



Albemarle County,
Virginia

POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2020



168 Spotnap Rd.
Charlottesville, VA 22911





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WHAT IS A POPULAR ANNUAL FINANCIAL REPORT?

Popular Annual Financial Reports (PAFR) are streamlined, abbreviated versions of Comprehensive Annual Financial Reports (CAFR).

Our PAFR has been designed to communicate efficiently with clear language and appealing graphics to promote fiscal stewardship, trust, and transparency within our community.

This report highlights the fiscal information presented in the Fiscal Year 2020 CAFR and does not contain all the detailed financial information required in the Albemarle County Service Authority FY2020 CAFR.

To obtain the most current and past CAFR's we encourage you to please visit our website: <https://serviceauthority.org/customerservices/budgets-rates-and-fees/>



VALUES

The Albemarle County Service Authority (ACSA) is committed to providing the highest quality customer service that:

A - ALIGNS to our values of honesty, trust, integrity, mutual respect, open communication, and employee empowerment.

C - COMMITS to our community through responsiveness and collaboration. We actively promote conservation and environmental stewardship.

S - STRIVES for professional excellence by maintaining consistent and fair policies across the organization, and encouraging pride and dedication to ensure a healthy working environment.

A - ASPIRES to practice strategic foresight and fiscal responsibility while embracing innovation.

MISSION



“With pride and dedication, we serve our customers by providing clean safe water, exemplary wastewater services, and fire protection infrastructure. Together with our community partners we maintain and improve our utility system in a timely, cooperative, and financially responsible manner.”

VISION



“Serve and conserve today, sustain for tomorrow, and protect our resources forever.”



STRATEGIC PLAN 2020-22

With the successful completion of the Albemarle County Service Authority’s 2013-2018 Strategic Plan, the ACSA set their sights on implementing a new, three-year Strategic Plan for 2020 through 2022. Which can be viewed at: <https://serviceauthority.org/about-acsa/who-are-we>.



MESSAGE FROM THE DIRECTOR OF FINANCE

Mr. Quin Lunsford



The Albemarle County Service Authority (the Authority) is pleased to present this Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2020 as part of our continuous effort to improve transparency and customer service. This PAFR provides a less technical, easy-to-understand version of the 2020 Comprehensive Annual Financial Report (CAFR). The PAFR is formulated to provide readers an overview of the Authority's finances and general information sourced from the 2020 CAFR.

The information shared in this report is an unaudited financial summary of the CAFR. I am honored to work with, and sincerely thank, the dedicated professionals who are committed to the Authority's mission and long-term financial and operational health of our system.

As you review this report, if you would like additional information on the annual budget or audited financial statements, you can access these reports at <https://serviceauthority.org>. Additionally, If you have any questions or if there is additional information that we can provide, we want to hear from you. Don't hesitate to contact me at qlunsford@serviceauthority.org.

A handwritten signature in black ink, appearing to read "Quin Lunsford".



MEET OUR MANAGEMENT TEAM

ALBEMARLE COUNTY
BOARD OF SUPERVISORS

ACSA
BOARD OF DIRECTORS

EXECUTIVE DIRECTOR



Mr. Gary B. O'Connell



Mr. Quin Lunsford
FINANCE



Mr. Michael Lynn
OPERATIONS



Ms. Emily Niziolek
ADMINISTRATION



Mr. Pete Gorham
ENGINEERING



Mr. Travis Marrs
INFORMATION TECH.



CONTACT INFORMATION

168 Spotnap Road
Charlottesville, Virginia 22911
434-977-4511
webmaster@serviceauthority.org
Monday-Friday
8:00 a.m. to 5:00 p.m.

WHO WE SERVE

ACSA Water Connections by Type



Single Family 18,722



Commercial 1,231



Multi-Family 573



Industrial/Institutional 261

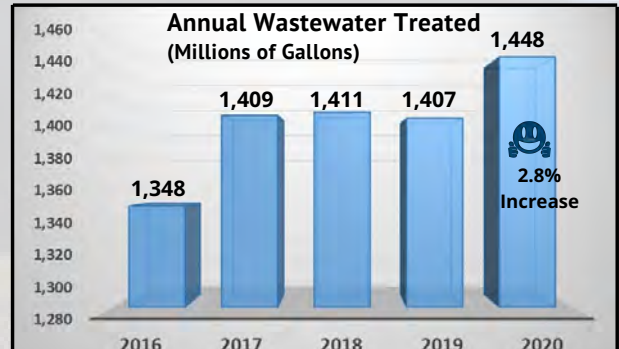
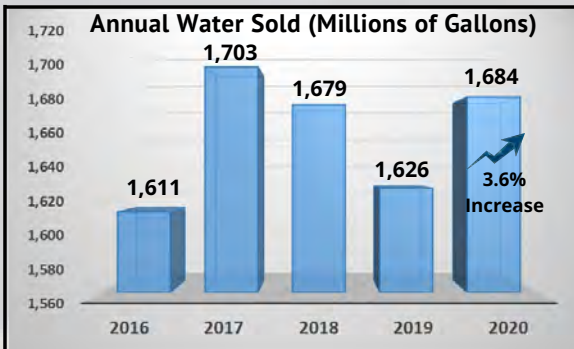


TEN LARGEST WATER USERS

Rank	Name	Gallons used (Thousands)
1	Southwood Mobile Homes	22,749
2	University of Virginia	22,140
3	SEMF Charleston	21,909
4	Old Salem Apts.	20,342
5	Albemarle-Charlottesville Regional Jail	19,679
6	Abbingtion Crossing	19,255
7	Martha Jefferson Hospital	18,949
8	Westminster Canterbury	16,708
9	Four Seasons Apts.	16,415
10	Turtle Creek Apts.	16,023

TEN LARGEST WASTEWATER USERS

Rank	Name	Gallons used (Thousands)
1	Southwood Mobile Homes	22,831
2	SEMF Charleston	21,909
3	University of Virginia	21,223
4	Old Salem Apts.	20,342
5	Abbingtion Crossing	19,255
6	Albemarle-Charlottesville Regional Jail	18,683
7	Four Seasons Apts.	16,415
8	Turtle Creek Apts.	16,006
9	Westminster Canterbury	15,861
10	Westgate Apts	14,940



WHAT WE PROVIDE



78,435

Water Customers Served



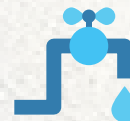
70,733

Sewer Customers Served



4.6 million

Gallons of Water Sold Daily



358

Miles of Water Mains



301

Miles of Sewer Mains



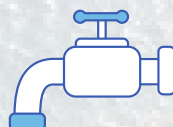
11,091

Work Orders Completed



8

Water Storage Tanks



9

Water Pump Stations



12

Sewer Pump Stations



2,818

Fire Hydrants

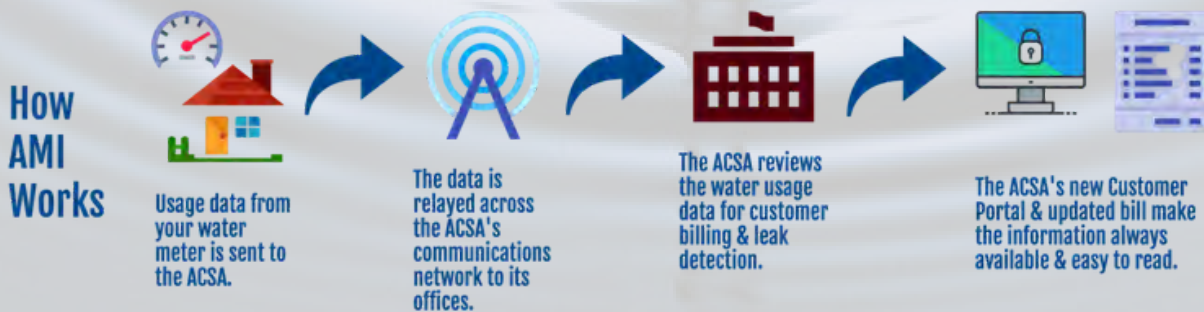
PROJECT SPOTLIGHT-MY WATER



MyWater is an innovation program, which includes a series of customer service and infrastructure related improvements. It begins with the Advanced Metering Infrastructure (AMI) project. Advanced meters will securely deliver customer water usage information directly to the ACSA for billing and operations. This new functionality will allow both customers and the ACSA to proactively analyze usage data in near real-time. Notifications on leaks, high usage, outages and other events will also be a part of the program, helping customers avoid higher bills while we all cut water waste. MyWater meter upgrades are expected to begin in late 2020 and be completed in 2022. The project will consist of two phases: Phase 1 and Full Deployment.

The purpose of phase 1 is to validate new business processes, integration, employee engagement and system performance with a small number of meters (approximately 500). Full Deployment will follow with an upgrade of all remaining meters throughout our service territory. Nearly half of our current meter population includes iPERLs from Sensus. These meters will not require a full replacement, but they will be enhanced with a radio device instead. This program supports our continual efforts to maintain the highest level of customer service and improve utility operations.

MyWater empowers customers with several benefits and will streamline operations by reducing many of our manual processes including meter reading and billing while allowing for other value-added services.



Enhanced Customer Service



Proactive Leak Alerts



Customer Cost Control



Added Efficiency & Sustainability

CAPITAL PROGRAM HIGHLIGHTS

Infrastructure and system-wide upgrades are a top priority and integral part of the water and wastewater system. These projects are vital to Albemarle County Service Authority's commitment in providing safe and reliable service, meeting regulatory requirements and in accommodating growth. To learn more about Albemarle County Service Authority's Capital Improvement Programs, please visit:

<https://serviceauthority.org/whats-going-on/cip/>

 **Advanced Metering Infrastructure (AMI) Implementation**

\$ 8,000,000

 **Vulnerability Assessment Improvements**

\$ 1,476,000

 **Meriwether Hill Water Main Replacement**

\$ 3,300,000

 **Sewer Pump Station Comminuters**

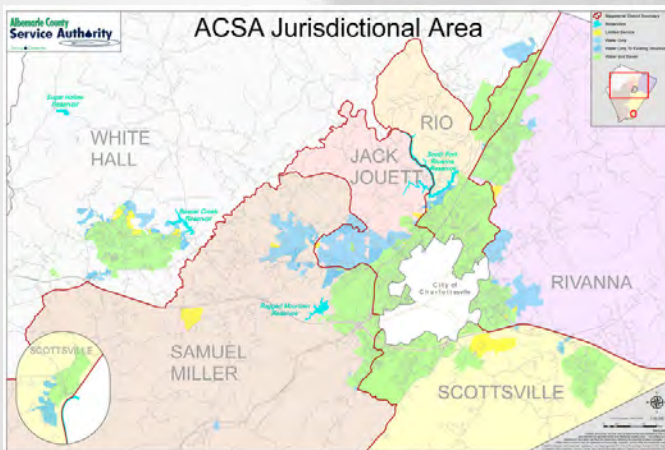
\$ 400,000



CAPITAL IMPROVEMENTS:

Much of Albemarle County Service Authority's assets are contained in the water distribution system and the wastewater collection system.

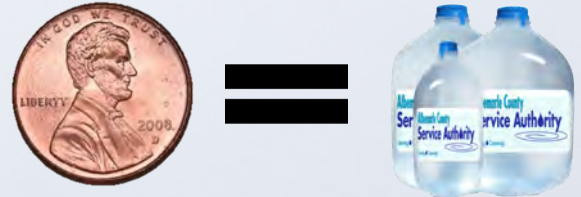
Projects are identified based on priority and scheduled accordingly. While not all inclusive, the featured four projects (above) highlight some of the major capital activities remaining in the current capital plan.



FISCAL YEAR 2020 FINANCIAL HIGHLIGHTS

- Fiscal year 2020 operating revenues **increased 8.97%** to \$29,869,492 as compared to fiscal year 2019 while operating expenses increased 3.18% to \$30,806,207 during the same period.
- The Authority realized returns on investments in the current fiscal year, totaling \$733,385. This is a decrease of \$213,214 or 22.52% compared to the prior fiscal year. The decrease is attributable to lower returns on LGIP investments maintained by the Authority.

VALUE OF WATER



AVERAGE WATER BILLS

The average residential customer has seen an annual increase of 3.8% in their monthly bill over the past five years.



*Based on 4,000 gallons of consumption

REVIEW OF OPERATIONS IN 2019

- Billed water usage in fiscal year 2020 was 1.68 billion gallons and was 57 million gallons or 3.5% more than billed water usage in fiscal year 2019.
- The Authority's customer base grew by 2.6% or 535 new connections by the end of the fiscal year.
- Billed wastewater collections in fiscal year 2020 was 1.45 billion gallons and was 41 million gallons or 2.9% more than billed wastewater collection in fiscal year 2019.



NET POSITON SUMMARY

The Abbreviated Statement of Net Position (below) provides information the ACSA's total assets and deferred outflows and total liabilities & defered inflows, with the difference between the two reported as total net position. Changes in net position serves as a useful indicator of whether the financial position of the ACSA is improving or declining.



ABBREVIATED STATEMENT OF NET POSITION			
Year	Total Assets & Defered Outflows	Total liabilities & Defered Inflows	Total Net Position
2016	\$166,649,482	15,673,301	\$150,976,181
2017	\$177,696,069	16,374,695	\$161,321,374
2018	\$193,840,011	17,337,772	\$176,502,239
2019	\$203,915,414	17,890,301	\$186,025,113
2020	\$217,258,881	16,983,771	\$200,275,110

5 year trend of net position:
 Increase of
\$ 49.30 million ↑
 Since 2016

FINANCIAL STATUS:

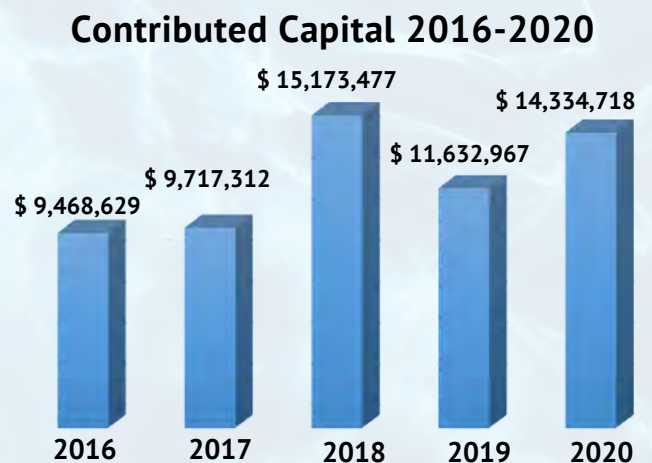
Albemarle County Service Authority's overall financial condition continued to be outstanding through 2020 as revenues exceeded expenditures. Total net position increased by \$14.25 million, or 7.7%, in 2020, compared to an increase of \$9.52 million, or 5.4% in 2019. The financial position of the ACSA remains strong and stable.

Total net position increased
\$ 14.25 million
 in fiscal year 2020

CAPITAL CONTRIBUTIONS:

These are two components of contributed capital: cash and contributed systems. The cash component consists of various capital related charges such as System Development and Capacity Charges. These charges are applied toward growth related capital costs and are not used in day-to-day operations.

Contributed systems are typically water and sewer lines that are installed and paid for by developers who transfer ownership of these assets to the Albemarle County Service Authority. The 2020 capital contributions, cash and contributed systems, combined, were \$ 14.33 million.



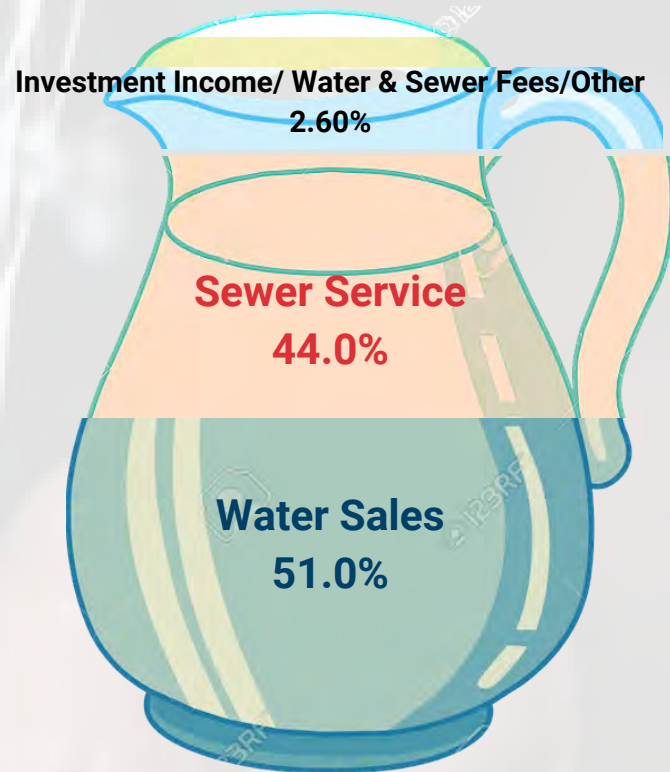
REVENUES

Total Operating Revenue \$29,869,492

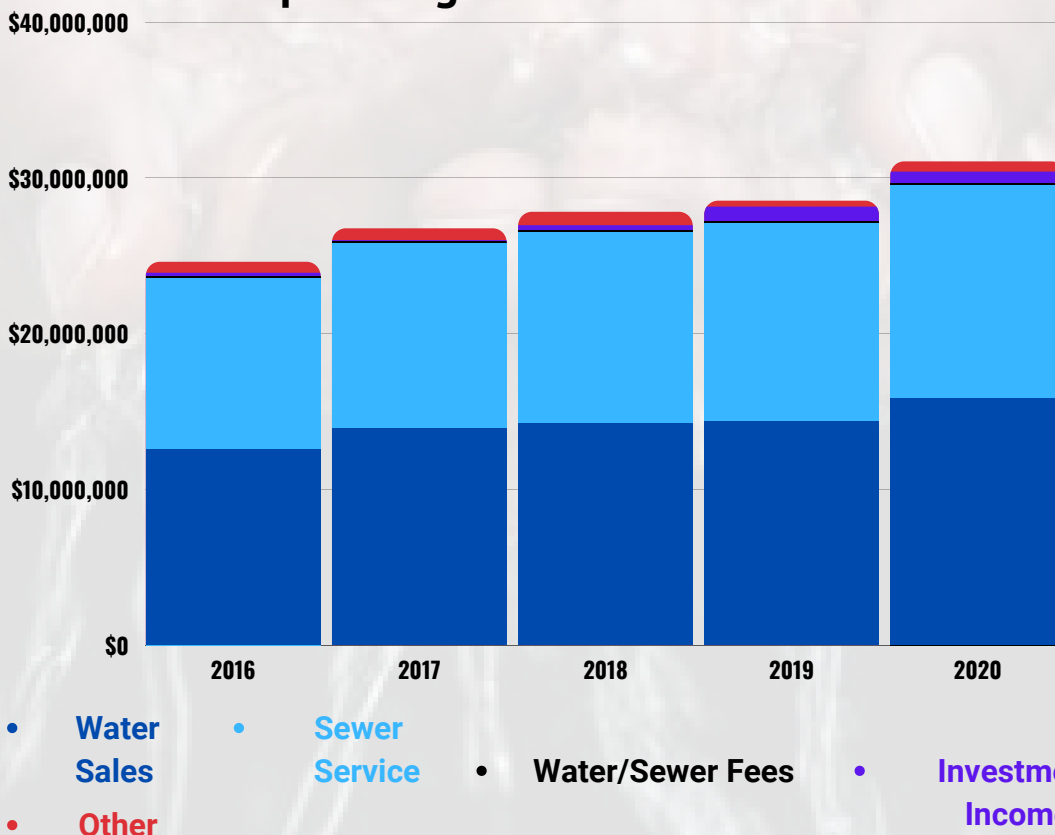
Water sales increased by \$1.47 million, or 10.3%, to \$15,839,848 in 2020 over the 2019 amount of \$14,365,666. Wastewater services increased by \$0.97 million, or 7.7%, from \$12,688,282 in 2019 to \$13,662,193 in 2020. These increases are a result of both growth in consumption as well as implementation of a rate increase. Water consumption increased 3.7% from 1.62 billion gallons in 2019 to 1.68 billion gallons in 2020.

Other operating revenues which include miscellaneous items such as water connection and late fees totaled \$367,451 in 2020 or 3.10% higher than 2019. Non-operating revenues which are comprised of interest income, and miscellaneous other items increased by 5.7%, or \$63,000, to \$1,169,493 over the 2019 amount of \$1,106,395.

Revenue by Type FY 2020 (\$31,038,985)



Operating Revenue 2016-2020

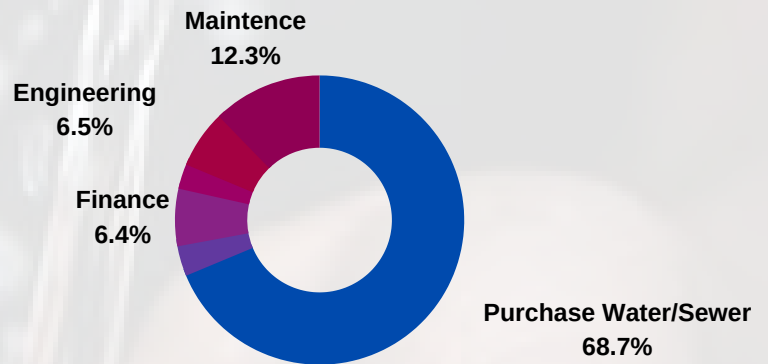


EXPENSES

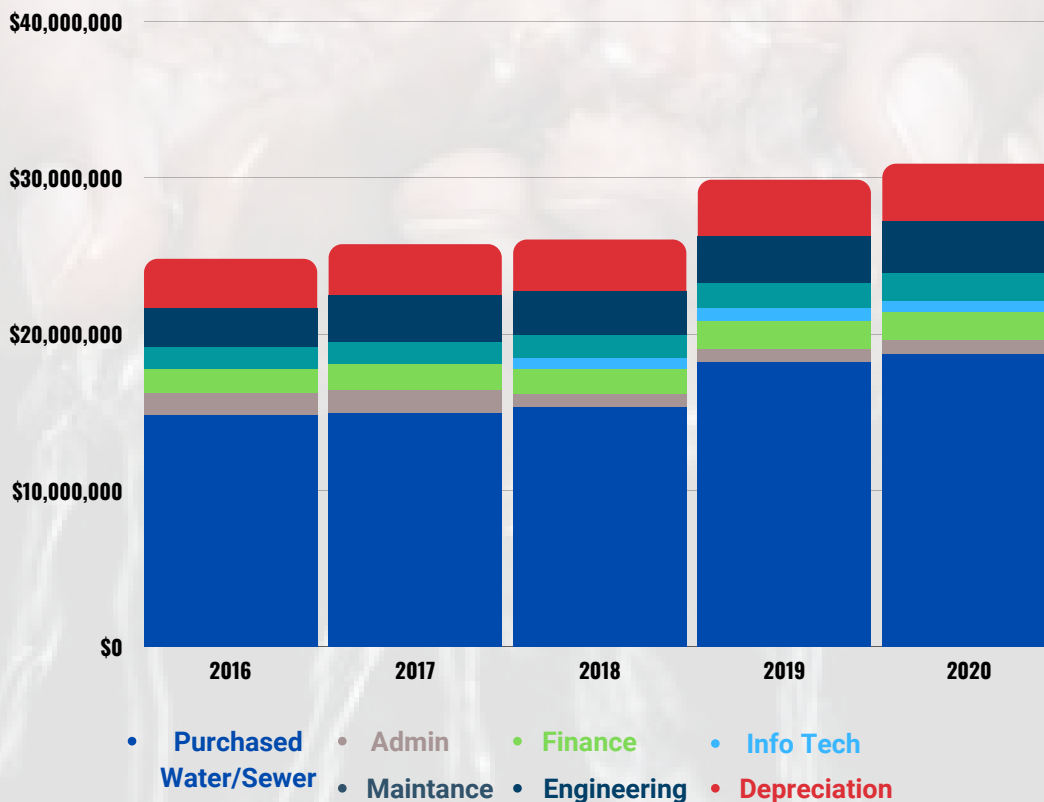
Total Operating Expenses \$30,806,207

2020 total operating expenditures increased over the previous year by \$0.95 million, or 3.2%, to \$30,806,207 when compared to 2019 operating expenses of \$29,855,920. Increases in the cost of purchased water of over \$763,000 and maintenance and repairs of over \$316,000 comprise most of this increase. The purchase of water and wastewater treatment from the Rivanna Water and Sewer Authority makeup over 60% of the total operating expenses or \$18,694,581 of the total. Albemarle County Service Authority continues to strive to control expenses while maintaining a high level of system-wide maintenance and customer service. Non-Operating expenses, which for 2020 is \$317,499, is mostly attributable to interest expense on one debt issuance. Interest expense for 2020 totaled \$309,946.

TOTAL OPERATING EXPENSES FY2020



Operating Expenses 2016-2020



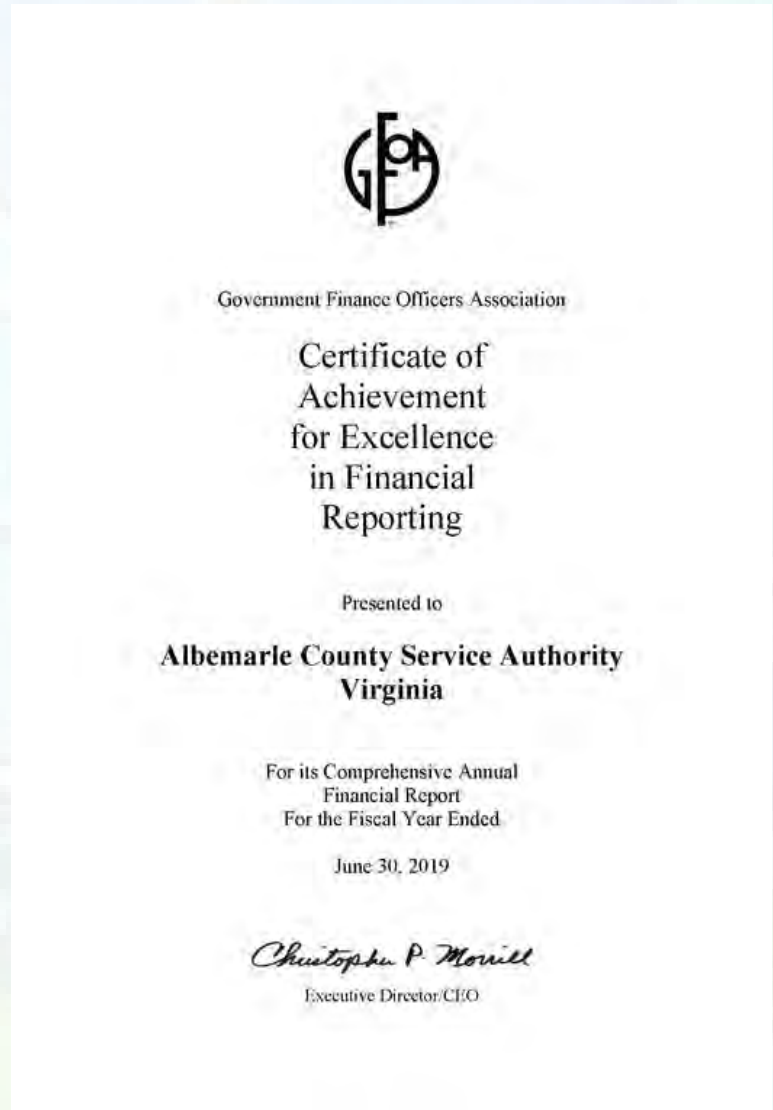
FINANCIAL AWARDS IN FY2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Albemarle County Service Authority's Comprehensive Annual Financial Report (CAFR) for the year ended 2019 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement in the highest highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement , a government unit must publish easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. As such, the CAFR must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority believes its current CAFR continues to conform to the Certificate of Achievement Program requirements and is submitting the CAFR for the current year to the GFOA.



GIVING BACK TO THE COMMUNITY

"A DAY OF CARING"

Albemarle County Service Authority gives back to the community.

- Collaboration with United Way's "Day of Caring"
- Local school Art Contest "Imagine a day without water" Campaign, see more at: <https://charlottesville.org/500/Imagine-a-Day-without-Water>
- ACSA staff helped build a dog park at Edge Senior Living
- ACSA helping with Habitat for Humanity

