



MEMORANDUM

To: Board of Directors
From: Gary B. O'Connell, Executive Director
Date: May 13, 2010
Re: New Connections
cc: James M. Bowling, IV

The ACSA Executive Director has been requested to quarterly make a presentation to the Albemarle County Board of Supervisors (BOS). At the same meeting, Tom Frederick, with the Rivanna Water and Sewer Authority (RWSA), also quarterly makes a presentation to the BOS on RWSA activities and projects, including the Water Supply. The next BOS meeting is June 2. We are planning a similar report, as in the past, primarily focused on capital projects. We would present a listing of current projects, as well as use the "Map of New Projects", which is in your Board packet today.

We also, as part of this quarterly presentation, have been asked to do a 5-10 minute presentation on the ACSA new connection policy and costs. Mr. Roberts has been approached (and maybe others of you as well) with questions about new development costs, and in particular the ACSA connection fees. We have attached a copy of the PowerPoint presentation that Ms. Breeden and I will use in presenting to the Board. There is nothing new here for the ACSA Board (in fact we reviewed most of these in the budget discussions), but I wanted you to see in advance what we would be presenting to the BOS on June 2.

We are also trying to conduct a survey of the ACSA connection fees for various types of developments in order to compare to regional localities, as well as some of the higher growth counties in the state that are similar to our urban service area. At the time of the Board meeting preparation, we were just starting on this survey. When completed we will provide you a copy.

GBO/dbh
Attachment

0611NewConnectionsBoardMemo051310



Customer “Buy-In” and Connection Fees

Presentation to the Albemarle County Board of Supervisors

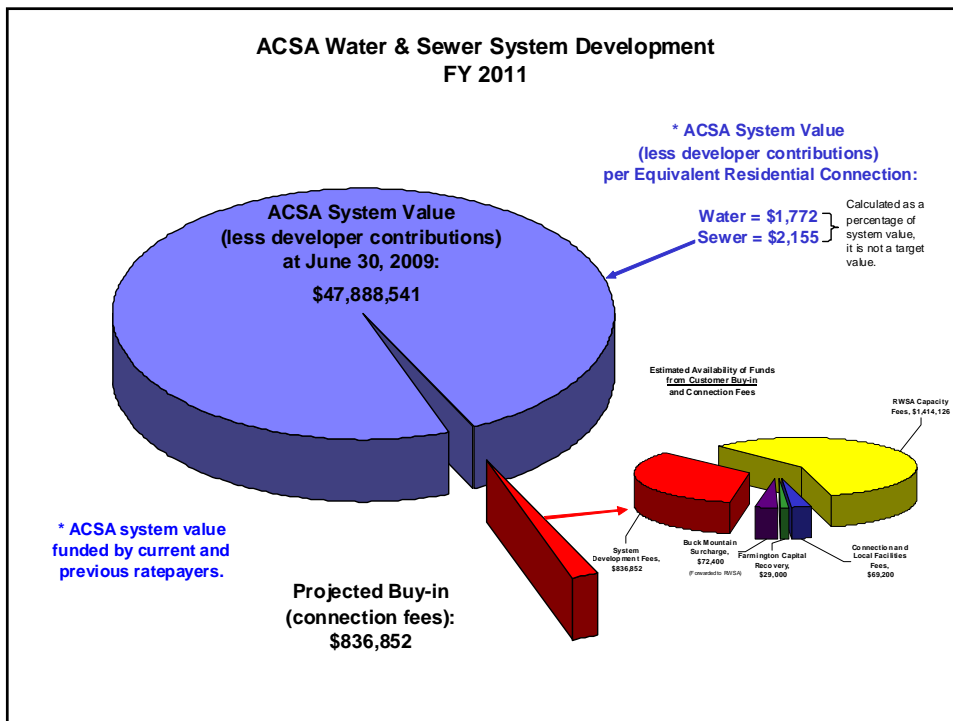
June 2, 2010

Customer Buy-In and Connection Fees

- Customer Buy-in and Connection Fees reduce the amount of user fees we must collect from our customers
- The largest two components of connection fees are based upon system value: ACSA System Development and RWSA Capacity

ACSA System Development Fees

ACSA Method of Calculating System Development Fees	FY11	FY11	FY11
	Water	Sewer	Total
Asset Value (FY 2009 Audited Figures)	59,195,784	65,652,134	124,847,917
Less: Contributed Capital (From Developers)	(35,401,313)	(41,558,064)	(76,959,377)
ACSA Paid in Equity	23,794,470	24,094,070	47,888,540
Plus Future Planned Improvements	5,015,050	12,764,900	
Equivalent Number of Customers (Current System)	16,147	13,069	
Newly Served Customers (Future Planned Improvements)	114	4031	
Charge per ERC - Proposed	\$ 1,772	\$ 2,155	
Current	\$ 1,640	\$ 1,995	
% Increase	8%	8%	



ACSA Rivanna Capacity Fees

Rivanna Water and Sewer Authority Capital Assets	Water System	Sewer System	Total
Total Capital Assets (1)	\$ 59,230,628	\$ 76,950,380	\$ 136,181,008
**Less Construction in Progress (FY 2006 New Debt, Capacity)	\$ (1,773,430)		
FY 2008 New Debt (Maintain) (2)	\$ 14,351,000	\$ 55,837,000	\$ 70,188,000 *
Total Capital Assets	\$ 71,808,198	\$ 132,787,380	\$ 206,369,008
FY 2006 New Debt (New Capacity Cost) (2)	\$ 1,773,430	\$ -	
FY 2008 New Debt (Expansion) (2)	\$ 32,726,000	\$ 4,464,000	
	\$ 34,499,430	\$ 4,464,000	
Additional ERC's to be served (New ERCs = 6.7 mgd / 270 gpd)	24,815	20,611	
ACSA Portion of Rivanna Assets - 56% (4)	\$ 40,212,591	\$ 74,360,933	
Total Current and Available ERC's	38,578	32,356	
	\$ 1,042	\$ 2,298	
ACSA Portion of Expansion: Water is 65%, Sewer is 46% (3)	\$ 44,834,071	\$ 4,327,967	
ACSA Share of Total ERC's	16,130	9,481	
	\$ 2,780	\$ 456	
Total RWSA 2009 Capacity Fee	\$ 3,822	\$ 2,756	

Notes:

- (1) - From Rivanna 2009 CAFR
- (2) - New Debt figures derived from Cost Allocation Agreement, 03/12/2008
- (3) - Renegotiation of Percentages from the South Rivanna Expansion and Community Water Supply 2003 Agreement
- (4) - Allocation of Assets based upon % of capacity used (56% for ACSA)

* You will notice on the schedule for Rivanna Capacity fees that I've modified it (slightly) to account, not for ACSA's share of annual debt service payments, but for ACSA's share of total debt, refunding and new, as an increase in total capital assets.

