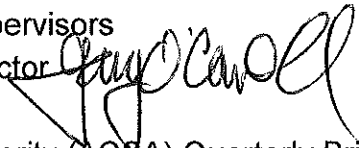


MEMORANDUM

To: Albemarle County Board of Supervisors
From: Gary O'Connell, Executive Director 
Date: July 6, 2016
Re: Albemarle County Service Authority (ACSA) Quarterly Briefing
cc: Mr. Tom Foley, County Executive; ACSA Board of Directors;
ACSA Lead Team

We appreciate the continuing opportunity to brief the Board of Supervisors on the ACSA and our work to provide safe, clean, reliable water at a good value. We provide this report as background for your July 13th meeting:

1. **Budget and Rates** – The proposed budget and rates were approved and finalized at the June 16th Board meeting. About two-thirds of our budget goes to pay for the wholesale water and wastewater treatment costs. Our rates continue to be below the statewide average for comparable water and sewer residential bills. A flyer on the proposed budget was sent to all 18,500 customers with the May bills. A copy of this budget and rate summary is attached. Some highlights of our FY 2017 Budget:
 - A projected increase of nearly \$765,000 or 5.2% for the purchase of water/wastewater treatment.
 - The Capital Improvement Program consists of water projects to replace aging and undersized pipelines, sewer projects to rehabilitate existing systems to reduce infiltration and inflow (I/I), and new projects to create redundancy in the system, increase capacity of water pump stations, upgrading existing sewer pump stations, and improvements to the ACSA administration and maintenance complex. Total estimated project costs for FY 2017 are \$6,781,890.
 - An additional Meter Technician position has been proposed to better serve ACSA customers. ACSA water connections have increased nearly 19% since the last staffing level change.
 - The budget utilizes a formal rate model methodology to smooth changes in rates to the extent possible, with "growth paying for growth".

- A Wastewater Metering Agreement was approved in FY 2016 and impacted allocations of debt service charges between the ACSA and the City. This new agreement reduced expected wastewater charges incurred by the ACSA by nearly \$300,000.
- The ACSA average residential water/sewer bill at 3,500 gallons a month is at least 25% less than a comparable City of Charlottesville residential bill.

2. **Lead Content in Drinking Water** – Given the national discussion of water, and in particular lead in drinking water, we want to assure the Board that we have an exceptional track record of providing reliable, top quality water that meets or does better than all federal and state standards for water quality for public health, including lead and copper testing. Test results were sent to our customers this year in the Annual Drinking Water Quality Report (the current year report is on our website www.serviceauthority.org). Several other factors assure us of clean, safe water to our customer's homes and businesses: we utilize high quality and consistent sources for our drinking water; conduct sampling of select customer's drinking water at the tap to assure lead free, and maintain corrosion control (corrosion inhibitor coats the inside of water pipes to lessen any potential corrosion). Although our water system delivers clean, safe water in lead-free distribution lines, customer-owned service lines and plumbing fixtures may contain lead materials. During late July, we will be testing 60 residences in varying parts of our system in accordance with EPA and VDH requirements to assure we continue meeting all water quality standards. Our robust corrosion control practice minimizes the risk that lead from plumbing would leach into the water.

3. **Vulnerability Assessment** – In partnership with the City, RWSA, and UVa water and sewer utilities, we will jointly be reviewing all our facilities for emergency planning purposes to identify any gaps or facility updates that are needed. This emergency planning is to reduce our system's risks.

4. **ACSA Capital Projects Update** – This section will update some of our current Capital Improvement Projects (CIP), and share some of the new projects that were approved in the FY 2017 CIP Budget.

- **New Fueling Station-Vehicle Wash Facility** - As part of our Environmental Management System (EMS) review, we recognized the need to separate our stormwater set-up and update our aging fuel facility and tanks. We have completed the project and replaced the existing aging fuel tanks with state of the art underground tanks, and provided a catchment below to prevent pollution of the stormwater system due to a fuel spill during vehicle fueling and fuel

delivery. The construction of the vehicle wash area allows the capture of contaminated wash water and delivers it to the sanitary sewer system and avoids pollution of the stormwater system.

- **Water Tank Maintenance Program** - This is a comprehensive, ongoing water storage tank maintenance and rehabilitation program for the eight tanks in the ACSA system. The goal is to have an ongoing review of our tanks to ensure they are kept in good condition to be able to serve the community. Work is about to begin on this project.
- **Key West Water Main Replacement** – More than two thirds of the installation of a replacement water main has been completed. Replacement and the addition of new fire hydrants will improve the fire service in the neighborhood. We are nearing 90% completion of this project.
- **Dunlora-Key West Water Interconnect** – A companion project is a new interconnect water main under the river that will provide additional redundancy and emergency backup, as well as improve water quality. Project bid and within budget; work to begin in September.
- **Westmoreland Water Main Replacement** – This project is in the design and easement phase, which replaces nearly 50 year old water mains that have recently experienced multiple water leaks.
- **Michie Tavern Water Main Replacement** – Work is underway on the replacement waterline. Current work includes boring under Route 20 from the beginning of Piedmont Virginia Community College to the adjacent UVa Blue Ridge property. The new line will replace one that is over 70 years old. Project is more than 90% complete.
- **Ivy Water Main Extension** – A DEQ project to provide public water to several residences and businesses in the Village of Ivy along Route 250 west that have contaminated wells by leaking underground fuel tanks. Initial design work is underway. Project is under review by DEQ.
- **Berkeley Water Main Replacement** – This project replaces water mains in the Berkeley subdivision that are failing and leaking. The lines are nearly 60 years old. Design is complete, and we are in the midst of acquiring easements to then be able to go to bid. Easements have been difficult to obtain.
- **Glenmore Water Tank Project** – This project is for system redundancy and emergency backup. The present line extends 4 ½ miles to Glenmore. The project design is complete and nearing bidding for a new water tank to serve Glenmore. Waiting on private development site grading that affects new waterline location and depth.

- **Ivy Road-Flordon Water Connection** – Part of our water system reliability and redundancy projects. The waterline on both sides of the railroad is complete and in service.
- **Ednam Water Pump Station Upgrade** – Another of the water system reliability and redundancy projects which will also increase the water pumping capacity. The project work has begun on the standby generator.
- **Crozet Phase 3 Water Main Replacement** – Design work to replace older water mains in Crozet is more than 50% complete. A public meeting was held on May 16, 2016.
- **Orchard Acres Water Main Replacement** – Older water mains to be replaced in Crozet. Design is complete and we are now in the easement phase of work.
- **Greenbrier Drive Sewer Replacement** – Part of the Hillsdale Drive Road Project, this short section of sewer main will be replaced. A significant cost savings by combining this sewer main replacement with the planned road project. Project has been bid and an intent to award has been issued.
- **Oak Hill Sewer Phase 2** – New sewer line to serve 20 homes in the Oak Hill subdivision. Community Development Block Grant funds through Albemarle County are being used to fund part of the project cost. Project is about 25% complete.
- **Camelot and PVCC Sewer Rehabilitation** – Sewer replacement, relining, and manhole repairs to reduce infiltration and inflow are needed for a well-functioning sanitary sewer. The PVCC rehabilitation work is complete.
- **West Leigh Water Main Replacement** – Project has been phased to replace aging and deteriorating water mains. Work has just been completed on Sheffield Road with only restoration work remaining.
- **Route 29 Utility Relocation** – As part of the Route 29 project, a number of ACSA waterlines have been relocated and new connections made.
- **ACSA Facilities Master Plan** – Study underway to look at the future of ACSA properties (Crozet, Avon Street, Pantops) and develop a master plan for the long-term needs of the organization as we continue to grow and add customers.
- **SCADA (Computerized Controls)** – We have completed Phase I of computerized monitoring of all of our water and wastewater pump stations, water storage tanks and master PRV (pressure reducing valve) stations. These are critical facilities to our commitment to system reliability to our customers. The SCADA system allows ACSA staff to remotely monitor these operations, change operational settings, and receive alarm notifications of failures or issues.
- **FY 2017 CIP Budget** – The approved CIP is \$6.78 million for next year, with \$5.46 million for water projects and \$1.32 million for

sewer projects. The new projects beginning July 1, 2017 include the replacement of existing water mains, creating redundancy in the water system, increasing capacity at water pump stations, replacement of existing sewer mains, identifying and fixing infiltration/inflow (I/I) in our sanitary sewer system, and upgrading an existing sewer pump station; "new" below indicates a new project approved in the FY 2017 CIP:

- **Camelot Water Main Replacement (new)** – Replacement of nearly 50 year old water mains that are also undersized.
- **Scottsville Water Main Replacement (new)** – Replacement of an aging water main along East Main Street.
- **Pantops Sewer System Study (new)** – Sanitary Sewer System Evaluation Study to determine repairs and rehabilitations that may be needed.
- **Barterbrook Water Main Replacement (new)** – Replacement of aging and deteriorating water mains along Solomon Road, North Berkshire Road, and Inglewood Drive.
- **Madison Park Sewer Pump Station Upgrade (new)** – This pump station is in need of upgrading and conversion to modern operating equipment.
- **Fontana Loop Water Connections (new)** – New water main loops at Verona Drive and Olympia Drive will create secondary water feeds for system redundancy and emergency backup to the Fontana subdivision.
- **West Woods Water Main Replacement (new)** – The project completes the water main replacements along West Pines Drive.
- **Ashcroft Water Pump Stations Improvement (new)** – This project will upgrade two existing water pump stations, which will result in improved water quality.

Thank you for the opportunity to share what is going on at your water agency, the Albemarle County Service Authority. I am more than glad to meet with you about any of our projects or facilities, or provide a tour if that would be useful.

Attachments

- Water Works Budget Customer Flyer
- Budget Slides



water | WORKS

Dear ACSA Customer,

Clean, safe, reliable water is at the heart of our mission.

We work to deliver the highest quality water to customers across the County and we have invested in significant resources that ensure an efficient infrastructure and excellent customer service. For example, we are working to install an **advanced water treatment granular activated carbon (GAC) filtering system** by 2017 that provides additional safeguards. Investments such as these incur costs which we, in turn, must pass on to our customers.

The good news is that the average residential customer—and about 75% of our customers are single-family residential users—**will incur a modest increase this coming year of \$3.66 a month**, a sum that varies according to how much water is consumed and how much sewer is used. This increase will cover not only the cost of advanced filtering and quality systems but also support services, system maintenance, and employee education. **There is no doubt that ACSA water is a good value.** Even with the proposed rate increase, 2.5 gallons of ACSA water costs just one cent!

CHECK OUT
OUR ANNUAL
WATER QUALITY
REPORT, PAY
BILLS, AND
LEARN MORE
ABOUT ACSA AT

ServiceAuthority.org

We have all been reading about water problems in other parts of the country caused by aging mains and pipes. **Here in Albemarle County, our water line assessment, maintenance, and replacement programs ensure reliable water quality.** In fact, 60% of our water and sewer mains are less than 25 years old with an anticipated useful life spans of 60 years. An annual capital improvements budget of nearly \$6.8 million ensures timely replacement of aging pipes and mains so that water quality continues to meet or exceed all regulatory requirements.

For your convenience, we include below our proposed rate schedule for the coming year. Additional information about the operating and capital improvements budgets is available at serviceauthority.org. The ACSA Board of Directors has scheduled a public hearing on the budget and this coming year's rates for **June 16 at 9:00 AM**. You are invited to attend to learn more, or send us your comments.

Sincerely,

Gary O'Connell
Executive Director



ACSA Water & Sewer Monthly User Rates

	FY 2016	FY 2017
SERVICE CHARGE	\$7.40	\$7.73

VOLUME CHARGE / Single Family Residential (per 1,000 gallons)

Level 1 (0-3,000 gallons)	\$3.80	\$3.99
Level 2 (3,001-6,000 gallons)	\$7.60	\$7.98
Level 3 (6,001-9,000 gallons)	\$11.40	\$11.97
Level 4 (over 9,000 gallons)	\$15.20	\$15.96
Multi-Family/Non-Residential	\$7.33	\$7.70
Sewer/All Users	\$8.10	\$8.50

CELEBRATING 52 YEARS OF SERVICE

Albemarle County Service Authority (ACSA) was created by the Albemarle County Board of Supervisors originally to service Crozet. Today, seventy-five employees provide water and sewer services to 70,000 residents in just under 18,600 homes and businesses across urban Albemarle County, Crozet, and Scottsville. A six-member governing board, representing Albemarle County's six magisterial districts, guides strategy, establishes policy, and oversees the Executive Director who is responsible for day-to-day operations.

CONTACT
board@serviceauthority.org

Budget Highlights

- ACSA rates are consistently lower than the statewide average for residential water and sewer and compare favorably with those of the City of Charlottesville.
- Over the past five years, the rate increases have averaged 2.7%. Two of the past five years our average residential customer has seen no change or even small rate decreases!
- Every year, ACSA adds one to two percent new customers annually—that means more water delivered through a larger infrastructure.
- Our water distribution system is made up of 355 miles of interconnected pipes, through nine water pumping stations, seven water storage tanks and 2,375 fire hydrants.
- We encourage conservation of water: the less water a household uses, the lower the rate.
- Our budget is trim: 64% of our operating budget goes directly to the purchase of water and the expense of wastewater treatment.



Safe. Clean. Reliable.

Monday through Friday | 8 to 5

434-977-4511

After Hours Emergency Service

888-252-3468

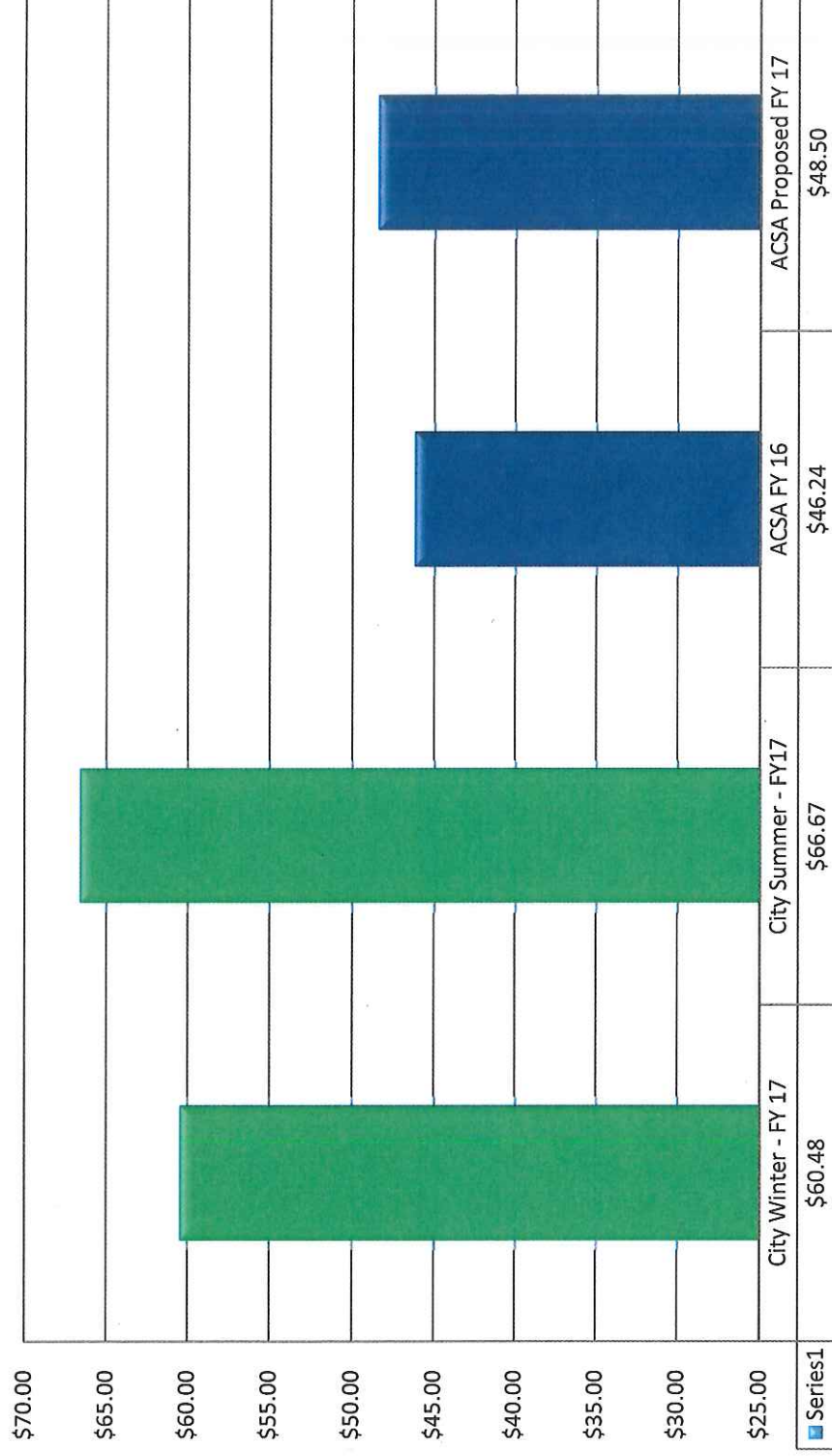
ServiceAuthority.org



ACSA/City of Charlottesville

Comparison

Customer Water/Wastewater Bill (3,200 gallons or 427 CF)



Assuming the details noted above, an ACSA customer's bill at the FY 17 proposed rates, would be 25% - 37% less than a comparable bill from the City.

Value of Water



=



1 cent

2.51 Gallons of ACSA Water