



MEMORANDUM

To: Board of Directors
From: Gary W. Fern, P.E., Executive Director
Date: March 13, 2009
Re: Proposed FY 2010 Budget
cc: James M. Bowling, IV

A separate document is provided with the Board packet, which introduces the Proposed Budget for the Albemarle County Service Authority (ACSA) for the Fiscal Year beginning July 1, 2009 (FY 2010). A detailed memorandum is provided within the separate document.

The Budget is introduced, at this time, in order to allow for the required 60 days of advertising before conducting a Public Hearing on the proposed water and wastewater rate increases. We propose to hold a Public Hearing on June 4, 2009. At that meeting, the Board may consider the adoption of the Budget and Rates either as introduced, or as amended. Conducting a Public Hearing on June 4, 2009, also provides staff time to make requested modifications by the ACSA Board of Directors prior to the regularly scheduled Board Meeting on June 18, 2009, if necessary.

While a Rate Study is being conducted by Municipal & Financial Services Group (M&FSG) for the ACSA, the proposed rates use the current Rate Model in effect. In the event the Board of Directors wishes to modify the Rate Model based on recommendations from M&FSG, revised rates can be enacted at sometime during FY 2010.

Board Action

We request that the Board of Directors authorize the advertisement for a Public Hearing to address the FY 2010 Budget and Rates at 7:00 p.m. on Thursday, June 4, 2009.

GWF/dbh/dmg



MEMORANDUM

To: Board of Directors
From: Gary W. Fern, P.E., Executive Director
Date: March 13, 2009
Re: Proposed FY 2010 Budget
cc: James M. Bowling, IV

The ACSA Staff is pleased to present this Proposed FY 2010 Budget for the Albemarle County Service Authority. I would like to recognize Ms. Lisa Breen and the Staff of the Finance Department as well as the Directors, Managers, and Supervisors who with considerable effort developed the Proposed Budget and Rates. The Budget is introduced at this time in order to allow for the required 60 days for advertising before conducting the Public Hearing on the proposed rate increases. We propose to hold the Public Hearing on June 4, 2009. At that meeting, the Board may consider the adoption of the Budget, either as introduced or as amended. In the interim period, the ACSA Staff can address concerns raised by members of the Board.

Highlights from this years Proposed Budget include the following:

Revenues:

Shown on Pages 1 and 2, total volume and service charges continue to be the primary generator for the ACSA, representing approximately 69.6% of the total revenue budget. The second largest revenue generated will be a bond necessary for the North Fork Regional Pump Station Project. This revenue represents approximately 15.4% of the total revenue for FY 2010. The remaining revenue is attributed to charges, fees, and miscellaneous income.

Expenses:

The largest expense in FY 2010, will be the Capital Improvement expenses, representing approximately 39% of the total ACSA expenses. A significant portion of the Capital Improvement expense is attributed to the North Fork

Regional Pump Station Project and the Meadowcreek Basin Sewer Rehabilitation Project. These two projects are estimated at approximately \$7.7 million for FY 2010.

As shown on Pages 1 through 3, the purchase of water and wastewater from the Rivanna Water and Sewer Authority (RWSA) represents approximately 35.4% of the ACSA's total expenses. The RWSA expenses, including the purchase of water and wastewater treatment services, and the Buck Mountain Surcharge, totals \$11,474,244, representing a decrease of approximately 2% from FY 2009. The proposed RWSA Urban Rates for water and sewer represent an 11.4% and a 12.89% increase, respectively, from the FY 2009 Budget.

Departmental Staffing:

As shown on Page 4, the ACSA currently has a total of 68.6 positions. We are proposing to reduce the number of positions by one in FY 2010.

Departmental Operating Budgets:

The Departmental Budgets are shown on Pages 5 through 8. Considerable effort was spent in developing the FY 2010 Budget to reduce costs within the Departments. The increase in salary and wages includes a 2.0% merit pool increase. The health and benefit dollars maintain an ACSA contribution of \$600 and a retirement benefit match of \$20 per month. The health insurance premium is anticipated to increase 8%.

Administration Department:

The Administration Department shows a reduction of approximately 8.7% from the FY 2009 Budget. Items to note are:

- Repair and Maintenance Supplies- Code 503-510-425 Buildings/Grounds Supplies, has been increased to account for the additional landscaping and site materials to be utilized by the Maintenance Department.
- Professional and Contractual Services- Code 503-510-520, Fiscal Agent has been increased to account for fiscal assistance needed to obtain bond funding for the North Fork Regional Pump Station Project.
- Code 503-510-585 Printing and Duplicating, additional funds are required for mailings for the Rain Barrel Program, Fats, Oil, and Grease (FOG) Program, quarterly customer newsletters, and Consumer Confidence Reports.
- Other Services and Charges- Code 503-510-745 Travel, additional funding is required to provide education and training opportunities for staff at conferences and seminars.

Finance Department:

The Finance Department shows an increase of 21% over the FY 2009 Budget, after level budgeting the prior year. The reasons for the increase are as follows:

- Repair and Maintenance- Code 503-520-410, additional funds are required to install approximately 300 meters for the Automatic Meter Reading Test Program to be conducted in Scottsville. In addition, a greater number of meters will be replaced than in FY 2009.
- Professional and Contractual Services- Code 503-520-580 Postage, the additional funds account for mailings required as a result of the Strategic Plan, and the increase in postage pricing.
- Capital Outlays- Code 503-520-800, provides for equipment necessary for the Automatic Meter Reading Test Program in Scottsville.

Engineering Department:

The Engineering Department shows a reduction of approximately 2.1% from the FY 2009 Budget. With capital purchases and the addition of personnel in previous years, the Engineering Department will initiate and strengthen programs such as the Fats, Oil and Grease (FOG) Program, Flow Monitoring Program, and Comprehensive Modeling Program.

Maintenance Department:

The Maintenance Department shows a reduction of approximately 13.5% from FY 2009 Budget. Items to note follow:

- Operating Supplies- Code 503-550-360 Fuel, Oil and Grease, shows an increase due to additional vehicles in the department.
- Code 503-550-580 Small Tools and Equipment, shows an increase to provide metal detectors and line locators for new vehicles.
- Other Services and Charges- Codes 503-550-760/761, show increases in electrical costs for both water and wastewater pump stations.
- Capital Outlays- Code 503-550-830 Machinery and Equipment, includes \$80,000 for the purchase of leak detection monitors to be utilized throughout the ACSA Water System.

Capital Improvements Program (CIP):

The proposed Capital Improvements Program for FY 2010 through FY 2014 is shown on Page 9. We anticipate spending approximately \$12,621,550 in FY 2010. A breakdown of these costs follows:

Water Projects: \$ 3,009,100

Wastewater Projects: \$ 9,612,450

The largest contributor of this estimated cost is the North Fork Regional Pump Station Project. The project is estimated to cost \$5,770,450 in both FY 2010 and FY 2011. In addition, the Meadowcreek Basin Sewer Rehabilitation Project is estimated to cost \$2,000,000 in FY 2010. This project will reduce infiltration/inflow in the Meadowcreek Drainage Basin and is expected to reduce the number of sewer system overflows experienced in the Meadowcreek Interceptor. The Maintenance Department will continue to perform in-house construction on some of the projects within the CIP. Details of the FY 2010 CIP Projects are provided in a memorandum dated March 12, 2009.

Rates & Fees:

The proposed rates for FY 2010 are shown on Page 10. The proposed total water consumption (1,610,474,000 gallons) and wastewater generation (1,288,123,000 gallons) represents decreases of 7.1% and 6.5% from the flows proposed in FY 2009. These rates reflect the application of \$2,000,000 from the Repair, Replacement & Rehabilitation (3R) Fund. An increase of 9% is proposed for the fixed monthly charge.

To promote greater conservation, an increase of 9% to the residential water rates is proposed for Level 1, while increases of 14% and 17% are proposed for Levels 2 and 3, respectively. An increase of 13% is proposed for the non-single family residential water rate. The sewer rate is proposed to increase from \$7.00 per thousand gallons to \$8.11 per thousand gallons (16%). This increase is mainly attributed to the proposed wastewater projects to be undertaken in the CIP.

In addition to the Volume Rate Changes, the ACSA staff is proposing to increase the RWSA Capacity Fees, System Development Fees, and Water Local Facilities Fees. No changes are proposed for the Sewer Local Facilities Fees. These increases are a result of projects being undertaken by the RWSA and the ACSA.

Anticipated Reserves:

Page 11 shows the anticipated Operating and Maintenance and 3R Reserves for FY 2009 through FY 2014. We anticipate using approximately \$2.4 million in the 3R Reserves for FY 2009 resulting in an accumulated reserve of approximately \$5.1 million. With reduced sales of water and wastewater in FY 2010 and the proposed CIP costs, we expect accumulated 3R Reserves to be reduced to approximately \$3.3 million.

Page 11 also shows the Projected Debt Service required for the North Fork Regional Pump Station Project and lists the base assumptions used in preparation of the Proposed FY 2010 Budget.

We look forward to presenting the FY2010 Budget at the Board of Directors Meeting on March 19, 2009.

Board Action

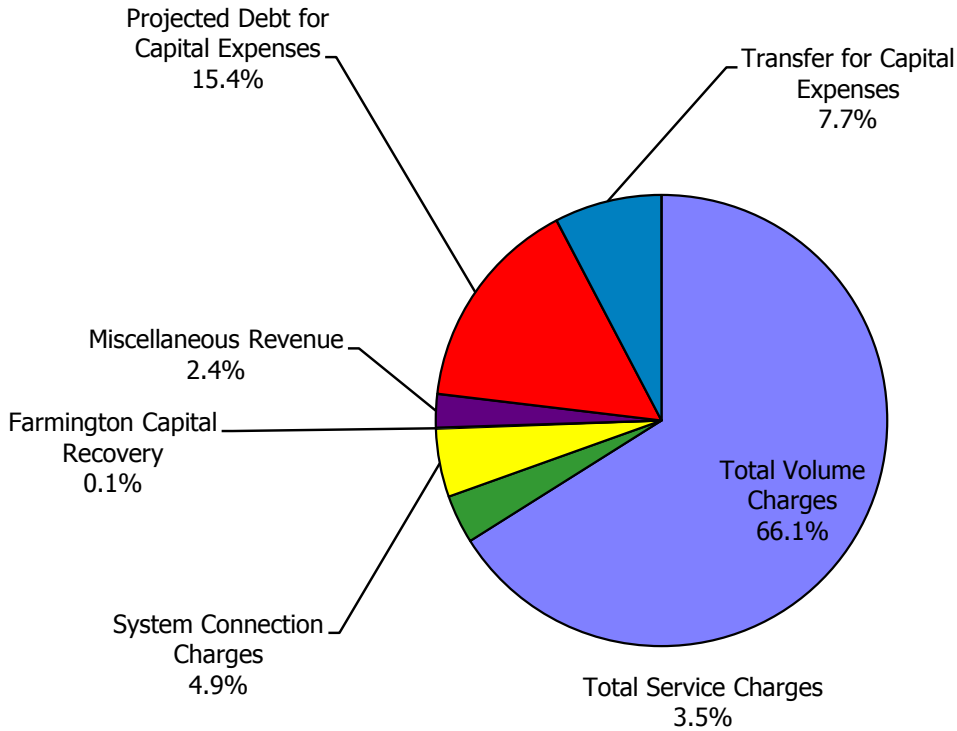
We request that the Board of Directors authorize the advertisement for a Public Hearing to address the FY 2010 Budget and Rates at 7:00 p.m. on Thursday, June 4, 2009.

GWF/anw

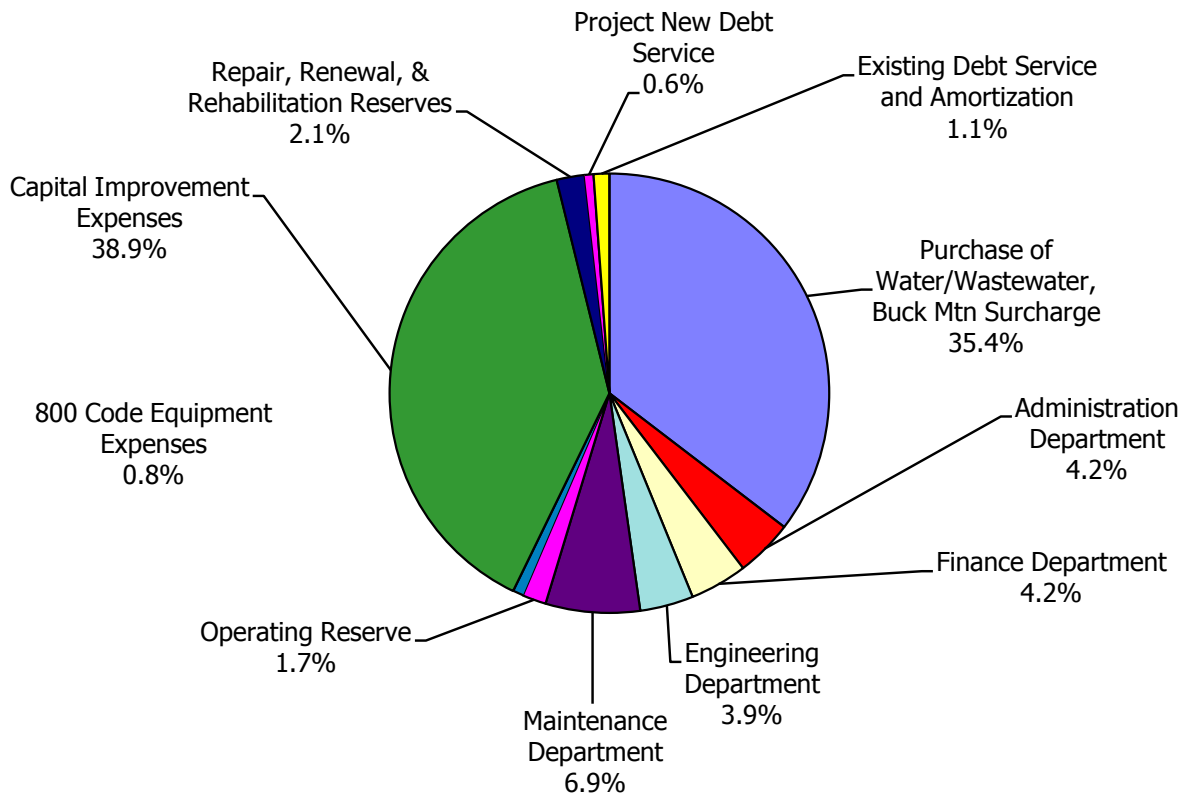
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Proposed Revenues and Expenses FY 2010

Revenues



Expenses



Albemarle County Service Authority Revenue and Expense Summary FY 2010

	FY 2009 Approved Budget	FY 2010 Proposed Budget	FY 2010 as % of FY 2009
OPERATING REVENUE			
Total Volume Charges	\$ 20,031,436	21,409,619	106.9%
Total Service Charges	1,029,582	1,122,244	109.0%
Subtotal:	\$ 21,061,018	22,531,863	107.0%
NON-OPERATING REVENUE			
System Connection Charges	\$ 2,352,270	1,585,371	67.4%
Farmington Capital Recovery	31,900	29,000	90.9%
Rental Income	40,000	40,000	100.0%
Interest Income	450,000	274,000	60.9%
Buck Mountain Surcharge	104,600	72,400	69.2%
Misc. Utility Charges	345,000	345,000	100.0%
Inspection Fees	60,000	27,500	45.8%
Plan Review Fees	8,250	15,000	181.8%
Transfer for Prior Year Appropriations	53,692	0	0.0%
Projected Debt for Capital Expenses	0	5,000,000	
Transfer for Capital Expenses	2,469,000	2,490,678	100.9%
Subtotal:	\$ 5,914,712	9,878,949	167.0%
Total Revenue	\$ 26,975,730	32,410,812	120.1%

	FY 2009 Approved Budget	FY 2010 Proposed Budget	FY 2010 as % of FY 2009
OPERATION AND MAINTENANCE EXPENSES			
Purchase of Water/Wastewater	\$ 11,604,466	11,401,844	98.3%
Administration Department	1,495,233	1,366,025	91.4%
Finance Department	1,260,950	1,364,600	108.2%
Engineering Department	1,253,423	1,273,300	101.6%
Maintenance Department	2,271,448	2,246,800	98.9%
Operating Reserve	568,565	565,047	99.4%
Subtotal:	\$ 18,454,085	18,217,616	98.7%
CAPITAL IMPROVEMENT AND DEBT SERVICE			
800 Code Equipment Expenses	\$ 475,100	249,300	52.5%
Capital Improvement Expenses	6,927,660	12,621,550	182.2%
Repair, Renewal, & Rehabilitation Reserves	641,585	666,609	103.9%
Buck Mountain Surcharge	104,600	72,400	69.2%
Existing Debt Service and Amortization	372,700	372,700	100.0%
Projected Debt Service	0	210,637	
Subtotal:	\$ 8,521,645	14,193,196	166.6%
Total Expenses	\$ 26,975,730	32,410,812	120.1%

RWSA Expenses

	<u>FY 2009</u>	<u>FY 2010 Proposed</u>	<u>FY 2010 as % of FY 2009</u>
<i>RWSA EXPENSES</i>			
Buck Mountain Surcharge	\$ 104,600	72,400	69.2%
Purchase of Bulk Water	6,123,902	6,260,146	102.2%
Sewer Treatment Expense	5,480,564	5,141,698	93.8%
Subtotal:	\$ 11,709,066	11,474,244	98.0%
<i>RWSA EXPENSES BY SERVICE AREA</i>			
	Rates	Rates	
WATER	<u>FY 2009</u>	<u>FY 2010</u>	
Urban	\$2.983/TG	\$3.323/TG	\$ 5,091,536
Crozet	\$50,226/mo	\$52,403/mo	646,212
Scottsville	\$31,421/mo	\$32,155/mo	386,154
Buck Mountain Surcharge			104,600
Total			\$ 6,228,502
			5,245,451
			628,836
			385,859
			72,400
			103.0%
			97.3%
			99.9%
			69.2%
			101.7%
WASTEWATER			
Urban	\$2.722/TG	\$3.073/TG	\$ 4,827,236
Scottsville	\$25,968/mo	\$25,420/mo	321,111
Stone-Robinson School	Actual	Actual	32,441
Glenmore	\$24,606/mo	\$24,252/mo	299,776
Total			\$ 5,480,564
			4,524,166
			305,043
			21,467
			291,022
			93.7%
			95.0%
			66.2%
			97.1%
			93.8%

Departmental Staffing

	<u>Current Number of Positions</u>	<u>Proposed Number of Positions</u>
ADMINISTRATION		
Executive Director	1	1
Manager of Information Systems	1	1
Administration Supervisor	1	1
Applications Programmer	1	1
Information Systems Coordinator	1	1
Administrative Associate	3	3
FINANCE		
Finance Director	1	1
Accountant	1	1
Meter Operations Supervisor	1	1
Customer Service Supervisor	1	1
Accounting Technician	2	2
Customer Service Representative	3	3
Meter Technician	4	4
Office Associate	1	1
ENGINEERING		
Engineering Director	1	1
Senior Civil Engineer	2	2
Civil Engineer	1	1
Modeling Engineer	1	1
Environmental Compliance Specialist	1	1
Regulatory Compliance Specialist	1	1
Construction Inspector	5	5
Senior Utility Location Technician	1	1
Utility Location Technician	1	1
Engineering Technician	1.6	1.6
MAINTENANCE		
Operations Manager	1	1
Operations Supervisor	2	1
Facilities Supervisor	1	1
Electrician/Pump Technician	0	1
Electrician/Pump Technician Apprentice	1	0
System Quality Technician	2	2
Crew Leader	4	4
Equipment Operator	7	7
Utility Worker	13	13
TOTAL	68.6	67.6

Administration Department

Code	Description	FY 2008 Expended	FY 2009	FY 2009	FY 2009 Budget	FY 2010 Proposed	FY 2010 as % of FY 2009
			Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2009			
PERSONAL SERVICES							
503-510-205	Compensation of Board Members	\$ 7,145	13,791	20,687	13,000	18,900	145.4%
503-510-210	Salaries & Wages	451,096	316,111	474,167	455,300	475,100	104.3%
503-510-220	Overtime Pay	378	819	1,229	1,500	1,000	66.7%
503-510-230	Social Security	35,997	23,402	35,103	35,700	37,200	104.2%
503-510-240	Retirement	58,247	39,380	59,070	60,000	63,000	105.0%
503-510-250	Health & Benefit Dollars	55,956	36,915	55,373	62,100	59,600	96.0%
503-510-260	Life Insurance	4,239	2,466	3,699	4,000	4,200	105.0%
503-510-270	Workers' Compensation	393	552	828	600	625	104.2%
503-510-280	Meals	703	343	500	300	500	166.7%
503-510-290	Safety Incentive Program	475	225	600	700	700	100.0%
503-510-295	Employee Incentives	8,230	2,719	11,000	15,000	12,000	80.0%
	Subtotal:	\$ 622,860	436,723	662,254	648,200	672,825	103.8%
OPERATING SUPPLIES							
503-510-300	Office Supplies	\$ 14,683	9,033	13,600	14,482	17,000	117.4%
503-510-305	Copier Supplies	1,112	994	1,900	1,900	2,000	105.3%
503-510-310	Janitorial Supplies	2,254	2,679	3,500	2,800	2,800	100.0%
503-510-370	Heating Fuel	2,778	2,237	3,800	4,000	4,300	107.5%
503-510-380	Small Tools & Equipment	0	17,925	36,400	36,400	32,500	0.0%
	Subtotal:	\$ 20,827	32,868	59,200	59,582	58,600	98.4%
REPAIR & MAINTENANCE SUPPLIES							
503-510-425	Building/Grounds Supplies	\$ 7,133	5,285	8,600	7,900	12,200	154.4%
	Subtotal:	\$ 7,133	5,285	8,600	7,900	12,200	154.4%
PROFESSIONAL & CONTRACTUAL SERVICES							
503-510-500	Legal	\$ 41,738	19,643	32,000	43,700	44,000	100.7%
503-510-510	Audit	26,225	30,000	30,000	30,000	32,400	108.0%
503-510-520	Fiscal Agent	2,500	2,500	2,500	5,000	17,500	350.0%
503-510-550	Consultants' Fees	2,132	24,410	103,500	103,500	16,600	16.0%
503-510-560	Service Contracts	37,175	36,829	64,345	64,941	50,300	77.5%
503-510-561	Building/Grounds Service Contracts	73,575	33,852	58,000	58,400	60,700	103.9%
503-510-575	Telephone/Communications	40,331	29,091	47,900	47,900	47,600	99.4%
503-510-585	Printing and Duplicating	855	2,084	7,900	7,900	20,000	253.2%
503-510-590	Other Contractual Services	30,521	4,787	25,500	28,800	12,800	44.4%
	Subtotal:	\$ 255,053	183,196	371,645	390,141	301,900	77.4%
REPAIRS AND MAINTENANCE							
503-510-600	Equipment Repair and Maintenance	\$ 7,985	4,623	4,700	7,000	5,900	84.3%
503-510-620	Building/Grounds Repair & Maintenance	1,939	4,534	5,000	6,000	6,000	100.0%
	Subtotal:	\$ 9,924	9,157	9,700	13,000	11,900	91.5%
OTHER SERVICES AND CHARGES							
503-510-705	Software	\$ 3,169	28,898	46,500	58,376	15,500	26.6%
503-510-710	Insurance	62,190	61,497	63,350	72,000	63,350	88.0%
503-510-720	Dues and Memberships	4,080	4,189	5,500	5,600	5,800	103.6%
503-510-730	Books and Periodicals	1,654	1,713	2,000	2,000	1,000	50.0%
503-510-740	Education and Training	24,769	16,418	34,600	47,940	40,000	83.4%
503-510-741	Board Member Education and Training	0	663	750	5,000	5,000	100.0%
503-510-745	Travel	9,296	6,580	12,250	13,355	20,950	156.9%
503-510-750	Advertising	27,122	13,719	15,000	18,920	13,200	69.8%
503-510-755	Conservation	28,658	33,732	65,000	66,500	66,500	100.0%
503-510-777	Electricity - Shop/Office	36,696	21,253	36,000	48,000	42,300	88.1%
503-510-780	Permits	32,987	25,616	30,000	35,000	35,000	100.0%
	Subtotal:	\$ 230,620	214,278	310,950	372,691	308,600	82.8%
CAPITAL OUTLAYS							
503-510-800	Office Equipment	\$ 33,935	4,726	4,726	4,722	0	0.0%
503-510-810	Furniture and Fixtures	11,860	0	0	0	0	0.0%
503-510-830	Machinery and Equipment	0	0	0	0	0	0.0%
	Subtotal:	\$ 45,795	4,726	4,726	4,722	0	0.0%
TOTAL ADMINISTRATION		\$ 1,192,212	886,233	1,427,075	1,496,236	1,366,025	91.3%

Finance Department

Code	Description	FY 2008 Expended	FY 2009	FY 2009	FY 2009 Budget	FY 2010	FY 2010 as % of FY 2009
			Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2009		Proposed	
PERSONAL SERVICES							
503-520-210	Salaries & Wages	\$ 524,882	417,786	597,786	580,500	605,700	104.3%
503-520-220	Overtime Pay	5,913	8,134	12,134	8,000	8,000	100.0%
503-520-230	Social Security	42,817	29,579	48,079	45,050	47,000	104.3%
503-520-240	Retirement	70,226	51,149	77,349	76,600	80,200	104.7%
503-520-250	Health & Benefit Dollars	81,951	56,167	84,167	107,300	109,800	102.3%
503-520-260	Life Insurance	5,111	3,137	4,737	5,110	5,400	105.7%
503-520-270	Workers' Compensation	4,728	5,693	6,093	6,189	6,300	101.8%
	Subtotal:	\$ 735,628	571,645	830,345	828,749	862,400	104.1%
OPERATING SUPPLIES							
503-520-300	Office Supplies	\$ 8,891	7,522	15,000	15,276	11,500	75.3%
503-520-330	Personal Protective Equipment	617	0	0	100	100	100.0%
503-520-360	Fuel, Oil & Grease	14,321	8,408	14,908	20,200	20,200	100.0%
503-520-380	Small Tools & Equipment	230	6,229	8,975	8,975	1,600	17.8%
	Subtotal:	\$ 24,059	22,159	38,883	44,551	33,400	75.0%
REPAIR & MAINTENANCE							
503-520-400	Vehicle Supplies	\$ 1,443	2,441	3,441	2,000	3,000	150.0%
503-520-410	Materials - Water	161,081	110,675	170,675	186,900	258,400	138.3%
	Subtotal:	\$ 162,524	113,116	174,116	188,900	261,400	138.4%
PROFESSIONAL & CONTRACTUAL SERVICES							
503-520-535	Uniform Rental	2,706	1,987	3,087	3,400	3,400	100.0%
503-520-550	Consultants' Fees	500	0	500	500	500	100.0%
503-520-560	Service Contracts	27,307	16,675	32,600	32,600	32,100	98.5%
503-520-580	Postage	91,785	62,041	107,041	109,200	120,200	110.1%
503-520-585	Printing and Duplicating	14,095	9,750	16,150	16,150	14,900	92.3%
503-520-590	Other Contractual Services	8,597	1,740	7,750	7,750	8,600	111.0%
	Subtotal:	\$ 144,990	92,193	167,128	169,600	179,700	106.0%
REPAIRS AND MAINTENANCE							
503-520-600	Equipment Repair and Maintenance	\$ 1,385	1,309	3,309	3,900	3,200	82.1%
503-520-650	Vehicle Repair and Maintenance	1,569	1,777	2,677	2,500	3,500	140.0%
	Subtotal:	\$ 2,954	3,086	5,986	6,400	6,700	104.7%
OTHER SERVICES AND CHARGES							
503-520-700	Rental of Equipment	\$ 0	688	1,318	1,300	1,300	100.0%
503-520-705	Software	0	3,626	6,400	6,400	4,000	62.5%
503-520-720	Dues and Memberships	0	128	278	400	350	87.5%
503-520-730	Books and Periodicals	0	958	1,550	1,550	1,550	100.0%
503-520-740	Education and Training	0	2,341	5,000	6,100	8,800	144.3%
503-520-745	Travel	0	1,691	4,600	4,600	5,000	108.7%
	Subtotal:	\$ 0	9,432	19,146	20,350	21,000	103.2%
CAPITAL OUTLAYS							
503-520-800	Office Equipment	\$ 1,800	0	0	0	161,000	0.0%
503-520-810	Furniture and Fixtures	500	2,400	2,400	2,400	0	0.0%
503-520-830	Machinery and Equipment	775	0	0	0	0	0.0%
	Subtotal:	\$ 3,075	2,400	2,400	2,400	161,000	6708.3%
	TOTAL FINANCE	\$ 1,073,230	814,031	1,238,004	1,260,950	1,525,600	121.0%

Engineering Department

Code	Description	FY 2008 Expended	FY 2009	FY 2009	FY 2009 Budget	FY 2010	FY 2010
			Actual Expenses To-Date(Feb)	Anticipated Expenses To-EOFY 2009		Proposed	as % of FY 2009
PERSONAL SERVICES							
503-540-210	Salaries & Wages	\$ 685,892	519,743	779,615	804,029	848,500	105.5%
503-540-220	Overtime Pay (will be reimbursed by 3R)	2,142	16,821	25,232	10,000	10,000	100.0%
503-540-230	Social Security	58,448	38,610	57,915	62,350	66,000	105.9%
503-540-240	Retirement	89,763	62,556	93,834	102,900	108,500	105.4%
503-540-250	Health & Benefit Dollars	86,689	59,036	88,554	120,500	126,300	104.8%
503-540-260	Life Insurance	6,533	3,837	5,756	6,915	7,300	105.6%
503-540-270	Workers' Compensation	10,254	15,595	23,393	16,955	14,700	86.7%
Subtotal: \$		939,721	716,198	1,074,297	1,123,649	1,181,300	105.1%
OPERATING SUPPLIES							
503-540-330	Personal Protective Equipment	221	172	350	1,125	800	71.1%
503-540-360	Fuel, Oil & Grease	17,249	9,380	16,000	27,280	21,800	79.9%
503-540-380	Small Tools & Equipment	5,662	20,019	32,950	32,950	18,300	55.5%
Subtotal: \$		23,131	29,571	49,300	61,355	40,900	66.7%
REPAIR & MAINTENANCE SUPPLIES							
503-540-400	Vehicle Supplies	\$ 3,826	670	2,500	4,200	2,000	47.6%
Subtotal: \$		3,826	670	2,500	4,200	2,000	47.6%
PROFESSIONAL & CONTRACTUAL SERVICES							
503-540-535	Uniform Rental	\$ 2,301	1,574	2,500	2,900	2,100	72.4%
503-540-540	Engineering Services	1,821	2,400	2,400	4,844	0	0.0%
503-540-590	Other Contractual Services	12,068	5,245	13,900	18,900	18,200	96.3%
Subtotal: \$		16,190	9,219	18,800	26,644	20,300	76.2%
REPAIRS AND MAINTENANCE							
503-540-600	Equipment Repair and Maintenance	\$ 331	325	1,350	2,200	2,600	118.2%
503-540-650	Vehicle Repair and Maintenance	2,741	605	1,500	3,200	2,200	68.8%
Subtotal: \$		3,072	930	2,850	5,400	4,800	88.9%
OTHER SERVICES AND CHARGES							
503-540-705	Software	\$ 3,834	0	0	0	0	
503-540-720	Dues and Memberships	0	238	357	805	800	99.4%
503-540-740	Education and Training	0	4,686	9,510	12,510	11,500	91.9%
503-540-745	Travel	0	7,323	8,975	8,975	11,700	130.4%
Subtotal: \$		3,834	12,247	18,842	22,290	24,000	107.7%
CAPITAL OUTLAYS							
503-540-800	Office Equipment	\$ 0	0	0	0	0	
503-540-810	Furniture and Equipment	605	0	0	0	0	
503-540-830	Machinery and Equipment	50,861	50,373	48,100	56,985	0	0.0%
Subtotal: \$		51,466	50,373	48,100	56,985	0	0.0%
TOTAL ENGINEERING \$		1,041,240	819,208	1,214,689	1,300,523	1,273,300	97.9%

Maintenance Department

Code	Description	FY 2009		FY 2009 Budget	FY 2010 Proposed	FY 2010 as % of FY 2009
		FY 2008 Expended	FY 2009 Actual Expenses To-Date(Feb)			
PERSONAL SERVICES						
503-550-210	Salaries & Wages	\$ 901,241	666,618	999,927	1,146,409	1,089,500 95.0%
503-550-220	Overtime Pay	45,699	37,829	56,744	61,000	57,000 93.4%
503-550-225	Standby Pay	1,261	3,621	5,432	4,000	4,000 100.0%
503-550-230	Social Security	76,022	50,559	75,839	90,450	88,200 97.5%
503-550-240	Retirement	120,618	83,253	124,880	153,100	145,500 95.0%
503-550-250	Health & Benefit Dollars	177,959	127,863	191,795	225,900	230,600 102.1%
503-550-260	Life Insurance	8,749	5,106	7,659	10,225	9,700 94.9%
503-550-270	Workers' Compensation	22,703	31,601	47,402	34,800	33,900 97.4%
503-550-280	Meals - Overtime	628	412	618	2,500	2,500 100.0%
	Subtotal:	\$ 1,354,879	1,006,862	1,510,293	1,728,384	1,660,900 96.1%
OPERATING SUPPLIES						
503-550-320	Shop Supplies	3,621	1,493	8,500	8,700	7,800 89.7%
503-550-330	Personal Protective Equipment	11,988	7,976	14,000	18,735	15,300 81.7%
503-550-360	Fuel, Oil & Grease	61,598	33,125	60,000	77,530	81,800 105.5%
503-550-380	Small Tools & Equipment	20,390	26,110	58,000	58,500	77,000 131.6%
	Subtotal:	\$ 97,597	68,704	140,500	163,465	181,900 111.3%
REPAIR & MAINTENANCE SUPPLIES						
503-550-400	Vehicle Supplies	\$ 10,485	6,600	16,600	16,600	17,300 104.2%
503-550-410	Materials - Water	73,469	34,540	65,000	68,000	82,000 120.6%
503-550-415	Materials - Hydrants	10,046	7,269	11,000	12,500	12,500 100.0%
503-550-420	Materials - Sewer	4,839	4,503	11,000	12,000	12,000 100.0%
503-550-430	Equipment Supplies	8,773	4,754	10,500	11,600	15,000 129.3%
503-550-460	Water Pump Station Supplies	20,060	14,127	48,000	50,500	58,400 115.6%
503-550-480	Sewer Pump Station Supplies	13,662	14,876	43,000	45,000	41,500 92.2%
	Subtotal:	\$ 141,334	86,669	205,100	216,200	238,700 110.4%
PROFESSIONAL & CONTRACTUAL SERVICES						
503-550-530	Labor - Outside Contract	\$ 5,408	7,788	12,000	14,000	14,700 105.0%
503-550-535	Uniform Rental	13,863	9,203	20,000	20,500	19,500 95.1%
503-550-560	Service Contracts	156	0	0	0	0 0.0%
503-550-590	Other Contractual Services	189	0	0	0	0 0.0%
	Subtotal:	\$ 19,616	16,991	32,000	34,500	34,200 99.1%
REPAIRS AND MAINTENANCE						
503-550-600	Equipment Repair and Maintenance	\$ 17,315	13,855	28,000	29,500	19,900 67.5%
503-550-650	Vehicle Repair and Maintenance	18,154	22,972	30,500	30,500	30,500 100.0%
	Subtotal:	\$ 35,469	36,827	58,500	60,000	50,400 84.0%
OTHER SERVICES AND CHARGES						
503-550-700	Rental of Equipment	\$ 2,231	0	4,500	5,000	5,000 100.0%
503-550-705	Software	1,750	0	0	0	0 0.0%
503-550-740	Education and Training	4,195	0	0	0	0 0.0%
503-550-745	Travel	55	0	0	0	0 0.0%
503-550-750	Advertising	0	0	0	0	0 0.0%
503-550-760	Electricity - Water Pump Station	33,880	26,025	42,000	45,000	52,100 115.8%
503-550-761	Electricity - Sewer Pump Station	10,696	7,342	14,500	14,500	21,500 148.3%
503-550-780	Permits	1,105	455	1,150	2,200	2,100 95.5%
	Subtotal:	\$ 53,911	33,822	62,150	66,700	80,700 121.0%
CAPITAL OUTLAYS						
503-550-800	Office Equipment	\$ 11,564	0	0	0	0 0.0%
503-550-810	Furniture and Fixtures	0	0	0	0	0 0.0%
503-550-830	Machinery and Equipment	317,313	135,141	352,000	429,200	88,300 20.6%
	Subtotal:	\$ 328,877	135,141	352,000	429,200	88,300 20.6%
	TOTAL MAINTENANCE	\$ 2,031,684	1,385,016	2,360,543	2,698,449	2,335,100 86.5%

Proposed Capital Improvements Fiscal Years 2010 - 2014

CAPITAL IMPROVEMENT PROJECTS	2010	2011	2012	2013	2014
Water System	Proposed	Forecast	Forecast	Forecast	Forecast
* Ragged Mountain Water Phase II & III	\$ 150,000				
St. George Avenue Water Replacement	462,400	928,400	928,400		
Office Parking Lot Paving	45,000				
* Crozet Streetscape	53,500				
Berkeley Water Replacement				1,378,800	1,378,800
Jackson Street Water Replacement		93,700			
Buckingham Circle Water Line Replacement	122,400	489,600			
Canterbury Hills Water Replacement	144,300	577,200			
Orchard Acres Water Replacement		510,900	1,024,550	1,024,550	
Pump Station Upgrades to PLC's	160,000				
SCADA System	75,000				
Facility Improvements - Maintenance Shop/Main Office	64,000				
Berwick Road Water Replacement	75,000	304,750			
* West Leigh Water - Williston and Emerson Dr.		409,600	409,600		
Key West Water Replacement		900,000	900,000	900,000	900,000
Proffit Rd - Jefferson Village Replacement			541,000		
Stagecoach Rd Water Connection			184,000		
Baker Butler - Forest Lakes Water Connection					100,000
Carrsbrook Transite Water Replacement				270,000	270,000
Old Lynchburg Rd Water Connection			156,000		
Northfields Transite Water Replacement				460,000	460,000
West Leigh Transite Water Replacement				180,000	180,000
Rt 785 Water Replacement			185,700		
Kearsarge - Flordon Water Connection			753,000		
Shoppers World Water Relocation	176,800				
Hollymead Water Replacement	376,000	376,000	376,000		
Ashcroft Water Improvements	211,200				
Glenmore Tank Study	125,000				
West Leigh Tank Study	125,000				
Hardware Street Water Extension	512,300				
Valve Insertion	81,200				
Developer Participation	50,000	50,000	50,000	50,000	50,000
Total Water Capital Projects	\$ 3,009,100	4,640,150	5,508,250	4,263,350	3,338,800
CAPITAL IMPROVEMENT PROJECTS	2010	2011	2012	2013	2014
Wastewater System	Proposed	Forecast	Forecast	Forecast	Forecast
Meadowcreek Basin Sewer Rehabilitation	\$ 2,000,000				
Miscellaneous Sewer Rehabilitation		350,000	350,000	350,000	350,000
* Oak Hill Sewer Phase I	828,300				
Oak Hill Sewer Phase II			605,000		
* Boars Head Sewer Replacement	61,500				
Scottsville Phase II Sewer	58,200	169,100			
Oak Forest Pump Station - Gravity Sewer		413,300			
Ashcroft Pump Station #1	15,000				
Redfields Pump Station	19,000				
Glenmore Pump Station	11,000				
SCADA System	75,000				
Facility Improvements - Maintenance Shop/Main Office	64,000				
Georgetown Green Sewer Replacement	109,400				
Greenbrier Drive Sewer Replacement				472,900	
Office Parking Lot Paving	45,000				
Pantops Basin SSES	148,400				
Bellair - Liberty Hills Sewer					
Buckingham Circle Sewer	183,600	734,400			362,000
Carrsbrook Collection System			335,000	335,000	335,000
Ednam Forest Sewer				423,000	423,000
Hessian Hills Sewer Phase III			117,000		
Deerwood Sewer Phase II			43,000		
Springfield Pump Station					207,500
* Northfields Sewer Phase IV	173,600				
Northfields Sewer Phase V					222,000
* North Fork Regional Pump Station	5,770,450	5,770,450			
Developer Participation	50,000	50,000	50,000	50,000	50,000
Total Wastewater Capital Projects	\$ 9,612,450	7,487,250	1,500,000	1,630,900	1,949,500
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$ 12,621,550	12,127,400	7,008,250	5,894,250	5,288,300

* On-going Projects

Rate Projections

	<u>2009</u>	<u>2010</u>		<u>2011</u>	<u>Projected</u>		<u>2014</u>
(in 1,000 gallons)					<u>2012</u>	<u>2013</u>	
Single Family-Residential Water Consumption	823,636	757,587		772,739	788,194	803,958	820,037
Non Single Family-Residential Water Consumption	910,451	852,887		869,944	887,343	905,090	923,192
Total Water Consumption	1,734,087	1,610,474		1,642,683	1,675,537	1,709,048	1,743,229
Sewer Consumption	1,378,078	1,288,123		1,313,885	1,340,163	1,366,966	1,394,306
Annual Bills Sent	195,480	195,480		196,457	197,440	198,427	199,419
Net Revenue Requirement - Water (Users)	\$ 11,408,102	\$ 12,083,799		\$ 14,119,405	\$ 15,083,930	\$ 14,969,024	\$ 15,320,884
Net Revenue Requirement - Sewer (Users)	\$ 9,652,916	\$ 10,448,064		\$ 10,489,871	\$ 10,982,568	\$ 12,251,472	\$ 13,807,975
Cost of Billing	\$ 1,029,582	\$ 1,122,244		\$ 1,155,912	\$ 1,190,589	\$ 1,226,307	\$ 1,263,096
			%				
			Increase				
Service Charge per Month	\$ 5.27	\$ 5.74	9%	\$ 5.88	\$ 6.03	\$ 6.18	\$ 6.33
Residential Water Rates per 1,000 Gallons							
Level 1: 0 - 3,000 gallons per Month	\$ 3.86	\$ 4.22	9%	\$ 4.91	\$ 5.16	\$ 5.00	\$ 5.02
Level 2: 3,001 - 6,000 gallons per Month	\$ 6.10	\$ 6.95	14%	\$ 7.08	\$ 7.44	\$ 7.21	\$ 7.23
Level 3: Over 6,000 gallons per Month	\$ 10.90	\$ 12.71	17%	\$ 16.94	\$ 17.80	\$ 17.26	\$ 17.31
Non Single-Family Residential Water Rate - per 1,000 Gallons	\$ 6.04	\$ 6.81	13%	\$ 7.90	\$ 8.30	\$ 8.05	\$ 8.07
Sewer Rate per 1,000 Gallons	\$ 7.00	\$ 8.11	16%	\$ 7.98	\$ 8.19	\$ 8.96	\$ 9.90

Water Rates During Emergency Water Restrictions:

			%				
			Increase				
Residential Water Rates per 1,000 Gallons							
Level 1: 0 - 3,000 gallons per Month	\$ 7.72	\$ 8.44	9%	\$ 9.82	\$ 10.32	\$ 10.00	\$ 10.03
Level 2: 3,001 - 6,000 gallons per Month	\$ 12.20	\$ 13.90	14%	\$ 14.15	\$ 14.87	\$ 14.42	\$ 14.46
Level 3: Over 6,000 gallons per Month	\$ 21.80	\$ 25.43	17%	\$ 33.89	\$ 35.61	\$ 34.53	\$ 34.63
Non Single-Family Residential Water Rate - per 1,000 Gallons	\$ 12.08	\$ 13.62	13%	\$ 15.80	\$ 16.60	\$ 16.09	\$ 16.14

Projected Capacity & Connection Fees

	<u>2009</u>	<u>2010</u>		<u>2011</u>	<u>Projected</u>		<u>2014</u>
					<u>2012</u>	<u>2013</u>	
Water System - Projected CIP Costs	\$ 2,916,500	\$ 3,009,100		\$ 4,640,150	\$ 5,508,250	\$ 4,263,350	\$ 3,338,800
Wastewater System - Projected CIP Costs	\$ 3,451,160	\$ 9,612,450		\$ 7,596,650	\$ 1,500,000	\$ 1,630,900	\$ 1,949,500
			%				
			Increase				
Water System Development Fees per ERC	\$ 1,037	\$ 1,325	28%				
Water Rivanna Capacity Fees per ERC	\$ 2,095	\$ 2,364	13%				
Sewer System Development Fees per ERC	\$ 1,532	\$ 1,911	25%				
Sewer Rivanna Capacity Fees per ERC	\$ 2,425	\$ 2,502	3%				
Water Local Facilities Fees	\$ 2,590	\$ 2,754	6%				
Sewer Local Facilities Fees	\$ 3,690	\$ 3,690	0%				
Water Local Facilities Fees (Undeveloped Lot)	\$ 5,180	\$ 5,508	6%				
Sewer Local Facilities Fees (Undeveloped Lot)	\$ 7,380	\$ 7,380	0%				

Anticipated Reserves

	2009	2010	2011	Projected		2014
				2012	2013	
FY 2009 - Beginning Operating & Maintenance Reserve	\$ 2,523,311					
Water Reserves	\$ 404,190	\$ 410,015	\$ 418,215	\$ 426,579	\$ 435,111	\$ 443,813
Sewer Reserves	\$ 164,375	\$ 155,032	\$ 174,551	\$ 196,530	\$ 221,328	\$ 249,204
Accumulated Operating & Maintenance Reserve	\$ 3,091,876	\$ 3,656,923	\$ 4,249,689	\$ 4,872,798	\$ 5,529,237	\$ 6,222,253

	2009	2010	2011	Projected		2014
				2012	2013	
Beginning 3R Reserve	\$ 6,993,884					
Utilize Reserves for Anticipated Capital Projects	\$ (2,469,000)	\$ (2,490,678)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
3R Reserve	\$ 641,585	\$ 666,609	\$ 714,733	\$ 754,988	\$ 771,053	\$ 787,844
Accumulated 3R Reserve	\$ 5,166,469	\$ 3,342,400	\$ 2,057,133	\$ 812,121	\$ (416,826)	\$ (1,628,982)

Projected Debt Service

Wastewater Capital Project	\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -
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Base Assumptions

Average Cost Increases:	12.0%
Interest Rate on Borrowings:	5.0%
Growth Rate Customer:	0.5%
Consumption Growth Rate:	0.0%
Interest Earned on Investments:	3.5%
Estimated Consumption:	270 gallons per day (1 ERC)
O&M Reserve:	2.0%
Repair, Renewal & Replacement "3R" Reserve:	0.4%