since the early 1980's and have recently experienced several breaks causing water service disruptions. Project Length = 3,000 LF.

8/11/2026: During the late stages of the design process, ACSA reached out to a representative from the Ductile Iron Pipe Research Association (DIPRA) for guidance on protecting the proposed ductile iron water main where it crossed two gas mains. During this evaluation, it was determined that the City's gas mains have impressed current cathodic protection which creates a high risk of stray current corrosion to the proposed ductile iron pipe. With this information, DIPRA suggested that to avoid the likelihood of stray current corrosion, the

ACSA switch to C900 PVC water mains for this project. ACSA worked closely with Dewberry to specify the new C900 PVC pipe material and Municipex plastic service lines, as well as additional requirements for pipe fittings to substantially reduce the risk of stray current corrosion for the new infrastructure. On August 6, 2026, five bids were received for the Townwood Water Main Replacement Project. Below is a summary of the bid results. Dewberry has evaluated the bids and has recommended ACSA award a contract to Commonwealth Excavating, Inc. A Notice of Intent to Award has been published on ACSA's website.

Contractor	Total Bid Amount
Commonwealth Excavating, Inc.	\$2,194,368.00
Rocktown Excavating LLC	\$2,290,575.43
Sagres Construction Corp.	\$2,375,454.73
Haymes Brothers, Inc.	\$2,909,530.00
Linco, Inc.	\$3,546,809.50

6. Raintree and Fieldbrook Water Main Replacement (Account Code 1771):

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	\$8,032,300
Spent to Date:	\$297,107.10

Project Description: This project continues our systematic program to replace the PVC water mains in the Raintree and Fieldbrook subdivisions that have been in service since the early 1980's. In addition to replacing these PVC mains, this project will also eliminate pipe saddles at the water service connections that have been failing due to corrosion. Project Length = 12,000 LF.

8/12/2026: One additional easement was acquired over the past month, bringing our total to 6 of 8 easements required for this project. The need for two fire hydrant easements has been eliminated with a redesign.

7. Exclusion Meters Replacement (Account Code 1759):

Consultant:	ACSA Engineering
Project Status:	Construction
Percent Complete:	88%
Contractor:	ACSA and Irrigation Contractors
Construction Start:	September 2019
Completion:	2026
Total Budget:	\$527,500
Spent to Date:	\$447,348.21

Project Description: 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 private exclusion meters and required all future irrigation meters be tapped separately off our water mains. 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.

8/12/2026: Field activities continue with our Maintenance Department, with 57 private exclusion irrigation meters remaining in our system.

Sewer System CIP Projects

8. Airport Trunk Sewer Upgrade (Account Code 1828):

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	\$9,683,800
Spent to Date:	\$573,093.90

Project Description: With the continued growth in the Hollymead Town Center area, the existing sewer collector serving the airport and the area west of Route 29 has insufficient capacity 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. A study of the drainage basin was completed in 2016 with the recommendation that the sewer main be increased in size by replacing it in place. Project Length = 6,900 LF.

8/12/2026: Revised Water Protection Ordinance (WPO) plans were submitted to the County on July 6, 2026, and we are awaiting their approval. ACSA anticipates advertising for construction in September 2026.

9. Buckingham Circle Sewer (Account Code 1802):

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	\$4,000,000
Spent to Date:	\$156,226.70

Project Description: Over the past few years, numerous residents of the Buckingham Circle Subdivision have contacted the ACSA expressing interest in connecting to the public sanitary sewer system. 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, more than 70% of the property owners have expressed interest in connecting to public sewer if it was made available.

8/12/2026: Dewberry has submitted the Floodplain Development Permit – No Rise Certification to the County for approval with respect to the proposed aerial sewer crossing. Dewberry is also preparing the draft plat for the easement needed across the UVA Foundation property.

10. Bellair – Liberty Hills Sewer (Account Code 1829):

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	60%
Contractor:	Undetermined
Construction Start:	2026
Completion:	2027
Total Budget:	\$8,593,715
Spent to Date:	\$343,170.02

Project Description: 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. 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, many of the property owners are interested in connecting to the public sewer if it was made available.

8/12/2026: VDOT has issued the Land Use Permit for the geotechnical boring activities. ACSA needs to coordinate with two property owners to obtain permission to perform borings on private property.

11. Crozet Phase 3 SSES (Account Code 1803):

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Construction
Percent Complete:	70%
Contractor:	ACSA and Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	January 2025
Completion:	December 2026
Total Budget:	\$400,000
Spent to Date:	\$279,294.93

Project Description: As part of the ACSA's continuing efforts to identify and reduce groundwater (infiltration) and stormwater (inflow) entering the sanitary sewer system, the Crozet Phase 3 Sanitary Sewer Evaluation Survey (SSES) will evaluate a portion of the Crozet collection system primarily north of the railroad tracks. Evaluation efforts include but are not limited to flow metering, manhole inspections, smoke testing, and CCTV inspections.

8/12/2026: Manhole rehabilitation work is underway by a combination of in-house crews and Prism. Work remains on 44 manholes.



12. FY 2025 Miscellaneous Sewer Rehabilitation (Account Code 1909):

Consultant:	OBG, A Ramboll Company (Ramboll) and Dewberry Engineers (Dewberry)
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	June 2024
Completion:	November 2025
Total Budget:	\$500,000
Spent to Date:	\$521,819.13

Project Description: This project continues our annual “find and fix” program of sanitary sewer rehabilitation to reduce I&I in our system.

8/12/2026: Rehabilitation of one manhole remains on Work Order 3 to close out this project.

13. FY 2026 Miscellaneous Sewer Rehabilitation (Account Code 1910):

Consultant:	Ramboll and Kimley-Horn
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	August 2025
Completion:	August 2026
Total Budget:	\$500,000
Spent to Date:	\$122,948.03

Project Description: This project continues our annual “find and fix” program of sanitary sewer rehabilitation to reduce I&I in our system.

8/12/2026: Work Order 1 is complete, which included the sanitary sewer relining of two segments at the intersection of Greenbrier Drive and Commonwealth Drive has been completed. On Work Order 3, rehabilitation of seven out of 10 manholes is complete. Work Order 4 was issued and includes relining of nearly 1,800 linear feet of gravity sewer in the Four Seasons area.

14. FY 2027 Miscellaneous Sewer Rehabilitation (Account Code TBD):

Consultant:	ACSA
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Vortex Holdco LLC (Vortex)
Construction Start:	August 2026
Completion:	August 2027
Total Budget:	\$500,000
Spent to Date:	\$0

Project Description: This project continues our annual “find and fix” program of sanitary sewer rehabilitation to reduce I&I in our system.

8/12/2026: Work Order 1 has been issued, which includes 10 sewer defects identified throughout our collection system by ACSA Maintenance.

Non-Utility and Facility CIP Projects

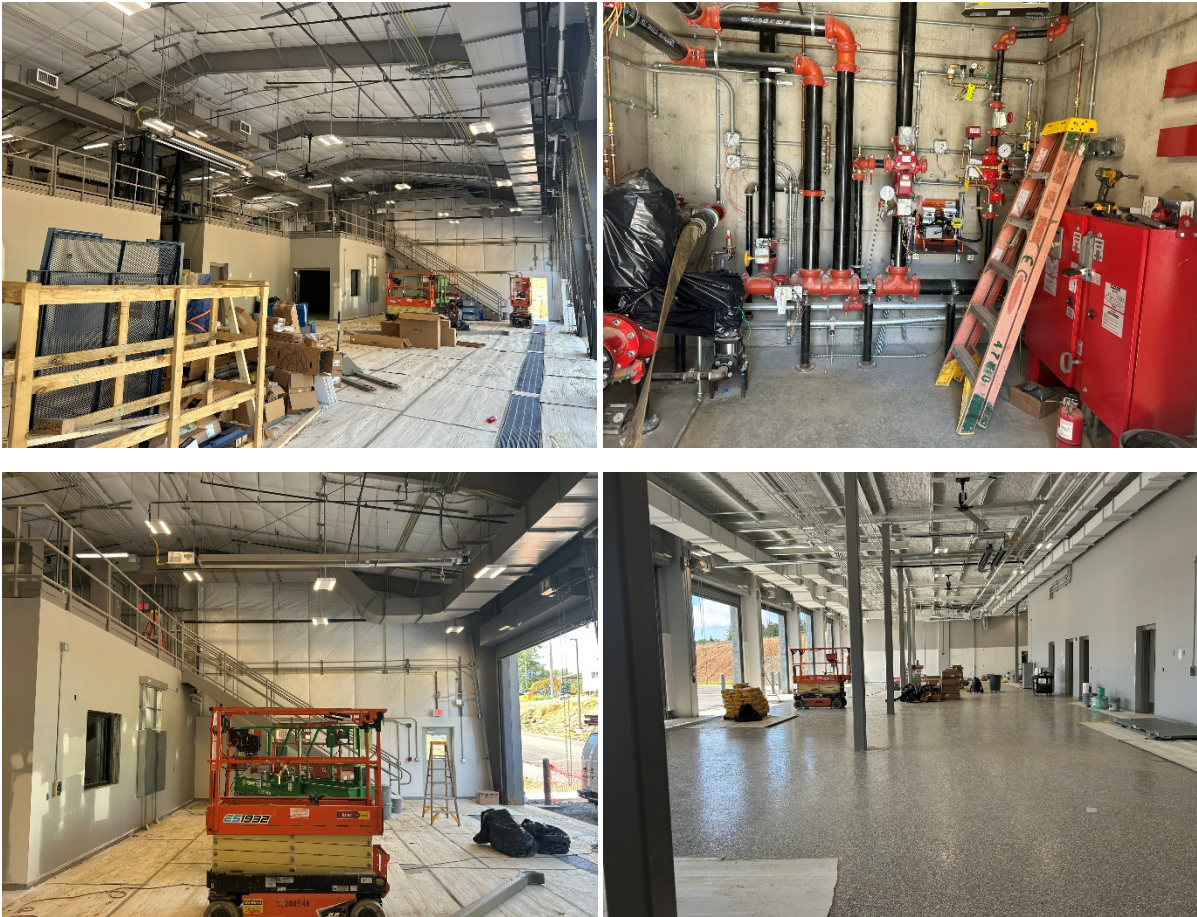
15. Avon Operations Center (Account Code 1622):

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	90%
Contractor:	Daniel & Company, Inc. (DCI)
Construction Start:	January 2025
Completion:	January 2027
Total Budget:	\$18,000,000
Spent to Date:	\$15,117,969.53

Project Description: As part of the Operations Center Expansion Study our consultant reviewed all properties owned by ACSA that could be utilized as we continue to 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. The future expansion of granular activated carbon (GAC) at the Crozet Water Treatment Plant site will result in the loss of much of the ACSA’s storage space at that site. 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.

8/12/2026: Fiber and gas services have been installed to the building, and Dominion Energy has completed installation of permanent power to the facility. The outdoor material storage building has been delivered, as well as the generator. Installation of the perimeter fencing and gates is expected over the next three weeks. The current Substantial Completion date is October 13, 2026, with Final Completion date of January 10, 2027.





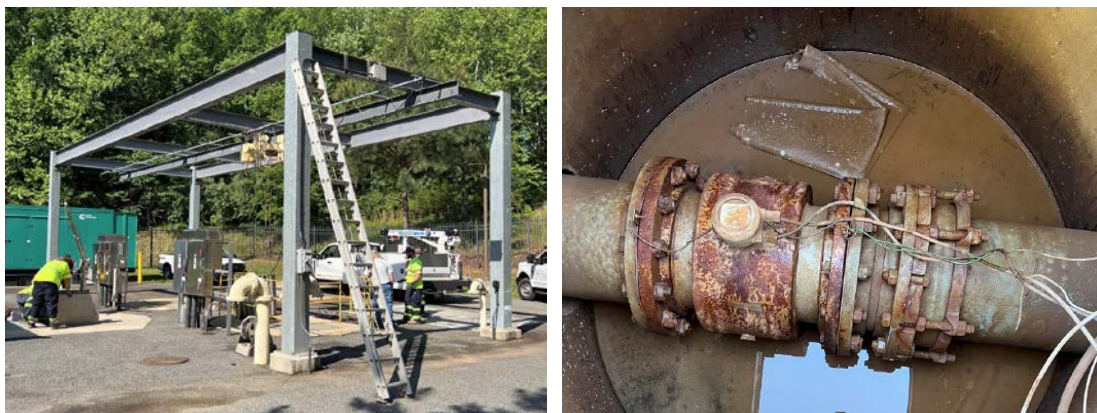
16. North Fork and Camelot Pump Station Improvements (Account Code TBD):

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Design
Percent Complete:	10%
Construction Start:	2027
Completion:	2027
Total Budget:	\$475,000
Spent to Date:	\$0

Project Description: In response to the January 2024 flooding of RWSA's Rivanna Pump Station, the ACSA undertook the Facility Condition Assessment of various critical water and sewer facilities. This assessment included recommendations at the North Fork and Camelot Pump Stations that will be bundled into this project. Those recommendations include the replacement of variable frequency drives (VFDs), the rebuilding of several pumps, replacement of float controls and flow meters, among other items.

8/12/2026: WRA performed site visits to both pump stations on May 28, 2026, which included an inspection of the wet wells, flow meters, and the structural steel support system. WRA subsequently provided a field report on June 18, 2026, outlining their findings. On August 11, 2026, ACSA received a fee proposal

from EECO outlining three alternatives to replace the existing VFDs at North Fork, which is under review by ACSA staff.



17. ArcFlash Hazard Assessment (Account Code 1606):

Consultant:	Kimley-Horn and Associates, Inc. (KHA)
Project Status:	Study
Percent Complete:	25%
Construction Start:	May 2026
Completion:	December 2026
Total Budget:	\$160,000
Spent to Date:	\$0

Project Description: This project consists of performing ArcFlash hazard assessments at 19 sites across the ACSA's service area. These assessments will provide ACSA personnel and authorized contractors with information to understand energy levels present at electrical equipment and the appropriate Personal Protective Equipment (PPE) to wear when maintaining the energized equipment.

8/12/2026: KHA has conducted all their site visits and is in the process of developing the models in their software. ACSA has requested Available Fault Current information from the electrical service providers to pass along to KHA.

Albemarle County Service Authority (ACSA)
Active Private Development Projects
August 2026

1. 999 Rio Road (Rio): Water and sewer main extensions to serve 24 residential units. This site is located at the intersection of Rio Road East and Belvedere Boulevard.
2. Airport Industrial Complex (Rio): Water and sewer main extensions to serve nearly 135,000 square feet of light industrial space spread out over nine buildings at the end of Timberwood Boulevard and Dobleann Drive off Airport Road.
3. Albemarle County Regional Jail Expansion and Renovation (Scottsville): Water main extension to serve fire hydrant for the expansion and renovation of the existing facility along Avon Street Extended.
4. Archer North – Phase 1 (Rivanna): Water and sewer main extensions to serve 78 residential units. This development will replace the Ridgewood Mobile Home Park, located at the corner of Seminole Trail and Ashwood Blvd.
5. Ashcroft Phase 3 (Rivanna): Water main extensions to serve 76 residential units. This development connects to Lego Drive just north of the Ashcroft Clubhouse.
6. Bamboo Grove (White Hall): Water and sewer main extensions to serve 6 residential units. This development is located along Orchard Drive, just north of the intersection with Jarmans Gap Road.
7. Belvedere Phase 4C (Rio): Water and sewer main extensions to serve 79 residential units at the northern end of Belvedere Boulevard.
8. Berkmar Flats (Rio): Water and sewer main extensions to serve 14 residential units along Woodburn Road, between Victorian Heights and Berkmar Overlook.
9. Biscuit Run Park Athletic Fields (Scottsville): Water meter to serve grass athletic fields at the Biscuit Run Park, located along Scottsville Road just south of Avon Street Extended.
10. Breezy Hill Subdivision (Scottsville): Water and sewer main extensions to serve 80 single family homes near the intersection of Richmond Road and Running Deer Drive.
11. Brookhill Block 18 (Rivanna): Water and sewer main extensions to serve 194 single family homes in the Brookhill subdivision, located along the

eastern side of Halsey Avenue and north of the Montgomery Ridge Subdivision.

12. Dunlora Village Phase 2 (Rio): Water and sewer main extensions to serve 130 single family homes in a new phase of Dunlora Village, located at the end of Miranda Xing.
13. Fifth Street Landing Self-Storage (Scottsville): Water main extension to serve 4-story self-storage building at the northeast corner of Interstate 64 and 5th Street Extended interchange.
14. Forest Lakes Self-Storage (Rivanna): Water main extension to serve nearly 106,000 square feet of storage space along Worth Crossing, just north of the Forest Lakes Food Lion.
15. Gropen Facility – Phase 2 (Scottsville): Water main extension to serve the existing Gropen facility and their expansion at 1766 Scottsville Road.
16. Holly Hills Development Phase I (Rivanna): Water and sewer main extensions to serve 318 multi-family residential units. This site is located along Seminole Trail, just south of Hollymead Drive.
17. Holly Hills Development Phases II & III (Rivanna): Water and sewer main extensions to serve 72 residential units. This site is located along Seminole Trail, just south of Hollymead Drive.
18. **Kappa Sigma International Headquarters (Scottsville): Water main extension to serve an addition to the existing building and a separate standalone building at their site off Scottsville Road.**
19. Maplewood (Rivanna): Water and sewer main extensions to serve 70 multi-family residential units at the intersection of Proffit Road and Worth Crossing.
20. Montgomery Ridge Phase 4 (Rivanna): Water and sewer main extensions to serve 14 single family homes in a new phase of Montgomery Ridge, located off Montgomery Ridge Drive.
21. Old Ivy Residences (Jack Jouett): Water and sewer main extensions to serve 525 residential units. This site is located along Ivy Road just east of Route 29/250 Bypass.
22. Southwood Redevelopment Village 3 (Scottsville): Water and sewer main extensions to serve 127 single family units and 10 condominium units. This project is located along the eastern side of Horizon Road, south of Hickory Street.

- 23. Three Notch'd Center (White Hall):** Water main extension to serve a commercial office building just east of 5380 Three Notch'd Road.
- 24. Woodbrook Apartments (Rio):** Water main extensions to serve 244 multi-family residential units along Woodburn Road, north of Agnor Elementary School.

*Projects listed in bold font are new projects added to the list.

JML/jl

0506 Active Private Development Projects 08202026

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: FY 2027 CIP Authorizations STAFF CONTACT(S)/PREPARER: Jeremy M. Lynn, P.E., Director of Engineering	AGENDA DATE: August 20, 2026 ACTION: ☐ INFORMATION: ☐ CONSENT AGENDA: ACTION: ☒ INFORMATION: ☐ ATTACHMENTS: YES
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BACKGROUND: Authorization for one CIP Project, which exceeds the budgeted amount included in the FY 2027 CIP Rate Model Budget. The authorization is for construction of the Scottsville Phase 4A Water Main Replacement Project.

DISCUSSION:

- ❖ Continues the ACSA's systematic program of replacing aging and undersized Asbestos Cement water mains.
- ❖ Provides for the replacement of water mains and service upgrades in the downtown area of Scottsville ahead of VDOT's 2027 repaving schedule.

BUDGET IMPACT: The cost associated with this project was not fully anticipated within the FY 2027 CIP Rate Model. The FY 2027 CIP Budget included \$1,000,000 in funds for construction of the Scottsville Phase 4 Water Main Replacement Project, anticipated to begin late in the fiscal year and carry over into FY 2028 and FY 2029. The FY 2027 CIP Rate Model included additional funding in the amount of \$6,000,000, split evenly in FY 2028 and FY 2029. Below are measures that can be taken to offset financial impacts to awarding this contract ahead of schedule:

- ❖ \$1,000,000 – Favorable bids from the Townwood Water Main Replacement Project.
- ❖ \$1,000,000 – Potential delay of the Bellair-Liberty Hills Sewer Project due to anticipated easement acquisition challenges.
- ❖ \$1,400,000 – Potential delay of the Airport Trunk Sewer Upgrade Project due to WPO permitting and anticipated material lead times.
- ❖ \$1,200,000 – Potential delay of the Northfields Water Main Replacement Project.

RECOMMENDATIONS: Authorize funding for this project.

BOARD ACTION REQUESTED: Approve the Consent Agenda.

ATTACHMENTS:

- ❖ Detailed memo of the proposed CIP authorization.



MEMORANDUM

To: Board of Directors
From: Jeremy M. Lynn, P.E., Director of Engineering
Date: August 20, 2026
Re: FY 2027 CIP Authorizations
cc: Michael E. Derdeyn

The following project requires Board authorization:

- A. Scottsville Phase 4A Water Main Replacement:** During the review of VDOT's proposed paving schedule for 2027, ACSA staff identified an opportunity to complete a significant portion of the Scottsville Phase 4 Water Main Replacement Project before repaving efforts. To accomplish this, ACSA staff decided to split the project into two phases: Phase 4A to include the portion of downtown Scottsville where repaving is anticipated, and Phase 4B to include the replacement of RWSA's water main along James River Road back to the water treatment plant. On August 11, 2026, five (5) contractors submitted bids on the project, and at this time Whitman, Requardt & Associates, LLP (WRA) is still evaluating the bids.

Board Action

We request the Board of Directors authorize ACSA staff to award this contract to the lowest responsive and responsible bidder, and appropriate up to an additional \$4,600,000 from the FY 2027 3R Fund for Construction of the Scottsville Phase 4A Water Main Replacement Project.

JML/jml

Attachments

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ALBEMARLE COUNTY SERVICE AUTHORITY

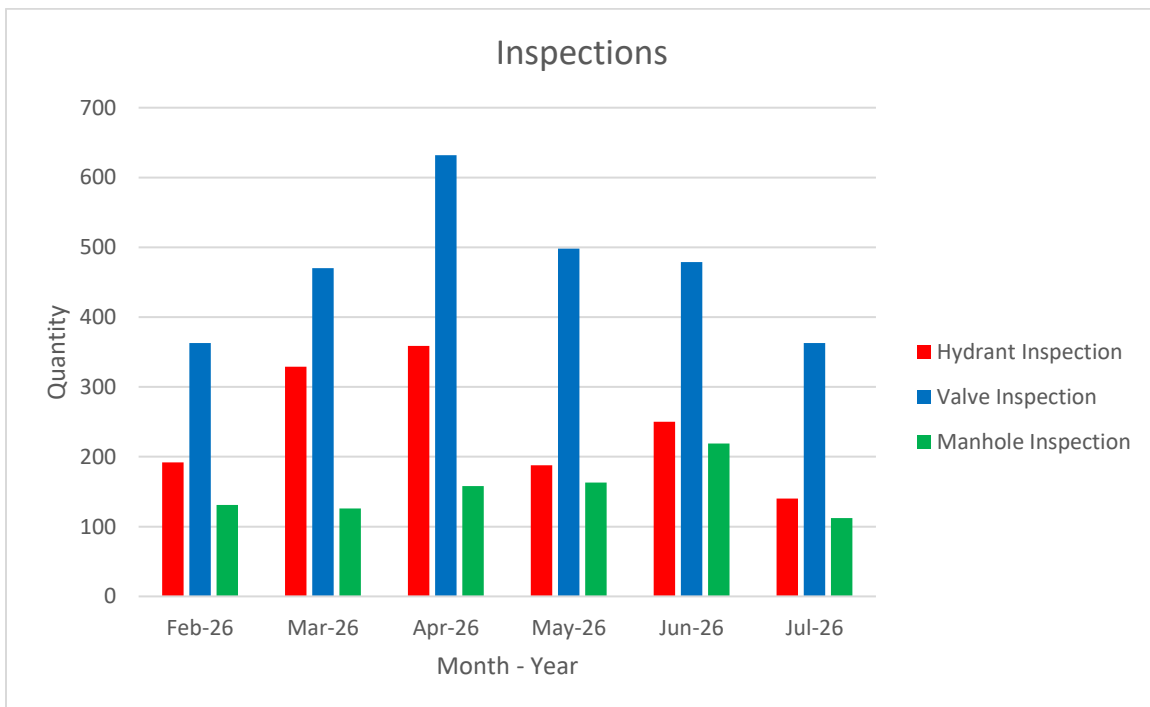
AGENDA ITEM EXECUTIVE SUMMARY

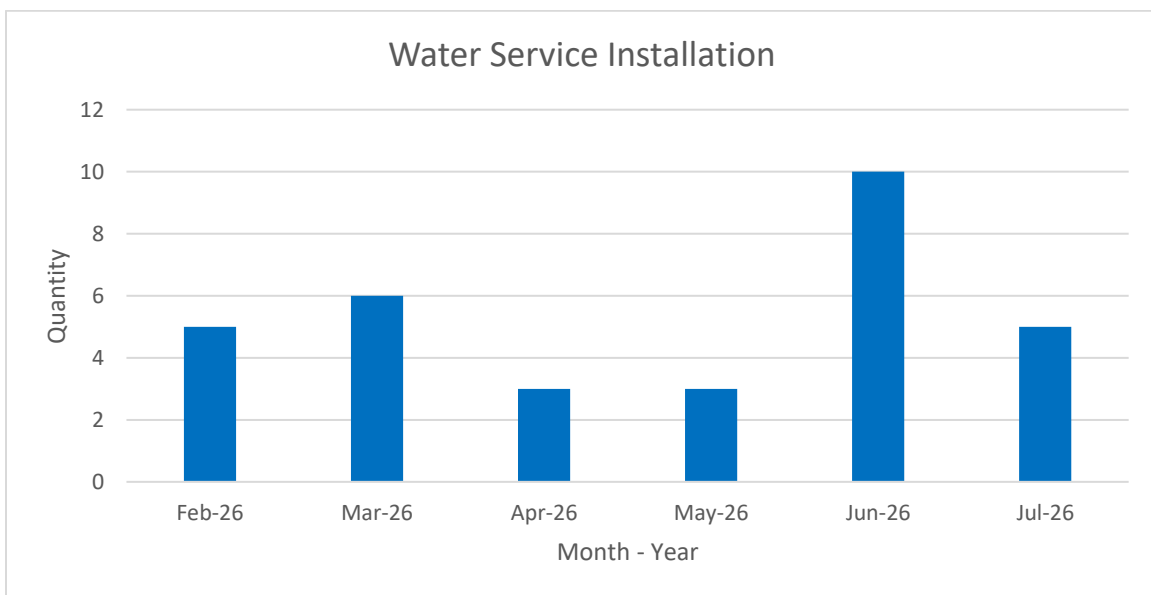
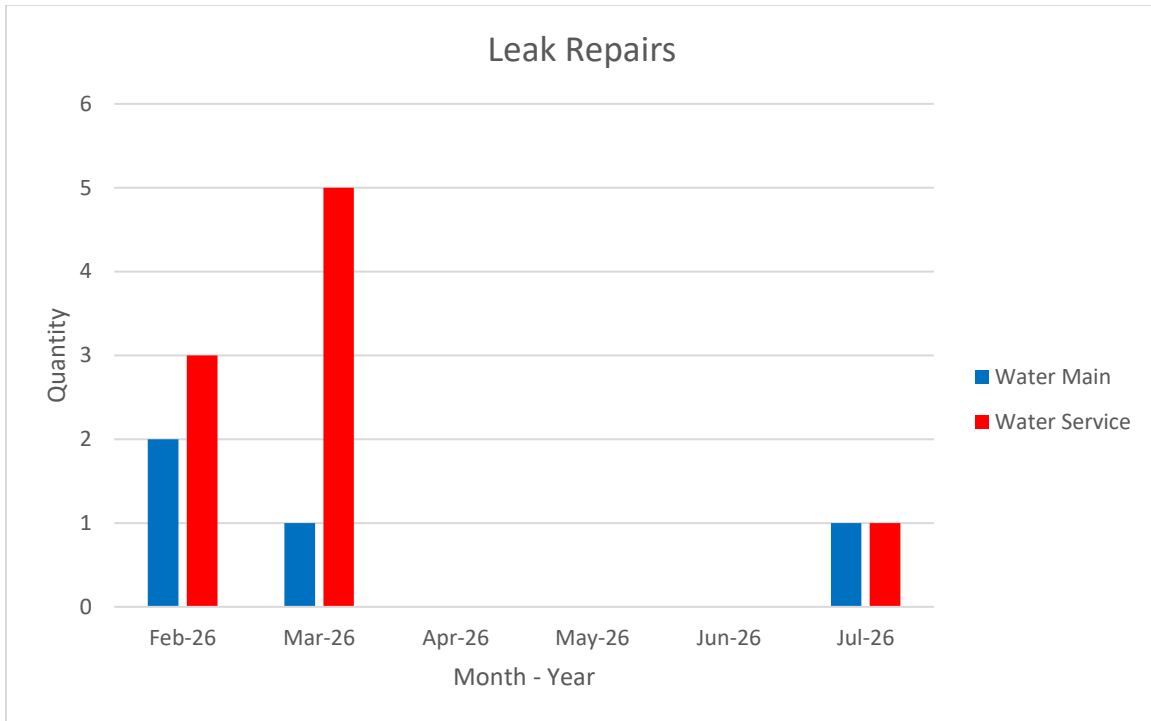
AGENDA TITLE: FY 2027 Monthly Maintenance Update Report STAFF CONTACT(S)/PREPARER: Alexander J. Morrison, P.E., Director of Operations	AGENDA DATE: August 20, 2026 CONSENT AGENDA: ACTION: ■ INFORMATION: ■ ATTACHMENTS: Yes
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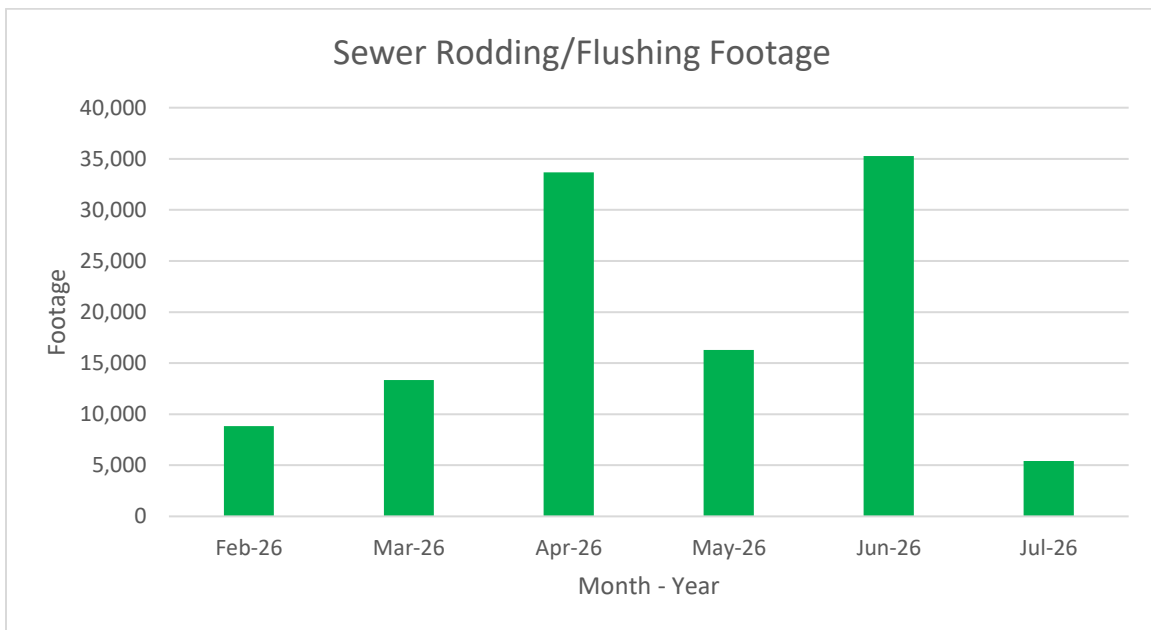
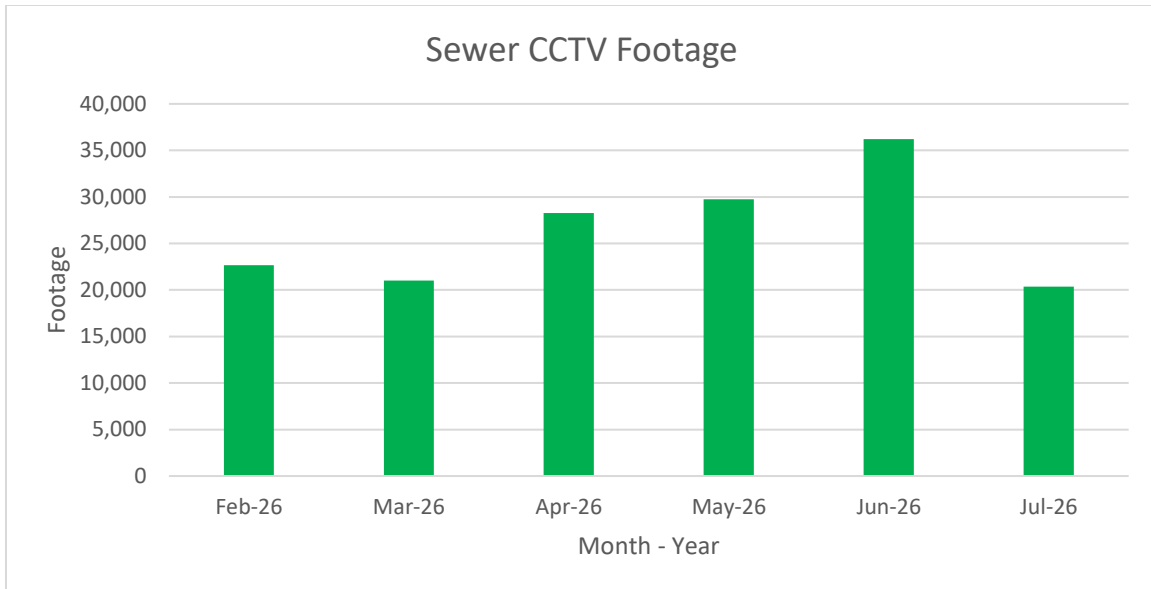
BACKGROUND:

Current total years of service in the Maintenance Department: 329.9 years
 Current average years of service in the Maintenance Department: 9.2 years
 Current number of employees in the Maintenance Department: 36

Below are 5 graphs depicting various monthly routine Maintenance Department activities for the previous 6-month period, based on completed Cityworks work orders and inspections.



ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY**

ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY**

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

DISCUSSION:

- Routine Monthly Maintenance Activities
 - Inspections: Valve and manhole inspections decreased in July, primarily due to multiple crews being redirected to Scottsville to investigate a system water loss identified through system monitoring. This investigation involved system walk-throughs, acoustic leak detection, system isolations, coordination with the RWSA water treatment group, and hydro-excavation. Additionally, 28 of the valve inspections were completed in conjunction with repaving activities to verify that valve boxes were properly positioned and that no adjustments or repairs would be needed following paving. Fire hydrant inspections also decreased due to continued summer weed-eating activities around hydrants to maintain visibility. Future reports will continue to include repair and replacement activities for valves, valve boxes, fire hydrants, and manhole frames and covers. This additional reporting helps illustrate the balance between routine inspections and repair work as part of our overall monthly maintenance activities. The repair/replacement activities for July were:
 - Repair Fire Hydrant: 5
 - Repair/Replace Water Valve Box: 9
 - Replace or Reset Manhole Frame and Cover: 9
 - Leak Repairs: One water service line leak was repaired in the Terrybrook Subdivision off Proffit Road. One water main leak was also repaired on Arborcrest Drive off Hydraulic Road. The water main leak was caused by a failed service saddle.
 - Water Service Installation: Five new water service installations were completed in July.
 - Sewer CCTV Footage: Sewer CCTV activity decreased slightly in July, with a total of 20,362 feet of sewer main inspected. This reduction was primarily due to multiple crews being involved in the Scottsville leak investigation.
 - Sewer Rodding/Flushing Footage: A total of 5,430 feet of sewer main was rodded or flushed in July. This was a significant decrease from previous months, largely because the flush truck was utilized for hydro-excavation during the Scottsville leak investigation, as seen in Attachment 1.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

- Facilities Inspections: In July, completed inspections are as follows:
 - 138 Generator Inspections
 - 332 Pump Inspections
 - 89 Sewer PS Inspections
 - 64 Water PS Inspections
 - 6 Fire System Inspections
 - 2 UST Inspections
- Miscellaneous Maintenance Activities
 - **Automatic Flagging Assistant Devices (AFAD):** ACSA purchased two Automatic Flagging Assistant Devices (AFADs) through a state contract to improve the safety and visibility of traffic control operations during both routine and emergency work. Attachment 2 shows the AFAD units purchased by ACSA. The devices allow a single employee, when positioned with visibility of both units, to remotely control the traffic signals using a radio controller from a safer location, eliminating the need for two employees to stand in front of oncoming traffic with handheld traffic-control signs. The AFADs also provide increased visibility to approaching motorists through the illuminated traffic signals, reflective signage, and mechanical arm. ACSA is coordinating with the supplier to provide on-site training for employees and will develop a Standard Operating Procedure (SOP) based on the training. The SOP will be placed with the equipment and on ACSA's SharePoint site for quick reference.
 - **Vermeer BC100XL Chipper:** ACSA purchased a Vermeer BC100XL tow-behind wood chipper through an Omnia Partners contract to replace an aging chipper that has exceeded its useful life. Attachment 3 shows the new Vermeer BC100XL, with the existing chipper visible in the background. The new chipper is capable of processing larger-diameter material, improving efficiency during easement clearing activities and reducing the volume of logs that must be hauled from work sites. The new equipment also incorporates updated safety features and operator controls, providing improved safety and usability for employees. The purchase will improve ACSA's ability to efficiently maintain easements while reducing the time and resources required to manage cleared materials.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

- **Urban Pressure Zone Leak Investigation – July 30, 2026:** At approximately 2:00 AM on July 30, 2026, the Rivanna Water and Sewer Authority (RWSA) notified ACSA of a significant increase in water demand in the Urban Pressure Zone that was causing their storage tanks to draw down. ACSA immediately reviewed its Supervisory Control and Data Acquisition (SCADA) System and identified depressed inlet pressures at multiple pump stations. Attachment 4 shows the Northfields Pump Station pressure data, including the initial pressure decline beginning at approximately 1:34 AM, which indicated the timing of the suspected main break. ACSA also reviewed its Advanced Metering Infrastructure (AMI) system and identified two active low-pressure alerts that had recently triggered at customer meters on Ricky Road and Commonwealth Court. Attachment 5 shows the pressure data from the Ricky Road meter from midnight through 8:00 AM, while Attachment 6 shows the same time period for a meter on Commonwealth Court. The greater pressure reduction recorded at the Ricky Road meter indicated that the meter was likely closer to the source of the leak.

Multiple ACSA and RWSA personnel responded to the field to investigate, while City dispatch was also notified and had crews working nearby on a service line repair. Using information from the SCADA and AMI systems, ACSA directed responding crews to focus their search in the area just south of Stonefield, narrowing the investigation area to approximately 5% of the Urban Pressure Zone. At approximately 5:00 AM, ACSA and RWSA personnel located the leak simultaneously. City personnel quickly arrived and the three agencies worked together to isolate the affected section. ACSA and RWSA remained available to assist with the repair as needed.

Following the event, ACSA, RWSA, and City personnel coordinated with the Virginia Department of Health (VDH) and determined that a boil water advisory was not necessary because system pressures were maintained and there was no evidence of a system-wide depressurization event. The City completed the repair, and the system subsequently returned to normal operation. This event demonstrated the value of ACSA's SCADA and AMI systems in identifying abnormal system conditions and rapidly narrowing the search area, as well as the effective coordination and collaboration among ACSA, RWSA, and City personnel during an overnight emergency response.

ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY**

BUDGET IMPACT: None.

RECOMMENDATIONS: None.

BOARD ACTION REQUESTED: Approval of the Consent Agenda.

ATTACHMENTS: Yes

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

ATTACHMENT 1: Scottsville Leak Investigation – Hydro Excavation



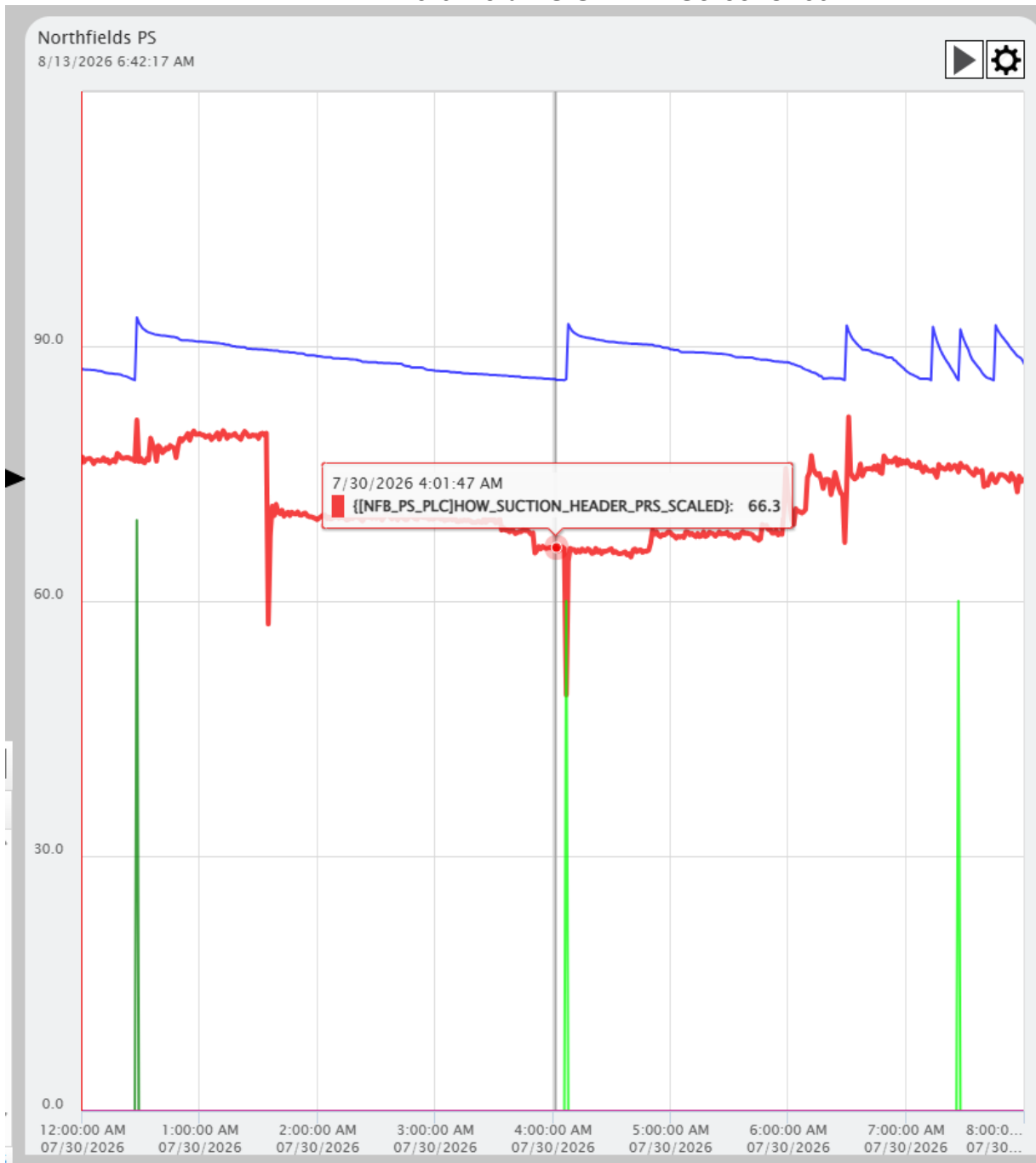
ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

ATTACHMENT 2: Automatic Flagging Assistant Devices



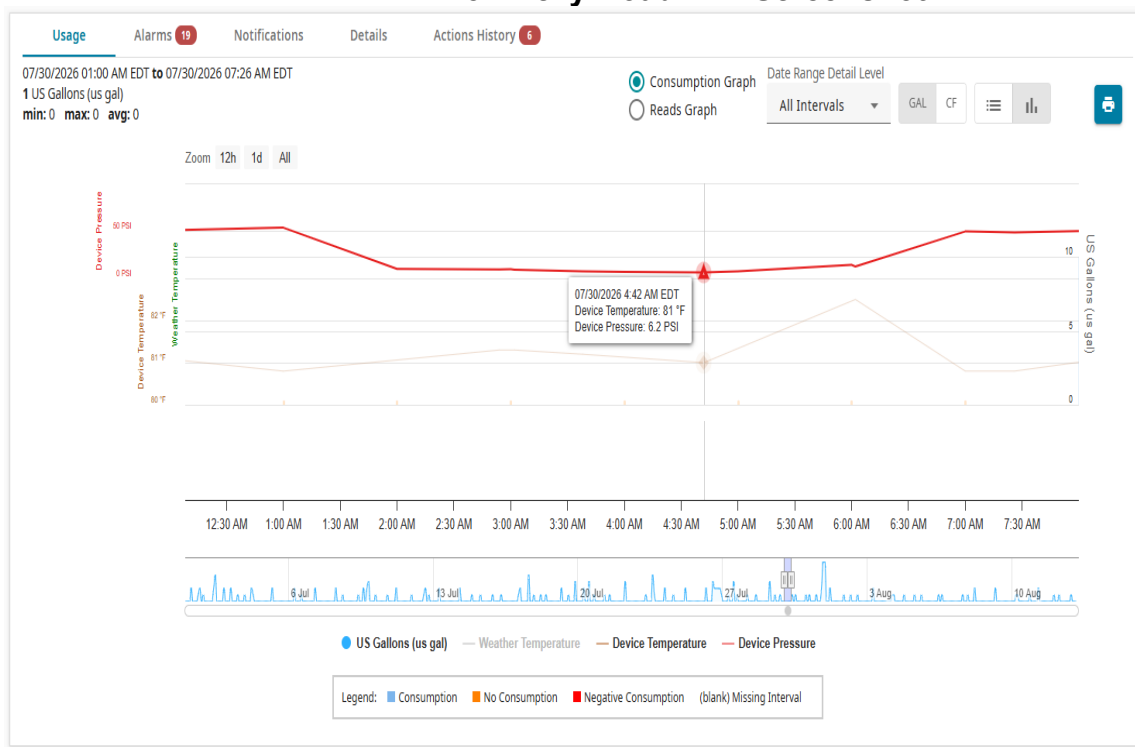
ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY****ATTACHMENT 3: Vermeer BC1000XL Tow Behind Chipper**

ALBEMARLE COUNTY SERVICE AUTHORITY**AGENDA ITEM EXECUTIVE SUMMARY****ATTACHMENT 4: Northfield PS SCADA Screenshot**

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

ATTACHMENT 5: Ricky Road AMI Screenshot



ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

ATTACHMENT 6: Commonwealth Court AMI Screenshot



ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Monthly Information Technology Department Update STAFF CONTACT(S)/PREPARER: April Walker, Director of Information Technology	AGENDA DATE: August 20, 2026 ACTION: ☐ INFORMATION: ☒ ATTACHMENTS: None
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Information Technology

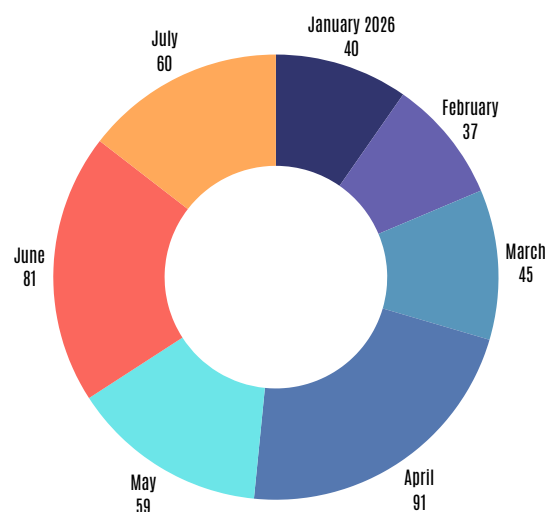
Background:

Our Systems Engineer, Jason Harlow and our Systems Analyst, Sabrina Seay, oversee all Information Technology operations. Their responsibilities include managing Help Desk tickets, coordinating employee onboarding and offboarding, and administering the intranet, website, servers, and software systems.

Last month, they:

- Resolved **60** Help Desk tickets
- Upgraded **1** computer
- Onboarded **1** new employee

2026 HELP DESK TICKET COMPARISON



I.T. DEPARTMENT'S MONTHLY ROUTINES

Digital & Physical Security

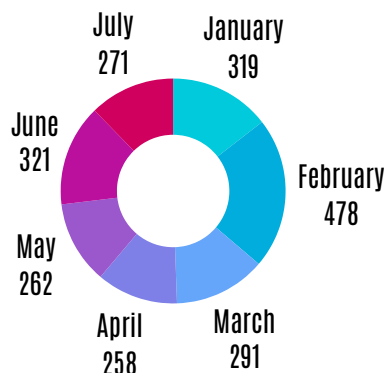
Background:

Our ISO/Systems Engineer, Solomon Wondimu, oversees all digital security, while our Information Technology Technician, Tron Henson, is responsible for physical security.

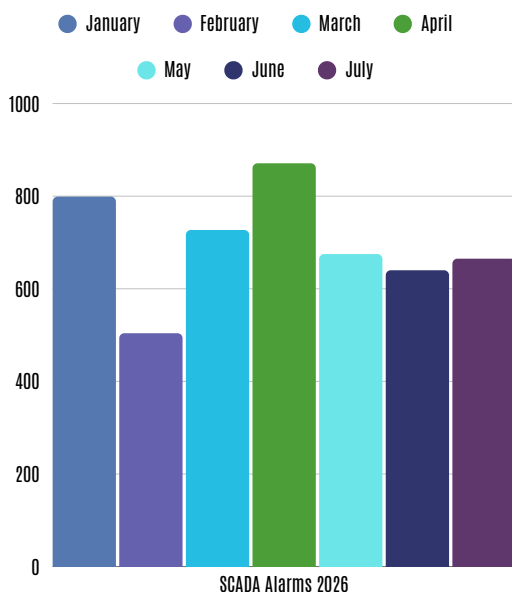
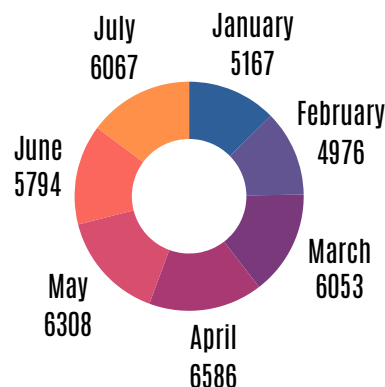
Last month, they:

- Investigated **271** physical security alerts at the Operations Center
- Investigated **6,067** physical security alerts at water storage tanks and pump stations.
- Investigated **425** modem alerts.
- Implemented **211** firewall pattern updates

OPERATIONS CENTER ALERTS 2026



PUMP STATIONS & TANKS ALERTS 2026



SCADA & AMI

Background:

Our SCADA system and AMI base stations are handled by our SCADA Technician, Eddie Glass.

Last month, he:

- Investigated **675** SCADA alarms.
- Investigated **14** AMI modem alerts
- Completed **1** SCADA Work Order.
- Completed **8** AMI Inspections.

I.T. DEPARTMENT'S MONTHLY ROUTINES

Geographic Information Systems (GIS)

Background:

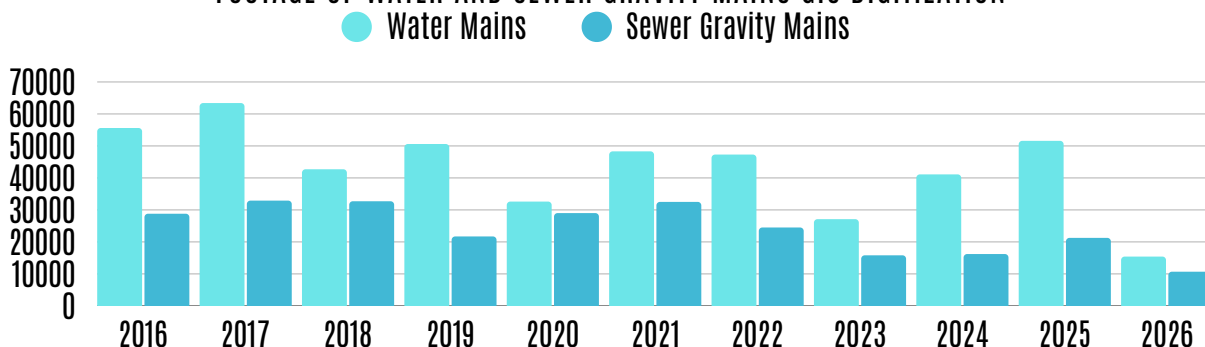
Our GIS operations are managed by GIS & CMMS Coordinator Justin Ray and GIS Technician Elise Kiewra. XY locates are handled primarily by IT Technician Tron Henson.

Last month, they:

- Digitized **387.4 ft** sewer lateral lines (Total 21,102 ft)
- Digitized **1,875 ft** sewer gravity mains (Total 1,762,551 ft)
- Digitized **3,042.5 ft** water mains (Total 2,077,786.8 ft)
- Digitized **2,693.1 ft** water service lines (Total 517,098.1 ft)
- Fulfilled **28** external map requests
- Completed **2** Update GIS work order
- Completed **17** UAS Flights
- GPS located **3** assets



FOOTAGE OF WATER AND SEWER GRAVITY MAINS GIS DIGITIZATION



Custom Reporting

Background:

Our Utility Data Analyst, Phillip Neill, is responsible for developing and maintaining custom reports that transform complex operational and customer data into clear, actionable insights.

Last month, he:

- Began preparing for our annual Cityworks review, to take place in August.
- Continued re-creating scheduled reports in SSRS format, including developing and testing several weekly reports for the Finance team.
- Conducted analyses of costs associated with water loss activities and work order labor hours by asset group.
- Updated the internal and external Punchlist reports based on feedback from the Engineering team.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

I.T. DEPARTMENT'S LARGE PROJECT PARTICIPATION



CLOUD MIGRATION

IN PROGRESS: We are currently finalizing an agreement with Timmons Group to assist with our Cloud Migration Project. We are excited to begin this important initiative and look forward to moving forward with the project soon.



AMI INFRASTRUCTURE INSPECTIONS

COMPLETE: Semi-annual preventative maintenance and inspections have been completed. Several batteries were identified for replacement and have been ordered. We also conducted drone inspections of the antennas and have budgeted for an additional monitoring device next fiscal year to provide ongoing monitoring and early issue detection.



AVON OPERATIONS CENTER- NETWORKING & SECURITY

IN PROGRESS: Interior cabling is approximately 98% complete. We have experienced a supply shortage for the wiring needed for the exterior cameras, gates, intercoms, and fueling station. While we await restocking, which is expected in late September, we are beginning camera installation. Both Ting and Comcast have installed their fiber lines to the building but have not yet completed the fiber termination.



SCADA COMMUNICATIONS

IN PROGRESS: T-Mobile continues to build out our private network. In the interim, we are negotiating a contract with a vendor to assist with upgrading all cellular modems supporting the SCADA system and to provide technical assistance with establishing the redundant network. This will help ensure reliable connectivity and provide additional resiliency for our SCADA communications.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY



CUSTOMER INFORMATION SYSTEM (CIS)

IN PROGRESS: While we continue to assist with the software setup and data migration, core team training sessions have also begun.



SECURITY SYSTEM UPGRADES- PUMP STATIONS

IN PROGRESS: This project is being completed as time allows when work on the Avon Operations Center is not underway. While awaiting the necessary wiring, we have been working on the Old Forge, Georgetown, and Glenmore Water Pump Stations. Additional equipment needed to complete these three stations has been ordered.



SCADA SYSTEM ASSESSMENT

IN PROGRESS: We are currently in discussions with a vendor to assist with upgrading the firmware at all 32 SCADA stations.



CELLULAR MIGRATION

IN PROGRESS: Due to ongoing network outages and signal loss, ACSA made the decision to migrate cellular carriers. We are currently transitioning more than 200 cellular devices to the new carrier. This includes replacing all cellular phones, porting iPads, and installing new SIM cards in cellular modems. We anticipate completing the migration by the end of the month.



PUMP SYSTEM UPGRADES- MADISON PARK PUMP STATION

IN PROGRESS: Integration of generator status and alarms into SCADA is underway. The program has been updated, but issues were identified with the inputs and outputs in programming. The generator and transfer switch have been installed, tested, and are fully operational.



I.T. SUPERVISOR RECRUITMENT

IN PROGRESS: We are actively recruiting for an I.T. Supervisor to join our team and help support our growing workload. Interviews are expected to be scheduled later this month.

ACKNOWLEDGEMENTS: We thank you for your continued support in our efforts.

BOARD ACTION REQUESTED: Informational

ATTACHMENTS: None

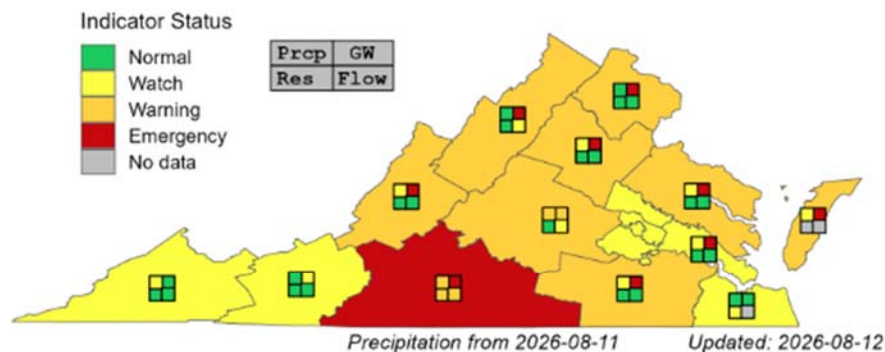
ACSA INFORMATION TECHNOLOGY DEPARTMENT
MONTHLY UPDATE

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Rivanna Water & Sewer Authority (RWSA) Monthly Update STAFF CONTACT(S)/PREPARER: Quin Lunsford, Executive Director	AGENDA DATE: August 20, 2026 CONSENT AGENDA: Informational ATTACHMENTS: No
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BACKGROUND: This report continues the monthly updates on the Rivanna Water & Sewer Authority (RWSA) projects, Board meetings, and follow-up items. Below are updates on RWSA major projects and issues, including updates from the RWSA July 28th Board packet.

- Drought and Water Supply Update:** The Virginia Drought Monitoring Task Force (DMTF) met on August 11th, to discuss the status of drought monitoring and hydrologic conditions in the Commonwealth. The most recent Drought Map is shown below. Drought indicator status for our region is illustrated below and reflects a “warning” status for precipitation and groundwater, “watch” status for stream flows, and a “normal” status for reservoirs. The RWSA, ACSA, and City continue to monitor reservoir levels, weather predictions, and streamflow data to utilize the hydrologic model and assist the regional drought committee in decisions related to localized assessment of drought stages and necessary conservation measures. Our collective systems remain in the “Drought Watch” status.



DAILY WATER STATUS REPORT

WATER DEPARTMENT

08/12/2026

<u>Reservoir</u>	<u>Full Capacity (MG)</u>	<u>Level</u>	<u>%Full</u>	<u>Rainfall#</u>	<u>Flow Release to River#</u>
South Rivanna	885	Full	100.00	0.02"	Spillway Overflow
Ragged Mountain	1440	-3.10'	88.63	0.00"	0.03 MGD
Sugar Hollow	340	-0.62'	96.89	0.02"	0.7 MGD
Beaver Creek	490	-1.75'	89.10	0.00"	N/A
Totier Creek	155	Full	100.00	0.00"	Spillway Overflow

AGENDA ITEM EXECUTIVE SUMMARY

- **Series 2026 Bond for Construction Funding and Refunding of the 2015B Series Bond:** The RWSA Board approved a resolution for the sale of up to \$260 M in Revenue Bonds to finance a portion (\$228.8 M) of the RWSA's recently approved FY 2027-2031 Capital Improvement Plan, and to refinance an existing 2015 Bond (\$31.2 M). This issuance increases the RWSA's annual debt service by \$12.6 M to \$33.5 M.

Summary (under construction):

RWSA Major Project Schedule	Construction Start Date	Construction Completion Date
Central Water Line, Phase 1	October 2025	December 2029
Red Hill Water Treatment Plant Upgrades	January 2025	June 2027
South Fork Rivanna River Crossing	December 2024	September 2027
RMR to OBWTP Raw Water Line & Pump Station	February 2025	June 2029
MC Building Upfits & Gravity Thickener Improvements	May 2025	May 2027
MC Structural & Concrete Rehabilitation	May 2025	May 2027
Crozet Pump Stations Rehabilitation	December 2025	July 2027
MC Administration Building Renovation & Addition	August 2025	December 2027
SVWRRF Permit Modification Upgrades	June 2026	June 2027
RMR Pool Raise	September 2025	December 2026
Sewer and Manhole Repairs, Phase 2	December 2025	June 2027
Crozet WTP GAC Expansion – Phase I	March 2026	May 2028
SVWRRF Generator Replacement	April 2026	June 2027
SRR to RMR Pipeline, Pump Station & Intake	March 2026	December 2030
Glenmore WRRF Upgrade, Phase 1	June 2026	August 2027
Stone Robinson WW Plant Repairs	July 2026	August 2026
SRWTP Dewatering Building Dumpster Platform	August 2026	December 2026
Sodium Hypochlorite Tank Replacement, OBWTP	September 2026	July 2027
MC UV Disinfection System Replacement	November 2026	June 2029
SRWTP – PAC System Upgrades	January 2027	June 2027

Design and Bidding

AGENDA ITEM EXECUTIVE SUMMARY

RWSA Major Project Schedule	Construction Start Date	Construction Completion Date
Airport Road Water Storage Tank and Pumps	March 2027	March 2029
SRWTP Floc Basin Equipment Replacement	October 2026	June 2027
Central Water Line, Phase 2	March 2027	December 2029
MC Pump Station Slide Gates, Valves, Bypass and Septage Receiving Upgrades	March 2027	December 2028
Beaver Creek Raw Water Pump Station, Intake & Piping	March 2027	December 2029
Beaver Creek Dam Spillway Modifications	January 2030	December 2032
Upper Schenks Branch Interceptor, Phase 2	2027	2029
Dam Concrete Steel Repairs	March 2027	May 2028
NR River Crossing and Piping	September 2027	December 2030
MC Blower Ventilation Replacement	June 2027	June 2028
Woodburn, Pantops & Observatory Water Tank Painting	March 2027	June 2030
SRWTP WW Connection	March 2028	June 2029
Albemarle Berkeley WWPS Replacement	September 2027	September 2029
Berkmar Drive Waterline	March 2028	March 2030
Emmet Street Waterline Betterment	April 2027	March 2030
Dam Public Safety Improvements	March 2027	December 2028
CZWTP Disinfection Improvements	June 2027	December 2028
Buck's Elbow Tank and Waterball Repairs and Painting	April 2027	December 2028
MC Securing Improvements, Front Gate	April 2028	December 2029
NRWTP Decommissioning	July 2029	June 2031
Urban Water Storage Tank Improvements	June 2028	December 2030
Powell Creek Interceptor Upgrade (PC 1-5)	TBD	TBD
Northern Area Pressure Zone	TBD	TBD

AGENDA ITEM EXECUTIVE SUMMARY

- **Central Water Line, Phase 1**

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Sagres Construction Corp. (Alexandria, VA)
Construction Start:	October 2025
Percent Complete:	25%
Completion:	December 2029
Budget:	\$58,000,000

Current Status: A second pipe crew began this month on Cherry Avenue to complete work in front of Charlottesville Middle School this summer. The first pipe crew is completing work in JPA and then will move to Tall Oaks Elementary to complete water line installation in that school zone this summer.

History: The hydraulic connectivity in the Urban System is less than desired, creating operational challenges and reduced system flexibility and redundancy. Recent efforts and modeling for the Urban Finished Water Infrastructure Master Plan have determined that a central water line corridor through the city is the best option to hydraulically connect the Observatory Water Treatment Plant to the Urban service area, including the ACSA water service area.

This proposed new Central Water Line builds on the ACSA investments in additional water supply at Ragged Mountain and at the newly expanded Observatory Water Treatment Plant. This new line will allow a connection from the water plant to the urban water service areas of ACSA.

- **Red Hill Water Treatment Plant Upgrades**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Anderson Construction (Lynchburg, VA)
Construction Start:	January 2025
Percent Complete:	50%
Completion:	June 2027
Budget:	\$2,050,000

Current Status: The GAC building has been delivered and constructed. The sidewalk and concrete pad around the building will be constructed next.

History: The Red Hill Water Treatment Plant was constructed in a joint effort by the ACSA and RWSA in 2009 and consists of a well, pneumatic tank and pump house that provides treated water to the Red Hill Elementary School and adjoining neighborhood. The current building is beyond its physical capacity and this project serves to expand the building and improve the configuration of the process and laboratory needs of the WTP.

AGENDA ITEM EXECUTIVE SUMMARY

- **South Fork Rivanna River Crossing**

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Faulconer (Charlottesville, VA)
Construction Start:	December 2024
Percent Complete:	70%
Completion:	September 2027
Budget:	\$6,550,000

Current Status: Faulconer Construction terminated its contract with the tunnel drilling subcontractor and is hiring a second subcontractor to complete the tunnel under the river. Horizontal Directional Drilling work is anticipated to start again in August/September 2026. A portion of Old Rio Mills Road will be closed for several more months during construction of the 24" water line.

History: RWSA has previously identified through master planning that a 24-inch water main will be needed from the South Rivanna Water Treatment Plant (SRWTP) to Hollymead Town Center to meet future water demands. Two segments of this water main were constructed as part of the VDOT Rt. 29 Solutions projects, including approximately 10,000 LF of 24-inch water main along Rt. 29 and 600 LF of 24-inch water main along the new Berkmar Drive Extension, behind Kohl's department store. To complete the connection between the SRWTP and the new 24-inch water main in Rt. 29, there is a need to construct a new river crossing at the South Fork Rivanna River. Acquisition of right-of-way will be required at the river crossing.

- **Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Water Line and Raw Water Pump Station**

Design Engineer:	Kimley-Horn
Design Contractor:	Thalle Construction (Hillsborough, NC)
Construction Start:	February 2025
Percent Complete:	40%
Completion:	June 2029
Current Project Estimate:	\$61,490,000

Current Status: Pipeline construction continues between Ragged Mountain Reservoir and the new pump station on Reservoir Road, as well as between the new pump station and Birdwood Golf Course on Foxhaven Farm. Masonry work continues for the exterior of the pump station. Installation of the raw water main under US-29 via jack and bore began but ran into very large boulders that impeded the work. Staff and the Contractor are working together to assess the geotechnical conditions and determine a path forward.

History: Raw water is currently transferred from the Ragged Mountain Reservoir (RMR) to the Observatory Water Treatment Plant by way of two 18-inch cast iron raw water lines, which have been in service for more than 110 and 70 years, respectively. The proposed water line will be able to reliably transfer water to the expanded

AGENDA ITEM EXECUTIVE SUMMARY

Observatory Plant, which, upon completion, will have the capacity to treat 10 mgd. The new single water line will be constructed of 36-inch ductile iron and will be approximately 14,000 feet in length.

The RMR to Observatory WTP raw water pump station will replace the existing Stadium Road and Royal Pump Stations, which have exceeded their design lives. The pump station will pump up to 10 mgd of raw water to the Observatory WTP. The integration of the new pump station with the planned South Rivanna Reservoir (SRR) to RMR Pipeline is being planned in the interest of improved operational and cost efficiencies and emergency redundancy. An integrated pump station would also include the capacity to transfer up to 16 mgd of raw water from RMR back to the SRR WTP.

- **MCAWRRF Building Upfits and Gravity Thickener Improvements**

Design Engineer:	Short Elliott Hendrickson (SEH)
Construction Contractor:	English Construction (Lynchburg, VA)
Construction Start:	May 2025
Project Status:	35%
Completion:	May 2027
Current Project Estimate:	\$11,800,000

Current Status: Framing and utility relocations continue in the Blower Building. In the Vehicle Maintenance Building, the walls are being framed, insulated, and drywalled for the new office spaces. Demolition for the new oil storage room is ongoing. Installation of the new sewer line is underway for the Maintenance buildings along with utility relocations for the new Chemical Building.

History: This project addresses the renovation needs of the current maintenance and operations building space requirements, improvements to the existing gravity thickener system, and installation of actuators on the secondary clarifier influent gate valves.

- **MC Structural and Concrete Rehabilitation**

Design Engineer:	Hazen and Sawyer (Hazen)
Construction Contractor:	WM Schlosser (Hyattsville, MD)
Construction Start:	May 2025
Project Status:	35%
Completion:	May 2027
Current Project Estimate:	\$15,500,000

Current Status: Work on the North Maintenance Shed is complete and media blasting of the steel on the South Maintenance Shed has begun. Concrete work in the equalization basins is nearly complete and work to clean out the holding ponds began this month. Primary Clarifier #1 repairs will begin in August. The refurbished sweep arm drive and motor are scheduled to be delivered the first week of August.

AGENDA ITEM EXECUTIVE SUMMARY

History: This project comprises rehabilitation, repair and installation of multiple structural components throughout the MCAWRRF facility, to include concrete repairs in both the equalization basin and holding ponds, and rehabilitation to other components of the system.

- **Crozet Pump Stations Rehabilitation**

Design Engineer:	Wiley Wilson
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	December 2025
Percent Complete:	15%
Completion:	July 2027
Budget:	\$12,350,000

Current Status: In Pump Station No. 2, most of the electrical work has been completed, bypass pumping has been installed and tested, and renovations are underway.

History: The Crozet pump stations were originally constructed in the 1980's with many of the original components still being utilized. This project includes replacement of pumps, valves, roof replacements, siding replacements, installation of new wells, new electrical motor control centers, generators, and power transfer switches.

- **MC Administration Building Renovation and Addition**

Design Engineer:	SEH
Construction Contractor:	Martin Horn (Charlottesville, VA)
Construction Start:	August 2025
Percent Complete:	35%
Completion:	December 2027
Budget:	\$29,600,000

Current Status: Structural steel framing is underway. HVAC duct work has started in the addition on the first floor and sanitary plumbing installation is underway on the third floor. Replacement of the exterior walls on the existing building is underway.

History: Through the MCAWRRF Master Plan, a need to house additional staff, increase office and meeting space; plan for replacement of the engineering trailers; bring the IT server workrooms to modern standards; and provide classroom space for education outreach. The expansion of the building will take place in the lower parking lot adjacent to the existing building.

AGENDA ITEM EXECUTIVE SUMMARY

- **SVWRRF Permit Modification Upgrades**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Orders Construction Company
Construction Start:	June 2026
Percent Complete:	5%
Completion:	June 2027
Budget:	\$1,015,000

Current Status: A pre-construction meeting was completed in June. Contractor has begun sending their submittals for the project. They are scheduled to receive equipment and mobilize to the site in December.

- **Ragged Mountain Reservoir Pool Raise**

Design Engineer:	Schnabel Engineering
Construction Contractor:	Faulconer Construction (Charlottesville, VA)
Construction Start:	September 2025
Percent Complete:	75%
Completion:	December 2026
Current Project Estimate:	\$13,300,000

Current Status: Tree felling was completed ahead of the March 31st deadline as required by restrictions associated with the Northern Long-Eared Bat. Clean-up efforts for the fallen trees will continue through the summer. Construction of the expanded blanket drain system in the right abutment of the dam resumed in July.

- **Sewer and Manhole Repairs, Phase 2**

Design Engineer:	CHA Consulting, Inc.
Construction Contractor:	Vortex Services, LLC (Chesapeake, VA)
Construction Start:	December 2025
Percent Complete:	80%
Completion:	June 2027
Budget:	\$2,185,000

Current Status: Pipeline rehabilitation along the Woodbrook Interceptor continues. Rehabilitation along a portion of the Morey Creek Interceptor near Canterbury Road will begin in August.

AGENDA ITEM EXECUTIVE SUMMARY

- **Crozet WTP GAC Expansion, Phase I**

Design Engineer:	SEH
Construction Contractor:	English Construction Company (Lynchburg, VA)
Construction Start:	March 2026
Percent Complete:	30%
Completion:	May 2028
Budget:	\$12,165,000

Current Status: Excavations for the new clearwell and GAC building foundation are underway.

History: To enhance the RWSA's resiliency and commitment to long term finished water quality, the Authority has committed to expanding the GAC capacity at the Crozet WTP to match the current plant capacity. This project includes expansion of the existing GAC building, additional GAC vessels, pumps, piping, and electrical components.

- **Scottsville Water Resource Recovery Facility Generator Replacement**

Design Engineer:	Wiley Wilson
Construction Contractor:	Carrick Contracting Corporation (Williamsburg, VA)
Construction Start:	April 2026
Percent Complete:	40%
Completion:	June 2027
Budget:	\$1,360,000

Current Status: Work continues on the new electrical ductbank connecting the wastewater plant and pump station. The concrete pad for the new generator was completed this month.

- **South Rivanna Reservoir to Ragged Mountain Reservoir Pipeline, Intake and Facilities**

Design Engineer:	Kimley Horn
Construction Contractor:	Garney Construction (Fairfax, VA)
Construction Start:	March 2026
Percent Completed:	20%
Completion:	December 2030
Budget:	\$107,000,000

Current Status: Pipeline installation in Woodburn Road is underway. A second crew began pipe installation in Colthurst Drive in July. Construction of the foundation for the new Permanganate Building at SRWTP continues.

AGENDA ITEM EXECUTIVE SUMMARY

History: The approved 50-year Community Water Supply Plan includes the construction of a new raw water pipeline from the South Rivanna River to the Ragged Mountain Reservoir. This new pipeline will replace the Upper Sugar Hollow Pipeline along an alternative alignment to increase raw water transfer capacity in the Urban Water System. The project includes a detailed routing study and water line design to account for recent and proposed development and road projects in Albemarle County and the University of Virginia. Preliminary design, preparation of easement documents, and acquisition of water line easements along the approved route is also being completed as part of this project that will lead to final design and construction of the raw water line, reservoir intake and pump station.

- **Glenmore WRRF Upgrade Phase 1**

Design Engineer:	SHE
Construction Contractor:	Maverick Construction, LLC (Grasonville, MD)
Construction Start:	June 2026
Percent Complete:	25%
Completion:	August 2027
Budget:	\$1,800,000

Current Status: Piping for the blower modifications has been completed. Relocation of utilities will be completed next.

- **Stone Robinson WW Plant Repairs**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	July 2026
Percent Complete:	25%
Completion:	August 2026
Budget:	\$276,540

Current Status: Project includes steel repairs and coating for the wastewater package plant serving Stone Robinson Elementary School. Tanks have been drained and cleaned. Welding will be completed and the tanks restored by mid-August.

AGENDA ITEM EXECUTIVE SUMMARY

- **SRWTP Dewatering Building Dumpster Platform**

Design Engineer:	RWSA Engineering
Construction Contractor:	RWSA Maintenance
Construction Start:	August 2026
Percent Complete:	0%
Completion:	December 2026
Budget:	\$25,000

Current Status: Sealed drawings from the platform manufacturer have been submitted and are under review by the County to obtain a building permit. Installation of the platform will be completed by RWSA maintenance staff.

- **OBWTP Sodium Hypochlorite Tanks Replacement**

Design Engineer:	Short Elliott Hendrickson (SEH)
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	September 2026
Percent Complete:	5%
Completion:	July 2027
Budget:	\$293,000

Current Status: Two hypochlorite tanks have been ordered with delivery expected by the end of July.

- **MC UV Disinfection System Replacement**

Design Engineer:	RWSA Engineering
Construction Contractor:	RWSA Maintenance
Construction Start:	November 2026
Percent Complete:	0%
Completion:	June 2029
Budget:	\$1.98

Current Status: Project includes replacement of 8 ultraviolet disinfection light banks at MC which have reached the end of their useful service life. Staff will replace them over the next 3 fiscal years. Staff are obtaining manufacturer pricing and equipment lead times for the first set of UV banks.

AGENDA ITEM EXECUTIVE SUMMARY

- **SRWTP – PAC System Replacement**

Design Engineer:	SEH
Construction Contractor:	Waco, Inc (Sandston, VA)
Construction Start:	January 2027
Percent Complete:	5%
Completion:	June 2027
Budget:	\$1.82 M

Current Status: Submittals for the powdered activated carbon tank are being processed and materials are being ordered. Based on the anticipated lead time for the PAC feed system, onsite mobilization is anticipated in January 2027. The PAC silo is scheduled to be delivered in December 2026.

Design and Bidding

- **Airport Road Water Storage Tanks and Pumps**

Design Engineer:	SEH
Project Start:	December 2025
Project Status:	PER, Permitting and 30% Design
Construction Start:	March 2027
Completion:	March 2029
Budget:	\$7,200,000

Current Status: Coordinating permits with Albemarle County staff for one ground-level water storage tank. Architectural Review Board approved the tank design. Completed geotechnical investigations. Preparing design documents and coordinating VDH Construction permit.

- **SRWTP Floc Basin Equipment Replacement**

Design Engineer:	SEH
Project Start:	July 2025
Project Status:	90% Design
Construction Start:	December 2026
Completion:	June 2028
Budget:	\$2.9 M

Current Status: Final design documents are under review by staff. Plan to advertise for construction bids in August.

AGENDA ITEM EXECUTIVE SUMMARY

- **Central Water Line, Phase 2**

Design Engineer:	Michael Baker International (Baker)
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	March 2027
Completion:	December 2029
Budget:	\$21,000,000

Current Status: Site plan revisions will be submitted to the City. Army Corps of Engineers nationwide permit for the ACSA water line creek crossings was submitted in early July. Easements on two City parcels will be requested from City Council.

History: The hydraulic connectivity in the Urban System is less than desired, creating operational challenges and reduced system flexibility and redundancy. Recent efforts and modeling for the Urban Finished Water Infrastructure Master Plan have determined that a central water line corridor through the city is the best option to hydraulically connect the Observatory Water Treatment Plant to the Urban service area, including the ACSA water service area.

This proposed new Central Water Line builds on the ACSA investments in additional water supply at Ragged Mountain and at the newly expanded Observatory Water Treatment Plant. This new line will allow a connection from the water plant to the urban water service areas of the ACSA.

- **MC Pump Station Slide Gates, Valves, Bypass, and Septage Receiving Upgrades**

Design Engineer:	Hazen and Sawyer (Hazen)
Project Start:	June 2023
Project Status:	100% Design
Construction Start:	March 2027
Completion:	May 2028
Budget:	\$10,200,000

Current Status: Design documents have been completed. Acquisition of a small parcel outside the MC fence line is needed for construction. Negotiations are underway.

History: Inspections of the large aluminum slide gates at the influent side of the Moores Creek Pump Station have been conducted and the need for repair/addition of new gates for RWSA staff to have the flexibility to stop or divert flow to perform maintenance activities is needed. This project will also enclose the leachate discharge pit to reduce odors and address maintenance concerns.

AGENDA ITEM EXECUTIVE SUMMARY

- **Beaver Creek Raw Water Pump Station, Intake, and Piping Improvements**

Design Engineer:	Hazen & Sawyer
Project Start:	February 2018
Project Status:	100% Design
Construction Start:	March 2027
Completion:	December 2029
Budget:	\$39,000,000

Current Status: Final plans and specifications have been completed and are ready for advertisement in September. Discussions with the County are underway regarding a lease for the Pump Station property. Easement acquisitions for the raw water main to convey water from the pump station to the Crozet WTP are complete with a “friendly” condemnation of one section approved by the RWSA Board. An archeological survey of easement areas near a church is underway.

- **Beaver Creek Dam Spillway Modifications**

Design Engineer:	Schnabel Engineering
Project Start:	February 2018
Project Status:	80% Design
Construction Start:	January 2030
Completion:	December 2032
Budget:	\$33,500,000

Current Status: Final design of the dam spillway upgrades is ongoing, with efforts focusing on primary spillway riser modifications to meet new seismic criteria, and changes to the spillway bridge design based on feedback from VDOT. A significant (\$20 M) construction grant from the NRCS is anticipated. This project will begin when the new pump station has been completed.

History: RWSA operates the Beaver Creek dam and reservoir as the sole raw water supply for the Crozet area. In 2011, an analysis of the Dam Breach inundation areas and changes to Virginia Department of Conservation and Recreation (DCR) *Impounding Structures Regulations* prompted a change in hazard classification of the dam from significant to high hazard. This change in hazard classification requires that the capacity of the spillway be increased, and a new spillway (labyrinth) be installed in the middle of the existing dam. This CIP project includes investigation, preliminary design, public outreach, permitting, easement acquisition, final design, and construction of the anticipated modifications. Work for this project includes a new relocated raw water pump station and intake.

AGENDA ITEM EXECUTIVE SUMMARY

- **Upper Schenks Branch Interceptor, Phase 2**

Design Engineer:	CHA Consulting
Project Start:	July 2021
Project Status:	Design
Construction Start:	2027
Completion:	2029
Budget:	\$7.1 million for RWSA section; \$11 – \$15 million including City section

Current Status: Meetings with the County and City are ongoing to finalize the piping alignment.

History: The Schenks Branch Interceptor is located in the eastern part of the City of Charlottesville and was constructed in the mid-1950s. The existing interceptor is undersized to serve present and future wet weather flows and is to be upgraded to from a 21-inch to 30-inch pipe.

- **Dam Concrete and Steel Repairs**

Design Engineer:	GAI Consultants
Project Start:	January 2025
Project Status:	100% Design
Construction Start:	March 2027
Completion:	May 2028
Budget:	\$2,820,000

Current Status: Final Design Drawings are being completed for bid advertisement.

- **North Rivanna River Crossing and Piping**

Design Engineer:	Kimley-Horn
Project Start:	December 2025
Project Status:	Preliminary Engineering Review
Construction Start:	September 2027
Completion:	December 2030
Budget:	\$16,400,000

Current Status: Completed survey and utility designations. Began detailed layout for river crossing. Conducted permitting and design coordination meetings with VDOT. Developing conceptual layout for pipeline route. Wetland delineation is proceeding. Completing final modeling to determine pipe diameter and total length determinations.

AGENDA ITEM EXECUTIVE SUMMARY

- **MC Blower Building Ventilation Replacement**

Design Engineer:	Hazen
Project Start:	October 2025
Project Status:	PER
Construction Start:	June 2027
Completion:	June 2028
Budget:	\$1.13 M

Current Status: Hazen has received data on the existing blowers and will provide a preliminary engineering report on the necessary replacements.

- **Woodburn, Pantops, and Observatory Water Tank Painting**

Design Engineer:	Whitman Requardt & Associates, LLP (WRA)
Project Start:	July 2026
Project Status:	PER
Construction Start:	March 2027
Completion:	June 2030
Budget:	\$6.12 M

Current Status: Staff are negotiating a Service Authorization with WRA for design, bidding, and construction phase services. One tank will be rehabilitated per year to avoid concurrent shutdowns and adverse impacts on the water distribution system.

- **SRWTP WW Connection**

Design Engineer:	HDR
Project Start:	July 2026
Project Status:	PER
Construction Start:	March 2028
Completion:	June 2029
Budget:	\$1.1 M

Current Status: Project includes construction of a small-diameter sanitary sewer main that will allow disposal of residual sludge from the treatment process into the sanitary sewer in lieu of utilizing the belt press and hauling sludge off site. A Service Authorization with HDR is currently being negotiated by staff.

- **Albemarle Berkeley WWPS Replacement**

Design Engineer:	Wiley Wilson
Project Start:	July 2026
Project Status:	PER
Construction Start:	September 2027
Completion:	September 2029
Budget:	\$1.33 M

AGENDA ITEM EXECUTIVE SUMMARY

Current Status: Preliminary engineering is underway to replace the 1970s-vintage wastewater pump station. Relocation of the station may be required in collaboration with the ACPS Lambs Lane Master Plan.

- **Berkmar Drive Waterline Betterment**

Design Engineer:	Kimley-Horn
Project Start:	August 2024
Project Status:	70% Design
Construction Start:	March 2028
Completion:	March 2030
Budget:	\$1.76 M

Current Status: VDOT is acquiring right-of-way for the roadway extension and will advertise for bids in 2028. RWSA waterlines will be completed concurrently with the roadway project. RWSA is requesting VDOT to install two waterlines north of the Airport Road Pump Station based on Northern Area Modeling and the future potential for dual pressure zones north of Airport Road.

- **Emmet Street Waterline Betterment**

Design Engineer:	Whitman, Requardt & Associates, LLP (RWSA) Clark Nexsen (City)
Project Start:	2019
Project Status:	90% Design
Construction Start:	April 2027
Completion:	March 2030
Budget:	\$7.4 M

Current Status: WRA is completing design of a water main that will be installed as part of the City's Emmet Streetscape project. Permitting efforts with VDH and CSX Railroad are underway. The City's design engineer for the Emmet Streetscape project is incorporating the water main plans into the project documents for advertisement in 2026.

- **Dam Public Safety Improvements**

Design Engineer:	Hazen
Project Start:	July 2025
Project Status:	PER
Construction Start:	March 2027
Completion:	December 2028
Budget:	\$3.85 M

Current Status: Project includes sirens, signage, boat barriers, and other public safety features at Sugar Hollow, South Rivanna, and Ragged Mtn reservoir dams.

AGENDA ITEM EXECUTIVE SUMMARY

- **CZWTP Disinfection Improvements**

Design Engineer:	SHE
Project Start:	July 2025
Project Status:	30% Design
Construction Start:	June 2027
Completion:	December 2028
Budget:	\$1 M

Current Status: Design for two UV disinfection units is underway.

- **Buck's Elbow Tank and Waterball Repairs and Painting**

Design Engineer:	Whitman, Requardt & Associates, LLP
Project Start:	July 2026
Project Status:	PER
Construction Start:	April 2027
Completion:	December 2028
Budget:	\$1.99 M

Current Status: A Service Authorization is being negotiated with Whitman, Requardt & Associates.

- **MC Security Improvements - Front Gate**

Design Engineer:	Hazen
Project Start:	2021
Project Status:	99% Design
Construction Start:	April 2028
Completion:	December 2029
Budget:	\$0.72 M

Current Status: Project includes additional security gates, card access, and other security features at the entrance of MC to prevent unauthorized traffic from entering the facility. Design for this work is complete, and work will begin once the current construction projects at MC are completed due to the number of contractors that are passing through the existing gates daily.

AGENDA ITEM EXECUTIVE SUMMARY

- **North Rivanna Water Treatment Plant Decommissioning**

Design Engineer:	SEH
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	July 2029
Completion:	June 2031
Budget:	\$3.5 M

Current Status: Demolition plans for the North Rivanna WTP are 90% complete with further design on hold pending completion of northern area projects. Design for removal of the North Rivanna low head dam is underway with grant funds anticipated from the US Fish and Wildlife Service to offset these design costs.

- **Urban Water Storage Tank Improvements**

Design Engineer:	SEH
Project Start:	July 2026
Project Status:	Preliminary Design
Construction Start:	June 2028
Completion:	December 2030
Budget:	\$5.5 M

Current Status: Project will evaluate RWSA's finished water storage capacity to determine where additional tanks may be needed to improve operations. Construction of up to two water tanks is included in this project.

- **Powell Creek Interceptor Upgrade (PC 1- 5)**

Design Engineer:	Hazen
Project Start:	December 2025
Project Status:	PER
Construction Start:	TBD
Completion:	TBD
Budget:	\$16.4 M

Current Status: Developing scope of work to replace this sewer pipe.

- **Northern Area Pressure Zone**

Design Engineer:	TBD
Project Start:	TBD
Project Status:	TBD
Construction Start:	June 2028
Completion:	December 2031
Budget:	\$8 M

AGENDA ITEM EXECUTIVE SUMMARY

Planning and Studies

- **Crozet Drinking Water Infrastructure Plan Update**

Design Engineer:	Hazen
Project Start:	September 2025
Project Status:	Underway
Completion:	December 2026
Budget:	\$450,000

Current Status: The Crozet Area Demand Forecast report is complete. The full Drinking Water Infrastructure Plan Update Report is anticipated by October.

- **Flood Protection Resiliency Study**

Design Engineer:	Hazen
Project Start:	August 2024
Project Status:	Preliminary Engineering Study
Completion:	June 2026
Budget:	\$278,500

Current Status: This project will identify individualized flood mitigation measures for various facilities to increase their resiliency from a 1% (100-year) to a 0.2% (500-year) flooding event and is initially focusing on facilities located at Moores Creek. Hazen completed the draft report that details and recommends methods of floodproofing. This project received \$198,930 in grant funding from FEMA and VDEM.

ACSA Board Future Policy Issues Agendas 2026-2027

123

Regular 3rd Thursday Monthly Meetings

Sept. '26	Oct. '26	Nov. '26	Dec. '26	Jan. '27	Feb '27	March '27	April '27	May '27	Pending Issues
September 17th	October 15th	November 19th	December 17th	January 21st	February 18th	March 18th	April 15th	May 20th	ACSA Customer Communications
Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	CIS - Customer Information Systems - Billing, Website, Phone
Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Climate Change and Sustainability
Chamber-2-Chamber Chapel Hill/ACSA and OWASA Peer-to-Peer Recap	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Customer Experience (CX)
Imagine a Day Without Water Resolution (<i>Annual Item</i>)		Annual Comprehensive Financial Report (ACFR) Presentation (<i>Annual Item</i>)	Annual Investments Report (<i>Annual Item</i>)	Board Organizational Meeting - Election of Officers (<i>Annual Item</i>)		Proposed CIP Presentation (<i>Annual Item</i>)	Proposed FY '28 Capital Improvements Program Presentation (<i>Annual Item</i>)	Proposed FY '28 Budget and Rates Workshop (<i>Annual Item</i>)	Data Management and Management Dashboards
Strategic Plan Update - (Bi-annual Item)			FY '28 Budget Guidelines and Schedule (<i>Annual Item</i>)	Annual Water Conservation Report (<i>Annual Item</i>)		Fix a Leak Week Water Conservation Event (<i>Annual Item</i>)	Proposed FY '28 Capital Improvements Program Public Hearing (<i>Annual Item</i>)		Emergency Preparedness
			ACSA Board of Directors Meeting Schedule - 2027 (<i>Annual Item</i>)	2026 Annual Report - Accomplishments and Challenges (<i>Annual Item</i>)			Proposed FY '28 Budget and Rates Overview (<i>Annual Item</i>)		Federal/State Water Quality Regulations PFAS; Emerging Contaminants
			Holiday Schedule - 2027 (<i>Annual Item</i>)				Resolution Scheduling Budget and Rates Public Hearing for June 17, 2027 (<i>Annual Item</i>)		Operational Presentation - Sewer Rehabilitation Relining
									Purchasing Policy Manual
									RWSA CIP Central Water Line - Reservoirs Pipeline North Rivanna System Wastewater Projects
									Water Audit
									Water Supply Plan Project Status Reports

PHYSICAL AND DIGITAL SECURITY

*PROTECTING WHAT
MATTERS*

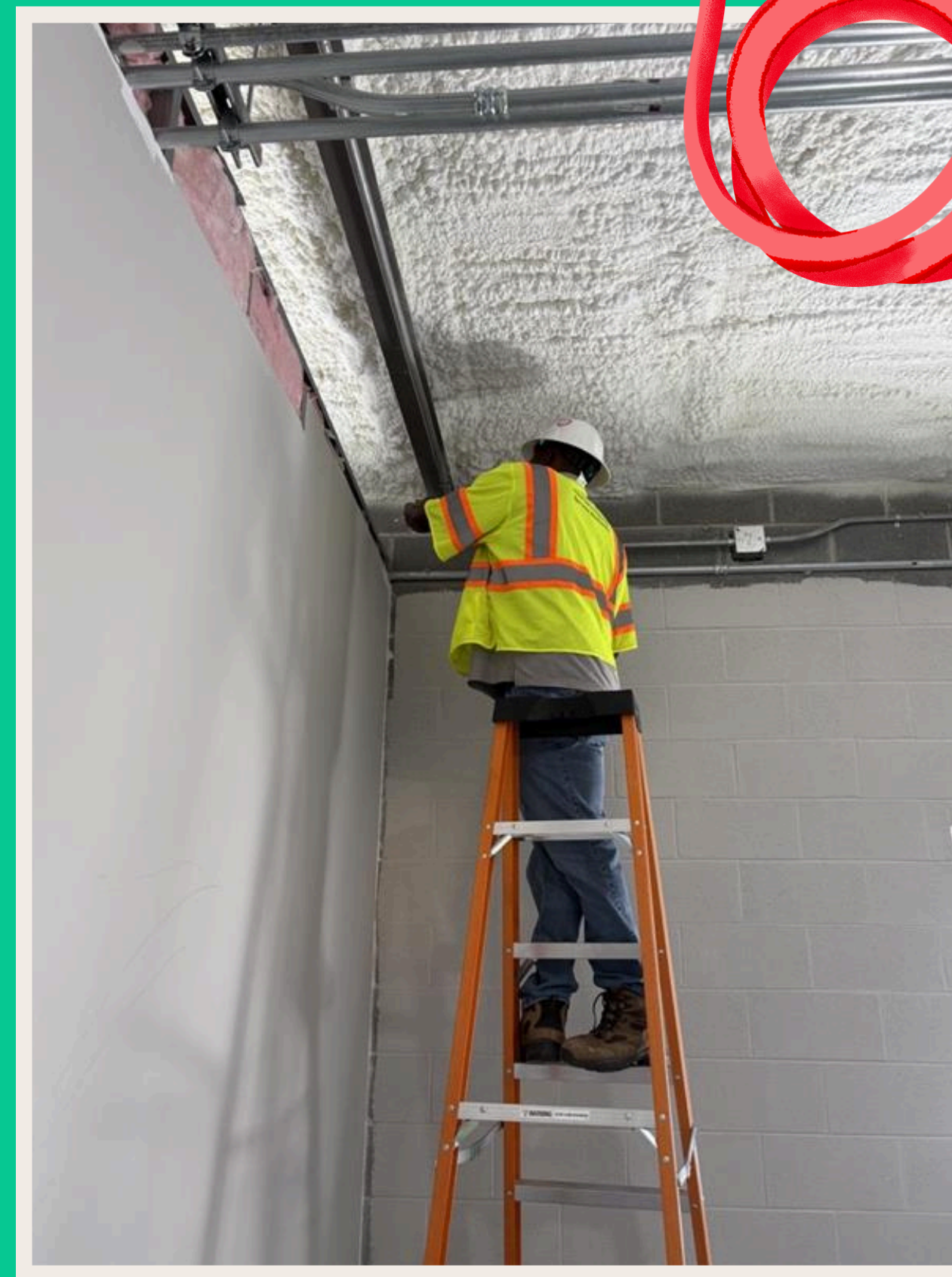
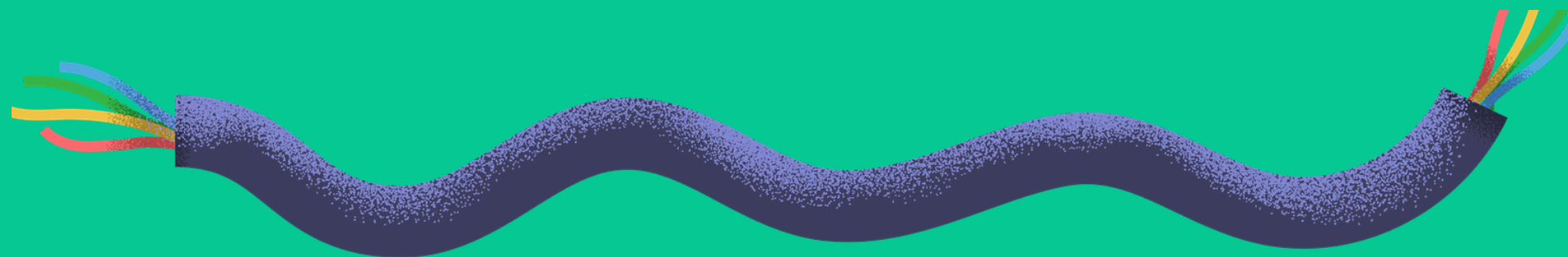
AUGUST 2026



PHYSICAL SECURITY: PROTECTING YOUR SPACE

We have a lot to guard and we take our job seriously.

Tron Henson, our IT Technician, is responsible for managing the ACSA's physical security systems. His responsibilities include the installation, maintenance, administration, and ongoing monitoring of all physical security equipment, including access control and video surveillance systems.



PHYSICAL SECURITY MEASURES



Tron currently manages and monitors 215 physical security devices across the ACSA.

29
Access
Control



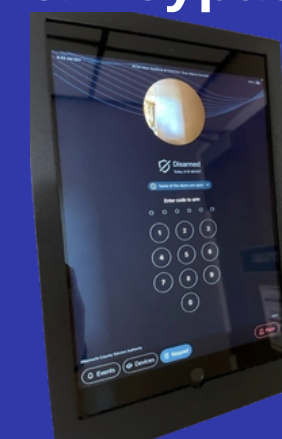
117
Surveillance
Cameras



53
Hubs & Sensors



9
Alarm Panels
& Keypads



7
Panic Buttons





95%

OF OUR ALARMS ARE FALSE

Most Common False Alarms include:

Employees forgetting to disarm the building prior to entry

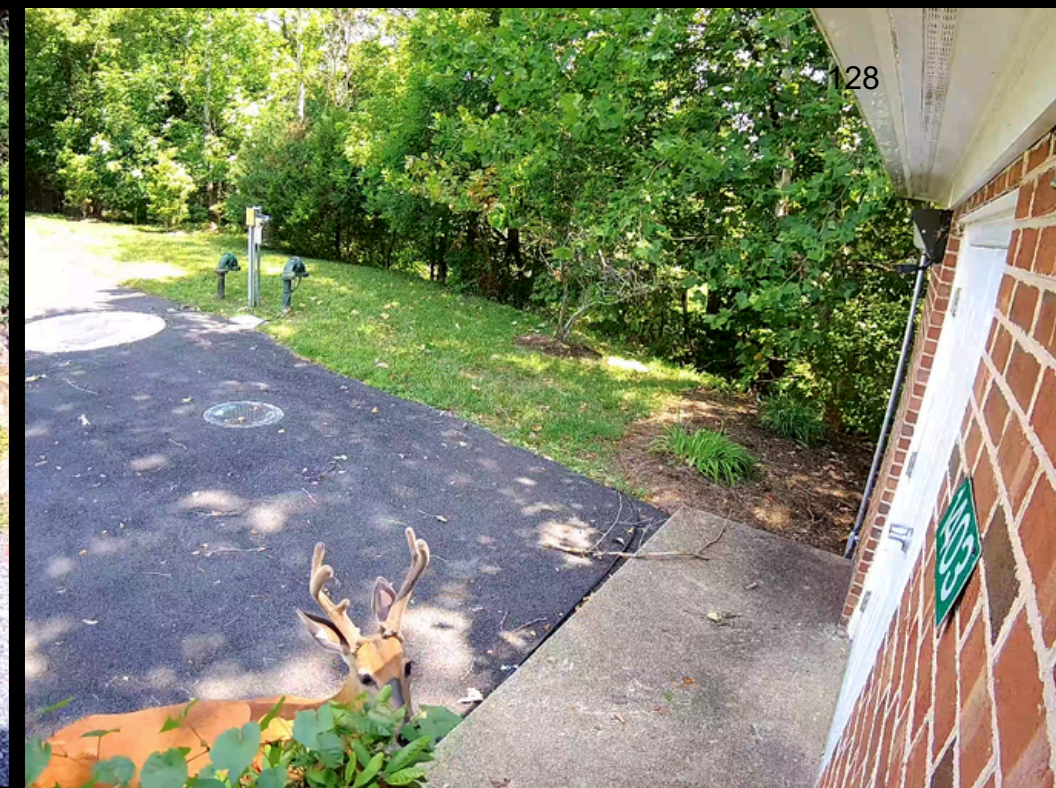
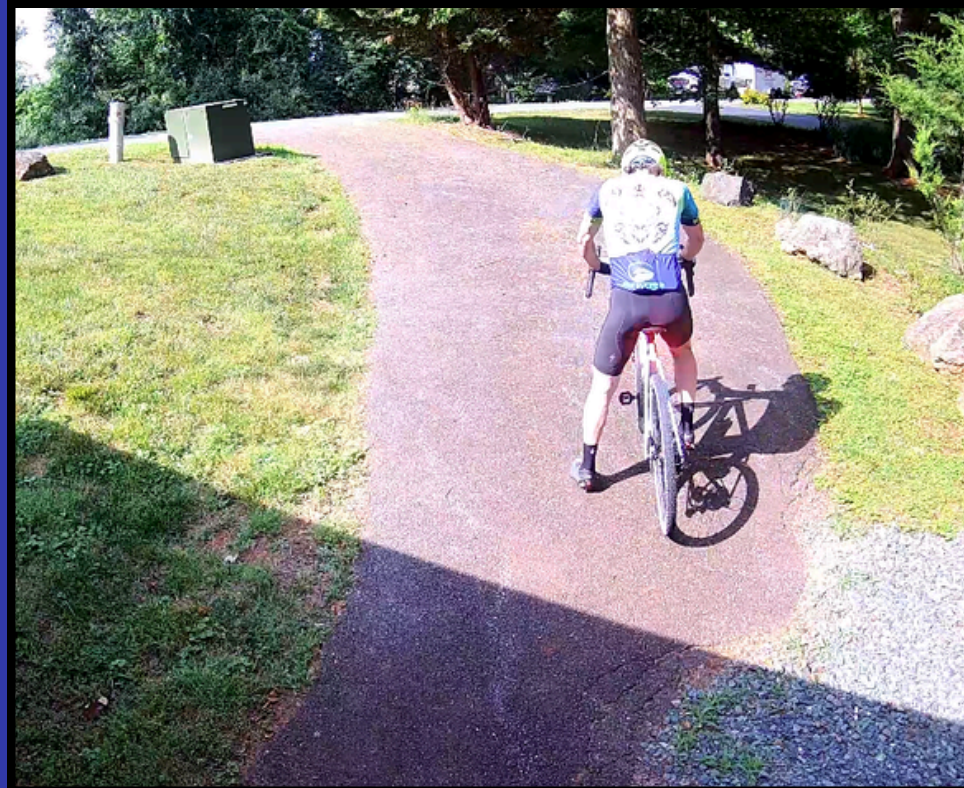
Animals or pests

Public Recreation

A vendor/contractor onsite

Doors being held open

Vehicles





THE OTHER 5%

Our system allows us to provide law enforcement with login credentials to access relevant footage, or we can send archived video directly. We have done this on several occasions.

CURRENT & UPCOMING PROJECTS

130

Avon Operations Center- In Progress



Tron is currently leading the installation of the network infrastructure and all physical security systems for the new Avon Operations Center, which is expected to add approximately 100 additional devices. The network wiring is almost complete and then we will work on the exterior work.



Pump Station Access Control- In Progress

Tron continues to expand access control and video surveillance at our pump stations, a project anticipated to add approximately 60 more devices to the environment by the end of the fiscal year. Of the 18 pump stations, 7 have been completed, 2 are in progress.



Cell Modem Upgrades- Upcoming

In this fiscal year, Tron will be replacing all aged cell modems and switches in the pump stations and upgrading them.

DIGITAL SECURITY: PROTECTING YOUR DATA

Solomon Wondimu, our ISO Systems Engineer, is responsible for designing, implementing, and maintaining our digital security. He plays a critical role in ensuring that the ACSA's technology infrastructure remains secure, resilient, and capable of supporting current operational needs while preparing for future growth and advancement.



DIGITAL SECURITY MEASURES



Network Security

Firewalls, intrusion detection systems, and VPNs protect network infrastructure from unauthorized access and cyber threats.

Data Encryption

End-to-end encryption ensures sensitive data remains unreadable to unauthorized parties during storage and transmission.

Multi-Factor Authentication

MFA adds critical layers of verification, requiring multiple credentials to confirm user identity and prevent breaches.

Monitoring & Proactive Investigation

Proactively investigate alerts related to compromised end points, suspicious activity, or unauthorized privilege escalation.

CURRENT & UPCOMING PROJECTS

133

Cloud Migration- In Progress



I.T. is migrating the Domain Controllers and multiple on-premises servers to a cloud-based infrastructure to improve reliability and disaster recovery capabilities. The project also includes strengthening security, and reducing infrastructure maintenance costs.

Cybersecurity Assessment- Upcoming



Cybersecurity best practices state any significant changes to an organization's network infrastructure should be followed by a comprehensive cybersecurity assessment and penetration test. Conducting these assessments helps identify any new vulnerabilities and validates that security controls are functioning as intended.

M365 Security Implementation- Upcoming



Solomon is migrating us to Microsoft 365 Security this year. This will provide us with a unified, cloud-based security platform that enhances our ability to detect, prevent, and respond to cyber threats.

Effective monitoring correlates with fewer breaches, shorter incident response times, and reduced financial impact.

The next few slides show some of the reports that Solomon monitors.

The following two reports are generated by one of our monitoring software. The report acts as a threat hunting and alert prioritization list for security analysis. While these events don't automatically mean a breach has occurred the combination of logon failures and first-time processes/remote access usually flags systems that require attention.

Unusual Activities Summary by Type



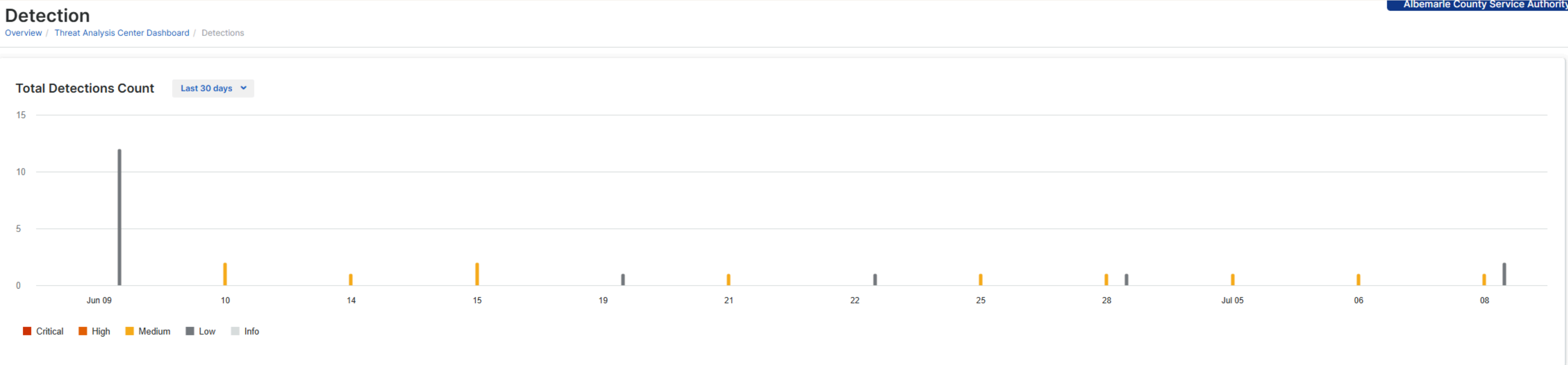
Q* Advanced Search

1-6 of 6

ACTIVITY TYPE	ACTIVITY COUNT ▼
Unusual Activity -Logon Failure Count (Based on Host)	31
First Time -Process on Server	20
Unusual Activity -Logon Time on Host	15
Unusual Activity -Logon Failure Count (Based on User)	5
Unusual Activity -Logon Time (Based on User)	4
First Time -Remote Access on Host	1

USER NAME	SID	DOMAIN NAME	UNUSUAL ACTIVITY HOUR	TIME GENERATED	GENERAL START TIME	GENERAL END TIME	ACTIVITY TYPE	MESSAGE
	S-1-5-21-583907252-1614895754-1801674531-1181		10-11 PM	Jun 29,2026 10:06:00 PM	5 AM	6 PM	Unusual Activity - Logon Time (Based on User)	Logon activity was done by NT AUTHORITY\SYSTEM within 10-11 PM which deviates from user's normal Logon activity hours:5 AM-6 PM. Anomaly category:Unusual Activity -Logon Time (Based on User)
	S-1-5-21-583907252-1614895754-1801674531-1225		9-10 PM	Jun 29,2026 09:18:11 PM	1 AM	6 PM	Unusual Activity - Logon Time (Based on User)	Logon activity was done by NT AUTHORITY\SYSTEM within 9-10 PM which deviates from user's normal Logon activity hours:1 AM-6 PM. Anomaly category:Unusual Activity -Logon Time (Based on User)
	S-1-5-21-583907252-1614895754-1801674531-7746		7-8 PM	Jun 29,2026 07:45:15 PM	7 AM	5 PM	Unusual Activity - Logon Time (Based on User)	Logon activity was done by NT AUTHORITY\SYSTEM within 7-8 PM which deviates from user's normal Logon activity hours:7 AM-5 PM. Anomaly category:Unusual Activity -Logon Time (Based on User)
	S-1-5-21-583907252-1614895754-1801674531-9679		5-6 PM	Jun 29,2026 05:02:27 PM	8 PM	5 PM	Unusual Activity - Logon Time (Based on User)	Logon activity was done by NT AUTHORITY\SYSTEM within 5-6 PM which deviates from user's normal Logon activity hours:8 PM-5 PM. Anomaly category:Unusual Activity -Logon Time (Based on User)

The following chart displays the Total Detections Count over time (broken down by severity levels) in our firewall dashboard.



·**Malicious Threats (Malware & Attacks)**

- Known malicious files identified via signature matches
- Exploit attempts targeting system vulnerabilities or active adversary activity.
- Ransomware / CryptoGuard: Actions detected by Sophos Intercept X blocking unauthorized file encryption attempts or MBR (Master Boot Record) modification.
- C2 / Malicious Traffic (MTR): Detections triggered when a device attempts to communicate with a known Command & Control server over the network.

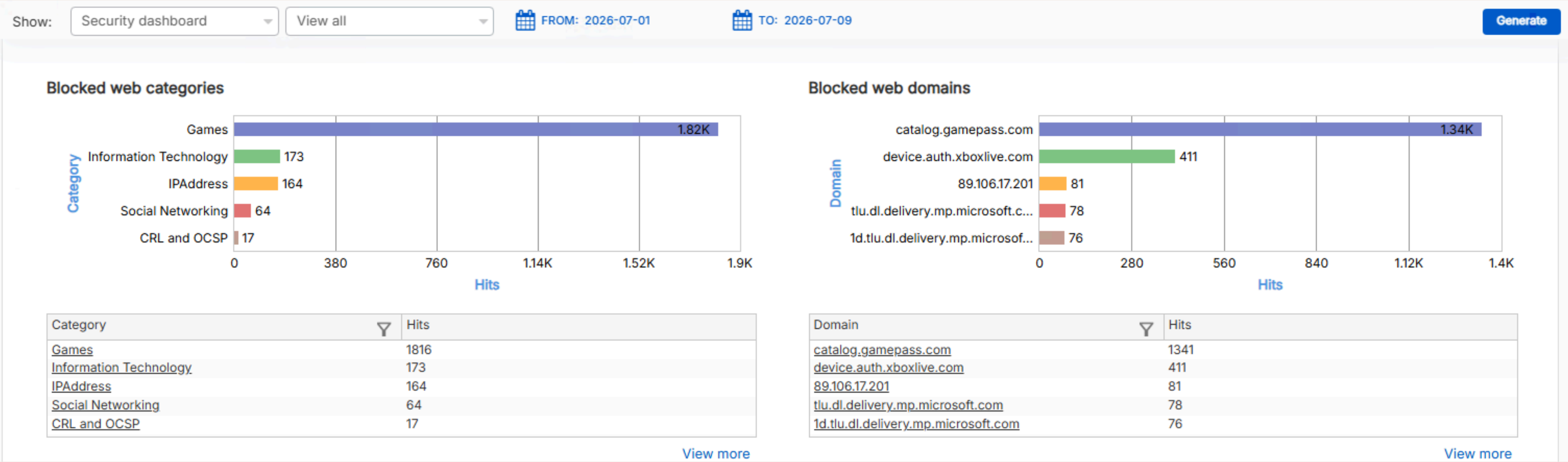
Suspicious & Behavioral Detections

- SUS / (Suspicious): Files displaying suspicious characteristics or code structure.
- Detections generated by behavioral evaluation (Host Intrusion Prevention System) or deep-learning models pointing to unknown potential threats.

Policy & Unwanted Applications

- PUA / Adware: Potentially Unwanted Applications
- Controlled Application: Legitimate programs that are blocked according to your organization’s Application Control policy.

The following Security Dashboard report from our Firewall showing web filtering activity for the period of one week.



This image displays a weekly Network Performance / Traffic Report from our firewall tracking usage between July 28th to Aug 3rd



User & device insights

Security Heartbeat®



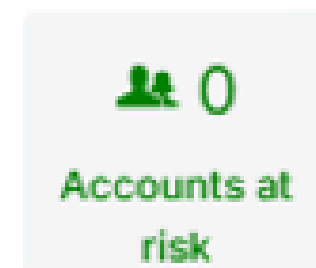
Synchronized Application Control™



Zero-day protection



UTQ

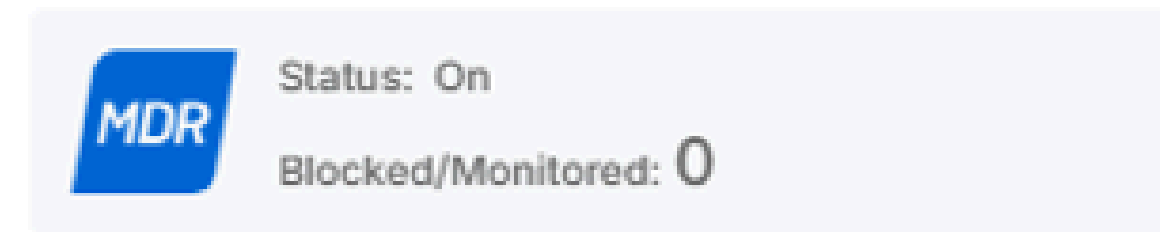


SSL/TLS connections



Active threat response

MDR threat feeds



NDR Essentials



Sophos X-Ops



Third-party threat feeds

Threat feeds	Sync status	Blocked/Monitored
No records found		

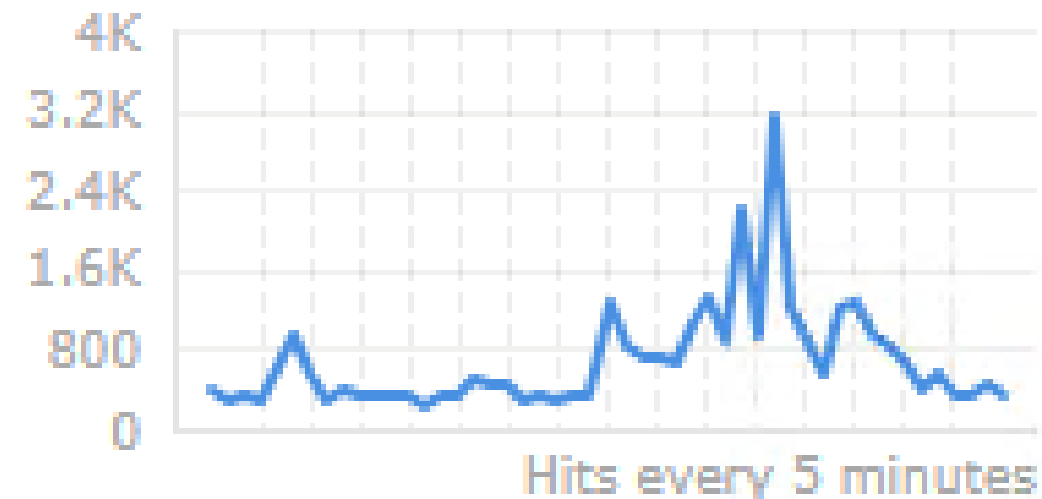
This report is a Control Center summary dashboard from our Firewall. It provides a real-time overview of your network's health, device status, and threat response activity.

This image shows the Traffic Insight dashboard from our Firewall Control Center. It provides real-time and 24-hour summary statistics on network bandwidth usage, web traffic, and blocked/allowed application categories.

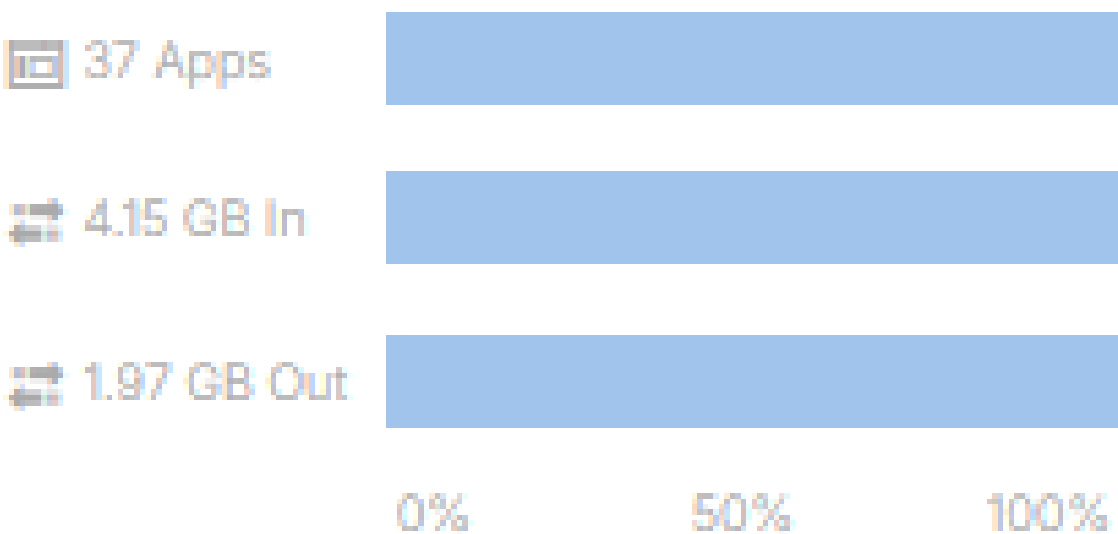
Traffic insight

141

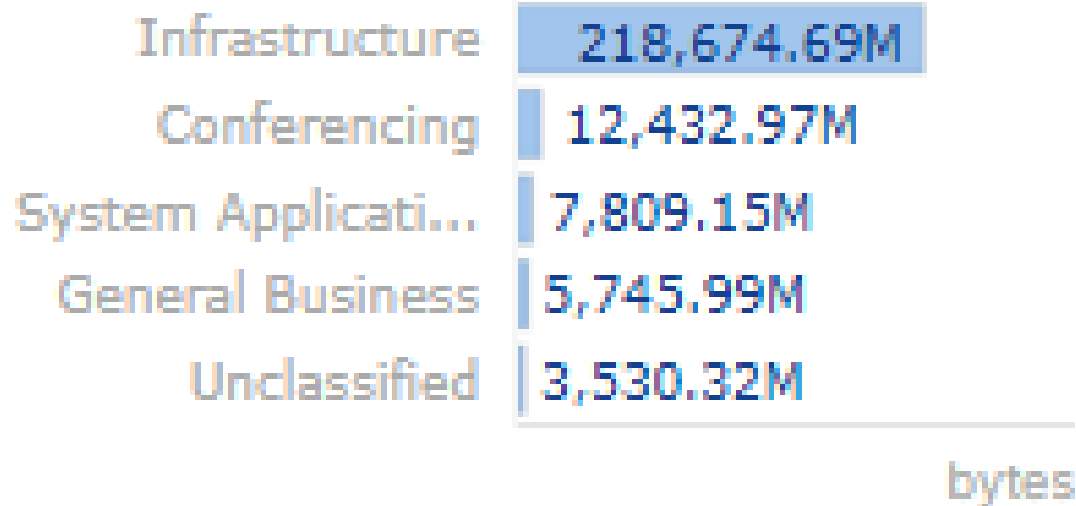
Web activity 3150 max | 667 avg



Cloud applications



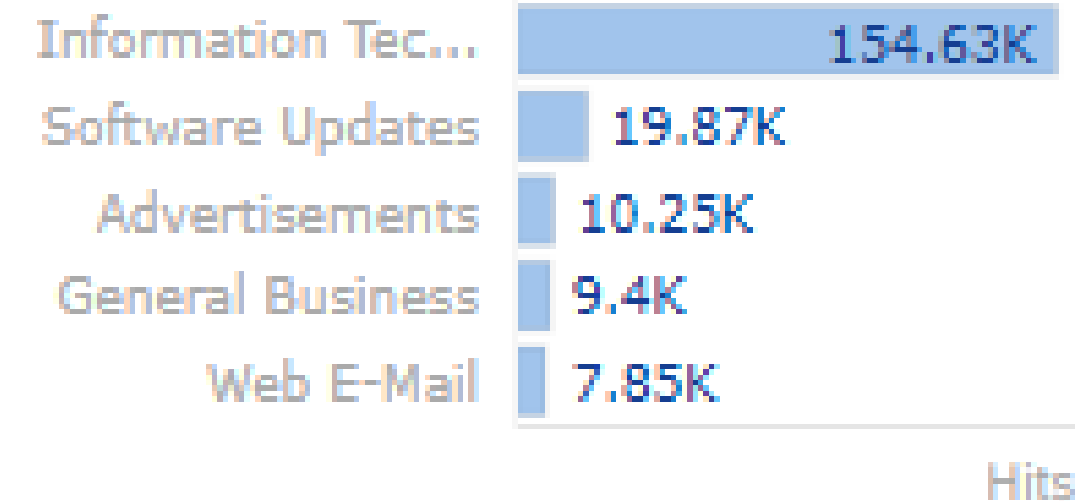
Allowed app categories



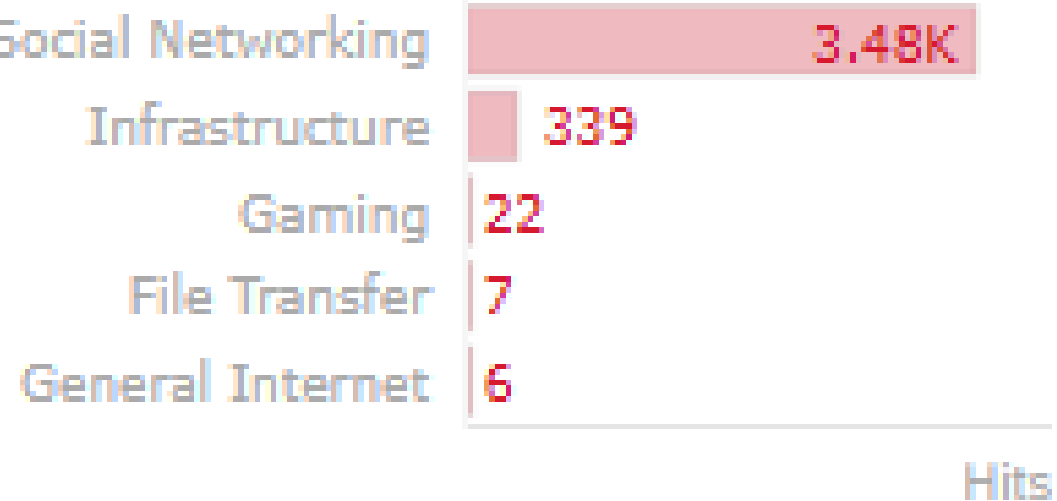
Network attacks



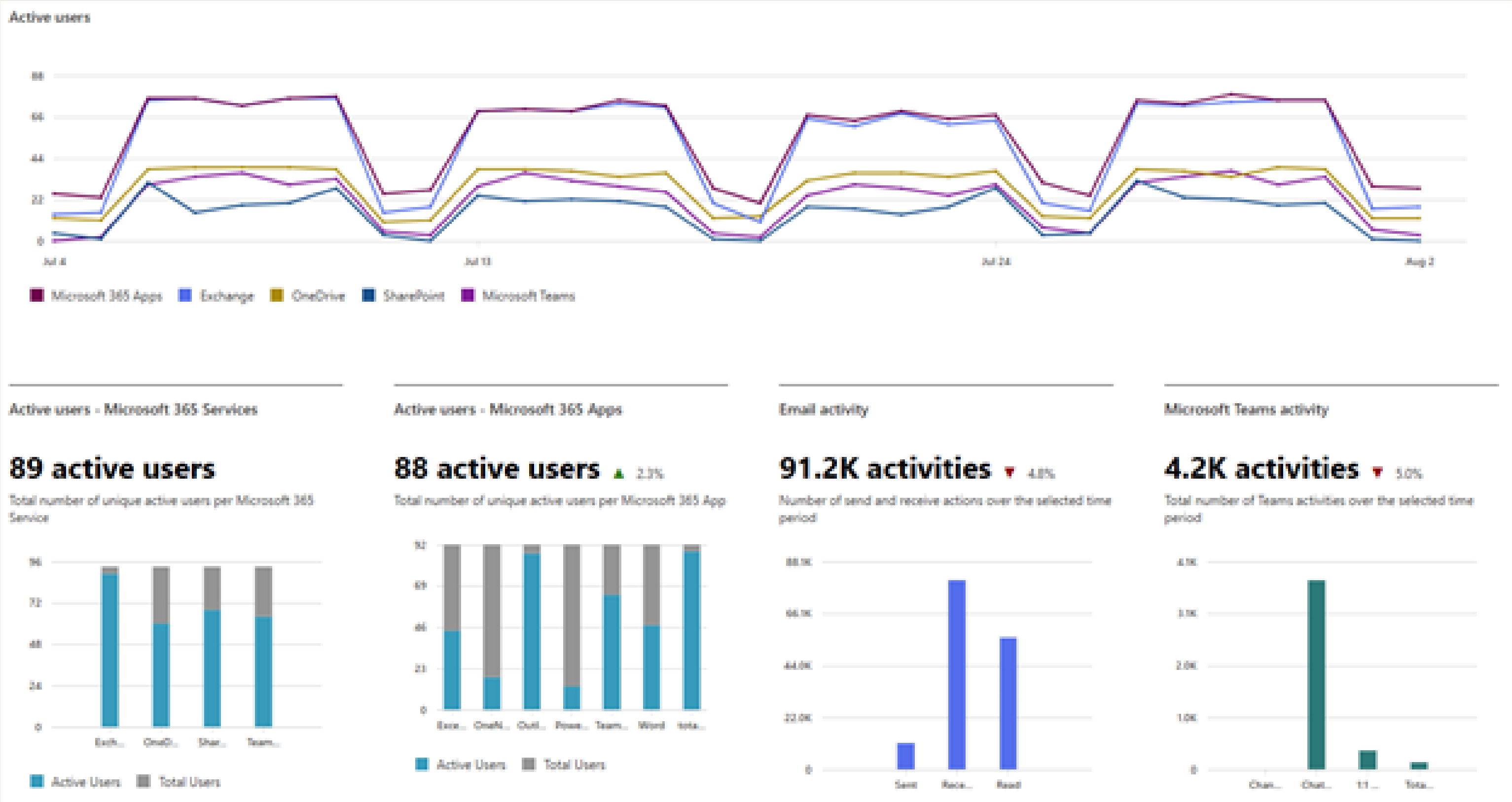
Allowed web categories



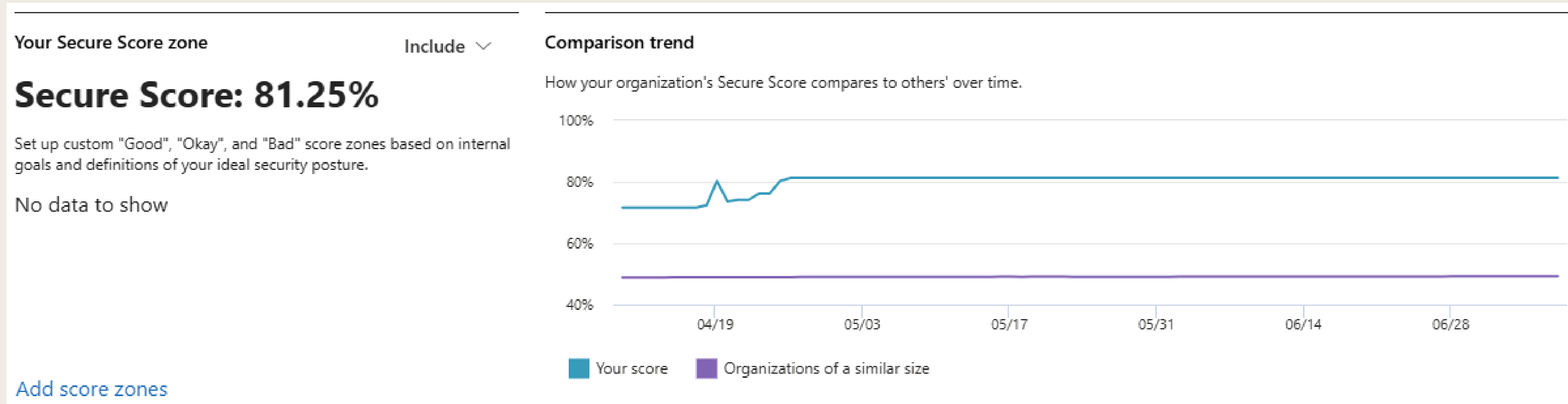
Blocked app categories



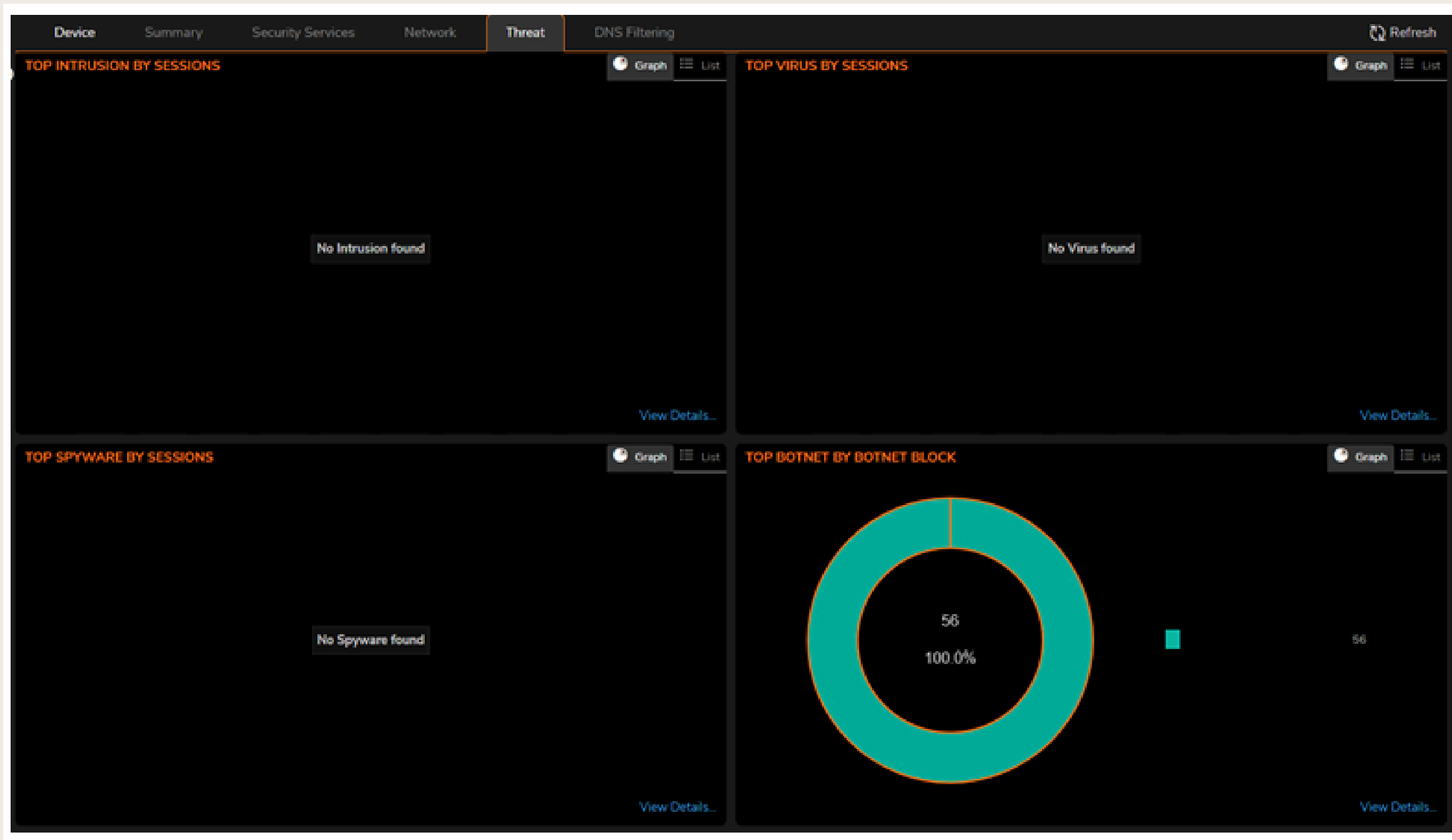
The following image shows usage and activity report from the Microsoft 365 Admin Center dashboard. It provides high-level metrics on how employees are utilizing Microsoft 365 services over time (from around June 4 to Aug 2).



The following image shows the Microsoft Defender for Cloud / Microsoft Secure Score report from the Microsoft Security portal. It acts as a measurement of an organization's overall security posture compared to industry baselines.



Our organization has a strong security posture. Sitting at 81.25%, score is significantly higher than the average benchmark (~50%) for similar-sized organizations, indicating that robust security features, policies, and best practices (such as MFA, access controls, and threat protection) are active.



This image is from the SonicWall Firewall of SCADA. It provides a high-level overview of security threats detected and managed by the firewall across four key security categories:

- No Intrusion
- No Virus found
- No Spyware found
- 100% Botnet Blocked

ANY QUESTIONS?



ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Request for Re-appropriation STAFF CONTACT/PREPARER: Emily Roach, Acting Director of Finance	AGENDA DATE: August 20, 2026 ACTION: ☒ Informational ☐ ATTACHMENTS: Yes
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BACKGROUND: Please consider the following requests for re-appropriation and transfer of funds from Fiscal Year 2026 to Fiscal Year 2027.

DISCUSSION:

- There are six (6) requests for re-appropriation of funds from fiscal year 2026 totaling \$71,496.60. These requests relate to purchases that were budgeted for and are actively being procured. Documentation related to these requests is attached.

BUDGET IMPACT: \$71,496.60

RECOMMENDATIONS: None

BOARD ACTION REQUESTED: We respectfully request approval of the re-appropriation of \$71,496.60 from fiscal year 2026 to the following accounts in fiscal year 2027:

1. Consulting Services (5306-530)	\$ 7,360.15
2. Service Contracts (5307-530)	23,736.00
3. Small Tools (5208-550)	5,678.45
4. Labor - Outside (5304-550)	18,320.25
5. Material – Building/Grnds. (5505-550)	9,864.75
6. Small Tools (5208-550)	6,537.00
Total	\$71,496.60

ATTACHMENTS:

- Summary of requested re-appropriation for fiscal year 2027.

MEMORANDUM

To: Quin G Lunsford, Executive Director
 Emily Roach, Interim Director of Finance
 Lisa Gordon, Accounting Supervisor
From: Tonya T. Foster, Procurement/Financial Specialist
Date: August 10, 2026
Re: Items for Re-appropriation

There are several outstanding purchase orders for FY-26. Requests have been submitted for items that were still in progress at the close of the fiscal year. I would like to request re-appropriation of funds from last fiscal year's budget to cover these expenses. The requests are as follows:

Information Technology	PO#	Description	Amount	Account
Whitman, Requardt & Assoc.	20240150	SCADA Assessment & On-Call Support	7,360.15	100-530-000-5306
Daly Computers Incorporated	20260094	Office 365 G3 Renewal	23,736.00	100-530-000-5307
Maintenance	PO#	Description	Amount	Account
Ferguson US Holdings	20260130	Southland Tools – Sewer Crews	5,678.45	100-550-000-5208
Angel Central Concrete, Inc.	20260133	Labor: Concrete Speedbump, Crosswalk, and Entrance Repair	18,320.25	100-550-000-5304
Angel Central Concrete, Inc.	20260133	Materials: Concrete Speedbump, Crosswalk, and Entrance Repair	9,864.75	100-550-000-5505
Bank of America – Topdon	20260135	Phoenix Max – Diagnostic Tool (Vehicle/Equipment)	6,537.00	100-550-000-5208

TF

Attachments

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Bond Proposal – Series 2026 Bond for Construction Funding Approval STAFF CONTACT(S)/PREPARER: Quin Lunsford, Executive Director	AGENDA DATE: August 20, 2026 ACTION: ☒ INFORMATION: ATTACHMENTS: Yes
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BACKGROUND: This request is to authorize the sale of up to \$22.3 M to finance a portion of the ACSA's Capital Improvement Plan. This issuance will increase our annual debt service by \$1.3 M to \$1.8 M until 2032 when the existing bonds are paid off.

DISCUSSION: The ACSA is presently executing several of the CIP's largest capital projects as reflected in the ACSA's adopted Capital Improvement Program Budget. These projects include the Avon Operations Center, Buckingham Circle and Bellair-Liberty Hills Sewer Mains, Scottsville Phase 4 Water Main Replacement, Airport Trunk Sewer, and others. Costs incurred to-date have been funded with ACSA reserves and if the debt authorization is approved, will be reimbursed per the Board's approval of the Resolution of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing on February 19, 2026.

We are preparing for the issuance of the new 2026 Series Bond to continue funding our current CIP. The actual size of the bond can vary as interest rates fluctuate between now and the actual sale of the bonds. Because of this uncertainty, a "not-to-exceed" or NTE par amount of the bonds should be stipulated in the forthcoming documents. This estimate will allow the bonds to accommodate, if necessary, being issued at what is known as a "Discount," which requires increasing the par value of the bond to generate the same net proceeds. In this case, a not to exceed par amount of \$22.3 million would be needed as reflected below.

Albemarle County Service Authority - Series 2026 NTE Estimate	
Item	Amount
Project Fund ⁽¹⁾	\$ 20,000,000
Estimated Cost of Issuance ⁽²⁾	475,000
Market Sizing Contingency	417,857
Debt Service Reserve Fund (if needed)	1,296,400
Rounding	110,743
Total NTE Par Amount	\$ 22,300,000

(1) Provided by Authority Staff.

(2) Includes preliminary estimates plus contingency and estimated Underwriter's Discount calculated as \$5 per \$1,000 of NTE Par Amount. Final amount will be built into the winning bid.

The estimated debt service of the 2026 bond is estimated to be roughly \$1.3 million per year. This bond issue will be conducted as a competitive bond sale in September and close on the sale of the bond by the end of September or early October. The gap between board meeting authorizations and actual transaction date is the reason flexibility is written

AGENDA ITEM EXECUTIVE SUMMARY

into the official authorization documents at this time to be reviewed and approved by the Board.

There are several documents attached with the agenda item – the resolution and the forms of financing documents that will be needed for the bond sale to proceed:

1. Resolution Authorizing the Sale and Award of up to \$22,300,000 Water and Sewer System Revenue Bonds, Series 2026.
 - *This is the resolution allowing the ACSA to issue revenue bonds as described in this memo. The resolution must be approved by the Board.*
2. Third Supplemental Agreement of Trust between the Albemarle County Service Authority and the Bank of New York Mellon Trust Company, N.A.
 - *Each bond issue must be issued in parity with all other outstanding bonds within the original Agreement of Trust of 2010. This document achieves that parity and must be approved as to form by the Board.*
3. Preliminary Official Statement – Approved as part of and within the Resolution above.
 - *This is the ACSA's prospectus prepared prior to the bond sale to publish and distribute to potential bidders on the bond.*

The two financing documents (items 2. and 3. Above) are, by the terms of the resolution, being approved as to form with a delegation to ACSA officers to finalize and execute such documents.

Our financial advisors with Davenport & Company, LLC (Stephen Geisz) and bond counsel with Hunton Andrew Kurth, LLP (Chris Kulp) will be at the Board meeting to provide summaries and information related to this bond issue.

BOARD ACTION REQUESTED:

It is requested that the Board of Directors approve:

- The attached *Resolution Authorizing the sale and award of Series 2026 Revenue Bonds* in the amount not to exceed \$22.3 million to fund the capital improvements within the Adopted FY 2027- 2031 Capital Improvement Plan. The Resolution, by its terms, will also approve the forms of:
 - o *The Third Supplemental Agreement of Trust between the Albemarle County Service Authority and The Bank of New York Mellon Trust Company, N.A. and*
 - o *The Preliminary Official Statement.*

AGENDA ITEM EXECUTIVE SUMMARY**ATTACHMENTS:**

1. Resolution Authorizing the Sale and Award of up to \$22,300,000 Water and Sewer System Revenue Bonds, Series 2026.
2. Third Supplemental Agreement of Trust between the Albemarle County Service Authority and the Bank of New York Mellon Trust Company, N.A.
3. Preliminary Official Statement – Approved as part of and within the Resolution above.

The undersigned Executive Director and Secretary-Treasurer of the Albemarle County Service Authority certifies that:

1. A regular meeting of the Albemarle County Service Authority was held on August 20, 2026, at which the following members were present and absent:

PRESENT: [Richard Armstrong
Diantha McKeel
Lizbeth Palmer
John Parcels
Clarence Roberts
Kimberly Swanson]

ABSENT: [None]

2. A resolution entitled “Resolution Authorizing the Issuance, Sale and Award of up to \$22,300,000 Water and Sewer System Revenue Bonds, Series 2026, of Albemarle County Service Authority,” was adopted at such meeting by the unanimous vote of the members of the Authority present at the time of such vote.

3. Attached hereto is a true and correct copy of the foregoing resolution as recorded in full in the minutes of the meeting on August 20, 2026.

4. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Albemarle County Service Authority this ____ day of August, 2026.

(SEAL)

Executive Director and Secretary-Treasurer,
Albemarle County Service Authority

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE
AND AWARD OF UP TO \$22,300,000 WATER AND SEWER
SYSTEM REVENUE BONDS, SERIES 2026, OF
ALBEMARLE COUNTY SERVICE AUTHORITY**

WHEREAS, Albemarle County Service Authority (the “Authority”) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act by the Board of Supervisors of Albemarle County, Virginia (the “County”);

WHEREAS, pursuant to the provisions of an Agreement of Trust dated as of November 1, 2010, as previously supplemented and amended (the “Master Trust”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Authority is authorized to issue additional bonds (“Additional Bonds”), secured on a parity with outstanding bonds issued thereunder to finance capital improvements to the Authority’s water and sewer facilities (collectively, the “System”);

WHEREAS, the Authority finds it desirable to issue one or more series of bonds in the aggregate principal amount of up to \$22,300,000 (the “Series 2026 Bonds”), the proceeds of which will be used to (1) finance improvements to the System, (2) fund a debt service reserve fund, (3) finance capitalized interest and (4) pay costs of issuing the Series 2026 Bonds;

WHEREAS, the form and details of the Series 2026 Bonds will be as set forth in a Third Supplemental Agreement of Trust (the “Third Supplemental Agreement” and, together with the Master Trust, the “Trust Agreement”), between the Authority and the Trustee;

WHEREAS, the Authority staff and Davenport & Company LLC, as financial advisor to the Authority (the “Financial Advisor”), have recommended that the Authority offer the Series 2026 Bonds for sale through a competitive public offering;

WHEREAS, the Authority has prepared a draft of a Preliminary Official Statement (the “Preliminary Official Statement”), with respect to the public offering of the Series 2026 Bonds;

WHEREAS, the Securities and Exchange Commission has adopted its Rule 15c2-12 (the “SEC Rule”) pursuant to the Securities Exchange Act of 1934, as amended, requiring that the underwriters of certain municipal securities confirm certain continuing disclosure undertakings; and

WHEREAS, there have been made available to the Board of the Authority at this meeting forms of the following documents proposed in connection with the issuance and sale of the Series 2026 Bonds:

- (a) the Third Supplemental Agreement, providing for the issuance, security and form of the Series 2026 Bonds as additional bonds pursuant to the Trust Agreement;
- (b) the Preliminary Official Statement;

(c) a Notice of Sale (attached as Exhibit J to the Preliminary Official Statement) (the “Notice of Sale”); and

(d) a Continuing Disclosure Agreement (attached as Exhibit H to the Preliminary Official Statement) (the “Disclosure Agreement”);

NOW, THEREFORE, BE IT RESOLVED BY THE ALBEMARLE COUNTY SERVICE AUTHORITY:

1. The Authority authorizes the issuance and sale of the Series 2026 Bonds, in one or more series, pursuant to the Third Supplemental Agreement as an additional Series of Bonds under the Trust Agreement; provided that (a) the aggregate principal amount of the Series 2026 Bonds shall not exceed \$22,300,000; (b) the final maturity of the Series 2026 Bonds shall be on or before December 31, 2058, (c) the aggregate price at which the Series 2026 Bonds are sold to the purchaser shall not be less than 98% of the principal amount thereof (without taking into account any original issue discount or premium), and (d) the Series 2026 Bonds in the aggregate shall have a true interest cost not to exceed 5.50% (taking into account any original issue discount or premium), (e) the Series 2026 Bonds shall be subject to optional redemption, if at all, at a redemption price not to exceed 102% of their principal amount.

2. The proceeds of the Series 2026 Bonds shall be used as set forth in the Third Supplemental Agreement.

3. (a) The Chairman and Vice Chairman of the Authority (either of whom may act and who are referred to collectively herein as the “Authorized Officer”) is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to take all proper steps to advertise the Series 2026 Bonds for sale substantially in accordance with the form of the Notice of Sale, which is hereby approved (provided that the Authorized Officer may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the Authority), to receive public bids and to award the Series 2026 Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 1. Following the sale of the Series 2026 Bonds, the Authorized Officer shall file a certificate with the Secretary-Treasurer of the Authority setting forth the final terms of the Series 2026 Bonds. The actions of the Authorized Officer in selling the Series 2026 Bonds shall be conclusive, and no further action with respect to the sale and issuance of the Series 2026 Bonds shall be necessary on the part of the Board.

(b) The Authorized Officer is hereby authorized to determine the final terms of the Series 2026 Bonds, which authorization shall include the authorization to (i) determine or approve the principal amount, interest rates, maturity schedules, the purchase price and the redemption provisions of the Series 2026 Bonds, subject to the limitations set forth in Section 1, and (ii) determine the dated date and the debt service payment dates of the Series 2026 Bonds, all as the Authorized Officer determines to be in the best interests of the Authority.

4. The Third Supplemental Agreement and the Disclosure Agreement shall be in substantially the forms made available at this meeting, which are hereby approved, with such completions, omissions, insertions and changes (including changes in the name and series

identification of the Series 2026 Bonds) not inconsistent with this resolution as may be approved by the Authorized Officer, his execution to constitute conclusive evidence of the Authority's approval of any such completions, omissions, insertions and changes.

5. The Authorized Officer is authorized and directed to execute the Third Supplemental Agreement and the Disclosure Agreement.

6. The Authorized Officer and the Secretary-Treasurer are authorized and directed to execute the Series 2026 Bonds in accordance with the provisions of the Third Supplemental Agreement, to deliver them to the Trustee for authentication, and to cause the Series 2026 Bonds so executed and authenticated to be delivered to or for the account of the purchasers upon payment of the purchase price therefor.

7. The form of the Preliminary Official Statement made available at this meeting is hereby approved as the form of the Preliminary Official Statement by which the Series 2026 Bonds will be offered for sale, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Authorized Officer, in collaboration with the Financial Advisor, and the delivery thereof shall constitute conclusive evidence of approval by the Authority. The Authorized Officer may deem the Preliminary Official Statement final, as of its date, within the meaning of the SEC Rule except for the omission of certain pricing and other information as permitted by the SEC Rule.

8. The Authorized Officer, in collaboration with the Financial Advisor, is authorized and directed to make such completions, omissions, insertions and other changes to the Preliminary Official Statement necessary to reflect the terms of the sale of the Series 2026 Bonds and appropriate to complete it as an Official Statement in final form (the "Official Statement"). Execution and delivery of the Official Statement by the Authorized Officer shall constitute conclusive evidence of the Authority's approval of any such completions, omissions, insertions and changes. The Authority shall arrange for the delivery to the purchaser of the Series 2026 Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the Series 2026 Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the purchaser initially sells the Series 2026 Bonds.

9. The Authorized Officer, in consultation with the Financial Advisor, the Authority's counsel and bond counsel, is authorized and directed to provide such evidence to the Trustee as may be necessary for the Trustee to make the determinations required by the Trust Agreement in connection with the issuance of the Series 2026 Bonds.

10. The officials and employees of the Authority are authorized and directed to deliver all certificates and instruments and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Series 2026 Bonds, including, but not limited to, delivering a certificate setting forth the expected use and investment of the proceeds of the Series 2026 Bonds to show that such expected use and investment will not violate the provisions of the Internal Revenue Code of 1986, as amended, and related Treasury regulations applicable to "arbitrage bonds" and Internal Revenue Service Form 8038-G.

11. The Authority intends that the adoption of this resolution confirm its “official intent” to reimburse itself from the proceeds of the Series 2026 Bonds within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

12. All other actions of the officials and employees of the Authority previously taken in conformity with the purpose or intent of this resolution and in furtherance of the issuance and sale of the Series 2026 Bonds are approved and confirmed.

13. All other resolutions or parts thereof in conflict herewith are repealed.

14. This resolution shall take effect immediately.

Adopted: _____, 2026.

THIRD SUPPLEMENTAL AGREEMENT OF TRUST

between

ALBEMARLE COUNTY SERVICE AUTHORITY

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee**

Dated as of _____, 2026

**Relating to
Water and Sewer System Revenue Bonds
Series 2026**

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THIS THIRD SUPPLEMENTAL AGREEMENT OF TRUST dated as of the _____, 2026 (the “Third Supplemental Agreement”), by and between the **ALBEMARLE COUNTY SERVICE AUTHORITY**, a public body politic and corporate of the Commonwealth of Virginia (the “Authority”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, as trustee (in such capacity, together with any successor in such capacity, herein called the “Trustee”), provides:

WHEREAS, the Authority and the Trustee have entered into an Agreement of Trust dated as of November 1, 2010 (the “Master Agreement of Trust”), to provide for financing or refinancing improvements and extensions to the System (as defined in the Master Agreement of Trust) by the issuance of bonds payable solely from Revenues (as defined in the Master Agreement of Trust);

WHEREAS, within the limitations of and in compliance with the Master Agreement of Trust, the Authority has determined to issue a series of Bonds under the Master Agreement of Trust in the aggregate principal amount of \$_____ (the “Series 2026 Bonds”), to pay the costs of improvements, extensions and additions to the System;

WHEREAS, the Authority has taken all necessary action to make the Series 2026 Bonds, when authenticated by the Trustee and issued by the Authority, valid and binding limited obligations of the Authority and to constitute this Third Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 2026 Bonds; and

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree, as follows:

ARTICLE I

THIRD SUPPLEMENTAL AGREEMENT

Section 3.101 Authorization of Third Supplemental Agreement.

This Third Supplemental Agreement is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and XII of the Master Agreement of Trust. All terms, covenants, conditions and agreements of the Master Agreement of Trust shall apply with full force and effect to the Series 2026 Bonds and to the holders thereof, except as otherwise provided in this Third Supplemental Agreement.

Section 3.102 Definitions.

Except as otherwise defined in this Third Supplemental Agreement, terms defined in the Master Agreement of Trust are used in this Third Supplemental Agreement with the meanings assigned to them in the Master Agreement of Trust. In addition, the following words as used in this Third Supplemental Agreement shall have the following meanings unless a different meaning clearly appears from the context:

“**Business Day**” shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia or the state in which the designated office of the Trustee is located or any day on which the New York Stock Exchange is closed.

“Closing Date” shall mean _____, 2026.

“Code” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated thereunder.

“Cost(s) of Issuance” shall mean costs to the extent incurred in connection with, and allocable to, the issuance of the Series 2026 Bonds within the meaning of Section 147(g) of the Code. For example, issuance costs include the following costs but only to the extent incurred in connection with, and allocable to, the Series 2026 Bonds: underwriters’ spread; counsel fees; financial advisory fees; rating agency fees, trustee fees; paying agent fees; bond registrar, certification, and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than for qualified guarantees (as defined in Treasury Regulations § 1.148-4(f)); and similar costs.

“Letter of Representations” shall mean the Blanket Letter of Representations dated _____, from the Authority to the Securities Depository and any amendments thereto or successor agreements between the Authority and any successor Securities Depository, relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2026 Bonds. Notwithstanding any provision of the Agreement of Trust, including Article XII regarding amendments, the Trustee may enter into any such amendment or successor agreement without the consent of Bondholders.

“Rebate Amount Certificate” shall have the meaning set forth in Section 3.702.

“Registrar” shall mean the Trustee or its successors serving as such hereunder.

“Securities Depository” shall mean The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 2026 Bonds appointed pursuant to Section 3.204, and their successors.

“Series 2026 Bonds” shall mean the Authority’s \$_____ Water and Sewer System Revenue Bonds, Series 2026, authorized to be issued pursuant to this Third Supplemental Agreement.

“Series 2026 Debt Service Reserve Account” shall mean the Series 2026 Debt Service Reserve Account established in Section 3.503 of this Third Supplemental Agreement.]

“Series 2026 Debt Service Reserve Requirement” for the Series 2026 Bonds shall be the least of (a) the maximum principal and interest due on the Series 2026 Bonds in the current or any future Fiscal Year, (b) 10% of the original stated principal amount of the Series 2026 Bonds (or 10% of the issue price of the Series 2026 Bonds if required by the Code) or (c) 125% of the average annual principal and interest due on the Series 2026 Bonds in the current and each future Fiscal Year. Upon the issuance of the Series 2026 Bonds, the Series 2026 Debt Service Reserve Requirement shall be equal to \$_____.]

“Series 2026 Project” shall mean capital improvements to the System described in Exhibit E, and such other capital improvements as the Authority may determine to undertake that meet the definition of Project.

“Series 2026 Construction Account” shall mean the Series 2026 Construction Account established in Section 3.501 of this Third Supplemental Agreement.

“Series 2026 Cost of Issuance Subaccount” shall mean the Series 2026 Cost of Issuance Subaccount established in Section 3.502 of this Third Supplemental Agreement.

“Third Supplemental Agreement” shall mean this Third Supplemental Agreement of Trust between the Authority and the Trustee, which supplements the Master Agreement of Trust.

Section 3.103 Reference to Articles and Sections.

Unless otherwise indicated, all references herein to particular articles or sections are references to articles or sections of this Third Supplemental Agreement.

ARTICLE II

AUTHORIZATION, DETAILS AND FORM OF SERIES 2026 BONDS

Section 3.201 Authorization of Series 2026 Bonds.

There are hereby authorized to be issued a series of water and sewer system revenue bonds of the Authority in the aggregate principal amount of \$_____ to finance (i) [a portion of]the Cost of the Series 2026 Project, (ii) [a portion of the Series 2026 Debt Service Reserve Requirement and (iii)]costs incident to issuing the Series 2026 Bonds. The Series 2026 Bonds shall be issued pursuant to the Master Agreement of Trust and this Third Supplemental Agreement.

Section 3.202 Details of Series 2026 Bonds.

(a) The Series 2026 Bonds shall be designated “Water and Sewer System Revenue Bonds, Series 2026,” shall be dated the date of their delivery, shall be issuable only as fully registered bonds in denominations of \$5,000 and multiples thereof, shall be numbered R-1 upward and shall bear interest at rates, payable semiannually on _____ and _____, beginning _____, _____, until their final payment or maturity, and shall mature on _____, in years and amounts, as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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(b) Each Series 2026 Bond shall bear interest (a) from its date, if such Series 2026 Bond is authenticated prior to the first interest payment date, or (b) otherwise from the interest payment date that is, or immediately precedes, the date on which such Series 2026 Bond is authenticated; provided, however, that if at the time of authentication of any Series 2026 Bond payment of interest is in default, such Series 2026 Bond shall bear interest from the date to which interest has been paid.

Principal of and premium, if any, on the Series 2026 Bonds shall be payable to the registered owners upon the surrender of Series 2026 Bonds at the office of the Registrar. Interest on the Series 2026 Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the [fifteenth] day of the month preceding each interest payment date on the registration books kept by the Registrar; provided, however, if the Series 2026 Bonds are registered in the name of a Securities Depository or its nominee as registered owner or at the written request of a registered owner of at least \$1,000,000 of Series 2026 Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Registrar from such registered owner. If any principal or interest payment date is not a Business Day such payment shall be made on the next succeeding Business Day with the same effect as if made on the day such payment was due and no additional interest shall accrue hereon. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

Section 3.203 Form of Bonds.

The Series 2026 Bonds shall be in substantially the form set forth in Exhibit A, with such completions, omissions, insertions and changes as are permitted or required by the Master Agreement of Trust and this Third Supplemental Agreement.

Section 3.204 Securities Depository Provisions.

Initially, one Series 2026 Bond certificate for each maturity of the Series 2026 Bonds will be issued and registered to the Securities Depository, or its nominee. The Authority has entered into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2026 Bonds.

In the event that (a) the Securities Depository determines not to continue to act as a securities depository for the Series 2026 Bonds by giving notice to the Registrar and to the Authority discharging its responsibilities hereunder or (b) the Authority in its sole discretion determines (i) that beneficial owners of Series 2026 Bonds shall be able to obtain certificated Series 2026 Bonds or (ii) to select a new Securities Depository, then the Authority shall attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 2026 Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Exhibit A; provided, however, that such forms shall provide for interest on the Series 2026 Bonds to be payable (A) from the Closing Date, if such Series 2026 Bond is authenticated prior to _____, _____, or (B) otherwise from the _____ or _____ that is, or immediately precedes, the date on which such Series 2026 Bond is authenticated (unless payment of interest thereon is in default, in which case interest on such Series 2026 Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 2026 Bonds, the Registrar shall be entitled to rely conclusively on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 2026 Bonds will be registrable, transferable and exchangeable as set forth in Section 204 of the Master Agreement of Trust. Prior to any transfer of the Series 2026 Bonds outside of a book-entry only system (including, but not limited to, the initial transfer outside a book-entry only system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as

amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

So long as there is a Securities Depository for the Series 2026 Bonds (a) it or its nominee shall be the registered owner of the Series 2026 Bonds, (b) notwithstanding anything to the contrary in this Third Supplemental Agreement, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (c) the Authority and the Registrar shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (d) references in this Third Supplemental Agreement to registered owners of the Series 2026 Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 2026 Bonds and (e) in the event of any inconsistency between the provisions of this Third Supplemental Agreement, other than those set forth in this paragraph and the preceding paragraph, and the provisions of the Letter of Representations such provisions of the Letter of Representations shall control.

Section 3.205 Registrar.

The selection of the Trustee as Registrar is approved.

Section 3.206 Delivery of Series 2026 Bonds.

The Trustee shall authenticate and deliver the Series 2026 Bonds when there shall have been delivered to the Trustee a Request for Authentication stating that there have been filed with or delivered to the Trustee all items required by Section 304 of the Master Agreement of Trust.

ARTICLE III

REDEMPTION OF SERIES 2026 BONDS

Section 3.301 Redemption Dates and Prices.

The Series 2026 Bonds may not be called for redemption by the Authority except as provided below:

(a) Optional Redemption. The Series 2026 Bonds maturing on or before _____, _____, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after _____, _____, are subject to redemption prior to maturity at the option of the Authority, on or after _____, _____, in whole or in part (in \$5,000 integrals) at any time, upon payment of [100]% of the principal amount of the Series 2026 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption.

(b) Mandatory Redemption. The amount of Series 2026 Bonds to be redeemed pursuant to this Section may be reduced in accordance with the provisions of Section 607 of the Master Agreement of Trust.

(i) The Series 2026 Bonds maturing on _____, _____, are required to be redeemed prior to maturity, in part, on _____ in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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* Final maturity

(ii) The Series 2026 Bonds maturing on _____, _____, are required to be redeemed prior to maturity, in part, on _____ in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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* Final maturity

Section 3.302 Selection of Series 2026 Bonds for Redemption.

If less than all of the Series 2026 Bonds are called for redemption, they shall be called in such order of maturity as the Authority may determine.

If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the principal portion of such maturity shall be determined by the Authority and the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine.

The portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2026 Bonds for redemption, each Series 2026 Bond shall be considered as representing that number of Series 2026 Bonds which is obtained by dividing the principal amount of such Series 2026 Bond by \$5,000. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Section 3.303 Notice of Redemption.

Notice of redemption of Series 2026 Bonds shall be given in the manner set forth in Section 402 of the Master Agreement of Trust.

ARTICLE IV

APPLICATION OF PROCEEDS OF SERIES 2026 BONDS

Section 3.401 Application of Proceeds of Series 2026 Bonds; Application of Related Amounts.

The net sale proceeds of the Series 2026 Bonds in the amount of \$_____ shall be paid to the Trustee and applied as follows:

(a) \$_____ shall be deposited in the Series 2026 Construction Account established under Section 3.501 and applied to pay Costs of the Series 2026 Project.

(b) \$_____ shall be deposited in the Series 2026 Cost of Issuance Subaccount established under Section 3.502 and used to pay Costs of Issuance of the Series 2026 Bonds.

(c) [\$_____ shall be deposited in the Series 2026 Debt Service Reserve Account established under Section 3.503.]

ARTICLE V

FUNDS AND ACCOUNTS

Section 3.501 Series 2026 Construction Account.

There shall be established within the Construction Fund a special account entitled “Series 2026 Construction Account.” The moneys specified in Section 3.401(a) shall be deposited in the Series 2026 Construction Account. Money in the Series 2026 Construction Account shall be used in accordance with the provisions of Section 3.401(a), upon receipt by the Trustee of a requisition substantially in the form attached hereto as Exhibit C, and pursuant to the requisition process set forth in Section 504 of the Master Agreement of Trust.

Section 3.502 Series 2026 Cost of Issuance Subaccount.

There shall be established within the Series 2026 Construction Account a special subaccount entitled “Series 2026 Cost of Issuance Subaccount.” The moneys specified in Section 3.401(b) shall be deposited in the Series 2026 Cost of Issuance Subaccount. Money in the Series 2026 Cost of Issuance Subaccount shall be used in accordance with the provisions of Section 3.401(b), upon receipt by the Trustee of a requisition substantially in the form attached hereto as Exhibit D, and pursuant to the requisition process set forth in Section 504 of the Master Agreement of Trust.

Six months after the Closing Date, any monies remaining in the Series 2026 Cost of Issuance Subaccount shall be transferred to the Series 2026 Construction Account and the Series 2026 Cost of Issuance Subaccount shall be closed.

Section 3.503 [Series 2026 Debt Service Reserve Account.

There shall be established within the Debt Service Reserve Fund a special account entitled “Series 2026 Debt Service Reserve Account.” The moneys specified in Sections 3.401(c) shall be deposited in the Series 2026 Debt Service Reserve Account. Money in the Series 2026 Debt Service Reserve Account shall be used in accordance with the provisions of Section 609 of the Master Agreement of Trust, but only as security for and in respect of the Series 2026 Bonds.]

ARTICLE VI

SECURITY FOR SERIES 2026 BONDS

Section 3.601 Security for Series 2026 Bonds.

(a) The Series 2026 Bonds shall be equally and ratably secured under the Master Agreement of Trust with the Outstanding Bonds of any other series issued pursuant to Article III of the Master Agreement of Trust, without preference, priority or distinction of any Bonds over any other Bonds, as provided in the Master Agreement of Trust; [provided, however, that the Series 2026 Debt Service Reserve Account shall secure only the Series 2026 Bonds].

(b) [No Series Debt Service Reserve Account within the Debt Service Reserve Fund will be established or funded in connection with the issuance of the Series 2026 Bonds. The Debt Service Reserve Fund, if hereafter funded, shall not secure the Series 2026 Bonds.]

ARTICLE VII

ARBITRAGE REBATE

Section 3.701 Rebate Requirement.

Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the Authority shall pay, from any legally available source, the rebate obligations under the Code (the “Rebate Amount”) to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this Article, and shall retain records of all such determinations until six years after the final payment of the Series 2010 Bond.

Section 3.702 Calculation and Payment of Series 2026 Rebate Obligation.

(a) The Authority selects _____ as the end of the bond year with respect to the Series 2026 Bonds pursuant to Treasury Regulation Section 1.148-1.

(b) Within 30 days after the initial installment computation date, which is the last day of the fifth bond year (_____, 2031), unless such date is changed by the Authority prior to the date that any amount with respect to the Series 2026 Bonds is paid or required to be paid to the United States of America as required by Section 148 of the Code, and at least once every five years thereafter, the Authority shall cause the Rebate Amount to be computed. Prior to any payment of the Rebate Amount to the United States of America as required by Section 148 of the Code, such computation setting forth the Rebate Amount for the Series 2026 Bonds (each a “Rebate Amount

Certificate”) shall be prepared or approved by (i) a person with experience in matters of governmental accounting for Federal income tax purposes or (ii) a bona fide arbitrage rebate calculation reporting service. A copy of each such Rebate Amount Certificate shall be filed in the records of the Authority and with the Trustee.

(c) No later than 60 days after the initial installment computation date, the Authority shall pay to the United States of America at least 90% of the Rebate Amount as set forth in each Rebate Amount Certificate prepared with respect to such installment computation date. At least once on or before 60 days after the installment computation date that is the fifth anniversary of the initial installment computation date and on or before 60 days after every fifth anniversary date thereafter until the final payment of the Series 2026 Bonds, the Authority shall pay to the United States of America not less than the amount, if any, by which 90% of the Rebate Amount set forth in the most recent Rebate Amount Certificate exceeds the aggregate of all such payments theretofore made to the United States of America pursuant to this Section. On or before 60 days after the final payment of the Series 2026 Bonds, the Authority shall pay to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in the Rebate Amount Certificate with respect to the date of final payment of the Series 2026 Bonds exceeds the aggregate of all payments theretofore made pursuant to this Section. All such payments shall be made from any legally available moneys of the Authority.

(d) Notwithstanding any provision of this Article to the contrary, no such calculation or payment shall be made if the Authority receives and delivers to the Trustee an opinion of Bond Counsel to the effect that (i) such payment is not required under the Code in order to prevent the Series 2026 Bonds from becoming “arbitrage bonds” within the meaning of Section 148 of the Code or (ii) such payment should be calculated and paid on some alternative basis under the Code, and the Authority complies with such alternative basis.

Section 3.703 Report by Trustee.

The Trustee shall provide the Authority within 10 days after each _____ and within 10 days after the final payment of the Series 2026 Bonds with such reports and information with respect to earnings of amounts held by it under the Master Agreement of Trust and this Third Supplemental Agreement as may be requested in writing by the Authority in order to comply with the provisions of this Article.

ARTICLE VIII

MISCELLANEOUS

Section 3.801 Limitations on Use of Proceeds.

The Authority covenants with the holders of the Series 2026 Bonds as follows:

(a) The Authority shall not take or omit to take any action or approve the Trustee’s taking any action or making any investment or use of the proceeds of any Series 2026 Bonds (including failure to spend the same with due diligence) the taking or omission of which would cause the Series 2026 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, including participating in any issue of obligations that would cause the Series 2026 Bonds to be part of an “issue” of obligations that are arbitrage bonds, within the meaning of Treasury

Regulations Section 1.148-10 or successor regulation, or otherwise cause interest on the Series 2026 Bonds to be includable in the gross income of the registered owners under existing law; and without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority at any time to rebate to the United States of America any part of the earnings derived from the investment of gross proceeds of the Series 2026 Bonds;

(b) Barring unforeseen circumstances, the Authority shall not approve the use of the proceeds from the sale of any Series 2026 Bonds otherwise than in accordance with the Authority's "non-arbitrage" certificate delivered immediately prior to the issuance of the Series 2026 Bonds;

(c) The Authority shall not permit the proceeds of the Series 2026 Bonds to be used in any manner that would result in either (i) 5% or more of the proceeds or facilities being financed or refinanced with such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (ii) 5% or more of the proceeds or the facilities being financed or refinanced with such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (iii) 5% or more of the proceeds or the facilities being financed or refinanced with such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code;

(d) The Authority shall not take any other action that would adversely affect, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 2026 Bonds from gross income for Federal income taxation purposes; provided, however, that if the Authority receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 2026 Bonds from being includable in the gross income of the registered owners thereof under existing law, the Authority need not comply with such restriction; and

Section 3.802 Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Third Supplemental Agreement or the Bonds is intended or shall be construed to give to any person other than the parties hereto and the holders of Bonds any legal or equitable right, remedy or claim under or in respect to this Third Supplemental Agreement or any covenants, conditions and agreements herein contained since this Third Supplemental Agreement and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the holders of Bonds as herein provided.

Section 3.803 Severability.

If any provision of this Third Supplemental Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Third Supplemental Agreement shall be construed and enforced as if such illegal provision had not been contained herein.

Section 3.804 Successors and Assigns.

This Third Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 3.805 Applicable Law.

This Third Supplemental Agreement shall be governed by the applicable laws of the Commonwealth of Virginia, without regard to conflict of law principles.

Section 3.806 Counterparts.

This Third Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 3.807 Trustee Notice Address.

For purposes of Section 1304 of the Master Agreement of Trust, the notice address for the Trustee shall be changed to: 500 Ross Street, 12th Floor, Pittsburgh, PA 15262 (Attn: Corporate Trust).

[THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Third Supplemental Agreement to be executed in their respective corporate names as of the date first above written.

ALBEMARLE COUNTY SERVICE AUTHORITY

By _____
Chairman

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By _____

EXHIBIT A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED**REGISTERED**

R-____

\$_____

UNITED STATES OF AMERICA**COMMONWEALTH OF VIRGINIA****ALBEMARLE COUNTY SERVICE AUTHORITY**

**Water and Sewer System Revenue Bond
Series 2026**

MATURITY DATE**DATED DATE**

_____, ____

_____, 2026

REGISTERED OWNER: CEDE & CO.**PRINCIPAL AMOUNT:**

Albemarle County Service Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee, or its successor in trust (the “Trustee”), under the Agreement of Trust (as hereinafter defined), solely from the source and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal amount stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such source, interest hereon, semi-annually on each _____ and _____, beginning _____, _____, at the annual rate stated above, calculated on the basis of a 360 day year of twelve 30 day months. Interest is payable (a) from _____, 2026, if this bond is authenticated prior to _____, _____, or (b) otherwise from the _____ or _____ that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from the date to which interest has been paid). Interest is payable by check or draft mailed to the registered owner hereof at its address as it appears on the fifteenth day of the month preceding each interest payment date on registration books kept by the Trustee; provided, however, that if the Series 2026 Bonds (as hereinafter defined) are registered in the name of a securities depository or its nominee as registered owner or at the option of a registered owner of at least \$1,000,000 of Series 2026 Bonds, payment will be made by wire transfer pursuant to the most recent wire instructions received by the Trustee from

such registered owner. If a principal or interest payment date is not a Business Day (as defined in the Agreement of Trust) such payment shall be made on the next succeeding Business Day with the same effect as if made on the day such payment was due and no additional interest shall accrue hereon. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this bond is subject to book-entry form maintained by DTC, and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the Authority's Letter of Representations to DTC.

This bond is one of an issue of \$_____ Water and Sewer System Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity.

The Series 2026 Bonds are issued under an Agreement of Trust dated as of November 1, 2010, between the Authority and the Trustee, as previously supplemented and as further supplemented by a Third Supplemental Agreement of Trust dated as of _____, 2026 (collectively, the "Agreement of Trust"), and are equally and ratably secured on a parity with the Authority's Water and Sewer System Revenue Bond, Series 2010 (Taxable – Build America Bonds) (the "Series 2010 Bond"), and its Taxable Water and Sewer System Revenue Refunding Bond, Series 2021 (the "Series 2021 Bond"). Additional bonds secured by a pledge of Revenues (as defined in the Agreement of Trust) on a parity with the Series 2010 Bond, the Series 2021 Bond and the Series 2026 Bonds may be issued under the terms and conditions set forth in the Agreement of Trust. Reference is hereby made to the Agreement of Trust for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the Series 2026 Bonds and the terms upon which the Series 2026 Bonds are issued and secured.

The Series 2026 Bonds and the premium, if any, and the interest thereon are limited obligations of the Authority payable solely from Revenues, except to the extent payable from the proceeds of the Series 2026 Bonds, income from investments, certain reserves and proceeds of insurance, which Revenues and other moneys have been pledged as described in the Agreement of Trust to secure payment thereof. The Series 2026 Bonds and the premium, if any, and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2026 Bonds or other costs incident thereto except from Revenues and other moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2026 Bonds or other costs incident thereto.

The Series 2026 Bonds may not be called for redemption by the Authority except as provided herein and in the Agreement of Trust.

Optional Redemption. The Series 2026 Bonds maturing on or before _____, _____, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after _____,

_____, are subject to redemption prior to maturity at the option of the Authority, on or after _____, _____, in whole or in part (in \$5,000 integrals) at any time, upon payment of [100]% of the principal amount of the Series 2026 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption.

If less than all the Series 2026 Bonds are called for redemption, they shall be redeemed from maturities in such order as determined by the Authority. If less than all of the Series 2026 Bonds of any maturity are called for redemption, the principal portion of such Series 2026 Bonds to be redeemed shall be determined by the Authority and the particular Series 2026 Bonds within such maturity shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2026 Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2026 Bonds for redemption, each Series 2026 Bond shall be considered as representing that number of Series 2026 Bonds which is obtained by dividing the principal amount of such Series 2026 Bond by \$5,000.

If any of the Series 2026 Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the Series 2026 Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of the Series 2026 Bonds. Such notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Series 2026 Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Agreement of Trust and shall not be deemed to be Outstanding under the provisions of the Agreement of Trust. If a portion of this Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon the surrender hereof, or if the book-entry system is discontinued, to the registered owners of the Series 2026 Bonds.

The registered owner of this Series 2026 Bond shall have no right to enforce the provisions of the Agreement of Trust or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Agreement of Trust or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Agreement of Trust. Modifications or alterations of the Agreement of Trust, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Agreement of Trust.

The Series 2026 Bonds are issuable as registered bonds in the denomination of \$5,000 and integral multiples thereof. Upon surrender for transfer or exchange of this Series 2026 Bond at the office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new Series 2026 Bond or Series 2026 Bonds in the manner and subject to the limitations and conditions provided in the Agreement of Trust, having an equal aggregate principal amount, in authorized

denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the fifteenth day of the month preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2026 Bond have happened, exist and have been performed.

This Series 2026 Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Agreement of Trust or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Albemarle County Service Authority, has caused this bond to be signed by its Chairman, its seal to be affixed hereto and attested its Secretary-Treasurer, and this bond to be dated the date first above written.

[SEAL]

Chairman, Albemarle County Service Authority

Secretary-Treasurer,
Albemarle County Service Authority

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This Bond is one of the Bonds described in the within mentioned Agreement of Trust.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee**

By _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree

: : : : : :

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

_____, Attorney, to transfer said
Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF REQUISITION
SERIES 2026 CONSTRUCTION ACCOUNT

[Date]

The Bank of New York Mellon
 Trust Company, N.A., as Trustee
 [Address]
 Attn: _____

Ladies and Gentlemen:

On behalf of the Albemarle County Service Authority (the "Authority"), the undersigned hereby requisitions from the Series 2026 Construction Account in the Construction Fund created by an Agreement of Trust dated as of November 1, 2010, as previously supplemented and as further supplemented by a Third Supplemental Agreement of Trust dated as of _____, 2026 (the "Third Supplement" and together, the "Agreement of Trust"), between the Authority and you, as Trustee, the sum of \$_____ to _____ in connection with expenses incurred for services rendered as _____.

The undersigned hereby certifies that:

(1) there has been received no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition;

(2) this requisition contains no items representing payment on account of any percentage entitled to be retained as of the date hereof; and

(3) the obligation stated on this requisition has been incurred in or about the financing of the Series 2026 Project, each item is a proper charge against the Series 2026 Construction Account, and the obligation has not been the basis for a prior requisition which has been paid.

If this requisition includes an item for payment for labor or to contractors, builders or materialmen, there is attached to this requisition:

(1) a certificate, signed by the Consulting Engineer, stating such work was actually performed or such materials, supplies or equipment were actually furnished or installed in or about the construction of the Series 2026 Project; and

(2) a certificate, signed by an Authorized Authority Representative, stating either that such materials, supplies or equipment are not subject to any lien or security interest or that such lien or security interest will be released or discharged upon payment of this requisition.

If this requisition includes an item for payment of the cost of acquisition of any lands, easements or rights or interests in or relating to lands, there is attached to this requisition:

(1) a certificate, signed by the Consulting Engineer, stating that such lands, easements, rights or interests are being acquired and are necessary or convenient for the construction of the Series 2026 Project; and

(2) an Opinion of Counsel or an opinion of the Authority Attorney stating that upon payment therefor the Authority will have title in fee simple to, or easements sufficient for the purposes of, the Series 2026 Project over and through such lands.

All capitalized terms used but not defined herein have the same meaning as defined in the Agreement of Trust.

Authorized Authority Representative,
Albemarle County Service Authority

EXHIBIT C**FORM OF REQUISITION****SERIES 2026 COST OF ISSUANCE SUBACCOUNT**

[Date]

The Bank of New York Mellon
 Trust Company, N.A., as Trustee
 [Address]
 Attn: _____

Ladies and Gentlemen:

On behalf of the Albemarle County Service Authority (the "Authority"), the undersigned hereby requisitions from the Series 2026 Cost of Issuance Subaccount in the Series 2026 Construction Account in the Construction Fund created by an Agreement of Trust dated as of November 1, 2010, as supplemented by a Third Supplemental Agreement of Trust dated as of _____, 2026 (the "Agreement of Trust"), between the Authority and you, as Trustee, the sum of \$ _____ to _____ in connection with expenses incurred for services rendered as _____.

The undersigned hereby certifies that:

(1) there has been received no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the persons, firms or corporations named herein, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition;

(2) this requisition contains no items representing payment on account of any percentage entitled to be retained as of the date hereof; and

(3) the obligation stated on this requisition has been incurred in or about the issuance of the Series 2026 Bonds, each item is a proper charge against the Series 2026 Cost of Issuance Subaccount, and the obligation has not been the basis for a prior requisition which has been paid.

All capitalized terms used but not defined herein have the same meaning as defined in the Agreement of Trust.

 Authorized Authority Representative,
 Albemarle County Service Authority

EXHIBIT D

SERIES 2026 PROJECT

[Description to come]

NEW ISSUE/BOOK-ENTRY

RATINGS: [Fitch: “___”]
[Moody’s: “___”]
[Standard & Poor’s: “___”]
(See “Ratings” herein)

In the opinion of Bond Counsel, under current law and subject to conditions described in the section “TAX EXEMPTION,” interest on the Series 2026 Bonds (as defined herein) (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations, and (4) is exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal tax consequences as described in the section “TAX EXEMPTION.”

\$ _____
*
**ALBEMARLE COUNTY SERVICE AUTHORITY
(VIRGINIA)
WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2026**

Dated: Date of Delivery

Due: _____, as shown on the inside cover

This Official Statement has been prepared by Albemarle County Service Authority (the “Authority”) to provide information on the Series 2026 Bonds. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2026 Bonds, a prospective investor should read this Official Statement in its entirety.

Security The Series 2026 Bonds are limited obligations of the Authority, payable from sources pledged for their payment under the terms of the Trust Agreement. See “SECURITY FOR THE SERIES 2026 BONDS.”

The Series 2026 Bonds and the interest thereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and Albemarle County (the “County”). Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or the interest on the Series 2026 Bonds or other costs incident thereto except from the revenues pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or interest thereon or other costs incident thereto. The Authority has no taxing power.

Redemption The Series 2026 Bonds are subject to optional and mandatory sinking fund redemption as set forth herein.

Issued Pursuant to Agreement of Trust dated as of November 1, 2010, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, as previously supplemented and amended and as further supplemented by a Third Supplemental Agreement of Trust dated as of _____, 2026.

Purpose Series 2026 Bond proceeds will be used to finance (a) various capital improvements to the Authority’s water and sewer facilities and (b) the costs of issuing the Series 2026 Bonds.

Interest Rates/Yields See inside cover

Interest Payment Dates _____ and _____, commencing _____, _____

Denomination \$5,000 or integral multiples thereof

Regular Record Date [The 15th day of the month preceding each payment date]

Closing/Delivery Date On or about _____, 2026

Registration Book-entry only through the facilities of The Depository Trust Company

Trustee The Bank of New York Mellon Trust Company, N.A., New York, New York, as trustee

Bond Counsel Hunton Andrews Kurth LLP, Richmond, Virginia

Financial Advisor Davenport & Company LLC, Richmond, Virginia

General Counsel Flora Pettit, PC, Charlottesville, Virginia

Conditions Affecting Issuance The Series 2026 Bonds are offered when, as and if issued, subject to, among other conditions, the approving legal opinion of Hunton Andrews Kurth LLP.

Dated: _____, 2026

* Preliminary, subject to change.

\$ _____ *

**ALBEMARLE COUNTY SERVICE AUTHORITY
(VIRGINIA)
WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2026**

(_____) Year	Amount	Interest Rate	Yield	CUSIP No.**
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* Preliminary, subject to change.

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The Series 2026 Bonds will be exempt from registration under the Securities Act of 1933. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2026 Bonds also will be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2026 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” In this respect, the words, “estimate”, “project”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the Authority’s operations and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2026 Bonds, including transactions to (a) overalloc in arranging the sales of the Series 2026 Bonds and (b) make purchases and sales of the Series 2026 Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriter may determine.

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OFFICIAL STATEMENT

of the

ALBEMARLE COUNTY SERVICE AUTHORITY (VIRGINIA)

\$ _____ * WATER AND SEWER SYSTEM REVENUE BONDS SERIES 2026

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information in connection with the issuance of \$ _____ * Water and Sewer System Revenue Bonds, Series 2026 (the “Series 2026 Bonds”), by Albemarle County Service Authority (the “Authority”), a public body politic and corporate of the Commonwealth of Virginia. This introduction is qualified in its entirety by information found elsewhere in this Official Statement. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The Series 2026 Bonds will be offered for sale through electronic bidding on _____, 2026. The Notice of Sale dated _____, 2026, relating to the Series 2026 Bonds and describing the electronic bidding process, is included herein as **Appendix J**.

Proceeds from the sale of the Series 2026 Bonds will be used to provide funds to (a) finance improvements to the Authority’s water and sewer system (the “System”) as further described herein (the “2026 Project”), and (b) pay the cost of issuing the Series 2026 Bonds. See the section “PLAN OF FINANCING.”

The Series 2026 Bonds will be issued and secured in accordance with the provisions of the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “Enabling Act”), and pursuant to the provisions of an Agreement of Trust dated as of November 1, 2010, as previously supplemented and amended (the “Master Trust Agreement”), between the Authority and The Bank of New York Mellon Trust Company, N.A., New York, New York, as trustee (the “Trustee”), and as further supplemented and amended by a Third Supplemental Agreement of Trust dated as of _____, 2026 (the “Third Supplemental Agreement,” and together with the Master Trust Agreement, the “Trust Agreement”). The Series 2026 Bonds, the \$ _____ of bonds presently outstanding pursuant to the Trust Agreement (collectively, the “Outstanding Bonds”), and any additional bonds that may hereafter be issued pursuant to the Trust Agreement (“Additional Bonds”), are referred to herein as the “Bonds.”

The Series 2026 Bonds will be limited obligations of the Authority payable solely from revenues derived from the System and other funds pledged for their payment under the terms of the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the Authority and Albemarle County, Virginia (the “County”), are pledged to the payment of principal of or interest on the Series 2026 Bonds. See the section “SECURITY FOR THE SERIES 2026 BONDS.”

In the Trust Agreement, the Authority has covenanted to fix, charge, collect and revise its rates, fees and other charges for the use of and for the services furnished by the System in each fiscal year ending on June 30 (each a “Fiscal Year”) so as to meet the following two independent requirements: (a) Net Revenues shall be sufficient in each Fiscal Year to equal 120% of Annual Debt Service with respect to Senior Debt for such Fiscal Year and (b) Revenues shall be sufficient in each Fiscal Year to pay the cost of operation and maintenance, and debt service on the Bonds and on any other indebtedness of the Authority secured by such revenues, and to provide certain reserves

*Preliminary, subject to change.

therefor. A more complete description of the rate covenant and the security for the Bonds, including the Series 2026 Bonds, is provided in “SECURITY FOR THE SERIES 2026 BONDS – Rate Covenant.”

PLAN OF FINANCING

The 2026 Project

A portion of the proceeds of the Series 2026 Bonds, together with other available amounts, will be used to [finance the acquisition, construction, equipping and planning of improvements and extensions to the System] (the “2026 Project”), including portions of the costs of the following project components:

The total costs of the 2026 Project are reflected in the Capital Improvement Program and are funded only in part from proceeds of the Series 2026 Bonds. See the section “Future Development Plans/Capital Improvement Plan” in **Appendix A** and the Engineer’s Report in **Appendix D**.

Sources and Uses of Funds

The proceeds received from the sale of the Series 2026 Bonds are expected to be applied as follows:

Sources of Funds:

Par Amount of Series 2026 Bonds

Net Original Issue Premium

Total Sources of Funds

Uses of Funds:

Deposit to Construction Fund

Costs of Issuance (including Underwriter’s Compensation)

Total Uses of Funds

THE SERIES 2026 BONDS

General Description

The Series 2026 Bonds will be dated their date of delivery, will bear interest from their date payable on _____, _____, and semiannually thereafter on each _____ and _____, at the rates set forth on the inside cover page of this Official Statement and will mature, subject to prior redemption as hereinafter described, in installments on _____ in the years and amounts set forth on the cover page of this Official Statement.

The Series 2026 Bonds will be issued as fully registered bonds, in denominations of \$5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Individual purchases of beneficial ownership in the Series 2026 Bonds will be made in principal amounts of \$5,000 and multiples of \$5,000. Individual purchasers of beneficial ownership in the Series 2026 Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates. So long as the Series 2026 Bonds are in book-entry form, transfer of the Series 2026 Bonds and payment of principal of and premium, if any, and interest on the Series 2026 Bonds will be effected as described in **Appendix I** - “Book-Entry Only System.” If the book-entry system is discontinued, bond certificates will be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the Series 2026 Bonds. Registered owners of the Series 2026 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the “Bondholders.” **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** See **Appendix I** - “Book-Entry Only System.”

Redemption*

Optional Redemption. The Series 2026 Bonds maturing on or after _____, _____, will be subject to redemption prior to maturity at the option of the Authority on or after _____, _____, in whole or in part (in integral multiples of \$5,000) at any time, upon payment of 100% of the principal amount of Series 2026 Bonds to be redeemed plus interest accrued to the date fixed for redemption.

[Mandatory Sinking Fund Redemption. The final Official Statement will contain the provisions for any Series 2026 Bonds subject to mandatory sinking fund redemption.]

[Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on _____, _____, in the principal amount of \$_____ will be required to be redeemed prior to maturity, in part, on _____ in the years and in the amounts set forth below, upon payment of 100% of the principal amount thereof to be redeemed, plus interest accrued to the date fixed for redemption:

Year	Amount	Year	Amount
_____	_____	_____	_____

* Final maturity

The Trust Agreement provides for a credit against payments required to be made on any mandatory sinking fund redemption date in an amount equal to the principal amount of Series 2026 Bonds of a like maturity that have been redeemed (other than by mandatory sinking fund redemption) before such mandatory sinking fund redemption date or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least sixty (60) days before such mandatory sinking fund redemption date, provided such Series 2026 Bonds have not previously been applied as a credit against mandatory sinking fund redemption payments.]

*Preliminary, subject to change.

Manner of Redemption

If less than all of the Series 2026 Bonds are called for redemption, they shall be called in such order of maturity as the Authority may determine. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the principal portion of such maturity shall be determined by the Authority and the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2026 Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2026 Bonds for redemption, each Series 2026 Bond shall be considered as representing that number of Series 2026 Bonds which is obtained by dividing the principal amount of such Series 2026 Bond by \$5,000. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Notice to Bondholders

At the direction of the Authority, the Trustee shall cause notice of the call for redemption to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Series 2026 Bonds. The Authority shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2026 Bonds. If no qualified securities depository is the registered owner of the Series 2026 Bonds, notice of redemption shall be mailed to the registered owners of the Series 2026 Bonds. Each notice of redemption shall identify the Series 2026 Bonds or portions thereof to be redeemed. Interest shall cease to accrue on any Series 2026 Bonds duly called for redemption, after the redemption date, if payment thereof has been duly provided. The Trustee shall not be required to transfer or exchange any Series 2026 Bond or portion thereof after the notice of redemption has been duly provided. During the period that DTC or the DTC nominee is the registered holder of the Series 2026 Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2026 Bonds. See **Appendix I - "Book-Entry Only System."**

At the direction of the Authority, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Series 2026 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the Series 2026 Bonds called for redemption at the place or places of payment, such Series 2026 Bonds shall be paid and redeemed.

Additional Bonds

As set forth in the Trust Agreement, the Authority may issue, subject to certain restrictions, one or more series of Additional Bonds, equally and ratably secured with the Series 2026 Bonds and the Outstanding Bonds, for the purpose of (1) paying the cost of completing the facilities, (2) acquiring or constructing improvements, extensions, additions or replacements to the System, (3) refunding any of the Bonds, or (4) any combination of such purposes. See "Issuance of Additional Bonds" in **Appendix F**.

SECURITY FOR THE SERIES 2026 BONDS

General

The Bonds (consisting of the Outstanding Bonds, the Series 2026 Bonds and any additional Series of Bonds) and any other Senior Debt will be equally and ratably secured under the Trust Agreement without preference, priority or distinction. The Bonds will be limited obligations of the Authority payable (except to the extent payable from the proceeds of the Series 2026 Bonds or the income, if any, derived from the investment thereof) solely from Revenues

derived from the ownership or operation of the System, certain reserves, income from investments and proceeds of insurance.

Under the Trust Agreement, the Authority pledges to the Trustee to secure payment of the principal of and premium, if any, and interest on all Bonds and other Senior Debt that may from time to time be issued and Outstanding under the Trust Agreement or under the documents pertaining to such other Senior Debt, the Revenues derived from the operation of the System and all amounts held under the Trust Agreement in the Construction Fund, the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund (provided that each Series Construction Account and Series Debt Service Reserve Account secure only the related Series of Bonds), subject only to the Authority's right to make application of such Revenues to Operating Expenses and other purposes, as set forth in the Trust Agreement.

The Trust Agreement does not convey or mortgage the System. The Authority has covenanted not to lease, sell, encumber or otherwise dispose of any part of the System except in the limited circumstances provided in the Trust Agreement. See "Particular Covenants – *Sale or Encumbrance*" in **Appendix F**.

THE PRINCIPAL OF AND THE PREMIUM, IF ANY, AND THE INTEREST ON THE BONDS WILL NOT BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OTHER POLITICAL SUBDIVISION, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY COUNTY, CITY, TOWN OR OTHER SUBDIVISION OF THE COMMONWEALTH, INCLUDING THE AUTHORITY AND THE COUNTY, ARE PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

Flow of Funds

Revenues will be collected by the Authority and deposited monthly in the Revenue Fund. Revenues will then be applied as of the 25th day of each month, but not later than the last day thereof, in the following priority:

(1) Revenues will first be transferred to the Operating Fund in the amount needed to increase the balance therein to the sum of (a) the estimated amount of the Operating Expenses for the next succeeding two months as provided in the Annual Budget and (b) the aggregate amount of all checks and other debits outstanding and unpaid drawn upon the Operating Fund. The Authority will pay Operating Expenses from the Operating Fund as the same become due and in accordance with the purposes and amounts in the Annual Budget. In the event the balance in the Operating Fund is insufficient for the purposes thereof, the Authority will transfer to the Operating Fund the necessary amounts from the General Reserve Fund.

(2) Revenues will next be deposited to the Bond Fund in such amounts as shall be necessary to make the following deposits:

(a) first, in the Interest Account, such amount, if any, as may be required to make the total amount on deposit therein equal to one-sixth of the amount of interest which will become due on the Bonds within the next succeeding six months multiplied by the sum of one plus the number of complete months since the last interest payment date; and

(b) then, in the Principal Account, such amount, if any, as may be required to make the total amount on deposit therein equal to one-twelfth of the amount of principal of each Series of Bonds maturing or coming due or the mandatory sinking fund installment of any Term Bonds required to be paid within the next succeeding twelve months multiplied by the sum of one plus the number of complete months since the last principal payment date.

In the event the balances in the Principal Account or the Interest Account are insufficient for the purposes thereof, the Trustee will notify the Authority of the amount of such insufficiency and the Authority will promptly deliver to the Trustee for deposit in such accounts such amounts as may be necessary therefor from the General Reserve Fund. If the balances in such Accounts are still insufficient for the purposes thereof, the Trustee will transfer

such amounts as may be necessary from the applicable Series Debt Service Reserve Account in the Debt Service Reserve Fund.

In the event the balance on deposit in the Interest Account on any interest payment date will exceed the amount payable on account of interest on the Bonds on such date, the excess will be, if the amount on deposit in any Series Debt Service Reserve Account is less than the respective Series Debt Service Reserve Requirement, transferred to such Series Debt Service Reserve Account to the extent of such deficiency, and otherwise, at the written direction of an Authorized Authority Representative, retained in the Interest Account or transferred to the Principal Account to be credited against required deposits thereto.

In the event the balance on deposit in the Principal Account on any principal payment date shall exceed the amount required on such date to pay Bonds at maturity or to redeem Term Bonds pursuant to mandatory sinking fund requirements, the excess will be, if the amount on deposit in any Series Debt Service Reserve Account is less than the respective Series Debt Service Reserve Requirement, transferred to such Series Debt Service Reserve Account to the extent of such deficiency, and otherwise, at the written direction of an Authorized Authority Representative, retained in the Principal Account or transferred to the Interest Account to be credited against required deposits thereto.

(3) Revenues will next be deposited in the interest and principal accounts in the Senior Debt Service Component Fund in amounts with respect to any Senior Debt Service Component(s) coming due in the next succeeding month. In the event that any Senior Debt Service Component is payable other than on a monthly basis, the Authority may provide for monthly deposits to the Senior Debt Service Component Fund to amortize such amounts. In the event the amount on deposit in the Senior Debt Service Component Fund is insufficient for the purposes thereof, the Authority will transfer amounts as may be necessary to correct such deficiency from the General Reserve Fund.

(4) Revenues will next be deposited in any Series Debt Service Reserve Account in the Debt Service Reserve Fund as the Trustee may certify as necessary to increase the amount on deposit therein to the amount of the respective Series Debt Service Reserve Requirement. Each Series Debt Service Reserve Account will be used to make transfers to the Bond Fund to the extent necessary to pay the principal of (whether at maturity or by mandatory sinking fund redemption) and interest on only the related Series of Bonds as the same become due if the amounts on deposit therein are insufficient therefor.

At the option of the Authority, the Series Debt Service Reserve Requirement for two or more Series of Bonds may be combined into a single Series Debt Service Reserve Account established within the Debt Service Reserve Fund, with the amount of such Series Debt Service Reserve Requirement meaning at any time the then remaining maximum Annual Debt Service on all such series so combined, and with the amounts in such Account securing all Bonds of such combined series on a pro rata basis.

In the event the amount on deposit in any Series Debt Service Reserve Account is less than the respective Series Debt Service Reserve Requirement, the Trustee will request, and the Authority will deliver first from the General Reserve Fund and then from the Subordinate Debt Fund, funds sufficient to restore any Series Debt Service Reserve Account to the amount of the respective Series Debt Service Reserve Requirement, or such lesser amount as may be available; provided, however, that if after such transfers, there is still a deficiency in any Series Debt Service Reserve Account, then the Authority will transfer to the Trustee from the Revenue Fund the amount of such deficiency as soon as practicable and in any event within a period of 12 months by depositing one-twelfth of the required amount each month.

In the event the amount on deposit in any Series Debt Service Reserve Account exceeds the respective Series Debt Service Reserve Requirement, the Trustee will transfer the excess not less frequently than semi-annually to the Bond Fund to be deposited in the Interest Account or Principal Account to the extent amounts in such Accounts are less than the amounts required to be paid on the next interest payment date and principal payment date, respectively, and then any excess remaining will be delivered to the Authority for deposit in the Revenue Fund.

In lieu of or in addition to cash or investments, at any time the Authority may cause to be deposited to the credit of any Series Debt Service Reserve Account any form of credit facility, in the amount of all or a portion of the respective Series Debt Service Reserve Requirement, irrevocably payable to the Trustee as beneficiary for the holders of the respective Series of Bonds.

(5) Revenues will next be deposited in the Subordinate Debt Fund in such amount, if any, of principal and interest on Subordinate Debt coming due in the next succeeding month and any deposit to the debt service reserve funds, if any, established in connection with such Subordinate Debt; provided, however, that if any Subordinate Debt is payable other than on a monthly basis, the Authority may provide for monthly deposits to the Subordinate Debt Fund to amortize such amounts. After the preceding transfers, the Authority shall transfer to any debt service reserve fund established in connection with such Subordinate Debt the amount, if any, as the Authority shall determine to be necessary to increase the amount on deposit in such debt service reserve fund to its respective reserve requirement. In the event the amount on deposit in the Subordinate Debt Fund or any debt service reserve fund established in connection with Subordinate Debt is insufficient for the purposes thereof, the Authority will transfer amounts as may be necessary to correct such deficiency from the General Reserve Fund. The Authority will pay when due payments on any Subordinate Debt. The Authority will also transfer amounts on deposit in the Subordinate Debt Fund to any Series Debt Service Reserve Account within the Debt Service Reserve Fund if and as needed.

(6) After the transfers to the Operating Fund, the Bond Fund, the Senior Debt Service Component Fund, the Debt Service Reserve Fund and the Subordinate Debt Fund, the Authority will transfer to the General Reserve Fund any balance remaining in the Revenue Fund. Subject to retaining moneys necessary to pay Bonds that have been called for redemption but not then presented for payment, the Authority may use amounts in such fund for any of the following purposes:

- (a) to pay Operating Expenses for which the balance in the Operating Fund may be insufficient;
- (b) to make transfers to the Bond Fund, the Senior Debt Service Component Fund or the Subordinate Debt Fund if necessary to pay debt service due on any Bonds, Senior Debt Service Components or Subordinate Debt;
- (c) to make up a deficiency in any Series Debt Service Reserve Account;
- (d) to pay the cost of replacements of major components of the System and the cost of acquisition or construction of improvements, extensions, additions or replacements required to be charged to capital account by generally accepted accounting principles and which constitute or will constitute a part of the System;
- (e) to purchase, for cancellation, Bonds at or below their current redemption price;
- (f) to redeem Bonds at the earliest practicable date; and
- (g) to pay arbitrage rebate with respect to any Series of Bonds.

A schematic of the foregoing flow of funds is set forth below.

Rate Covenant

The Trust Agreement requires that the Authority fix, charge and collect such rates, fees and other charges for the use of and for the services furnished by the System, and, from time to time and as often as shall appear necessary, revise such rates, fees and other charges, so as to produce Revenues in each Fiscal Year sufficient to meet the following two independent requirements:

- (1) Net Revenues shall be sufficient in each Fiscal Year to equal 120% of Annual Debt Service with respect to Senior Debt for such Fiscal Year.
- (2) Revenues shall be sufficient in each Fiscal Year to pay (A) the Operating Expenses shown in the Annual Budget for such Fiscal Year, (B) the amount of Annual Debt Service that shall be due on Senior Debt in such Fiscal Year, (C) the amount, if any, required to be deposited in any Series Debt Service Reserve Account to restore the amount on deposit therein to the amount of the respective Series Debt Service Reserve Requirement, and (D) the amount of Annual Debt Service, if any, that shall be due on Subordinate Debt in such Fiscal Year.

If the requirements set forth above are not met in a Fiscal Year, then the Authority may retain a Qualified Independent Consultant to make recommendations as to operations and the revision of schedules of fees, rates and other charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority is required to establish fees, rates and charges sufficient to meet the requirements set forth above in the Fiscal Year immediately following the Fiscal Year in which such adjustments are made. If the Authority has taken such remedial steps, the Trust Agreement provides that the Authority will not be in default under its Rate Covenant so long as no other Event of Default has occurred and is continuing.

See **Appendix E** for the definitions of the defined terms used in this subsection.

Debt Service Reserve Fund

The Trust Agreement provides that Bonds, on a series by series determination, may be secured by a parity debt service reserve fund or by a separate series reserve account created therein or may be issued without being secured by any debt service reserve fund or account. **[No Debt Service Reserve Fund has been established.]**

Additional Bonds, on a series by series determination, may be issued and secured by a parity Debt Service Reserve Fund or a separate series reserve account that may be created therein.

BONDHOLDERS' REMEDIES IN EVENT OF DEFAULT

In the case of an Event of Default under the Trust Agreement (see “Events of Default and Remedies on Default” in **Appendix F**, the Trustee may, and if requested by the holders of not less than 25% in aggregate principal amount of Bonds then outstanding and upon indemnification by the Bondholders as provided in the Trust Agreement shall, proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by declaring the entire unpaid principal of and premium, if any, and interest on the Bonds due and payable or by instituting a mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) permits a municipality such as the Authority, if insolvent or otherwise unable to pay its debts as they become due, to file a voluntary petition for the adjustment of debts provided that such municipality is “specifically authorized, in its capacity as a municipality or by name, to be a debtor...” Bankruptcy Code, § 109(c)(2). Current Virginia statutes do not expressly authorize the Authority or municipalities generally to file for bankruptcy under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the Authority.

Bankruptcy proceedings by the Authority could have adverse effects on registered owners of the Bonds, including, (a) delay in the enforcement of their remedies, (b) subordination of their claims to claims of those supplying goods and services to the Authority after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the registered owners of the Bonds, such creditors will have the benefit of their original claims or the “indubitable equivalent” thereof, although such plan may not provide for payment of the Bonds in full. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretations.

THE AUTHORITY

The Authority is a public body politic and corporate and an instrumentality of the Commonwealth of Virginia organized pursuant to the provisions of the Enabling Act. The Authority was created by action of the Board of County Supervisors (the “County Board of Supervisors”) of Albemarle County, and was chartered by the State Corporation Commission on April 23, 1964. By resolution dated October 17, 1974, the County Board of Supervisors extended the

life of the Authority to October 17, 2054. The purpose of the Authority is to provide retail finished water distribution and sewer collection services to those jurisdictional areas in the County designated by the County Board of Supervisors. See **Appendix A** for information about the Authority.

LITIGATION

General. There is no litigation of any nature pending or, to the best knowledge of the Authority, threatened against the Authority in any way questioning or affecting the validity of the Series 2026 Bonds, the Authority's power and authority to issue or make payments on the Series 2026 Bonds or the collection of revenues of the System to pay principal of and interest on the Series 2026 Bonds.

In addition, there is no litigation pending or, to the best knowledge of the Authority, threatened against the Authority that would have a material adverse effect on the condition of the Authority, financial or otherwise, its contractual arrangements with third parties for water supply and wastewater treatment capacity, or its ability to undertake the 2026 Project.

LEGALITY FOR INVESTMENT

Under the Enabling Act, the Series 2026 Bonds are made securities in which all public officers and public bodies of the Commonwealth of Virginia and all political subdivisions thereof, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations in the Commonwealth of Virginia, may properly and legally invest funds in their control.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2026 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the Authority upon delivery of the Series 2026 Bonds, in substantially the form set forth in **Appendix G** (the "Bond Opinion"). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2026 Bonds and to the tax-exempt status of interest on them as described in the section "TAX EXEMPTION." Bond Counsel has not been engaged to investigate the financial resources of the Authority or its ability to provide for payment of the Series 2026 Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making a decision to purchase the Series 2026 Bonds.

Certain legal matters will be passed on for the Authority by its general counsel, Flora Pettit PC, Charlottesville, Virginia.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel and in accordance with customary opinion practice, under current law, interest[, including any accrued original issue discount ("OID"),] on the Series 2026 Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. [Except as discussed below regarding OID,] no other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2026 Bonds.

Bond Counsel's opinion is given in reliance upon certifications by representatives of the Authority as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code"), and is subject to the condition that there is compliance subsequent to the issuance of the Series 2026 Bonds with all requirements of the Code that must be satisfied in order for interest

thereon to remain excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2026 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2026 Bonds. Failure by the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the Series 2026 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Series 2026 Bonds remain excludable from gross income for federal income tax purposes.

Customary practice in the giving of legal opinions includes not detailing in the opinion all the assumptions, limitations and exclusions that are a part of the conclusions therein. See “*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*”, 63 Bus. Law. 1277 (2008), and “*Legal Opinion Principles*”, 53 Bus. Law. 831 (May 1998), updated by “*Statement of Opinion Practices*”, 74 Bus. Law. 801, 807 (2019). Purchasers of the Series 2026 Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Series 2026 Bonds.

Bond Counsel’s opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Internal Revenue Service (the “Service”) or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

[Original Issue Discount]

[The initial public offering prices of each maturity of the Series 2026 Bonds maturing in the years [____ and ____] (the “OID Bonds”) will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such Series 2026 Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such Series 2026 Bonds will be sold.

Under the Code, for purposes of determining a Bondholder’s adjusted basis in an OID Bond, OID treated as having accrued while the Bondholder holds such Series 2026 Bond will be added to the Bondholder’s basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of the OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such Series 2026 Bonds.]

[Original Issue Premium]

[Series 2026 Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder’s basis in such a Series 2026 Bond must be reduced by the amount of premium that accrues while such Series 2026 Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2026 Bonds while so held. Purchasers of such Series 2026 Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Series 2026 Bonds.]

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2026 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies,

S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

The Service has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service does audit the Series 2026 Bonds, under current Service procedures, the Service will treat the Authority as the taxpayer, and the owners of the Series 2026 Bonds will have only limited rights, if any, to participate.

Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors as to the status of interest on the Series 2026 Bonds under the tax laws of any state other than the Commonwealth.

RATINGS

The Series 2026 Bonds have been rated “___” by Fitch Inc. (“Fitch”), “___” by Moody’s Investors Service, Inc., (“Moody’s”), and “___” by S&P Global Ratings (“S&P”). Further explanation of the significance of these ratings may be obtained from Fitch, Moody’s and S&P, as the case may be. The ratings are not a recommendation to buy, sell or hold the Series 2026 Bonds and should be evaluated independently. There is no assurance that the ratings will not be withdrawn or revised downward by Fitch, Moody’s or S&P. Such action may have an adverse effect on the market price of the Series 2026 Bonds.

Such ratings reflect only the respective view of such organizations. Reference should be made to the individual rating agency for a fuller explanation of the significance of the rating assigned by the rating agency. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be changed, suspended or withdrawn entirely by either or both of the rating agencies if, in the judgment of either or both, changes in or unavailability of, information so warrant. Any such downward revision or withdrawal of ratings may have an adverse effect on the market price of the Series 2026 Bonds.

SALE AT COMPETITIVE BIDDING

The Series 2026 Bonds will be offered for sale at competitive bidding on _____, 2026, unless changed pursuant to the terms of the Notice of Sale for the Series 2026 Bonds. A copy of the Notice of Sale for the Series 2026 Bonds is attached to this Preliminary Official Statement as **Appendix I**.

After the Series 2026 Bonds have been awarded to the winning bidder(s), the Authority will issue an Official Statement in final form. The Authority will deem the Official Statement final as of its date, and the Official Statement in final form will include, among other things, the identity or identities of the winning bidder(s), the final principal amounts as adjusted, the expected selling compensation to the winning bidder(s) and other information on the interest rates and offering prices or yields, all as provided by the winning bidder(s).

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the Authority with respect to the sale of the Series 2026 Bonds. The financial advisor has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2026 Bonds.

CONTINUING DISCLOSURE

To permit compliance by the Underwriter with the continuing disclosure requirements of the Rule, the Authority will execute a Continuing Disclosure Agreement (the “CDA”) at closing agreeing to provide certain annual financial information (“Annual Disclosure”) and event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in **Appendix H**, the CDA requires the Authority to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2026 Bonds at any particular time. The Authority may from

time to time disclose certain information and data in addition to that required by the CDA. If the Authority chooses to provide any additional information, the Authority shall have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the Authority to comply with the CDA is not an event of default under the Series 2026 Bonds or the Trust Agreement. The sole remedy for a default under the CDA is to bring an action for specific performance of the Authority's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

MISCELLANEOUS

The financial statements of the Authority as of June 30, 2025, have been examined to the extent set forth in their report by Brown, Edwards and Company, LLP, independent certified public accountants, and are included as **Appendix B** in reliance upon such report. Brown, Edwards and Company, LLP has not been asked to review, and will not be reviewing, any matters in connection with the issuance of the Series 2026 Bonds.

The foregoing summaries or descriptions of the provisions of the Enabling Act, the Series 2026 Bonds and the Trust Agreement are brief outlines of certain provisions thereof and do not purport to be complete statements of such provisions. Reference is hereby made to the Enabling Act, the Series 2026 Bonds and the Trust Agreement for complete information.

So far as any statements made in this Preliminary Official Statement and the appendices attached hereto involve matters of opinion or of estimates, whether or not expressly so stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority has duly authorized the distribution of this Preliminary Official Statement. The Authority has deemed this Preliminary Official Statement final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

ALBEMARLE COUNTY SERVICE AUTHORITY

By: _____
Executive Director

APPENDIX A**Information Regarding the
Albemarle County Service Authority**

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ALBEMARLE COUNTY SERVICE AUTHORITY

General

The Albemarle County Service Authority (“ACSA” or the “Authority”) is a public body politic and corporate and an instrumentality of the Commonwealth of Virginia organized pursuant to the provisions of the Virginia Water and Waste Authorities Act (the “Enabling Act”). The Authority was created by action of the Board of County Supervisors (the “County Board of Supervisors”) of Albemarle County, Virginia (“Albemarle County” or the “County”), and was chartered by the State Corporation Commission on April 23, 1964. The County Board of Supervisors has formally extended the life of the Authority to October 17, 2054 (or such later date when all Authority debt has been paid or otherwise defeased. The purpose of the Authority is to provide retail finished water distribution and sewer collection services to those jurisdictional areas of the County designated by the County Board of Supervisors.

In addition to retailing finished water and sewage collection service, the Authority constructs pump stations and line extensions; purchases, connects to the system, and upgrades private water systems; installs water supply and sewage collector systems; inspects water delivery and sanitation sewage systems installed and contributed to by developers; and maintains such constructed and contributed facilities.

In June 1973, the Authority and the City of Charlottesville, Virginia (the “City” or “Charlottesville”), sold all water and sewer treatment and major distribution facilities to the newly-formed Rivanna Water and Sewer Authority (the “Rivanna Authority”), which provides wholesale finished water and sewer treatment services to the Authority and the City. In 1975, the Authority purchased from the City the facilities to serve all current water and sewer customers outside the City limits, and since then, the Authority has been the sole public retailer of these services in the County.

Organization and Administration

Located in central Virginia, approximately 100 miles southwest of Washington, DC, and less than 65 miles west of the City of Richmond, Virginia, the Authority was established to provide water and sewer service to those jurisdictional areas in the County designated by the County Board of Supervisors. The current service areas include the urbanized ring around the City, the communities of Crozet and Scottsville, Red Hill, and the village of Rivanna. A six-member board of directors, appointed by the County Board of Supervisors for renewable four-year terms, appoints the Executive Director and governs Authority operations and policies.

Information about the current members of the Authority board of directors and senior management is set forth below.

Board of Directors	Term Expires
Richard Armstrong, <i>Chairman</i>	12/31/2027
Lizbeth Palmer, <i>Vice-Chairman</i>	12/31/2029
Diantha McKeel	12/31/2029
John Parcels	12/31/2027
Clarence W. Roberts	12/31/2027
Kimberly Swanson	12/31/2029

Quin Lunsford was appointed Executive Director of the Authority effective July 1, 2024. Since his appointment, Mr. Lunsford has provided strategic leadership planning, direction, coordination and supervision of ongoing operations and compliance with regulatory requirements. Prior to this role, he served as the Director of Finance for the Authority from 2014-2024 and was responsible for financial oversight, rate setting, project management, and financial reporting. He currently represents the Authority on the Rivanna Water and Sewer Authority Board of Directors. Mr. Lunsford has a B.S. from Virginia Tech and is a graduate of the University of Virginia’s Darden School of Business Executive Program, “Strategic Leadership at the Top.”

Jeremy M. Lynn, P.E. was appointed Director of Engineering for the Authority effective September 1, 2022. As Director of Engineering, Mr. Lynn oversees the departmental operations that include project management, environmental compliance, utility location efforts, and construction inspection activities. He also prepares and implements ACSA's Capital Improvement Program (CIP). Mr. Lynn began his career with the ACSA in March 2004 and prior to his appointment as Director of Engineering, he served in the roles of Civil Engineer and Senior Civil Engineer. He also worked for the Virginia Department of Transportation prior as an Associate Engineer before joining the ACSA. Mr. Lynn holds a B.S. in Civil Engineering from the University of Virginia and a Master of Engineering from Colorado State University.

Alexander Morrison was appointed Director of Operations for the Authority effective November 1, 2023. In this role, Mr. Morrison oversees the operation, maintenance, and reliability of ACSA's water distribution and wastewater collection systems, ensuring the continued delivery of essential public utility services to the community. Mr. Morrison began his career with ACSA in March 2011 as a Civil Engineer and subsequently served as a Senior Civil Engineer prior to his appointment as Director of Operations. During his tenure, he has contributed to the planning, design, construction, and operation of critical water and wastewater infrastructure projects and has played a key role in advancing the Authority's operational and maintenance programs. Mr. Morrison is a registered Professional Engineer in the Commonwealth of Virginia and holds a Class V Waterworks Operator's License. He earned a Bachelor of Science degree in Mining and Minerals Engineering from Virginia Tech in 2010 and a Master of Engineering degree in Civil Engineering from Colorado State University in 2016.

Emily Roach has served as the Director of Human Resources and Administration for the Authority since January 2015. With nearly two decades of experience in local government, she has built her career through a variety of roles within the organization. Ms. Roach joined the ACSA in 2006 as a Customer Service Representative and later advanced through positions including Accounting Technician and Accounting Supervisor before assuming her current leadership role. She holds a Bachelor of Science in Finance from Old Dominion University and a Master of Business Administration with a concentration in Human Resource Management from the University of Saint Mary.

April Walker was appointed Director of Information Technology in 2021 and oversees the Authority's technology strategy, cybersecurity initiatives, enterprise applications, infrastructure, physical security, and digital transformation efforts, ensuring that technology supports ACSA's mission of delivering reliable water and wastewater services to the community. Ms. Walker began her career with the Authority in 2008 with the Authority's Administration Department before transitioning to the Information Technology Department as a Systems Analyst and Systems Engineer.

The Authority currently employs approximately 91 persons.

WATER AND SEWER SYSTEM

System Description

The System includes water distribution and wastewater collection facilities located in three primary service areas: (1) the Urban Service Area in the Charlottesville vicinity, (2) the Crozet Service Area and (3) the Scottsville Service Area. The Authority also serves a small community of 11 customers in the "Red Hill" area of the County.

The Authority's system for finished water delivery currently comprises 380 miles of water lines, seven storage tanks, eight water pumping stations and 3,199 fire hydrants supplying 23,400 service connections. Water is purchased from the Rivanna Authority, which is responsible under the Service Agreement for supplying all water and treating all sewage for customers of the Authority and the City, and resold to customers in three basic service zones: the urbanized area surrounding the City of Charlottesville and extending up Route 29 North to the North Fork of the Rivanna River, the Community of Crozet (approximately 15 miles west of the City) and the Town of Scottsville (20 miles south of the City). For the fiscal year ended June 30, 2025, the Authority sold approximately 1.8 billion gallons of finished water.

The Authority's sewer system currently consists of 321 miles of sewer collector lines (including more than 2 1/2 miles of force mains) and 10 sewage pumping stations serving the same basic areas as the water system. Nearly

all the sewerage collected by the Authority is treated at the Rivanna Authority's Moore's Creek Advanced Wastewater Treatment Plant (capacity 15 mgd), which also treats all sewage from the City. Rivanna Authority also operates two other wastewater treatment plants (Scottsville and Glenmore) that serve smaller service areas of Authority customers. The Authority has 20,400 sewer connections. For the fiscal year ended June 30, 2025, customers were billed for approximately 1.6 million gallons of sewer collected.

RATE INFORMATION

Water And Sewer Rates

The following table provides water and sewer rates charged by the Authority for the five fiscal years ending June 30, 2027.

	2023	2024	2025	2026	2027
Monthly Service Charge⁽¹⁾	\$ 9.45	\$10.40	\$11.13	\$12.24	\$14.32
Water Volume					
Single-Family/Non-Residential					
0 – 3,000	5.05	5.56	5.95	6.55	7.66
3,001 – 6,000	10.14	11.15	11.93	13.12	15.35
6,000 – 9,000	15.19	16.71	17.88	19.67	23.01
Over 9,000	20.27	22.30	23.86	26.25	30.71
Multi-Family/Non-Residential					
All Metered Consumption	10.14	11.15	11.93	13.12	15.35
Sewer Volume	10.24	11.06	11.83	12.78	13.16

Source: Albemarle County Service Authority, 2025 Annual Comprehensive Financial Report and Authority staff.

⁽¹⁾ Monthly Service charge varies based on meter size. The amount represented here is for our standard 3/4" meters.

All accounts are read and billed monthly. Water is billed at actual volume recorded plus a service charge per account, and sewer is billed at 100% of metered water.

Installation Charges. All new water connections to the Authority facilities shall pay a water installation charge, the purpose of which is, in part, to defray the cost of meter installation or the cost of meter and service installation, including necessary materials and labor. When ACSA taps the sewer line and/or installs a portion of the sewer lateral as part of a new sewer connection then the wastewater installation charge shall also be paid. Schedule of Installation Charges below:

Water

3/4" meter and connection	\$2,000
1" meter and connection	2,300
Over 1" meter and connection	Actual cost
3/4" meter only	400
1" meter only	500
1 1/2" meter only	2,700
2" meter only	2,900
Over 2" meter only	Actual cost

Wastewater

All taps	Actual cost
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System Development Charges. All new water and sewer connections are required to pay system development charges, the purpose of which is to defray, in part, the cost of to the Authority of providing major transmission and distribution mains, collection lines, pumping stations and storage facilities which are necessary to provide service to new customers. This charge is assessed on the basis of equivalent residential connections (ERC).

Rivanna Authority Capacity Charges. All new water and sewer connections to the Authority systems are assessed Rivanna Authority capacity charges to defray, in part, the cost of providing capacity for a new customer in the RWSA system. This charge shall be assessed on the basis of equivalent residential connections (ERC).

ERC Determination

Connection charges for metered services larger than 3/4" shall be equated to ERCs according to the following ratios:

3/4" meter	=	1 ERC	3" meter	=	16 ERCs
1" meter	=	2.5 ERCs	4" meter	=	25 ERCs
1 1/2" meter	=	5 ERCs	6" meter	=	50 ERCs
2" meter	=	8 ERCs			

Connection charges for multi-family, hotels, hospitals, assisted living facilities, nursing care facilities, master-metered single-family units, and master-metered mobile home parks shall be determined based upon the higher fee of either the meter size or the calculated number of ERCs based on the following factors::

Multi-family	1 unit	=	0.50 ERC
Hotels	1 room	=	0.50 ERC
Mobile Home Park	1 mobile home	=	1.00 ERC
Hospitals	1 bed	=	1.00 ERC
Assisted Living Facility	1 bed	=	0.40 ERC
Nursing Care Facility	1 bed	=	0.75 ERC
Master-Metered Single-Family	1 unit	=	1.00 ERC

For large or unusual new connections, where either high demand may be anticipated or new connections serve both residential and non-residential customers, the Authority reserves the right to calculate connection charges based on engineering data specific to that customer rather than using the ERC factors above.

System Development Charges

Water	\$2,300 per ERC
Wastewater	\$3,600 per ERC*

* Except certain Glenmore parcels as defined by Glenmore WWTP Agreement dated June 15, 1995.

RWSA Capacity Charges

Water	\$5,900 per ERC
Wastewater	\$4,700 per ERC*

* Except certain Glenmore parcels as defined by Glenmore WWTP Agreement dated June 15, 1995.

Billing and Collection

Bills for water and sewage customers are billed every month. Bills are due and payable when rendered. A late charge of 1 1/2% of the bill is applied, and a new notice is sent after 30 days. Service is discontinued if the bill remains unpaid 60 days after the billing date. The Authority requires that the past due bill and a reconnection charge of \$40 be paid prior to restoring service.

Rivanna Authority Rates

Pursuant to the service agreement entered into by the City, the Board of Supervisors, the Rivanna Authority, and the Authority (the “Political Subdivisions”) as of June 12, 1973 (the “Service Agreement”), the Authority must pay to the Rivanna Authority the rates set by the Rivanna Authority for water furnished to, and wastewater delivered by, the Authority. The Rivanna Authority’s rates are structured at levels necessary to provide funds, together with other funds that may be available, sufficient at all times to pay the costs of operation and maintenance of the Rivanna Authority’s system, and to pay debt service when due on the Rivanna Authority’s outstanding bonds and to provide certain reserves therefor (see the section herein “THE SERVICE AGREEMENT”).

The rates adopted by the Rivanna Authority applicable to the Authority for the fiscal year ending June 30, 2027, are as follows:

Water Rates			Wastewater Rates		
<u>Urban</u>			<u>Urban</u>		
Operations Rate (per 1,000 gallons)	\$3.942		Operations Rate (per 1,000 gallons)	\$3.921	
Debt Service Charge (per month)			Debt Service Charge (per month)		
ACSA	\$1,046,862		ACSA	\$594,370	
<u>Rural</u>			<u>Rural</u>		
Monthly Charge			Monthly Charge		
Crozet	\$454,191		Glenmore	\$85,673	
Scottsville	\$121,838		Scottsville	\$55,367	

FUTURE DEVELOPMENT PLANS/CAPITAL IMPROVEMENT PLAN

The Authority has approved a capital improvement plan through the next fiscal years ending June 30, 2031, as described below. Such capital improvements will be paid through a combination of system revenues and debt.

Water 5 Year Capital Improvement Plan						
	2027	2028	2029	2030	2031	Total
Crozet	\$ -	\$ -	\$ 850,000	\$ -	\$2,000,000	\$ 2,850,000
Scottsville	3,500,000	2,600,000	-	350,000	-	6,450,000
Urban	3,050,000	8,000,000	11,720,000	7,900,000	3,600,000	34,270,000
All	850,000	335,000	350,000	300,000	300,000	2,135,000
Total	\$7,400,000	\$10,935,000	\$12,070,000	\$8,550,000	\$3,900,000	\$42,855,000

Sewer 5 Year Capital Improvement Plan						
	2027	2028	2029	2030	2031	Total
Crozet	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ 175,000
Urban	9,900,000	7,500,000	3,930,000	4,650,000	8,500,000	34,480,000
All	450,000	1,300,000	400,000	400,000	400,000	2,950,000
Non-Utility and Facility	1,100,000	150,000	100,000	100,000	100,000	1,550,000
Total	\$11,450,000	\$ 8,950,000	\$ 4,430,000	\$ 5,325,000	\$ 9,000,000	\$39,155,000

Total Water and Sewer	\$18,850,000	\$19,885,000	\$17,350,000	\$13,875,000	\$14,900,000	\$84,860,000
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Source: Albemarle County Service Authority, 2026 Adopted Budget.

OPERATING DATA

Largest Customers

The following tables provide data on the Authority's largest customers for the fiscal year ended June 30, 2025.

Customer	Water Billed (in gallons)	Percent of Total Water Sales
Martha Jefferson Hospital	26,121,926	1.45 %
PR Charger C'ville Holdings	25,905,902	1.44
University of Virginia	24,442,581	1.36
County of Albemarle	21,801,642	1.21
Four Seasons Apts.	21,463,056	1.19
Southwood Mobile Homes	21,208,830	1.18
Turtle Creek Apts.	19,137,135	1.07
SEMF Charleston	17,751,621	0.99
Westminster Canterbury	17,259,880	0.96
Barracks West Apartments	16,899,102	0.94
	211,991,675	11.79%
Total Water Consumption:	1,796,772,022	

Source: Albemarle County Service Authority.

Customer	Sewer Billed (in gallons)	Percent of Total Sewer Sales
PR Charger Charlottesville Holdings	25,905,902	1.66 %
University of Virginia	24,364,052	1.56
Southwood Mobile Homes	22,980,200	1.48
Four Seasons Apartments	21,463,056	1.38
Turtle Creek Apartments	19,080,246	1.23
SEMF Charleston	17,751,621	1.14
Barracks West Apartments	16,799,102	1.08
Martha Jefferson Hospital	16,684,758	1.07
Westminster Canterbury	16,445,880	1.06
Westgate Apartments	14,270,934	0.92
	195,745,751	12.58%
Total Sewer Usage:	1,557,280,916	

Source: Albemarle County Service Authority.

Operating Summary

The following tables set forth data on the water and wastewater services provided, revenues attributable to the Authority's service classifications, and the number of service connections for the ten fiscal years ended June 30, 2025.

Water and Sewer Sold by Type of Customer Last Ten Fiscal Years (in Millions of Gallons)

	Fiscal Year ending June 30,									
Type of Water Customer	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Single-family residential	714.07	747.21	751.98	736.24	802.07	841.10	843.20	818.62	843.49	853.10
Multi-family residential	379.59	393.56	392.13	398.38	407.54	439.01	444.72	432.07	452.26	455.56
Commercial (offices)	64.97	51.50	45.65	44.48	42.05	36.94	43.84	52.58	80.26	45.19
Commercial (other)	240.93	283.17	269.28	264.36	254.80	224.13	263.78	256.93	258.28	261.82
Industrial	21.59	19.68	17.28	18.41	17.16	11.27	12.20	10.73	11.04	10.15
Institutional	189.99	207.49	203.02	164.35	159.91	151.73	167.90	168.24	167.74	170.95
Total Water Sold	1,611.14	1,626.22	1,683.53	1,704.18	1,683.53	1,704.18	1,775.64	1,739.17	1,813.07	1,796.77
Residential & irrigation 0 – 3,000	\$3.80	\$3.99	\$4.11	\$4.27	\$4.48	\$4.48	\$4.70	\$5.05	\$5.56	\$5.95
3,001 - 6,000	7.60	7.98	8.22	8.55	8.98	8.98	9.43	10.14	11.15	11.93
6,001 - 9,000	11.40	11.97	12.33	12.82	13.46	13.46	14.13	15.19	16.71	17.88
Over 9,000	15.20	15.96	16.44	17.10	17.96	17.96	18.86	20.27	22.30	23.86
Multi-family & non-residential	7.33	7.70	7.93	8.25	8.66	8.66	9.09	10.14	11.15	11.93
Type of Sewer Customer										
Single-family residential	570.61	600.29	604.03	600.17	650.95	689.17	685.30	669.72	689.45	697.30
Multi-family residential	355.89	366.04	366.63	375.80	390.51	418.86	448.24	425.43	444.14	443.67
Commercial (offices)	58.43	47.37	41.32	39.78	36.40	31.90	36.11	41.81	56.63	38.04
Commercial (other)	204.30	236.26	239.30	233.57	217.44	195.02	225.71	220.52	222.72	227.45
Industrial	17.45	15.19	15.97	13.60	13.32	10.22	11.64	9.85	9.63	8.82
Institutional	140.99	143.41	144.23	144.03	138.98	133.31	143.42	144.46	145.39	142.00
Total Sewer Sold	1,347.67	1,408.56	1,411.48	1,406.95	1,447.60	1,478.48	1,550.42	1,511.79	1,567.96	1,557.28
Rate per 1,000 gallons	\$8.10	\$8.50	\$8.67	\$8.93	\$9.47	\$9.47	\$9.94	\$10.24	\$11.06	\$11.83

Source: Albemarle County Service Authority.

**Operating Indicators
Last Ten Fiscal Years**

	Fiscal Year ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
New connections	298	493	481	514	535	451	357	543	502	424
Water meters read ⁽¹⁾	231,275	235,879	241,978	248,182	254,786	260,699	260,699	271,418	277,998	283,742
Service orders processed ⁽²⁾	12,405	16,988	12,055	8,179	11,091	10,640	10,640	7,988	5,162	4,876
Water main breaks	6	5	11	12	6	9	9	14	10	7
Sewer overflows	3	2	4	7	2	6	6	6	3	5
Sewer blockages	3	2	5	8	2	5	5	3	3	7

⁽¹⁾ Number of meters read for billing.

⁽²⁾ Includes new service requests, requests for disconnection, meter installations & exchanges, investigations, and miscellaneous customer requests.

**Capital Asset Statistics
Last Ten Fiscal Years**

	Fiscal Year ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of water connections	18,764	19,257	19,738	20,252	20,787	21,238	21,595	22,138	22,640	23,064
Number of sewer connections	15,805	16,299	16,764	17,273	17,803	18,257	18,611	19,146	19,650	20,076
Miles of water lines	338.52	344.76	349.40	353.10	357.81	363.79	373.97	374.29	377.84	380.10
Miles of sewer lines	281.67	288.17	292.70	297.60	301.12	316.06	323.52	315.63	318.64	321.10
Fire hydrants	2,511	2,590	2,650	2,747	2,818	3,023	3,137	3,146	3,142	3,199
Water pumping stations	9	8	8	9	9	9	9	9	8	8
Sewer pumping stations	12	12	12	12	12	11	11	10	10	10
Water storage tanks	8	8	8	8	8	8	8	8	7	7

Billed Services and Connections

Fiscal Year Ended June 30,	Water Connections	Water Billions of Gallons	Consumption Ratio Water/Sewer	Sewer Billions of Gallons	Sewer Connections
2016	18,764	1.61	1.2	1.35	15,805
2017	19,257	1.70	1.2	1.41	16,299
2018	19,738	1.68	1.2	1.41	16,764
2019	20,252	1.63	1.2	1.41	17,273
2020	20,787	1.68	1.2	1.45	17,803
2021	21,238	1.70	1.1	1.48	18,257
2022	21,595	1.78	1.1	1.55	18,611
2023	22,138	1.74	1.2	1.51	19,146
2024	22,640	1.81	1.2	1.57	19,650
2025	23,064	1.77	1.1	1.56	20,076

Source: Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025.

FIVE-YEAR SUMMARY OF REVENUES AND EXPENSES OF THE AUTHORITY

The following is a statement of revenues and expenses of the Authority for the five fiscal years ended June 30, 2025. Data for the fiscal years was prepared from the Authority's audited financial statements.

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Operating Revenues:					
Operating Revenues:					
Water Sales	\$ 15,919,103	\$ 17,545,859	\$ 18,720,236	\$ 21,719,767	\$22,876,443
Sewer Service	13,964,581	15,279,189	15,332,086	17,399,595	18,362,595
Water and sewer connection fees	141,043	131,415	178,642	178,849	175,477
Total operating revenues	30,024,727	32,956,463	34,230,964	39,298,211	41,414,515
Operating Expenses:					
Purchase of bulk water	10,667,369	12,403,735	13,987,522	16,266,189	19,012,443
Purchase of sewer treatment	9,191,140	9,520,032	10,202,217	11,319,500	12,356,107
Depreciation and amortization	3,898,244	4,114,076	4,305,017	4,354,813	4,792,018
Administration	993,444	1,026,017	1,275,340	1,179,165	1,301,385
Engineering	1,948,316	1,883,689	2,177,495	2,233,966	2,545,829
Finance	1,823,867	2,056,401	2,357,460	2,708,841	2,782,629
Information Technology	909,556	1,122,024	1,247,752	1,610,566	1,818,914
Maintenance	3,170,202	3,183,142	3,717,232	4,215,771	4,562,685
Total operating expenses	32,602,138	35,309,116	39,270,035	43,888,811	49,172,010
Operating loss	(2,577,411)	(2,352,653)	(5,039,071)	(4,590,600)	(7,757,495)
Nonoperating Revenues (Expenses)					
Miscellaneous revenues	278,560	143,870	409,305	424,691	546,330
Federal Grant Revenue – CARES Act/ARPA	159,657	215,925	36,465	-	-
Federal subsidy, Build America Bonds	94,730	3,774	-	-	-
Lease Revenue – GASB 87	-	-	16,036	16,334	16,335
Lease/Subscription interest expense	-	-	(6,521)	(4,421)	(2,260)
Investment income (loss)	82,900	(631,795)	1,084,854	2,810,568	2,880,166
Rental income	15,539	18,357	270	-	-
Miscellaneous expenses	(161,972)	(325,933)	(213,043)	(676,936)	(71,255)
Bond interest charges	(287,044)	(235,937)	(102,153)	(82,250)	(74,029)
Total nonoperating revenues (expenses)	182,370	(811,739)	1,225,213	2,487,986	3,295,287
Loss before capital contribution	(2,395,041)	(3,164,392)	(3,813,858)	(2,102,614)	(4,462,208)
Capital Contributions	14,080,638	11,292,904	13,246,309	10,495,354	10,090,529
Change in net position	11,685,597	8,128,512	9,432,451	8,392,740	5,628,321
Net Position – Beginning July 1,	200,275,110	211,960,707	220,089,219	228,316,799	236,709,539
Net Position – Ending June 30,	\$211,960,707	\$220,089,219	\$229,521,670	\$236,709,539	\$242,337,860

Source: Albemarle County Service Authority, Annual Comprehensive Financial Report for FY ended June 30, 2025.

MANAGEMENT DISCUSSION OF PRELIMINARY, UNAUDITED FISCAL YEAR 2026 RESULTS

[To come]

SUMMARY BUDGETS FOR FISCAL YEARS 2026 AND 2027

[To come]

DEBT SERVICE

The following table provides information on the debt service due on the Authority's outstanding indebtedness and the 2026 Bonds.

Fiscal Year	<u>Existing Debt</u>			<u>Series 2026 Bonds</u>			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2027	\$ 460,000	\$ 118,388	\$ 578,388				
2028	480,000	94,300	574,300				
2029	505,000	69,059	574,059				
2030	535,000	42,409	577,409				
2031	560,000	14,350	574,350				
2032	-	-	-				
2033	-	-	-				
2034	-	-	-				
2035	-	-	-				
2036	-	-	-				
2037	-	-	-				
2038	-	-	-				
2039	-	-	-				
2040	-	-	-				
2041	-	-	-				
2042	-	-	-				
2043	-	-	-				
2044	-	-	-				
2045	-	-	-				
2046	-	-	-				
2047	-	-	-				
2048	-	-	-				
2049	-	-	-				
2050	-	-	-				
2051	-	-	-				
2052	-	-	-				
2053	-	-	-				
2054	-	-	-				
2055	-	-	-				
2056	-	-	-				

**Historical Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenues	Direct Operating Expense⁽¹⁾	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	\$33,965,596	\$21,639,302	\$12,326,294	\$436,000	\$395,056	\$831,056	14.83x
2017	36,457,609	22,430,150	14,027,459	449,000	374,726	823,726	17.03x
2018	42,975,439	22,693,759	20,281,680	463,000	353,776	816,776	24.83x
2019	40,149,708	26,230,666	13,919,042	477,000	332,183	809,183	17.20x
2020	45,373,703	27,136,308	18,237,395	491,000	309,946	800,946	22.77x
2021	44,736,751	28,703,894	16,032,857	506,000	287,044	793,044	20.22x
2022	43,999,498	31,195,040	12,804,458	335,000	235,937	570,937	22.43x
2023	49,024,203	34,965,018	14,059,185	375,000	102,153	477,153	29.46x
2024	53,045,158	39,533,998	13,511,160	395,000	82,250	477,250	28.31x
2025	54,947,875	44,379,992	10,567,883	415,000	74,029	489,029	21.61x

Source: Albemarle County Service Authority.

⁽¹⁾ Excluding depreciation and amortization.

EMPLOYEE PENSION PLAN AND OPEB

All full-time, salaried permanent employees of the Authority are automatically covered by a Virginia Retirement System Retirement Plan upon employment. See Note 8 of the Authority's audited financial statements in **Appendix B** for information.

Information on other post-employment benefits (OPEB) available to the Authority's employees can be found in Notes 8 and 9 of the Authority's audited financial statements in **Appendix B**.

CYBER SECURITY

The Authority's cybersecurity program protects against financial loss, data theft, and—most critically—disruption or compromise of treatment, collection, and distribution systems. The program addresses threats from foreign non-state actors, ransomware groups, and domestic malicious actors targeting the water sector. [More detail?]

THE SERVICE AREA

General Description

The Authority's service area comprises the portion of the County immediately surrounding the City, north of the City to the Albemarle County-Greene County line, west of the City towards and including the Town of Crozet, east of the City towards the Keswick-Shadwell area, and the Town of Scottsville in the southeast section of the County (the "Service Area"). The Service Area comprises approximately 88 square miles.

Location

The County consists of approximately 726 square miles and is in north central Virginia, approximately 70 miles west of Richmond and 110 miles southwest of Washington, D.C. The County surrounds the City. The area is traversed by three major highways: Interstate 64 and U.S. 250 (East/West) and U.S. 29 (North/South).

Population

The County area has experienced significant population growth in recent years, concentrated generally in the area in and around the City, north along U.S. Highway 29, and west toward the Town of Crozet. The following table presents data concerning the population of the County:

Year	Population
1980	55,783
1990	68,135
2000	84,186
2010	99,010
2020	112,395
2021	114,424
2022	115,495
2023	116,148
2024	117,790
2025	119,479

Source: U.S. Census for 2020; Weldon Cooper Center Public Service for 2021 – 2025.

Income

The following table provides information regarding per capita personal income in the County.

Per Capita Income Comparison 2020 - 2024

Year	Albemarle ⁽¹⁾	Virginia	United States
2020	\$ 75,950	\$61,449	\$59,151
2021	88,988	67,223	64,692
2022	95,588	69,562	66,303
2023	104,898	73,890	70,013
2024	110,137	77,351	73,227

Source: Bureau of Economic Analysis, Caller for Public Service, University of Virginia.

⁽¹⁾ Combined with the City of Charlottesville, Virginia.

Economic Activity

The Charlottesville–Albemarle region serves as a regional employment and activity center anchored by healthcare and advanced manufacturing, defense and intelligence operations, and higher education. Albemarle County and Charlottesville sales tax revenues have increased roughly 22% and 12%, respectively, over the last five years, according to the Virginia Department of Taxation’s recent estimates. This shows retail sales growth outpacing population growth and can reflect income, tourism, and inflation growth over that period.

Key Indicators

Albemarle County

- Population: 118,356
- Unemployment rate: 3.0%
- Median household income: \$102,262

City

- Population: 44,767
- Unemployment rate: 2.6%
- Median household income: \$74,824

Healthcare and Advanced Manufacturing Expansion

The most significant recent economic development in the region is AstraZeneca’s \$4.5 billion investment to establish two next-generation biopharmaceutical manufacturing facilities at the Rivanna Futures site in northern Albemarle County. Announced in October 2025, the project includes drug-substance manufacturing for chronic disease therapies and advanced antibody-drug conjugate production for oncology treatments. The facilities are expected to generate approximately 600 high-skill direct jobs and several thousand indirect and construction-related jobs, making this the largest single manufacturing investment in Albemarle County’s history.

This project significantly elevates Albemarle County’s position within Virginia’s life sciences and biotechnology ecosystem, complementing existing research assets and reinforcing the County’s strategic focus on innovation-driven growth. A flagship manufacturer is expected to attract related firms (specialty suppliers, labs, QA/QC services, cold chain logistics) and strengthen the region’s life sciences identity. It also may drive substantial secondary impacts, including increased demand for utilities, transportation infrastructure, housing, and professional services.

Defense, Intelligence, and National Security Sector Growth

The region’s defense and intelligence sector continues to be a major economic pillar, centered on Rivanna Station and associated federal and contractor activity. A 2023 economic impact study conducted by the Weldon Cooper Center for Public Service estimated the defense industry’s annual regional economic impact at over \$1.2 billion, making it the second-largest economic driver in the area after the University of Virginia.

Recent County actions, including land acquisition and long-term planning under the “Rivanna Station Futures” initiative, are intended to support continued expansion of defense-related facilities and employment. This sector provides relatively stable, high-wage jobs and has proven resilient across economic cycles.

University of Virginia - Regional Economic Anchor

The University of Virginia (“UVA”) remains the dominant economic engine for both Albemarle County and the City of Charlottesville. According to the University’s FY2024 Economic Impact Report, UVA generated \$11.9 billion in total statewide economic impact, supported more than 67,000 jobs, and produced \$455 million in government revenues. Much of that economic impact is within the Charlottesville/Albemarle area.

Locally, UVA Health, research initiatives, and federal contracts—particularly in data science, artificial intelligence, and national security—continue to stimulate private-sector spin-offs, workforce demand, and infrastructure investment. Construction funding over the next five years is expected to be approximately \$1.35 billion, as reported in the University’s capital improvement plan.

UVA also impacts the tourism industry with the recently completed Virginia Guesthouse Hotel and Conference center. This is a 214-room, 223,000 square foot hotel on the Emmet-Ivy Road corridor and serves as a grand gateway into the heart of UVA Grounds. It is in the heart of the City and sits adjacent to the newly constructed

School of Data Sciences. This facility has over 25,000 square feet of meeting and event space and was recently opened on April 6, 2026.

Tourism

Tourism is a major economic driver for both Charlottesville and Albemarle County, functioning as a key source of spending, employment, tax revenue, and broader business activity.

- Nearly \$1.0 billion in annual visitor spending positions tourism as a meaningful secondary economic pillar alongside UVA and healthcare investments previously mentioned. Tourism supports roughly 7,100 jobs in the Charlottesville/Albemarle area, providing diversification away from institutional and public-sector employment reliance.

Tourism increases demand or promotes:

- Water and wastewater (hotels, restaurants, wineries, events)
- Peak-period usage (weekends, events, seasonal surges)
- Diversifies economic base:
 - Supports restaurants, wineries, breweries, and agritourism
 - Drives demand for event services (weddings, conferences, festivals)
 - Benefits indirect sectors such as logistics, cleaning, and professional services
 - Enhance rate base utilization without requiring proportional population growth

Employment

The following tables present information concerning comparative employment in the Charlottesville-Albemarle area.

Unemployment Rates⁽¹⁾

	County of Albemarle	Commonwealth of Virginia	United States
2016	3.6%	4.0%	4.9%
2017	3.3	3.6	4.4
2018	2.7	3.0	3.9
2019	2.5	2.7	3.7
2020	5.7	6.5	8.1
2021	3.3	3.8	5.4
2022	2.5	2.7	3.6
2023	2.3	2.7	3.6
2024	2.6	2.8	4.0
2025 ⁽²⁾	3.2	3.4	4.3

Source: Bureau of Labor Statistics.

⁽¹⁾ Rate not seasonally adjusted.

⁽²⁾ Annual estimates for 2025 are 11-month averages that exclude October. Data for October 2025 were not collected due to the federal government shutdown.

Largest Employers

The following table provides information about the ten largest employers in the County.

Firm	Product	Approximate Number of Employees
University of Virginia/Blue Ridge Hospital	Educational Services / Hospital	1,000+
Albemarle County/Albemarle Schools	Local Government / Education	1,000+
Sentara Martha Jefferson Hospital	Hospital	1,000+
U.S. Department of Defense	Federal Government	500 – 999
Crutchfield Corporation	Retail	250 – 499
Northrup Grumman Corporation	Manufacturing	250 – 499
Walmart	Retail	250 – 499
Piedmont Virginia Community College	Educational Services	250 – 499
Atlantic Coast Athletic Club	Fitness	250 – 499
Boar's Head Inn	Hospitality	250 – 499

Source: Albemarle County ACFR, FY 2025.

CITY-COUNTY REVENUE SHARING AGREEMENT

As an alternative to future annexations by the City of portions of the County, the governing bodies of the two jurisdictions have entered into a revenue-sharing agreement. The agreement was adopted in 1982 after public hearings by both the City Council and the Board of Supervisors, and approval in a referendum in May 1982 by County voters. No referendum by City voters was required.

Under this agreement, the City has permanently foregone its annexation rights to County territory. In return, the two jurisdictions annually pool a fixed percentage of their real estate tax proceeds. The pooled revenues are then redivided on a formula based on population and relative real estate tax effort.

RATE REGULATION

The Enabling Act provides that the Authority is authorized to fix and revise from time to time rates, fees and other charges for the use of and for the services furnished or to be furnished by any water system, sewer system, sewage disposal system or garbage and refuse collection and disposal system owned, operated or maintained by the Authority, or facilities incident thereto, and on account of which the Authority has issued revenue bonds. Such rates, fees and charges are, under the Enabling Act, required to be fixed and revised so as to provide funds, together with other funds available for such purposes, sufficient at all times to (1) pay the cost of maintaining, repairing and operating the utility system, and facilities incident thereto, on account of which such bonds are issued, including reserves for such purposes and for replacement and depreciation and necessary extensions, (2) pay the principal of and the interest on the revenue bonds when due and reserves therefor, and (3) provide a margin of safety for making such payments. The Enabling Act requires the Authority to charge and collect the rates, fees, and charges so fixed or revised.

The Enabling Act states that the rates, fees, and charges of the Authority are subject to the jurisdiction of the State Corporation Commission and any applicable regulation. However, the State Corporation Commission ruled on November 15, 1963, in Case No. 16516, that it had no jurisdiction to review or revise rates of authorities such as the Authority, except that, upon the application of a bondholder, the Commission may require that rates be sufficient to comply with the above statutory requirements. That decision was not appealed. Subject to the foregoing, the Authority's board has sole power to set rates, fees, and charges, subject to a statutory requirement for a public hearing.

THE SERVICE AGREEMENT

The following is a summary of certain terms of the Service Agreement that was entered into by the Political Subdivisions (the City, the County, ACSA and the Authority) as of June 12, 1973. The form of the original Service Agreement is reproduced (without certain exhibits or supplements thereto) as **Appendix C** to this Official Statement.

Terms of Agreement

The initial term of the Service Agreement expires on the later of June 30, 2012, or on such date as all bonds issued by the Rivanna Authority shall have been paid or provisions shall have been made for their payment. The Service Agreement will continue in effect past such date, however, until terminated by the City, the County, ACSA or the Rivanna Authority. No such termination shall become effective until two years after written notice has been given to each of the other parties. The Service Agreement can be amended or modified only with the consent of each of the Political Subdivisions and the trustee for the Rivanna Authority's bonds and only in a manner that does not impair the security afforded for payment of the principal of and premium, if any, and interest on the Rivanna Authority's bonds.

Purchase of Existing Facilities

Under the terms of the Service Agreement, the Rivanna Authority was obligated to acquire, and the City and ACSA were required to sell, subject to certain conditions, certain water impoundment, production, transmission and storage facilities and certain wastewater interception, treatment and discharge facilities owned by the City or ACSA (the "Existing Facilities"). The purchase of each of the Existing Facilities was required to be consummated on June 12, 1983, or at such later time as the debts, if any, of the City or ACSA, as the case may be, attributable to such facility shall have been paid or provision shall have been made for their payment. Pending consummation of the purchase of the Existing Facilities, the Rivanna Authority was required to lease the facilities from the City or ACSA, as the case may be. In consideration of the lease of each such facility, the Rivanna Authority was required to pay to the City or ACSA an annual rental payment sufficient to pay the debt service on bonds of the City or ACSA, if any, attributable to such facility. The portion of the lease payments made by the Rivanna Authority before settlement representing principal payments on debt of the City or ACSA attributable to each facility was required to be deducted from the purchase price to be paid by the Rivanna Authority. The purchase price for each of the Existing Facilities was the fair market value of the facility as of June 12, 1973, as determined by the consulting engineers, less such amounts as were paid to the City or ACSA, as the case may be, on account of debt retirement. If payment for any facility was not made when due, interest was imposed on the unpaid purchase price at the rate of 6% per annum until paid. The debt attributable to the City's facilities was paid in full and the City transferred its facilities to the Rivanna Authority by Deed and Bill of Sale dated June 13, 1983. A portion of the debt attributable to the ACSA's facilities was paid and ACSA transferred to the Rivanna Authority the North Rivanna facilities and the Camelot wastewater treatment plant (which plant became redundant and was subsequently taken out of service) by Deeds dated June 30, 1983 and May 9, 1989. The balance of the Rivanna Authority's obligations to ACSA on the remaining facilities for Crozet and Scottsville were forgiven by ACSA retroactively effective June 30, 2004, by resolution of ACSA's Board of Directors adopted on August 19, 2004, and the ACSA debt on those remaining facilities was paid in 2008. The transfer of the remaining facilities from ACSA and the County has now been completed.

Construction of New Facilities

The Rivanna Authority is required under terms of the Service Agreement to provide water facilities and wastewater facilities required by regulatory bodies. The Rivanna Authority is also required to undertake to provide any additional water or wastewater facilities as may be agreed upon by the City, ACSA and the Rivanna Authority. The obligation of the Rivanna Authority to provide such facilities is subject to the availability of the necessary funds, including funds from the issuance of its bonds, upon terms the Rivanna Authority deems reasonable. In the event the City or ACSA requests additional facilities, the Rivanna Authority shall provide the requested facilities at the sole cost of the City or ACSA, as the case may be.

Production and Delivery of Water, Treatment of Wastewater

The Rivanna Authority shall produce and deliver potable water to the City and ACSA at specified delivery points in accordance with their needs and within the limitations of available supply. The Political Subdivisions covenant not to produce or sell potable water obtained from any source other than the Rivanna Authority.

The Rivanna Authority shall accept and treat all wastewater delivered by the City and ACSA up to their allocated plant capacities. The City and ACSA shall not permit or provide for treatment of wastewater collected by them in any other manner. The City and ACSA each covenant not to exceed their respective allocated plant capacities. If the Rivanna Authority advises the City or the County and ACSA, as the case may be, that the average flow for any three consecutive months has reached 95% of its allocated plant capacity, the City or County is required to suspend issuance of permits for construction in the affected area until its capacity is increased by reallocation or until it is advised that additional wastewater may be delivered to the Rivanna Authority.

Production of water and treatment of wastewater shall meet or exceed all applicable standards of regulatory bodies.

Rates, Charges and Payments

The Rivanna Authority shall fix and determine rates for water furnished to and wastewater delivered by the City and ACSA at levels necessary to provide funds, together with other funds that may be available, sufficient at all times to pay the costs of operation and maintenance of the System, as the same may exist from time to time, including debt service attributable to the Existing Facilities, and the principal of, premium, if any, and interest on the Rivanna Authority's bonds (and any additional bonds), as the same become due, and reserves therefor.

The Rivanna Authority may present charges to the City and ACSA based on budget estimates and subject to adjustments on the basis of an independent audit at the end of each Fiscal Year. All charges by the Rivanna Authority are payable upon presentation. (Rates and charges established by the Rivanna Authority are based on various factors as discussed more fully in the section "**Authority's Rates and Charges.**") The City and ACSA covenant to pay such charges promptly when due; however, neither is obligated to pay such charges except from revenues received from the charges to be paid by the users of its water and sewer systems and available to it for such purposes, including availability, connection, consumption and service charge or fees and any other revenues of such systems. The City and ACSA covenant to fix and collect from the users of their water and sewer systems charges sufficient to make the payments to the Rivanna Authority required under the Service Agreement. Under the Enabling Act, the Rivanna Authority and ACSA are each required to hold a public hearing before fixing any rate, fee or charge for sewage disposal. See the section "**Rate Regulation.**"

Supplements to the Service Agreement

From time to time, all four parties to the Service Agreement (the Rivanna Authority, the City, the County and ACSA), or the Rivanna Authority, the City and ACSA, have entered into various supplements or amendments to the Service Agreement and project agreements related to new water and wastewater facilities as contemplated by the Service Agreement (collectively, the "Supplements") as follows:

(1) Joint Resolution dated January 1983, adopted by all four parties to the Service Agreement, as clarified by Resolution of ACSA dated March 17, 1983, and by Resolution of the City dated May 2, 1983, pursuant to which the County directed the Rivanna Authority to administer certain functions required under the County's Runoff Control ordinance and the City and ACSA directed the Rivanna Authority under Section 4.3 of the Service Agreement to purchase certain properties along Buck Mountain Creek for a future reservoir. The City and ACSA agreed to collect a surcharge for new water service connections to finance, in part, such property acquisitions.

(2) Working Agreement on Urban Area Wholesale Flow Allocation and Billing Methodology dated January 24, 1983, pursuant to which the Rivanna Authority, the City and ACSA agreed upon certain methods to implement the determination of water and wastewater charges under Section 7.5 of the Service Agreement.

(3) Agreement dated October 26, 1987, pursuant to which the City and ACSA directed the Rivanna Authority under Section 4.3 of the Service Agreement to construct the Southern Loop Project extending its water

storage transmission system around the southern side of the City and agreed to a cost allocation between the City and ACSA for the project.

(4) The Memorandum/Agreement dated December 1, 2003, pursuant to which the Rivanna Authority, the City and ACSA agreed to certain water treatment plant capacity, safe yield and cost allocations for operational and capacity expansion upgrades at the South Rivanna Water Treatment Plant and a proposed increase in height of the South Fork Rivanna River Dam. The treatment plant upgrades were completed, but the City and ACSA subsequently agreed not to increase the height of the dam.

(5) Ragged Mountain Dam Project Agreement dated as of January 1, 2012, pursuant to which the City and ACSA directed the Rivanna Authority under Section 4.3 of the Service Agreement to construct a new dam at the Ragged Mountain Reservoir and a pipeline between the South Fork Rivanna Reservoir and Ragged Mountain Reservoir.

(6) Water Cost Allocation Agreement dated January 1, 2012, pursuant to which the City, ACSA and the Rivanna Authority agreed to a cost allocation for the Ragged Mountain Dam and South Fork Rivanna Reservoir to Ragged Mountain Reservoir pipeline.

(7) The Wastewater Projects Cost Allocation Agreement dated April 22, 2014, by and among the Rivanna Authority, the City and ACSA, pursuant to which the City and ACSA allocated costs of both capacity and non-capacity related wastewater projects.

(8) Amendment No. 1 to Service Agreement dated October 27, 2015, among the City, ACSA, the County and the Rivanna Authority, providing for the assessment of Debt Service Charges separate from water and wastewater rates.

(9) Observatory Water Treatment Plant, Raw Water Pumping and Piping Upgrade Cost and Capacity Allocation Agreement dated as of January 28, 2020, providing for allocation of non-capacity related portion of the project will be shared 48 percent to the City and 52 percent to ACSA, and allocation of the capacity related portion of the raw water pumpstation costs will be shared 28 percent to the City and 72 percent to ACSA.

(10) Northern Area Drinking Water Projects Agreement dated as of June 14, 2022, providing for all capital projects north of the South Rivanna River will be funded 100 percent by the ACSA through the debt service charges applied to the ACSA payments, with the exception of the decommissioning of the North Rivanna Treatment Plant.

(11) First Amendment to Ragged Mountain Dam Project Agreement dated as of December 19, 2023 (as amended and supplemented), providing for removing the restriction on raising the Existing Reservoir Pool Level twelve (12) feet to the Additional Pool Level or 683 feet above mean sea level.

(12) None of the Supplements amends or modifies the undertaking of the City and ACSA to pay the Rivanna Authority's Rates and Charges as provided in the Service Agreement. Copies of the Supplements are available from the Authority.

APPENDIX B**Financial Statements of Albemarle County Service Authority
for the Fiscal Year Ended June 30, 2025**

APPENDIX C**Service Agreement**

APPENDIX D**[Engineering Report]**

APPENDIX E

Definitions of Certain Terms

APPENDIX E

DEFINITIONS OF CERTAIN TERMS

“Account” shall mean any of the various accounts created within a fund under the Trust Agreement.

“Act” shall mean the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended).

“Annual Budget” shall mean the budget by that name referred to in the Trust Agreement.

“Annual Debt Service” shall mean the amount payable on account of principal of (whether at maturity or by mandatory sinking fund redemption) and interest on any specified Indebtedness within a particular future Fiscal Year. For purposes of calculating Annual Debt Service, the following assumptions are to be used to calculate the principal and interest coming due in any Fiscal Year:

(a) in determining the principal amount due in each Fiscal Year, payment shall be assumed to be made in accordance with any amortization schedule established for such Indebtedness (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), including any scheduled redemption of such specified Indebtedness on the basis of accreted value and, for such purpose, the redemption payment shall be deemed a principal payment and, further, payment shall be assumed to be made at the time deposits are required to be made to the Bond Fund, Senior Debt Service Component Fund or Subordinate Debt Fund, as applicable;

(b) if any of the specified Indebtedness constitutes Variable Rate Indebtedness, the interest rate on such Indebtedness shall be assumed to be 120% of the greater of (1) the daily average interest rate on such Indebtedness during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Indebtedness shall have been Outstanding, or (2) the daily average interest rate on such Indebtedness during the one month preceding the date of calculation;

(c) if any specified Indebtedness proposed to be issued would constitute Variable Rate Indebtedness, then such Indebtedness shall be assumed to bear interest at the rate quoted in the Securities Industry and Financial Markets Association Municipal Swap Index (produced by Municipal Market Data) applicable to comparable obligations for the last week of the month preceding the date of sale of such Indebtedness or if that index is no longer published, a similar index selected by the Authority that is generally accepted in the municipal bond industry; or if the Authority fails to select a replacement index, an interest rate equal to 80% (100% if such Indebtedness is intended to have interest thereon be subject to Federal income taxation) of the yield for outstanding United States Treasury Bonds having an equivalent maturity as the Indebtedness proposed to be issued, or if there are no such Treasury Bonds having equivalent maturities, 80% (100% if specified Indebtedness is intended to have interest thereon be subject to Federal income taxation) of the lowest prevailing prime rate of any of the five largest commercial banks in the United States of America ranked by assets;

(d) if any specified Indebtedness would constitute Balloon Indebtedness, then, for purposes of determining the amount payable on account of principal of and interest on such Indebtedness, the Balloon Payment of such Indebtedness shall be treated as if the principal amount of such Balloon Payment (as defined in the term “Balloon Indebtedness”) were to be amortized in substantially equal annual installments of principal and interest over a term of 30 years; and

(e) if moneys, Government Obligations or Government Certificates have been irrevocably deposited with a bank or trust company acting as escrow agent to be used to pay principal and/or interest on specified Indebtedness, then the principal and/or interest to be paid from such moneys or obligations or from the earnings thereon shall be disregarded and not included in the calculation of Annual Debt Service.

For any specified Indebtedness for which a binding commitment, letter of credit or other credit arrangement providing for the extension of such Indebtedness beyond their original maturity date exists, the computation of Annual

Debt Service payable on account of principal of and interest on such Indebtedness shall, at the option of the Authority, be made on the assumption that such Indebtedness will be amortized in accordance with such credit arrangement.

Except for Hedge Agreements, Interest Liability Swaps are to be disregarded in calculating the Series Debt Service Reserve Requirement. Upon incurrence of a Hedge Agreement, all calculations, including for the amount on account of principal of and interest on the Indebtedness subject to the Hedge Agreement, shall be made using the Hedge Fixed Rate for the applicable period and calculations on such Indebtedness shall not be made pursuant to the definition of Variable Rate Indebtedness for such period.

Notwithstanding anything in the Trust Agreement to the contrary, for purposes of the definition of Annual Debt Service, Indebtedness shall not include Bond Anticipation Notes or notes issued in anticipation of revenues of the System.

“Authority” shall mean Albemarle County Service Authority, a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Act by resolution of the Board of Supervisors of the County and duly authorized to execute its powers under the Act by a certificate of incorporation issued by the State Corporation Commission of Virginia on April 23, 1964, and its successors and assigns.

“Authorized Authority Representative” shall mean such person or persons as may be designated to act on behalf of the Authority by certificate signed by its Chairman or Vice Chairman and filed with the Trustee.

“Balloon Indebtedness” shall mean indebtedness 25% or more of the principal of which matures on the same date and such amount is not required to be amortized by payment or redemption prior to such date (such amount of 25% or more being known herein as the “Balloon Payment”). If any indebtedness consists partially of Variable Rate Indebtedness and partially of indebtedness bearing interest at a fixed rate, the portion constituting Variable Rate Indebtedness and the portion bearing interest at a fixed rate shall be treated as separate issues for purposes of determining whether any such indebtedness constitutes Balloon Indebtedness.

“Bond Anticipation Notes” shall mean any notes issued in anticipation of the issuance of Bonds.

“Bond Counsel” shall mean an attorney or firm of attorneys nationally recognized on the subject of municipal bonds.

“Bond Fund” shall mean the Bond Fund established pursuant to the Trust Agreement.

“Bondholder(s)” or **“holder(s)”** shall mean a registered owner(s) of the Bonds.

“Bonds” shall mean any bonds, notes or other obligations issued from time to time pursuant to the Trust Agreement but shall not include Senior Debt Service Components or Subordinate Debt.

“Commonwealth” shall mean the Commonwealth of Virginia.

“Construction Fund” shall mean the Construction Fund established in the Trust Agreement.

“Consulting Engineer” shall mean (a) an Independent Consulting Engineer or (b) an engineer employed by the Authority, provided that such person is (1) an engineer experienced in the field of water and wastewater engineering and (2) licensed and registered as a professional engineer in the Commonwealth.

“Contracted Services” shall mean services rendered or facilities provided to the Authority in respect to the System or for the performance for or on behalf of the Authority of functions similar to those performed by the System, for a specific project, projects or systems, pursuant to a contract, whether a financing lease, a service agreement or other arrangement.

“Cost” or **“Cost of the Project”** shall mean the cost of the Project as set forth in the Trust Agreement.

“Cost of Contracted Services” shall mean the payments to be made by the Authority for Contracted Services which shall consist of any of the following three elements: (a) a “Debt Service Component” which is that part of the payment for Contracted Services for which the Authority is obligated to pay, and that an Authorized Authority Representative shall have determined in writing, at the time the Authority commits to receive such Contracted Services, to be for the purpose of paying a fixed charge or the principal of and/or interest on the obligations, directly or indirectly associated with rendering the Contracted Services, of the entity providing the Contracted Services, (b) the “Operating Component” that shall consist of that portion of the payment for the Contracted Services that shall meet the definition of Operating Expenses under the Trust Agreement, and (c) the “Remaining Component” that shall consist of the remaining portion of the payment for Contracted Services for which the Authority is obligated to pay and which is not embraced in the definition of Debt Service Component or Operating Component.

“County” shall mean Albemarle County, Virginia.

“Debt Service Reserve Fund” shall mean the Debt Service Reserve Fund established in the Trust Agreement and any Series Debt Service Reserve Account therein.

“Series Debt Service Reserve Requirement” for any Series of Bonds shall have the meaning set forth in the Supplemental Agreement authorizing such Series of Bonds.

“Defeased Obligations” shall mean obligations of any state or territory of the United States or any political subdivision thereof which obligations are rated in the highest rating category by the Rating Agencies and which meet the following requirements: (a) the obligations are not subject to redemption or the fiduciary holding such obligations has been given irrevocable instructions to call such obligations for redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions, (b) the obligations are secured by cash or Government Obligations, Government Certificates or other Defeased Obligations (which are not subject to redemption other than at the option of the holder thereof) that may be applied only to principal, premium and interest payments of such obligations, (c) the principal of and interest on the Government Obligations, Government Certificates or other Defeased Obligations (plus any cash held in escrow) are sufficient to meet the liabilities of the obligations, (d) the Government Obligations, Government Certificates or other Defeased Obligations serving as security for such obligations are held by a bank or trust company acting as escrow agent, and (e) the Government Obligations, Government Certificates or Defeased Obligations are not available to satisfy any other claims, including those against the bank or trust company acting as escrow agent.

“Event of Default” shall mean any of the events enumerated in the Trust Agreement.

“Fiscal Year” shall mean the twelve-month period beginning on July 1 of one year and ending on June 30 of the following year or such other twelve-month period as may be selected by the Authority as its fiscal year.

“Fitch” shall mean Fitch Ratings, New York, New York, or its successors.

“Fund” shall mean any of the various funds created under the Trust Agreement.

“General Reserve Fund” shall mean the General Reserve Fund established in the Trust Agreement.

“Government Certificates” shall mean certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

“Government Obligations” shall mean (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America, or (c) bonds, notes and other obligations of any agency of the United States of America unconditionally guaranteed as to the timely payment of principal and interest by the United States of America.

“Hedge Agreement” shall mean an interest rate swap, cap, collar, floor, forward or other hedging agreement, arrangement or security however denominated, expressly identified pursuant to its terms as being entered into in

connection with and in order to hedge interest rate fluctuations on all or a portion of any Bonds where (1) interest on such Bonds or such portion of such Bonds is payable at a variable rate for any future period of time or is calculated at a varying rate per year, and (2) a fixed rate is specified as payable by the Authority in such Hedge Agreement or such Bonds which, taken together with the Hedge Agreement, results in a net fixed rate payable by the Authority for such period of time (the “Hedge Fixed Rate”), assuming the Authority and the party(ies) with whom the Authority has entered into the Hedge Agreement make all payments required to be made by the terms of the Hedge Agreement, provided that no such hedging agreement may be entered into by the Authority unless any termination or similar payment which may be payable by the Authority thereunder is expressly subordinated to the obligation of the Authority on the Bonds.

“General Reserve Fund” shall mean the General Reserve Fund established in the Trust Agreement.

“Indebtedness” shall mean, collectively, Senior Debt and Subordinate Debt.

“Independent Consulting Engineer” shall mean any independent engineer or firm of engineers experienced in the field of water and wastewater engineering and licensed and registered as a professional engineer(s).

“Interest Account” shall mean the Interest Account within the Bond Fund established in the Trust Agreement.

“Interest Liability Swap” shall mean a contract pursuant to which a party (the “Counterparty”) has agreed to make payments to the Authority during a particular period equal to the interest payable on specified Bonds or on a specified notional amount at the actual rate or rates or, if on a notional amount at a stated rate or rates, payable thereon and, in consideration therefor, the Authority agrees to make payments to the Counterparty equal to the interest required to be paid on the specified Bonds or stated to be due on the notional amount during the period calculated as if the specified Bonds or notional amount bore an assumed rate of interest specified in the contract.

“Moody’s” shall mean Moody’s Investors Service, Inc., New York, New York, or its successors.

“Net Proceeds” shall mean the gross proceeds from any insurance recovery remaining after payment of attorneys’ fees, fees and expenses of the Trustee and all other expenses incurred in collection of such gross proceeds.

“Net Revenues” shall mean Revenues less Operating Expenses.

“Operating Expenses” shall mean all current expenses directly or indirectly attributable to the ownership or operation of the System, including, without intending to limit or restrict any proper definition of such expenses under any applicable laws or generally accepted accounting principles, reasonable and necessary usual expenses of administration, operation, maintenance and repair, costs for billing and collecting the rates, fees and other charges for the use of or the services furnished by the System, amounts to reimburse the Authority for administrative expenses incurred in connection with the System, costs of purchasing water, costs of purchasing wastewater treatment, any Operating Components of Costs of Contracted Services, insurance and surety bond premiums (including any deposits into a self-insurance program), legal, engineering, auditing and financial advisory expenses, and expenses and compensation of the Trustee. Operating Expenses shall not include any allowance for depreciation, deposits or transfers to the Bond Fund, to the Senior Debt Service Component Fund, to the Debt Service Reserve Fund, to the Subordinate Debt Fund or to the General Reserve Fund, or expenditures for capital improvements to and extensions of the System.

“Operating Fund” shall mean the Operating Fund established in the Trust Agreement.

“Opinion” or **“Opinion of Counsel”** shall mean an opinion of any attorney or firm of attorneys reasonably acceptable to the Trustee, who may be counsel for the Authority but shall not be a full-time employee of either the Authority or the Trustee.

“Outstanding” or **“Outstanding Bonds”** shall mean, at any date, the aggregate of all Bonds authorized, issued, authenticated and delivered under the Trust Agreement, except:

- (a) Bonds canceled or surrendered to the Registrar for cancellation;
- (b) Bonds deemed to have been paid as provided in the Trust Agreement;
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Trust Agreement unless proof satisfactory to the Registrar is presented that any such Bond is held by a bona fide holder; and
- (d) Bonds, the principal of which has become due, and moneys sufficient for their payment have been deposited with the Trustee as provided in the Trust Agreement.

In determining whether holders of a requisite aggregate principal amount of the Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Trust Agreement, words referring to or connoting “principal of” or “principal amount of” Outstanding Bonds shall be deemed also to be references to, to connote and to include the accreted value of Bonds of any Series as of the immediately preceding interest compounding date for such Bonds. Bonds that a Responsible Officer of the Trustee actually knows are owned by the Authority shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

In addition, solely for the purpose of issuing Bonds, no Bonds shall be deemed Outstanding for any time for which the Trustee holds in escrow for the benefit of Bondholders (1) cash, (2) noncallable Government Obligations, the principal of and interest on which will be sufficient to pay when due the installments of principal of and premium, if any, and the interest on such Bonds, (3) to the extent permitted by the laws of the Commonwealth, Government Certificates and/or Defeased Obligations meeting the requirements set forth in (2), or (4) any combination of (1) through (3).

“Principal Account” shall mean the Principal Account in the Bond Fund established pursuant to the Trust Agreement.

“Project” shall mean (a) the acquisition, construction or equipping of any water or wastewater facilities, structures or buildings which are to become part of the System, including any improvements, extensions, additions, replacements, equipment and appurtenances to or for the benefit of the System and (b) any water or wastewater treatment capacity or service (which service is required to be capitalized or which the Authority could properly elect to capitalize if it were a Federal taxpayer) which is to be acquired by the Authority and which capacity or service is to become part of the System.

“Qualified Independent Consultant” shall mean an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of the Trust Agreement or any Supplemental Agreement in which such requirement appears, including without limitation an Independent Consulting Engineer and an independent certified public accountant or firm of independent certified public accountants.

“Rate Covenant” shall mean the rate covenant described in the section “THE SERIES 2026 BONDS - Security for the Series 2026 Bonds - *Rate Covenant*” in the front part of this Official Statement.

“Rating Agency” or “Rating Agencies” shall mean Fitch, Moody’s or Standard & Poor’s, or any of them, and their successors and assigns. The Authority may appoint any nationally recognized securities rating agency in addition to or as a replacement for Fitch, Moody’s or Standard & Poor’s.

“Registrar” shall mean the paying agent and bond registrar for any Series of Bonds as provided in a Supplemental Agreement.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, senior associate or other officer of the Trustee within the corporate trust office (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively,

because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Trust Agreement.

"Revenue Fund" shall mean the Revenue Fund established in the Trust Agreement.

"Revenues" shall mean (a) all moneys received as fees, rates, charges, income and money properly allocable to the System in accordance with generally accepted accounting principles or resulting from the ownership or operation by the Authority of the System, (b) the proceeds of any insurance covering business interruption loss relating to the System, (c) interest on any money or securities related to the System held by or on behalf of the Authority, and (d) any other money from other sources pledged by the Authority to the payment of its obligations hereunder. Notwithstanding the preceding sentence, Revenues shall not include (x) customer deposits, (y) any fees collected by the Authority in its capacity as an agent for another party or parties, or (z) any interest subsidy or reimbursement payments received from the United States Treasury on account of any Indebtedness that was issued as "build America bonds," "recovery zone economic development bonds," or similar categories of bonds.

"Senior Debt Service Component" shall mean the Debt Service Components of the Cost of Contracted Services that the Authority is required, or has elected, to treat as payable on a parity with the Bonds with respect to the pledge of Revenues, as evidenced in a writing signed by an Authorized Authority Representative at the time the Authority commits to receive such Contracted Services.

"Senior Debt Service Component Fund" shall mean the Senior Debt Service Component Fund established pursuant to the Trust Agreement.

"Senior Debt" shall mean, collectively, the Bonds and the Senior Debt Service Components of any Contracted Services.

"Series" or **"Series of Bonds"** shall mean a separate series of Bonds issued under the Trust Agreement and a Supplemental Agreement.

"Series Debt Service Reserve Requirement" for any Series of Bonds shall have the meaning set forth in the Supplemental Agreement authorizing such Series of Bonds.

"Standard and Poor's" shall mean Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc., New York, New York, or its successors.

"Subordinate Debt" shall mean any bonds, notes or other obligations issued in connection with the System that have pledged to their payment Revenues on a junior lien basis after the pledge of Revenues to Senior Debt. Subordinate Debt may also include, at the option of the Authority, (a) the Subordinate Debt Service Components and the Remaining Components of any Cost of Contracted Services, (b) any obligation of the Authority to pay the fees of and to reimburse the provider of a credit facility and (c) any obligation of the Authority to make a termination or similar payment payable under the terms of a Hedge Agreement.

"Subordinate Debt Fund" shall mean the Subordinate Debt Fund established pursuant to the Trust Agreement.

"Subordinate Debt Service Component" shall mean the Debt Service Components of the Cost of Contracted Services that the Authority is required, or has elected, to treat as payable on a junior lien basis to Senior Debt with respect to the pledge of Revenues, as evidenced in a writing signed by an Authorized Authority Representative at the time the Authority commits to receive such Contracted Services.

"Supplemental Agreement" shall mean any Supplemental Agreement of Trust supplementing or modifying the provisions of the Trust Agreement entered into by the Authority and the Trustee pursuant to the Trust Agreement.

"System" shall mean all plants, facilities, equipment or property owned, operated or maintained by or on behalf of the Authority from time to time, together with all future extensions, improvements, enlargements and

additions thereto, and all replacements thereof, used in connection with the collection, treatment or disposal of sanitary sewage and the supply, treatment, storage or distribution of water.

“Trust Agreement” shall mean the Agreement of Trust as supplemented or amended by one or more Supplemental Agreements.

“Trustee” shall mean The Bank of New York Mellon Trust Company, N.A., or its successors and assigns serving as such hereunder.

“Variable Rate Indebtedness” shall mean any indebtedness the interest rate on which is not established at the time of incurrence at a fixed or constant rate to the maturity of such indebtedness.

“Virginia Code” means the Code of Virginia of 1950, as amended.

APPENDIX F

**SUMMARY OF CERTAIN PROVISIONS
OF THE TRUST AGREEMENT**

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OF THE TRUST AGREEMENT**

The following is a brief summary of certain provisions contained in the Trust Agreement and does not purport to be a complete statement of all of the provisions of the Trust Agreement. Reference is made to the Trust Agreement in its entirety for complete information on its terms and the terms of the Bonds, the security provisions and the application of Revenues. See also the section entitled "THE SERIES 2026 BONDS" in the front part of this Official Statement.

All capitalized terms used in this summary have the meaning set forth in the Official Statement and in Appendix D, unless otherwise indicated.

General

The Trust Agreement authorizes the issuance of the Bonds by the Authority, establishes the form and details of the Bonds and makes provision for their execution, authentication, delivery, registration and exchange.

Payment of Bonds; Limited Obligations

The Authority shall promptly pay, or cause to be paid, when due the principal of (whether at maturity or call for redemption or otherwise), and premium, if any, and interest on the Bonds at the places, on the dates and in the manner provided in the Trust Agreement and in the Bonds; provided, however, that such obligations are not general obligations of the Authority but are limited obligations payable solely from the Revenues, except to the extent payable from the proceeds of the Bonds, certain pledged reserves or income from investments pursuant to the Trust Agreement or proceeds of insurance, which Revenues are hereby specifically pledged to such purposes in the manner and to the extent provided in the Trust Agreement.

Issuance of Additional Bonds

The Trust Agreement permits the Authority to issue Bonds (a) to pay the Cost of a Project, (b) to pay the costs of planning or investigating the feasibility of a Project, (c) to refund any bonds, notes or other forms of indebtedness secured by or payable from Revenues or pertaining to the System, including any Bonds, or (d) a combination of such purposes. Each Series of Bonds and other Senior Debt will be secured by a pledge of Revenues, subject only to the right of the Authority to make application thereof to the purposes provided in the Trust Agreement, including the payment of Operating Expenses; provided, however, that the moneys in each Series Debt Service Reserve Account will secure only the applicable Series of Bonds for which such Account was established; and provided further that any Senior Debt may have additional revenues or other security pledged to its payment. Before the issuance and authorization of any Series of Bonds by the Authority certain conditions specified in the Trust Agreement must be met, including certain assurances of the sufficiency of Revenues to pay operation and maintenance expenses of the System and maximum Annual Debt Service on Senior Debt then Outstanding plus the proposed additional Series of Bonds.

Among the required conditions set forth in the Trust Agreement permitting the issuance of additional Bonds are:

- (a) in the case of additional Bonds issued to pay the Cost of a Project, the following:
 - (1) A written statement of the Consulting Engineer setting forth such Consulting Engineer's
 - (i) estimate of the Cost of such Project (including all financing and related costs) and estimate of the date on which such Project will be completed and
 - (ii) opinion that the proceeds of such Bonds, together with any other moneys identified as available or committed for such purpose, will be sufficient to pay the Cost of such Project;

(2) Evidence that upon issuance of such Bonds each Series Debt Service Reserve Account within the Debt Service Reserve Fund will contain the applicable Series Debt Service Reserve Requirement;

(3) Either (A) a written statement of a Qualified Independent Consultant which demonstrates that, based on the Authority's financial records for any 12 consecutive months of the last 24 months (the "Test Period") prior to the issuance of such Bonds, the Authority would have been able to meet the Rate Covenant taking into account (i) for the purpose of meeting part (1) of the Rate Covenant, maximum Annual Debt Service in the current or any future Fiscal Year on Senior Debt then Outstanding plus the proposed additional Series of Bonds and (ii) for purposes of meeting part (2) of the Rate Covenant, maximum Annual Debt Service in the current or any future Fiscal Year on Senior Debt and Subordinate Debt then Outstanding plus the proposed additional Series of Bonds and (iii) the rates, fees and other charges which are in effect and any future changes therein as have been approved by the Council at the time of the delivery of the proposed additional Series of Bonds; or (B) a written statement of a Qualified Independent Consultant which projects Operating Expenses, Revenues and Net Revenues for two full Fiscal Years following the anticipated completion of the Project and which demonstrates that, on the basis of such projection, the Authority can comply with both parts of the Rate Covenant, taking into account those rates, fees and other charges which are in effect at the time of the delivery of the proposed additional Series of Bonds and any future changes therein as have been approved by the Council at the time of the delivery of the proposed additional Series of Bonds; provided, however, that a Qualified Independent Consultant may not take into account for the purposes of the projection in this subpart (B), connection fees which exceed in any year the actual average number of customers paying connection fees during the three prior Fiscal Years times the amount of each connection fee expected to be assessed based on the rate schedule then in effect.

(b) if such Bonds are issued to refund any bonds, the following:

(1) Evidence that the Authority has made provision as required by the Trust Agreement for the payment or redemption of all bonds to be refunded;

(2) A written determination by a Qualified Independent Consultant or other evidence satisfactory to the Trustee that the proceeds (excluding accrued interest) of such Bonds, together with any other moneys deposited with the Trustee for such purpose and the investment income to be earned on moneys held for the payment or redemption of the bonds to be refunded, will be sufficient (without reinvestment) to pay either (A) the principal of and the premium, if any, on the bonds to be refunded and the interest which will accrue on such bonds to the respective redemption or maturity dates or (B) the principal and interest on the refunding Bonds to a date certain, at which time such proceeds, moneys and earnings will be sufficient to pay the principal of and the premium, if any, on the bonds to be refunded and the interest which will accrue on such bonds to the respective redemption or maturity dates; and

(3) Either (A) a written determination by a Qualified Independent Consultant or other evidence satisfactory to the Trustee that, after the issuance of such Bonds and the provision for payment or redemption of all bonds to be refunded, the Annual Debt Service requirements for each Fiscal Year in which there will be Outstanding Bonds of any Series not to be refunded will not be more than what the Annual Debt Service requirements for such Fiscal Year would have been on all Bonds Outstanding, including the bonds to be refunded, immediately prior to the issuance of such Bonds, or (B) a certificate as described in subsection (a)(3) above.

Senior Debt Service Components

The Authority may incur or refinance Senior Debt Service Components in connection with a Cost of Contracted Services provided that (1) the documents providing for the Senior Debt Service Components specify the amounts and due dates of Annual Debt Service with respect to such Senior Debt Service Components and (2) the Authority satisfies the tests set forth in clause (3) of paragraph (a) above or clause (3) of paragraph (b) above, as applicable, as if such Senior Debt Service Components were an additional Series of Bonds. Senior Debt Service Components will be secured by the pledge of Revenues under the Trust Agreement on a parity with Bonds issued under the Trust Agreement, except Senior Debt Service Components will not be secured by money in the Bond Fund or the Debt Service Reserve Fund.

Subordinate Debt

Notwithstanding anything in the Trust Agreement to the contrary, the Authority may at any time issue Subordinate Debt and pledge Revenues thereto so long as rates, fees and charges are in effect or scheduled to go into effect to meet the Rate Covenant immediately after the issuance of such Subordinate Debt.

Rate Covenant

The Trust Agreement contains a rate covenant as described in the section “THE SERIES 2026 BONDS - Security for the Series 2026 Bonds - *Rate Covenant*” in the front part of this Official Statement.

Pledge of Revenues and Funds

All Revenues are pledged equally and ratably to secure payment of the principal of and premium, if any, and interest on all Bonds and other Senior Debt that may from time to time be issued and Outstanding under the Trust Agreement or under the documents pertaining to such other Senior Debt, subject only to the right of the Authority to make application thereof to the purposes as provided in the Trust Agreement, including the payment of Operating Expenses. Except as described below, all moneys in the Construction Fund, the Revenue Fund, the Bond Fund and the Debt Service Reserve Fund shall be trust funds and are pledged equally and ratably to the payment of the principal of and interest on all Bonds, subject only to the right of the Authority to make application thereof, or to direct the Trustee in writing to make application thereof, to other purposes as provided in the Trust Agreement. The lien and trust created in the Trust Agreement are for the benefit of the Bondholders and for their additional security until all the Bonds have been paid; provided, however, that the moneys in each Series Account within the Construction Fund and each Series Debt Service Reserve Account within the Debt Service Reserve Fund shall secure only the respective Series of Bonds for which such Account was established; and provided, further, that any additional security securing a particular Series of Bonds shall secure only that Series.

Moneys in the Senior Debt Service Component Fund, the Subordinate Debt Fund and the General Reserve Fund are not pledged to the Bonds.

Investment of Moneys in Funds

Any moneys held in the Funds and Accounts shall be invested and reinvested by the Trustee (or by or on behalf of the Authority in the case of any Funds and Accounts not held by the Trustee), as directed in writing by an Authorized Authority Representative, in Investment Obligations, subject to the limitations stated in the Trust Agreement or in any Supplemental Agreement. “Investment Obligations” shall mean any of the obligations or securities that are at the time legal investments for public funds under the Investment of Public Funds Act (Chapter 45, Title 2.2 of the Virginia Code) or any successor provisions of law applicable to such investments.

Moneys held in the following funds shall be invested in obligations described in this section of the following maturities:

- (a) Construction Fund - not to exceed the dates on which such moneys will be needed to pay Costs of the Project;
- (b) Revenue Fund - not later than the last day of the month in which such moneys shall be transferred;
- (c) Operating Fund - not to exceed 60 days;
- (d) Bond Fund, Senior Debt Service Component Fund and Subordinate Debt Fund - not to exceed the date on which such moneys will be needed to pay principal of or interest on the Bonds, the Senior Debt Service Components or Subordinate Debt, respectively;
- (e) Debt Service Reserve Fund - not to exceed 20 years but in no event later than the final maturity of the applicable Series of Bonds; and

- (f) General Reserve Fund - not to exceed five years.

Unless otherwise provided in the Trust Agreement or a Supplemental Agreement, earnings on Investment Obligations shall accrue to the Fund or Account in which such Investment Obligations are on deposit, or, at the written direction of the Authority, shall be transferred to and deposited in the Revenue Fund.

The Trustee may conclusively rely upon the Authorized Authority Representative's written directions as to both the suitability and legality of the directed investments. Ratings of permitted investments shall be determined at the time of purchase of such permitted investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of permitted investments after the initial purchase of such permitted investments. In the absence of written investment instructions from the Authorized Authority Representative, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. The Trustee shall not be liable for any losses from any investments directed under Trust Agreement. Confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Particular Covenants

Covenants with Credit Banks, Insurers, etc. The Authority may make such covenants and agreements in a Supplemental Agreement as it may determine to be appropriate with any insurer, credit bank or other financial institution that shall agree to insure or to provide credit or liquidity support to enhance the security or the value of any Bonds. Such covenants and agreements may be set forth in the applicable Supplemental Agreement and shall be binding on the Authority and all the Bondholders the same as if such covenants were set forth in full in the Trust Agreement.

Operation and Maintenance. The Authority shall establish and enforce reasonable rules and regulations governing the use of and the services furnished by the System, maintain and operate the System in an efficient and economical manner pursuant to the Annual Budget, maintain the same in good repair and sound operating condition and make all necessary repairs, replacements and renewals.

Free Service. The Authority shall not permit connections to or use of the System or provide any services of the System without making a charge therefor. The Authority shall not provide, grant any franchise to provide or give consent for anyone else to provide any services which would compete with the System, unless the Authority determines that it is in its best interest to allow such other services and files with the Trustee a written statement setting forth reasons for such determination.

Sale or Encumbrance. Neither the System nor any integral part thereof shall be leased, sold, encumbered or otherwise disposed of without the prior consent of the holders of two-thirds in aggregate principal amount of Bonds then Outstanding unless the proceeds of such disposition are sufficient to pay the principal of and premium, if any, and interest on all of the Bonds then Outstanding and the proceeds are used for such purpose; provided, however, that the Authority may grant easements, licenses or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use of the System and provided, further, that upon compliance with the provisions of this section the Authority may sell or otherwise dispose of any property constituting a part of the System which is either no longer needed or useful therefor or is replaced from the proceeds of such disposition and any other necessary moneys with property serving the same or similar function. No such property shall be sold or otherwise disposed of unless there is filed with the Trustee a certificate of the Authority, signed by its Chairman or Vice Chairman, stating that such property is no longer needed or useful in the operation of the System or will be replaced with property serving the same or similar function, and, if the proceeds to be received for such property shall exceed \$250,000, there shall also be filed with the Authority and the Trustee a certificate of the Consulting Engineer stating that such property is no longer needed or useful in the operation of the System or will be replaced with property serving the same or similar function. Any proceeds to be received from such sale or disposition not used to replace such property shall be, if the amount on deposit in any Series Debt Service Reserve Account is less than the applicable Series Debt Service Reserve Requirement, transferred to the Trustee for deposit in any Series Debt Service Reserve Account and otherwise any such proceeds shall be deposited in the General Reserve Fund.

Insurance. The Authority shall continuously maintain insurance against such risks as are customarily insured against by other public bodies owning and operating similar systems, paying as the same become due all premiums with respect thereto, including without limitation:

(a) Insurance in the amount of the actual cash value for buildings and other structures and full replacement cost for equipment constituting insurable portions of the System against loss or damage by fire and lightning, with broad form extended coverage including damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally included within such coverage (limited only as may be provided in the standard form for such coverage at the time in use in the Commonwealth). The determination of replacement cost shall be made by the Consulting Engineer upon the issuance or renewal of any policy of insurance required by this subsection.

(b) Comprehensive general liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership, maintenance or use of the System.

(c) Comprehensive automobile liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including death resulting therefrom, and for damage to property, including loss of use thereof, arising out of the ownership or operation of motor vehicles by the Authority.

(d) Unless the Authority qualifies as a self-insurer under the laws of the Commonwealth, workers' compensation insurance.

(e) Fidelity bonds on all members and employees of the Authority who have access to or custody of Revenues, receipts or other funds appertaining to the System, such bonds to be in such amounts as are customarily carried by other public bodies owning and operating similar facilities.

(f) Flood insurance in the amount of actual cash value of the Project, to the extent such coverage is available on a reasonable basis.

All such insurance shall be taken out and maintained with generally recognized responsible insurers selected by the Authority and reasonably acceptable to the Trustee and may be written with deductible amounts comparable to those on similar policies carried by other public bodies owning and operating similar facilities. In lieu of insurance written by commercial insurance companies, the Authority may maintain a program of self insurance or participate in group risk financing programs, including without limitation sponsored insurance programs, risk pools, risk retention groups, purchasing groups and captive insurance companies, and in state or Federal insurance programs; provided, however, that, at the request of the Trustee, the Authority shall obtain a favorable written opinion of a Qualified Independent Consultant that such alternative is reasonably acceptable under all the circumstances.

Damage, Destruction, Condemnation and Loss of Title. If all or any part of the System is destroyed or damaged by fire or other casualty, condemned or lost by failure of title, and the Authority shall not have exercised its option to prepay the Bonds (in whole or in part) pursuant to the Trust Agreement and the respective Supplemental Agreement, the Authority shall restore promptly the property damaged or destroyed to substantially the same condition as before such damage, destruction, condemnation or loss of title with such alterations and additions as the Authority may determine and which will not impair the capacity or character of the System for the purpose for which it then is being used or is intended to be used. The Authority may apply so much as may be necessary of the Net Proceeds received on account of any such damage, destruction, condemnation or loss of title to payment of the cost of such restoration, either on completion or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Authority shall pay so much of the cost as may be in excess of such Net Proceeds from any legally available funds. Any balance of such Net Proceeds remaining after payment of the cost of such restoration shall be applied to the fullest extent possible to the prepayment of the Bonds pursuant to the Trust Agreement and any amount remaining shall be deposited in the Revenue Fund.

Records and Accounts; Inspections and Reports. The Authority shall keep proper books of records and accounts separate from any of its other records and accounts, showing complete and correct entries of all transactions relating to the System, and the Trustee shall have the right at all reasonable times to inspect the System and all records, accounts and data relating thereto. The Authority shall also cause a certified audit of its records and accounts to be made by an independent certified public accountant at the end of each Fiscal Year which shall reflect in reasonable detail the financial condition and record of operation of the System. The Authority shall cause the Consulting Engineer at least once every three years to inspect the System and make a written report thereof.

Agreements for Contracted Services. The Authority may enter into agreements for Contracted Services for the benefit of the System, provided that the Authority specifies the items payable as the Debt Service Component, Operating Component or Remaining Component of the Cost of Contracted Services and provided, further, that the Authority shall not enter into any agreement that would create Senior Debt Service Components or Subordinate Debt Service Components unless the Authority complies with the applicable provisions of the Trust Agreement.

The Authority shall faithfully fulfill all lawful requirements of all such agreements and shall require all other parties thereto to fulfill their lawful obligations thereunder.

An Authorized Authority Representative shall determine in writing on or before the effective date of any such agreement the amounts and due dates of any Debt Service Component of the Cost of Contracted Services and any Debt Service Component payable by the Authority under such service agreement and the interest and principal portions of such components.

Limitations on Use of Proceeds

The Authority covenants with the holders of the Series 2026 Bonds as follows:

(a) The Authority shall not take or omit to take any action or approve the Trustee's taking any action or making any investment or use of the proceeds of any Series 2026 Bonds (including failure to spend the same with due diligence) the taking or omission of which would cause the Series 2026 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including participating in any issue of obligations that would cause the Series 2026 Bonds to be part of an "issue" of obligations that are arbitrage bonds, within the meaning of Treasury Regulations Section 1.148-10 or successor regulation, or otherwise cause interest on the Series 2026 Bonds to be includable in the gross income of the registered owners under existing law; and without limiting the generality of the foregoing, the Authority shall comply with any provision of law that may require the Authority at any time to rebate to the United States of America any part of the earnings derived from the investment of gross proceeds of the Series 2026 Bonds;

(b) Barring unforeseen circumstances, the Authority shall not approve the use of the proceeds from the sale of any Series 2026 Bonds otherwise than in accordance with the Authority's "non-arbitrage" certificate delivered immediately prior to the issuance of the Series 2026 Bonds;

(c) The Authority shall not permit the proceeds of the Series 2026 Bonds to be used in any manner that would result in either (1) 5% or more of the proceeds or facilities being financed or refinanced with such proceeds being considered as having been used in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (2) 5% or more of the proceeds or the facilities being financed or refinanced with such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (3) 5% or more of the proceeds or the facilities being financed or refinanced with such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; and

(d) The Authority shall not take any other action that would adversely affect, and shall take all action within its power necessary to maintain, the exclusion of interest on all Series 2026 Bonds from gross income for Federal income taxation purposes; provided, however, that if the Authority receives an opinion of Bond Counsel that compliance with any such covenant is not required to prevent the interest on the Series 2026 Bonds from being includable in the gross income of the registered owners thereof under existing law, the Authority need not comply with such restriction.

Events of Default and Remedies on Default

Each of the following events shall be an Event of Default under the Trust Agreement:

- (a) Default by the Authority in the due and punctual payment of any interest on any Bond;
- (b) Default by the Authority in the due and punctual payment of the principal of or premium, if any, on any Bond (whether at maturity, by acceleration, call for redemption or otherwise);
- (c) Subject to certain remedial provisions, failure of the Authority to observe and perform any of its other covenants, conditions or agreements under the Trust Agreement or in the Bonds for a period of 30 days after written notice from the Trustee or holders of not less than 25% of the aggregate principal amount of Bonds then Outstanding, specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such 30 day period, failure of the Authority to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence;
- (d) Abandonment of the System by the Authority;
- (e) Destruction or damage to any substantial part of the System to the extent of impairing its efficient operation or adversely affecting Revenues to a substantial degree and failure for any reason promptly to repair, replace or reconstruct the same (whether such failure promptly to repair, replace or reconstruct the same be due to the impracticability of such repair, replacement or reconstruction, the lack of funds therefor or for any other reason);
- (f) (1) Commencement by the Authority of a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) consent by the Authority to the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Authority, the System or any substantial part of the Authority's property, or to the taking possession by any such official to any substantial part of the Authority's property, (3) making by the Authority of any assignment for the benefit of creditors, or (4) taking of corporate action by the Authority in furtherance of any of the foregoing;
- (g) The entry of any (1) decree or order for relief by a court having jurisdiction over the Authority or its property in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, (2) appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Authority, the System or any substantial part of the Authority's property, or (3) order for the termination or liquidation of the Authority or its affairs; and
- (h) Failure of the Authority within 60 days after the commencement of any proceedings against it under the Federal bankruptcy laws or any other applicable Federal or state bankruptcy, insolvency or similar law, to have such proceedings dismissed or stayed.

The Authority's obligations in clauses (c), (d) and (e) above are subject to the limitation that if by reason of force majeure, as defined in the Trust Agreement, the Authority is unable in whole or in part to observe and perform any of its related covenants, conditions or agreements under the Trust Agreement, the Authority shall not be deemed in default during the continuance of such disability.

Upon the occurrence and continuation of an Event of Default, the Trustee may and if requested by the holders of 25% of the aggregate principal amount of Bonds then Outstanding shall, by notice to the Authority, declare the entire unpaid principal of and premium, if any, and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and premium, if any, and interest on the Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the holders of the Bonds the entire unpaid principal of and premium, if any, and accrued interest on the Bonds, but only from the Revenues and other funds specifically pledged for such purpose in the Trust Agreement.

Upon the occurrence and continuation of an Event of Default the Trustee may (and if requested by the holders of not less than 25% of the aggregate principal amount of Outstanding Bonds and if indemnified to its satisfaction in accordance with prevailing industry standards shall) proceed to protect and enforce its rights and the rights of Bondholders by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement; provided, however, that nothing in the Trust Agreement shall be construed to give the Trustee or any Bondholder authority to compel a foreclosure or sale of the System or any part thereof.

Supplemental Agreements Not Requiring Consent of Bondholders

The Authority and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into Supplemental Agreements as shall not be inconsistent with the terms and provisions of the Trust Agreement for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Trust Agreement;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders or the Trustee or either of them;
- (c) To add to the covenants and agreements of the Authority in the Trust Agreement other covenants and agreements to be observed by the Authority;
- (d) To modify, amend or supplement the Trust Agreement in such manner as required to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or any state securities (Blue Sky) law, and, if they so determine, to add to the Trust Agreement such other terms, conditions and provisions as may be required by the Trust Indenture Act of 1939, as amended, or similar Federal statute or state securities law;
- (e) To authorize the issuance of and to secure one or more Series of Bonds pursuant to the Trust Agreement;
- (f) To modify, amend or supplement the Trust Agreement in such manner as may be required by a Rating Agency to maintain its rating on the Bonds, provided that such modification, amendment or supplement does not prejudice in any material respect the rights of the holders of the Bonds then Outstanding;
- (g) To modify, amend or supplement the Trust Agreement to implement any covenants or agreements in connection with an insurer, credit bank or other financial institution that shall agree to insure or to provide credit or other liquidity support to enhance the security or the value of any Bonds, as provided in the Trust Agreement; and
- (h) To make any other change to the Trust Agreement which, in the opinion of the Trustee (which may be based upon an Opinion of Counsel), shall not prejudice in any material respect the rights of the holders of the Bonds then Outstanding.

Supplemental Agreements Requiring Consent of Bondholders

In addition to the above and subject to the terms and provisions contained in the Trust Agreement, the holders of at least a majority in aggregate principal amount of Bonds Outstanding at the time such consent is given (or, in case less than all of the Bonds then Outstanding are affected by the modification or amendment, the holders of at least a majority in aggregate principal amount of the Bonds so affected and Outstanding at the time such consent is given) shall have the right from time to time, notwithstanding any other provision of the Trust Agreement, to consent to the execution by the Authority and the Trustee of such other agreement or agreements supplemental thereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Trust Agreement and any Supplemental Agreement; provided, however, that if such modification or amendment will not, by its terms, take effect so long as any Bonds so affected remain Outstanding, the consent of the holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this

section. Notwithstanding the foregoing, no modification or amendment contained in any Supplemental Agreement shall permit any of the following, without the consent of each Bondholder whose rights are affected thereby: (a) an extension of the maturity of the principal of or the interest on any Bond, (b) a reduction in the principal amount of, or premium, if any, on any Bond or the rate of interest thereon, (c) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Bond, (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Agreements.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Agreement, the Trustee shall cause notice of the proposed execution of such Supplemental Agreement to be sent by registered or certified mail to the registered owner of each Bond at his address as it appears on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Agreement and shall state that a copy thereof is on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the holders of not less than a majority in aggregate principal amount of Outstanding Bonds, or in the case of (a) through (e) of the preceding section, the holders of all Outstanding Bonds shall have consented to and approved the execution thereof as provided in the Trust Agreement, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing such Supplemental Agreement as in this section permitted and provided, the Trust Agreement shall be and be deemed to be modified and amended in accordance therewith.

Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Bonds provided for in the Trust Agreement. At the time of any such calculation, the Authority shall furnish the Trustee a certificate of an officer of the Authority, upon which the Trustee may conclusively rely, describing all Bonds so to be excluded.

Notwithstanding anything in the Trust Agreement to the contrary, the Authority and the Trustee may enter into any Supplemental Agreement upon receipt of the consent of the holders of all Outstanding Bonds.

Discharge of Trust Agreement; Defeasance of Bonds

If (a) all Bonds shall have become due and payable in accordance with their terms or otherwise as provided in the Trust Agreement or have been duly called for redemption or irrevocable instructions to call the Bonds or to pay them at maturity have been given by the Authority to the Trustee and (b) the Trustee holds cash, noncallable Government Obligations or, if permitted by the laws of the Commonwealth, noncallable Government Certificates or noncallable Defeased Obligations, the principal of and the interest on which at maturity will be sufficient (1) to redeem in accordance with the relevant section of the Trust Agreement and in any applicable Supplemental Agreement all Bonds that have been called for redemption, or for which irrevocable instructions for call for redemption have been given, on the date set for such redemption, (2) to pay at maturity all Bonds not irrevocably called for redemption, (3) to pay interest accruing on all Bonds prior to their redemption or payment at maturity, (4) to make all required arbitrage rebate payments to the United States of America, and (5) to pay to the Trustee its reasonable fees and expenses and any other fees and expenses for which the Authority is responsible under the Trust Agreement, then the Trustee shall, at the expense of the Authority, cancel and discharge the Trust Agreement and execute and deliver to the Authority such instruments in writing as shall be requisite to cancel the lien thereof, and assign and deliver to the Authority any property at the time subject to the Trust Agreement that may then be in its possession, except funds or securities in which such funds are invested which are held by the Trustee for the payment of principal of or premium, if any, or interest on the Bonds.

Bonds for the payment or redemption of which cash, noncallable Government Obligations or, if permitted by the laws of the Commonwealth, noncallable Government Certificates or noncallable Defeased Obligations, the principal of and premium, if any, and interest on which will be sufficient therefor shall have been deposited with the Trustee (whether upon or prior to the date of their maturity or their redemption date) shall be deemed to be paid, shall no longer be entitled to the benefits provided by the Trust Agreement and shall be deemed to be no longer Outstanding; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, irrevocable notice of such redemption shall have been duly given or arrangements satisfactory to the Trustee shall have been made for the giving thereof.

APPENDIX G**Form of Bond Counsel Opinion**

APPENDIX H**Form of Continuing Disclosure Agreement**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2026 (the “Disclosure Agreement”), is executed and delivered by the Albemarle County Service Authority (the “Issuer”) in connection with the issuance by the Issuer of its \$_____ Water and Sewer System Revenue Bonds, Series 2026 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Bonds and in order to assist the original purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) by providing certain annual financial information and material event notices required by the Rule (collectively, “Continuing Disclosure”).

Section 2. Annual Disclosure. (a) The Issuer shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles; and

(ii) the operating data of the type described in the tables entitled _____ all contained in the Issuer’s Official Statement dated _____, 2026.

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the Issuer shall also file such statements as audited when available.

(b) The Issuer shall file annually with the Municipal Securities Rulemaking Board (“MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) no later than the March 31 following the end of the Issuer’s preceding fiscal year, commencing with the Issuer’s fiscal year ending [June 30, 2026].

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Issuer shall file with the MSRB in a timely manner notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Issuer shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions; the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of the holders of the Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the Bonds;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation (hereinafter defined) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect Bondholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination. The obligations of the Issuer hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

Section 5. Amendment. The Issuer may modify its obligations hereunder without the consent of Bondholders, provided that the Issuer receives an opinion of nationally recognized bond counsel to the effect that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Issuer fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of Bonds then outstanding may, by notice to the Issuer, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be accompanied by identifying information as prescribed by the MSRB and shall be made by transmitting such disclosure, notice or other information in an electronic format to the MSRB through the MSRB’s Electronic Municipal Market Access (“EMMA”) system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Issuer may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide, or to update, such additional information or data, once initially provided.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

ALBEMARLE COUNTY SERVICE AUTHORITY

Chair

Executive Director

APPENDIX I**Book-Entry Only System**

BOOK-ENTRY ONLY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2026 Bonds, payments of principal and interest on the Series 2026 Bonds to DTC, its nominee, Direct or Indirect Participants (each as defined herein) or Beneficial Owners, confirmation and transfer to beneficial ownership interests in the Series 2026 Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2026 Bond certificate will be issued for each respective maturity of the Series 2026 Bonds of each series in the aggregate principal amount of such maturity, and such certificates will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited Series 2026 Bonds, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of Series 2026 Bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices

of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of amounts with respect to the Series 2026 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of amounts with respect to the Series 2026 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered.

NONE OF THE AUTHORITY, THE TRUSTEE, ANY POLITICAL SUBDIVISION OR ANY UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2026 BONDS.

So long as Cede & Co. is the registered owner of the Series 2026 Bonds, as nominee of DTC, references in this Official Statement to the Owner or Owners of the Series 2026 Bonds or Owners shall mean Cede & Co. and shall not mean the Beneficial Owners, and the Trustee will treat Cede & Co. as the only Owner or Bondholder of the Series 2026 Bonds for all purposes under the Indenture.

The Authority may enter into amendments to its agreement with DTC or any successor depository without the consent of the Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

APPENDIX J**Notice of Sale**

NOTICE OF SALE

\$ _____*
ALBEMARLE COUNTY SERVICE AUTHORITY
(VIRGINIA)
WATER AND SEWER SYSTEM REVENUE BONDS
SERIES 2026

Electronic Bids, via BiDCOMP/Parity Competitive Bidding System (“**BiDCOMP/Parity**”) only, will be received by the Albemarle County Service Authority (the “**Authority**”), until ____ a.m., prevailing Eastern Time, on

_____, 2026*

for the purchase of all, but not less than all, of the Authority’s \$ _____* Water and Sewer System Revenue Bonds, Series 2026 (the “**Series 2026 Bonds**”), dated the date of their delivery and maturing, subject to the right of prior redemption as hereinafter set forth, on _____ in the following years and in the following amounts, respectively:

Initial Maturity Schedule*

Year	Principal	Year	Principal
()*	Amount*	()*	Amount*
_____	_____	_____	_____

Immediately thereafter, the bids will be publicly announced, and the Chair or Vice Chair of the Authority will act upon the bids by 5:00 p.m., prevailing Eastern Time.

The Authority reserves the right to change the date for receipt of bids (the “**Scheduled Bid Date**”) in accordance with the section of this Notice of Sale entitled “Change of Bid Date and Closing Date; Other Changes to Notice of Sale.”

All capitalized terms used but not otherwise defined herein shall have the meanings given in the Authority’s Preliminary Official Statement dated the date hereof (the “**Preliminary Official Statement**”).

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* Preliminary, subject to change.

BID PARAMETERS TABLE FOR THE SERIES 2026 BONDS*

INTEREST		PROCEDURAL	
Dated Date:	Date of Delivery	Sale Date and Time:	Bids due _____, 2026, at ____ a.m., prevailing Eastern Time
Anticipated Delivery Date:	_____, 2026	Bid Submission:	Electronic bids through Parity only
Interest Payments Dates:	_____ and _____	All or None?	Yes
First Interest Payment Date:	_____, ____	Bid Award Method:	Lowest TIC – Dated Date excluding Accrued Interest
Coupon Multiples:	1/8 or 1/20 of 1%	Good Faith Deposit:	\$_____. See “Good Faith Deposit.”
Zero Coupons:	Not Permitted	Establishment of Issue Price – Competitive Sale Requirements	The Authority intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the “competitive sale requirements”).
Split Coupons:	Not Permitted		
Coupons per Maturity:	One		
		Establishment of Issue Price – Alternative Approach	If the competitive sale requirements are not met because at least three qualifying bids are not received, the Authority intends to treat the Initial Public Offering Price (as hereinafter defined) of each maturity of the Series 2026 Bonds as of the Sale Date (as hereinafter defined) as the issue price of that maturity.

PRINCIPAL			
Due Date:	_____, ____ – _____, ____	Term Bonds:	Permitted
Optional Redemption:	Series 2026 Bonds maturing on and after _____, _____, are callable on _____, _____, and thereafter at par		
PRICING			
Max, Aggregate Bid Price:	No Limit	Low Coupon per Maturity:	__%
Min. Aggregate Bid Price:	100%	High Coupon per Maturity:	__%
Max. Price per Maturity:	No Limit	Maximum True Interest Cost:	__%
Min. Price per Maturity:	No Limit	Underwriter’s Discount	Not to exceed [200 basis points (2%)]

* Subject to the detailed provisions of this Notice of Sale.

DETAILS AND TERMS OF SERIES 2026 BONDS

Changes to Initial Maturity Schedule

The Initial Maturity Schedule set forth above represents an estimate of the principal amount of Series 2026 Bonds to be sold. The Authority hereby reserves the right to change the Initial Maturity Schedule, based on market conditions prior to the sale, by announcing via BiDCOMP/Parity@/www.i-dealprospectus.com or TM3 (www.tm3.com) any such change not later than 30 minutes prior to the announced time and date for receipt of bids. The resulting schedule of maturities will become the “**Bid Maturity Schedule**.” If no such change is announced, the Initial Maturity Schedule will become the Bid Maturity Schedule.

Changes to Bid Maturity Schedule

The Authority hereby further reserves the right to change the Bid Maturity Schedule after the determination of the successful bidder, by increasing or decreasing the aggregate principal amount of the Series 2026 Bonds.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING TERMS (AS HEREINAFTER DEFINED) AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the final aggregate principal amount of the Series 2026 Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Series 2026 Bonds from the selling compensation that would have been received based on the purchase price in the successful bid and the Initial Reoffering Terms. The interest rates specified by the successful bidder for the various maturities at the Initial Reoffering Terms will not change. The Authority anticipates that the final annual principal amounts and the final aggregate principal amount of the Series 2026 Bonds will be communicated by the Authority to the successful bidder within twenty-four hours of the Authority’s receipt of the Initial Public Offering Prices and yields of the Series 2026 Bonds (together, the “**Initial Reoffering Terms**”).

Book-Entry System

The Series 2026 Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“**DTC**”), registered in the name of Cede & Co., nominee of DTC. The book-entry system will evidence beneficial ownership interests of the Series 2026 Bonds in the principal amount of \$5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The Series 2026 Bonds shall be held by the Trustee in safekeeping on behalf of DTC. Interest on the Series 2026 Bonds will be payable on each _____ and _____, the first interest payment date being _____, _____, and principal of the Series 2026 Bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the Series 2026 Bonds. Transfer of principal, interest and any redemption payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption payments to beneficial owners of the Series 2026 Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Authority will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the Series 2026 Bonds or (b) the Authority determines that continuation of the book-entry system of evidence and transfer of ownership of the Series 2026 Bonds would adversely affect the interests of the beneficial owners of the Series 2026 Bonds, the Authority will discontinue the book-entry system with DTC. If the Authority fails to select another qualified securities depository to replace DTC, the Authority will deliver replacement Series 2026 Bonds in the form of fully registered certificates.

Security for the Series 2026 Bonds

The Series 2026 Bonds will be issued and secured in accordance with the provisions of the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the “**Enabling Act**”), and pursuant to the provisions of an Agreement of Trust dated as of November 1, 2010, as previously supplemented and

amended (the “**Master Trust Agreement**”), between the Authority and The Bank of New York Mellon Trust Company, N.A., New York, New York, as successor trustee (the “**Trustee**”), and as further supplemented and amended by a Third Supplemental Agreement of Trust dated as of ____ __, 2026 (the “Third Supplemental Agreement,” and together with the Master Trust Agreement, the “Trust Agreement”).

The Series 2026 Bonds will be limited obligations of the Authority payable solely from revenues derived from the System and other funds pledged for their payment under the terms of the Trust Agreement. Neither the faith and credit of the Commonwealth of Virginia nor the faith and credit of any county, city, town or other subdivision of the Commonwealth of Virginia, including the Authority and Albemarle County, Virginia, are pledged to the payment of principal of or interest on the Series 2026 Bonds.

A more detailed description of the security for the Series 2026 Bonds is set forth in the Preliminary Official Statement.

Serial Bonds and/or Term Bonds; Mandatory Sinking Fund Redemption

Bidders may provide that all of the Series 2026 Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

If the successful bidder designates principal amounts of Series 2026 Bonds to be combined into one or more term bonds, each such term Series 2026 Bond shall be subject to mandatory sinking fund redemption commencing on _____ of the first year that has been combined to form such term Series 2026 Bond and continuing on _____ in each year thereafter until the stated maturity date of that term Series 2026 Bond. The amount redeemed in any year shall be equal to the principal amount of serial bonds that would otherwise have matured in such year. Series 2026 Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from among the Series 2026 Bonds then subject to redemption. The Authority, at its option, may credit against any mandatory sinking fund redemption requirement term Series 2026 Bonds of the maturity then subject to redemption that have been purchased and cancelled by the Authority or that have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Optional Redemption

The Series 2026 Bonds maturing on or after _____, _____, will be subject to redemption prior to maturity at the option of the Authority on or after _____, _____, in whole or in part (in integral multiples of \$5,000) at any time, upon payment of 100% of the principal amount of Series 2026 Bonds to be redeemed) plus interest accrued to the date fixed for redemption.

If less than all of the Series 2026 Bonds are called for redemption, they shall be called in such order of maturity as the Authority may determine. If less than all of the Series 2026 Bonds of a particular maturity are called for redemption, the principal portion of such maturity shall be determined by the Authority and the particular Series 2026 Bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2026 Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2026 Bonds for redemption, each Series 2026 Bond shall be considered as representing that number of Series 2026 Bonds which is obtained by dividing the principal amount of such Series 2026 Bond by \$5,000. If a portion of a Series 2026 Bond shall be called for redemption, a new Series 2026 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At the direction of the Authority, the Trustee shall cause notice of the call for redemption to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Series 2026 Bonds. The Authority shall not be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2026 Bonds. If no qualified securities depository is the registered owner of the Series 2026 Bonds, notice of redemption shall be mailed to the registered owners of the Series 2026 Bonds. Each notice of redemption shall identify the Series 2026 Bonds or portions thereof to be redeemed. Interest shall cease to accrue on any Series 2026 Bonds duly called for redemption,

after the redemption date, if payment thereof has been duly provided. The Trustee shall not be required to transfer or exchange any Series 2026 Bond or portion thereof after the notice of redemption has been duly provided. During the period that DTC or the DTC nominee is the registered holder of the Series 2026 Bonds, the Trustee will not be responsible for mailing notices of redemption to the beneficial owners of the Series 2026 Bonds. See Appendix I - "Book-Entry Only System."

At the direction of the Authority, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Series 2026 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the Series 2026 Bonds called for redemption at the place or places of payment, such Series 2026 Bonds shall be paid and redeemed.

ELECTRONIC BIDDING REQUIREMENTS AND PROCEDURE

Registration to Bid

All prospective bidders must be contracted customers of i-Deal LLC's BiDCOMP/Parity Competitive Bidding System. If you do not have a contract with BiDCOMP/Parity, call (212) 849-5021 to inquire about becoming a customer. By submitting a bid for the Series 2026 Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Series 2026 Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2026 Bonds. By contracting with BiDCOMP/Parity, a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISIONS OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BiDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE, AS IT MAY BE AMENDED BY THE AUTHORITY AS DESCRIBED WITHIN, SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 849-5021.

Disclaimer

Each prospective bidder shall be solely responsible to register to bid via BiDCOMP/Parity. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Authority nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The Authority is using BiDCOMP/Parity as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Series 2026 Bonds. The Authority is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid specifications hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders, and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Series 2026 Bonds, it should telephone BiDCOMP/Parity and notify Davenport & Company LLC, the Authority's financial advisor (the "**Financial Advisor**"), by telephone at (804) 697-2900. After receipt of bids is closed, the Authority through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers and does not constitute the award of the Series 2026 Bonds. Each bid will remain subject to review by the Authority to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of all, but not less than all, of the Series 2026 Bonds by means of the Albemarle County Service Authority, AON (all or none) Bid Form (the “**Bid Form**”) via Parity. Bids must be communicated electronically to Parity by ___ a.m., prevailing Eastern Time on the Scheduled Bid Date unless postponed as described below (see “*Change of Bid Date and Closing Date; Other Changes to Notice of Sale*”). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP. Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to Parity. Once the bids are released electronically via Parity to the Authority, each bid will constitute an **IRREVOCABLE** offer to purchase the Series 2026 Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official prevailing Eastern Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Authority, as described under “Award of Bonds” below, represented by the rate or rates of interest and the bid price specified in their respective bids.

By submitting a bid for the Series 2026 Bonds, each underwriter represents and certifies that it has an established industry reputation for underwriting new issuances of municipal bonds. The Authority will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via Parity. No bid will be received after the time for receiving such bids specified above.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on BidCOMP/Parity must submit to the Authority by wire transfer a good faith deposit (the “**Deposit**”) equal to \$ _____. The award to the apparent successful bidder is contingent upon receipt of the Deposit, and the Series 2026 Bonds will not be awarded to such bidder until the Authority has received confirmation of receipt of the Deposit.

Wire instructions for the Deposit will be provided to the apparent successful bidder in a timely fashion after receipt of the bids is closed.

Award or rejection of bids will be made by the Authority on the date above stated for the receipt of bids. The proceeds of the Deposit will be held as security for the performance of the successful bidder’s bid and applied to the purchase price of the Series 2026 Bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the Deposit will be retained as and for full liquidated damages. No interest earned thereon will be allowed as a credit against the purchase price of the Series 2026 Bonds.

Award of Bonds

Award or rejection of bids will be made by the Chair or Vice Chair of the Authority, prior to 5:00 p.m., prevailing Eastern Time on the date of receipt of bids. **ALL BIDS SHALL REMAIN FIRM UNTIL 5:00 P.M., PREVAILING EASTERN TIME, ON THE DATE OF RECEIPT OF BIDS.** An award of the Series 2026 Bonds, if made, will be made by the Chair or Vice Chair of the Authority within such time period (___ a.m. – 5:00 p.m.).

The Series 2026 Bonds will be awarded to the bidder offering to purchase the Series 2026 Bonds at the lowest “True” or “Canadian” interest cost (“**TIC**”), such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the payments of the principal of and the interest on the Series 2026 Bonds from their payment dates to the dated date of the Series 2026 Bonds and to the aggregate price bid of the Series 2026 Bonds. If two or more bidders offer to purchase the Series 2026 Bonds at the same lowest TIC, the Authority will have the right to select by lot the successful bidder from among such bidders. There will be no auction.

Bids for the Series 2026 Bonds shall not be conditioned upon obtaining municipal bond insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the

bidder, and the bidder must pay any increased costs of issuance of the Series 2026 Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance or other credit enhancement shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2026 Bonds.

Right of Rejection

The Authority expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein and (iii) to solicit new bids or proposals for the sale of the Series 2026 Bonds or otherwise provide for the public sale of the Series 2026 Bonds if all bids are rejected or the successful bidder defaults, including, without limitation, sale of the Series 2026 Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

Change of Bid Date and Closing Date; Other Changes to Notice of Sale

The Authority reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to announce any such change via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 (www.tm3.com).

Any postponement of the bid date will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 not later than 30 minutes prior to the announced time for the receipt of bids. An alternative bid date and time will be announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 at least 18 hours prior to such alternative bid date.

On such alternative bid date and time, the Authority will accept bids for the purchase of the Series 2026 Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 at the time the bid date and time are announced.

The Authority may change the scheduled delivery date for the Series 2026 Bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

The Authority reserves the right to otherwise change this Notice of Sale. The Authority anticipates that the Authority would communicate any such changes via BiDCOMP/Parity®/www.i-dealprospectus.com or TM3 by 5:00 p.m., prevailing Eastern Time, on the date prior to the scheduled date for the receipt of bids but no later than 30 minutes prior to the scheduled time and date for receipt of bids.

TERMS AND CONDITIONS APPLICABLE TO BIDDERS

Conflict Waiver

Hunton Andrews Kurth LLP is serving as Bond Counsel in connection with the issuance and sale of the Series 2026 Bonds. By placing a bid, each bidder represents that it understands that Hunton Andrews Kurth LLP, in its capacity as Bond Counsel, represents the Authority and that, if successful, the bidder waives any conflict of interest that Hunton Andrews Kurth LLP's involvement in connection with the issuance and sale of the Series 2026 Bonds presents to the successful bidder.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of all of the Series 2026 Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell).

Within one hour of being notified of the award of the Series 2026 Bonds, the successful bidder must furnish to the Authority, the following information to complete the Official Statement in final form, as described below:

- A. The Initial Public Offering Prices of the Series 2026 Bonds (expressed as the price or yield per maturity).
- B. Selling compensation (aggregate total anticipated compensation to the underwriter(s) expressed in dollars, based on the expectation that all Series 2026 Bonds are sold at the prices or yields described in Subpart A above).
- C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.
- D. Any other material information necessary to complete the Official Statement in final form but not known to the Authority.

Prior to delivery of the Series 2026 Bonds, the successful bidder shall furnish to the Authority a certificate, in form acceptable to Bond Counsel, to the effect that the successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the “**MSRB**”) with respect to the Authority.

Establishment of Issue Price

The successful bidder shall assist the Authority in establishing the “issue price” of the Series 2026 Bonds and shall execute and deliver to the Authority prior to the Closing Date a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Prices, or the sales price or prices of the Series 2026 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the Authority or Bond Counsel.

The Authority intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Series 2026 Bonds) will apply to the initial sale of the Series 2026 Bonds (the “**competitive sale requirements**”) because:

- A. the Authority will disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- B. all bidders will have an equal opportunity to bid;
- C. the Authority anticipate receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- D. the Authority anticipates awarding the sale of the Series 2026 Bonds to the bidder that submits a firm offer to purchase the Series 2026 Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Series 2026 Bonds, as specified in the bid.

In the event the Authority receives less than three (3) bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the Authority intends to treat the Initial Public Offering Price of each maturity of the Series 2026 Bonds as of the Sale Date as the issue price of that maturity (the “**hold-the-offering-price rule**”). Consequently, bidders should prepare their bids on the assumption that all of the maturities of the Series 2026 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2026 Bonds. The Authority will advise the apparent successful bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply.

The following procedures shall apply with respect to the hold-the-offering-price rule. By submitting a bid, the successful bidder shall, on behalf of the underwriter(s) participating in the purchase of the Series 2026 Bonds, (i) confirm that the underwriter(s) have offered or will offer each maturity of the Series 2026 Bonds to the public on or before the date that the Series 2026 Bonds are awarded by the Authority to the successful bidder (“**Sale Date**”) at the initial public offering price or prices (the “**Initial Public Offering Prices**”) set forth in the bid submitted by the

successful bidder, and (ii) agree that the underwriter(s) will neither offer nor sell any maturity of the Series 2026 Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- A. the close of the fifth business day after the Sale Date; or
- B. the date on which the underwriter(s) have sold at least 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The successful bidder shall promptly advise the Authority when the underwriter(s) have sold 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date. The successful bidder agrees to provide supporting pricing wires or equivalent communications reflecting such information.

The Authority acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or a dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2026 Bonds.

By submitting a bid, each bidder confirms that:

A. Any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(1) (a) report the prices at which it sells to the public the unsold Series 2026 Bonds of each maturity allocated to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Series 2026 Bonds of that maturity have been sold to the public and (b) comply with the hold-the-offering-price rule, in each case if and for so long as directed by the successful bidder and in the related pricing wires;

(2) promptly notify the successful bidder of any sales of Series 2026 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below); and

(3) acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the successful bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

B. Any agreement among underwriters or any selling group agreement relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2026 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (1) report the prices at which it sells to the public the unsold Series 2026 Bonds of each maturity allocated to it until it is notified by the successful

bidder or such underwriter that either the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or all Series 2026 Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Series 2026 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

Further, for purposes of this Notice of Sale:

A. “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,

B. “underwriter” means (1) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to the public and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) to participate in the initial sale of the Series 2026 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026 Bonds to the public), and

C. a purchaser of any of the Series 2026 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (2) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

CLOSING; MISCELLANEOUS TERMS

Delivery of Series 2026 Bonds and Closing Certificates

The Series 2026 Bonds will be delivered at the expense of the Authority in New York, New York, through the facilities of DTC (through its FAST Program) on or about _____, 2026.

Concurrently with the delivery of the Series 2026 Bonds, the Authority will furnish to the successful bidder without cost (a) a certificate dated the date of delivery of the Series 2026 Bonds, signed by the appropriate Authority officials and stating that no litigation of any kind is then pending or, to the best of their information, knowledge and belief, threatened against the Authority to restrain or enjoin the issuance or delivery of the Series 2026 Bonds or the levy or collection of revenues and (b) certificates dated the date of delivery of the Series 2026 Bonds, stating that the descriptions and statements in the Official Statement (except in the section entitled “Tax Exemption” and in the columns “Yield” and “CUSIP No.” on the inside cover), on the date of the Official Statement and on the date of delivery of the Series 2026 Bonds, were and are true and correct in all material respects, did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances under which they were made, not misleading. Such certificates will also state, however, that such Authority officials did not independently verify the information indicated in the Official Statement as having been obtained or derived from sources other than the Authority and its officers but they have no reason to believe that such information is not accurate.

CUSIP Numbers

CUSIP numbers for the Series 2026 Bonds will be applied for by the Financial Advisor, but the Authority will not assume any obligation for the assignment or printing of such numbers on the Series 2026 Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the Series 2026 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of or make payment for the Series 2026 Bonds.

Official Statements

Copies of the Preliminary Official Statement may be obtained without cost via the Internet at www.i-dealprospectus.com. The Preliminary Official Statement at its date is deemed “final” by the Authority within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “**Rule**”), except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. Notwithstanding the foregoing, the Preliminary Official Statement is subject to revision, amendment and completion.

After the award of the Series 2026 Bonds, the Authority will prepare a reasonable number of copies of the Official Statement and will include therein such additional information concerning the reoffering of the Series 2026 Bonds as the successful bidder may reasonably request; provided, however, that the Authority will not include in the Official Statement a “NRO” (“not reoffered”) designation with respect to any maturity of the Series 2026 Bonds. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering. The Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2026 Bonds and to the Electronic Municipal Market Access System (“**EMMA**”) administered by the MSRB. The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to EMMA and to acknowledge that the Authority expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the Series 2026 Bonds and to certify that the Series 2026 Bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the Authority in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

If the Series 2026 Bonds are awarded to a syndicate, the Authority will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Series 2026 Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the Authority.

Official Statements will be provided within seven (7) business days after the date of the award of the Series 2026 Bonds in such quantities as may be necessary for the successful bidder’s regulatory compliance.

Further information will be furnished upon application to Davenport & Company LLC, at (804) 697-2900.

Legal Opinion

The approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, in substantially the form appearing as Appendix G to the Preliminary Official Statement, will be furnished without cost to the successful bidder.

Tax Matters

The Official Statement relating to the Series 2026 Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Series 2026 Bonds and a discussion of the opinion of Hunton Andrews Kurth LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Series 2026 Bonds under the federal or state securities laws.

Continuing Disclosure

For purposes of the Rule, the Authority is an obligated person with respect to the Series 2026 Bonds. The Authority will agree, pursuant to the Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events. A description of these undertakings is set forth in the Preliminary Official Statement for the Series 2026 Bonds and will also be set forth in the final Official Statement for the Series 2026 Bonds. *See Appendix H of the Preliminary Official Statement.*

Reservation of Rights

The right of the Authority to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

Additional Information

For further information relating to the Series 2026 Bonds and the Authority, reference is made to the Authority's Preliminary Official Statement. The Official Bid Form and the Preliminary Official Statement may be obtained from the Financial Advisor, Davenport & Company LLC (telephone (804) 697-2900).

ALBEMARLE COUNTY SERVICE AUTHORITY

EXHIBIT A-1

[For use in competitive sale where at least 3 qualifying bids are received]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Bidder") of the \$_____ Water and Sewer System Revenue Bonds, Series 2026 (the "Bonds"), issued and sold by the Albemarle County Service Authority (Virginia) (the "Issuer"), on the date hereof, the undersigned authorized representative of the Bidder certifies as follows:

1. The Bidder purchased the Bonds from the Issuer at a price of \$_____ (calculated as the original principal amount of \$_____, [plus/less] [net] original issue [premium/discount] of \$_____, and less an underwriter's discount of \$_____).

2. On _____, 2026 (the "Sale Date"), the Bidder made a bona fide offering of all the Bonds of each Maturity to the Public reflecting the following terms:

Maturity (_____)	Principal Amount	Interest Rate	Yield	Price (%)
-----------------------------	-----------------------------	--------------------------	--------------	------------------

3. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public are the prices (expressed as a percentage of the principal amount) listed above (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Bidder in formulating its bid to purchase the Bonds. Attached as Schedule I is a true and correct copy of the bid provided by the Bidder to purchase the Bonds.

4. The Bidder was not given the opportunity to review the other bids submitted to the Issuer prior to submitting its own bid.

5. The bid submitted by the Bidder constituted a firm offer to purchase the Bonds.

6. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) For purposes of this certificate a purchaser of any of the Bonds is a **“related party”** to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2026.

[INSERT NAME OF BIDDER]

By: _____

Name: _____

Title: _____

[Attachment – Schedule I – Copy of Bid]

EXHIBIT A-2

[For use in competitive sale where fewer than 3 qualifying bids are received]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Bidder") of the \$_____ Water and Sewer System Revenue Bonds, Series 2026 (the "Bonds"), issued and sold by the Albemarle County Service Authority (Virginia) (the "Issuer"), on the date hereof, the undersigned authorized representative of the Bidder certifies as follows:

1. The Bidder purchased the Bonds from the Issuer at a price of \$_____ (calculated as the original principal amount of \$_____, [plus/less] [net] original issue [premium/discount] of \$_____, and less an underwriter's discount of \$_____).

2. On _____, 2026 (the "Sale Date"), the Bidder made a bona fide offering of all the Bonds of each Maturity to the Public reflecting the following terms:

Maturity (_____)	Principal Amount	Interest Rate	Yield	Price (%)
-----------------------------	-----------------------------	--------------------------	--------------	------------------

3. (a) The Bidder offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed above (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule I.

(b) As set forth in the Official Notice of Sale, the Bidder has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The Bidder has an established industry reputation for underwriting new issuances of municipal bonds.

4. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) **“Holding Period”** means for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Bidder has sold at least 10% of each Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(a) **“Maturity”** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) **“Public”** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(c) For purposes of this certificate a purchaser of any of the Bonds is a **“related party”** to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) **“Underwriter”** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the “Code”), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2026.

[INSERT NAME OF BIDDER]

By: _____

Name: _____

Title: _____

[Attachment – Schedule I – Copy of pricing wire or equivalent communication]

Albemarle County Service Authority

Series 2026 Bonds



August 20, 2026

- Davenport & Company LLC (“Davenport”), in our capacity as Financial Advisor to the Albemarle County Service Authority (the “Authority”), presented a Plan of Finance at the May 21st Board meeting.
- As described at the May 21st Board meeting presentation, the Board will now consider approval of a resolution that would authorize the issuance of the Authority’s Water and Sewer Revenue Bonds, Series 2026, in a principal amount not-to-exceed \$22,300,000.
- The Board package also includes drafts of other financing documents:
 - The Master Indenture of Trust between the Authority and the Trustee;
 - The Third Supplemental Indenture of Trust between the Authority and the Trustee; and,
 - The Preliminary Official Statement.

Series 2026 Bonds

- The planned use of the proceeds generated by the 2026 Bonds is for costs associated with:
 - The Avon Operations Center;
 - Buckingham Circle and Bellair-Liberty Hills Sewer Mains;
 - Scottsville Phase 4 Water Main Replacement; and,
 - Airport Trunk Sewer Upgrade.
- The not-to-exceed figure of \$22.3 million represents the maximum par amount of the Series 2026 Bonds that may be issued under this authorization.
 - The not-to-exceed figure provides the Financing Team room to adapt to market conditions while keeping the Boards authorization as a ceiling.
 - Each future series requires separate Board approval with its own not-to-exceed par amount, resolution, and associated financing documents.

Not-To-Exceed Par Amount

Albemarle County Service Authority - Series 2026 NTE Estimate		
Item		Amount
Project Fund ⁽¹⁾	\$	20,000,000
Estimated Cost of Issuance ⁽²⁾		475,000
Market Sizing Contengency		417,857
Debt Service Reserve Fund (if needed)		1,296,400
Rounding		110,743
Total NTE Par Amount	\$	22,300,000

(1) Provided by Authority Staff.

(2) Includes preliminary estimates plus contingency and estimated Underwriter's Discount calculated as \$5 per \$1,000 of NTE Par Amount. Final amount will be built into the winning bid.

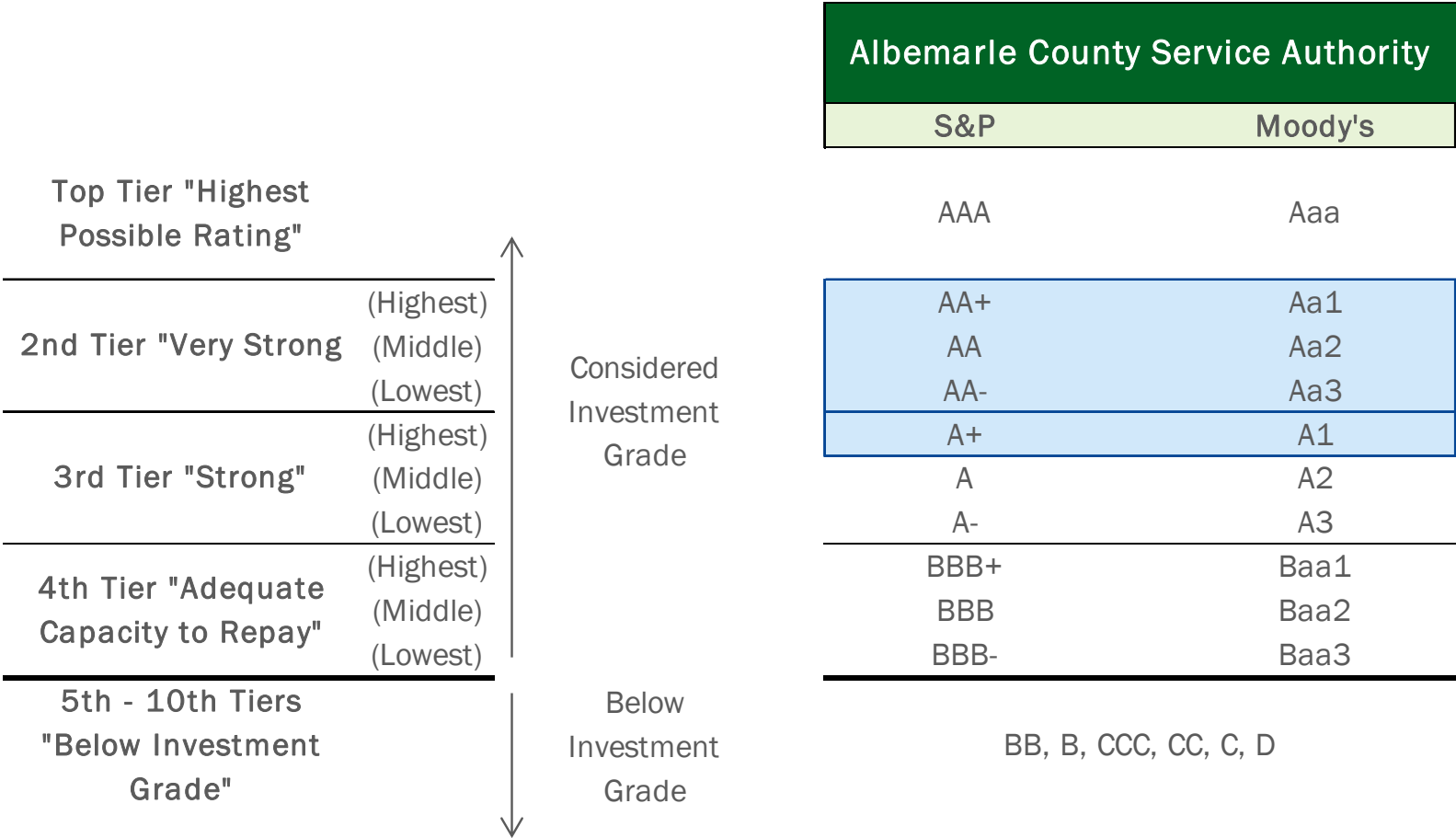
Debt Service Impact

Existing and Projected Debt Service									
Existing Debt Service				Projected Series 2026 Debt Service ⁽¹⁾			Total Debt Service		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2027	\$ 460,000	\$ 118,388	\$ 578,388	\$ -	\$ 482,405	\$ 482,405	\$ 460,000	\$ 600,793	\$ 1,060,793
2028	480,000	94,300	574,300	310,000	984,625	1,294,625	790,000	1,078,925	1,868,925
2029	505,000	69,059	574,059	325,000	968,750	1,293,750	830,000	1,037,809	1,867,809
2030	535,000	42,409	577,409	340,000	952,125	1,292,125	875,000	994,534	1,869,534
2031	560,000	14,350	574,350	360,000	934,625	1,294,625	920,000	948,975	1,868,975
2032	-	-	-	380,000	916,125	1,296,125	380,000	916,125	1,296,125
2033	-	-	-	400,000	896,625	1,296,625	400,000	896,625	1,296,625
2034	-	-	-	420,000	876,125	1,296,125	420,000	876,125	1,296,125
2035	-	-	-	440,000	854,625	1,294,625	440,000	854,625	1,294,625
2036	-	-	-	460,000	832,125	1,292,125	460,000	832,125	1,292,125
2037	-	-	-	485,000	808,500	1,293,500	485,000	808,500	1,293,500
2038	-	-	-	510,000	783,625	1,293,625	510,000	783,625	1,293,625
2039	-	-	-	535,000	757,500	1,292,500	535,000	757,500	1,292,500
2040	-	-	-	565,000	730,000	1,295,000	565,000	730,000	1,295,000
2041	-	-	-	595,000	701,000	1,296,000	595,000	701,000	1,296,000
2042	-	-	-	625,000	670,500	1,295,500	625,000	670,500	1,295,500
2043	-	-	-	655,000	638,500	1,293,500	655,000	638,500	1,293,500
2044	-	-	-	690,000	606,600	1,296,600	690,000	606,600	1,296,600
2045	-	-	-	720,000	574,875	1,294,875	720,000	574,875	1,294,875
2046	-	-	-	750,000	541,800	1,291,800	750,000	541,800	1,291,800
2047	-	-	-	785,000	506,772	1,291,772	785,000	506,772	1,291,772
2048	-	-	-	825,000	469,541	1,294,541	825,000	469,541	1,294,541
2049	-	-	-	865,000	430,459	1,295,459	865,000	430,459	1,295,459
2050	-	-	-	905,000	389,528	1,294,528	905,000	389,528	1,294,528
2051	-	-	-	950,000	346,038	1,296,038	950,000	346,038	1,296,038
2052	-	-	-	995,000	299,844	1,294,844	995,000	299,844	1,294,844
2053	-	-	-	1,040,000	251,513	1,291,513	1,040,000	251,513	1,291,513
2054	-	-	-	1,095,000	200,806	1,295,806	1,095,000	200,806	1,295,806
2055	-	-	-	1,145,000	147,606	1,292,606	1,145,000	147,606	1,292,606
2056	-	-	-	1,205,000	91,041	1,296,041	1,205,000	91,041	1,296,041
2057	-	-	-	1,265,000	30,834	1,295,834	1,265,000	30,834	1,295,834
Total	\$ 2,540,000	\$ 338,506	\$ 2,878,506	\$ 20,640,000	\$ 18,675,036	\$ 39,315,036	\$ 23,180,000	\$ 19,013,542	\$ 42,193,542

Bond Issuance Schedule

Date	Action
August 20	<u>Board of Directors Meeting:</u> Board Considers adoption of the Bond Resolution and forms of the financing documents
August 31 & September 1	Credit Rating Meetings
September 22	Bond Sale (final borrowing cost determined)
Early October	Close on Series 2026 Bonds (proceeds received)

Credit Rating Overview



The Authority is not currently rated. Based on Davenport’s assessment of the Authority’s financial health, we believe the Authority would have a strong argument for being considered within the range outlined above. The rating agencies will consider the substantial projects RWSA and the Authority have in the coming years in their rating. In July, Moody’s reaffirmed RWSA’s Aa2 rating, while S&P lowered the Authority one notch, from AA+ to AA, citing the sizable debt issuances planned over the next several years.

Questions/Board Action Requested

Board Action Requested

- It is requested that the Board of Directors approve:
 - The attached “Resolution Authorizing the Issuance, Sale and Award of up to \$22,300,000 Water and Sewer System Revenue Bonds, Series 2026.”

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When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 01/01/2026 CW/AA/SG/CR