Albemarle County Service Authority Board of Directors

The Board of Directors of the Albemarle County Service Authority (ACSA) met in a regular session on October 15, 2026, at 9:00 a.m. at the Administration and Operations Center at 168 Spotnap Road in Charlottesville, Virginia.

Members Present: Mr. Richard Armstrong; Ms. Diantha McKeel; Ms. Lizbeth Palmer; Mr. John Parcells (remote); Mr. Clarence Roberts; Ms. Kimberly Swanson (remote).

Members Absent: None.

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

Staff Absent: None.

Public Present: Courtney Rogers, Davenport & Company, LLC.

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. He stated that there are two Board members that are participating remotely. He stated that Ms. Swanson was participating remotely due to a temporary medical condition and Mr. Parcells was participating remotely due to a personal matter.

Ms. McKeel moved to approve Ms. Swanson and Mr. Parcells remote participation in the October 15, 2026, Board of Directors meeting; seconded by Ms. Palmer. The Chair asked for a roll-call vote: Ms. McKeel, aye; Ms. Palmer, aye; Mr. Armstrong, aye; Mr. Roberts, aye; Ms. Swanson, aye.

Mr. Derdeyn stated that Ms. Swanson and Mr. Parcells needed to give a general description of where they were participating from, for the record. Ms. Swanson stated that she was participating from her home in Albemarle County and Mr. Parcells stated that he was attending the meeting from Kitty Hawk, North Carolina.

Mr. Armstrong stated that before they moved on to the next agenda item, he wanted to welcome the ACSA's new Director of Finance, Andrew Oliver. Mr. Oliver stated that he has been with the ACSA for just a few weeks but has enjoyed his time thus far. He stated that he is getting to know the team and the organization and is looking forward to working with everyone.

2. Approve Minutes of September 17, 2026

Mr. Parcells stated that he submitted one small error via email, but he just noticed another one. He stated that on page 3, line 29, it should say, "it states," and on page 4, line 1, it should say, "and that."

Ms. Palmer stated that she does not know that it is necessarily a correction to the minutes, but it is a correction to her question. She stated that on page 5 of the minutes, second paragraph, it states that she asked what percentage of water is currently being treated by GAC and how it compares to the small amount of water that goes through the North Rivanna WTP. She stated that it also says that she said there is just a small amount of water being produced at the North Rivanna WTP and asked if the GAC infrastructure could be moved. She stated that it says that Mr. Lynn replied that he would follow up with RWSA to see if there are plans to use the product elsewhere. She said that the minutes state that she asked if she was correct in her understanding that not all the water at the North Fork Rivanna WTP is treated by GAC, to which Mr. Lunsford replied that not 100% of the water going through the North Rivanna WTP is treated by GAC.

Ms. Palmer stated that she does not recall asking about whether all the water at the North Fork Rivanna WTP is treated by GAC. She stated that her question is what percentage of the total amount of water treated by all of the water treatment plants goes through GAC. She stated that she is aware that this percentage will change from time to time, but she is asking for a rough estimate. She mentioned that the reason she is bringing it up, after asking a few years ago and not getting a clear answer, is because she wants to understand how the decision was made to put the GAC system at the

North Fork Rivanna WTP in the first place. She stated that it is not uncommon to see in the daily usage reports that the amount of water treated at the North Fork Rivanna WTP is a very small percentage of the total amount of water treated in the entire system. She added that she was questioning the decision-making process that led to putting GAC at that plant, given that it is a small amount of water, as it seems like an unusual decision to make.

Mr. Lunsford stated that years ago, there was a commitment made to treat water with GAC. He stated that the commitment has been made now across the board at all RWSA water treatment plants, including Red Hill. He noted that the North Rivanna WTP is considerably larger than the Red Hill well system. He mentioned that the intent was to ensure that water across the ACSA service area is of the highest quality. Ms. Palmer stated that she understands that but if everything is mixed, then why put the expense into that particular plant.

Mr. Lunsford stated that they did follow up with RWSA last month, and they are constantly changing how much goes through the GAC treatment. He noted that RWSA has a target of 0.75 mg/L TOC (total organic carbon) in the water. He stated that a minimum of 50% of the water systemwide is always going through GAC. He stated that he thinks more often than not, it is higher than that. Ms. Palmer replied that she would think it would be higher. She stated that she though it would be closer in the range of 70%. Mr. Lunsford added that, for perspective, the South Rivanna WTP has an operating capacity of 12 mgd and GAC is at 8 mgd. He stated that the Observatory WTP can run 6 of the 10, in Crozet they can do 1 of the 2, Scottsville can do 100%, North Rivanna can do 1 of the 1.2 mgd produced there, and Red Hill, soon to be online, will be treated at 100%.

Ms. Palmer stated that the question still remains about the decision-making process to put GAC at a plant that only produces a fraction of the total. She stated that if their target is 60% or 70%, they could get more bang for their buck if they put more GAC in the treatment plant that is producing

more water. Mr. Lunsford replied that he thinks that is true, but they are aiming for those targets at each of the facilities. Ms. Palmer asked if that means that the water at the North Fork Rivanna WTP is not mixing the same. She stated that she has always been told that South Fork and Observatory Hill are basically the same water because they are mixed.

Mr. Lynn stated that when GAC was installed at North Rivanna, it pre-dated the Airport Road pump station that RWSA constructed. He stated that at that time, North Rivanna was the sole water source of everything from Kohl's and northward, which was the case for years. He mentioned that now, when looking at the daily reports as Ms. Palmer mentioned, there are some days when there is no production at North Rivanna. He noted that under those circumstances, that is when all of the water is coming from South Rivanna, through the Airport Road pump station, and to the north. He mentioned that some days all the water is coming from South Rivanna, and other days the water is coming from North Rivanna. He stated that they had a hit on the raw water side a couple of years ago with PFAS in the North Rivanna River. He stated that this is where the concerted effort from RWSA came from, to put as much of that water through GAC as possible.

Mr. Parcells stated that he had a follow-up question to Ms. Swanson's discussion about the Albemarle Berkeley wastewater pump station. He asked if the ACSA has any connection with that pump station or is it all RWSA. Mr. Lynn replied that the ACSA's Georgetown Greene pump station contributes flow to the Albemarle-Berkeley pump station. He stated that the Albemarle-Berkely pump station also collects from the Lambs Lane campus. He mentioned that RWSA has had their kick-off meeting for the pump station replacement and they are having conversations with the ACSA and the school system to figure out what the maximum capacity of that station needs to look like as the Lambs Lane campus expands.

Mr. Lynn stated that last month, they also discussed the location of the pump station. He stated that it is at the intersection of Lambs Road and Lambs Lane, at the entrance of the bus maintenance facility. He stated that

there is a master plan for the Lambs Lane campus that potentially moves the baseball and softball fields to that area, so there will be some conversations with the school about whether the pump station can remain at that location or if they will need to find an alternative location.

Mr. Parcells asked if Mr. Lynn said the Georgetown Green pump station feeds into that pump station. Mr. Lynn replied yes. Mr. Parcells stated that with relocation, he assumes there will have to be some sort of bypass system. Mr. Lynn replied that throughout the course of construction, they will have to find a way to bypass the current site while they construct a new pump station, whether it is in the same location or a different location.

Ms. Swanson stated that she also had a follow-up question regarding the pump station. She asked since the pump station at Georgetown Green has had issues with flushable wipes and the ACSA had to put in a grinder pump, does RWSA have anything on their side that captures stuff or if it is just the ACSA's pump that does so. Mr. Lynn replied that he does not know if RWSA has active grinders at that pump station but will probably be part of their evaluation.

Ms. Palmer moved to approve the minutes of September 17, 2026, as amended; seconded by Ms. McKeel. All other members voted aye.

3. Matters from the Public

There were no matters from the public.

4. Response to Public Comment

There was no response to public comment.

5. Consent Agenda

a. Monthly Financial Reports –

b. Monthly Capital Improvement Program (CIP) Report – Mr. Parcells stated that he had a question about the Ragged Mountain Phase 1 project

on page 62. He stated that KHA made a recommendation to enlarge the pipe that will go under the bypass. He mentioned, however, that in the RWSA update there is a comment about how there were big boulders, the tunneling stopped, and they are reassessing. He stated that if KHA is recommending a larger pipe, that seems as if it would create a bigger problem. He asked what the reconciliation would be for this type of issue. Mr. Lynn replied that the thought process in the larger casing pipe is to allow workers to access the end of the casing pipe where they are encountering the boulders, to manage and remove those through the pipe. He mentioned that the larger casing pipe will also allow both the raw water main and the finished water main to be installed, instead of having two separate casing pipes.

Mr. Lynn asked if Mr. Parcells wanted him to talk about the saddle connections that he brought up in his email for Raintree-Fieldbrook. Mr. Parcells replied yes. Mr. Lynn stated that the ACSA only requires saddle connections, or saddles, on PVC and AC water mains. He stated that when they are making connections to ductile iron pipe, the wall thickness is sufficient and the pipe is strong enough, that they can tap those corporation stops directly into the pipe. Mr. Parcells stated that he understood that part, but he was curious about the reference to the corrosion. He stated that if corrosion is occurring, that suggests low pH soil. He stated that he knows there are some treatments, but he wanted to ensure that is being incorporated. Mr. Lynn replied that the project will include zinc-coated ductile iron pipe with the V-Bio polyethylene encasement wrap. He added that as they get closer, they may have some additional conversations with DIPRA (Ductile Iron Pipe Research Association), similar to what they did with Townwood, to make sure they are providing the most corrosion protection possible for the project.

c. Monthly Maintenance Update – Mr. Parcells stated that there was remark about leaks, as well as reference to some significant leaks in the regular consent agenda. He stated that he wanted Mr. Morrison to talk

about those leaks, particularly what the leaks meant, how they were determined, and how they addressed them. He stated that he especially wanted Mr. Morrison to talk about the leak in Scottsville, which seemed to be pretty big.

Mr. Morrison stated that he would begin with the Scottsville leak, as it was relatively large and challenging. He stated that if the Board looks at the last couple of board packets, they will see discussion of manpower in Scottsville looking for the leak because it did not daylight where the leak occurred. He mentioned that the leak found its way to a sewer line trench and daylighted in a heavily vegetated area where it was not visible. He stated that they were alerted by RWSA that they were seeing some discrepancies in the daily demand for the Scottsville system that were not consistent with historical numbers. He noted that the AMI system allowed them to create a virtual meter for the Scottsville system to compare daily metered usage to daily produced and confirm that there was a leak somewhere in the system.

Mr. Morrison stated that through a series of different tests, isolating portions of the system and feeding them by tanks, they were able to compare smaller, virtual meters, which lead them to the downtown area where the leak was located. He mentioned that they did perform acoustic analysis and confirmed there was a leak there but since it is not a metallic pipe, they could not correlate and pinpoint it directly. He stated that from there, they hydro-excavated in different areas until they found water travelling underground and tracked that back to a small shear break on a 4-inch asbestos cement pipe on Page Street. He stated that the leak was repaired and the daily production numbers are back in line with what the daily demand is in that area.

Ms. Palmer asked how old the pipe was. Mr. Morrison replied that he believes it was installed in the 1960s, but he would have to double check that information. He stated that it is part of the current Scottsville Phase 4A Water Main Replacement Project, so it will be replaced.

Mr. Morrison stated that looking at a number of different leaks the past couple of months, there were a few that were on service lines as well as few that were on mains. He stated that the larger main leak to highlight was the 12-inch ductile iron pipe on Polo Grounds Road. He mentioned that it was not a high-flow rate leak because it was leaking at a gasket, but it did surface through the walking path along Polo Grounds Road and required them to put a bell clamp on the main to reseal the joint. He noted that this repair took some additional coordination due to the depth of the pipe and the constraints for trench protection. He stated that they were constrained by solid rock on one side of the trench, as well as a fiber line on the other side. He stated that they could only widen the trench a certain amount, and they installed shoring shields to make the repair. He noted that they had just acquired some shoring struts that allowed them to set that up, so it was perfect timing in receiving those struts.

Mr. Morrison stated that a majority of these leaks get reported because customers see them surface, but they have seen the benefit of using the AMI system as well as the SCADA system to identify discrepancies between meter demand and what they are actually seeing go into certain zones. He stated that they are beginning to work with the IT department to look at building that out. He mentioned that they can have virtual meters set up in AMI to report daily demand going through the meters, and where there are meters that can pick up domestic demand in the larger lines can show them where the numbers start to diverge. He mentioned that this would indicate there may be an issue in that zone that has not surfaced yet, allowing them to take a proactive approach rather than a reactive one.

Ms. Palmer asked what percentage of water the ACSA loses in the Urban system. She stated that she knows it is obviously different at different times but was looking for an approximation. Mr. Lynn replied that they have been unable to perform a water audit of the Urban system because of the interconnections with RWSA, the City, and the ACSA. He

stated that they would need to look into it more to get a better answer. Ms. Palmer asked if the ACSA did a water audit on the total system. Mr. Lynn replied that they performed a water audit in Crozet and Scottsville, and probably Red Hill, and could share some of that information if she would like to see those numbers. Ms. Palmer stated that she is curious about that, but she is also curious about the whole system because there was a point where they were giving a percentage of the City, RWSA, and the ACSA all together. She stated that she was curious if they are still doing that. She stated that she assumes that with AMI and SCADA, it is much better, but she is wondering what the whole system looks like.

Ms. McKeel stated that she can see the value of that suggested project and is curious as to what the challenges are with the ACSA's partners. Mr. Lunsford referred to page 44 of the board packet for general context. He stated that they do provide some of that information, in terms of what RWSA says they produced and what the ACSA says they sold. He noted that it is particularly challenging in the Urban system because RWSA is producing for both and the way the chart on page 44 uses that data is based on the allocation of the ACSA's and the City's use from the quarter immediately preceding. He stated that this is a general trend of what RWSA produces in the area and a general trend of what the ACSA has metered or used on a non-billable account. He added that there are challenges in timing of readings. Ms. Palmer asked if they are assuming it is all leakage. Mr. Lunsford replied that there is some leakage but not all of it is. He stated that water used for flushing is certainly a component of the data. Mr. Lynn added that all of the operations and maintenance activity performed on a regular basis includes non-revenue water, which is water that is being used but that the ACSA is not making money from. Mr. Morrison added that this also includes fire hydrant use for fire suppression and annual flow testing on sprinkler systems. Ms. Palmer asked if the non-revenue water is reflected in the board packet. Mr. Lunsford stated that the information in the board packet reflects the auto-flushers in the system that have meters

on them, but it does not reflect the hydrant use or flushing of lines, or other activities like that.

Ms. McKeel stated that what she is hearing is that one challenge in getting the data and working with ACSA partners to perform an audit is timing. She stated that timing is something that all the partners should be able to get together and address. Mr. Lunsford replied that technology will help with that. He stated that when the ACSA was physically reading 23,000 meters, it was impossible because they could not read that many meters on a single day of the month. Ms. McKeel asked if the ACSA's partners were improving their technology as well. Mr. Lunsford replied that April Walker and her counterpart at RWSA coordinated a meeting with the IT personnel from RWSA, ACSA, and the City. He stated that they had an opportunity to meet one another and have some excellent conversations. He mentioned that out of that meeting, Ms. Walker and the City have coordinated another meeting that will be happening soon. He stated that after the meeting coordinated by the ACSA and RWSA, some of the City personnel stayed after to discuss how the ACSA is leveraging AMI, particularly with the large leak the ACSA had in July near Bodo's on Emmett Street. He added that they have since reached out to Mr. Morrison and Mr. Lynn to understand how they are using the technology and if there are any ways they can partner with the ACSA. He noted that the cooperating is happening, but it is not always fast, and the intent is to work as one, as much as possible.

Ms. Palmer asked if the ACSA has the Crozet water infrastructure demand analysis report. Mr. Lunsford replied that the ACSA does not have it in hand. He stated that he spoke with Mr. Mawyer yesterday and there is a presentation scheduled for the RWSA Board in November. He stated that he has not seen the report, but RWSA has shared that it is positive, and they do not believe the water demand in Crozet is as much as it was from the last study.

Mr. Parcells stated that there are four specific Urban leaks that are mentioned in the packet on page 39. He asked if Mr. Morrison will be discussing how those leaks were observed and cleaned up in next month's meeting. He noted that one of the leaks on Arbor Crest Drive was 40,000 gallons. He stated that at 10 gallons per minute, that is about 30 hours. He stated that this was surprising, especially if the ACSA has AMI as a tool to find something like that. Mr. Morrison replied that some of those leaks are able to be identified by AMI and found quicker, however, Arbor Crest was a high flow rate leak because it is a high-pressure system. He stated that they lost a lot of water by the time they were able to get out there and get the leak isolated. He mentioned that where it was located off of Hydraulic Road, as well as the time of day, slowed their response.

Mr. Parcells stated that on page 80, there is a graph representation of sewer inspection, and rodding and flushing. He stated that if there are 338 miles of sewer, the graph represents a relatively small proportion of that across six months. He asked if there are any quarterly goals in terms of length of sewer inspected and flushed. He also asked what determines what gets flushed or rodded.

Mr. Morrison replied that for CCTV, rodding, and flushing, they do not currently have annual or quarterly production targets. He stated that with CCTV, they have acceptance inspections, warranty inspections, and they target the older infrastructure to determine where rehabilitation is needed. He mentioned that they do have dashboards set up through Cityworks to identify other target areas that may not have been inspected in the past couple years. He noted that the operations supervisor for sewer is currently working with the IT department to start determining KPI's and additional dashboards that will allow them to identify both areas of need based on known information, as well as better track information for those crews so they know what areas to target. He stated that they currently run two CCTV vans every day, and they also have an ATV that is set up with CCTV. He stated that they only have two CCTV technicians, but they have

additional personnel that have been recently certified by NASCO to conduct CCTV and code it to the national standard.

Mr. Morrison stated that on the rodding and flushing side, most of that is focused on known trouble areas. He stated that they are also working on developing KPIs and dashboards to better track that. He stated that they have a jet scan, which is a camera that attaches to the flushing head so when they pull it out of the sewer, they can do an inspection with the video on the iPad. He mentioned that earlier this week, they set up an inspection template to track which assets were inspected with the jet scan. He added that the newer flush truck will give them better capabilities during the colder months because it has a heated recirculation system, so they do not have to worry about freezing in the pumps.

Mr. Parcells noted the photo of the Carrsbrook Drive water service repair and asked if the pipe was copper. Mr. Morrison replied yes. He stated that there was a leak on the 90-degree fitting for the service line. He stated that when they replaced the fitting, they had to splice into a small section of 1 inch copper to reconnect that service line. He added that most of the service lines coming off of the main are copper. Mr. Parcells asked if the corrosion resistance is pretty good and what the lifetime of pipe like that would be. Mr. Morrison replied that it all depends on soil conditions. He stated that in that area, they have not historically had trouble with corrosion. He mentioned that if they identify areas with corrosive soils, they have been trained in-house to do the V-Bio polywrap and the mastic wrap on those service lines to provide protection. He mentioned that part of the pipeline condition technician position will include looking at certain parameters of soil onsite to determine if it is corrosive without having to send off the soil sample.

Ms. Swanson asked if Mr. Morrison just mentioned a wrap that is a mastic product. Mr. Morrison replied that he calls it mastic, but it is very similar to a duct tape wrap that provides protection along the service line. Ms. Swanson stated that the only reason she asked if it was mastic is

because she is aware that a lot of the mastic adhesives contained asbestos. She stated that if they are migrating away from asbestos-cement pipe but still wrapping stuff in an asbestos product, they still have to have training for personnel. Mr. Morrison replied that it is a non-asbestos product and apologized for using the wrong name. He stated that they just ordered some and he would send her information on that tape.

Mr. Parcells referred to the photo of the CAT 310 excavator. He asked if it required a bigger trailer and therefore, a bigger truck. Mr. Morrison replied no. He stated that the current single axle and dual axle dump trucks can transport the excavator. He stated that the larger trailers are weighted for the excavator. He mentioned that all of that was part of the decision-making process when purchasing the excavator.

d. IT Monthly Update – Mr. Parcells first congratulated Sabrina Seay on her promotion to Systems Engineer. He stated that his comment is that the total of digitized sewer mains is 1.76 million feet, which is very close to the 338 miles of sewer the ACSA has listed. He asked Ms. Walker if this means they have finished digitizing sewer pipe and what is next. Ms. Walker replied no. She stated that the 1.76 million is the total feet of gravity sewer that is digitized in the GIS. She mentioned that of those, 4,250 feet were digitized last month but it is an ongoing project, so it is constantly being updated. She noted, however, that there is a typo in the report. She stated that it shows there are 21,125 feet of sewer lateral lines, but that is actually the total count of lateral lines. She stated that since sewer lateral lines are not owned by the ACSA but rather the homeowner, they do not actually measure the total footage but rather try to digitize where they are located.

Ms. Swanson asked, for clarification, if this means that the 170.8 feet of sewer lateral lines shown digitized last month are also just individual connection points, not actual feet. Ms. Walker stated that the 170.8 is actual feet because they digitize by foot. She stated that they digitized 12 sewer laterals last month that equaled 170.8 feet.

Ms. Swanson stated that she sees the ACSA has extended an offer for the IT Supervisor position. She asked if it was an internal or external candidate. Ms. Walker replied that it was an external candidate, and they are beginning on Monday of next week.

e. Rivanna Water and Sewer Authority (RWSA) Monthly Update – Mr. Parcells stated that there was discussion about flood protection on page 108. He asked if the ACSA has any of its pump stations in flood zones and do they need to follow up on the flood plain analysis or would any of the RWSA report apply to the ACSA. Mr. Lunsford replied that RWSA is in the very early stages of the analysis. He stated that he thinks there is some concern that at the 500-year flood level, the sewer treatment plant could experience some problems. He mentioned that there are significant price tags to protect Moores Creek from a 500-year flood. He stated that they do not know what that looks like yet, but they will certainly keep the Board informed as they move forward. Mr. Lunsford asked if Mr. Morrison or Mr. Lynn had anything to add related to ACSA assets. Mr. Morrison stated that the tricky thing with sewer pump stations is that they will have to follow the contour as they are in low-lying areas. He stated that they can look at lessons learned from the RWSA review to see if there is any implementation or approaches the ACSA needs to take to protect its assets.

Mr. Parcells stated that he had one last remark related to the Beaver Creek Reservoir. He stated that despite the rain last weekend, it is still pretty low. He asked if there was any concern there, and what is the trigger point for having to do something like mandatory conservation. Mr. Lunsford replied that they continue to monitor the reservoir levels, which have actually improved from 2.5 feet down to 1.2 feet this morning. He stated that the rainfall on Saturday and Sunday was beneficial to that area. He stated that it is something they pay attention to, but there is considerable storage there compared to daily consumption, and they are not terribly concerned with where they currently are.

Ms. Palmer stated that she had one question about the Beaver Creek raw water pump station intake piping improvements and all the things that are being done at Beaver Creek. She stated that she is remembering that they will have more water than they can use given the reconfiguration and dam improvements and she would like to see if her understanding of that project is true or not, for the future.

f. ACSA Board Policy Future Issues Agenda 2026 –

Ms. Palmer moved to approve the consent agenda, seconded by Ms. McKeel. All members voted aye.

6. Series 2026 Bonds – Summary of Rating Process and Rating Results

Mr. Lunsford stated that there are two representatives from Davenport & Company, LLC. present today. He stated that the ACSA is very pleased to share that they closed on the 2026 bonds yesterday. He stated that they wanted an opportunity to go through the process with the Board from beginning to end with today's presentation (Attached as Pages_____).

Courtney Rogers with Davenport came forward to address the Board. He stated that it has been a learning process, as it has been a long time since there has been a rating at the ACSA. He stated that today, he would go through and talk about some of the things that happened since the last time they presented to the Board, which was back in August. He mentioned that the biggest event was that they went to New York and sat down with the rating agencies. He noted that the last time the ACSA had a bond rating was in the 1990s,which went away when the bond was refinanced. He stated that in late September they sold bonds and, as Mr. Lunsford mentioned, they closed yesterday. He added that the money is in the bank, it is invested, and is being held by the ACSA's trustee, Bank of New York. He stated that the money is invested in the Virginia State Non-Arbitrage Program, which is a state-run program just for tax-exempt bond proceeds. He stated that the money will be pulled down as the ACSA has invoices.

Mr. Rogers moved to the next slide to discuss the credit rating. He stated that when they went over their plans with the Board earlier in the year, they showed this graphic and boxed in the area from Aa1/ AA+ down to the A1/A+ area. He stated that based on their preliminary findings, that is where they believed the ACSA would land and interestingly enough, that is where they ended up. He stated that the S&P rating landed at an AA+ and the Moody's rating came out at a Aa3. He stated that it is not typical for the ratings to be that split and he looks at it as the ACSA came out at a blended Aa2. He noted that RWSA went out and did their bond rating about a month and a half before the ACSA, and they came out at Aa2/AA. He stated that they had an AA+ and got downgraded to the AA. He noted that part of that was because Charlottesville was seen as a weakness due to some of the income levels and user rates.

Ms. Palmer asked if the discrepancy with Charlottesville was the way they do their accounting. Mr. Rogers replied that rating agencies are beginning to mingle the water and sewer fund and general fund. He stated that Charlottesville uses a double barrel approach which means they pledge the water and sewer revenues to pay their debt service but if those revenues come up short, they have also pledged the general fund to make up the difference. He stated that this was a weakness when looking at the overall picture for Charlottesville. He added that the wealth levels were part of it as well, as the County has higher wealth levels.

Mr. Rogers stated that the S&P rating was the first one they received, and it came out at the AA level. He stated that the economy for the ACSA is very strong and the financial side of the ACSA came out very well. He stated that the ACSA has good cash levels and healthy liquidity as well. He stated that the debt, including RWSA's debt, falls into the ACSA's expenditure, which they knew would put a little bit of pressure on the ACSA.

Mr. Rogers stated that in the case of S&P, a downgrade scenario would be direct or indirect debt burdens, meaning debt on top of what they have already told them. He stated that in terms of a potential upgrade

scenario, S&P would want to see an improvement in the cash and coverage level. Ms. Palmer stated that the ACSA and RWSA do a lot of planning for the future and asked if the rating agencies are mostly thinking about emergencies. Mr. Rogers replied that this is why the cash levels are important and they give more credit for higher levels of cash, for those very reasons. Ms. Palmer asked if it had anything to do with the fact that they are having more irregular weather. Mr. Rogers replied that the agencies are rating throughout the United States and everyone has different weather issues. He stated that they try to set up their criteria so that a rating in Virginia is the same as a rating in Texas, California, Arizona, or another state.

Mr. Rogers stated that one of the things the SCC wanted to see from the rating agencies was more transparency with regard to how they come up with the ratings. He stated that as a result, they came up with scorecards. He mentioned that S&P did not give the ACSA their scorecard, so Davenport recreated it the best they could based on what they saw in the report. He mentioned that there are two sides to the equation- the enterprise side and the financial side. He stated that the enterprise side takes into account the factors such as the service area, industry risk, and market position. He stated that on the financial side, they consider things such as cash coverage and amount of debt. He stated that they then come out with a score shown on the two-factor table at the bottom of the slide. He noted that the ACSA scored a 1 on the financial risk and a 2 on the enterprise risk, which resulted in the AA2 rating. Ms. Palmer asked why they do not share the scorecard. Mr. Rogers replied he does not know, but Moody's does share theirs.

Mr. Rogers moved to the next two slides outlining Moody's bond rating and scorecard for the ACSA. He stated that their observations were similar in nature to S&P in that the ACSA's service area is very strong, and a solid debt service coverage and liquidity. He mentioned that their biggest challenge was they were worried about the ACSA being very reliant on connection fees. He noted that there has been a great record of growth in the County and they went back 15 years to show Moody's the consistent

track record of growth. He stated, however, they penalized the ACSA for being so reliant on those connection fees rather than rates. He stated that the ACSA is still a very strong Aa and he does not feel it factored into the pricing at all, and he feels the ACSA traded like a Aa2.

Mr. Rogers stated that in terms of the scorecard, the ACSA scored an Aa in system characteristics, an Aaa in two of the three financial strength categories, an Aa in management. He mentioned that the ACSA scored an A and Baa in the legal provisions section, which is the smallest percentage of the scorecard. He stated that what really hurt the ACSA was the debt service coverage declining significantly with the new issuance as well as the high reliance on connection fees. He mentioned that the ACSA actually scored out at a Aa2, but Moody's notched the scoring down to a Aa3 because they were worried about the reliance on connection fees.

Mr. Rogers stated that once they had the ratings, they put them into the Preliminary Official Statement, and it was sent to the various people that might bid on the bonds. He stated that there is a computer program that everyone in the industry uses to see the bids as they come in. He mentioned that they got online with the ACSA and watched the bids come in. He noted that all they can see is the name of the company and what time the bids come in, but they do not actually see the bids. He stated that once the clock hits zero, they hit another button and refresh, and then they saw the sale results listed on the next slide.

Mr. Rogers stated that they knew going in who was going to bid and who was not. He stated that they knew of 7 bidders for sure, but they ended up with 9. He noted that Hilltop Securities was the winner, coming in at 4.839%. He mentioned that there is not a huge discrepancy between the bids, with a 10-basis point spread from top to bottom. He stated that one of the biggest difference is the fee built into the number. He stated that part of their fee is how quickly they think they can get rid of the bonds, and part of it is also building in cushion for taking a hit if necessary.

Mr. Rogers stated that the next slide shows a pricing comparison with the City of Norfolk. He stated that there is a column in the chart called MMD, which stands for municipal market data. He stated that every trading day, a rate is put out based on trades throughout the course of the day. He stated that the MMD assumes where an Aaa rated bond will trade. He stated that the City of Norfolk is rated higher than the ACSA, thus their spread is better. He stated that the ACSA is about 10-basis points off from Norfolk, which is pretty good.

Mr. Rogers stated that the final pricing results are shown on the next slide. He noted that each maturity has its own interest rate, beginning at 3.10% yield all the way to 5.05% yield. He stated that they were able to issue slightly less than $20 million and produce $20 million for projects. He stated that this is because some of the buyers wanted higher coupons and were willing to pay a premium for that, so the ACSA received $19.9 from the underwriters. He stated that the next slides outline the final debt service, once the new bonds are added to the existing debt.

Mr. Rogers stated that one of the key takeaways is that the ACSA came in just below the planning rate used in the rate study performed by NewGen. He stated that as the ACSA goes into the next budget cycle, they recommend maintaining the user rate adjustments that NewGen proposes. He stated that Davenport will need to sit down with the ACSA staff to work on phase 2 of the plan of finance. He noted that they will look at anticipated new connections at that time.

Ms. Palmer asked Mr. Rogers to go over the chart on page 13 outlining the debt service impact. Mr. Rogers stated that there are only five years left for the bonds that were outstanding before the new issuance, so they will go away in 2031. He stated that because of this, the debt service will decrease in 2032.

Mr. Parcells asked, with respect to the $20 million being an asset for the ACSA, if they would now see it reflected in their asset page. Mr. Rogers replied yes. He stated that there will be some drawn out obviously over the

course of the year, but whatever has not been spent will show up as restricted investments with the next audit and the debt will show up as a long-term liability. Mr. Parcells asked if the ACSA is paying the $275,000 that was the cost of issuance now out of its funds. Mr. Rogers replied that it does not come out of the ACSA's funds, but rather the bond proceeds.

Mr. Lunsford added that Mr. Oliver, the ACSA's new Director of Finance, has considerable experience in managing debt as well as compliance related to that in his prior roles. He stated that the Board will not have to wait until the FY 2027 audit to see it reflected in the ACSA's financial information that the ACSA provides monthly. Ms. Swanson asked if they could include a new report to reflect the state-run arbitrage account. Mr. Lunsford replied that the account will be so temporary that he is not sure it will be incredibly useful. He stated that the ACSA expects to reimburse itself within the next few weeks for about $13 million of the $19.9 million, for costs they have incurred since February. He added that they also anticipate spending the remaining balance of those proceeds in the account by April 2027. Mr. Rogers added that he did not realize the ACSA would be spending the funds that quickly, thus Mr. Parcells would not see the funds as restricted investments on the audit next year. He stated that it would basically be in assets and reserves. Mr. Lunsford stated that he would see it in the monthly reports.

Ms. Palmer asked if someone could say a few words about phase that will be discussed in 14 months. Mr. Lunsford stated that as part of the financial study that they did last summer, the rate study this past year anticipates consideration of additional debt issuances into the future. He stated that a very large connection that pays millions of dollars could certainly impact what they need to do, but they do not have that now. He mentioned that they do anticipate doing another full-fledged rate study as part of the FY 2028 process, to evaluate where they are with this issuance, connection charges, and any material changes RWSA has had to make in their rate to the ACSA. He added that there is probably a more regular

cadence on formal rate studies and collaboration with the financial advisors, to ensure they are not overissuing or underissuing as well as continuing to be perceived positively in the credit market should they need to borrow. Ms. Palmer asked about Astra Zeneca's timeline for their phase 1. Mr. Lunsford stated that Mr. Lynn has been on a few calls recently, and they continue to move forward fairly quickly from a construction perspective. He stated that he is not entirely sure about their timeline. Mr. Lynn stated that construction at the site is expected to begin in 2027. He stated that there is a commissioning of their manufacturing process, and then production is to begin somewhere around 2030. Ms. Palmer asked when the ACSA expects to get the connection charges. Mr. Lynn replied somewhere in the 2028-2030 timeframe. He added that 2027 will most likely just be construction water and they typically do not collect connection charges when someone is using temporary construction water. Mr. Lunsford added, however, that they are billed for the construction water.

7. Customer Information System (CIS) Project Update

Emily Roach, Director of Human Resources and Administration, came forward to address the Board. She stated that she would be providing the Board with an update on the ACSA's Customer Information System (CIS) project (Attached as Pages_____). She stated that she would go over where the ACSA started, how they selected a vendor, the project progress to date, and what they are focusing on as they move forward. She noted that this is a significant project for the organization and while the new system will modernize their technology, the broader goal is to improve customer experience, create efficiencies for employees, and meet the future needs of customers.

Ms. Roach stated that she would begin with some background on the existing system and the reason they began this project. She stated that she will also cover the goals that they have established, the vendor selection process, and the current state of the project. She mentioned that she will

also highlight the primary risks that they are managing and the steps they are taking to address them, followed by some milestones and the anticipated go-live timeline.

Ms. Roach stated that the current system is roughly over 30 years old and while it has steadily supported operations, they have identified business needs and customer expectations that have evolved over time. She mentioned that these needs and expectations have required them to look for new systems and ways to interact. She noted that the current system relies on a number of manual processes and lacks some of the customer experience tools that they need, as well as integration with other software that the organization currently uses. She stated that these limitations not only impact the employees' daily work, but also the ability to provide customers with convenient and modern ways to interact with the ACSA. She added that this project is more than just replacing the aging system but is also an opportunity to look at how they work together with different departments across different platforms, reduce manual effort, strengthen communication, and build flexibility for the future.

Ms. Roach stated that at the start of the project, they identified several guiding principles to help evaluate the project and ensure they keep the focus on the things that matter. She stated that first, they want to improve the customer experience while also creating efficiencies for employees. She stated that the new system has to meet customers' future needs rather than simply replacing what they are already doing. She mentioned that safety, security, reliability, and business continuity remain essential. She stated that they need a system that supports operations while protecting the information that is entrusted to them. She added that they also want to increase customer engagement and provide them with more targeted communication. She stated that as they move forward, these principles help them look beyond technology itself and focus on the long-term value this investment will deliver.

Ms. Roach stated that they received eight proposals for the project and from those eight, they developed a short list of three. She stated that those three vendors came onsite to give in-person demonstrations. She noted that there was involvement from every team throughout the organization to ensure everyone's needs were considered when selecting the final vendor. She stated that SpryPoint was chosen as the finalist and they worked for several months on contract negotiation. She stated that the contract was signed in January 2026 and the project officially began in March 2026.

Ms. Roach stated that the project has four solutions, including the Customer Information System (CIS), a mobile solution for meter operations, a customer self-service portal, as well as backflow management. She stated that these solutions are intended to work together to support operations, as well as improve how both the employees and customers interact with the organization. She stated that as these solutions are implemented, they are focused on making sure that the technology supports business processes and delivers the benefits identified at the beginning of the project.

Ms. Roach stated that as with any project, there are key risks and mitigation measures that they need to focus on. She stated that they have carefully organized these into key focus areas – data conversion, system integration, staff readiness, and customer readiness. She mentioned that these are all interconnected and even with a well-configured system, they need to ensure that the data is accurate, connections to other applications are reliable, employees understand the new process, and customers are prepared. She added that their approach is to address these areas in phases while evaluating their work as they go, and to identify issues early rather than waiting until go-live.

Ms. Roach stated that data conversion is one of the most important parts of the project because the new system is only as reliable as the information they put into it. She stated that to date, they have validated 95% of the foundational data with zero critical failures. She mentioned that

foundational data includes customer records, addresses, accounts information, and service addresses. She noted that they intentionally addressed validation in phases, beginning with the core information needed to establish accurate customer and account records before moving into more complex areas. She added that the remaining work includes more detail such as billing and transactional history so while the 95% is important, it only represents the foundational validation and not the complete set of data.

Ms. Roach stated that the new CIS system needs to communicate with other applications that employees use throughout the organization and ensure that the information moves accurately between systems and employees can complete their work without unnecessary manual steps. She stated that one important milestone thus far is that Paymentus, the ACSA's payment portal, has been successfully integrated and validated. She noted that this is very encouraging as it is an important step to ensure that the payment process function is working as expected in the new system.

Ms. Roach stated that technology is an important part of staff readiness, but they need to ensure that employees are understanding the new system and feel confident in using it. She stated that they have been working on hands-on involvement, which is particularly important because the more they get familiar with the system, the more they can evaluate how it supports their work. She added that they can also identify opportunities or issues before going live.

Ms. Roach stated that they are also looking beyond the core project team as they move forward, to ensure everyone is prepared for the changes and how they will affect their departments. She stated that this project could not happen without the cross-department collaboration that began even during the procurement phase.

Ms. Roach stated that customer readiness is another important part of the project's implementation strategy. She stated that all of the ACSA's customers will be impacted by this transition, particularly when the new customer self-service portal is introduced. She stated that they are working

on developing a communication and outreach strategy, with the goal to keep customers informed, help them understand what is changing, and prepare them for the transition before they go live. She noted that they want to be intentional with the timing of communications that are being shared with customers, giving them enough information to be prepared without creating confusion or setting expectations before certain features have been vetted and tested by ACSA staff.

Ms. Roach stated that in terms of status, the project is in good standing overall. She stated that project health indicators are all green and there are currently no critical issues that have been reported. She stated that they have completed the initiation and analysis phase, and they are currently working on assembly and testing. She stated, as she mentioned earlier, they have reached 95% validation for foundational data with zero critical failures. She noted that at this point, the project remains on schedule, within budget, and estimated to go live at the beginning of May 2027. She added that while these are all positive indicators, they recognize that they still have a lot of meaningful work ahead and the priority is to maintain progress while ensuring the system, the data, employees, and customers are ready.

Ms. Roach stated that she feels one of the biggest contributors to the project is the cross-collaboration between departments. She stated that this is not just a customer service or IT project, as it truly touches every area of the ACSA and employees from all departments are needed to provide input as they will be using the system every day. She stated that their participation in testing and process reviews helps to identify needs that may not have been apparent from a technical perspective. She mentioned that they have also received positive feedback from the ACSA's consultant and technology partners regarding the Paymentus integration, noting that it is one of the fastest they have seen. She stated that equally important is the hands-on involvement of employees to build familiarity and confidence with the system. She added that they want to continue this collaborative approach as

they move into the next phase of the project, making sure the system works for the organization as a whole.

Ms. Roach stated that looking ahead, there are four primary focus areas. She stated that they will continue with data conversion and validation, particularly for more complex information. She stated that they will also focus on the transfer of knowledge from the core team to other employees within the organization. She mentioned that they will continue to develop their customer communication and outreach strategy, to help customers understand what changes are coming and to prepare them for the transition. She added that finally, they will begin working toward going live at the beginning of May 2027.

Ms. Roach stated that they have made a lot of progress since the beginning of March. She stated that they have completed their initiation analysis, validated a majority of the foundational data, successfully integrated Paymentus, and engaged employees across the organization in testing and preparation. She stated that this project would not be possible if it were not for the dedicated core team, which includes Terri Knight, Jami Roach, Brandy Dowell, Janet Vest, April Walker, Justin Ray, Sol Wondimu, Sabrina Seay, Jeremy Lynn, Tim Brown, Eric Nutter, Tonya Foster, Lisa Gordon, Robert Lawson, Alex Morrison, Sean Hook, Josh Chidester, Andrew Oliver, and Quin Lunsford, as well as their consultants from Validos and SpryPoint. She stated that this team has put in thousands of hours to date, between testings, trainings, troubleshooting, and more. She added that they also have team members behind them picking up the slack as they focus on core work. She added that she could not be more proud of the truly collaborative effort across the board.

Ms. Palmer asked if Paymentus will look the same to the customer. Ms. Roach replied that there will be changes. She stated that the customer portal is very robust and has a lot of options. She stated that she thinks it is more customer friendly than what is currently in place. Ms. Palmer stated that it has more options instead of less. She stated that she has seen some

situations where they have moved to less options. Ms. Roach stated that the new system will have more options and customers will be able to use new payment methods like Apple Pay. Ms. Palmer asked if they would also be given the option not to save a credit card for privacy. Ms. Roach replied yes. She stated that they will have to put that information in each time to make a payment, but they will have that option.

Ms. Swanson stated that OWASA (Orange Water and Sewer Authority) uses SpryPoint and asked if there was anything meaningful from their experience that ACSA staff was able to takeaway. Ms. Roach replied that they met with many other utilities that use SpryPoint and had some lessons, but she does not think OWASA has built their system out as much as the ACSA has. Mr. Lunsford added that having been on a call with Ms. Roach, Mr. Lynn, and an OWASA representative, it is always nice to hear from others that have been through at least part of it and made it to the other side. He stated that he thinks OWASA has been pleased with the modules that they have implemented so far and plan on picking Ms. Roach's brain on some modules that the ACSA plans to leverage that they have not yet.

Ms. Swanson stated that the credit union just redid their whole system and asked how that impacts the way customers interface with the ACSA's billing system. Ms. Roach replied that it has been seamless from a billing and payroll perspective. She stated that as a community member, the ACSA has watched the rollout and some of the concerns that have been shared, and making note of those as lessons learned.

Mr. Parcells stated that Ms. Roach mentioned going live in May but asked if they have considered doing any modules step by step. Ms. Roach replied that they have discussed that but are trying to be strategic. She stated that all of the modules are interconnected, so there is a need for them to all go live at once. She stated that they can test them and start using them, but they all need to go live at the same time.

Mr. Parcells stated that with the progress that has been made, May seems like a long ways away. He asked if there was any rationale for not

doing it sooner. Ms. Roach stated that a lot of time and effort has gone into this project, and employees still have their daily tasks to maintain as well. She stated that they do not want to burn out staff, thus they are being strategic in allowing time for testing while still performing their jobs. Mr. Lunsford added that, for context, 18 months from contract signing to going live is a pretty quick implementation.

Mr. Roberts asked if there were any task that were missed during the RFP creation, that they need the system to perform. Ms. Roach replied that they have not identified any so far. Mr. Roberts stated that he knows from doing this before, vendors charge significant funds for adding on missed tasks later.

Ms. McKeel thanked Ms. Roach for the great presentation and all the hard work and agreed that 18 months is pretty remarkable. She stated that she wanted to thank Ms. Roach specifically for the focus on integration and making sure the systems talk to each other. She stated that she has worked in several places over the years where that has not happened and it is a huge problem.

8. Items Not on the Agenda

Mr. Lunsford stated that a very complete draft of the audit should be available at the end of next week. He stated that they may need another member for the audit committee this year, as Ms. Swanson is unable to sit on the committee. He stated that he wanted to recognize Ms. Roach and the finance team, as the audit went off without a hitch. He stated that it was very efficient and clean, and Ms. Roach did a wonderful job in her interim capacity.

Ms. McKeel stated that she wanted to mention the discussion they had months ago about the challenges in the Georgetown Road area surrounding flushable wipes. She stated that at that time, she suggested that they work with the Albemarle High School (AHS) students. She stated that she has since reached out to several people including the ACPS

Environmental and Sustainability Committee as well as administrators that may be involved. She stated that they would like to offer the issue up as a Capstone project for the AHS seniors. She noted that there is no guarantee that the project will rise to the top, but it would be a great project for the students to work on. She added that they would be reaching out to Mr. Lunsford at some point.

9. Adjourn

There being no further business, Ms. Palmer moved that the meeting be adjourned, seconded by Mr. Roberts. All members voted aye.

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Quin Lunsford, Secretary-Treasurer