Albemarle County Service Authority
Serving Conserving

BOARD OF DIRECTORS' MEETING

November 19, 2026
9:00 A.M.

AGENDA

This meeting is being held pursuant to and in compliance with Va. Code Section 2.2-3708(3). The ACSA Board of Directors is responsible for receiving public comment. The opportunities for the public to access and participate in the electronic meeting are as follows: Join the meeting virtually through Zoom by visiting our website at www.serviceauthority.org; call in and leave a message prior to the meeting at (434) 977-4511, or email the Board prior to the meeting at board@serviceauthority.org.

9:00 a.m.	**1.** Call to Order and Establish a Quorum –Statement of the Board Chair
9:05 a.m.	**2.** Approve Minutes of October 15, 2026
9:10 a.m.	**3.** Matters from the Public
9:20 a.m.	**4.** Response to Public Comment
9:30 a.m.	**5.** Consent Agenda
	a. Monthly Financial Reports
	b. Monthly Capital Improvement Program (CIP) Report
	c. Capital Improvement Plan (CIP) Project Close-Outs
	d. Monthly Maintenance Update
	e. IT Monthly Update
	f. Rivanna Water and Sewer Authority (RWSA) Monthly Update
	g. ACSA Board Policy Issues Agenda 2026
9:50 a.m.	**6.** Annual Comprehensive Financial Report (ACFR) Presentation
10:20 a.m.	**7.** Items Not on the Agenda
	8. Adjourn

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CHAIR TO OPEN NOVEMBER 19, 2026 MEETING

This meeting today is being held pursuant to and in compliance with Va. Code Section 2.2-3708.3.

The opportunities for the public to access and participate in the electronic meeting are posted on the ACSA's website. Participation will include the opportunity to comment on those matters for which comments from the public will be received.

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 has 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 surface 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 a 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 of 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 date, 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.

_____

Quin Lunsford, Secretary-Treasurer

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Monthly Financial Reports **STAFF CONTACT/PREPARER:** Andrew Oliver, Director of Finance;	**AGENDA DATE:** November 19, 2026 **ACTION:** Informational **ATTACHMENTS:** Yes

BACKGROUND: Water and sewer financial reports and check registers for the month of October are attached for your review.

DISCUSSION:

- Water consumption for the month of September decreased 1.5% compared to August. Water consumption for the month of September 2026 compared to September 2025 decreased 4.3%.
- RWSA's invoice of $3,615,421 for the month of September was paid on October 9, 2026.
- Unearned water and sewer connection charges totaled $3,708,763 at month end.
- System connection charge revenue is exceeding budgeted expectations with $1,773,000 recognized in September.
- Water and Wastewater revenues for FY 2027 are above budgeted expectations by 7.9%. Please see the water/wastewater trend analysis included illustrating that when adjustment for expected variations in seasonal consumption is considered, revenues are 2.6% less than budgeted expectations.
- Investment update: LGIP's effective monthly yield stands at 4.1%, while PFM's yield to maturity at market is 4.6%, reflecting current market conditions and portfolio performance.
- The Statement of Net Position reflects the recent $19.91 million bond issuance with proceeds invested in the Virginia State Non-Arbitrage Program. These funds will be drawn in the form of reimbursements to the ACSA for capital costs incurred since February and over the course of the next few months for capital costs to be incurred.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

BUDGET IMPACT: Informational only.

RECOMMENDATIONS: None

BOARD ACTION REQUESTED: None; informational item only.

ATTACHMENTS:

1. Statement of Net Position
2. Year-to-Date Budget to Actual Comparison/Commentary
3. Investment Summary
4. Capacity/System Development Reserves
5. Connection Charges/ERC Analysis
6. Monthly Water and Sewer Charges from the RWSA
7. Monthly Water Consumption
8. Water and Sewer Report; Customer Class Report
9. Major Customer Analysis
10. Water/Wastewater Revenue Trend Analysis
11. Aged Receivables Analysis
12. Check Register

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF NET POSITION
October 31, 2026

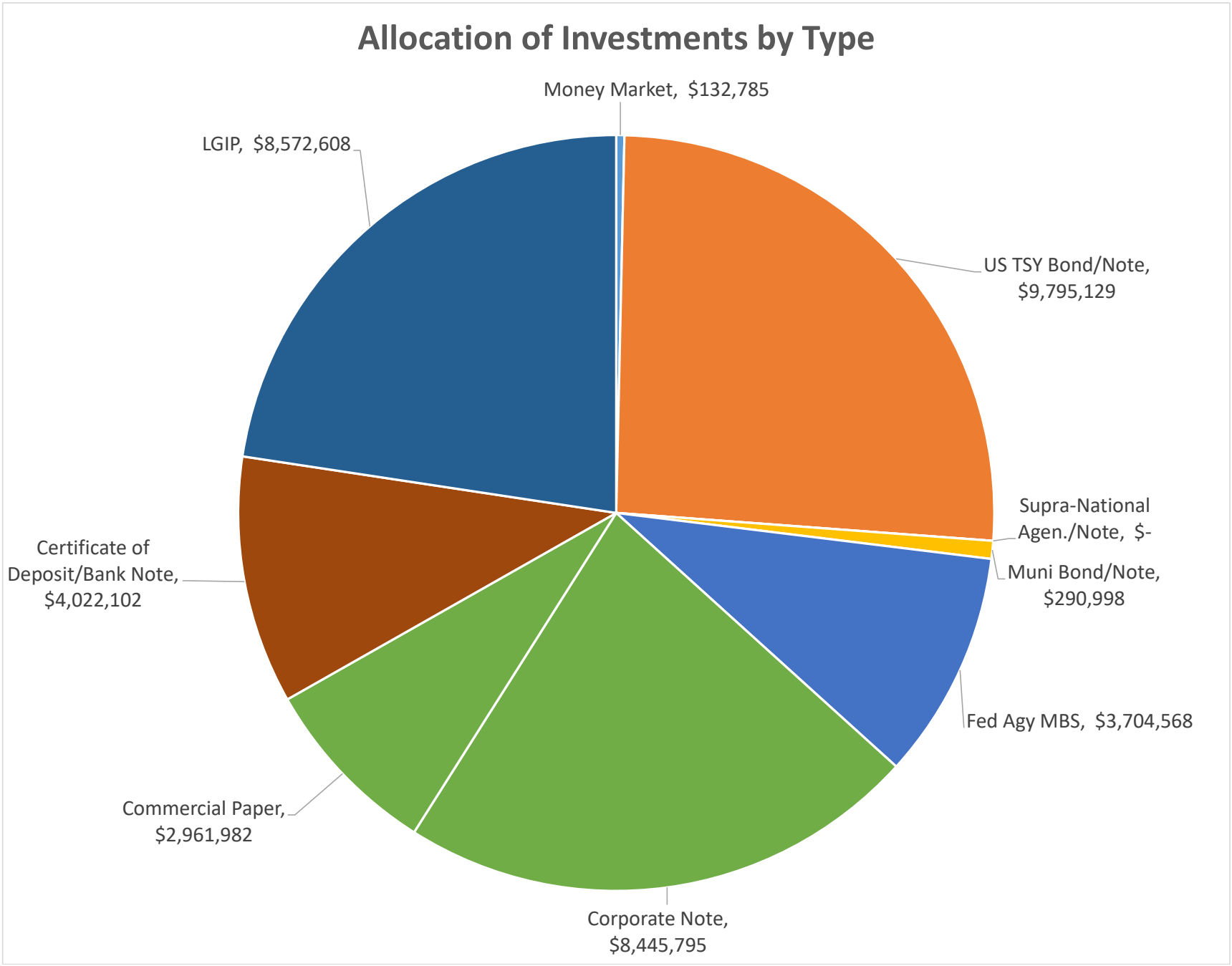
ASSETS	
Cash and cash equivalents	$ 9,930,623
Accounts receivable	7,535,722
Investments	37,925,967
Capital assets: (net of accumulated depreciation)	220,515,755
Inventory	679,422
Prepaids	135,372
Cash and cash equivalents, restricted	20,415,608
Total assets	297,138,469
DEFERRED OUTFLOWS OF RESOURCES	
Combined deferred outflows of resources	2,449,720
LIABILITIES	
Accounts payable	4,582,737
Accrued liabilities	396,887
Compensated absences	2,249,046
Net pension liability	4,221,164
Other post-employment benefits	1,771,261
Unearned connection fees	3,708,763
Long-term debt	22,965,301
Total liabilities	39,895,159
DEFERRED INFLOWS OF RESOURCES	
Combined deferred inflows of resources	990,000
NET POSITION	258,703,030

ALBEMARLE COUNTY SERVICE AUTHORITY
For the One Month Ending October 31, 2026

	Budget FY 2027	Budget Year-to-Date 2027	October Actual Year-to-Date	Actual vs. Budget	Variance Percentage	
Revenues						
Water Sales	29,750,000	9,916,667	10,985,743	1,069,076	10.78%	
Sewer Service	20,200,000	6,733,333	6,984,773	251,440	3.73%	
Total operating revenues	**49,950,000**	**16,650,000**	**17,970,516**	**1,320,516**	**7.93%**	**A**
Operating Expenses						
Purchase of bulk water	(26,814,100)	(8,938,033)	(9,263,814)	(325,781)	3.64%	**B**
Purchase of sewer treatment	(16,843,600)	(5,614,533)	(5,243,829)	370,704	(6.60%)	**B**
Administration	(1,639,100)	(546,367)	(560,901)	(14,534)	2.66%	**C**
Finance	(3,523,200)	(1,174,400)	(1,115,449)	58,951	(5.02%)	**C**
Information Technology	(2,865,200)	(955,067)	(851,458)	103,609	(10.85%)	**C**
Engineering	(2,963,400)	(987,800)	(970,461)	17,339	(1.76%)	**C**
Maintenance	(6,054,500)	(2,018,167)	(1,688,285)	329,882	(16.35%)	**C**
Total operating expenses	**(60,703,100)**	**(20,234,367)**	**(19,694,197)**	**540,170**	**(2.67%)**	
Operating gain(loss)	**(10,753,100)**	**(3,584,367)**	**(1,723,681)**	**1,860,686**	**(51.91%)**	
Nonoperating Revenues						
System connection charges	9,000,000	3,000,000	7,216,010	4,216,010	140.53%	**D**
Investment/Interest Income	750,000	250,000	430,750	180,750	72.30%	**E**
Rental income	16,000	5,333	4,862	(471)	(8.84%)	
Miscellaneous revenues	676,000	225,333	516,238	290,905	129.10%	**F**
Total nonoperating revenues (expenses)	**10,442,000**	**3,480,667**	**8,167,860**	**4,687,193**	**134.66%**	
Nonoperating Expenses						
Miscellaneous expenses	(1,754,900)	(584,967)	(295,642)	289,325	(49.46%)	**G**
Bond interest charges	(1,108,000)	(369,333)	(442,674)	(73,341)	19.86%	**H**
Depreciation	-	-	(1,721,664)	(1,721,664)	0.00%	**I**
Total nonoperating revenues (expenses)	**(2,862,900)**	**(954,300)**	**(2,459,980)**	**(1,505,680)**	**157.78%**	
Capital contributions	**-**	**-**	**1,442,254**	**1,442,254**		
Change in Net Position	**(3,174,000)**	**(1,058,000)**	**5,426,453**	**6,484,453**	**(612.90%)**	

Albemarle County Service Authority
Budget-to-Actual Year to Date Commentary

- **A.** Water and sewer revenues were more than budgeted amounts by 7.9%. Consumption through October (gallons) appears reasonable considering the ACSA's normal seasonal consumption pattern. Further information related to seasonal revenue expectations can be found later in the Board packet.
- **B.** Expenses related to purchases of bulk water and sewer treatment from the RWSA are less than budgeted amounts by 0.3%. Monthly billings prepared by the RWSA allocate total water/wastewater flows to the ACSA/City based on the consumption of each for the quarter immediately preceding.
- **C.** Departmental operating budgets through the current month remain bellowed budgeted expectations for the fiscal year with Administration being an exception. Variations early in the fiscal year are expected as timing of expenses can more greatly impact variances. Departmental expenses will continue to be monitored throughout the fiscal year and are expected to align with the budget.
- **D.** System connection charge revenue is higher than the budgeted amount. Connection charge revenue is often difficult to project and can fluctuate from year to year. These charges are dependent upon new customers connecting to the system.
- **E.** Investment income, which includes both interest income and adjustments to fair market value are recorded in these accounts. Investment earnings are higher than budgeted expectations through the current month.
- **F.** Miscellaneous revenues consist of multiple lines and include inspection fees, plan review, reconnections/initial bill fees, invoiced water usage, and gains associated with sales of capital assets retired from service.
- **G.** The budgeted amount includes expected outlays for capital equipment and losses on disposal of capital assets. Equipment is capitalized when placed in service.
- **H.** Bond interest charges are recorded as incurred.
- **I.** Depreciation is not a budgeted line-item accounting for the variance. Depreciation expense is considered during the annual budgeting process as this expense is utilized to calculate the required contribution to the 3r reserve.


Allocation of Investments by Type
Money Market, $132,785
LGIP, $8,572,608
US TSY Bond/Note, $9,795,129
Supra-National Agen./Note, $-
Muni Bond/Note, $290,998
Certificate of Deposit/Bank Note, $4,022,102
Fed Agy MBS, $3,704,568
Commercial Paper, $2,961,982
Corporate Note, $8,445,795

pfm asset management

Portfolio Summary and Statistics

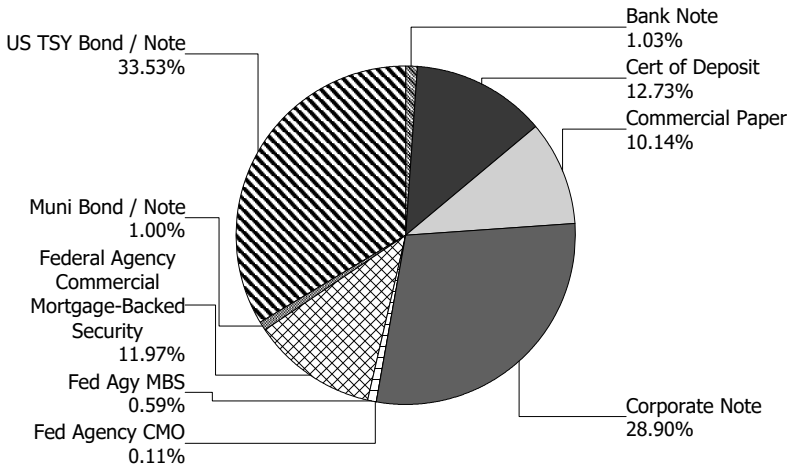
For the Month Ending **October 31, 2026**

ACSA OPERATING FUNDS - 03100100

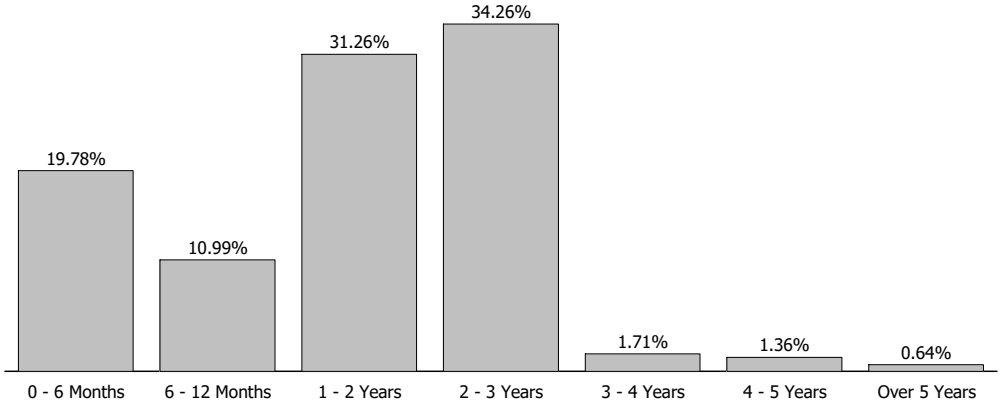
Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	9,910,000.00	9,795,129.22	33.53
Municipal Bond / Note	290,000.00	290,997.52	1.00
Federal Agency Mortgage-Backed Security	182,659.10	173,225.46	0.59
Federal Agency Commercial Mortgage-Backed Security	3,577,604.92	3,498,831.82	11.97
Federal Agency Collateralized Mortgage Obligation	35,654.19	32,511.13	0.11
Corporate Note	8,555,000.00	8,445,794.88	28.90
Commercial Paper	3,000,000.00	2,961,982.20	10.14
Certificate of Deposit	3,725,000.00	3,720,833.22	12.73
Bank Note	300,000.00	301,268.40	1.03
Managed Account Sub-Total	**29,575,918.21**	**29,220,573.85**	**100.00%**
Accrued Interest		303,392.92	
Total Portfolio	**29,575,918.21**	**29,523,966.77**	
Unsettled Trades	**480,000.00**	**480,095.40**	

Sector Allocation

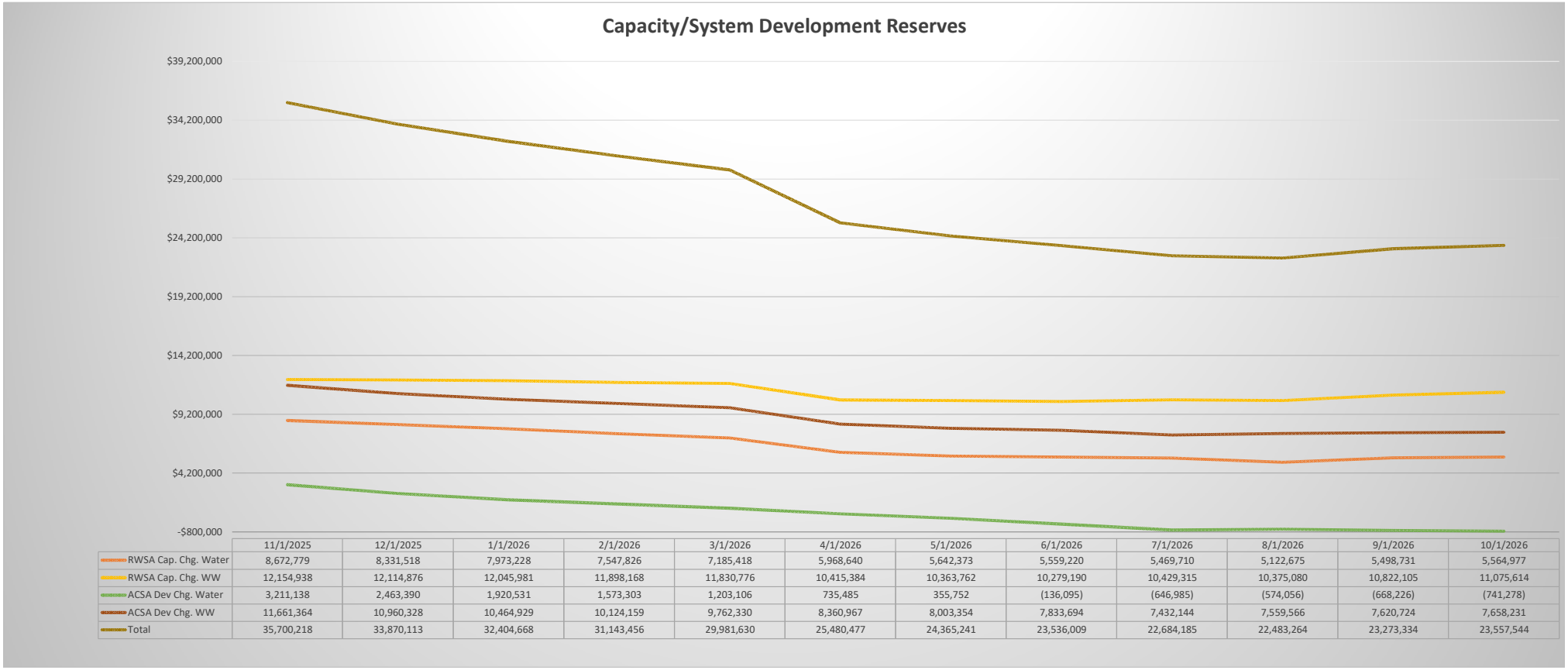


Maturity Distribution



Characteristics

Yield to Maturity at Cost	4.19%
Yield to Maturity at Market	4.63%
Weighted Average Days to Maturity	588



	11/1/2025	12/1/2025	1/1/2026	2/1/2026	3/1/2026	4/1/2026	5/1/2026	6/1/2026	7/1/2026	8/1/2026	9/1/2026	10/1/2026
RWSA Cap. Chg. Water	8,672,779	8,331,518	7,973,228	7,547,826	7,185,418	5,968,640	5,642,373	5,559,220	5,469,710	5,122,675	5,498,731	5,564,977
RWSA Cap. Chg. WW	12,154,938	12,114,876	12,045,981	11,898,168	11,830,776	10,415,384	10,363,762	10,279,190	10,429,315	10,375,080	10,822,105	11,075,614
ACSA Dev Chg. Water	3,211,138	2,463,390	1,920,531	1,573,303	1,203,106	735,485	355,752	(136,095)	(646,985)	(574,056)	(668,226)	(741,278)
ACSA Dev Chg. WW	11,661,364	10,960,328	10,464,929	10,124,159	9,762,330	8,360,967	8,003,354	7,833,694	7,432,144	7,559,566	7,620,724	7,658,231
Total	35,700,218	33,870,113	32,404,668	31,143,456	29,981,630	25,480,477	24,365,241	23,536,009	22,684,185	22,483,264	23,273,334	23,557,544

Note: Additions to Capacity/System Development Reserves are from monthly connection charges, reductions to the reserves are from monthly growth related expenses/capital costs.

Albemarle County Service Authority
Connection Fee Analysis
September 2026

Area	September 2026 Monthly Connection Fees	September 2025 Monthly Connection Fees	$ Change	% Change
Crozet	$ 155,300	$ 414,870	$ (259,570)	-63%
Urban	1,617,700	1,327,540	290,160	22%
Scottsville	-	-	-	
Total Connection fees	$ 1,773,000	$ 1,742,410	$ 30,590	2%

Through September

Area	YTD FY 2027 Connection Fees	YTD FY 2026 Connection Fees	$ Change	% Change
Crozet	$ 448,600	$ 757,510	$ (308,910)	-41%
Urban	4,251,160	$ 1,825,800	$ 2,425,360	133%
Scottsville	-	14,430	(14,430)	-100%
Total Connection fees	$ 4,699,760	$ 2,597,740	$ 2,102,020	81%

Area	September 2026 ERC's	September 2025 ERC's	Change	% Change
Crozet	10	28	(18)	-64%
Urban	98	89	9	10%
Scottsville	-	-	-	
Total ERC's	108	117	(9)	-8%

Through September

Area	YTD FY 2027 ERC's	YTD FY 2026 ERC's	Change	% Change
Crozet	27	51	(24)	-47%
Urban	258	122	136	111%
Scottsville	-	1	(1)	-100%
Total ERC's - YTD	285	174	111	64%

Note: This analysis shows, both in dollars and ERC's, connections by month and YTD for the period under review. As noted above, connection fees are comparable to the prior year. See the "Three Year Connection Fee Comparison" for further discussion related to this change.

Albemarle County Service Authority
Three Year Connection Fee Comparison
September 2026

Area	September 2026 ERC's	September 2025 ERC's	September 2024 ERC's
Crozet	10	28	14
Urban	98	89	19
Scottsville	-	-	-
Total ERC's	108	117	33

Through September

Area	YTD 2027 ERC's	YTD 2026 ERC's	YTD 2025 ERC's
Crozet	27	51	40
Urban	258	122	111
Scottsville	-	1	-
Total ERC's - YTD	285	174	151

Note: The information above present ERCs by month and YTD for the current and past two fiscal years. As noted in the YTD portion of the analysis, current YTD ERCs appear reasonable considering continued development within the ACSA's service area.

Albemarle County Service Authority
Consumption Analysis
Fiscal Year 2027

				Monthly Precipitation (In.)	
	FY 2027 Consumption	FY 2026 Consumption		FY 2027	FY 2026
July	175,158,996	161,008,092	8.79%	3.19	6.90
August	167,343,690	169,360,775	-1.19%	8.28	1.38
September	164,767,874	172,168,239	-4.30%	2.57	2.48
October		163,268,117			2.10
November		158,906,212			0.67
December		143,404,511			2.18
January		139,142,866			2.63
February		141,527,610			2.14
March		138,588,050			2.17
April		144,679,586			0.96
May		165,877,807			3.45
June		164,933,909			0.80
YTD	507,270,560	502,537,106	0.94%	14.04	10.76

Note: Consumption through September 2026 is 0.9% more than the same period in fiscal year 2026. Monthly precipitation figures have been included for comparison purposes. Trends in rainfall can sometimes correlate with trends in consumption however, depending on the intensity, days between rain events, or other factors, this may not always be the case.

Note: Precipitation data obtained from National Oceanic and Atmospheric Administration (NOAA): https://www.ncdc.noaa.gov/cdo-web/search.

Albemarle County Service Authority
Water and Sewer Charges from the RWSA
Fiscal Year 2027

	FY 2027 RWSA Charges	FY 2026 RWSA Charges	Increase (Decrease)	
July	$ 3,628,496	$ 3,189,024	$ 439,472	13.78%
August	3,635,917	3,121,371	$ 514,546	16.48%
September	3,615,421	3,106,969	$ 508,452	16.36%
October	3,630,353	3,117,465	$ 512,888	16.45%
November		2,995,760		
December		2,977,409		
January		3,005,162		
February		3,032,315		
March		3,064,958		
April		3,069,215		
May		3,086,061		
June		3,070,706		
YTD	$ 14,510,187	$ 12,534,829	$ 1,975,358	15.76%

Note: The charges noted above from the RWSA include operating and debt service charges.

Albemarle County Service Authority
Serving Conserving

Water and Sewer Report

(Volumes in Gallons)

September 2026

Metered by Area:	*Water*	*Sewer*
Crozet	19,614,404	16,583,654
Scottsville	1,455,695	803,416
Urban	143,644,040	115,713,702
Red Hill	53,735	0
Total	***164,767,874***	***133,100,772***

Wastewater Flows by Sewer Plant:	
Total Urban and Crozet	132,297,356
less Glenmore WRRF	-3,578,230
Moores Creek AWRRF	128,719,126
Scottsville WRRF	803,416
Total	***129,522,542***

Number of Installed Meters:	
Urban	17
Crozet	11
Scottsville	0
Total	***28***

Hydrant Meter Consumption (billed by invoice):	
Urban	1,303,500
Crozet	106,701
Scottsville	0
Total	***1,410,201***

Number of Septic-to-Sewer Connections:	
Urban	0
Crozet	0
Scottsville	0
Total	***0***

Unmetered Leak Consumption:		
326 Carrsbrook Dr-9/28/26	Urban	5,000
Polo Grounds Rd-9/29/26	Urban	10,000
	Total	**15,000**

Billed Consumption for Selected Customers

	Water	Sewer		Water	Sewer
VIrginia Land Holding	176,058	176,058	Boar's Head Inn	608,238	586,177
Southwood Mobile Homes	1,082,700	1,400,000	Farmington Inc.	1,626,022	480,912
Turtle Creek Apartments	1,221,579	1,220,078	Westgate Apartments	1,184,701	1,183,949
Blue Ridge Crossing Owner LLC	1,072,118	1,072,118	PR Charger C'ville Holdings-Cobalt Ridge Apartments	1,968,350	1,968,350
Monroe Health & Rehab.	729,343	729,343	Four Seasons Apts and Condos	1,721,929	1,721,929
Sunrise Senior "Colonnades"	943,313	698,136	Ch'ville/Alb Airport	210,982	211,343
ACRJ	1,049,140	845,931	State Farm Insurance-Pantops	359,310	225,955
Westminster Canterbury	1,695,560	1,564,560	Hyatt Place at Stonefield	320,510	320,510
SEMF Charleston - Commonwealth/Peyton Dr.	1,304,933	1,304,933	Doubletree by Hilton Hotel	757,860	757,860
Martha Jefferson Hospital	2,931,174	1,262,215	Arden Place Apartments	477,134	477,134
Crozet Mobile Home Village	219,224	219,224	Hilton Garden Inn	259,633	259,633
The Home Depot	232,397	163,620	The Blake at Charlottesville	304,596	304,596
County of Albemarle	2,362,839	1,633,017	The Lodge at Old Trail	229,107	229,107
University of Virginia	3,336,991	3,321,196	Gov't-Defense Complex	1,179,742	1,169,492
Wegmans	346,881	346,881	Harris Teeter Stores (2)	212,178	212,178

Albemarle County Service Authority
Serving Conserving

Customer Class Report

September 2026

WATER

Class Type	Number of Connections by Area			
	Urban	Crozet	Scottsville	Total
Single-Family Residential	16,830	4,272	198	21,300
Multi-Family Residential	612	56	3	671
Commercial (Offices)	202	12	5	219
Commercial (Other)	955	77	53	1,085
Industrial	44	12	5	61
Institutional	179	33	13	225
Total Water Connections	**18,822**	**4,462**	**277**	**23,561**
Plus Multiple Units	14,903	855	89	15,847
Total Water Units	**33,725**	**5,317**	**366**	**39,408**

SEWER

Class Type	Number of Connections by Area			
	Urban	Crozet	Scottsville	Total
Single-Family Residential	14,517	4,006	160	18,683
Multi-Family Residential	581	54	4	639
Commercial (Offices)	186	12	5	203
Commercial (Other)	744	51	45	840
Industrial	18	5	1	24
Institutional	141	26	11	178
Total Sewer Connections	**16,187**	**4,154**	**226**	**20,567**
Plus Multiple Units	14,479	851	56	15,386
Total Sewer Units	**30,666**	**5,005**	**282**	**35,953**

POPULATION SERVED

Population served is the total Single-Family and Multi-Family units using an occupancy of 2.5 residents per unit:

	Urban	Crozet	Scottsville	Total
Total Water Customers	79,333	12,818	718	92,868
Total Sewer Customers	72,490	12,143	540	85,173

Albemarle County Service Authority
Major Customer Analysis
September 2026 and August 2026

	September 2026		August 2026		Increase(Decrease)	Increase(Decrease)
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
Westgate Apts.	1,184,701	1,183,949	972,892	972,235	21.77%	21.78%
County of Albemarle	2,362,839	1,633,017	2,101,561	954,440	12.43%	71.10%
ACRJ	1,049,140	845,931	1,003,450	754,015	4.55%	12.19%
Martha Jefferson Hospital	2,931,174	1,262,215	2,875,688	1,271,585	1.93%	-0.74%
University of Virginia	3,336,991	3,321,196	3,356,609	3,354,045	-0.58%	-0.98%
Southwood Mobile Homes	1,082,700	1,400,000	1,120,390	1,220,000	-3.36%	14.75%
Four Seasons Apts.	1,721,929	1,721,929	1,807,894	1,807,894	-4.75%	-4.75%
Blue Ridge Crossing Owner LLC	1,072,118	1,072,118	1,143,693	1,143,693	-6.26%	-6.26%
Turtle Creek Apts.	1,221,579	1,220,078	1,325,355	1,324,416	-7.83%	-7.88%
Westmisnster Canterbury	1,695,560	1,564,560	1,922,830	1,740,830	-11.82%	-10.13%
PR Charger C'ville Holdings	1,968,350	1,968,350	2,280,934	2,280,934	-13.70%	-13.70%
State Farm	359,310	225,955	447,750	329,852	-19.75%	-31.50%
SEMF Charleston	1,304,933	1,304,933	1,671,065	1,671,065	-21.91%	-21.91%

Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

*** -- Consumption/usage in gallons.**

Albemarle County Service Authority
Major Customer Analysis
September 2026 and September 2025

	September 2026		September 2025		Increase(Decrease)	Increase(Decrease)
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
Blue Ridge Crossing Owner LLC	1,072,118	1,072,118	939,305	939,305	14.14%	14.14%
University of Virginia	3,336,991	3,321,196	3,187,475	3,138,333	4.69%	5.83%
Martha Jefferson Hospital	2,931,174	1,262,215	2,830,166	1,725,582	3.57%	-26.85%
Westgate Apts.	1,184,701	1,183,949	1,213,800	1,212,415	-2.40%	-2.35%
County of Albemarle	2,362,839	1,633,017	2,428,363	1,383,409	-2.70%	18.04%
Four Seasons Apts.	1,721,929	1,721,929	1,798,380	1,798,380	-4.25%	-4.25%
ACRJ	1,049,140	845,931	1,114,080	962,080	-5.83%	-12.07%
Turtle Creek Apts.	1,221,579	1,220,078	1,354,107	1,347,162	-9.79%	-9.43%
PR Charger C'ville Holdings	1,968,350	1,968,350	2,256,787	2,256,787	-12.78%	-12.78%
Westmisnster Canterbury	1,695,560	1,564,560	2,015,720	1,833,720	-15.88%	-14.68%
SEMF Charleston	1,304,933	1,304,933	1,687,546	1,687,546	-22.67%	-22.67%
Southwood Mobile Homes	1,082,700	1,400,000	1,467,380	1,630,000	-26.22%	-14.11%
State Farm	359,310	225,955	538,470	299,457	-33.27%	-24.55%

Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

*** -- Consumption/usage in gallons.**

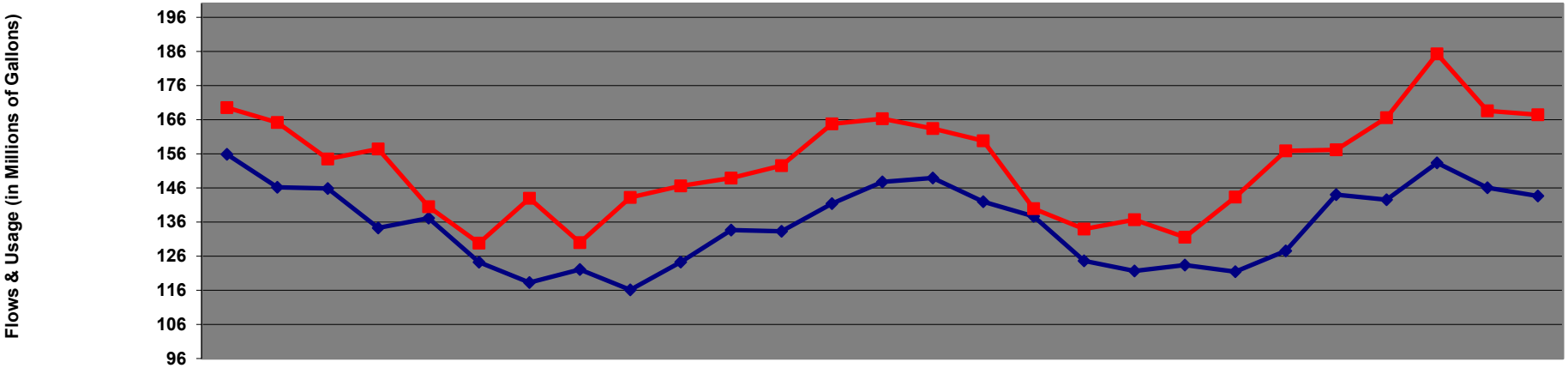
Albemarle County Service Authority
Major Customer Analysis
Year-to-date Comparison: Current Year/Prior Year -- September

	YTD FY 2027		YTD FY 2026		Increase(Decrease)	Increase(Decrease)
	Water*	Sewer*	Water*	Sewer*	Water Consumption	Sewer Usage
Blue Ridge Crossing Owner LLC	3,323,533	3,323,533	2,863,422	2,863,422	16.07%	16.07%
University of Virginia	10,179,892	10,158,151	9,614,585	9,540,103	5.88%	6.48%
Turtle Creek Apts.	3,863,355	3,860,579	3,792,725	3,665,601	1.86%	5.32%
Martha Jefferson Hospital	8,697,824	3,761,890	8,567,121	4,208,925	1.53%	-10.62%
Westmisnster Canterbury	5,499,570	4,992,570	5,786,690	5,326,690	-4.96%	-6.27%
Four Seasons Apts.	5,189,668	5,189,668	5,676,613	5,676,613	-8.58%	-8.58%
ACRJ	3,031,080	2,363,087	3,389,450	2,772,450	-10.57%	-14.77%
PR Charger C'ville Holdings	6,257,099	6,257,099	7,020,376	7,020,376	-10.87%	-10.87%
SEMF Charleston	4,534,499	4,534,499	5,125,787	5,125,787	-11.54%	-11.54%
County of Albemarle	6,719,303	3,383,645	7,651,296	3,158,071	-12.18%	7.14%
Westgate Apts.	3,067,244	3,064,991	3,742,278	3,737,910	-18.04%	-18.00%
State Farm	1,465,820	941,430	2,078,650	1,461,672	-29.48%	-35.59%
Southwood Mobile Homes	3,329,140	3,740,000	4,849,540	5,149,800	-31.35%	-27.38%

Note: Only major customers of the ACSA have been analyzed above. For purposes of this analysis, major customers are those who, on average, consume over one million gallons per month. Variations can occur for a variety of reasons including but not limited to: conscious conservation efforts, expansion, weather, vacancies, etc.

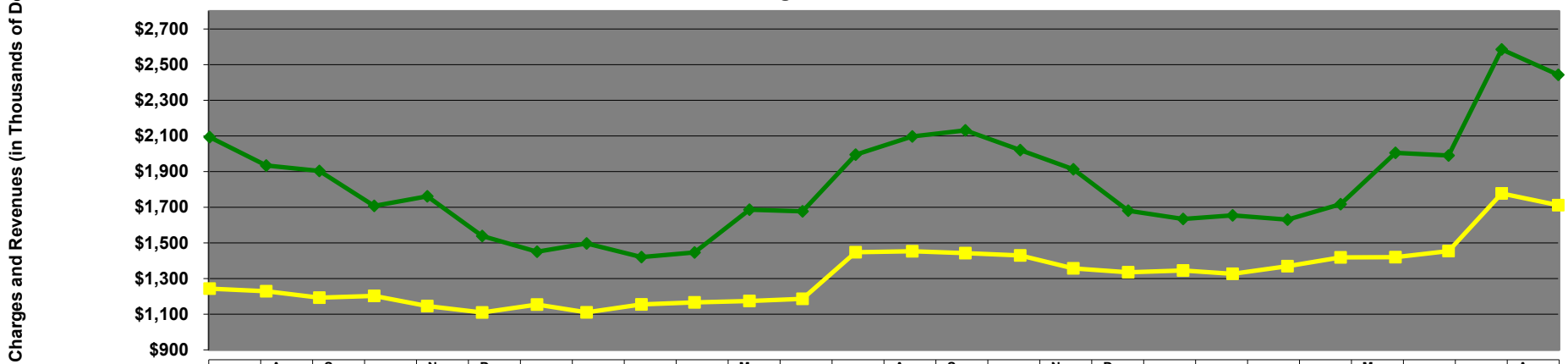
*** -- Consumption/usage in gallons.**

FY 2025, 2026, and 2027 Urban Water Comparison
RWSA Flows & ACSA Customer Usage



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Usage	156	146	146	134	137	124	118	122	116	124	134	133	141	148	149	142	138	125	122	123	121	128	144	143	153	146	144
RWSA Flows	170	165	154	157	140	130	143	130	143	147	149	153	165	166	163	160	140	134	137	132	143	157	157	167	185	169	167
Variance	9%	13%	6%	17%	2%	4%	21%	6%	23%	18%	11%	14%	17%	13%	10%	13%	2%	7%	12%	7%	18%	23%	9%	17%	21%	15%	17%

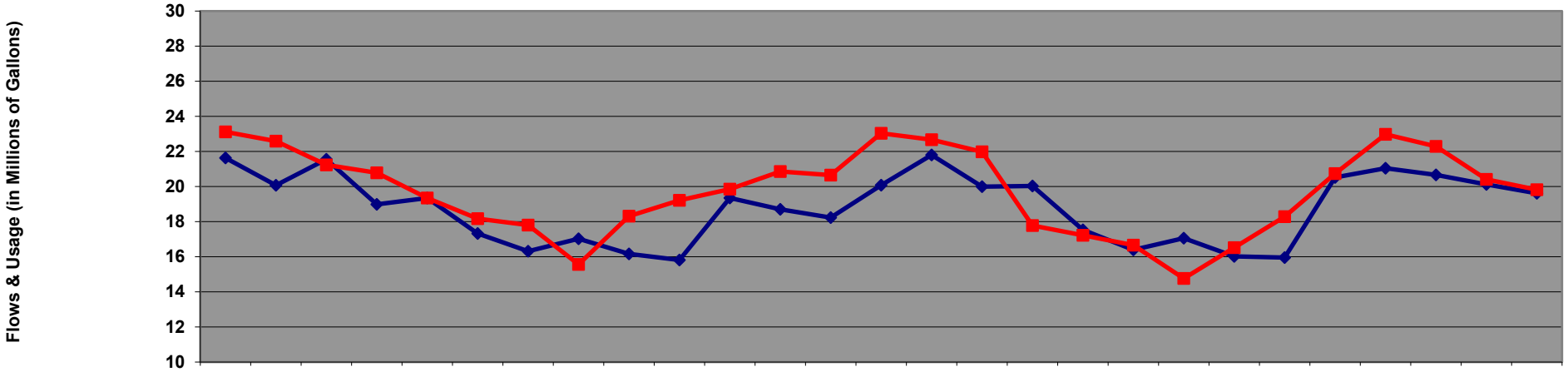
FY 2025, 2026, and 2027 Urban Water Comparison
RWSA Billed Water Charges & ACSA Billed Water Revenues



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
ACSA Revenue	$2,093	$1,934	$1,904	$1,708	$1,761	$1,539	$1,451	$1,497	$1,421	$1,446	$1,687	$1,677	$1,995	$2,097	$2,131	$2,021	$1,913	$1,681	$1,634	$1,655	$1,630	$1,717	$2,005	$1,990	$2,585	$2,443
RWSA Charges	$1,243	$1,229	$1,193	$1,203	$1,146	$1,110	$1,154	$1,110	$1,155	$1,166	$1,174	$1,186	$1,448	$1,453	$1,443	$1,430	$1,357	$1,335	$1,345	$1,327	$1,369	$1,419	$1,420	$1,454	$1,777	$1,711
Difference	$850	$705	$711	$505	$616	$429	$297	$387	$266	$280	$513	$491	$547	$644	$689	$591	$556	$345	$289	$328	$261	$299	$585	$536	$808	$732
Fiscal YTD Difference	$0.85	$1.56	$2.27	$2.77	$3.39	$3.82	$4.11	$4.50	$4.76	$5.04	$5.56	$6.05	$0.55	$1.19	$1.88	$2.47	$3.03	$3.37	$3.66	$3.99	$4.25	$4.55	$5.14	$5.67	$0.81	$1.54

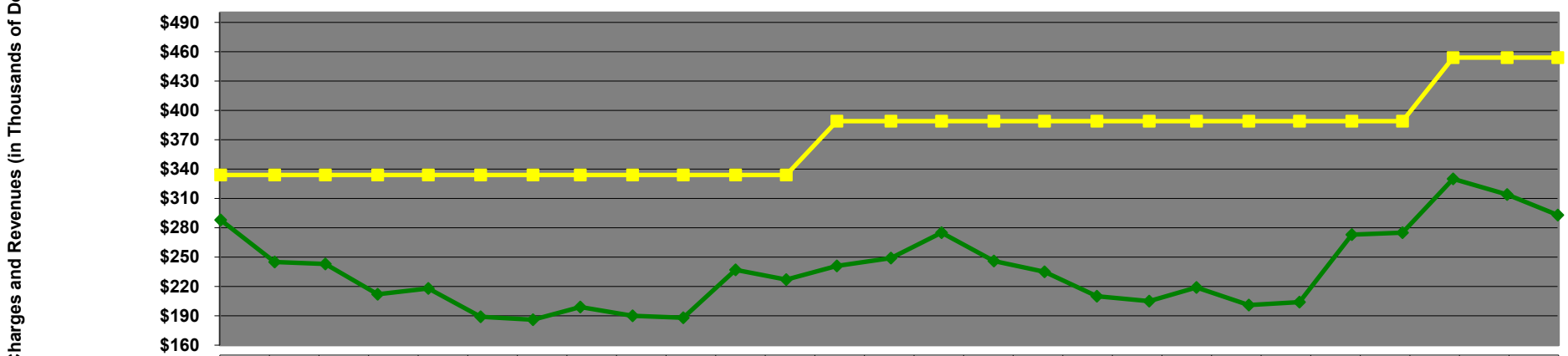
Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

FY 2025, 2026, and 2027 Crozet Water Comparison
RWSA Flows & ACSA Customer Usage



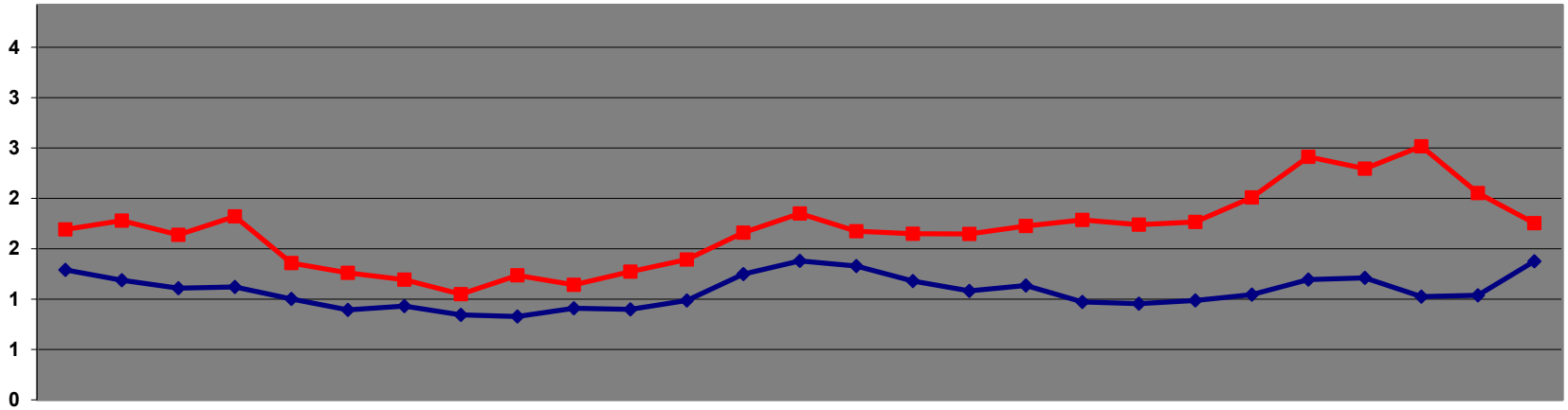
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Usage	22	20	22	19	19	17	16	17	16	16	19	19	18	20	22	20	20	18	16	17	16	16	21	21	21	20	20
RWSA Flows	23	23	21	21	19	18	18	16	18	19	20	21	21	23	23	22	18	17	17	15	17	18	21	23	22	20	20
Variance	7%	13%	-1%	9%	0%	5%	9%	-9%	13%	22%	3%	12%	13%	15%	4%	10%	-11%	-2%	2%	-13%	3%	15%	1%	9%	8%	1%	1%

FY 2025, 2026, and 2027 Crozet Water Comparison
RWSA Billed Water Charges & ACSA Billed Water Revenues



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Revenue	$288	$245	$243	$212	$218	$189	$186	$199	$190	$188	$237	$227	$241	$249	$275	$246	$235	$210	$205	$219	$201	$204	$273	$275	$330	$314	$293
RWSA Charges	$334	$334	$334	$334	$334	$334	$334	$334	$334	$334	$334	$334	$389	$389	$389	$389	$389	$389	$389	$389	$389	$389	$389	$389	$454	$454	$454
Difference	($46)	($89)	($91)	($122)	($116)	($145)	($148)	($135)	($144)	($146)	($97)	($107)	($148)	($140)	($114)	($143)	($154)	($179)	($184)	($170)	($188)	($185)	($116)	($114)	($124)	($140)	($161)
Fiscal YTD Difference	($0.05	($0.14	($0.23	($0.35	($0.46	($0.61	($0.76	($0.89	($1.04	($1.18	($1.28	($1.39	($0.15	($0.29	($0.40	($0.55	($0.70	($0.88	($1.06	($1.23	($1.42	($1.61	($1.72	($1.84	($0.12	($0.26	($0.43

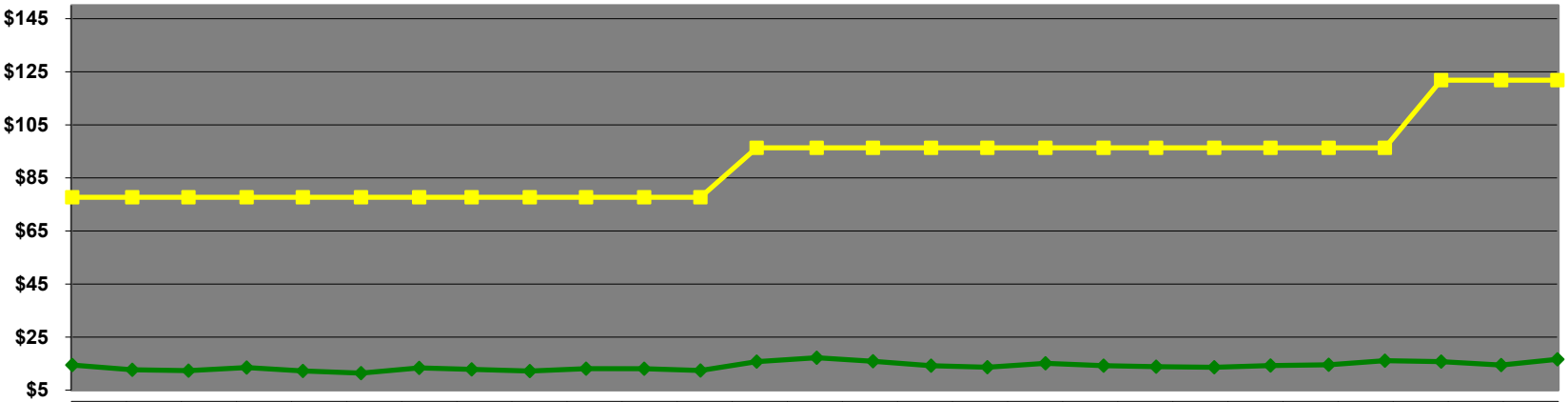
FY 2025, 2026, and 2027 Scottsville Water Comparison
RWSA Flows & ACSA Customer Usage



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Usage	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
RWSA Flows	1.8	1.9	1.7	1.9	1.4	1.3	1.3	1.1	1.3	1.2	1.4	1.5	1.7	1.9	1.8	1.7	1.7	1.8	1.9	1.8	1.8	2.1	2.5	2.4	2.6	2.1	1.8
Variance	29%	47%	45%	58%	33%	38%	26%	22%	45%	24%	38%	38%	31%	32%	25%	37%	49%	49%	77%	76%	73%	86%	96%	84%	135%	91%	26%

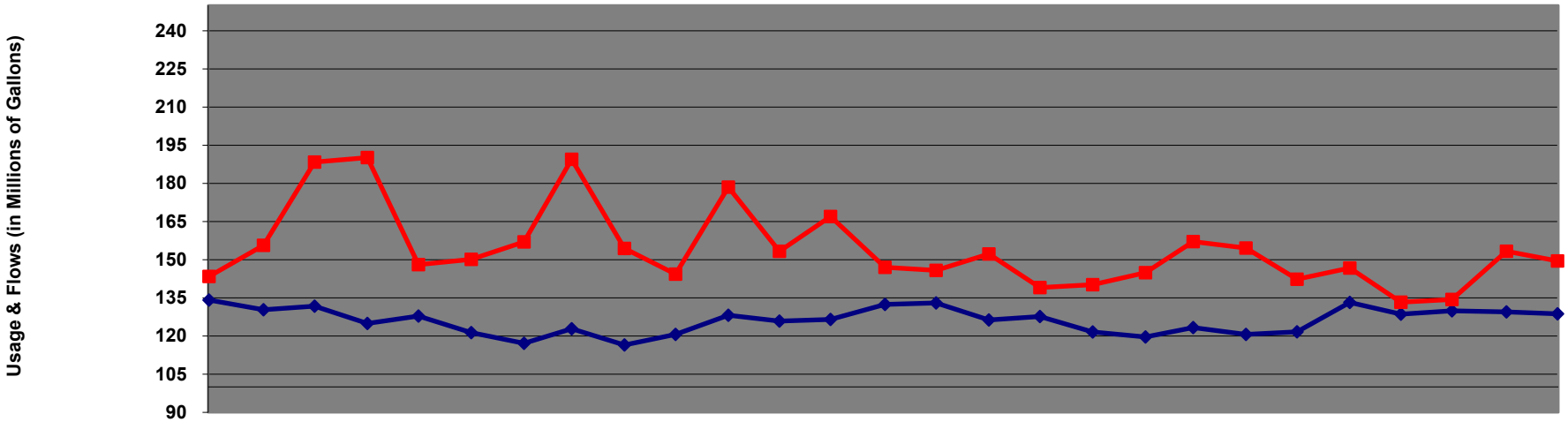
FY 2025, 2026, and 2027 Scottsville Water Comparison
RWSA Billed Water Charges & ACSA Billed Water Revenues

Charges and Revenues (in Thousands of Dollars)



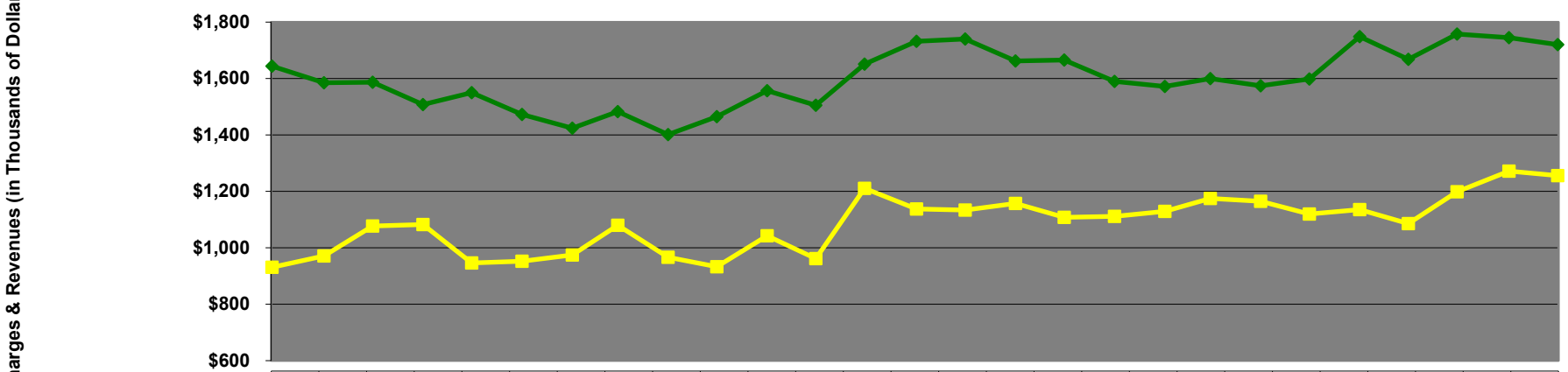
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Revenue	$14	$13	$12	$14	$12	$11	$13	$13	$12	$13	$13	$12	$16	$17	$16	$14	$14	$15	$14	$14	$14	$14	$15	$16	$16	$14	$17
RWSA Charges	$78	$78	$78	$78	$78	$78	$78	$78	$78	$78	$78	$78	$96	$96	$96	$96	$96	$96	$96	$96	$96	$96	$96	$96	$122	$122	$122
Difference	-$63	-$65	-$65	-$64	-$65	-$66	-$64	-$65	-$65	-$65	-$65	-$65	-$81	-$79	-$80	-$82	-$83	-$81	-$82	-$82	-$83	-$82	-$82	-$80	-$106	-$107	-$105
Fiscal YTD Difference	($0.06	($0.13	($0.19	($0.26	($0.32	($0.39	($0.45	($0.52	($0.58	($0.65	($0.71	($0.78	($0.08	($0.16	($0.24	($0.32	($0.40	($0.49	($0.57	($0.65	($0.73	($0.82	($0.90	($0.98	($0.11	($0.21	($0.32

FY 2025, 2026, and 2027 Urban (including Glenmore) & Crozet Sewer Comparison
ACSA Customer Usage & RWSA Flows



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Usage	134	130	132	125	128	121	117	123	116	121	128	126	127	132	133	126	128	122	120	123	121	122	133	129	130	129	129
RWSA Flows	143	156	188	190	148	150	157	189	154	144	179	153	167	147	146	152	139	140	145	157	155	142	147	133	134	153	150
Variance	7%	19%	43%	52%	16%	24%	34%	54%	33%	20%	39%	22%	32%	11%	10%	21%	9%	15%	21%	27%	28%	17%	10%	4%	3%	18%	16%

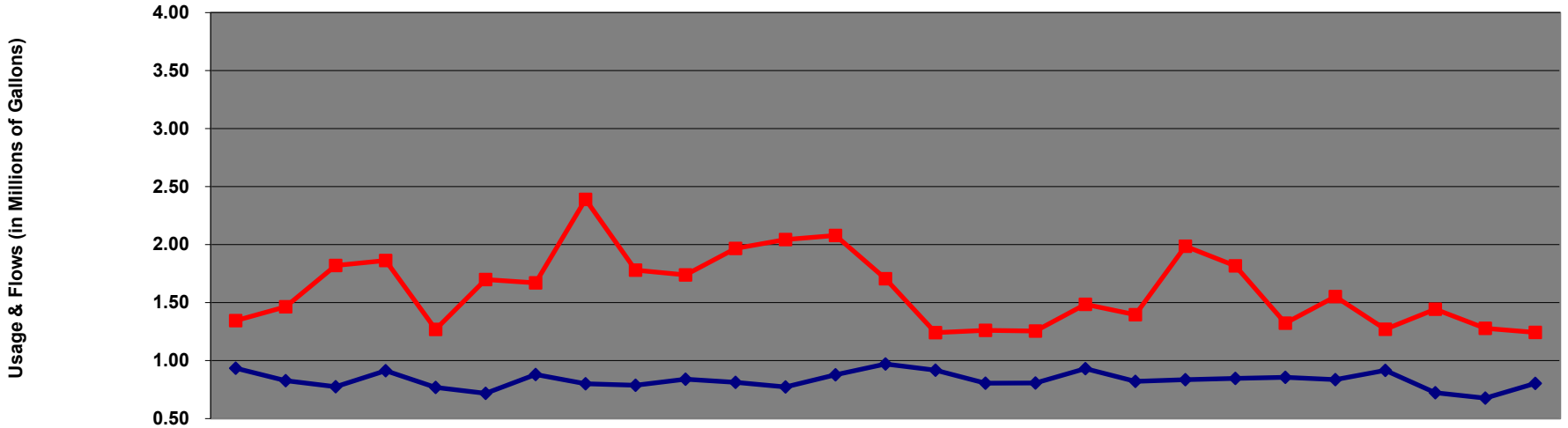
FY 2025, 2026, and 2027 Urban (including Glenmore) & Crozet Sewer Comparison
ACSA Billed Sewer Usage & RWSA Billed Sewer Charges



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Revenue	$1,643	$1,584	$1,586	$1,507	$1,549	$1,472	$1,423	$1,482	$1,401	$1,464	$1,556	$1,505	$1,650	$1,731	$1,739	$1,662	$1,665	$1,589	$1,571	$1,599	$1,574	$1,598	$1,748	$1,668	$1,757	$1,744	$1,720
RWSA Charges	$931	$971	$1,077	$1,082	$946	$952	$974	$1,080	$966	$933	$1,043	$962	$1,211	$1,138	$1,134	$1,157	$1,108	$1,111	$1,129	$1,175	$1,165	$1,120	$1,135	$1,086	$1,199	$1,272	$1,256
Difference	$713	$614	$510	$425	$604	$520	$449	$403	$435	$532	$514	$543	$440	$594	$606	$505	$558	$478	$443	$425	$409	$478	$613	$582	$559	$473	$464
Fiscal YTD Difference	$0.71	$1.33	$1.84	$2.26	$2.87	$3.39	$3.83	$4.24	$4.67	$5.20	$5.72	$6.26	$0.44	$1.03	$1.64	$2.15	$2.70	$3.18	$3.62	$4.05	$4.46	$4.94	$5.55	$6.13	$0.56	$1.03	$1.50

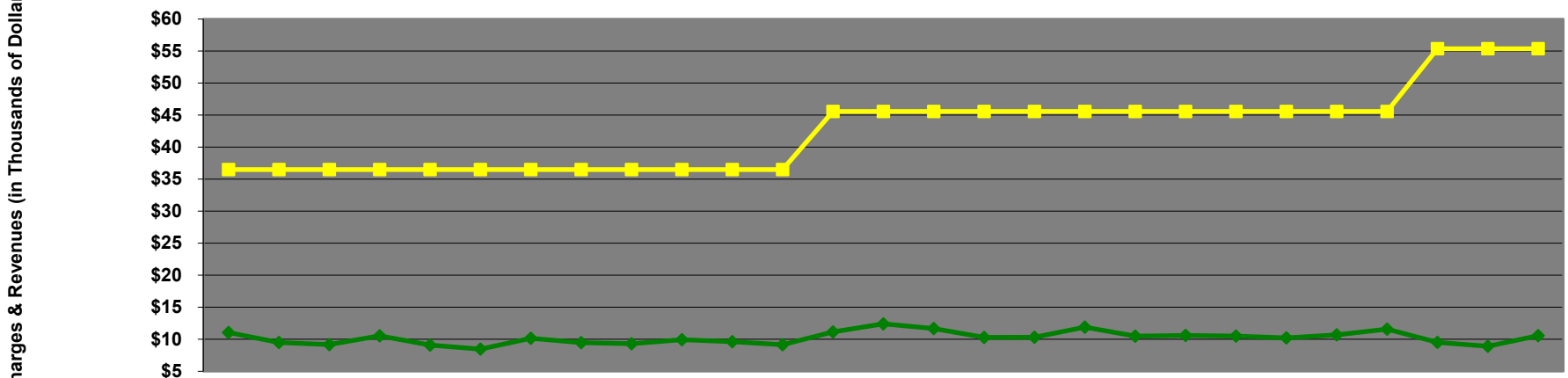
Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

FY 2025, 2026, and 2027 Scottsville Sewer Comparison
ACSA Customer Usage & RWSA Flows



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Usage	0.93	0.83	0.77	0.91	0.77	0.72	0.88	0.80	0.79	0.84	0.81	0.77	0.88	0.97	0.92	0.81	0.81	0.93	0.82	0.84	0.85	0.86	0.84	0.92	0.72	0.68	0.80
RWSA Flows	1.34	1.46	1.82	1.86	1.27	1.70	1.67	2.39	1.78	1.74	1.97	2.04	2.08	1.71	1.24	1.26	1.25	1.48	1.40	1.99	1.82	1.32	1.55	1.27	1.44	1.28	1.24
Variance	44%	77%	135%	104%	65%	137%	90%	199%	126%	107%	142%	164%	137%	76%	35%	57%	56%	60%	70%	138%	115%	55%	86%	39%	100%	89%	55%

FY 2025, 2026, and 2027 Scottsville Sewer Comparison
ACSA Billed Sewer Usage & RWSA Billed Sewer Charges



	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
ACSA Revenue	$11.05	$9.49	$9.16	$10.53	$9.09	$8.46	$10.14	$9.47	$9.30	$9.93	$9.61	$9.14	$11.14	$12.40	$11.67	$10.29	$10.31	$11.89	$10.49	$10.59	$10.49	$10.22	$10.68	$11.57	$9.51	$8.90	$10.56
RWSA Charges	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$36	$46	$46	$46	$46	$46	$46	$46	$46	$46	$46	$46	$46	$55	$55	$55
Difference	-$25	-$27	-$27	-$26	-$27	-$28	-$26	-$27	-$27	-$27	-$27	-$27	-$34	-$33	-$34	-$35	-$35	-$34	-$35	-$35	-$35	-$35	-$35	-$34	-$46	-$46	-$45
Fiscal YTD Difference	-$0.03	-$0.05	-$0.08	-$0.11	-$0.13	-$0.16	-$0.19	-$0.21	-$0.24	-$0.27	-$0.30	-$0.32	-$0.03	-$0.07	-$0.10	-$0.14	-$0.17	-$0.21	-$0.24	-$0.28	-$0.31	-$0.35	-$0.38	-$0.42	-$0.05	-$0.09	-$0.14

Note: Fiscal YTD Difference (ONLY) in Millions of Dollars

Single-Family Residential Water Usage

(Including irrigation through exclusion, irrigation, and auxiliary meters)

	FY 2025											
	July	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**
Level 1 (0 - 3,000 gallons)	48,258,421	47,554,370	47,554,370	47,586,217	47,984,582	47,237,540	47,035,387	46,948,579	46,241,521	47,143,752	48,616,333	48,033,036
Level 2 (3,001 - 6,000 gallons)	19,809,724	16,778,453	16,778,453	16,138,831	16,446,572	14,261,229	14,493,012	13,964,024	12,824,070	13,657,323	17,060,057	16,098,991
Level 3 (6,001 - 9,000 gallons)	7,348,528	4,954,506	4,954,506	4,136,026	4,371,171	2,670,441	2,618,266	2,428,986	2,146,815	2,552,948	4,199,654	3,841,139
Level 4 (over 9,000 gallons)	12,997,404	6,847,041	6,847,041	3,767,467	5,031,979	1,474,327	1,046,523	1,036,524	756,536	1,291,913	3,364,637	3,125,938
Total	**88,414,077**	**76,134,370**	**76,134,370**	**71,628,541**	**73,834,304**	**65,643,537**	**65,193,188**	**64,378,113**	**61,968,942**	**64,645,936**	**73,240,681**	**71,099,104**

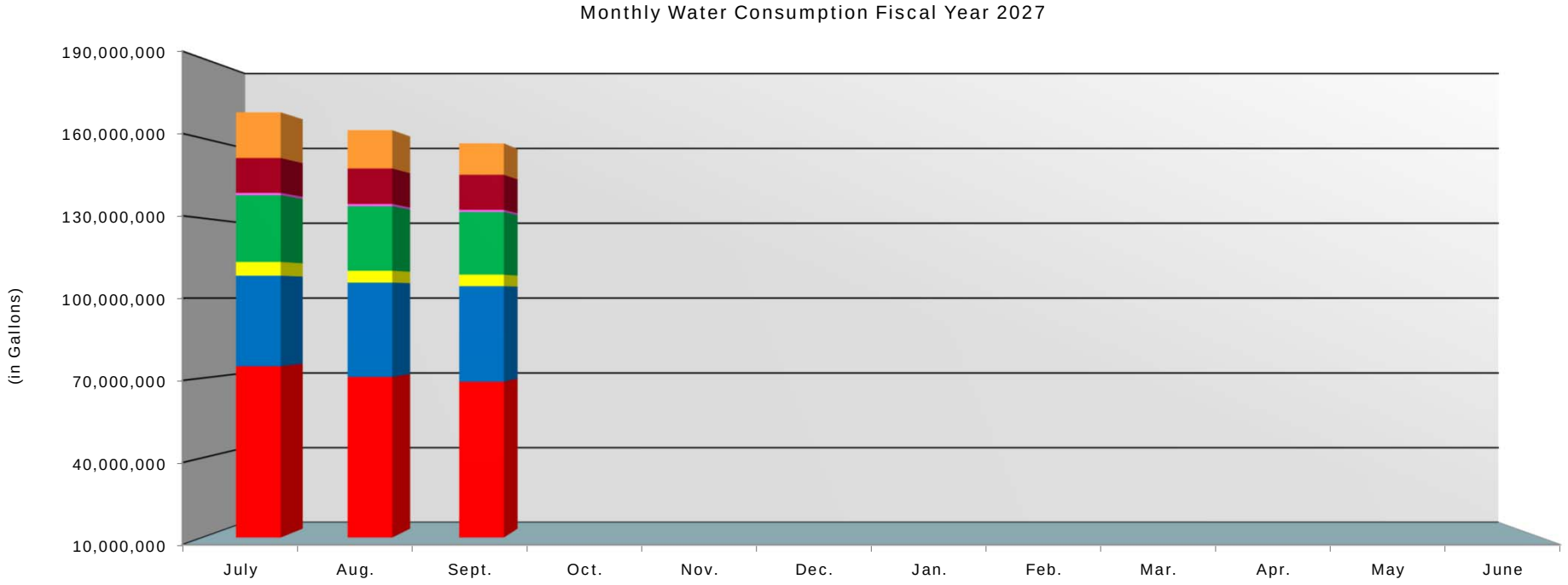
	FY 2026											
	July	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**
Level 1 (0 - 3,000 gallons)	47,852,952	48,182,425	48,900,560	48,339,047	48,565,752	47,920,052	47,808,680	47,712,263	46,903,781	47,647,253	49,550,661	49,210,583
Level 2 (3,001 - 6,000 gallons)	16,125,752	16,549,206	17,925,898	16,398,842	16,303,999	14,431,454	14,768,307	14,485,743	13,087,333	13,842,323	18,013,514	18,134,173
Level 3 (6,001 - 9,000 gallons)	4,317,743	4,595,876	5,270,256	4,659,590	4,188,769	2,733,464	2,696,119	2,645,250	2,266,433	2,639,314	4,875,383	5,266,645
Level 4 (over 9,000 gallons)	4,721,394	5,211,824	6,832,376	6,480,023	4,147,055	1,361,585	1,272,907	1,308,156	1,033,070	1,280,486	4,891,427	5,536,907
Total	**73,017,841**	**74,539,331**	**78,929,090**	**75,877,502**	**73,205,575**	**66,446,555**	**66,546,013**	**66,151,413**	**63,290,617**	**65,409,376**	**77,330,985**	**78,148,308**

	FY 2027											
	July	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**
Level 1 (0 - 3,000 gallons)	48,659,294	48,497,216	48,363,654									
Level 2 (3,001 - 6,000 gallons)	18,006,394	16,490,335	15,833,710									
Level 3 (6,001 - 9,000 gallons)	5,969,679	4,756,846	4,221,964									
Level 4 (over 9,000 gallons)	9,915,119	6,613,131	4,937,802									
Total	**82,550,486**	**76,357,528**	**73,357,130**	-	-	-	-	-	-	-	-	-

System-Wide Irrigation Water Usage

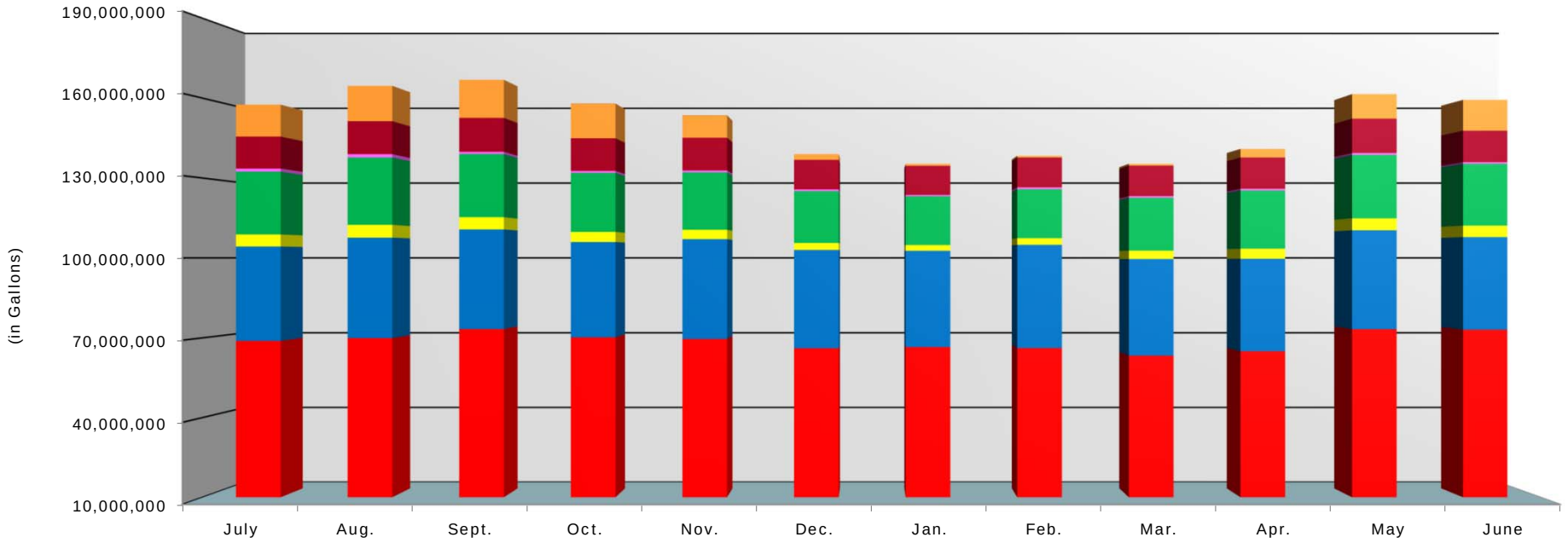
(All usage measured through exclusion, irrigation, and auxiliary meters)

FY 2027	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**	**April**	**May**	**June**
Level 1 (0 - 3,000 gallons)	159,135	147,236	118,813									
Level 2 (3,001 - 6,000 gallons)	820,254	758,608	635,480									
Level 3 (6,001 - 9,000 gallons)	1,209,194	1,048,610	907,842									
Level 4 (over 9,000 gallons)	14,962,700	12,413,212	10,144,906									
Total	**17,151,283**	**14,367,666**	**11,807,041**	-	-	-	-	-	-	-	-	-

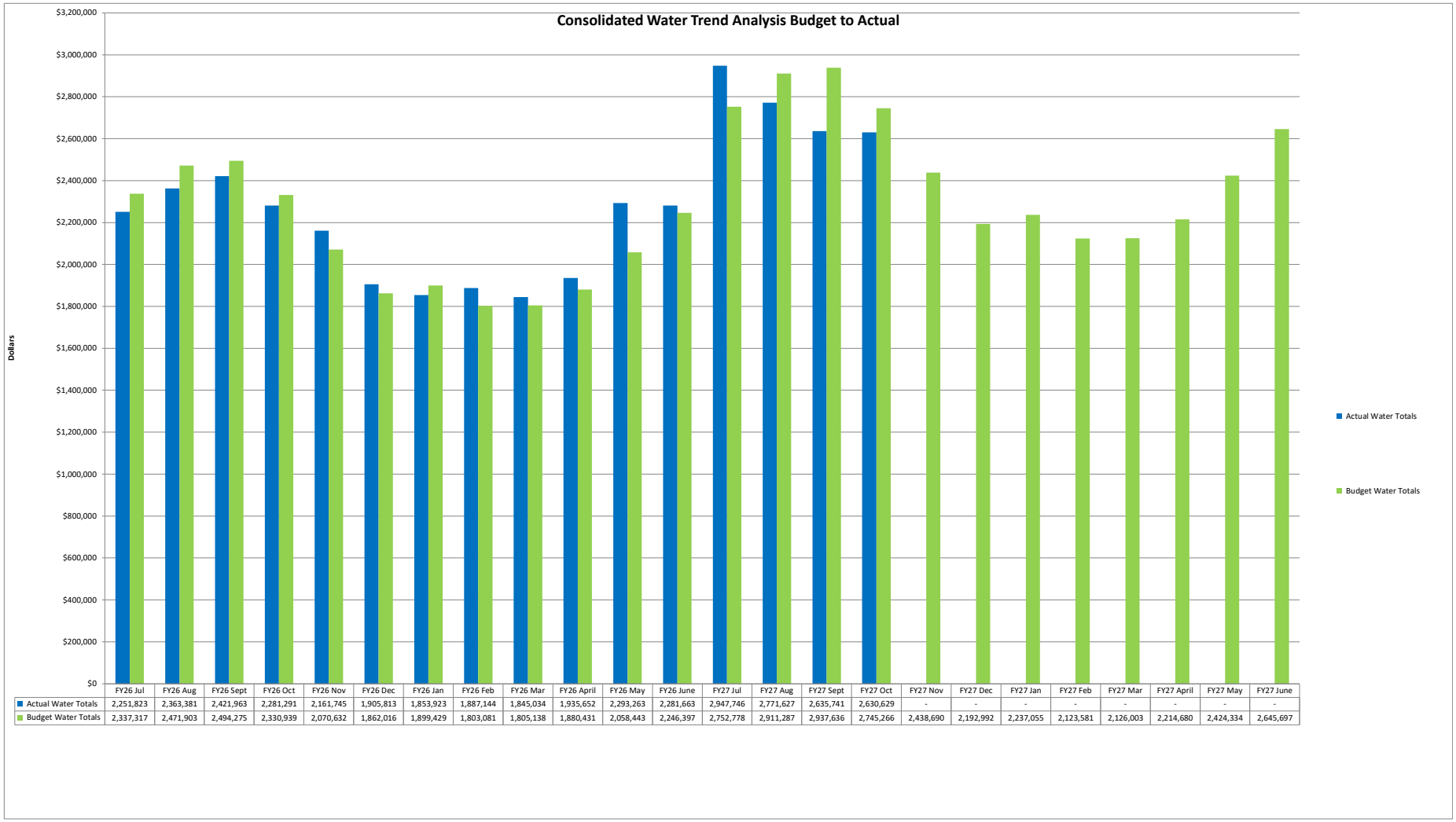


	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
% Irrigation to total	10.10%	8.81%	7.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Irrigation	17,151,283	14,367,666	11,807,041	0	0	0	0	0	0	0	0	0
Institutional - Domestic Consumption	13,113,590	13,346,101	13,187,605									
Industrial - Domestic/Processing less Exclusion	820,267	818,320	752,565									
Comm. (Other) - Domestic Consumption	25,073,404	24,225,762	23,537,756									
Offices - Domestic Consumption	5,168,731	4,458,252	4,332,056									
MFR - Domestic Consumption	33,961,224	35,405,890	35,841,843									
SFR - Domestic Consumption	74,447,834	70,416,052	68,634,188									

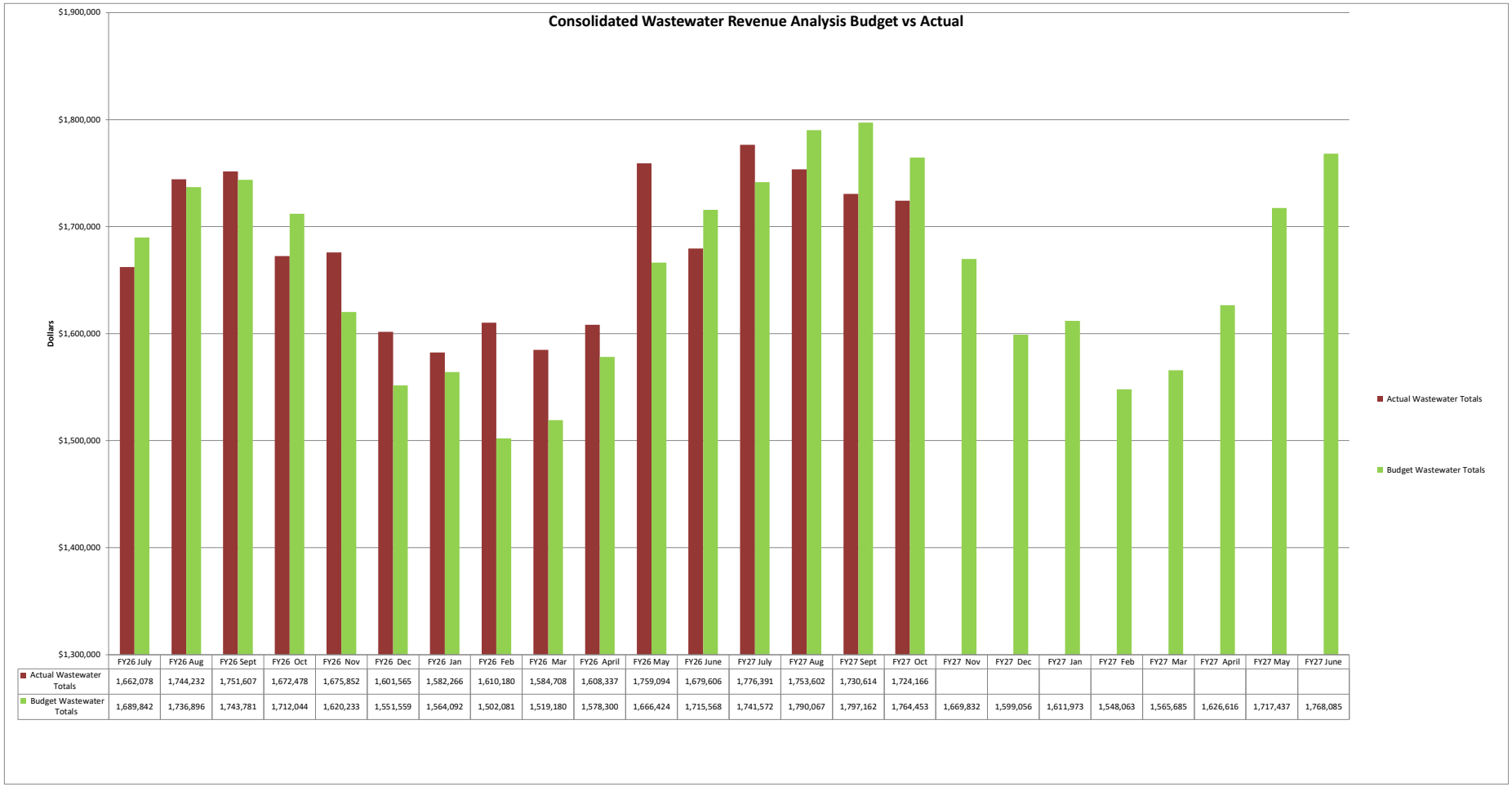
Monthly Water Consumption Fiscal Year 2026



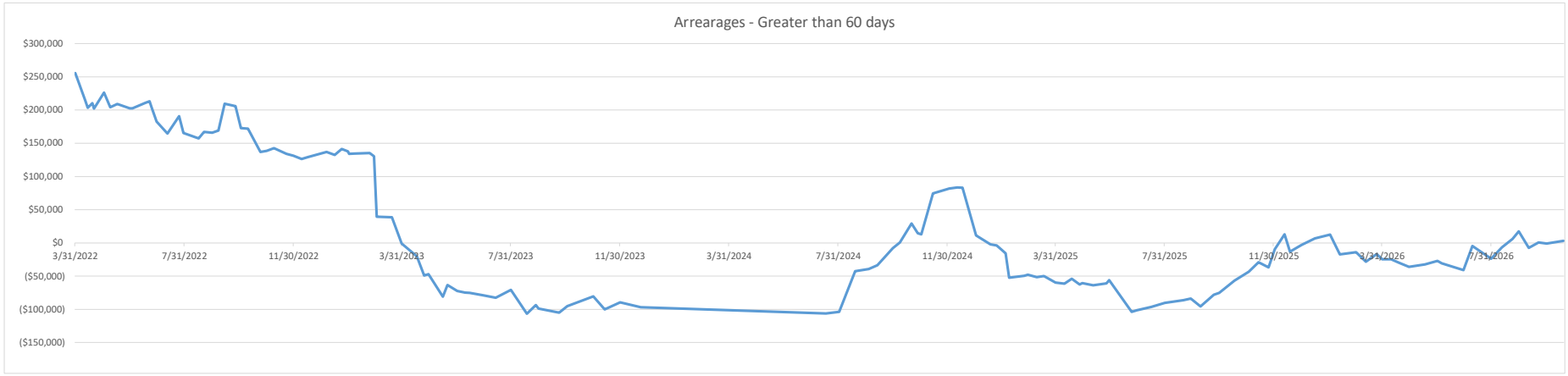
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
% Irrigation to total	7.61%	8.08%	8.58%	8.26%	5.50%	1.56%	0.55%	0.47%	0.52%	2.29%	5.71%	7.27%
Total Irrigation	11,991,805	13,294,403	14,313,593	13,051,405	8,441,858	2,172,939	740,213	649,950	705,732	3,223,416	9,224,100	11,584,989
Institutional - Domestic Consumption	11,998,763	12,363,541	12,757,079	12,250,646	12,287,057	11,116,683	10,948,963	11,226,113	11,458,674	11,737,899	12,910,292	11,802,476
Industrial - Domestic/Processing less Exclusion	1,150,878	1,228,612	805,432	710,838	685,662	610,393	494,880	683,692	597,620	641,673	707,581	623,399
Comm. (Other) - Domestic Consumption	23,606,046	25,290,928	23,724,464	22,164,502	21,574,711	19,479,689	18,302,540	18,406,142	19,885,080	21,850,858	23,797,588	23,198,917
Offices - Domestic Consumption	4,517,166	4,802,634	4,592,742	3,815,261	3,506,028	2,637,452	2,168,459	2,458,810	3,117,116	3,795,381	4,517,266	4,319,332
MFR - Domestic Consumption	35,425,568	37,740,832	37,408,623	35,784,274	37,481,920	36,914,974	36,157,326	38,795,023	36,263,573	34,718,894	37,106,409	34,743,910
SFR - Domestic Consumption	68,864,020	69,898,309	73,304,708	70,200,066	69,592,671	66,077,861	66,533,527	66,155,710	63,338,303	64,964,636	73,268,854	73,082,473



	FY26 Jul	FY26 Aug	FY26 Sept	FY26 Oct	FY26 Nov	FY26 Dec	FY26 Jan	FY26 Feb	FY26 Mar	FY26 April	FY26 May	FY26 June	FY27 Jul	FY27 Aug	FY27 Sept	FY27 Oct	FY27 Nov	FY27 Dec	FY27 Jan	FY27 Feb	FY27 Mar	FY27 April	FY27 May	FY27 June
Actual Water Totals	2,251,823	2,363,381	2,421,963	2,281,291	2,161,745	1,905,813	1,853,923	1,887,144	1,845,034	1,935,652	2,293,263	2,281,663	2,947,746	2,771,627	2,635,741	2,630,629	-	-	-	-	-	-	-	-
Budget Water Totals	2,337,317	2,471,903	2,494,275	2,330,939	2,070,632	1,862,016	1,899,429	1,803,081	1,805,138	1,880,431	2,058,443	2,246,397	2,752,778	2,911,287	2,937,636	2,745,266	2,438,690	2,192,992	2,237,055	2,123,581	2,126,003	2,214,680	2,424,334	2,645,697



	FY26 July	FY26 Aug	FY26 Sept	FY26 Oct	FY26 Nov	FY26 Dec	FY26 Jan	FY26 Feb	FY26 Mar	FY26 April	FY26 May	FY26 June	FY27 July	FY27 Aug	FY27 Sept	FY27 Oct	FY27 Nov	FY27 Dec	FY27 Jan	FY27 Feb	FY27 Mar	FY27 April	FY27 May	FY27 June
Actual Wastewater Totals	1,662,078	1,744,232	1,751,607	1,672,478	1,675,852	1,601,565	1,582,266	1,610,180	1,584,708	1,608,337	1,759,094	1,679,606	1,776,391	1,753,602	1,730,614	1,724,166								
Budget Wastewater Totals	1,689,842	1,736,896	1,743,781	1,712,044	1,620,233	1,551,559	1,564,092	1,502,081	1,519,180	1,578,300	1,666,424	1,715,568	1,741,572	1,790,067	1,797,162	1,764,453	1,669,832	1,599,056	1,611,973	1,548,063	1,565,685	1,626,616	1,717,437	1,768,085


Arrearages - Greater than 60 days
$300,000
$250,000
$200,000
$150,000
$100,000
$50,000
$0
($50,000)
($100,000)
($150,000)
3/31/2022
7/31/2022
11/30/2022
3/31/2023
7/31/2023
11/30/2023
3/31/2024
7/31/2024
11/30/2024
3/31/2025
7/31/2025
11/30/2025
3/31/2026
7/31/2026

Albemarle County Service Authority
October 2026 Payments

CHECK NUMBER	CHECK DATE	VENDOR NAME	AMOUNT	DESCRIPTION OVER $5,000
829692185	10/09/2026	Rivanna Water & Sewer Authority	3,615,421.09	Water & Sewer Treatment
74703	10/30/2026	Commonwealth Excavating	548,980.77	Barracks West Waterline
835039445	10/15/2026	Daniel & Company Incorporated	504,221.42	Avon Operations
ACH	10/15/2026	Payroll	239,664.43	Net Pay
ACH	10/30/2026	Payroll	215,441.72	Net Pay
74631	10/15/2026	Commonwealth Excavating	91,912.50	Townwood WMRP
829692192	10/15/2026	IRS - Federal Tax Deposit	91,257.72	Payroll
74712	10/30/2026	Electrical Equipment Company	85,351.00	North Fork VFD Replacement
835882072	10/30/2026	IRS - Federal Tax Deposit	77,068.90	Payroll
74630	10/15/2026	HTM/MTE Associates Inc	73,866.00	Valve tech Ford F-350
835882071	10/30/2026	County of Albemarle	72,764.94	Payroll
829692191	10/30/2026	County of Albemarle	67,374.94	Payroll
835882064	10/23/2026	The Bank of New York Mellon	48,257.36	Debt Service
835882068	10/30/2026	Virginia Retirement System	46,594.51	Payroll
829692188	10/30/2026	Virginia Retirement System	46,594.45	Payroll
74754	10/30/2026	Vortex Holdco LLC	40,780.00	Sanitary Sewer Rehabilitation
74619	10/15/2026	Albemarle County School Board	37,500.00	1180 Seminole Trl Ste170
74663	10/15/2026	Provantage LLC	35,725.00	HP Zbook 8 G2i Ultra Compute
74738	10/30/2026	Paymentus Corporation	32,182.00	Transaction Fees
74625	10/15/2026	Bank of America	29,060.09	Supplies & Memberships
74715	10/30/2026	Ferguson Enterprises LLC#7575	24,024.42	Warranty Refresh for M400
74672	10/15/2026	SpryPoint Services Inc.	18,720.00	CIS Upgrade
74633	10/15/2026	Daly Computers Incorporated	18,181.04	Enterprise Mobility & Security
74638	10/15/2026	EWT Holdings III Corporation	18,053.88	Bioxide
74691	10/30/2026	Angel Central Concrete Inc.	16,185.00	Concrete Speedbump
829692193	10/15/2026	Virginia Dept of Taxation	15,936.45	Payroll
74742	10/30/2026	Provantage LLC	15,925.00	HP ZBook 8 G1i Ultra
835882073	10/30/2026	Virginia Dept of Taxation	13,700.73	Payroll
74726	10/30/2026	Kimley-Horn & Associates Inc	10,282.50	ArcFlash Hazard Assess.
74708	10/30/2026	Dewberry Engineers Incorporated	10,077.50	Avon Operations Center
74743	10/30/2026	Ramboll Americas Engineering	9,756.25	Briarwood Water Main
74746	10/30/2026	T-Mobile USA Inc.	9,468.27	Cellular Service
74755	10/30/2026	Webland Park Condominium Unit Owners	9,000.00	Permanent Utility Easement
829692190	10/15/2026	VALIC	8,087.50	Payroll
835882070	10/30/2026	VALIC	8,087.50	Payroll
835882076	10/30/2026	Voya Financial	7,362.19	Payroll
829692196	10/15/2026	Voya Financial	7,325.19	Payroll
74689	10/30/2026	Amazon Capital Services	7,262.48	Supplies
74756	10/30/2026	Whitman, Requardt & Assoc LLP	7,231.80	Madison Office Park PS
74651	10/15/2026	Letterpress Communications LLC	7,130.91	Communications Services
74643	10/15/2026	Flora Pettit PC	5,868.99	Legal services
74710	10/30/2026	Dominion Energy Virginia	5,861.16	Energy
74632	10/15/2026	Cues Incorporated	5,848.02	Cues Transporter Repair
74634	10/15/2026	Dewberry Engineers Incorporated	5,715.00	Townwood WM Bidding
74655	10/15/2026	Mansfield Oil Company of Gainesville Inc	5,496.78	Fuel
74669	10/15/2026	RSG Landscaping LLC	5,390.55	Landscaping

74713	10/30/2026	EWT Holdings III Corporation	5,273.06	Bioxide
829692187	10/15/2026	Nationwide	5,265.00	Payroll
835882067	10/30/2026	Nationwide	5,265.00	Payroll
74719	10/30/2026	Fortiline Incorporated	5,100.04	Inventory
74684	10/15/2026	Vortex Holdco LLC	5,000.00	Sanitary Sewer Rehabilitation
74662	10/15/2026	Prism Contractors	4,573.05	
74636	10/15/2026	Dominion Energy Virginia	4,267.23	
74731	10/30/2026	Mansfield Oil Company of Gainesville Inc	4,047.21	
74623	10/15/2026	Temi Anderson	3,935.78	
74679	10/15/2026	United Rentals (North	3,880.69	
74675	10/15/2026	Tencarva Machinery Co LLC	3,871.75	
74637	10/15/2026	Ed's Floor Care Services LLC	3,703.33	
74681	10/15/2026	Valley Automation, Inc.	3,629.96	
74639	10/15/2026	Ferguson Enterprises LLC#7575	3,592.81	
74682	10/15/2026	Cellco Partnership	3,496.17	
74648	10/15/2026	JBAK Consulting LLC	3,061.70	
74652	10/15/2026	Lowe's	3,036.92	
74739	10/30/2026	PFM Asset Management LLC	2,851.42	
74624	10/15/2026	Ascensus	2,850.00	
74688	10/30/2026	Allison Partners	2,805.00	
74641	10/15/2026	Fisher Auto Parts Incorporated	2,686.11	
74728	10/30/2026	Luck Stone Corporation	2,352.38	
74723	10/30/2026	Home Depot Credit Services	2,229.67	
74707	10/30/2026	Department of the Treasury	2,186.92	
74686	10/30/2026	ABC Extinguishers LLC	2,181.60	
74683	10/15/2026	Virginia Utility Protection	2,023.20	
74741	10/30/2026	Prism Contractors	1,996.18	
74750	10/30/2026	UniFirst Corporation	1,965.20	
829692195	10/15/2026	ACSA Flexible Spending	1,938.72	
835882075	10/30/2026	ACSA Flexible Spending	1,938.72	
74714	10/30/2026	Facility Gateway Corporation	1,894.23	
829692194	10/15/2026	Flexible Benefit	1,820.00	
835882074	10/30/2026	Flexible Benefit	1,820.00	
74676	10/15/2026	Ting Fiber	1,814.31	
74762	10/30/2026	Minnesota Life Insurance Co	1,778.54	
74736	10/30/2026	Narinder Arora	1,661.50	
835882065	10/30/2026	VACORP	1,549.41	
74647	10/15/2026	Hydraflo Incorporated	1,543.36	
74744	10/30/2026	Rappahannock Electric Cooperative	1,476.89	
74716	10/30/2026	Ferguson Enterprises LLC #1300	1,456.62	
74661	10/15/2026	Pitney Bowes Global	1,418.22	
74760	10/30/2026	Guardian	1,396.74	
74668	10/15/2026	Rivanna Water & Sewer Authority	1,395.91	
74729	10/30/2026	Mailing Services of Virginia	1,386.00	
74727	10/30/2026	L/B Water Service Incorporated	1,377.83	
74702	10/30/2026	Comcast	1,362.23	
74678	10/15/2026	UniFirst Corporation	1,212.22	
74752	10/30/2026	VEC LLC	1,120.00	
74621	10/15/2026	Amazon Capital Services	1,048.25	

74722	10/30/2026	Hemali Gunaratne	917.86
74747	10/30/2026	Tencarva Machinery Co LLC	907.65
74730	10/30/2026	Malloy Chevrolet Charlottesville LLC	821.57
74640	10/15/2026	Ferguson Enterprises LLC #1300	783.36
74749	10/30/2026	Traffic Safety Supplies LLC	760.00
74653	10/15/2026	Mailing Services of Virginia	757.68
74649	10/15/2026	LB Technology Incorporated	737.50
74644	10/15/2026	Fortiline Incorporated	717.57
74671	10/15/2026	S L Williamson Company Inc	701.72
74720	10/30/2026	Froehling & Robertson, Inc.	685.00
74717	10/30/2026	Fisher Auto Parts Incorporated	664.94
74677	10/15/2026	Traffic Safety Supplies LLC	640.00
829692186	10/30/2026	ACAC	612.00
835882066	10/30/2026	ACAC	612.00
74705	10/30/2026	Crown Communication LLC	597.02
829692189	10/30/2026	AFLAC	591.87
835882069	10/30/2026	AFLAC	591.87
74706	10/30/2026	Cues Incorporated	587.08
74757	10/30/2026	Hi Yoon	493.85
74674	10/15/2026	T&N Printing Incorporated	410.72
74664	10/15/2026	Republic Services	376.11
74748	10/30/2026	Toni Thorne	352.79
74667	10/15/2026	Rivanna Solid Waste Authority	348.00
74699	10/30/2026	BRC Enterprises Incorporated	342.74
74734	10/30/2026	ODP Business Solutions LLC	308.06
74659	10/15/2026	Kenneth Anderson	300.00
74666	10/15/2026	Ricoh USA Incorporated	288.75
74753	10/30/2026	Protocol SSD Corporation	285.62
74724	10/30/2026	James M Cox Company Inc	269.11
74701	10/30/2026	Comcast	251.67
74673	10/15/2026	Macro Retailing LLC	229.48
74709	10/30/2026	Ditch Witch of Roanoke Incorporated	210.83
74745	10/30/2026	Red Wing Business Advantage Account	204.99
74693	10/30/2026	Bailey Printing Incorporated	200.00
74704	10/30/2026	County of Albemarle	198.00
74627	10/15/2026	Brink's Incorporated	190.68
74696	10/30/2026	Indpndnt Bttry Retailers of America	185.00
74685	10/15/2026	Fluvanna Combined Court	170.15
74758	10/30/2026	Anytime Fitness-Pantops	160.00
74646	10/15/2026	Hathaway Solutions LLC	154.60
74690	10/30/2026	American Pest Incorporated	154.36
74725	10/30/2026	Rebecca Jones	151.97
74658	10/15/2026	Bryan McReynolds	150.00
74735	10/30/2026	Bradley Gunter	150.00
74761	10/30/2026	Herbert Beskin Trustee	135.00
74622	10/15/2026	American Pest Incorporated	134.52
74737	10/30/2026	Ron Buchanan	131.25
74763	10/30/2026	Snap Fitness	124.88
74721	10/30/2026	Genuine Parts Company Incorporated	117.79

74718	10/30/2026	Flexible Benefit Administrators Inc	113.00
74732	10/30/2026	Leandro Munoz	112.86
74711	10/30/2026	Robert Douglas	104.03
74620	10/15/2026	Albemarle Lock & Safe Company	90.00
74626	10/15/2026	Jessica Bissinger	89.16
74687	10/30/2026	Advance Stores Company Inc	82.30
74695	10/30/2026	MWP Supply Incorporated	81.58
74759	10/30/2026	Anytime Fitness-Ruckersville	80.00
74635	10/15/2026	Document Destruction of	69.95
74660	10/15/2026	Kristen Schlegel	60.00
74740	10/30/2026	PMC Distribution Inc	52.04
74645	10/15/2026	Gingerich Outdoor Power Spec	51.28
74733	10/30/2026	O'Reilly Automotive Stores Inc	44.55
74665	10/15/2026	Rexel USA Inc	43.86
74642	10/15/2026	Flexible Benefit Administrators Inc	42.35
74656	10/15/2026	O'Reilly Automotive Stores Inc	38.47
74697	10/30/2026	Central Virginia Electric Cooperative	38.35
74692	10/30/2026	Appalachian Power	36.93
74698	10/30/2026	Hua Chen	35.54
74657	10/15/2026	ODP Business Solutions LLC	33.17
74628	10/15/2026	MWP Supply Incorporated	31.57
74670	10/15/2026	Ruday Properties LLC	30.36
74700	10/30/2026	City of Charlottesville	30.16
74629	10/15/2026	City of Charlottesville	23.50
74694	10/30/2026	Cranium Holding Incorporated	23.20
74654	10/15/2026	Malloy Chevrolet Charlottesville LLC	20.00
74680	10/15/2026	University Tire & Auto	20.00
74751	10/30/2026	University Tire & Auto	20.00
74650	10/15/2026	Carolyn Leasure	19.93
			6,426,920.78

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: FY 2027 Capital Improvement Program (CIP) Report **STAFF CONTACT(S)/PREPARER**: Jeremy M. Lynn, P.E., Director of Engineering	**AGENDA DATE:** November 19, 2026 **CONSENT AGENDA:** **ACTION:** ■ **INFORMATION:** ■ **ATTACHMENTS:** YES

BACKGROUND: Monthly CIP Memo including a status report on active CIP Projects and a list of active Private Development Projects.

DISCUSSION:

- Questions about the status of active CIP Projects.
- Questions about the status of active Private Development Projects.

BUDGET IMPACT: None.

RECOMMENDATIONS: None.

BOARD ACTION REQUESTED: Approval of the Consent Agenda.

ATTACHMENTS:

- Monthly CIP Report
- List of Active Private Development Projects

Albemarle County Service Authority (ACSA)
Capital Improvement Program Report
November 2026

Water System CIP Projects

1. Scottsville Phase 4 Water Main Replacement (Account Code 1758):

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Construction
Percent Complete:	0%
Contractor:	Concrete Foundations, Inc. (CFI - Phase 4A)
Construction Start:	September 2026 (Phase 4A)
Completion:	June 2027 (Phase 4A)
Total Budget:	$8,554,900
Spent to Date:	$608,854.13

Project Description: This project continues our systematic program to replace undersized and deteriorating asbestos-cement and cast-iron water mains throughout our water distribution system. Roads impacted by water replacement work include James River Road, Warren Street, Hardware Street, Moores Hill, and the downtown streets of Page, Bird, and West Main. This project requires extensive coordination with the Rivanna Water and Sewer Authority (RWSA) as it includes the replacement of their asbestos-cement water main along James River Road. Project Length = 13,700 LF.

11/10/2026: CFI has secured a staging area along James River Road and has begun mobilizing materials and equipment to the site. CFI is also working closely with VDOT to secure their Land Use Permit.









2. <u>Ragged Mountain Phase 1 Water Main Replacement (Account Code 1760)</u>:

Consultants:	Dewberry Engineers, Inc. (Dewberry) and Kimley-Horn and Associates (KHA)
Project Status:	Design/Construction
Percent Complete:	90% Design
Contractors:	RWSA Project – Thalle Construction (Thalle) VDOT Project – Burleigh Construction (Burleigh)
Construction Start:	February 2024
Completion:	December 2028
Total Budget:	$2,826,400
Spent to Date:	$290,588.23

Project Description: This project will replace the oldest active water main remaining in our system serving residents along Fontaine Avenue Extended and Reservoir Road. This cast iron pipe is over 90 years old and is severely tuberculated, which significantly reduces the flow capacity in this section. Project Length = 1,800 LF.

11/10/2026: RWSA has authorized Thalle to proceed with the installation of a 72-inch diameter casing pipe under Route 29/250 Bypass that will accommodate both the raw and finished water mains. Thalle has advised that there is an 8-week lead time on receiving the casing pipe. Therefore, boring activities are expected to resume in January 2027.

3. <u>Northfields Water Main Replacement (Account Code 1763/1764)</u>:

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	$10,330,000 Water and $1,270,000 Sewer

Spent to Date: $551,263.79

Project Description: This project continues our systematic program to replace the aging and undersized asbestos-cement water mains in our system. The existing water mains are approximately 55 years old and have reached the end of their useful life. As a former well system that was connected to public water, most of the mains are also undersized. During design of the Northfields Water Main Replacement Project, ACSA staff identified several sections of sanitary sewer that could be installed along the roadway in coordination with the water main replacement work. These efforts will provide sanitary sewer service to nearly 20 existing neighborhood properties currently served by private septic fields. Project Length = 22,000 LF.

8/12/2026: Minor comments have been received from VDOT, and those comments will be incorporated into the bid documents. With VDOT approving ACSA's request to install a portion of the new gravity sewer system in the roadway, all easements required for construction have been obtained.

4. <u>Townwood Water Main Replacement (Account Code 1773)</u>:

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	35%
Contractor:	Commonwealth Excavating, Inc. (Commonwealth)
Construction Start:	September 2026
Completion:	May 2027
Total Budget:	$3,500,000
Spent to Date:	$312,593.14

Project Description: This project will improve and strengthen water service to a community that has experienced numerous water main breaks and service disruptions by replacing the existing water mains and service lines that have been in service since the early 1980's. This project will also create an interconnect with the neighboring Webland Drive community. Project Length = 3,000 LF.

11/10/2026: Commonwealth has completed the installation of the new water main along Cool Spring Road and has begun transferring water services. At ACSA's direction, Commonwealth installed an additional 300 feet of water main along the northern end of Glade Lane to create an interconnect and eliminate a dead-end.





5. <u>Raintree and Fieldbrook Water Main Replacement (Account Code 1771)</u>:

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	$8,032,300
Spent to Date:	$301,307.10

Project Description: This project continues our systematic program to replace the PVC water mains in the Raintree and Fieldbrook subdivisions that have been in service since the early 1980's. In addition to replacing these PVC mains, this project will also eliminate pipe saddles at the water service connections that have been failing due to corrosion. Project Length = 12,000 LF.

11/10/2026: ACSA has been in communication with the property owner of the final easement needed for this project.

6. <u>Old Forge Water Main Replacement (Account Code 1777)</u>:

Consultant:	ACSA Engineering
Project Status:	Construction
Percent Complete:	0%
Contractor:	ACSA Maintenance
Construction Start:	October 2026
Completion:	April 2027

Total Budget:	350,000
Spent to Date:	$3,852.72

Project Description: The project continues our systematic program to replace asbestos cement water mains that are original to the neighborhood, which date back to the 1960's. With VDOT's schedule to repave these neighborhood streets in 2027, ACSA is proactively planning to replace these water mains. Funding for this project is anticipated from the Annual Water Repair and Replacement line item in the adopted CIP Budget. Project Length = 3,000 LF.

11/10/2026: An internal Preconstruction Conference was held on October 27, 2026, and ACSA began mobilizing equipment to the site on November 2, 2026. Rock was almost immediately encountered, and a rock hammer is being brought in to assist with the excavation.

7. Exclusion Meters Replacement (Account Code 1759):

Consultant:	ACSA Engineering
Project Status:	Construction
Percent Complete:	95%
Contractor:	ACSA and Irrigation Contractors
Construction Start:	September 2019
Completion:	February 2027
Total Budget:	$527,500
Spent to Date:	$450,717.81

Project Description: In the mid 1990's with the development of Glenmore, many new customers installed irrigation systems for their properties and wanted to have their sewer bills reduced by the amount of water that was diverted to irrigate their properties. Private meters were installed behind their ACSA meter to record this volume, and it was "excluded" from the calculation of their sewer charges, and these became known as exclusion meters. On January 1, 2006, the ACSA Rules and Regulations were modified to no longer allow private exclusion meters and required all future irrigation meters be tapped separately off our water mains. This project is a multi-year replacement program by our in-house CIP Crew to install dedicated, ACSA owned irrigation meters that will eliminate all remaining exclusion meters in our system.

11/10/2026: Field activities continue with our Maintenance Department, with 26 private exclusion irrigation meters remaining in our system.

Sewer System CIP Projects

8. Airport Trunk Sewer Upgrade (Account Code 1828):

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	100%
Contractor:	Undetermined
Construction Start:	2027

Completion:	2028
Total Budget:	$9,683,800
Spent to Date:	$581,228.94

Project Description: With the continued growth in the Hollymead Town Center area, the existing sewer collector serving the airport and the area west of Route 29 has insufficient capacity to handle full build-out. The existing sewer was originally sized to serve the light industrial zoning designated for that area at the time of construction. The increased density specified in the County Comprehensive Plan for the same drainage basin will exceed the capacity of the existing sewer. A study of the drainage basin was completed in 2016 with the recommendation that the sewer main be increased in size by replacing it in place. Project Length = 6,900 LF.

11/10/2026: ACSA is targeting advertisement for construction on December 1, 2026, with the bid opening tentatively scheduled for January 21, 2027.

9. <u>Buckingham Circle Sewer (Account Code 1802):</u>

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Design
Percent Complete:	90%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2028
Total Budget:	$4,000,000
Spent to Date:	$156,226.70

Project Description: Over the past few years, numerous residents of the Buckingham Circle Subdivision have contacted the ACSA expressing interest in connecting to the public sanitary sewer system. To gauge community interest for such a project, ACSA staff mailed out a survey to the residents seeking feedback on their interest. Based on initial feedback received, more than 70% of the property owners have expressed interest in connecting to public sewer if it was made available.

11/10/2026: Dewberry anticipates submitting the 100% Design Documents on November 13, 2026, to ACSA for review. ACSA presented an offer to UVA Foundation on October 12, 2026, for the easement across their property.

10. <u>Bellair – Liberty Hills Sewer (Account Code 1829)</u>:

Consultant:	Michael Baker International, Inc. (Baker)
Project Status:	Design
Percent Complete:	60%
Contractor:	Undetermined
Construction Start:	2027
Completion:	2029
Total Budget:	$8,593,715
Spent to Date:	$357,628.81

Project Description: Over the past several years, there has been an uptick in residents of the Bellair Subdivision seeking to connect to public sanitary sewer service

since most residents are currently served by private septic fields. To gauge community interest for such a project, ACSA staff mailed out a survey to the residents seeking feedback on their interest. Based on initial feedback received, many of the property owners are interested in connecting to the public sewer if it was made available.

11/10/2026: All boring locations have been staked out in the field and geotechnical boring activities are expected to begin the week of November 9, 2026. Baker has begun developing three of the easement plats on the eastern side of the subdivision.

11. <u>Crozet Phase 3 SSES (Account Code 1803)</u>:

Consultant:	OBG, A Ramboll Company (Ramboll)
Project Status:	Construction
Percent Complete:	95%
Contractor:	ACSA and Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	January 2025
Completion:	December 2026
Total Budget:	$400,000
Spent to Date:	$407,576.53

Project Description: As part of the ACSA's continuing efforts to identify and reduce groundwater (infiltration) and stormwater (inflow) entering the sanitary sewer system, the Crozet Phase 3 Sanitary Sewer Evaluation Survey (SSES) will evaluate a portion of the Crozet collection system primarily north of the railroad tracks. Evaluation efforts include but are not limited to flow metering, manhole inspections, smoke testing, and CCTV inspections.

11/10/2026: Manhole rehabilitation remains on two structures; one will be handled by Prism and the other will be handled by in-house crews.





12. <u>FY 2025 Miscellaneous Sewer Rehabilitation (Account Code 1909)</u>:

Consultant:	OBG, A Ramboll Company (Ramboll) and Dewberry Engineers (Dewberry)
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	June 2024
Completion:	November 2025
Total Budget:	$500,000
Spent to Date:	$521,819.13

Project Description: This project continues our annual "find and fix" program of sanitary sewer rehabilitation to reduce I&I in our system.

8/12/2026: Rehabilitation of one manhole remains on Work Order 3 to close out this project.

13. <u>FY 2026 Miscellaneous Sewer Rehabilitation (Account Code 1910)</u>:

Consultant:	Ramboll and Kimley-Horn
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Prism Contractors & Engineers, Inc. (Prism)
Construction Start:	August 2025
Completion:	August 2026
Total Budget:	$500,000
Spent to Date:	$134,726.57

Project Description: This project continues our annual "find and fix" program of sanitary sewer rehabilitation to reduce I&I in our system.

10/7/2026: Prism has completed all manhole rehabilitation associated with Work Order 3.

14. <u>FY 2027 Miscellaneous Sewer Rehabilitation (Account Code TBD)</u>:

Consultant:	ACSA
Project Status:	Construction
Percent Complete:	Underway
Contractor:	Vortex Holdco LLC (Vortex)
Construction Start:	August 2026
Completion:	August 2027
Total Budget:	$500,000
Spent to Date:	$0

Project Description: This project continues our annual "find and fix" program of sanitary sewer rehabilitation to reduce I&I in our system.

8/12/2026: Work Order 1 has been issued, which includes 10 sewer defects identified throughout our collection system by ACSA Maintenance.

Non-Utility and Facility CIP Projects

15. Avon Operations Center (Account Code 1622):

Consultant:	Dewberry Engineers, Inc. (Dewberry)
Project Status:	Construction
Percent Complete:	93%
Contractor:	Daniel & Company, Inc. (DCI)
Construction Start:	January 2025
Completion:	January 2027
Total Budget:	$18,000,000
Spent to Date:	$17,195,030.39

Project Description: As part of the Operations Center Expansion Study our consultant reviewed all properties owned by ACSA that could be utilized as we continue to grow. The Avon Street property has long been held as a future location to build additional facilities in a central location, as needed. The current Maintenance Yard at our Operations Center is becoming overcrowded with equipment and materials, causing us to locate some equipment and larger materials in the former ACSA Maintenance Yard at the Crozet Water Treatment Plant, which we lease from RWSA. The future expansion of granular activated carbon (GAC) at the Crozet Water Treatment Plant site will result in the loss of much of the ACSA's storage space at that site. This project will begin to develop the Avon Street property into a much larger vehicle and materials storage facility, including a training area for our equipment operators.

11/10/2026: The HVAC system has been installed and placed into operation. Final asphalt along most of the access road and in the parking lots is complete. DCI continues to work on the entrance off Avon Street Extended and needs to address revisions to the stairwell to ensure compliance with the County fire code. Substantial Completion date is November 20, 2026.








16. <u>North Fork and Camelot Pump Station Improvements (Account Code 1831)</u>:

Consultant:	Whitman, Requardt & Associates, Inc. (WRA)
Project Status:	Design
Percent Complete:	10%
Contractor:	Electrical Equipment Company (EECO)
Construction Start:	2027
Completion:	2027
Total Budget:	$475,000
Spent to Date:	$85,351.00

Project Description: In response to the January 2024 flooding of RWSA's Rivanna Pump Station, ACSA undertook the Facility Condition Assessment of various critical water and sewer facilities. This assessment included recommendations at the North Fork and Camelot Pump Stations that will be bundled into this project. Those recommendations include the replacement of variable frequency drives (VFDs), the rebuilding of several pumps, replacement of float controls and flow meters, among other items.

11/10/2026: ACSA has reviewed and approved the submittal from EECO, allowing the North Fork VFD's to be released into production.

17. <u>ArcFlash Hazard Assessment (Account Code 1606)</u>:

Consultant:	Kimley-Horn and Associates, Inc. (KHA)
Project Status:	Study
Percent Complete:	50%
Construction Start:	May 2026
Completion:	March 2027
Total Budget:	$160,000
Spent to Date:	$59,151.50

Project Description: This project consists of performing ArcFlash hazard assessments at 19 sites across the ACSA's service area. These assessments will provide ACSA personnel and authorized contractors with information to understand energy levels present at electrical equipment and the appropriate Personal Protective Equipment (PPE) to wear when maintaining the energized equipment.

10/7/2026: Evaluations are complete for North Fork, Camelot and Briarwood Sewer Pump Stations. Dominion Energy has provided available fault-current letters for Woodbrook and Georgetown Green Sewer Pump Stations and is working on the remaining facilities.

Albemarle County Service Authority (ACSA)
Active Private Development Projects
November 2026

1. 999 Rio Road (Rio): Water and sewer main extensions to serve 24 residential units. This site is located at the intersection of Rio Road East and Belvedere Boulevard.

2. Airport Industrial Complex (Rio): Water and sewer main extensions to serve nearly 135,000 square feet of light industrial space spread out over nine buildings at the end of Timberwood Boulevard and Dobleann Drive off Airport Road.

3. Archer North – Phase 1 (Rivanna): Water and sewer main extensions to serve 78 residential units. This development will replace the Ridgewood Mobile Home Park, located at the corner of Seminole Trail and Ashwood Blvd.

4. Ashcroft Phase 3 (Rivanna): Water main extensions to serve 76 residential units. This development connects to Lego Drive just north of the Ashcroft Clubhouse.

5. Bamboo Grove (White Hall): Water and sewer main extensions to serve 6 residential units. This development is located along Orchard Drive, just north of the intersection with Jarmans Gap Road.

6. Belvedere Phase 4C (Rio): Water and sewer main extensions to serve 79 residential units at the northern end of Belvedere Boulevard.

7. Berkmar Woodburn Flats Phase 1 (Rio): Water and sewer main extensions to serve 14 residential units along Woodburn Road, between Victorian Heights and Berkmar Overlook.

8. Breezy Hill Subdivision (Scottsville): Water and sewer main extensions to serve 80 single family homes near the intersection of Richmond Road and Running Deer Drive.

9. Brookhill Block 18 (Rivanna): Water and sewer main extensions to serve 194 single family homes in the Brookhill subdivision, located along the eastern side of Halsey Avenue and north of the Montgomery Ridge Subdivision.

10. **Brookhill Blocks 14 and 15 (Rivanna): Water and sewer main extensions to serve 106 residential units in the Brookhill subdivision, located northwest of the intersection of Halsey Avenue and Marcella Street.**

11. Dunlora Village Phase 2 (Rio): Water and sewer main extensions to serve 130 single family homes in a new phase of Dunlora Village, located at the end of Miranda Xing.

12. Farmington Country Club – Cottages (Jack Jouett): Water and sewer service to a group of three cottages at the intersection of Farmington Drive and Tennis Road.

13. Fifth Street Landing Self-Storage (Scottsville): Water main extension to serve 4-story self-storage building at the northeast corner of Interstate 64 and 5th Street Extended interchange.

14. Forest Lakes Self-Storage (Rivanna): Water main extension to serve nearly 106,000 square feet of storage space along Worth Crossing, just north of the Forest Lakes Food Lion.

15. Granger Development (Jack Jouett & Samual Miller): Water and sewer main extensions to serve 171 residential units. This site is located along Sunset Avenue Extended, east of Interstate 64.

16. Holly Hills Development Phase I (Rivanna): Water and sewer main extensions to serve 318 multi-family residential units. This site is located along Seminole Trail, just south of Hollymead Drive.

17. Holly Hills Development Phases II & III (Rivanna): Water and sewer main extensions to serve 72 residential units. This site is located along Seminole Trail, just south of Hollymead Drive.

18. Homini Hills (Rio): Water and sewer main extensions to serve 5 residential units at the intersection of Rio Road East and Denice Lane.

19. Kappa Sigma International Headquarters (Scottsville): Water main extension to serve an addition to the existing building and a separate standalone building at their site off Scottsville Road.

20. Maplewood (Rivanna): Water and sewer main extensions to serve 70 multi-family residential units at the intersection of Proffit Road and Worth Crossing.

21. Old Ivy Residences (Jack Jouett): Water and sewer main extensions to serve 525 residential units. This site is located along Ivy Road just east of Route 29/250 Bypass.

22. Rivanna Futures Land Bay 55 (Rivanna): Water and sewer main extensions to serve the proposed AstraZeneca biopharmaceutical manufacturing facility.

23. **<u>Skyline Ridge Apartments (Jack Jouett)</u>: Water main extensions to serve 96 multi-family residential units at the southern end of Colonnade Drive.**

24. <u>Southwood Redevelopment Village 3 (Scottsville)</u>: Water and sewer main extensions to serve 127 single family units and 10 condominium units. This project is located along the eastern side of Horizon Road, south of Hickory Street.

25. <u>Stonefield Veterinary Emergency Group Site Plan (Jack Jouett)</u>: Water and sewer service to a veterinary facility at the intersection of Hydraulic Road and Swanson Drive.

26. <u>Woodbrook Apartments (Rio)</u>: Water main extensions to serve 244 multi-family residential units along Woodburn Road, north of Agnor Elementary School.

*Projects listed in bold font are new projects added to the list.

JML/jl
0506 Active Private Development Projects 11192026

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Capital Improvement Program (CIP) Project Close-Outs **STAFF CONTACT(S)/PREPARER:** Jeremy M. Lynn, P.E., Director of Engineering	**AGENDA DATE:** November 19, 2026 **ACTION:** ☐ **INFORMATION:** ☐ **CONSENT AGENDA:** **ACTION:** ■ **INFORMATION:** ☐ **ATTACHMENTS:** YES

BACKGROUND: This routine process closes completed CIP projects that no longer require funding. Six projects will be closed out, and their expenditures will be reconciled in the 3R Fund.

DISCUSSION:

- Questions about the CIP Projects being closed out.

BUDGET IMPACT: None.

RECOMMENDATIONS: Close out the six CIP Projects listed in the detailed memo.

BOARD ACTION REQUESTED: Approval of the Consent Agenda.

ATTACHMENTS:

- Detailed memo of the completed CIP Projects and the amount of expended funds.

Albemarle County Service Authority
Serving Conserving

MEMORANDUM

To: Board of Directors
From: Jeremy M. Lynn, P.E., Director of Engineering
Date: November 19, 2026
Re: Capital Improvement Program (CIP) Project Close-outs
cc: Michael E. Derdeyn

The following projects have been completed in the Capital Improvement Program (CIP):

Emergency Response Plan (Account Code 1604): The ACSA performed an update to its Emergency Response Plan (ERP) to comply with the America's Water Infrastructure Act (AWIA) of 2018. The report and certification were completed ahead of the June 30, 2026, deadline. The project resulted in unexpended funds of $26.00.

Energy Audit Upgrades (Account Code 1625): This project consisted of a comprehensive energy audit of the Operations Center and all pump stations. Recommendations from the audit included: LED lighting retrofits, occupancy-based HVAC controls, replacement of the domestic water heater, and installation of four Electric Vehicle (EV) charging stations at the Administration Building. The project resulted in over-expended funds totaling $16,073.68.

Galaxie Farm Water Connection (Account Code 1702): This project included a water interconnect between the County's recently constructed Mountain View Upper Elementary School and the neighboring Galaxie Farm subdivision for redundancy and water quality purposes. The project resulted in over-expended funds totaling $16,831.

Briarwood Water Main Replacement (Account Code 1768): This project continued our systematic program to replace PVC water mains installed in the early 1980's that have experienced several breaks causing water service disruptions. The project resulted in over-expended funds of $57,677.87 due to the replacement of an additional 300 feet of water main along Austin Drive.

Old Lynchburg Road Water Interconnect (Account Code 1775): This project included a water interconnect between Vision Lane and Country Green Lane and

allowed for a water extension across Old Lynchburg Road ahead of VDOT's Old Lynchburg Road and 5th Street Roundabout Project. The project resulted in unexpended funds of $62,959.

FY 2024 Miscellaneous Sewer Rehabilitation (Account Code 1908): This project continued our efforts to reduce infiltration and inflow (I&I) in our wastewater collection system and was part of our "Find and Fix" sewer rehabilitation program. This project resulted in unexpended funds of $444,508.54.

The following is a financial summary of the projects:

Account Description:	Budgeted Amount	Expended Amount	Unexpended Amount
Emergency Response Plan	$80,000.00	$79,974.00	$26.00
Energy Audit Upgrades	$390,000.00	$406,073.68	($16,073.68)
Galaxie Farm Water Connection	$79,000.00	$95,831.00	($16,831.00)
Briarwood Water Main Replacement	$4,100,000.00	$4,157,677.87	($57,677.87)
Old Lynchburg Road Water Interconnect	$175,000.00	$112,041.00	$62,959.00
FY 2024 Miscellaneous Sewer Rehabilitation	$500,000.00	$55,491.46	$444,508.54
Total	**$5,324,000.00**	**$4,907,089.01**	**$416,910.99**

Board Action

We are requesting the Board of Directors close out the listed projects.

JML/jml
010101ProjectCloseoutsBoardMemo11192026

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: FY 2027 Monthly Maintenance Update Report	**AGENDA DATE:** November 19, 2026
STAFF CONTACT(S)/PREPARER: Alexander J. Morrison, P.E., Director of Operations	**CONSENT AGENDA:** **ACTION:** ■ **INFORMATION:** ■ **ATTACHMENTS:** No

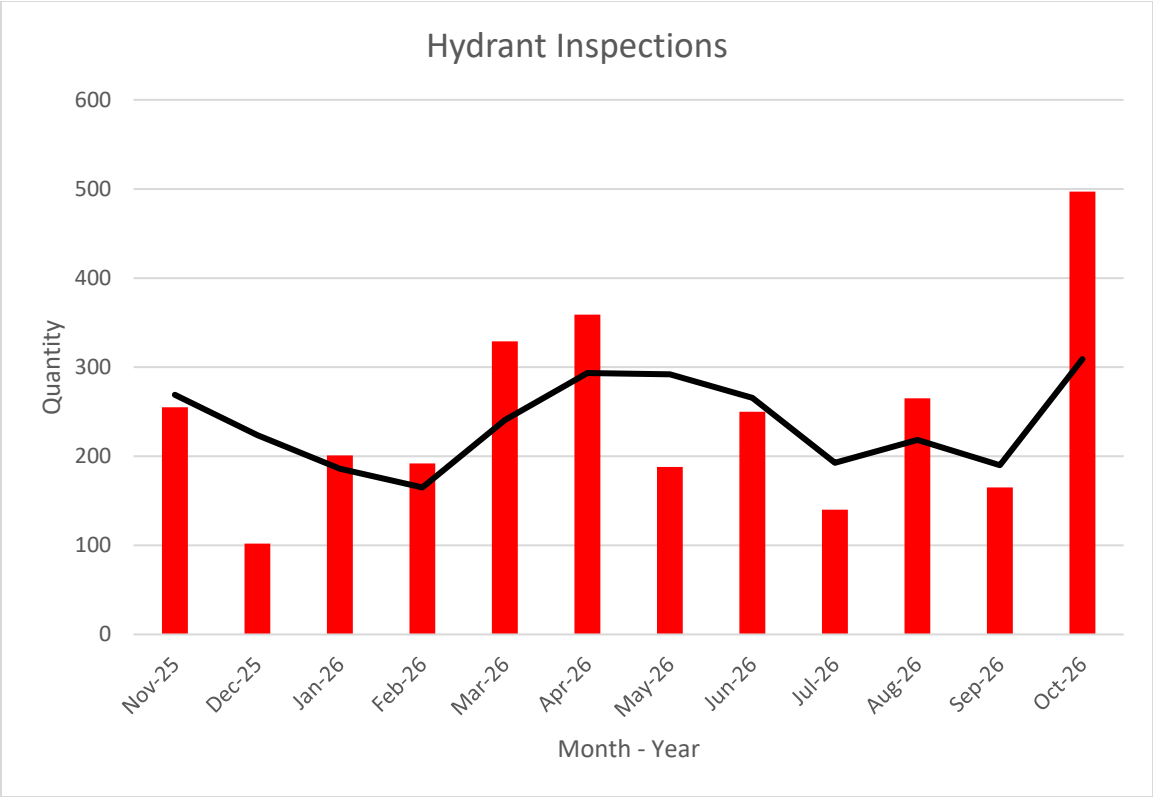
BACKGROUND:

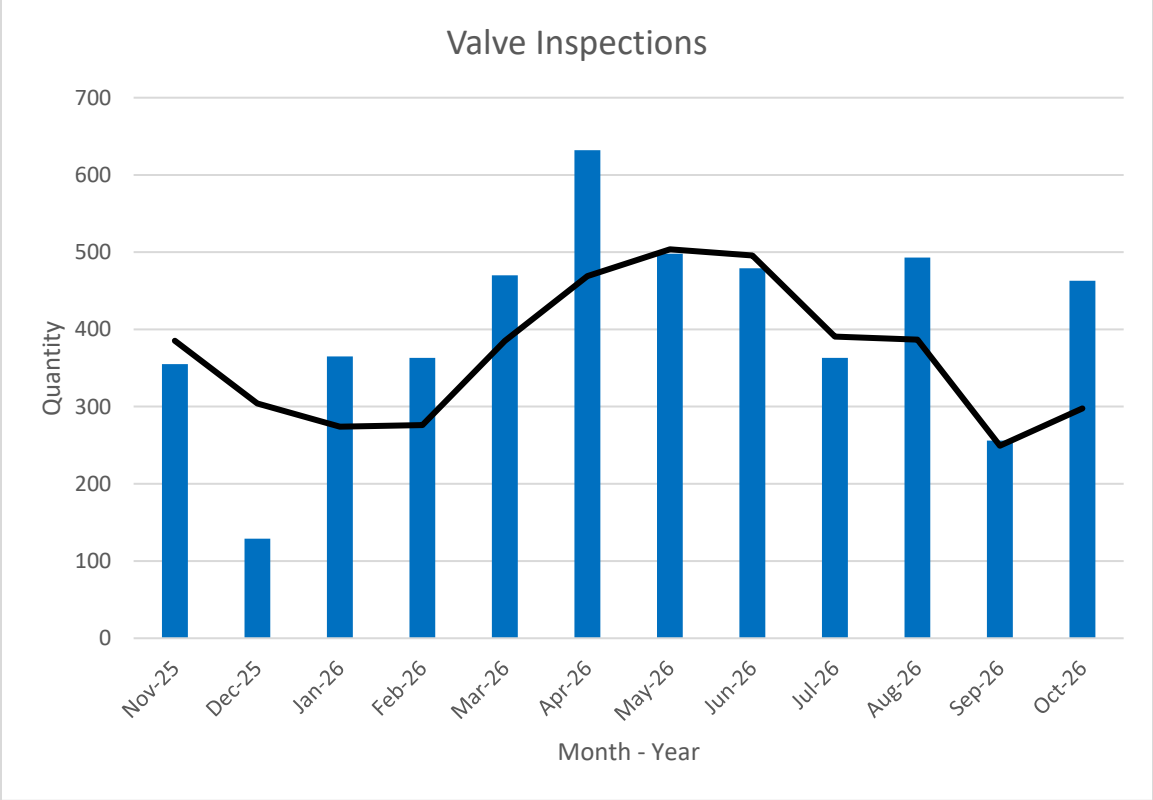
Current total years of service in the Maintenance Department: 337.0 years
Current average years of service in the Maintenance Department: 9.1 years
Current number of employees in the Maintenance Department: 37

The 8 graphs on the following pages depict key monthly Maintenance Department activities based on completed Cityworks work orders, inspections, and other operational data. Each graph presents the previous 12 months of activity by month and includes a 3-month running average trend line to help normalize normal fluctuations in workload and activities and provide a clearer view of overall operational trends. The running average helps illustrate longer-term performance patterns while reducing the impact of month-to-month variations caused by weather, staffing, operational priorities, and other factors.

ALBEMARLE COUNTY SERVICE AUTHORITY

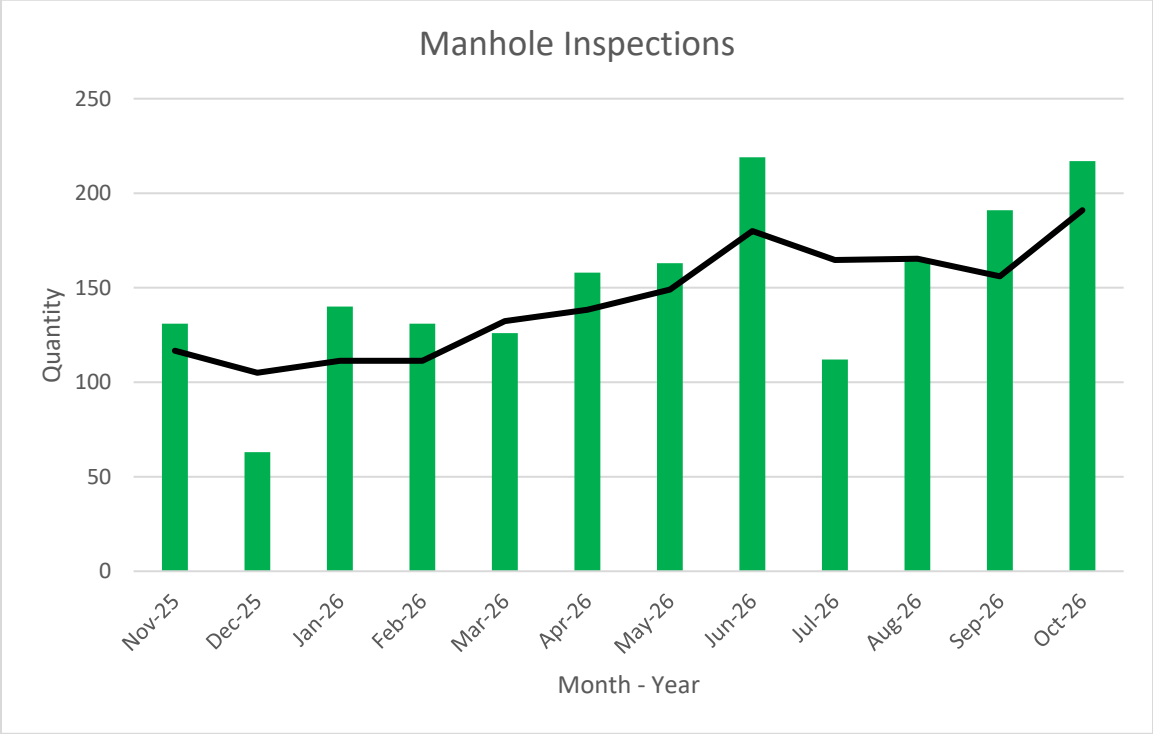
AGENDA ITEM EXECUTIVE SUMMARY

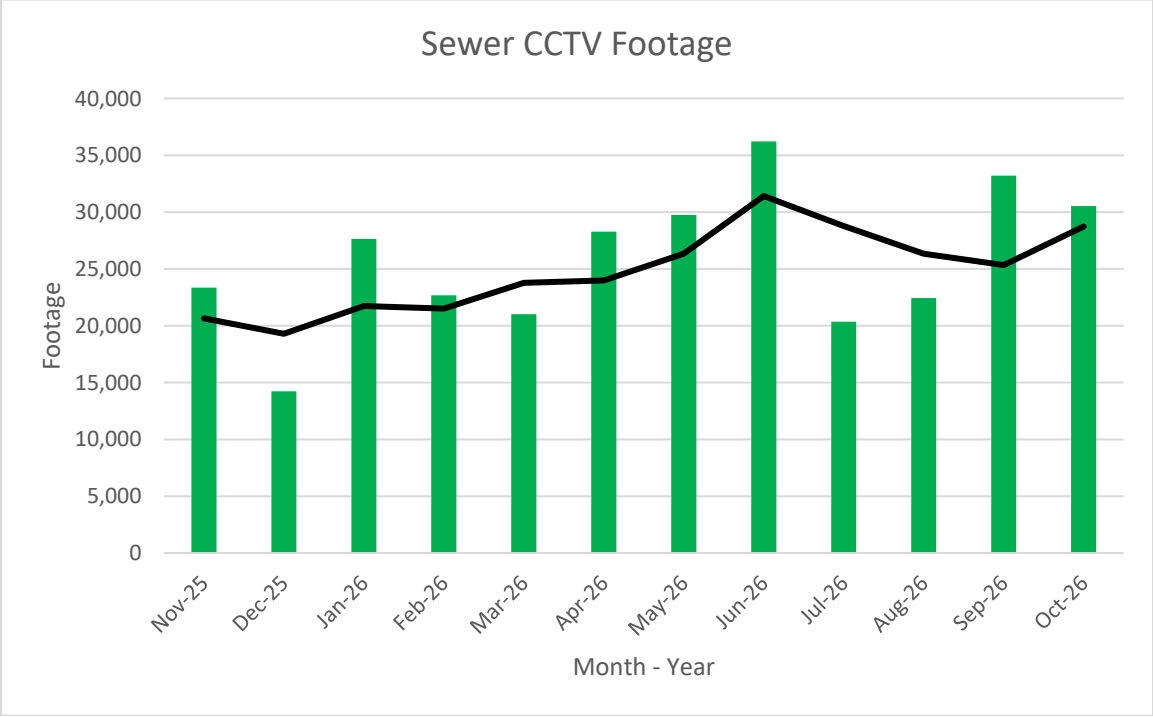




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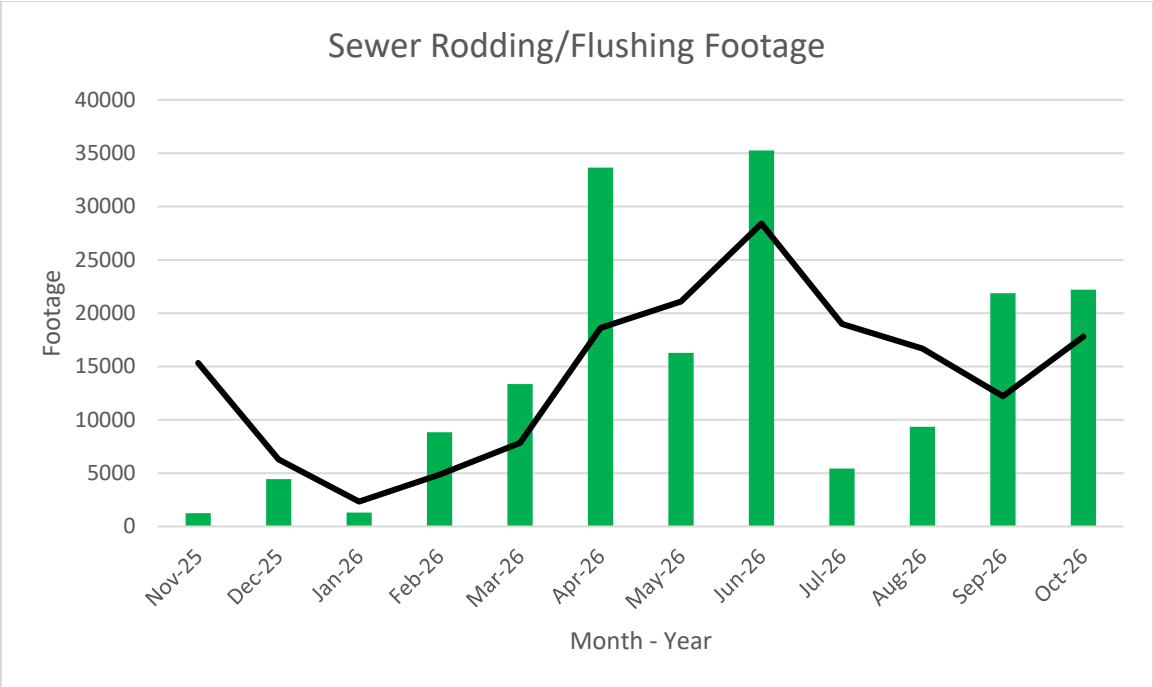
AGENDA ITEM EXECUTIVE SUMMARY

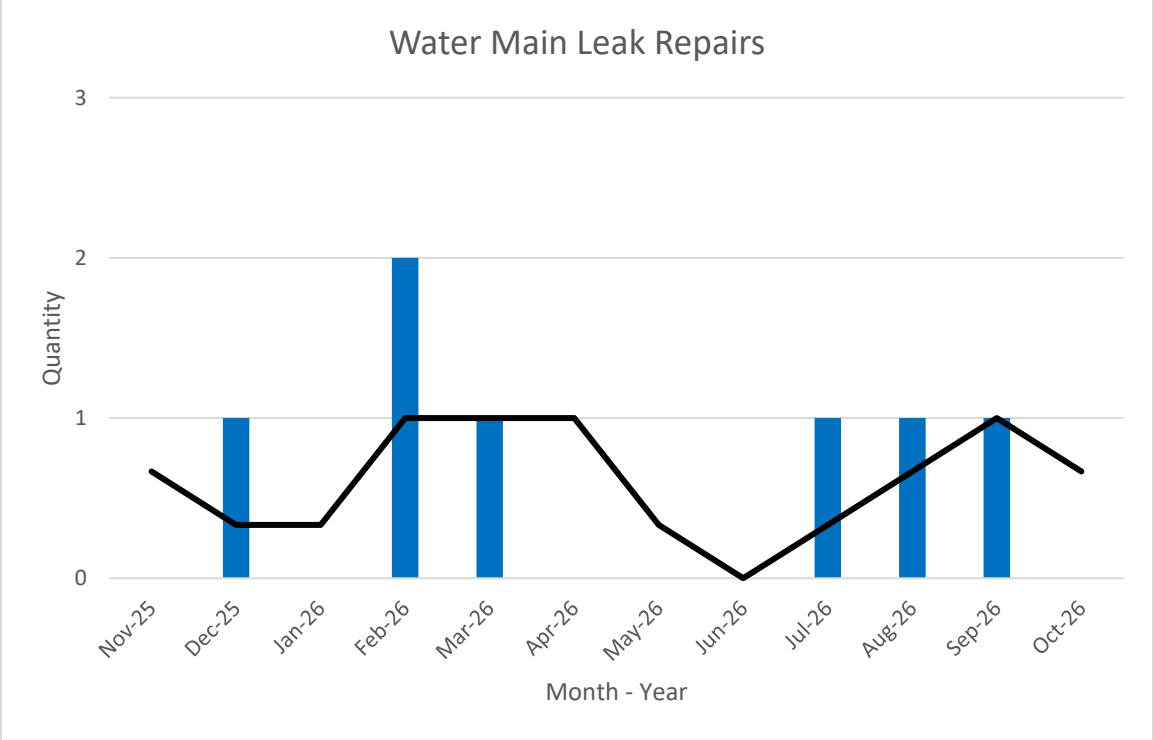




ALBEMARLE COUNTY SERVICE AUTHORITY

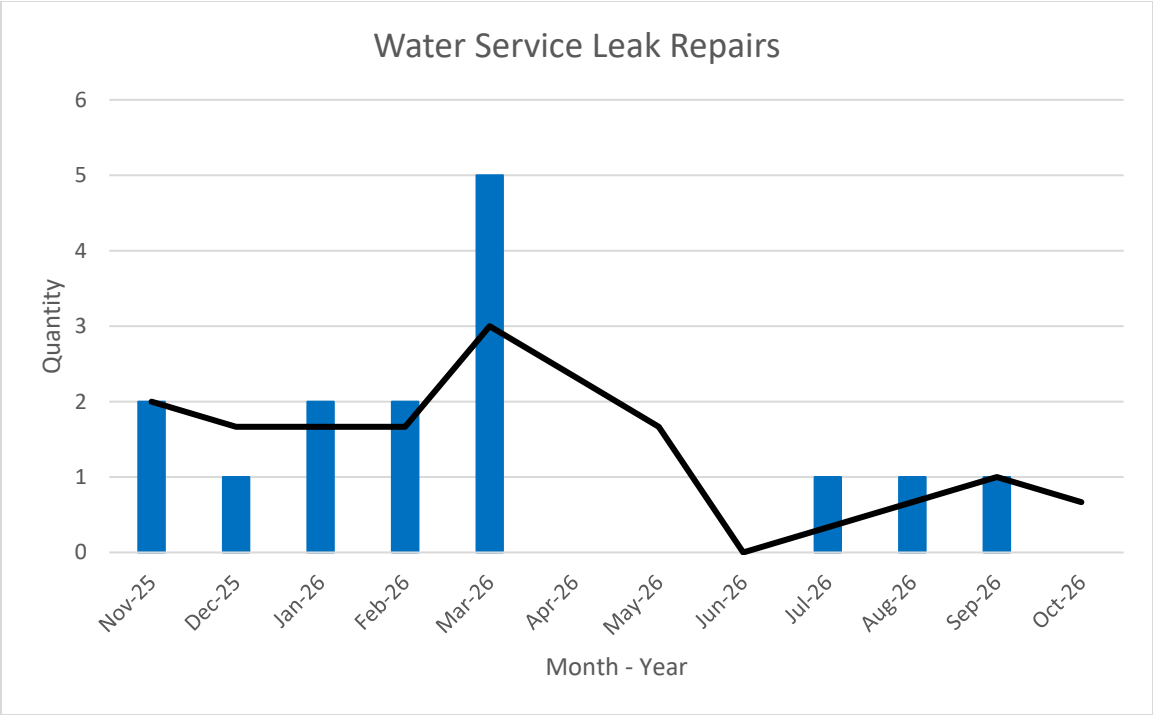
AGENDA ITEM EXECUTIVE SUMMARY





ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY



ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

DISCUSSION:

- Routine Monthly Maintenance Activities

    - Inspections: Manhole, valve, and fire hydrant inspections all increased during the month of October. This was primarily due to favorable weather and staff availability. Repair and replacement activities completed during the month included:

        - Repair Fire Hydrant: 8
        - Repair/Replace Water Valve Box: 24
        - Replace or Reset Manhole Frame and Cover: 5

    - Leak Repairs: There were no water main or water service repairs in the month of October.

    - Water Service Installation: Four (4) new water service installations were completed in October.

    - Sewer CCTV Footage: Sewer CCTV activity decreased slightly in October compared to September, with a total of 30,537 feet of sewer mains inspected. This was due to some downtime while a generator was repaired on one of the CCTV vans.

    - Sewer Rodding/Flushing Footage: Sewer rodding and flushing activity increased slightly in October compared to September, with a total of 22,200 feet of sewer mains rodded and/or flushed.

    - Facilities Inspections: In October, completed inspections are as follows:

        - 145 Generator Inspections
        - 336 Pump Inspections
        - 84 Sewer PS Inspections
        - 72 Water PS Inspections
        - 8 Fire System Inspections
        - 2 UST Inspections
        - 8 PRV Station Inspections

- Miscellaneous Maintenance Activities

    - **Scottsville Sewer Repair:** Maintenance staff provided support over multiple days while our on-call contractor, Rocktown Excavating, completed emergency repairs to a damaged section of 12-inch

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

sewer main in Scottsville. The damage occurred during the installation of stabilizing nails by a VDOT contractor on Warren Street. The repair was successfully completed, and ACSA is pursuing reimbursement from the contractor responsible for the damage.

- **Operator Trainer Certification:** Several Maintenance Department employees recently participated in operator training led by Carter CAT. Upon completion of the program, these employees became certified to provide in-house training for new operators, enhancing ACSA's ability to develop staff and standardize operational training practices.

- **Virginia Rural Water Association EXPO:** Several Maintenance Department employees attended the Virginia Rural Water Association Expo in Fishersville. During the event, employees Jared Sears and Chris Ragland competed in the annual tapping contest and earned a second-place finish, missing first place by just one second. Congratulations to Jared and Chris on their outstanding performance and representation of ACSA.

BUDGET IMPACT: None.

RECOMMENDATIONS: None.

BOARD ACTION REQUESTED: Approval of the Consent Agenda.

ATTACHMENTS: No

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Monthly Information Technology Department Update **STAFF CONTACT(S)/PREPARER:** April Walker, Director of Information Technology	**AGENDA DATE:** November 19, 2026 **ACTION:** ☐ **INFORMATION:** ■ **ATTACHMENTS:** None

Information Technology

Background:

Our I.T. Supervisor, Systems Analyst, and Systems Engineer are responsible for supporting and overseeing day-to-day Information Technology operations for the ACSA.

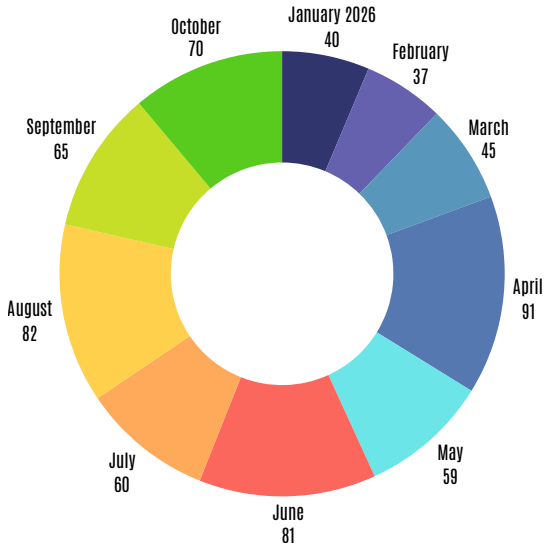
For the month of October, Sabrina Seay and our new I.T. Supervisor, Kim Hardy, managed most of the Help Desk requests. We have not yet posted the job opening of the Systems Analyst position.

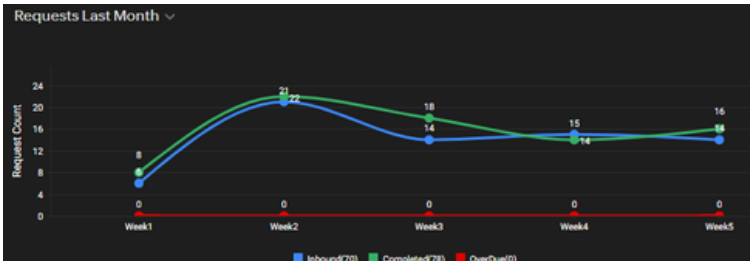
Together, the Systems Analyst and Systems Engineer manage Help Desk requests, coordinate employee onboarding and offboarding, and administer the ACSA's intranet, website, servers, and software systems.

Last month, they:

- Resolved **70** Help Desk tickets
- Deployed **1** new computer
- Deployed **1** new phone
- Completed onboarding for **1** employee

2026 HELP DESK TICKET COMPARISON





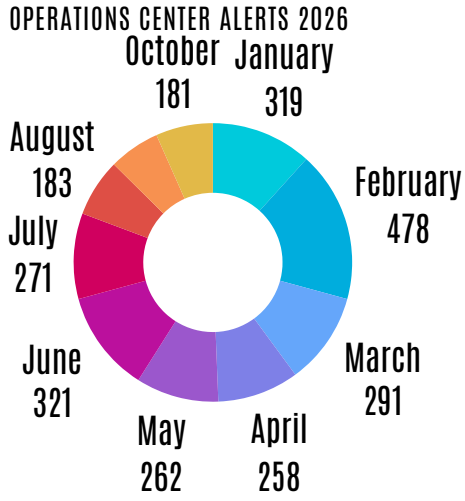
I.T. DEPARTMENT'S MONTHLY ROUTINES

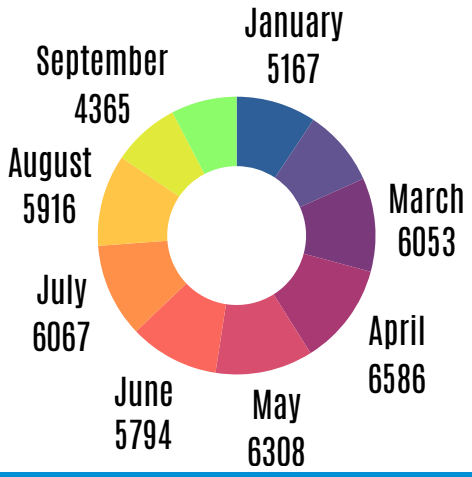
Digital & Physical Security

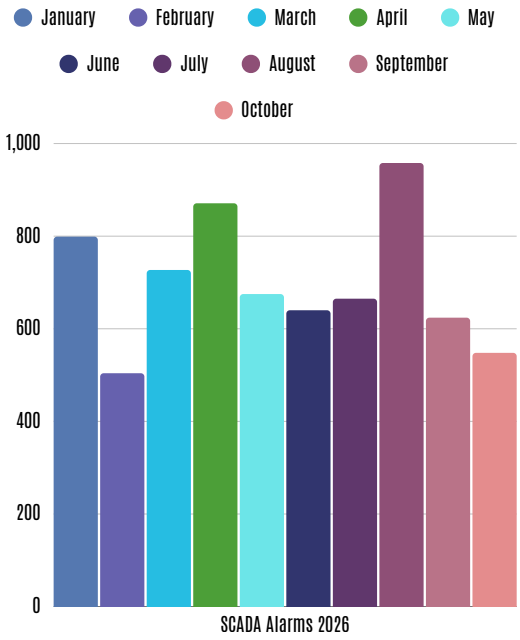
Background:
Our ISO/Systems Engineer, Solomon Wondimu, oversees all digital security, while our Information Technology Technician, Tron Henson, is responsible for physical security.

Last month, they:

- Investigated **181** physical security alerts at the Operations Center
- Investigated **4,242** physical security alerts at water storage tanks and pump stations.
- Investigated **252** modem alerts.
- Implemented **426** firewall pattern updates







SCADA & AMI

Background:
Our SCADA system and AMI base stations are handled by our SCADA Technician, Eddie Glass.

Last month, he:

- Investigated **548** SCADA alarms.
- Investigated **19** AMI modem alerts
- Completed **2** SCADA Work Orders.

I.T. DEPARTMENT'S MONTHLY ROUTINES

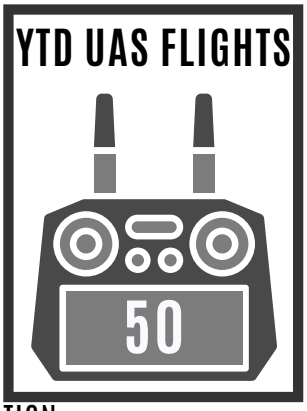
Geographic Information Systems (GIS)

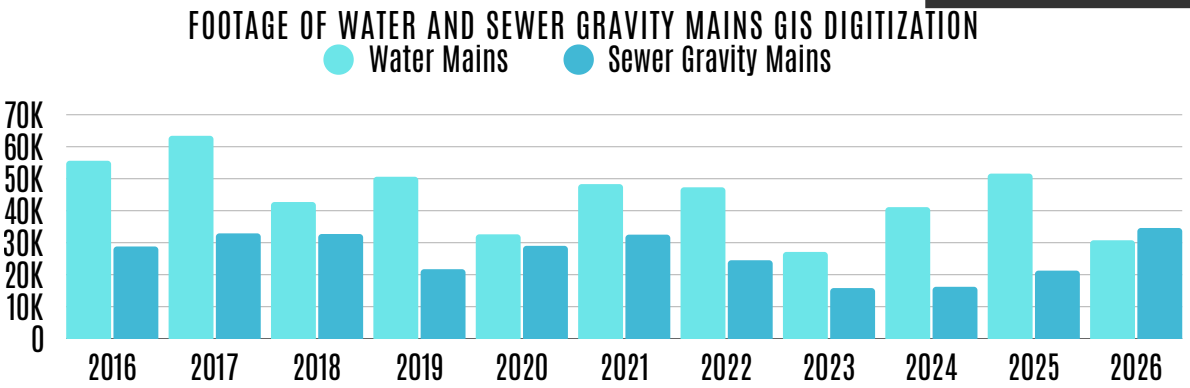
Background:

Our GIS operations are managed by Enterprise Applications Supervisor Justin Ray and GIS Technician Elise Kiewra. XY locates are handled primarily by IT Technician Tron Henson; however, due to the current project workload, one of our Operations Supervisors has been handling these requests.

Last month, they:

- Digitized **68** sewer lateral lines (Total 21,270)
- Digitized **3,520 ft** sewer gravity mains (Total 1,772,467.1 ft)
- Digitized **2,591 ft** water mains (Total 2,080,740.4 ft)
- Digitized **482.7 ft** water service lines (Total 518,104.8 ft)
- Fulfilled **14** external map requests
- Completed **4** Update GIS work orders
- Completed **6** UAS Flights
- GPS located **8** assets





Custom Reporting

Background:

Our Utility Data Analyst, Phillip Neill, is responsible for developing and maintaining custom reports that transform complex operational and customer data into clear, actionable insights.

Last month, he:

- Launched the new SSRS reporting platform with minimal user impact.
- Attended Utility Analytics Week to learn industry best practices and emerging trends.
- Developed KPI goals with Maintenance Staff.
- Supported CIP planning and data analysis for water main replacement prioritization.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

I.T. DEPARTMENT'S LARGE PROJECT PARTICIPATION



CLOUD MIGRATION

IN PROGRESS: We have an executed agreement, and we expect the project to start shortly! We anticipate a project kick-off meeting to be scheduled within the next month.



AVON OPERATIONS CENTER- NETWORKING & SECURITY

IN PROGRESS: All camera wiring has been completed, and both ISP connections are installed and operational. A connection between both facilities has been established. We are currently finalizing network infrastructure, and installing the access control system. We are awaiting the arrival of brackets needed to complete the cameras mounted on the parking lot poles.





SCADA COMMUNICATIONS

IN PROGRESS: Our vendor is continuing to work with T-Mobile to configure the cellular modems for the SCADA private network and establish a redundant communications path to ensure network resiliency and reliability.



STAFF RECRUITMENT

IN PROGRESS: Our new IT Supervisor, Kim Hardy, started on October 19 and has already begun integrating into the team. With this position now filled, we will be posting and conducting interviews for the Systems Analyst position later this year to continue strengthening our department.



CUSTOMER INFORMATION SYSTEM (CIS)

IN PROGRESS: Work continues on the integrations for Cityworks, RingCentral, ArcGIS, and Munis.

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

SECURITY SYSTEM UPGRADES- PUMP STATIONS

ON HOLD: This project is being completed as time allows when work on the Avon Operations Center is not underway. We have been working on the Old Forge, Georgetown, and Glenmore Water Pump Stations.

SCADA SYSTEM ASSESSMENT

IN PROGRESS: All but two of the sites have had their preventative maintenance completed. We have recently replaced three human machine interfaces (HMI) at SCADA sites. A SCADA inventory compilation has completed. Replacement hardware for Georgetown Green has been received and will be installed after the Thanksgiving holiday. Maintenance will be installing alarm floats at three pump stations which will eventually be integrated into SCADA.

CELLULAR MIGRATION

ON HOLD: All mobile devices have now been successfully migrated. Next, we will work with the Meter Operations Supervisor to begin the cellular migration for the AMI system.

CYBERSECURITY

IN PROGRESS: Our new cybersecurity training and awareness platform has been well received by staff. Multiple training campaigns and simulated phishing exercises have been conducted to strengthen security awareness and reinforce best practices. We also hosted an onsite review with CISA, providing an opportunity to receive valuable feedback and recommendations for further enhancing our cybersecurity program.

ACKNOWLEDGEMENTS: We thank you for your continued support in our efforts.

BOARD ACTION REQUESTED: Informational

ATTACHMENTS: None

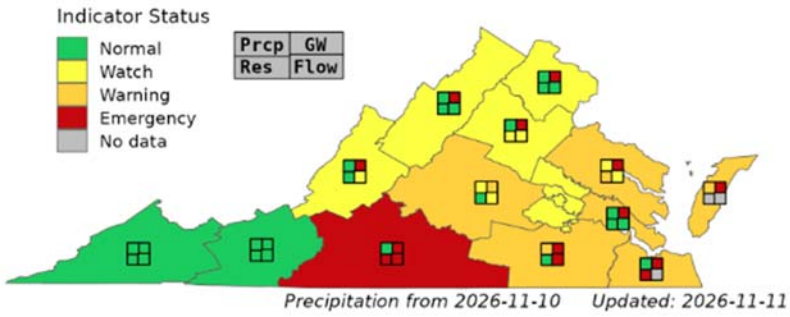
ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Rivanna Water & Sewer Authority (RWSA) Monthly Update **STAFF CONTACT(S)/PREPARER:** Quin Lunsford, Executive Director	**AGENDA DATE:** November 19, 2026 **CONSENT AGENDA:** Informational **ATTACHMENTS:** No

BACKGROUND: This report continues the monthly updates on the Rivanna Water & Sewer Authority (RWSA) projects, Board meetings, and follow-up items. Below are updates on RWSA major projects and issues, including updates from the RWSA October 27th Board packet.

- **Drought and Water Supply Update**: The Virginia Drought Monitoring Task Force (DMTF) met on September 29th, to discuss the status of drought monitoring and hydrologic conditions in the Commonwealth. The most recent Drought Map is shown below. Drought indicator status for our region is illustrated below and reflects a "warning" status for precipitation, groundwater and stream flows, and a "normal" status for reservoirs. The RWSA, ACSA, and City continue to monitor reservoir levels, weather predictions, and streamflow data to utilize the hydrologic model and assist the regional drought committee in decisions related to localized assessment of drought stages and necessary conservation measures. Our collective systems remain in the "Drought Watch" status..



DAILY WATER STATUS REPORT

WATER DEPARTMENT

11/11/2026

Reservoir	Full Capacity (MG)	Level	%Full	Rainfall#	Flow Release to River#
South Rivanna	885	Full	100.00	0.00"	Spillway Overflow
Ragged Mountain	1440	-5.08'	82.32	0.00"	0.03 MGD
Sugar Hollow	340	-2.27'	90.17	0.00"	1.9 MGD
Beaver Creek	490	-1.42'	91.50	0.00"	N/A
Totier Creek	155	Full	100.00	0.00"	Spillway Overflow

AGENDA ITEM EXECUTIVE SUMMARY

Summary (under construction):

RWSA Major Project Schedule	Construction Start Date	Construction Completion Date
Central Water Line, Phase 1	October 2025	December 2029
Red Hill Water Treatment Plant Upgrades	January 2025	June 2027
South Fork Rivanna River Crossing	December 2024	September 2027
RMR to OBWTP Raw Water Line & Pump Station	February 2025	June 2029
MC Building Upfits & Gravity Thickener Improvements	May 2025	December 2027
MC Structural & Concrete Rehabilitation	May 2025	December 2027
Crozet Pump Stations Rehabilitation	December 2025	December 2027
MC Administration Building Renovation & Addition	August 2025	December 2027
SVWRRF Permit Modification Upgrades	December 2026	June 2027
RMR Pool Raise	September 2025	December 2026
Sewer and Manhole Repairs, Phase 2	December 2025	June 2027
Crozet WTP GAC Expansion – Phase I	March 2026	May 2028
SVWRRF Generator Replacement	April 2026	June 2027
SRR to RMR Pipeline, Pump Station & Intake	March 2026	December 2030
Glenmore WRRF Upgrade, Phase 1	June 2026	May 2027
Sodium Hypochlorite Tank Replacement, OBWTP	September 2026	July 2027
MC UV Disinfection System Replacement	November 2026	June 2029
SRWTP – PAC System Upgrades	January 2027	June 2027
SRWTP Floc Basin Equipment Replacement	October 2027	May 2028

Design and Bidding

RWSA Major Project Schedule	Construction Start Date	Construction Completion Date
Airport Road Water Storage Tank and Pumps	March 2027	March 2029
Central Water Line, Phase 2	May 2027	December 2029
MC Pump Station Slide Gates, Valves, Bypass and Septage Receiving Upgrades	May 2027	December 2028
Beaver Creek Raw Water Pump Station, Intake & Piping	May 2027	December 2029
Beaver Creek Dam Spillway Modifications	January 2030	December 2032
Upper Schenks Branch Interceptor, Phase 2	2028	2030
Dam Concrete Steel Repairs	May 2027	May 2028
NR River Crossing and Piping	September 2027	December 2030
MC Blower Ventilation Replacement	September 2027	March 2029
Woodburn, Pantops & Observatory Water Tank Painting	June 2027	June 2030
SRWTP WW Connection	March 2028	June 2029
Albemarle Berkeley WWPS Replacement	September 2027	September 2029
Berkmar Drive Waterline	March 2028	March 2030
Emmet Street Waterline Betterment	April 2027	March 2030
Dam Public Safety Improvements	June 2027	December 2028
Buck's Elbow Tank and Waterball Repairs and Painting	June 2027	September 2029
MC Securing Improvements, Front Gate	April 2028	December 2029
NRWTP Decommissioning	July 2029	June 2031
Urban Water Storage Tank Improvements	June 2028	December 2030
Powell Creek Interceptor Upgrade (PC 1-5)	TBD	TBD
Northern Area Pressure Zone	TBD	TBD

- **Central Water Line, Phase 1**

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Sagres Construction Corp. (Alexandria, VA)
Construction Start:	October 2025
Percent Complete:	35%
Completion:	December 2029
Budget:	$58,000,000

Current Status: One pipe crew continues 30" pipe installation on Cherry Avenue, while the second crew has moved to Cleveland Avenue to begin installation of the City 8" water line. Rock honeycombing has begun at the end of Lewis Street to aid in the excavation of the bore pit for the tunnel under the railroad.

History: The hydraulic connectivity in the Urban System is less than desired, creating operational challenges and reduced system flexibility and redundancy. Recent efforts and modeling for the Urban Finished Water Infrastructure Master Plan have determined that a central water line corridor through the city is the best option to hydraulically connect the Observatory Water Treatment Plant to the Urban service area, including the ACSA water service area.

This proposed new Central Water Line builds on the ACSA investments in additional water supply at Ragged Mountain and at the newly expanded Observatory Water Treatment Plant. This new line will allow a connection from the water plant to the urban water service areas of ACSA.

- **Red Hill Water Treatment Plant Upgrades**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Anderson Construction (Lynchburg, VA)
Construction Start:	January 2025
Percent Complete:	70%
Completion:	June 2027
Budget:	$2,050,000

Current Status: Electrical, HVAC, and plumbing work are underway. GAC building piping installation, testing, and disinfection is ongoing.

History: The Red Hill Water Treatment Plant was constructed in a joint effort by the ACSA and RWSA in 2009 and consists of a well, pneumatic tank and pump house that provides treated water to the Red Hill Elementary School and adjoining neighborhood. The current building is beyond its physical capacity and this project

serves to expand the building and improve the configuration of the process and laboratory needs of the WTP.

- **South Fork Rivanna River Waterline Crossing**

Design Engineer:	Michael Baker International (Baker)
Construction Contractor:	Faulconer (Charlottesville, VA)
Construction Start:	December 2024
Percent Complete:	70%
Completion:	September 2027
Budget:	$6,550,000

Current Status: Faulconer Construction's new HDD subcontractor will mobilize in mid-November to begin the intercept tunnel under the river.

History: RWSA has previously identified through master planning that a 24-inch water main will be needed from the South Rivanna Water Treatment Plant (SRWTP) to Hollymead Town Center to meet future water demands. Two segments of this water main were constructed as part of the VDOT Rt. 29 Solutions projects, including approximately 10,000 LF of 24-inch water main along Rt. 29 and 600 LF of 24-inch water main along the new Berkmar Drive Extension, behind Kohl's department store. To complete the connection between the SRWTP and the new 24-inch water main in Rt. 29, there is a need to construct a new river crossing at the South Fork Rivanna River. Acquisition of right-of-way will be required at the river crossing.

- **Ragged Mountain Reservoir to Observatory Water Treatment Plant Raw Waterline and Pump Station**

Design Engineer:	Kimley-Horn
Design Contractor:	Thalle Construction (Hillsborough, NC)
Construction Start:	February 2025
Percent Complete:	50%
Completion:	June 2029
Current Project Estimate:	$61,500,000

Current Status: Pipeline construction continues between Ragged Mountain Reservoir and the new pump station on Reservoir Road, as well as between the new pump station and Birdwood Golf Course on Foxhaven Farm. Masonry and roofing work continues for the exterior of the pump station.

History: Raw water is currently transferred from the Ragged Mountain Reservoir (RMR) to the Observatory Water Treatment Plant by way of two 18-inch cast iron raw water lines, which have been in service for more than 110 and 70 years, respectively. The proposed water line will be able to reliably transfer water to the expanded Observatory Plant, which, upon completion, will have the capacity to treat 10 mgd.

The new single water line will be constructed of 36-inch ductile iron and will be approximately 14,000 feet in length.

The RMR to Observatory WTP raw water pump station will replace the existing Stadium Road and Royal Pump Stations, which have exceeded their design lives. The pump station will pump up to 10 mgd of raw water to the Observatory WTP. The integration of the new pump station with the planned South Rivanna Reservoir (SRR) to RMR Pipeline is being planned in the interest of improved operational and cost efficiencies and emergency redundancy. An integrated pump station would also include the capacity to transfer up to 16 mgd of raw water from RMR back to the SRR WTP.

- **MC Building Upfits and Gravity Thickener Improvements**

Design Engineer:	Short Elliott Hendrickson (SEH)
Construction Contractor:	English Construction (Lynchburg, VA)
Construction Start:	May 2025
Project Status:	45%
Completion:	December 2027
Current Project Estimate:	$11,800,000

Current Status: Framing, electrical, and concrete work continue in the Blower Building. In the Vehicle Maintenance Building, the HVAC has been installed along with the windows, brick, and siding. Demolition for the new oil storage room and the new sewer line to the Maintenance buildings is complete.

History: This project addresses the renovation needs of the current maintenance and operations building space requirements, improvements to the existing gravity thickener system, and installation of actuators on the secondary clarifier influent gate valves.

- **MC Structural and Concrete Rehabilitation**

Design Engineer:	Hazen and Sawyer (Hazen)
Construction Contractor:	WM Schlosser (Hyattsville, MD)
Construction Start:	May 2025
Project Status:	50%
Completion:	December 2027
Current Project Estimate:	$15,500,000

Current Status: Blasting and priming of the steel on the South Maintenance Shed is ongoing. Concrete repair work in the west Holding Pond and all repair work in Primary Clarifier #1 are complete.

History: This project comprises rehabilitation, repair and installation of multiple structural components throughout the MCAWRRF facility, to include concrete repairs

in both the equalization basis and holding ponds, and rehabilitation to other components of the system.

- **Crozet Pump Stations Rehabilitation**

Design Engineer:	Wiley | Wilson
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	December 2025
Percent Complete:	30%
Completion:	December 2027
Budget:	$12,350,000

Current Status: Work at Pump Station 2, continues. Startup of the new pumps is anticipated next month, after the conclusion of electrical work and pressure testing.

History: The Crozet pump stations were originally constructed in the 1980's with many of the original components still being utilized. This project includes replacement of pumps, valves, roof replacements, siding replacements, installation of new wells, new electrical motor control centers, generators, and power transfer switches.

- **MC Administration Building Renovation and Addition**

Design Engineer:	SEH
Construction Contractor:	Martin Horn (Charlottesville, VA)
Construction Start:	August 2025
Percent Complete:	40%
Completion:	December 2027
Budget:	$29,600,000

Current Status: Contractor is installing brick on the exterior of the addition and drywall on the interior.

History: Through the MCAWRRF Master Plan, a need to house additional staff, increase office and meeting space; plan for replacement of the engineering trailers; bring the IT server workrooms to modern standards; and provide classroom space for education outreach. The expansion of the building will take place in the lower parking lot adjacent to the existing building.

- **SVWRRF Permit Modification Upgrades**

Design Engineer:	Short Elliot Hendrickson (SEH)
Construction Contractor:	Orders Construction Company
Construction Start:	December 2026
Percent Complete:	5%
Completion:	June 2027
Budget:	$1,015,000

Current Status: Contractor is completing material submittals. They are scheduled to receive equipment and mobilize to the site in December.

- **Ragged Mountain Reservoir Pool Raise**

Design Engineer:	Schnabel Engineering
Construction Contractor:	Faulconer Construction (Charlottesville, VA)
Construction Start:	September 2025
Percent Complete:	90%
Completion:	December 2026
Current Project Estimate:	$13,300,000

Current Status: Tree clearing work around the reservoir has been completed. Construction of the expanded blanket drain system in the right abutment of the dam and modifications to the intake tower are in progress.

- **Sewer and Manhole Repairs, Phase 2**

Design Engineer:	CHA Consulting, Inc.
Construction Contractor:	Vortex Services, LLC (Chesapeake, VA)
Construction Start:	December 2025
Percent Complete:	90%
Completion:	June 2027
Budget:	$2,300,000

Current Status: Contractor is working on a point repair along the Maury Hills Branch Sewer line near Stribling Avenue, along with rehabilitation of selected sections of that sewer.

- **Crozet WTP GAC Expansion, Phase I**

Design Engineer:	SEH
Construction Contractor:	English Construction Company (Lynchburg, VA)
Construction Start:	March 2026
Percent Complete:	40%
Completion:	May 2028
Budget:	$13,200,000

Current Status: Concrete clearwell base slab and walls have been poured. Controls integration and commissioning have been initiated and will continue through the remainder of the project. Ultraviolet light disinfection equipment will also be replaced.

History: To enhance the RWSA's resiliency and commitment to long term finished water quality, the Authority has committed to expanding the GAC capacity at the Crozet WTP to match the current plant capacity. This project includes expansion of the existing GAC building, additional GAC vessels, pumps, piping, and electrical components.

- **Scottsville Water Resource Recovery Facility Generator Replacement**

Design Engineer:	Wiley | Wilson
Construction Contractor:	Carrick Contracting Corporation (Williamsburg, VA)
Construction Start:	April 2026
Percent Complete:	50%
Completion:	June 2027
Budget:	$1,360,000

Current Status: The duct bank and concrete pad have been completed. The generator is scheduled to arrive this month.

- **South Rivanna Reservoir to Ragged Mountain Reservoir Pipeline, Intake and Facilities**

Design Engineer:	Kimley Horn
Construction Contractor:	Garney Construction (Fairfax, VA)
Construction Start:	March 2026
Percent Completed:	30%
Completion:	December 2030
Budget:	$107,000,000

Current Status: Pipeline installation and hydrostatic testing along Woodburn Road have been completed. Mobilization of equipment and material to the easement behind the school continues. Pipe installation and rock removal along Colthurst Drive is ongoing. Construction of the new Permanganate Building at SRWTP continues. Foundation excavation for the new Raw Water Pump Station at South Rivanna has begun.

History: The approved 50-year Community Water Supply Plan includes the construction of a new raw water pipeline from the South Rivanna River to the Ragged Mountain Reservoir. This new pipeline will replace the Upper Sugar Hollow Pipeline along an alternative alignment to increase raw water transfer capacity in the Urban Water System. The project includes a detailed routing study and water line design to account for recent and proposed development and road projects in Albemarle County and the University of Virginia. Preliminary design, preparation of easement documents, and acquisition of water line easements along the approved route is also being completed as part of this project that will lead to final design and construction of the raw water line, reservoir intake and pump station.

- **Glenmore WRRF Upgrade Phase 1**

Design Engineer:	SHE
Construction Contractor:	Maverick Construction, LLC (Grasonville, MD)
Construction Start:	June 2026
Complete:	80%
Completion:	May 2027
Budget:	$1,960,000

Current Status: Blower startup is anticipated next month. Wire and conduit have been installed in preparation for the manual transfer switch installation by the end of the month.

- **OBWTP Sodium Hypochlorite Tanks Replacement**

Design Engineer:	Short Elliott Hendrickson (SEH)
Construction Contractor:	Waco, Inc. (Sandston, VA)
Construction Start:	September 2026
Percent Complete:	10%
Completion:	July 2027
Budget:	$293,000

Current Status: Two hypochlorite tanks have been delivered. Installation will begin in November 2026.

- **MC UV Disinfection System Replacement**

Design Engineer:	RWSA Engineering
Construction Contractor:	RWSA Maintenance
Construction Start:	November 2026
Percent Complete:	5%
Completion:	June 2029
Budget:	$1,980,000

Current Status: Project includes replacement of 8 ultraviolet disinfection light banks at MC which have reached the end of their useful service life. Staff will replace them over the next 3 fiscal years.

- **SRWTP – PAC System Replacement**

Design Engineer:	SEH
Construction Contractor:	Waco, Inc (Sandston, VA)
Construction Start:	January 2027

Percent Complete:	5%
Completion:	June 2027
Budget:	$1,820,000

Current Status: Submittals for the powdered activated carbon tank are being processed and materials are being ordered. Mobilization is anticipated in January 2027. The PAC silo is scheduled to be delivered in December 2026.

- **SRWTP Floc Basin Equipment Replacement**

Design Engineer:	SHE
Construction Contractor:	J.S. Haren
Construction start:	January 2027
Percent Complete:	5%
Completion:	June 2028
Budget:	$1,800,000

Current Status: A preconstruction meeting will be held this month.

Design and Bidding

- **Airport Road Water Storage Tanks and Pumps**

Design Engineer:	SEH
Project Start:	December 2025
Project Status:	Bidding
Construction Start:	March 2027
Completion:	March 2029
Budget:	$7,200,000

Current Status: This project will provide a 1 million gallon steel tank, pumps, and an emergency power generator. Bids will be received in October, with award anticipated at the November Board meeting.

- **Central Water Line, Phase 2**

Design Engineer:	Michael Baker International (Baker)
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	May 2027
Completion:	December 2029
Budget:	$21,000,000

Current Status: Updated site plan has been submitted to the City for approval. Easements on two City parcels will be requested from City Council.

History: The hydraulic connectivity in the Urban System is less than desired, creating operational challenges and reduced system flexibility and redundancy. Recent efforts and modeling for the Urban Finished Water Infrastructure Master Plan have determined that a central water line corridor through the city is the best option to hydraulically connect the Observatory Water Treatment Plant to the Urban service area, including the ACSA water service area.

This proposed new Central Water Line builds on the ACSA investments in additional water supply at Ragged Mountain and at the newly expanded Observatory Water Treatment Plant. This new line will allow a connection from the water plant to the urban water service areas of the ACSA.

- **MC Pump Station Slide Gates, Valves, Bypass, and Septage Receiving Upgrades**

Design Engineer:	Hazen and Sawyer (Hazen)
Project Start:	June 2023
Project Status:	100% Design
Construction Start:	May 2027
Completion:	December 2028
Budget:	$10,200,000

Current Status: Design documents have been completed. Acquisition of a small parcel outside the MC fence line is needed for construction. Negotiations are underway.

History: Inspections of the large aluminum slide gates at the influent side of the Moores Creek Pump Station have been conducted and the need for repair/addition of new gates for RWSA staff to have the flexibility to stop or divert flow to perform maintenance activities is needed. This project will also enclose the leachate discharge pit to reduce odors and address maintenance concerns.

- **Beaver Creek Raw Water Pump Station, Intake, and Piping Improvements**

Design Engineer:	Hazen & Sawyer
Project Start:	February 2018
Project Status:	100% Design
Construction Start:	May 2027
Completion:	December 2029
Budget:	$39,000,000

Current Status: Final plans and specifications have been completed and are ready for advertisement in November. Discussions with the County are underway regarding a lease for the Pump Station property. Easement acquisition for the raw water main from the pump station to the Crozet WTP is nearly complete with a

"friendly" condemnation of the last remaining easement approved by the RWSA Board in June 2026. As requested by the RWSA Board, an archeological survey of this easement was completed in September prior to filing the Certificate of Take.

- **Beaver Creek Dam Spillway Modifications**

Design Engineer:	Schnabel Engineering
Project Start:	February 2018
Project Status:	80% Design
Construction Start:	January 2030
Completion:	December 2032
Budget:	$33,500,000

Current Status: Final design of the dam spillway upgrades is ongoing, with efforts focusing on primary spillway riser modifications and changes to the spillway bridge and roadway design based on feedback from VDOT. A significant ($20 M) construction grant from the NRCS is anticipated. Construction on this project will begin when the new Pump Station has been completed.

History: RWSA operates the Beaver Creek dam and reservoir as the sole raw water supply for the Crozet area. In 2011, an analysis of the Dam Breach inundation areas and changes to Virginia Department of Conservation and Recreation (DCR) *Impounding Structures Regulations* prompted a change in hazard classification of the dam from significant to high hazard. This change in hazard classification requires that the capacity of the spillway be increased, and a new spillway (labyrinth) be installed in the middle of the existing dam. This CIP project includes investigation, preliminary design, public outreach, permitting, easement acquisition, final design, and construction of the anticipated modifications. Work for this project includes a new relocated raw water pump station and intake.

- **Upper Schenks Branch Interceptor, Phase 2**

Design Engineer:	CHA Consulting
Project Start:	July 2021
Project Status:	90% Design
Construction Start:	2028
Completion:	2030
Budget:	$18,000,000

Current Status: Updating construction documents before advertising for construction bids.

History: The Schenks Branch Interceptor is located in the easter part of the City of Charlottesville and was constructed in the mid-1950s. The existing interceptor is undersized to serve present and future wet weather flows and is to be upgraded to from a 21-inch to 30-inch pipe.

- **Dam Concrete and Steel Repairs**

Design Engineer:	GAI Consultants
Project Start:	January 2025
Project Status:	100% Design
Construction Start:	May 2027
Completion:	May 2028
Budget:	$2,800,000

Current Status: Final Design Drawings are being completed for bid advertisement.

- **North Rivanna River Crossing and Piping**

Design Engineer:	Kimley-Horn
Project Start:	December 2025
Project Status:	Preliminary Engineering Review
Construction Start:	September 2027
Completion:	December 2030
Budget:	$16,400,000

Current Status: Completed survey and utility designations. Began detailed layout for river crossing. Conducted permitting and design coordination meetings with VDOT. Developing conceptual layout for pipe route. Wetland delineation is proceeding. Completing final modeling to determine pipe diameter and total length determinations.

- **MC Blower Building Ventilation Replacement**

Design Engineer:	Hazen
Project Start:	October 2025
Project Status:	PER
Construction Start:	September 2027
Completion:	March 2029
Budget:	$1,130,000

Current Status: Hazen has received data on the existing blowers and will provide a preliminary engineering report on the necessary replacements.

- **Woodburn, Pantops, and Observatory Water Tank Painting**

Design Engineer:	Whitman Requardt & Associates, LLP (WRA)
Project Start:	July 2026
Project Status:	PER

Construction Start:	June 2027
Completion:	June 2030
Budget:	$6,120,000

Current Status: A Service Authorization for design, bidding, and construction phase services has been finalized and a kick off meeting is being scheduled that will include WRA and RWSA Operations, Maintenance, and Engineering Staff.

- **SRWTP WW Connection**

Design Engineer:	HDR
Project Start:	July 2026
Project Status:	PER
Construction Start:	March 2028
Completion:	June 2029
Budget:	$1,100,000

Current Status: Preliminary engineering is underway for the construction of a small-diameter sanitary sewer main that will allow disposal of residual sludge from the treatment process into the sanitary sewer in lieu of utilizing the belt press and hauling sludge off site.

- **Albemarle Berkeley WWPS Replacement**

Design Engineer:	Wiley|Wilson
Project Start:	July 2026
Project Status:	PER
Construction Start:	September 2027
Completion:	September 2029
Budget:	$1,330,000

Current Status: Preliminary engineering is underway to replace the 1970s-vintage wastewater pump station. RWSA staff met with ACPS to discuss the project, and Wiley|Wilson is incorporating feedback.

- **Berkmar Drive Waterline Betterment**

Design Engineer:	Kimley-Horn
Project Start:	August 2024
Project Status:	70% Design
Construction Start:	March 2028
Completion:	March 2030
Budget:	$1,760,000

Current Status: VDOT is acquiring right-of-way for the roadway extension and will advertise for bids in 2028. RWSA waterlines will be completed concurrently with the

roadway project. RWSA is requesting VDOT to install two waterlines north of the Airport Road Pump Station based on Northern Area Modeling.

- **Emmet Street Waterline Betterment**

Design Engineer:	Whitman, Requardt & Associates, LLP (RWSA) Clark Nexsen (City)
Project Start:	2019
Project Status:	100% Design
Construction Start:	April 2027
Completion:	March 2030
Budget:	$7,400,000

Current Status: Staff are coordinating with the City's design consultant on completion of 100% design drawings for the City's Emmet Streetscape project, which will include installation of an RWSA water main betterment. Permitting efforts with VDH and CSX Railroad are underway.

- **Dam Public Safety Improvements**

Design Engineer:	Hazen
Project Start:	July 2025
Project Status:	PER
Construction Start:	June 2027
Completion:	December 2028
Budget:	$3,850,000

Current Status: Project includes sirens, signage, boat barriers, and other public safety features at Sugar Hollow, South Rivanna, and Ragged Mountain reservoir dams. Preliminary engineering is underway.

- **Buck's Elbow Tank and Waterball Repairs and Painting**

Design Engineer:	Whitman, Requardt & Associates, LLP
Project Start:	July 2026
Project Status:	PER
Construction Start:	June 2027
Completion:	September 2029
Budget:	$1,990,000

Current Status: A Service Authorization for design, bidding, and construction phase services has been finalized and a kick off meeting is being scheduled that will include WRA and RWSA Operations, Maintenance, and Engineering Staff.

- **MC Security Improvements - Front Gate**

Design Engineer:	Hazen
Project Start:	2021
Project Status:	99% Design
Construction Start:	April 2028
Completion:	December 2029
Budget:	$720,000

Current Status: Project includes additional security gates, card access, and other security features at the entrance to MC to prevent unauthorized traffic from entering the facility. Design for this work is complete, and work will begin once the current construction projects at MC are completed due to the number of contractors that are passing through the existing gates daily.

- **North Rivanna Water Treatment Plant Decommissioning**

Design Engineer:	SEH
Project Start:	July 2024
Project Status:	90% Design
Construction Start:	July 2029
Completion:	June 2031
Budget:	$3,500,000

Current Status: Demolition plans for the North Rivanna WTP are 90% complete with further design on hold pending completion of northern area projects. Design for removal of the North Rivanna low head dam is underway with grant funds anticipated from the US Fish and Wildlife Service.

- **Urban Water Storage Tank Improvements**

Design Engineer:	SEH
Project Start:	July 2026
Project Status:	PER
Construction Start:	June 2028
Completion:	December 2030
Budget:	$5,500,000

Current Status: Project will evaluate RWSA's finished water storage capacity to determine where additional tanks may be needed to improve operations. Construction of up to two water tanks is included in this project. Staff and Engineer are finalizing the scope of work.

- **Powell Creek Interceptor Upgrade (PC 1- 5)**

Design Engineer:	Hazen
Project Start:	December 2025
Project Status:	PER
Construction Start:	TBD
Completion:	TBD
Budget:	$16,400,000

Current Status: Developing scope of work to replace certain sections of this sewer pipe.

- **Northern Area Pressure Zone**

Design Engineer:	TBD
Project Start:	TBD
Project Status:	TBD
Construction Start:	June 2028
Completion:	December 2031
Budget:	$8,000,000

Current Status: Developing a scope of work.

Planning and Studies

- **Crozet Drinking Water Infrastructure Plan Update**

Design Engineer:	Hazen
Project Start:	September 2025
Project Status:	99%
Completion:	October 2026
Budget:	$450,000

Current Status: The Crozet Area Demand Forecast report is complete. The full Drinking Water Infrastructure Plan Update Report will be presented to the RWSA Board in December.

AGENDA ITEM EXECUTIVE SUMMARY

- **Flood Protection Resiliency Study**

Design Engineer:	Hazen
Project Start:	August 2024 (MCAWRRF)
Project Status:	Preliminary Engineering Study
Completion:	June 2026 (MCAWRRF)
Budget:	$500,000

Current Status: This project identified individualized flood mitigation measures for various facilities to increase their resiliency from a 1% (100-year) to a 0.2% (500-year) flooding event and is initially focusing on facilities located at Moores Creek. Hazen completed the draft report that details and recommends methods of floodproofing. Staff met with Hazen to discuss the report and edits are being finalized. This project received approximately $200,000 in grant funding from FEMA and VDEM. As a study for the MCAWRRF is being completed, a study is being started for additional RWSA facilities, including GWRRF, SVWRRF, CZWWPS2, and the Crozet FET.

ACSA Board Future Policy Issues Agendas 2026-2027

Regular 3rd Thursday Monthly Meetings

Dec. '26	Jan. '27	Feb '27	March '27	April '27	May '27	June '27	July '27	Aug '27	Pending Issues
December 17th	**January 21st**	**February 18th**	**March 18th**	**April 15th**	**May 20th**	**June 17th**	**July 15th**	**August 19th**	ACSA Customer Communications
Jason Thomas, 25 years	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	Recognitions	CIS - Customer Information Systems - Billing, Website, Phone
Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Monthly Financial, CIP, Maintenance and IT Reports and RWSA Monthly Update	Climate Change and Sustainability
Operational Presentation	Fats, Oil, and Grease (FOG) and Backflow Program Overview	Carwash and Hydrant Meter Program Overview	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Operational Presentation	Customer Experience (CX)
Annual Investments Report *(Annual Item)*	Board Organizational Meeting - Election of Officers *(Annual Item)*		Proposed CIP Presentation *(Annual Item)*	Proposed FY '28 Capital Improvements Program Presentation *(Annual Item)*	Proposed FY '28 Budget and Rates Workshop *(Annual Item)*	FY '28 Budget and Rates Public Hearing *(Annual Item)*			Data Management and Management Dashboards
FY '28 Budget Guidelines and Schedule *(Annual Item)*	Annual Water Conservation Report *(Annual Item)*		Fix a Leak Week Water Conservation Event *(Annual Item)*	Proposed FY '28 Capital Improvements Program Public Hearing (Annual Item)		FY '28 Budget, Rates and CIP Approval *(Annual Item)*			Emergency Preparedness
ACSA Board of Directors Meeting Schedule - 2027 *(Annual Item)*	2026 Annual Report - Accomplishments and Challenges *(Annual Item)*		Strategic Plan Update - (Bi-Annual Item)	Proposed FY '28 Budget and Rates Overview *(Annual Item)*		Amendments to Rules and Regulations, and Personnel Management Budget Implementation *(Annual Item)*			Federal/State Water Quality Regulations PFAS; Emerging Contaminants
Holiday Schedule - 2027 *(Annual Item)*				Resolution Scheduling Budget and Rates Public Hearing for June 17, 2027 (Annual Item)		Water & Wastewater Professionals Appreciation Day Recognition *(Annual Item)*			Operational Presentation - Sewer Rehabilitation Relining
									Purchasing Policy Manual
									RWSA CIP Central Water Line - Reservoirs Pipeline North Rivanna System Wastewater Projects
									Water Audit
									Water Supply Plan Project Status Reports

ALBEMARLE COUNTY SERVICE AUTHORITY

AGENDA ITEM EXECUTIVE SUMMARY

AGENDA TITLE: Annual Comprehensive Financial Report - Fiscal Year 2026	**AGENDA DATE:** November 19, 2026
	ACTION: Informational
STAFF CONTACT/PREPARER: Andrew Oliver, Director of Finance	**ATTACHMENTS:** Yes

BACKGROUND: The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026, is complete and has been provided for Board review. The Authority's auditor, Brown Edwards, LLP will present its audit opinion and report on internal control over financial reporting and other matters based on an audit of financial statements. The Finance Department will provide a PowerPoint presentation to summarize financial and operational highlights from the fiscal year.

DISCUSSION: Over the past four months, staff have accumulated, analyzed, and prepared financial and operational records in conjunction with year-end requirements. The accumulation of this information culminates with the financial statement audit performed by the Authority's independent auditor, Brown, Edwards & Company, L.L.P. Finance Department staff, with information and assistance from the Administration, Engineering, IT and Maintenance Departments, compile the audited financial information into an ACFR. A presentation has been prepared to assist the Board in further understanding the major components of the report and other highlights from Fiscal Year 2026.

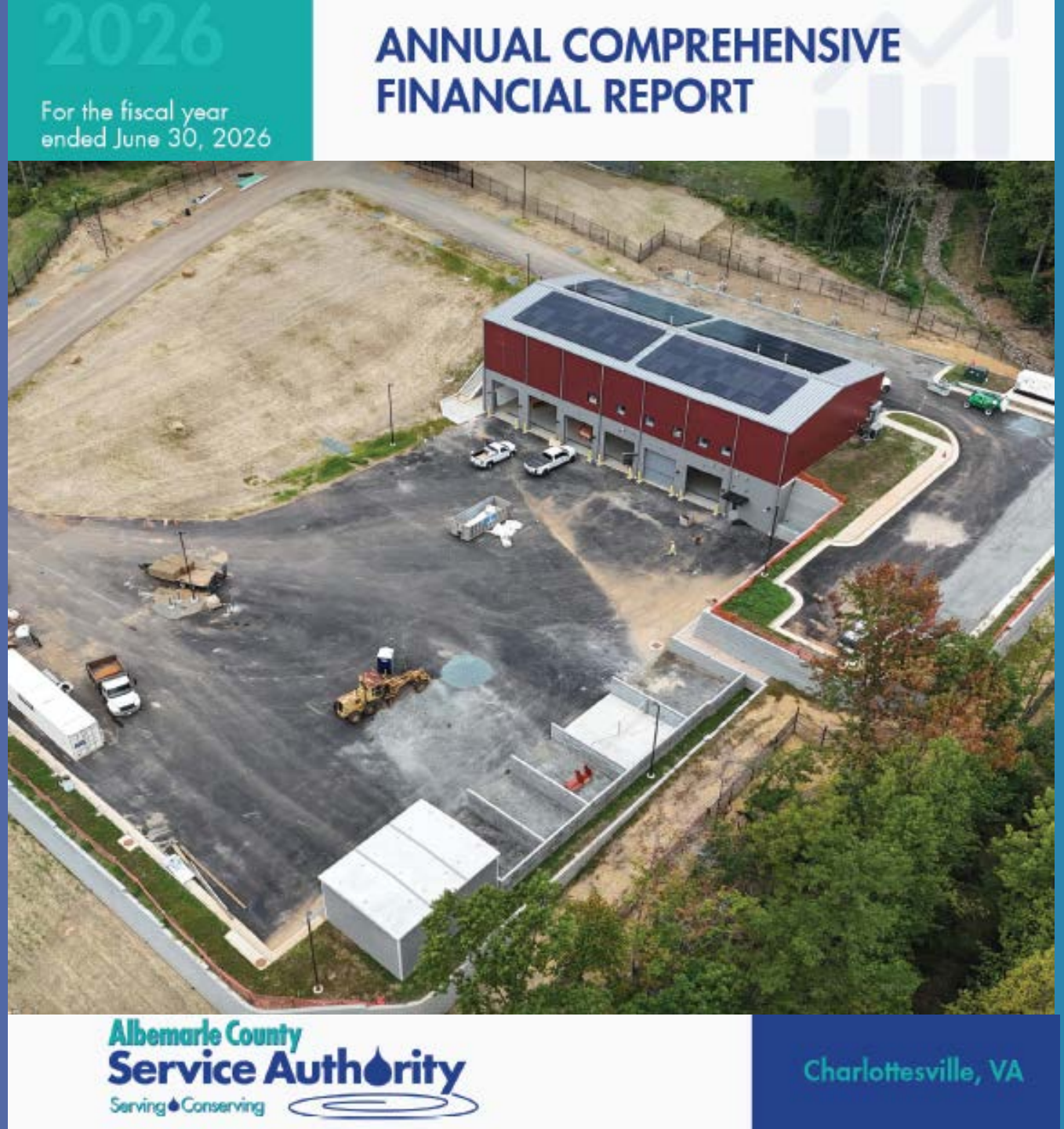
Additionally, the Authority and Brown Edwards staff met with the Authority's Audit Committee on November 5th to review information related to the audit and financial highlights for Fiscal Year 2026.

RECOMMENDATIONS: None

BOARD ACTION REQUESTED: None

ATTACHMENTS:

1. Fiscal Year 2026, Annual Comprehensive Financial Report PowerPoint presentation.
2. Albemarle County Service Authority Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2026.



FY 2026 Annual Financial Report Presentation

November 19, 2026

Agenda



Annual Financial Report Overview



Fiscal Year 2026 financial highlights

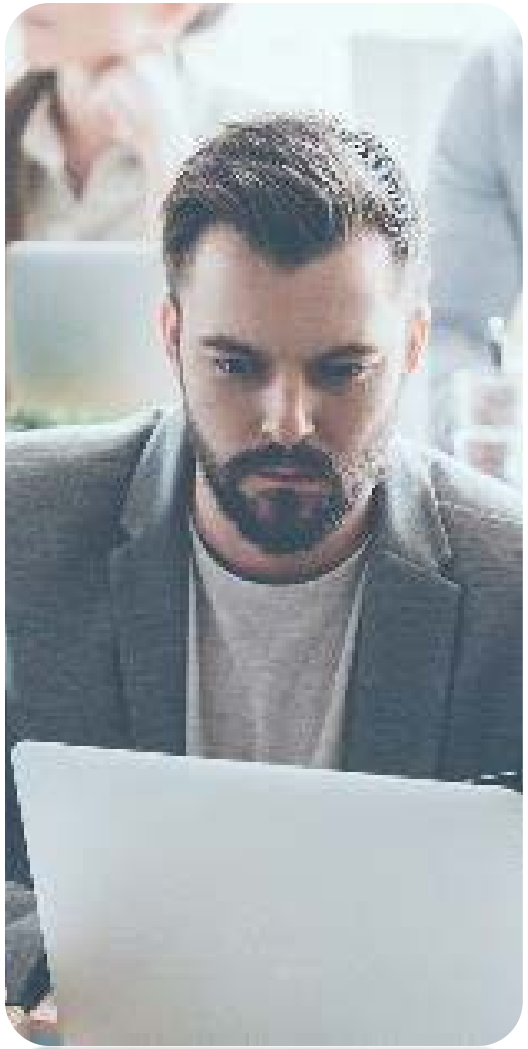


Operating Information



Summary

FY 2026 Financial Highlights



Statement of Net Position Highlights Fiscal Year 2026

- Assets/Def. Outflows: $272,593,158
- Liabilities/Def. Inflows: $19,316,582
- Net Position: $253,276,576
  - Increase of $10,938,716 or 4.5% over last FY.



Revenues, Expenses, and Capital Contributions

- Operating Revenues: $46,938,319
- Operating Expenses: $56,338,787
- Non-Operating Revenues: $1,917,679
- Non-Operating Expenses: $37,566
- Capital Contributions: $18,459,071
  - Developer Contributions of Cap. Assets: $8,236,271
  - System/Capacity fees: $10,222,800

Financial Highlights cont.

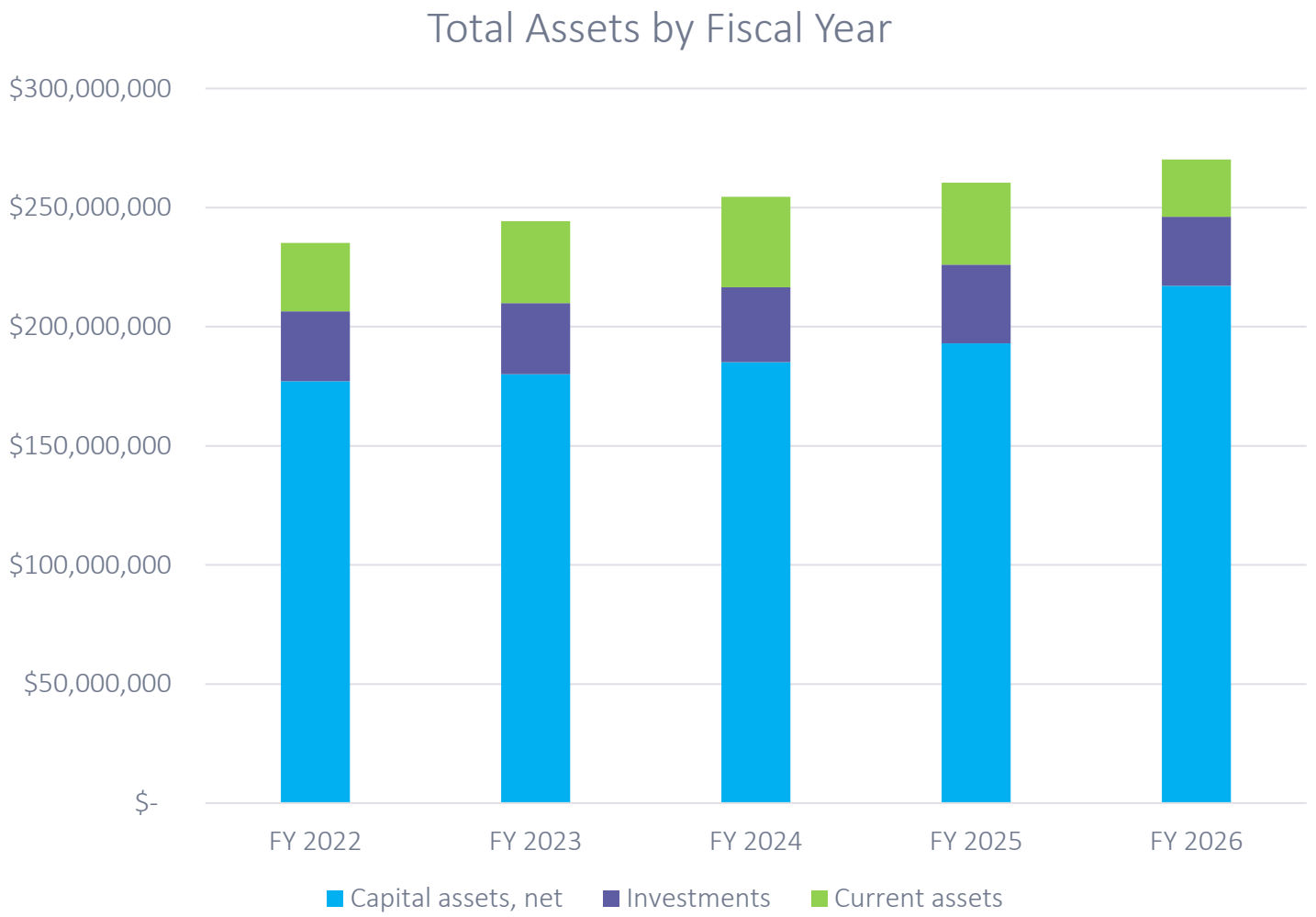
Operating revenues grew by $5,029,195, an increase of 12% compared to fiscal year 2025

Operating expenses (including depreciation expense) increased by $7,095,522 or 14.4% in comparison to fiscal year 2025

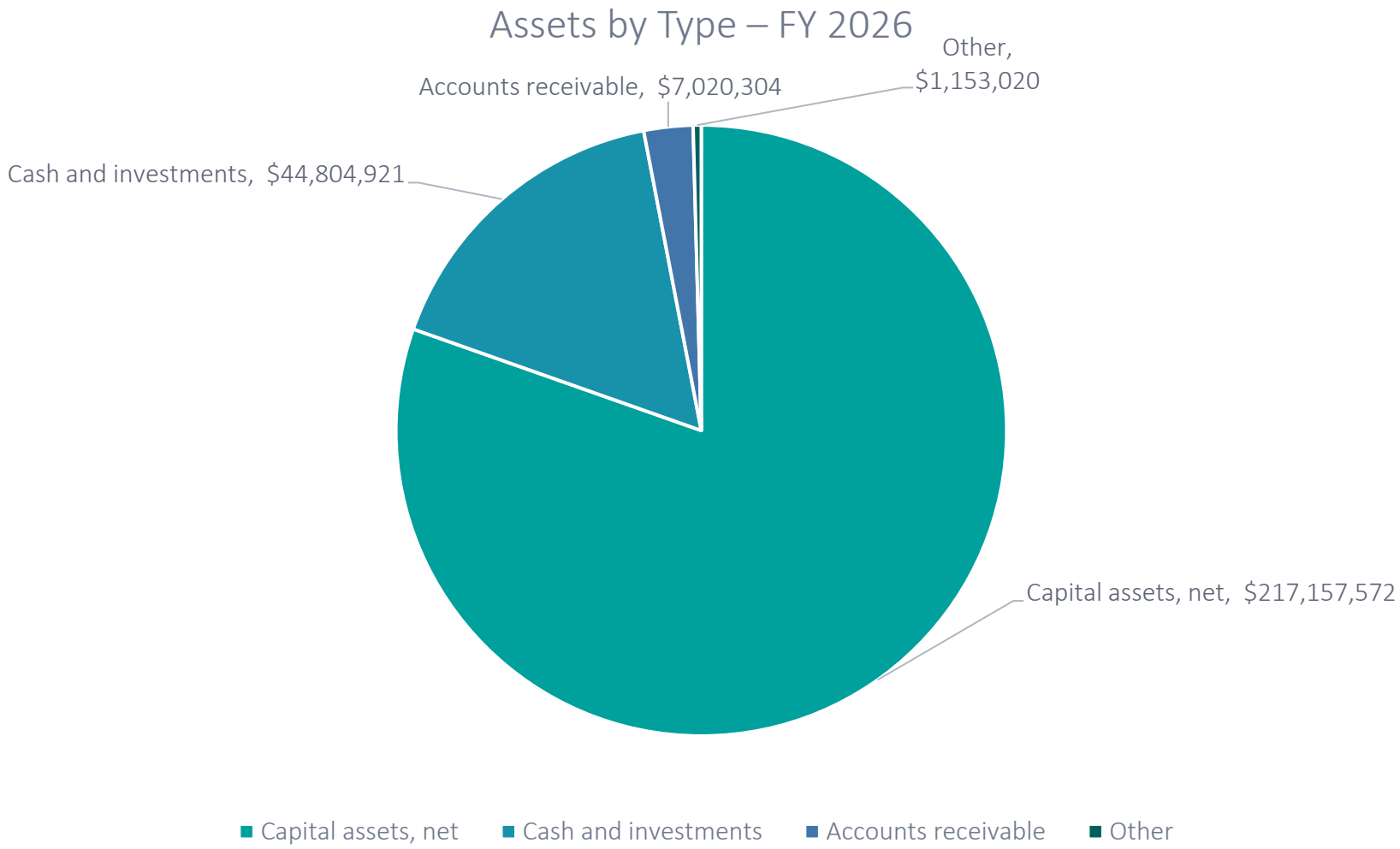
Capital contributions totaled $18,459,071, reflecting an increase of $8,368,542, or 82.9%, compared to fiscal year 2025

Financial Highlights (cont.) – Total Assets

- Total assets have shown consistent year-over-year growth (3.7% over prior FY)
- Growth in assets largely driven by continued capital investment in the water and sewer system

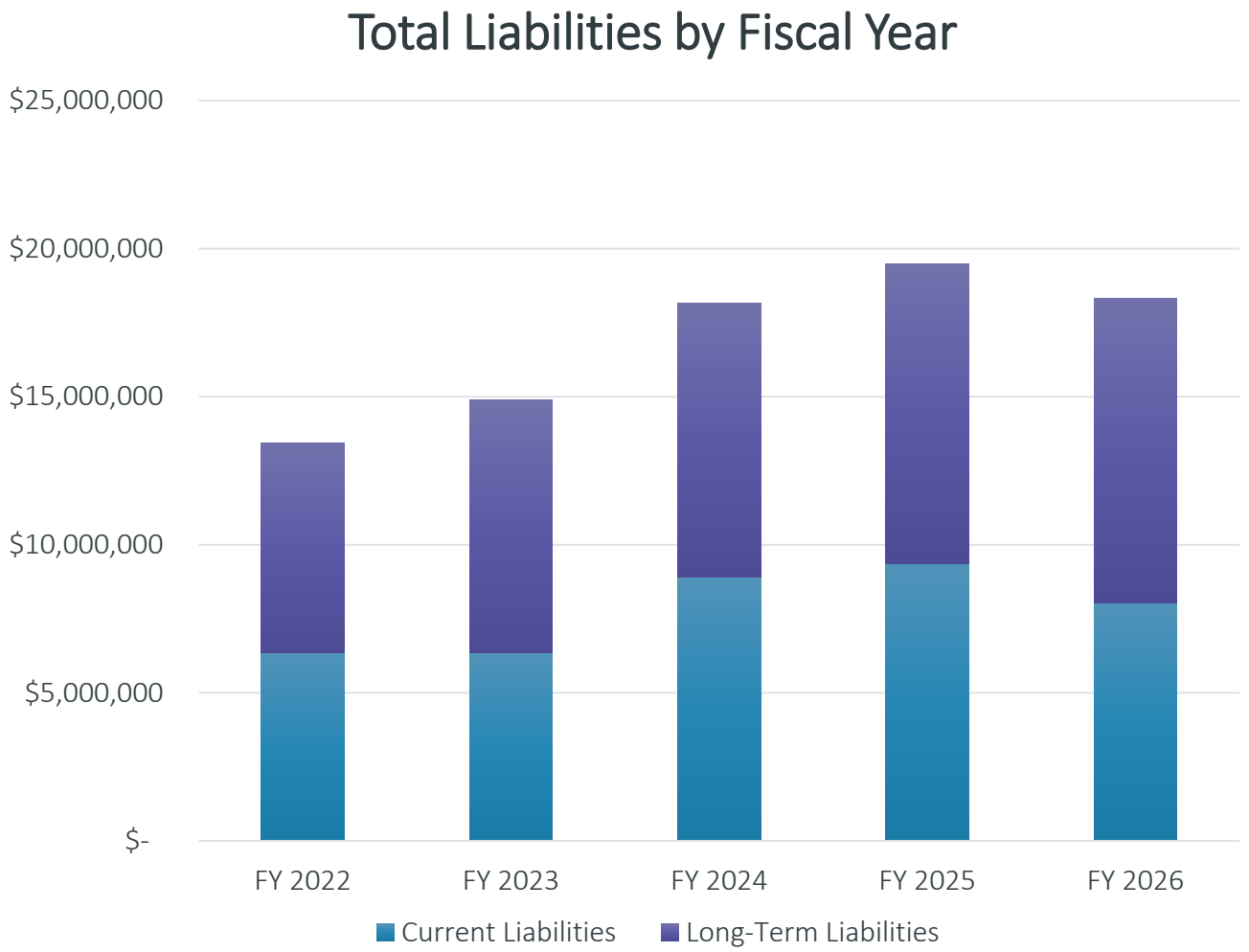


Financial Highlights (cont.) – Assets by Type (FY 2026)

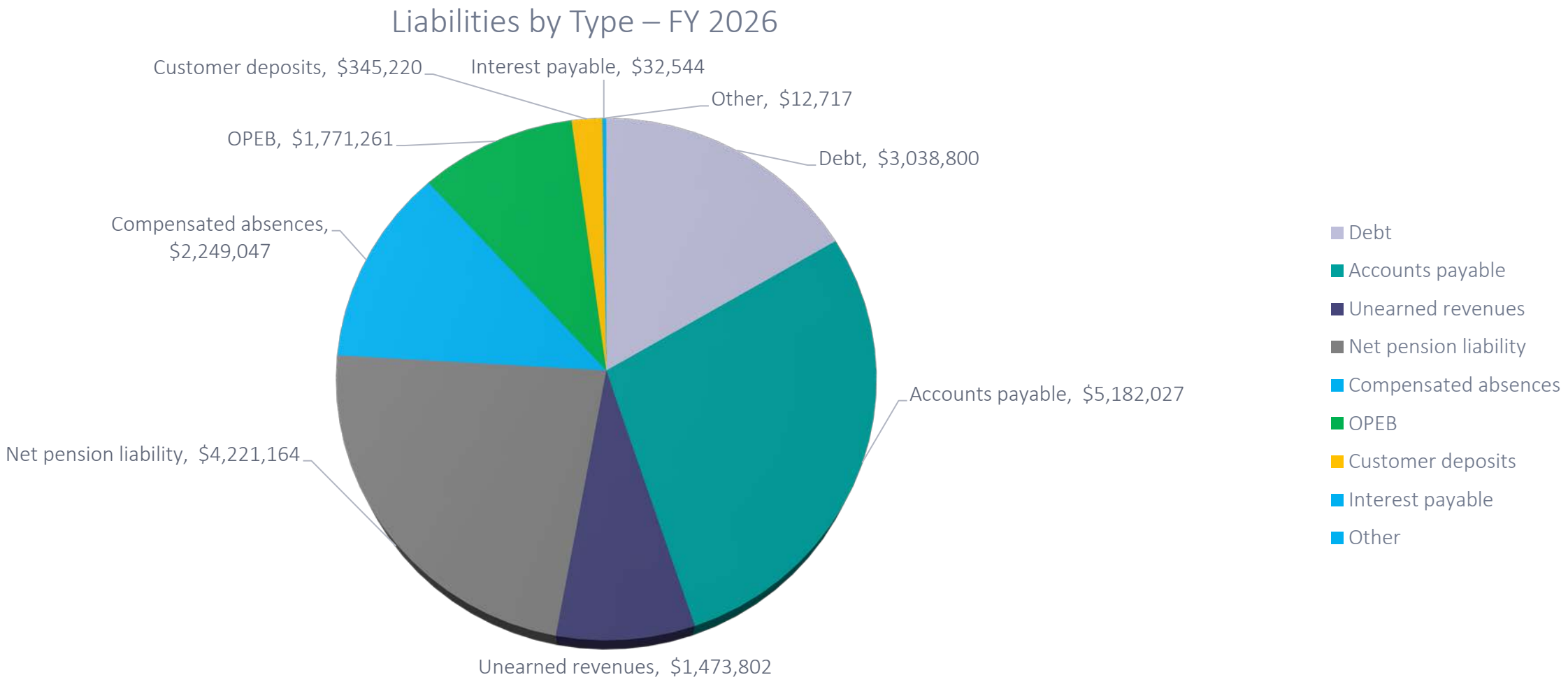


Financial Highlights (cont.) – Total Liabilities

- Total Liabilities decreased 6% compared to the prior FY.
- Changes driven by:
  - Decrease in Unearned Revenue of $1,932,408 over the prior year
  - Decrease in LT Debt of $543,978 over the prior year
  - Increase in accounts payable of $478,659 over the prior year
  - Increase in net OPEB liability of $519,768 over the prior year

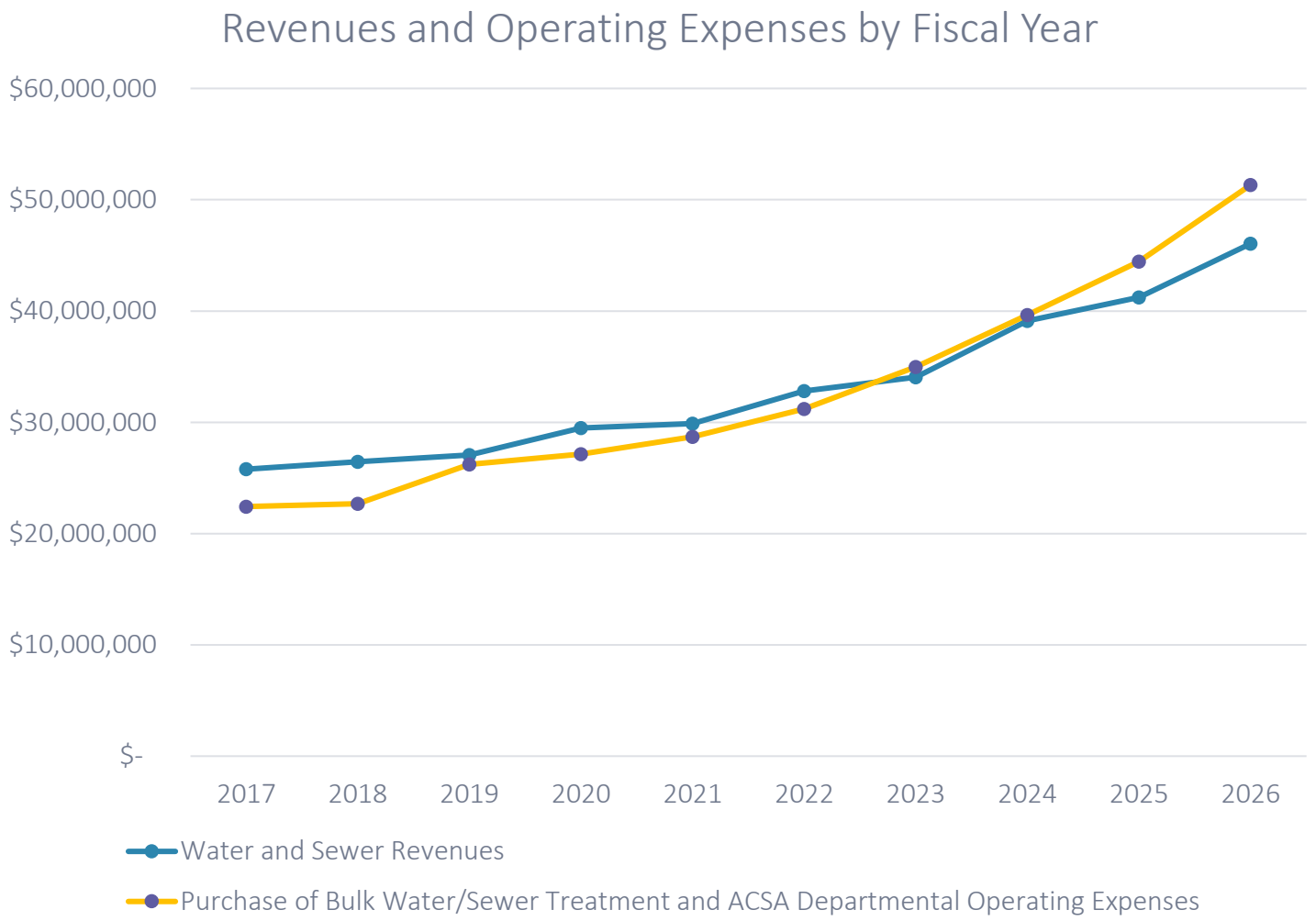


Financial Highlights (cont.) – Liabilities by Type (FY 2026)



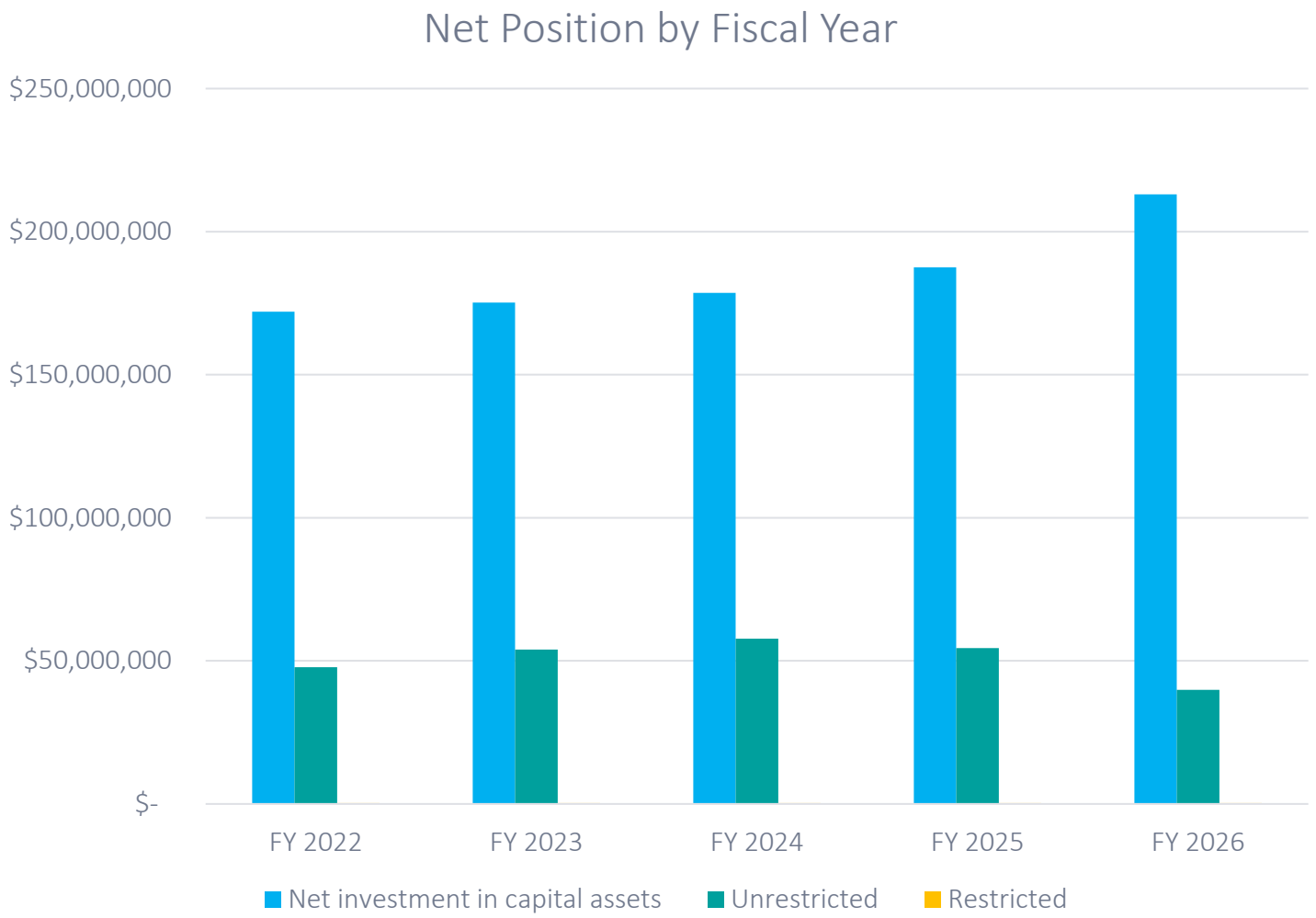
Operating Information (cont.) – Revenues and Expenses by FY

- Water and Sewer Revenues increased $4.8M or 11.7% over the prior year
  - Billed water consumption increased 0.8%
  - Billed sewer treatment increased 0.8%
- Purchase of water/sewer treatment and ACSA departmental expenses increased $6.9M or 15.5% over the prior year
  - RWSA $5.5M of increase



Financial Highlights (cont.) – Net Position

- Total Net Position increased $10.9M or 4.5% compared to the prior fiscal year
  - Unrestricted net position decreased $14.6M or 26.8%
  - Net Investment in capital assets increased $25.5M or 13.6%



Operating Information – FY 2026



406 new connections established during Fiscal Year 2026

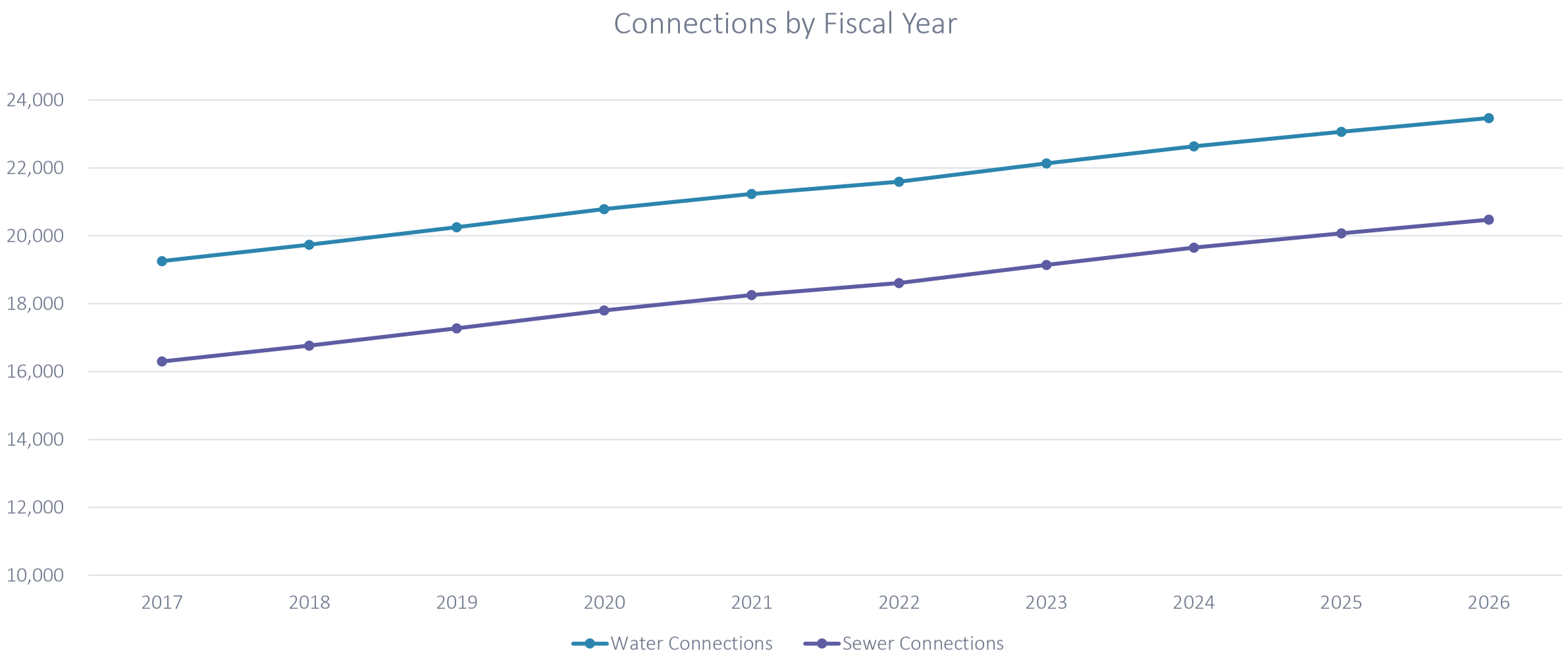


Over 288,000 meters were read



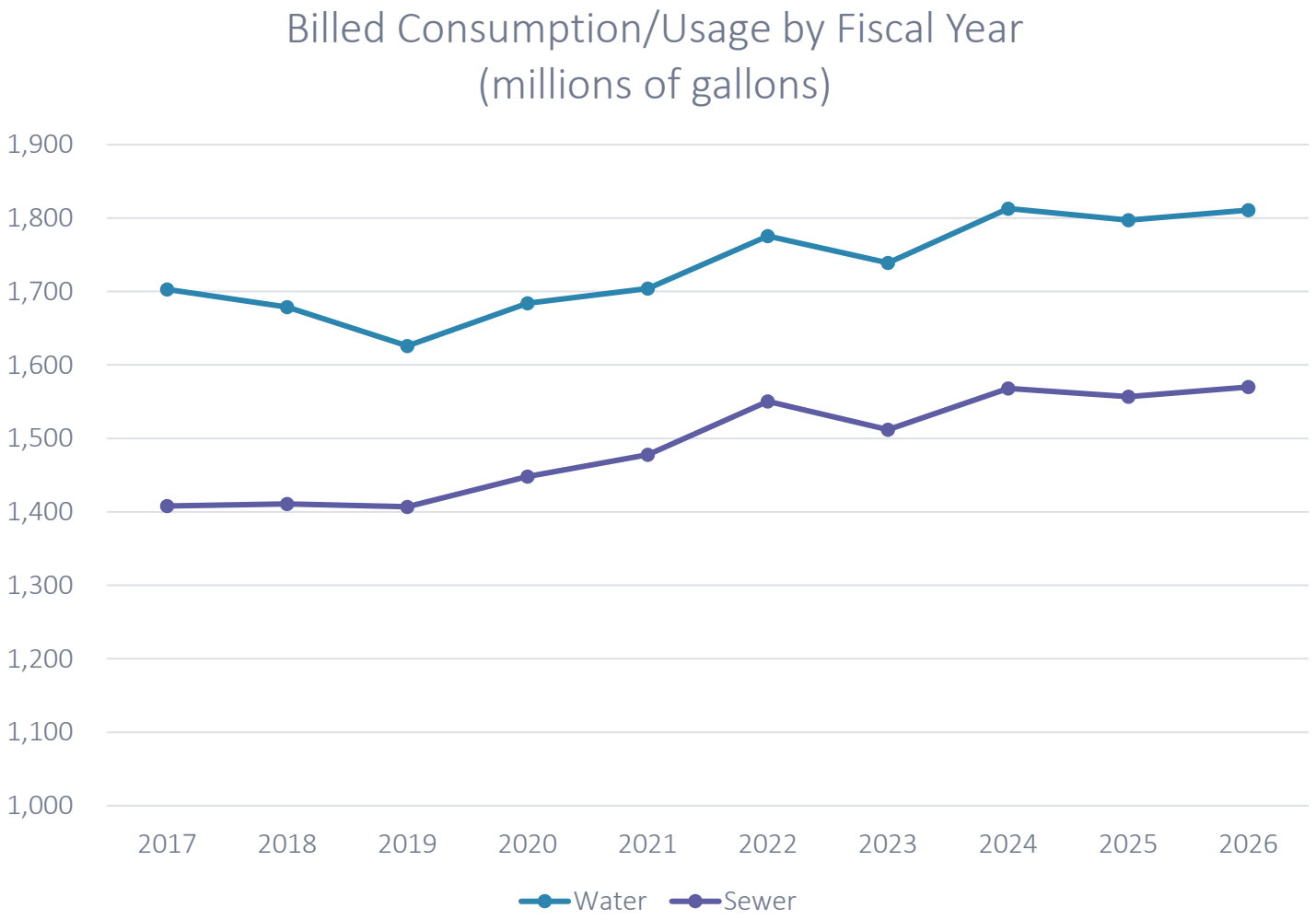
Nearly 7,500 service orders were processed

Operating Information (cont.) – Connections by Fiscal Year



Operating Information (cont.) – Billed Consumption/Usage by FY

- Long-term trend shows increases in consumption but can vary from year to year
  - Water consumption up from prior fiscal year 0.8%
  - Sewer treatment up from prior fiscal year 0.8%



In Summary



Fiscal Year 2026 in Review

- Finished FY2026 with a strong overall net position
- Significant investments in our water and sewer infrastructure
- Operating expenses increasing faster than operating revenues primarily driven by RWSA costs



Thank you

- Sincere thanks to all ACSA departments that contributed to the accumulation of financial information, especially
  - Emily Roach, Lisa Gordon, Tonya Foster, Jennifer Bryant, and Theresa Whiting who have each made significant contributions this year to the ACFR

2026

For the fiscal year ended June 30, 2026

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Albemarle County Service Authority

Serving.Conserving

Charlottesville, VA

ALBEMARLE COUNTY SERVICE AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2026

ALBEMARLE COUNTY SERVICE AUTHORITY

CHARLOTTESVILLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2026

Prepared by:

Department of Finance
168 Spotnap Road
Charlottesville, Virginia 22911
(434) 977-4511

ALBEMARLE COUNTY SERVICE AUTHORITY

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ALBEMARLE COUNTY SERVICE AUTHORITY

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INTRODUCTORY SECTION

Albemarle County Service Authority
Serving Conserving

October 20, 2026

Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

To the Customers and Members of the Board of Directors of the Albemarle County Service Authority:

The Annual Comprehensive Financial Report of the Albemarle County Service Authority (Authority) is submitted herewith. With such modifications as apply to our status as an enterprise fund of governmental units, and as an independently chartered corporation, this report has been prepared in conformity with the reporting and accounting standards promulgated by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association's (GFOA) *Governmental Accounting, Auditing, and Financial Reporting.*

Based upon a comprehensive framework of internal control that has been established for this purpose, the Authority management assumes full responsibility for the accuracy of the data and for the completeness and reliability of the information contained in this report. The information in this report is believed by Authority management to be sufficient to fully represent the financial result of the Authority's operations for the year ended June 30, 2026, and to provide an accurate and useful picture of the Authority's status as of that date.

State law and outstanding bond resolutions require an annual audit of the books and records of the Authority. This requirement has been satisfied by the engagement of independent certified public accountants, Brown, Edwards and Company, LLP, whose opinion is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A), which provides a narrative introduction, overview, and analysis of the basic financial statements immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Organization and Function

Located in central Virginia, 100 miles southwest of Washington, DC and less than 65 miles west of Richmond, the Authority was established in 1964, pursuant to the *Virginia Water and Waste Authorities Act*, to provide water and sewer service to those jurisdictional areas in the County of Albemarle (County) designated by the County's Board of Supervisors. The current service areas include the urbanized ring around the City of Charlottesville (City), the communities of

Organization and Function (continued)

Crozet and Scottsville, Red Hill, and the Village of Rivanna. A six-member Board of Directors, appointed by the Albemarle County Board of Supervisors for renewable four-year terms, appoints the Executive Director and governs Authority operations and policies. We have determined, after an examination of the factors involved in the Governmental Accounting Standards Board's definition of "component unit" for financial reporting purposes, that we are not a component unit of Albemarle County and will not be included in their financial report. Justification for this decision is outlined in Note 1 to the financial statements.

In June 1973, the Authority and the City entered into a Service Agreement with the Rivanna Water and Sewer Authority (RWSA), which wholesales finished water and sewer treatment services to the Authority and to the City. In 1975, the Authority purchased from the City the facilities to serve all current water and sewer customers outside the City limits; since then, it has been the sole public retailer of these services in the County.

In addition to retailing finished water distribution and sewer collection services, the Authority constructs pumping stations and line extensions; purchases, connects to the system, and upgrades private water systems; installs water supply and sewage collector systems; inspects water delivery and sanitary sewage systems installed and contributed to it by developers; and maintains these constructed and contributed facilities.

Economic Conditions

In the Albemarle Community Profile[(1)] most recent update, the Virginia Employment Commission's Economic Information Services Division (VEC) reported the County's, States and United States' 2026 unemployment rate of 3.3%, 3.7%, and 4.2%, respectively. The total number of jobs in Albemarle County was 65,089. The relative stability of the local economy is attributed to positive trends in the unemployment rate compared to the national percentage. The housing market strengthened compared to last year, with home sales increasing 12% compared to a year earlier, while median home sale prices were down 1% from one year ago[(2)].

Residential and commercial growth within the Authority's Urban and Crozet service areas remains robust. New connections to the Authority's system remain strong (2024 – 502 connections, 2025 – 424 connections, 2026 – 406 connections), with a three-year average of 444 new connections [(3)].

[(1)] Virginia Community Profile – Albemarle County, Virginia Employment Commission, updated April 1, 2026;
[(2)] CAAR (Charlottesville Area Association of REALTORS) 2026 2nd Quarter and Mid-Year Market Report
[(3)] Albemarle County Service Authority Annual Financial Report 2024, 2025, 2026, Table 11

Major Initiatives and Accomplishments

- Developed an operating and capital improvement budget for fiscal year 2026 that aligned with our strategic plan and considered current and future impacts of system growth, planned maintenance, and operational needs. To that end, our goals were 1) to meet anticipated operating and capital improvement expenses by modestly increasing water and sewer volume charges, and to ensure that current operating expenses will be paid with current operating revenues; 2) modestly increasing customer buy-in and connection charges to maintain our policy of "growth paying for growth;" and 3) to maintain, improve, and extend system infrastructure through capital investments.

- The Authority proactively manages its investment in infrastructure with many projects in various stages of completion. Major capital improvement projects completed and in progress during the fiscal year include:

    - Avon Operations Center
    - Madison Park Pump Station Upgrades
    - Crozet Phase 4, Briarwood, Broadway Street, and Barracks West Water Main Replacements

- Future and ongoing projects of the Authority include replacement and upgrades to water mains in Scottsville, Northfields, and Townwood; continued addition to system redundancy and renewal; and replacements and upgrades to sewer infrastructure which include the Airport Trunk Sewer and installation of sewer mains in the Buckingham Circle and Bellair-Liberty Hills areas.

Operations

For Fiscal Year 2026, Operating Revenues totaling $46,938,319 from water and sewer sales, service connection fees, and miscellaneous revenues increased by 12.0% as compared to Fiscal Year 2025. Operating expenses totaling $56,338,787 reflected an increase of 14.4% as compared to Fiscal Year 2025, primarily driven by an increase in water/sewer treatment expenses from the Rivanna Water and Sewer Authority and departmental increases.

Unlike the revenues derived from customer buy-in and connection fees, the difference in projected and actual operating revenues and expenses is more predictable except for wastewater treatment plant charges. While weather conditions can play a large role in discretionary use of water, such as irrigation usage, domestic usage is typically more predictable. Please refer to Page 5d for detailed information related to operating and non-operating revenues and expenses.

Accounting, Budgetary Controls, and Long-term Financial Planning

The Authority's management is responsible for establishing and maintaining a system of internal accounting controls. The objectives of internal controls are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and financial records for preparing financial statements and maintaining asset accountability are reliable. The concept of reasonable assurance recognizes that estimates and judgments made by management are required to assess the expected benefits and related costs of internal accounting control procedures and that the cost of the control should not exceed the benefits likely to be derived. Management reviews internal controls on a continuing basis.

The Authority is required by Trust Agreements for its Bond to prepare and adopt an annual operating budget. On a fiscal year basis, department heads prepare preliminary operating budgets and submit them to the Executive Director for consideration. Rates are established based upon required revenue projections and associated costs, which include operating expenses, debt service, capital projects, and reserves. An adequate operating reserve is important to furnish funds for unplanned minor or significant repairs; it can also be utilized during unusually wet years, when anticipated revenues are reduced due to lesser than anticipated consumption levels. An adequate repair, replacement, and rehabilitation reserve (3R) is important to furnish funds for unexpected major repairs, as well as planned replacement or rehabilitation of equipment or other major capital assets. The Executive Director submits a proposed budget and rate recommendation to the Board of Directors for adoption.

After adoption, increases or decreases to the budget are made only upon Board approval, and the budget lapses at the end of the fiscal year for all accounts except multi-year construction projects and specific re-appropriations for funds committed at year-end for which goods and/or services have not been received. Department heads and the Board of Directors receive monthly reports on revenues and expenses.

Awards and Acknowledgments

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Albemarle County Service Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This was the 43rd consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Awards and Acknowledgements (continued)

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the support of Authority staff and the Leadership and Management teams at the ACSA; their dedication is very much appreciated. We would like to especially express our gratitude and appreciation to Ms. Emily Roach, Ms. Lisa Gordon, Ms. Tonya Foster, Ms. Jennifer Bryant, and Ms. Theresa Whiting who have each made significant contributions to the Annual Comprehensive Financial Report, and also to the Board of Directors for their interest in, and support of, the Authority's pursuit of financial reporting excellence.

Sincerely,





Quin G Lunsford
Executive Director

Andrew Oliver
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Albemarle County Service Authority
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

ALBEMARLE COUNTY SERVICE AUTHORITY

DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2026

BOARD MEMBERS

Mr. Richard Armstrong, Board Chair

Ms. Lizbeth Palmer, Vice-Chair

Ms. Diantha McKeel

Mr. John Parcells

Mr. Clarence W. Roberts

Ms. Kimberly Swanson

EXECUTIVE DIRECTOR

Mr. Quin G. Lunsford

DIRECTOR OF FINANCE

Mr. Andrew Oliver

TRUSTEE

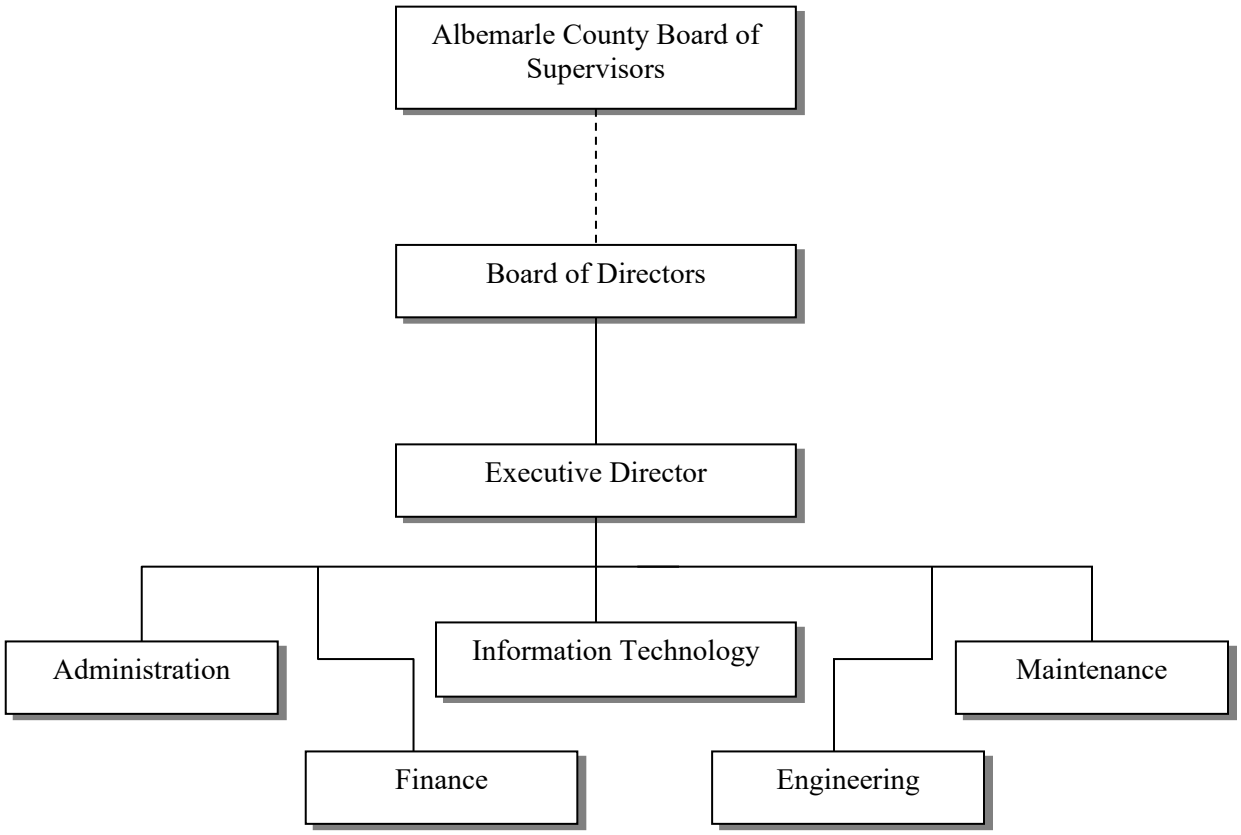
Bank of New York Mellon

INDEPENDENT AUDITORS

Brown, Edwards & Company, L.L.P.

ALBEMARLE COUNTY SERVICE AUTHORITY

ORGANIZATIONAL CHART



FINANCIAL SECTION

Financial Section contains the Basic Financial Statements.

BROWNEDWARDS
certified public accountants

Independent Auditor's Report

To the Honorable Members of the Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Albemarle County Service Authority (the "Authority") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Albemarle County Service Authority, as of June 30, 2026, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2026, the Authority adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements*. Our opinion is not modified with respect to this matter.

As described in Note 4 to the financial statements, in 2026, the Authority adopted new accounting guidance, GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Authority's 2025 financial statements, and our report dated November 4, 2025, expressed an unmodified opinion on those financial statements. The 2025 financial information is provided for comparative purposes only. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of

its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 20, 2026

ALBEMARLE COUNTY SERVICE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2026
(UNAUDITED)

This section of the Authority's Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A). The purpose of the MD&A is to help the Authority's customers and other readers understand what the financial statements and notes in this financial report say about the Authority's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Authority's finances. The MD&A should be read in conjunction with the preceding transmittal letter and the Authority's financial statements.

If you have questions about this report or require further information, contact the Department of Finance at aoliver@serviceauthority.org or 434-977-4511.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's report contains basic financial statements. The basic financial statements for the Authority include the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The information presented in these three statements are as follows:

- The *Statement of Net Position* presents the net position of the Authority as measured in terms of assets and liabilities as of June 30, 2026. See the definition of these line items below. The difference between these assets and liabilities reflects the net position of the Authority at year-end. Over time, increases or decreases in net position help determine whether the Authority's financial position is improving or declining.
- The *Statement of Revenues, Expenses, and Changes in Net Position* presents the results of operations during Fiscal Year 2026, and reflects the total excess or deficiency of revenues over expenses during the year. See definitions of revenues and expenses below.
- The *Statement of Cash Flows* presents the flow of cash and cash equivalents in and out of the Authority during Fiscal Year 2026. Cash flows are presented by type of activity the cash flow was related to – including operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

The next section of this financial report contains *notes to financial statements*, which delve deeper into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature and amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements such as, contingencies and subsequent events.

Types of Information in the Financial Statements

All of the Authority's financial statements use the economic resources measurement focus and the accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements including:

- Assets – resources the Authority controls, from short-term assets like cash to long-term assets like buildings, equipment, and water/wastewater infrastructure.
- Liabilities – amounts the Authority owes, from short-term liabilities such as accounts payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.

- Deferred outflows of resources and deferred inflows of resources – flows that occurred during the year, or in prior years, that will not be reported as expenses or revenues until the future year to which they are related.
- Revenues and expenses – inflows and outflows of economic resources, respectively, related to the current year.

More detail about the measurement focus and basis of accounting used can be found in the first note on the financial statements, the summary of significant accounting policies (Note 1), beginning on page 10.

FINANCIAL SUMMARY

Table A-1
Authority's Net Position

	2026	2025	Percent Change 2026 – 2025
Current assets	$ 24,029,713	$ 34,427,233	(30.2%)
Investments	28,948,532	33,042,180	(12.4%)
Noncurrent lease receivable	-	12,052	(100.0%)
Capital assets, Net	217,157,572	193,016,115	12.5%
Total assets	270,135,817	260,497,580	3.7%
Deferred Outflows of Resources	2,457,341	2,226,231	10.4%
Current liabilities	8,046,787	9,363,376	(14.1%)
Long-term liabilities	10,279,795	10,134,604	1.4%
Total liabilities	18,326,582	19,497,980	(6.0%)
Deferred inflows of resources	990,000	887,971	11.5%
Net position			
Net investment in capital assets	213,060,386	187,525,026	13.6%
Restricted for debt service	353,161	337,603	4.6%
Unrestricted	39,863,029	54,475,231	(26.8%)
Total net position	**$ 253,276,576**	**$ 242,337,860**	4.5%

Table A-1 shows that as of June 30, 2026, the Authority's total net position – assets and deferred outflows minus liabilities and deferred inflows – was more than $253 million, an increase of about $10.9 million or 4.5% compared to 2025. This increase is primarily due to a $25.5 million or 13.6% increase in net investment in capital assets. Most of the increase in the net position was the result of the Authority being the recipient of capital subsidies in the form of water and sewer infrastructure capital contributions during fiscal year 2026. The following sections of MD&A analyze the finances of the Authority in greater detail.

Table A-2
Changes in Authority's Net Position

	2026	2025*	Percent Change 2026-2025
Total operating revenues	$ 46,938,319	$ 41,909,124	12.0%
Total operating expenses	(56,338,787)	(49,243,265)	14.4%
Operating (loss)	(9,400,468)	(7,334,141)	28.2%
Other non-operating revenues (expenses)			
Earnings on investments	$ 1,810,267	$ 2,880,166	(37.1%)
Interest expense	(37,513)	(74,029)	(49.3%)
Gain on sale of capital assets	107,412	68,056	57.8%
Lease/subscription interest expense	(53)	(2,260)	(97.7%)
Capital subsidies:			
Donated capital contributions	8,236,271	1,317,427	525.2%
System connection charges	10,222,800	8,773,102	16.5%
Total other non-operating revenues (expenses)	20,339,184	12,962,462	56.9%
Increase (decrease) in net position	10,938,716	5,628,321	94.4%
Total net position – beginning of period	242,337,860	236,709,539	2.4%
Total net position – end of period	$ 253,276,576	$ 242,337,860	4.5%

*Under GASB 103, 2025 figures have been reclassified to adhere to the updated definitions of subsidies and operating and nonoperating revenues and expenses.

Table A-2 shows that operating expenses continued to exceed operating revenues in the current year, resulting in an overall operating loss. This operating loss was buoyed by net nonoperating revenues of $20.3 million, resulting in an overall increase in net position. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

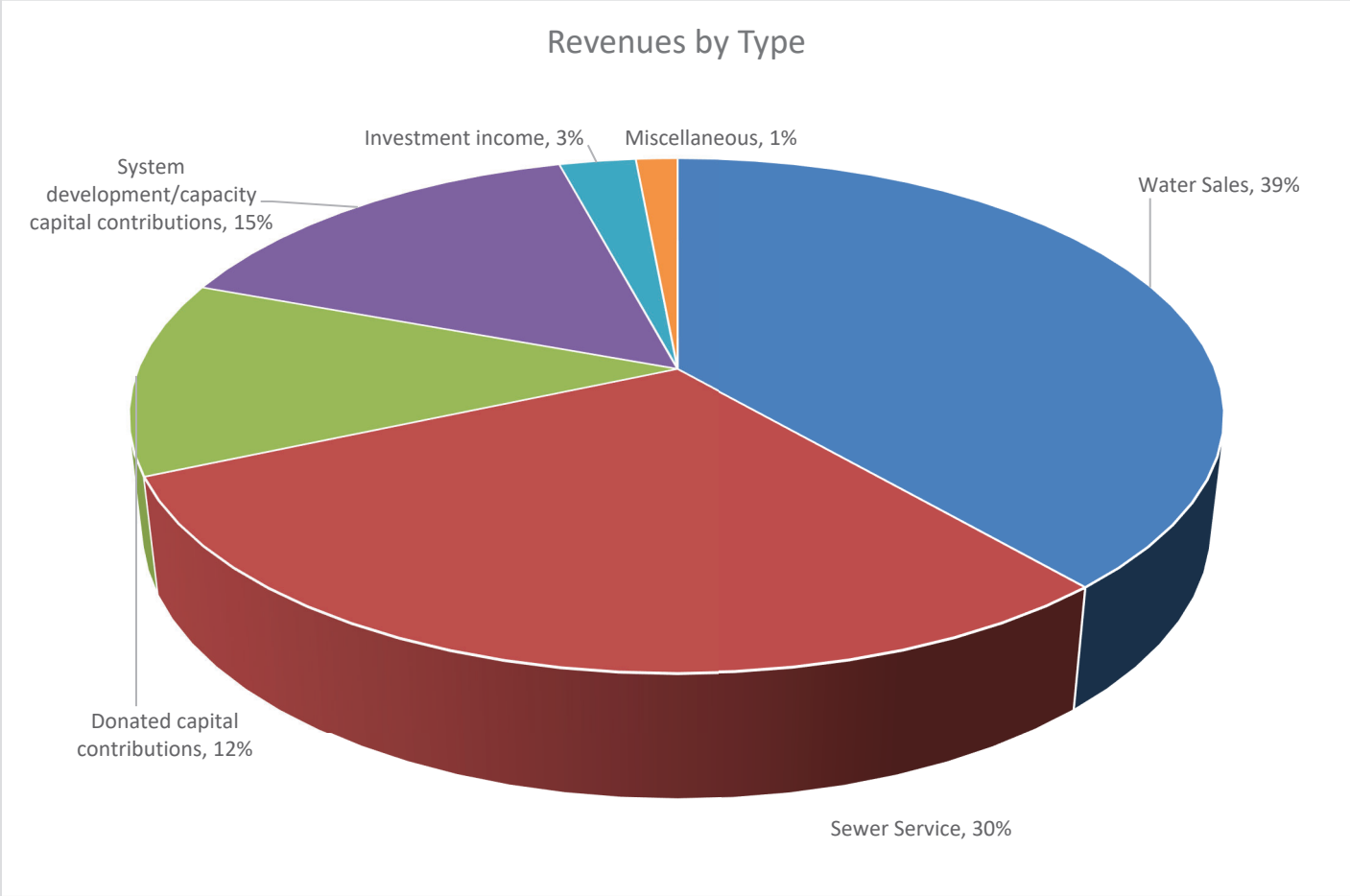
1) Growth in overall operating revenue, driven by a rate increase for water and sewer service and moderate increases in water consumption.
2) Increases in current year operating expenses, namely through the purchase of bulk water and sewer treatment, at 19% and 15%, respectively.
3) Reduction in investment earnings compared to the prior year, driven by the use of investment reserves for capital projects and not available to earn interest.
4) Significant increases in capital subsidies in the Fiscal Year 2026 compared to the prior year.

DETAILED ANALYSES

Table A-3
Revenues and Expenses

	2026	2025*	Percent Change 2026-2025
Operating revenues			
Water sales	$ 26,026,622	$ 22,876,443	13.8%
Sewer service	20,033,498	18,362,595	9.1%
Water and sewer connection fees	254,865	175,477	45.2%
Lease revenue (GASB 87)	16,334	16,335	0.0%
Miscellaneous revenues	607,000	478,274	26.9%
Total Operating Revenues	46,938,319	41,909,124	12.0%
Operating expenses			
Purchase of bulk water	22,631,167	19,012,443	19.0%
Purchase of sewer treatment	14,206,396	12,356,107	15.0%
Depreciation	5,003,181	4,792,018	4.4%
Administration	1,473,199	1,301,385	13.2%
Engineering	2,770,079	2,545,829	8.8%
Finance	3,175,438	2,782,629	14.1%
Information technology	2,049,906	1,818,914	12.7%
Maintenance	5,028,553	4,562,685	10.2%
Miscellaneous expenses	868	71,255	(98.8%)
Total operating expenses	56,338,787	49,243,265	14.4%
Operating loss	(9,400,468)	(7,334,141)	28.2%
Other non-operating revenues (expenses)			
Lease/subscription interest expense	(53)	(2,260)	(97.7%)
Gain on sale of capital assets	107,412	68,056	57.8%
Investment income	1,810,267	2,880,166	(37.1%)
Bond interest charges	(37,513)	(74,029)	(49.3%)
Capital subsidies:			
Donated capital contributions	8,236,271	1,317,427	525.2%
System development and capacity capital contributions	10,222,800	8,773,102	16.5%
Total non-operating revenues (expenses)	20,339,184	12,962,462	56.9%
Increase in net position	10,938,716	5,628,321	94.4%
Net position – beginning of year	242,337,860	236,709,539	2.4%
Net position – end of year	$ 253,276,576	$ 242,337,860	4.5%

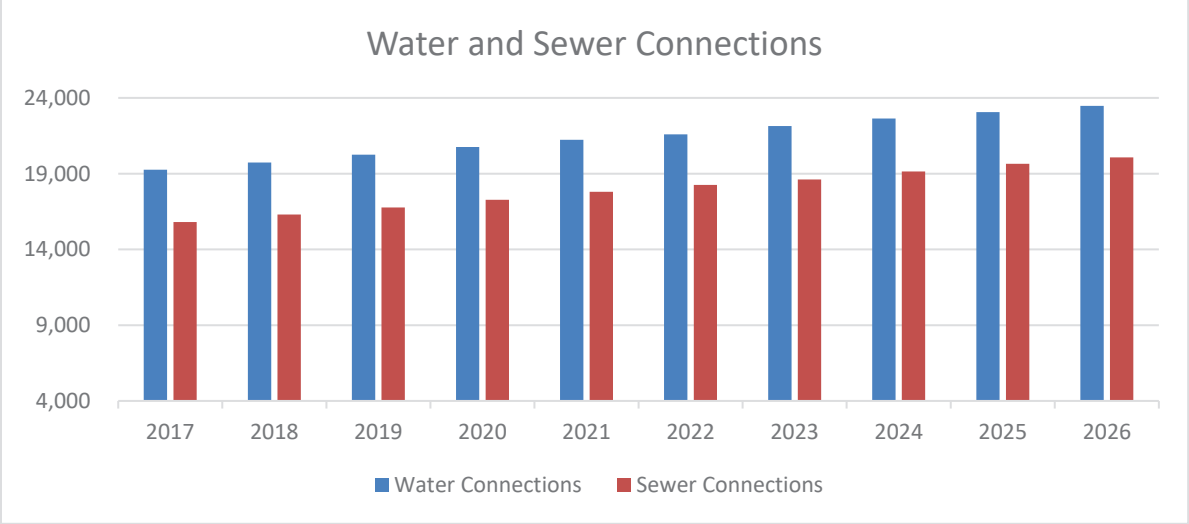
*****Under GASB 103, 2025 figures have been reclassified to adhere to the updated definitions of subsidies and operating and nonoperating revenues and expenses.



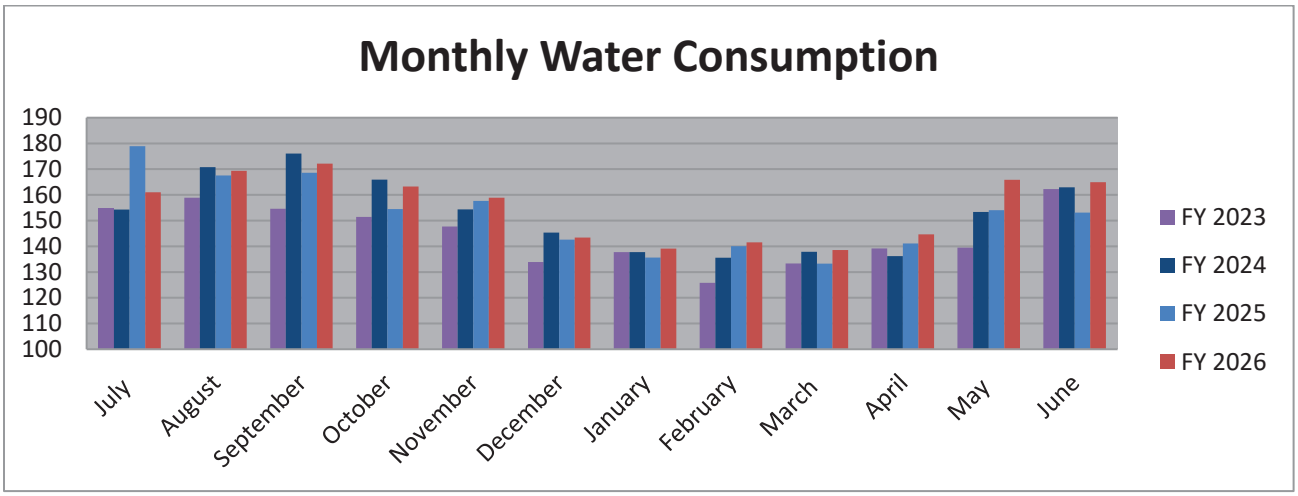
Growth in Overall Operating Revenue

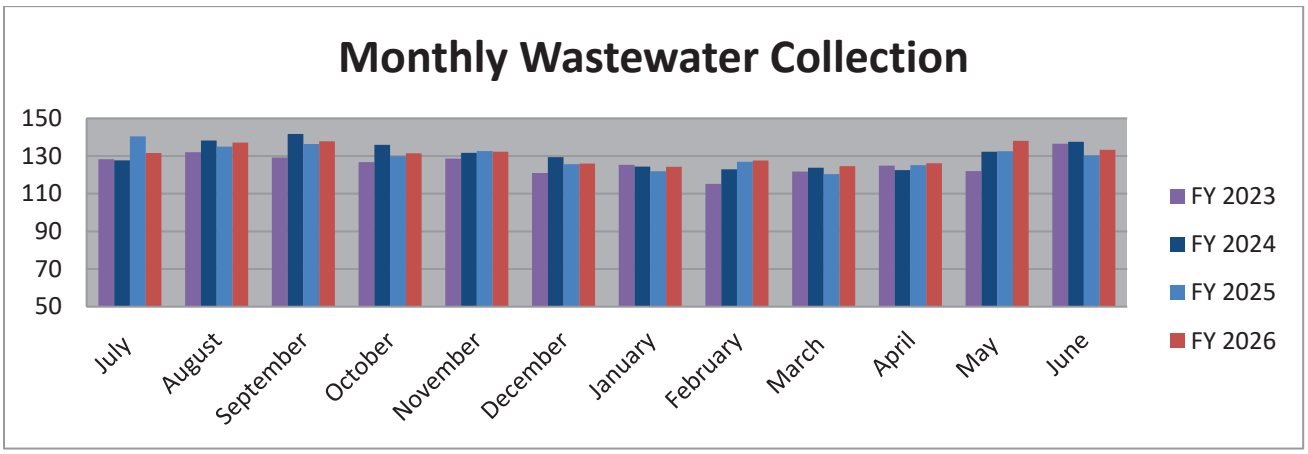
Overall operating revenues increased by a total of $5.03 million or 12.0% from 2025 to 2026. This increase reflects a rate increase in both water and sewer charges for services in 2026. These rate increases were enacted to balance revenues with the increased costs of providing services. Combined, the purchase of bulk water and sewer treatment expenses have increased by approximately 17.4% over the last fiscal year, and the rate charged to our customers has increased by 8.9% to close the gap.

The Authority's water customer base grew to 23,470 accounts by the end of the 2026 fiscal year, an increase from the prior year total of 23,064. Considering multiple units behind master meters, as in apartment complexes, the Authority now serves approximately 39,094 housing units, businesses, industries, and institutions, which is an increase of 1.7%. These new connections resulted in modest increases in overall water consumption and sewer treatment of approximately 0.8% and resulted in an additional $10.2 million in system development and capacity capital contributions in the current year.



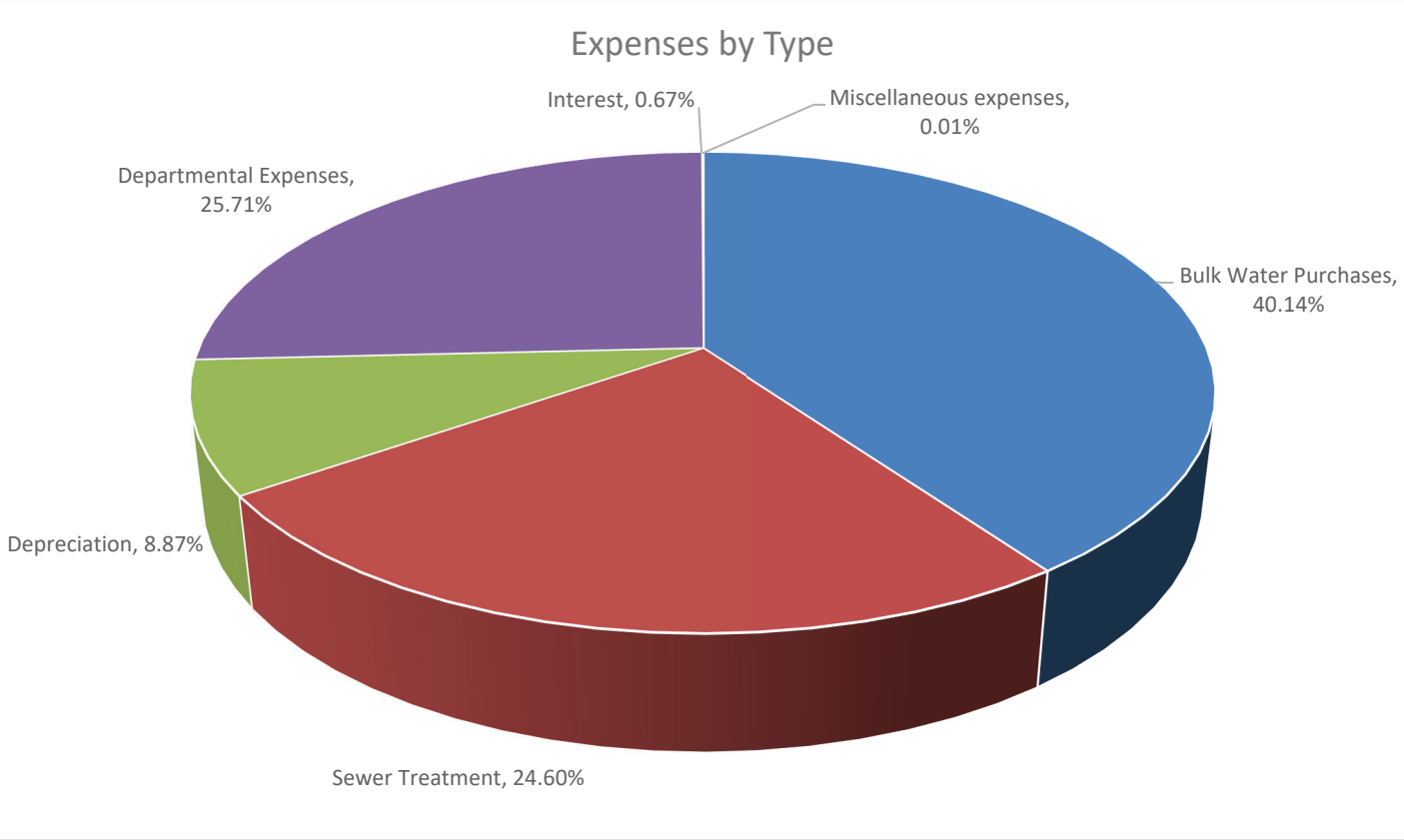
Billed water usage and wastewater collection in Fiscal Year 2026 increased by 14 million gallons or 0.8% and 13 million gallons or 0.8%, respectively, as compared to Fiscal Year 2025. Even with the addition of 406 new customers, seasonal weather patterns and a continued emphasis on conservation have led to only moderate increases in billed water usage. Variations in water consumption/wastewater collection by month can be seen in the charts below.





Operating Expenses

Overall operating expenses increased by approximately $7.1 million or 14.4% from Fiscal Year 2025 to Fiscal Year 2026 (see total expenses listed in Table A-3 and a breakdown of current year expenses by type in the chart below). More than $5.5 million or 77% of the total $7.1 million increase is attributable to the increase in charges from the Rivanna Water and Sewer Authority for the purchase of bulk water and wastewater treatment. The RWSA continues to invest in generational water projects to ensure our community has adequate capacity for future growth and continues to enhance redundancy and resiliency within the water and sewer infrastructure system. The remaining increase in expenses in the current Fiscal Year is largely related to personnel costs and maintenance of the system.



SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets – original cost minus accumulated depreciation – increased 12.5% or $24.1 million over 2025. This change shows the Authority's continued commitment to proactively replacing aging infrastructure to ensure we can continue to serve our growing customer base.

The Authority had $18.9 million in its beginning balance of construction in progress with $19.8 million in capital projects in progress during 2026. Of those amounts, the Authority put $0.6 million into operation during the year and therefore reclassified this amount to the depreciable asset class of Structures and improvements. Many of the completed and ongoing capital projects are a part of systematic replacement of aging water and sewer infrastructure and a new satellite facility, the Avon Operations Center. When completed, this $18 million facility will provide additional space for larger Authority equipment/vehicles, material storage, office space and a training area for our equipment operators.

Capital Assets

	2026	2025	Percent Change 2026-2025
Land (including easements)	$ 1,914,876	$ 1,914,876	-
Structures and improvements	251,008,456	242,438,351	4%
Equipment	8,135,690	7,262,818	12%
Equipment - Leases	28,216	51,124	(45%)
Subscription right-to-use	-	231,119	(100%)
Construction in progress	38,096,124	18,888,152	102%
Total book value	299,183,362	270,786,440	10%
Less accumulated depreciation and amortization	(82,025,790)	(77,770,325)	5%
Net capital assets	$ 217,157,572	$ 193,016,115	13%

Total bonds outstanding decreased 15% to $2.5 million in 2026. The Authority has historically cash funded capital projects but with planned significant, high-cost projects, in conjunction with a formal rate study and financial analysis, assessed the potential need for a second debt issuance in the next fiscal year (2027).

In February 2026, the Board approved a resolution of official intent to reimburse expenditures with proceeds of a borrowing. This resolution preserved the Authority's ability to use proceeds from a future tax-exempt bond financing to reimburse project related costs that the Authority is currently paying for the Avon Operations Center and future projects related to water and sewer infrastructure installations.

Subsequent to year-end, the Board approved a resolution authorizing the sale and award of up to $22.3 million in water and sewer system revenue bonds. These bonds were awarded in October 2026 and totaled $19,905,000 with a True Interest Cost (TIC) of 4.84%.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Operations. Careful planning and budgeting in combination with the use of established reserves has been a stabilizing factor in our rate-setting process for many years. This process has allowed our customers (through the years) to realize relatively low rates for the provision of their water and sewer service, particularly as compared to other regional utilities.

With new development, in combination with aging infrastructure, comes the challenge of meeting both the water supply and the sewer treatment needs and requirements of the growing Albemarle community. Since the Authority employs a "pay-as-you-go" methodology of recovering the costs of operations and most capital projects, increased costs will be passed on to our customers through higher rates and fees. Current customers bear the current cost of operations, while future customers, through new development, bear the cost of expansion through connection, development, and capacity fees.

The Authority team is actively engaged in long-term financial planning which focuses on financial sustainability and affordability for our customers while continuing to address infrastructure and operational needs.

The Authority's water treatment and sewer treatment provider, Rivanna Water and Sewer Authority, continues to make investments in large-scale regional water infrastructure improvements that are designed to increase capacity, reliability, and resilience in the region. Key projects that support these initiatives include the expansion of the Ragged Mountain Reservoir, construction of a new pipeline connecting the South Fork Rivanna Reservoir to the Ragged Mountain Reservoir and upgrading pump stations and other aging infrastructure. These improvements help ensure that the community has access to safe drinking water, even during drought conditions or periods of high demand. Currently, these projects total approximately $300 million across the urban water supply system and the Authority will be responsible for most of these costs.

The Authority continues to see steady growth within the service areas and an increased emphasis on economic development by the County of Albemarle. The Authority continues to make investments in our infrastructure, as does the Rivanna Water and Sewer Authority, to ensure we can serve potential large industrial customers in the future. These potential industrial customers will diversify the Authority's customer base as we've largely served residential customers.

Requests for Information. This financial report is designed to provide a general overview of the Albemarle County Service Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 168 Spotnap Road, Charlottesville, Virginia 22911, through our website www.serviceauthority.org or by telephone (434) 977-4511.

BASIC FINANCIAL STATEMENTS

Exhibit 1

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF NET POSITION
June 30, 2026

	2026	(For Comparative Purposes Only) 2025
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	$ 15,026,879	$ 26,384,489
Accounts receivable, net (Note 3)	7,008,252	6,037,392
Lease receivable (Note 3)	12,052	17,342
Inventory	660,305	686,105
Prepaids	492,715	503,813
Cash and cash equivalents, restricted (Notes 1,2)	829,510	798,092
Total current assets	24,029,713	34,427,233
Noncurrent assets		
Investments (Note 2)	28,948,532	33,042,180
Non-current lease receivable (Note 3)	-	12,052
Capital assets: (Note 4)		
Nondepreciable	40,011,000	20,803,028
Depreciable and amortizable, net	177,146,572	172,213,087
Total noncurrent assets	246,106,104	226,070,347
Total assets	270,135,817	260,497,580
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	7,621	9,146
Deferred outflows related to pensions (Note 7)	1,884,549	1,985,199
Deferred outflows related to other postemployment benefits (Notes 8,9)	565,171	231,886
Total deferred outflows of resources	2,457,341	2,226,231
LIABILITIES		
Current liabilities		
Accounts payable	5,182,027	4,703,368
Accrued liabilities	12,717	13,535
Customer deposits	345,220	316,920
Interest payable	32,544	38,117
Compensated absences (Note 5)	405,844	323,315
Unearned revenues	1,473,802	3,406,210
Other post-employment benefits liability due in one year (Note 9)	34,873	17,933
Current maturities of long-term debt (Note 5)	559,760	543,978
Total current liabilities	8,046,787	9,363,376
Long-term liabilities		
Compensated absences (Note 5)	1,843,203	1,712,089
Net pension liability (Note 7)	4,221,164	4,150,155
Net other post-employment benefits liability (Notes 8,9)	1,736,388	1,233,560
Long-term debt – due in more than one year (Note 5)	2,479,040	3,038,800
Total long-term liabilities	10,279,795	10,134,604
Total liabilities	18,326,582	19,497,980
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions (Note 7)	753,605	566,156
Deferred inflows related to other postemployment benefits (Notes 8,9)	224,916	294,002
Deferred inflows - leases (Note 3)	11,479	27,813
Total deferred inflows of resources	990,000	887,971
NET POSITION		
Net investment in capital assets	213,060,386	187,525,026
Restricted for debt service	353,161	337,603
Unrestricted	39,863,029	54,475,231
Total net position	$ 253,276,576	$ 242,337,860

The Notes to Financial Statements are an integral part of this statement.

Exhibit 2

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2026

	2026	(For Comparative Purposes Only) 2025
OPERATING REVENUES		
Water sales	$ 26,026,622	$ 22,876,443
Sewer service	20,033,498	18,362,595
Water and sewer connection fees	254,865	175,477
Lease Revenue - GASB 87	16,334	16,335
Miscellaneous revenues	607,000	478,274
Total operating revenues	46,938,319	41,909,124
OPERATING EXPENSES		
Purchase of bulk water (Note 10)	22,631,167	19,012,443
Purchase of sewer treatment (Note 10)	14,206,396	12,356,107
Depreciation and amortization	5,003,181	4,792,018
Administration	1,473,199	1,301,385
Engineering	2,770,079	2,545,829
Finance	3,175,438	2,782,629
Information Technology	2,049,906	1,818,914
Maintenance	5,028,553	4,562,685
Miscellaneous expenses	868	71,255
Total operating expenses	56,338,787	49,243,265
Operating loss	(9,400,468)	(7,334,141)
NONOPERATING REVENUES (EXPENSES)		
Lease/Subscription interest expense	(53)	(2,260)
Gain on sale of capital assets	107,412	68,056
Investment income	1,810,267	2,880,166
Bond interest charges	(37,513)	(74,029)
Capital subsidies:		
Donated capital contributions (Note 6)	8,236,271	1,317,427
System development and capacity capital contributions (Note 6)	10,222,800	8,773,102
Total nonoperating revenues (expenses)	20,339,184	12,962,462
Change in net position	10,938,716	5,628,321
NET POSITION – BEGINNING AT JULY 1	242,337,860	236,709,539
NET POSITION – ENDING AT JUNE 30	$ 253,276,576	$ 242,337,860

The Notes to Financial Statements are an integral part of this statement.

Exhibit 3

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2026

	2026	(For Comparative Purposes Only) 2025
OPERATING ACTIVITIES		
Cash received from customers	$ 45,285,807	$ 41,628,912
Cash paid for goods and services	(39,813,168)	(34,167,078)
Cash paid to employees	(9,465,233)	(8,782,002)
Other receipts	606,132	477,463
Net cash used in operating activities	(3,386,462)	(842,705)
CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributed by developers, customers, and local governments	8,377,010	8,480,456
Principal collected on leases	17,342	16,766
Acquisition of capital assets	(21,760,572)	(11,820,740)
Principal paid on long-term borrowings	(444,218)	(505,784)
Interest paid on long-term borrowings	(141,374)	(165,363)
Proceeds from sale of capital assets	108,167	84,668
Net cash used in capital and related financing activities	(13,843,645)	(3,909,997)
INVESTING ACTIVITIES		
Purchase of investment securities	(20,659,488)	(17,706,949)
Proceeds from sale and maturity of investment securities	25,945,702	17,848,374
Interest received	617,701	1,101,581
Net cash provided by investing activities	5,903,915	1,243,006
Net decrease in cash and cash equivalents	(11,326,192)	(3,509,696)
CASH AND CASH EQUIVALENTS		
Beginning at July 1	27,182,581	30,692,277
Ending at June 30	$ 15,856,389	$ 27,182,581
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$ 15,026,879	$ 26,384,489
Cash and cash equivalents, restricted	829,510	798,092
	$ 15,856,389	$ 27,182,581

(Continued)

Exhibit 3

ALBEMARLE COUNTY SERVICE AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2026

	2026	(For Comparative Purposes Only) 2025
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$ (9,400,468)	$ (7,334,141)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	5,003,181	4,792,018
Excess of employer contributions over pension expense	359,108	425,378
Excess of employer contributions over other postemployment benefits expense	117,397	(99,008)
Lease revenue	(16,334)	(16,335)
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(970,860)	8,638
Inventory	25,800	149,518
Prepaids	11,098	(157,766)
Increase (decrease) in:		
Accounts payable	1,330,109	1,093,625
Accrued liabilities	(818)	(8,047)
Customer deposits	28,300	18,806
Compensated absences	213,643	97,656
Unearned connection fees	(86,618)	186,953
Net cash used in operating activities	$ (3,386,462)	$ (842,705)
NONCASH CAPITAL, INVESTING AND RELATED FINANCING ACTIVITIES		
Contributions of capital assets	$ 8,236,271	$ 1,317,427
Capital asset additions financed by accounts payable	$ 1,066,007	$ 1,917,457
Increase (decrease) in fair value of investments	$ 1,192,566	$ (1,545,367)

The Notes to Financial Statements are an integral part of this statement.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies

(a) Reporting Entity

The Albemarle County Service Authority (the Authority) was created by a resolution of the Board of Supervisors (BOS) of Albemarle County, Virginia (the County) in April 1964. The Authority is chartered by the State Corporation Commission and is an independent public body responsible for undertaking projects as may be specified for the distribution and sale of potable water to retail customers and for the collection of wastewater from retail customers and delivery of such wastewater to the Rivanna Water and Sewer Authority (RWSA). The management of the Authority is vested in a board of six members appointed by the County's BOS.

To determine the appropriate reporting entity for the Authority, its relationship with the County was considered. Although the members of the Authority's Board of Directors are appointed by the Board of County Supervisors, the County is not financially accountable for the Authority. In addition, there is no potential for the Authority to provide specific financial benefits to, or impose specific financial burdens on, the County, and the Authority is not fiscally dependent on the County. Accordingly, based on these criteria, the Authority is not included as a component unit in the County's financial statements.

The following is a summary of the Authority's significant accounting policies:

(b) Basis of Presentation and Accounting

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental units. An enterprise fund is a proprietary-type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The Authority's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control and accountability.

The Authority follows the accrual basis of accounting. Under this basis of accounting, revenue is recognized when earned and expenses are recorded when incurred.

During fiscal year 2026, the Authority adopted **GASB Statement No. 103**, *Financial Reporting Model Improvements*. This new standard redefined operating and nonoperating revenues and expenses, definitions of which are included below. As a result, certain prior year amounts have been reclassified with the current year presentation.

The statements distinguish operating revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies (Continued)

A *subsidy* represents amounts received from or provided to another party. Amounts received from another party are considered a subsidy if it is unrelated to the services provided by the Authority and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to another party are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the other party charging higher fees in the future. Capital subsidies are presented separate of noncapital subsidies when their use is limited by legal or external restrictions to be used for capital purposes.

When an expense is incurred for purposes in which both restricted and unrestricted net assets are available, it is the Authority's policy to first apply restricted resources.

(c) Cash and Investments

Cash and temporary investments include amounts in demand deposits as well as short-term investments with an original maturity of three months or less.

Restricted cash and temporary investments include amounts held in money market funds as well as short-term investments with an original maturity of three months or less. These amounts consist of reserves for debt service and deposits from customers for service.

Investments include United States government, agency obligations of the Commonwealth of Virginia and its subdivisions, certificates of deposit, municipal bonds, and commercial paper. All investments are stated at fair value. Interest income from investments is recorded in the year earned.

(d) Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs.
- Level 3 inputs are significant unobservable inputs.

(e) Accounts Receivable

All continuing service receivables are recognized when earned, net of an allowance for uncollectible accounts of $83,765 at June 30, 2026.

An estimated amount has been recorded for services rendered but not yet billed as of the close of the fiscal year.

(f) Inventory

Inventory is valued using the weighted-average method. Inventories are recorded as an operating expense when consumed rather than when purchased.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies (Continued)

(g) Restricted Assets

Restricted assets represent resources designated for specific purposes and include developers' advances and customer deposits.

(h) Capital Assets

The Authority capitalizes all property and permanent right-of-way easements, equipment, infrastructure assets, leases, and subscription assets with a cost greater than $5,000 and an estimated useful life of more than one year.

Capital assets are stated at historical cost. Donated assets are recorded at acquisition value at the time received. Expenses for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are expensed as incurred.

Depreciation and amortization for both purchased and contributed assets is recorded as depreciation and amortization expense on a straight-line basis over the following estimated useful lives:

Land improvements	10-20 years
Structures and improvements	10-60 years
Equipment	3-10 years

Intangible right of use leased assets are capitalized when the total amount of payments over the life of the contract exceed $50,000 and assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. In leases where a purchase option is reasonably certain of being exercised, the asset is amortized over the useful life, unless the underlying asset is non-depreciable, in which the intangible right of use leased asset is not amortized.

Intangible right of use subscription assets are recorded under GASB Statement No. 96 *Subscription-Based Information Technology Arrangements (SBITAs)*, net of accumulated amortization. SBITAs are capitalized when the total amount of payments over the life of the contract exceed $50,000 and are amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Capital assets, which include lease and subscription assets, are reported in the financial statements.

(i) Construction in Progress

Construction in progress includes design and construction costs that accumulate until completion of the respective project, at which time the total cost is transferred to depreciable capital assets.

(j) Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for service previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies (Continued)

Annual Leave – Employees of the Authority are granted annual leave in varying amounts based on years of service. In the event of termination, an employee is reimbursed for accumulated annual leave in full.

Sick Leave – Employees of the authority are granted sick leave which accumulates but is not paid out upon an employee's separation of employment. The amount of sick leave that can be accumulated and carried to future years for employees is capped based on their classification as a Plan 1, Plan 2, or Hybrid employee in Virginia Retirement System (VRS). The Authority uses a five-year look-back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period.

(k) Unearned Revenues

Unearned connection fees consist of advances to the Authority under prescribed conditions by developers in exchange for credit vouchers to be used to pay facility fees (both water and sewer) in order to connect to the Authority's system. The Authority recognizes the revenue when the credit voucher is redeemed. Also included in unearned revenues are over payments by customers that will be recognized as revenue as charges for water/sewer treatment are incurred.

(l) Deferred outflows/inflows of resources

In addition to assets, the statement that presents net position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement that presents financial position reports a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority has the following items that qualify for reporting as deferred inflows or outflows:

- Contributions subsequent to the measurement date for pensions and OPEB are always deferred outflows; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Differences between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportionate share that will be recognized in the OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or deferred inflow as appropriate.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies (Continued)

- Lease-related amounts are recognized at the inception of leases in which the Authority is lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before commencement of the lease term that relates to future periods, less any lease incentives paid to on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

(m) Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring all financial statement elements related to pensions and OPEB plans information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(n) Net Position

Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

(o) Capital Contributions

Capital contributions are recorded for the receipt of funds, property, lines and improvements by developers, customers, or other governments and management has determined meet requirements under accounting standards to be recorded as capital subsidies, representing subsidies received which contain external or legal restriction to be used for capital purposes .

(p) Comparative Information

The basic financial statements include certain prior year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the prior year from which the summarized information was derived.

(q) Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 1. Summary of Significant Accounting Policies (Continued)

(r) Accounting Pronouncements

In December 2025, the GASB issued **Statement No. 105**, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement also clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

(s) Subsequent Events

Subsequent to year end, the Authority issued a $19,905,000 Water and Sewer Revenue Bond (Series 2026, tax exempt), bearing interest at a coupon rate of 5.0%, maturing on October 1 in the years 2027 through 2047. Proceeds from the bond issuance will be used to finance water system capital improvements and related issuance costs. Because the bonds were issued after fiscal year end, no liability has been recorded in the accompanying financial statements.

Note 2. Deposits and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The fair value of the position in LGIP is the same as the value of the pool shares. As the pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with GASB Statement No. 79. Due to the nature of LGIP, it is considered a cash and cash equivalent on the Statement of Net Position.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 2. Deposits and Investments (Continued)

The Authority's investments are subject to interest rate, credit, concentration of credit, and custodial credit risk as described herein.

The Authority has recurring fair value measurements as of June 30, 2026. Those include U. S. Bonds, Municipal Notes, and Commercial Paper classified in Level 2 of the fair value hierarchy and valued using prices quoted in active markets for those bonds.

Interest rate risk: Interest rate risk is the risk that the fair value of the securities in the portfolio will decline due to rising interest rates. Investments are limited to a maximum maturity of five (5) years from the transaction settlement date (with the exception of Agency Mortgage-Backed Securities ("MBS") which must have a weighted average life ("WAL") of no more than five (5) years). To manage the volatility of the Investment Portfolio, the Director of Finance shall determine an appropriate duration or weighted average maturity ("WAM") target for each component of the Investment Portfolio. At no time shall the duration or WAM of any component of the Investment Portfolio exceed three (3) years.

Credit risk: Credit risk is the risk of loss due to the failure of the security issuer or backer to repay its obligations and may also apply where there is a loss of fair value of the investment due to a deterioration of an issuer's credit rating.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investments held from a single issuer. The Authority's investment portfolio as of June 30, 2026, is concentrated in securities issued by the U.S. Treasury (31.8%), Federal Agency Mortgage-Backed Securities (0.7%), Federal Agency Collateralized Mortgage Obligations (0.1%), Federal Agency Commercial Mortgage-Backed Security (11.3%), Municipal Notes (1.9%), Commercial Paper (10.0%), Certificate of Deposit (15.8%), Corporate Note (26.8%), and Money Market (1.6%).

The table below details the fair value and rating as determined by Standard & Poor's for each issuer of the Authority's investments as well as deposits, as of June 30, 2026:

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 2. Deposits and Investments (Continued)

	Deposits and Investments						
	AAA	A-1+/A-1	A+/A	AA+/AA/AA-	AAAm	Deposits	Total
U.S. Treasury	$ -	$ -	$ -	$ 9,354,991	$ -	$ -	$ 9,354,991
Lcl Gov Inv Pool	-	-	-	-	8,461,798	-	8,461,798
Fed Agency MBS	-	-	-	194,978	-	-	194,978
Fed Agency CMO	-	-	-	37,065	-	-	37,065
Fed Agency CM-BS	-	-	-	3,318,174	-	-	3,318,174
Municipal	-	-	-	571,390	-	-	571,390
Commercial Paper	-	2,932,119	-	-	-	-	2,932,119
Cert of Deposit	-	4,649,565	-	-	-	-	4,649,565
Corporate Note	-	-	2,958,091	4,932,159	-	-	7,890,250
Money Mkt Fund	-	-	-	-	450,808	-	450,808
Cash	-	-	-	-	-	6,943,783	6,943,783
Total Deposits and Investments	$ -	$ 7,581,684	$ 2,958,091	$ 18,408,757	$ 8,912,606	$ 6,943,783	$ 44,804,921

Reconciliation of deposits and investments to Exhibit 1:

Cash and cash equivalents, unrestricted	$ 15,026,879
Cash and cash equivalents, restricted	829,510
Investments	28,948,532
Total Deposits and Investments	$ 44,804,921

	Investment Maturities					
	1 Year	2 Years	3 Years	4 Years	5 Years	>5 Years
U.S. Treasury	$ -	$ 5,804,494	$ 3,550,497	$ -	$ -	$ -
Lcl Gov Inv Pool	8,461,798	-	-	-	-	-
Fed Agency MBS	-	-	-	25,432	-	169,546
Fed Agency CMO	-	-	-	-	-	37,065
Fed Agency CM-BS	1,289,789	1,805,494	222,891	-	-	-
Municipal	386,605	184,785	-	-	-	-
Commercial Paper	2,932,119	-	-	-	-	-
Cert of Deposit	4,649,565	-	-	-	-	-
Corporate Note	251,316	1,920,970	5,291,688	175,674	250,602	-
Money Mkt Fund	450,808	-	-	-	-	-
Cash	6,943,783	-	-	-	-	-
Total Deposits and Investments	$ 25,365,783	$ 9,715,743	$ 9,065,076	$ 201,106	$ 250,602	$ 206,611

Custodial credit risk: Custodial credit risk is the risk that the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside custodial party. All securities purchased by the Authority are held in safekeeping by a third-party custodial bank or institution in the Authority's name, and therefore, the Authority is not exposed to custodial credit risk.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 3. Accounts and Leases Receivable

Accounts receivable net of allowance consists of the following:

	Billed	Unbilled	Total
Receivables, current:			
Water	$ 1,889,791	$ 2,081,800	$ 3,971,591
Sewer	1,454,631	1,237,149	2,691,780
Other	344,881	-	344,881
	$ 3,689,303	$ 3,318,949	$ 7,008,252

An allowance for doubtful accounts has been established at June 30, 2026, to recognize estimates related to bad debt. For Fiscal Year 2026 the allowance for doubtful accounts totals $83,765.

The Authority is a lessor for the use agreement with American Tower. This agreement will expire on March 13, 2027. An initial lease receivable was recorded in the amount of $76,518. As of June 30, 2026, the value of the lease receivable is $12,052. The lessee is required to make monthly fixed payments of $1,535. The lease has an interest rate of 5%. The value of the deferred inflow of resources as of June 30, 2026, was $11,479.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 4. Capital Assets

Changes in capital assets for the year are as follows:

	Balance July 1, 2025	Additions	Reductions/ Reclassifications	Balance June 30, 2026
Capital assets, not being depreciated				
Land and land rights	$ 1,914,876	$ -	$ -	$ 1,914,876
Construction in progress	18,888,152	19,764,386	(556,414)	38,096,124
Total capital assets, not being depreciated	20,803,028	19,764,386	(556,414)	40,011,000
Capital/intangible assets being depreciated				
Structures and improvements	242,438,351	8,570,105	-	251,008,456
Equipment	7,262,818	1,367,316	(494,444)	8,135,690
Equipment-leases	51,124	-	(22,908)	28,216
Subscription right-to-use assets	231,119	-	(231,119)	-
Total capital/intangible assets being depreciated	249,983,412	9,937,421	(748,471)	259,172,362
Less accumulated depreciation for:				
Structures and improvements	(72,770,242)	(4,407,454)	-	(77,177,696)
Equipment	(4,775,356)	(540,807)	493,689	(4,822,474)
Equipment-lease	(39,832)	(8,696)	22,908	(25,620)
Subscription right-to-use assets	(184,895)	(46,224)	231,119	-
Total accumulated depreciation	(77,770,325)	(5,003,181)	747,716	(82,025,790)
Total capital assets being depreciated, net	172,213,087	4,934,240	(755)	177,146,572
Total capital assets, net	$ 193,016,115	$ 24,698,626	$ (557,169)	$ 217,157,572

In fiscal year 2026, the Authority adopted **GASB Statement No. 104**, Disclosure of Certain Capital Assets. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34.

The Authority evaluated its capital assets for potential classification as held for sale in accordance with GASB Statement No. 104. As of June 30, 2026, the Authority had no capital assets that met the criteria for classification as held for sale.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 4. Capital Assets (Continued)

Construction commitments:

The Authority's active construction projects as of June 30, 2026, are as follows:

Project	Spent-to-Date	Remaining Commitment
Avon Operations center	$ 13,070,315	$ 2,957,287
Water line replacements	1,549,509	891,603
Wastewater line rehabilitations or re-linings	559,102	209,139
Other	70,284	3,699
	$ 15,249,210	$ 4,061,728

Note 5. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Refunding bond	$ 2,975,000	$ -	$ (435,000)	$ 2,540,000	$ 460,000
Issuance Premiums	598,560	-	(99,760)	498,800	99,760
Lease Equipment	9,218	-	(9,218)	-	-
Compensated absences*	2,035,404	213,643	-	2,249,047	405,844
	$ 5,618,182	$ 213,643	$ (543,978)	$ 5,287,847	$ 965,604

*The change in compensated absences above is a net change for the year.

A single revenue bond for $10,357,000 was issued as a Build America Bond (BAB) on November 1, 2010. Proceeds from the sale were used to (1) provide new money funding for the North Fork Regional Pump Station project and to (2) pay the cost of issuance. This issuance was refunded on July 21, 2021, through the Virginia Resources Authority (VRA) and its 2021B Pooled Bond issuance. All water and sewer revenues are pledged equally and ratably to secure payment of the principal and interest on the revenue bond. This Bond bears interest at the rate of 5.125%, payable semiannually.

The revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bond	
	Principal	Interest
2027	$ 460,000	$ 118,388
2028	480,000	94,300
2029	505,000	69,059
2030	535,000	42,409
2031	560,000	14,350
	$ 2,540,000	$ 338,506

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 5. Long-Term Liabilities – Lease Liability (Continued)

Lease Liability:

VA Carroll Creek CCI 801475 – Tower Site

The Authority is the lessee for land use at VA Carroll Creek CCI 801475. An initial lease liability was recorded in the amount of $21,502. The Authority was required to make fixed monthly payments of $500, which increased by 4% each year. The Authority used their incremental borrowing rate to measure their lease liability. As of October 31, 2025, the lease expired and was removed.

Norfolk Southern – Tower Site

The Authority is the lessee for land use at Norfolk Southern. An initial lease liability was recorded in the amount of $26,024. The Authority was required to make a fixed annual payment of $6,490. The Authority used their incremental borrowing rate to measure their lease liability. As of June 30, 2026, the Authority had made their last lease payment, however, they still have the right to use the lease asset through November 26, 2026, the expiration date of the lease.

Debt Covenants and Federal Arbitrage Regulations:

The Authority is required to deliver to the Trustee for deposit both interest and principal amounts as prescribed in the Agreement of Trust. The Authority is in compliance with these covenants.

The Authority is required to adhere to the rebate and reporting requirements of the federal tax code pertaining to arbitrage. The Authority is in compliance with federal arbitrage regulations. Any potential liabilities arising from arbitrage have been deemed immaterial in relation to the financial statements.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 6. Capital Contributions

Capital contributions for the year are summarized as follows:

Donated capital contributions	
Developer and customer contributions of capital assets	$ 8,236,271
Total donated capital contributions	8,236,271
Capital subsidies - system development and capacity capital contributions	
Crozet water and sewer – System/capacity fees	1,669,540
Urban water and sewer – System/capacity fees	8,451,170
North Fork Regional Pump Station -- Special rate district fee	72,660
SCTV	29,430
Total system development and capacity capital contributions	10,222,800
Total capital contributions	$ 18,459,071

Note 7. Defined Benefit Pension Plan

Plan Description

All full-time, salaried permanent employees of Albemarle County Service Authority, (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System ("VRS" or the "System") along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 7. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/retirement-plans/defined-benefit/plan1/
- https://www.varetire.org/retirement-plans/defined-benefit/plan2/
- https://www.varetire.org/retirement-plans/hybrid/

Employees Covered by Benefit Terms

As of the June 30, 2024, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	47
Inactive members:	
Vested inactive members	17
Non-vested inactive members	33
Inactive members active elsewhere in VRS	19
Total inactive members	69
Active members	79
Total covered employees	195

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to Political Subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Political Subdivision's contractually required contribution rate for the year ended June 30, 2026, was 9.76% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarial rate for the Political Subdivision's plan was 9.76%

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were $668,341 and $639,687 for the years ended June 30, 2026, and June 30, 2025, respectively.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 7. Defined Benefit Pension Plan (Continued)

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $26,611 for the year ended June 30, 2026. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $31,655 for the year ended June 30, 2026. The total Hybrid plan participant covered payroll totaled $2,661,130 for the year ended June 30, 2026.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2024 rolled forward to the measurement date of June 30, 2025.

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2024, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50%
Salary increases, including inflation	3.50 – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2021 Improvement Scale with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025, and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

General Employees – Non-Metro Non-Hazardous Duty: Maintained mortality table with adjustments; moved retirement and termination rates to the way of the observed experience; moved disability rates to the way of the observed experience to maintain margin; increased Merit & Longevity on the salary scale; and no change to discount rate.

Note 7. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00 %	6.60 %	2.11 %
Fixed Income	16.00	5.09	0.81
Credit Strategies	16.00	8.21	1.31
Real Assets	15.00	7.10	1.07
Private Equity	15.00	8.60	1.29
PIP-Private Investment Partnership	1.00	7.95	0.08
Diversifying Strategies	6.00	6.82	0.41
Cash	2.00	4.07	0.08
Leverage	(3.00)	4.57	(0.14)
Total	100.00 %		7.02 %
		* Expected arithmetic nominal return	7.02 %

*The above allocation provides for a one-year return of 7.02% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% including expected inflation of 2.50%.

Note 7. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2025, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2024 actuarial valuations. From July 1, 2025, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at June 30, 2024	$ 26,206,772	$ 22,056,617	$ 4,150,155
Changes for the year:			
Service cost	499,895	-	499,895
Interest	1,757,703	-	1,757,703
Benefit changes	-	-	-
Assumption changes	51,567	-	51,567
Differences between expected and actual experience	1,018,335	-	1,018,335
Contributions – employer	-	639,797	(639,797)
Contributions – employee	-	304,843	(304,843)
Net investment income	-	2,324,575	(2,324,575)
Benefit payments, including refunds of employee contributions	(1,333,233)	(1,333,233)	-
Administrative expenses	-	(13,325)	13,325
Other changes	-	601	(601)
Net changes	1,994,267	1,923,258	71,009
Balances at June 30, 2025	$ 28,201,039	$ 23,979,875	$ 4,221,164

Note 7. Defined Benefit Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Political Subdivision using the discount rate of 6.75%, as well as what the Political Subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political Subdivision's net pension liability (asset)	$ 7,995,188	$ 4,221,164	$ 1,097,760

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2026, the Political Subdivision recognized pension expense of $1,027,559. At June 30, 2026, the Political Subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,182,927	$ -
Change in assumptions	33,281	
Net difference between projected and actual earnings on pension plan investments	-	753,605
Employer contributions subsequent to the measurement date	668,341	-
Total	$ 1,884,549	$ 753,605

Note 7. Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The $668,341 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2027	$ 896,878
2028	28,421
2029	(292,835)
2030	(169,861)
2031	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Authority also participates in a cost-sharing and agent multi-employer other postemployment benefit plan, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time employees of the Authority are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)

Plan Descriptions (Continued)

Group Life Insurance Program (Continued)

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/benefits-and-programs/benefits/life-insurance/.

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple-employer, cost-sharing plan.

Contributions

Contributions to the VRS OPEB program were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB program is as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2026 Contribution	$32,187
June 30, 2025 Contribution	$30,810

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liabilities were measured as of June 30, 2025, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation performed as of June 30, 2024, and rolled forward to the measurement date of June 30, 2025. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2025, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2026 proportionate share of liability	$ 228,808
June 30, 2025 proportion	.02378%
June 30, 2024 proportion	.02333%
June 30, 2026 expense	$ 3,889

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 40,590	$ 4,307
Change of assumptions	-	7,486
Net difference between projected and actual earnings on OPEB plan investments	-	32,019
Changes in proportionate share	14,111	6,513
Employer contributions subsequent to the measurement date	32,187	-
Total	$ 86,888	$ 50,325

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB liability in the Fiscal Year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Group Life Insurance Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2027	$ 3,903
2028	(1,005)
2029	(130)
2030	(924)
2031	2,532
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2024, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Inflation	2.50%
Salary increases, including inflation:	
• Locality- general employees	3.50 – 5.35%
Healthcare cost trend rates:	
• Under age 65	4.25 % – 7.25%
• Ages 65 and older	4.25% – 6.50%
Investment rate of return, net of expenses, including inflation	GLI: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 7.

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent the total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2025, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB Liability	$ 4,433,282
Plan fiduciary net position	3,471,094
Employers' net OPEB liability (asset)	962,188
Plan fiduciary net position as a percentage of total OPEB liability	78.30%

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

Group Life Insurance

The long-term expected rate of return is the same as those used by the VRS pension plans. The long-term expected rate of return is detailed in Note 7.

Note 8. Other Postemployment Benefits Liability – Virginia Retirement System Plan (Continued)

Discount Rate

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2025, the rate contributed by the employer for the OPEB liability will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2025, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liabilities of the Authority, as well as what the Authority's net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (5.75% GLI) or one percentage point higher (7.75% GLI) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	$ 385,990	$ 228,808	$ 102,000

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2025 Annual Comprehensive Financial Report (Annual Report). A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 9. Other Post-Employment Benefits Liability – Local Plan

Plan Description

The Authority offers other post-employment benefits (OPEB) under a single employer plan by allowing qualifying retirees to continue to participate in the Authority's health insurance plan. Retirees must pay the cost of the premium but receive an implicit rate subsidy by virtue of participating in the Authority's plan. No assets are accumulated in a trust to pay benefits to the plan.

The Authority's Voluntary Early Retirement Incentive Program (VERIP) provides an additional health insurance subsidy for up to five years for employees who retire and meet the requirements of the plan.

VERIP participants may choose to apply this subsidy to Authority sponsored health insurance premiums or to purchase other insurance. For fiscal year 2026, the Authority's health and benefit contribution was $870 per month. VERIP benefits are paid monthly for a period of five years after retirement or until age 65, whichever comes first.

Participants in the Authority's VERIP must meet the following requirements: employees must be eligible for early or full retirement under the provisions of the VRS, must have been employed by the Authority for 10 years prior to retirement, and must be at least 50 years of age. Any employees retiring under the disability provisions of VRS and/or Social Security will not be eligible for VERIP.

Employees Covered by Benefit Terms

As of the June 30, 2026, measurement date, the following employees were covered by the benefit terms of the plan:

	Number
Inactive employees or beneficiaries:	
Currently receiving benefits	1
Entitled to but not yet receiving benefits	-
Total inactive employees	1
Active plan members	91
Total employees covered by benefit terms	92

Total OPEB Liability

The Authority's total OPEB liability of $1,542,453 was measured as of June 30, 2026, and was determined based on an actual valuation performed as of July 1, 2026 with no adjustments to get to the June 30, 2026 measurement date.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)

Actuarial Assumptions and other inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases, including inflation	3.50% plus the salary merit increases, which are based on the VRS actuarial valuation as of June 30, 2025
Healthcare cost trend rates	4.50% - 8.50%
Retirees' share of benefit-related costs	Retirees are responsible for the full cost of coverage less the VERIP subsidy for those who qualify
Mortality rates	Active employees and retirees: SOA Pub-2016 General/General Retirees Headcount Weighted Mortality Table fully generational using Scale MP-2021; Surviving spouses: SOA Pub-2016 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021; Disabled employees and retirees: SOA Pub-2016 Non-Safety Disability Headcount Weighted Mortality Table fully generational using Scale MP-2021

The actuarial assumptions used in the July 1, 2026, valuation was based on the results of an actuarial experience study for the period from July 1, 2024, through June 30, 2025. There have been no substantive plan provision changes since the last full valuation, which was for the fiscal year ending June 30, 2024.

Changes in assumptions and other inputs:

- The Discount rate as of the Measurement Date has been updated from 5.20% as of June 30, 2025, to 4.67% as of June 30, 2026, based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). This change has caused a significant increase in the Authority's liabilities. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.
- Health care trend rates have been updated to an initial trend of 8.50% decreasing by 0.25% annually to an ultimate rate of 4.50% according to the schedule in the Health Care Trend Rates section of the Actuarial Methods and Assumptions. This change caused an increase in the Authority's liabilities.
- The updated census data resulted in an increase in liabilities. The claims costs, contributions, and premiums were updated for 2026 which caused a significant increase in liabilities, mainly due to premium growth that was higher than expected.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2025	
Changes for the year:	$ 991,148
Service cost	22,898
Interest	51,835
Benefit changes	-
Assumptions or other input changes	155,998
Differences between expected and actual experience	355,447
Benefit payments	(34,873)
Balance at June 30, 2026	$ 1,542,453

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.67 %) or one percentage point higher (5.67%) than the current discount rate:

	1.00% Decrease (3.67%)	Current Discount Rate (4.67%)	1.00% Increase (5.67%)
Total OPEB liability	$ 1,691,153	$ 1,542,453	$ 1,410,232

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00%) or one percentage point higher (9.00%) than the current healthcare cost trend rates:

	1.00% Decrease (7.50%)	Current Healthcare Cost Trend Rate (8.50%)	1.00% Increase (9.50%)
Total OPEB liability	$ 1,389,604	$ 1,542,453	$ 1,717,628

Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2026, the Authority recognized OPEB expense of $180,569. At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 350,886	$ 69,541
Change in assumptions	127,397	105,050
Employer contributions subsequent to the measurement date	N/A	N/A
Total	$ 478,283	$ 174,591

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	(Reduction) to OPEB Expense
2027	$ 105,835
2028	100,848
2029	97,009
2030	-
2031	-
Thereafter	-

The plan is not administered through a trust, thus, a portion of the total OPEB liability is reported on the statement of net position as current, representing the full amount of benefit payments expected to be paid within one year.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 9. Other Post-Employment Benefits Liability – Local Plan (Continued)

Summary of Other Postemployment Benefit Elements

Deferred outflows of resources - OPEB		
Differences between expected and actual experience		
VRS-Group Life Insurance	$	40,590
Local Plan		350,886
Changes in proportion		
VRS-Group Life Insurance		14,111
Employer contributions subsequent to the measurement date		
VRS-Group Life Insurance		32,187
Changes of assumptions		
Local Plan		127,397
Total deferred outflows of resources - OPEB	$	565,171
Total OPEB liability		
VRS-Group Life Insurance	$	228,808
Local Plan		1,542,453
Total OPEB liability	$	1,771,261
Deferred inflows of resources - OPEB		
Differences between expected and actual experience		
VRS- Group Life Insurance	$	4,307
Local Plan		69,541
Changes of assumptions		
VRS-Group Life Insurance		7,486
Local Plan		105,050
Changes in proportion		
VRS-Group Life Insurance		6,513
Net difference between projected and actual earnings on plan investments		
VRS-Group Life Insurance		32,019
Total deferred inflows of resources - OPEB	$	224,916
OPEB Expense/(Income)		
VRS-Group Life Insurance	$	3,889
Local Plan		180,569
Total OPEB Expense/(Income)	$	184,458

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 10. Service Contracts

The Authority purchases all water and sewage treatment services from RWSA. These purchases amounted to $22,631,167 for water and $14,206,396 for sewage treatment services for the current year.

RWSA was formed in 1972 as a joint venture of the City of Charlottesville, the County of Albemarle, and the Authority. The RWSA operates under the terms of a Service Agreement which was signed in 1973 and is expected to continue indefinitely. Under the terms of the agreement, as well as several supplemental agreements since that time, the City of Charlottesville and the Authority have covenanted to purchase water and sewer services from RWSA. RWSA constructs and maintains the capital assets necessary to provide these water and sewer services and has issued debt to fund these projects. RWSA's charges to the Authority included a component for operations as well as a component for current and future estimated debt service.

In the current year, the charges that were associated with debt service were $20,134,188.

Note 11. Risk Management

The Risk Management Programs of the Authority are as follows:

The Authority is a member of the Virginia Risk Sharing Association (V.R.S.A.). The liability coverage includes local government liability, auto, property, boiler/machinery, Cyber Liability, fidelity/crime, workers compensation and general liability coverages. VML Insurance Program is a self-administered risk pool which, for premiums paid, protects Virginia state and local government entities. Settlement amounts under these policies have not exceeded insurance coverage for the last three fiscal years.

The limits of the pools' liability to the Authority are as follows:

- Local Government Liability – $1,000,000
- Auto – $1,000,000
- Property – $27,979,716
- Boiler/Machinery – $15,000,000
- Cyber Liability - $1,000,000
- Fidelity/Crime – $250,000
- Excess Liability – $1,000,000 (plus Excess of $4,000,000)
- Workers Compensation – Specific excess limits as per statute, aggregate excess limits up to the limits of the Aggregate Excess Loss Fund. Employers' Liability: $1,000,000 for each bodily injury accident for each employee.

The Authority continues to carry commercial insurance for all other risks of loss, namely employee health insurance. Claims have not exceeded coverage for the last three fiscal years.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2026

Note 12. Deferred Compensation Plan

Since 1988 the Authority has offered its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a maximum of 100% of their salary or $23,500 per year, whichever is less. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Note 13. Contingency – Off-Site Extensions

Off-site extensions of water and/or sanitary sewer lines to serve new developments shall be the responsibility of the developer. An off-site extension is defined as an extension of a water and/or sanitary sewer line by a developer from the developer's property boundary as determined by the Authority to existing Authority facilities. Under specific circumstances, upon completion of the project and acceptance into the Authority's system, the Authority shall enter into a written agreement granting the developer credit against future water and/or sewer system development charges. The credit can only be used for the property for which the off-site extension is constructed. The credit does not constitute a priority for water or sewer service. As water and/or sewer connections are made, the developer must use its existing credit first. The credit shall expire ten years after acceptance of the off-site water and/or sewer line extension into the Authority's system. If all requirements for use of credits are met, the total amount of unrecorded but potential credits is $526,740 at June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 4

ALBEMARLE COUNTY SERVICE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
June 30, 2026

	Fiscal Years									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Total Pension Liability										
Service cost	$ 499,895	$ 459,211	$ 445,651	$ 351,756	$ 337,400	$ 334,646	$ 288,386	$ 282,089	$ 302,117	$ 306,250
Interest on total pension liability	1,757,703	1,591,397	1,502,954	1,397,239	1,287,748	1,177,200	1,117,629	1,062,604	1,021,852	971,270
Changes in assumptions	51,567	-	-	-	264,750	-	511,046	-	(261,995)	-
Difference between expected and actual experience	1,018,335	1,743,112	559,609	538,017	(11,769)	713,793	132,308	19,186	57,961	(77,660)
Benefit payments, including refunds of employee contributions	(1,333,233)	(1,407,966)	(1,015,058)	(614,462)	(601,130)	(574,638)	(576,372)	(579,237)	(496,301)	(458,221)
Net change in total pension liability	1,994,267	2,385,754	1,493,156	1,672,550	1,276,999	1,651,001	1,472,997	784,642	623,634	741,639
Total pension liability – beginning	26,206,772	23,821,018	22,327,862	20,655,312	19,378,313	17,727,312	16,254,315	15,469,673	14,846,039	14,104,400
Total pension liability – ending	28,201,039	26,206,772	23,821,018	22,327,862	20,655,312	19,378,313	17,727,312	16,254,315	15,469,673	14,846,039
Plan Fiduciary Net Position										
Contributions – employer	639,797	411,892	395,860	327,839	303,643	245,116	234,877	244,563	235,653	330,458
Contributions – employee	304,843	281,764	269,490	239,518	222,626	219,505	207,077	188,757	181,895	177,386
Net investment income (loss)	2,324,575	1,993,685	1,278,506	(27,011)	4,326,251	297,306	983,842	1,024,636	1,516,452	217,142
Benefit payments, including refunds of employee contributions	(1,333,233)	(1,407,966)	(1,015,058)	(614,462)	(601,130)	(574,638)	(576,372)	(579,237)	(496,301)	(458,221)
Administrative expenses	(13,325)	(13,494)	(12,816)	(12,336)	(10,552)	(10,040)	(9,615)	(8,793)	(8,670)	(7,476)
Other	601	406	515	467	410	(354)	(620)	(913)	(1,352)	(91)
Net change in plan fiduciary net position	1,923,258	1,266,287	916,497	(85,985)	4,241,248	176,895	839,189	869,013	1,427,677	259,198
Plan fiduciary net position – beginning	22,056,617	20,790,330	19,873,833	19,959,818	15,718,570	15,541,675	14,702,486	13,833,473	12,405,796	12,146,598
Plan fiduciary net position – ending	23,979,875	22,056,617	20,790,330	19,873,833	19,959,818	15,718,570	15,541,675	14,702,486	13,833,473	12,405,796
Net pension liability – ending	$ 4,221,164	$ 4,150,155	$ 3,030,688	$ 2,454,029	$ 695,494	$ 3,659,743	$ 2,185,637	$ 1,551,829	$ 1,636,200	$ 2,440,243
Plan fiduciary net position as a percentage of total pension liability	85%	84%	87%	89%	97%	81%	88%	90%	89%	84%
Covered payroll	$ 6,555,301	$ 5,990,471	$ 5,681,014	$ 5,018,813	$ 4,653,342	$ 4,596,106	$ 4,325,421	$ 3,922,995	$ 3,757,862	$ 3,635,900
Net pension liability as a percentage of covered payroll	64%	69%	53%	49%	15%	80%	51%	40%	44%	67%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2016 information was presented in the entity's fiscal year 2017 financial report.

Exhibit 5

ALBEMARLE COUNTY SERVICE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2026

Year Ended June 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
2017	$ 235,653	$ 235,653	$ -	$ 3,757,862	6.27%
2018	244,561	244,561	-	3,922,995	6.23%
2019	234,877	234,877	-	4,325,421	5.43%
2020	245,110	245,110	-	4,596,106	5.33%
2021	313,643	313,643	-	4,653,342	6.74%
2022	339,261	339,261	-	5,018,813	6.76%
2023	404,845	404,845	-	5,681,014	7.13%
2024	429,651	429,651	-	5,990,471	7.17%
2025	639,687	639,687	-	6,555,301	9.76%
2026	668,341	668,341	-	6,848,382	9.76%

The Notes to Required Supplementary Information are an integral part of this schedule.

Exhibit 6

ALBEMARLE COUNTY SERVICE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS - LOCAL PLAN
June 30, 2026

	Plan Year								
	2026	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Total OPEB Liability									
Service cost	$ 22,898	$ 23,485	$ 51,369	$ 49,323	$ 65,346	$ 57,968	$ 74,812	$ 68,079	$ 69,786
Interest on total OPEB liability	51,835	34,272	41,005	37,490	24,509	27,390	55,438	67,654	56,003
Difference between expected and actual experience	355,447	9,537	(68,918)	30,645	(120,515)	(4,522)	(632,618)	(250,714)	173,501
Changes in assumptions	155,998	142,338	(139,752)	(3,117)	(118,432)	39,416	36,551	41,846	(9,554)
Benefit payments	(34,873)	(17,933)	(50,989)	(29,548)	(45,269)	(31,166)	(102,307)	(102,268)	(106,141)
Net change in total OPEB liability	551,305	191,699	(167,285)	84,793	(194,361)	89,086	(568,124)	(175,403)	183,595
Total OPEB liability - beginning	991,148	799,449	966,734	881,941	1,076,302	987,216	1,555,340	1,730,743	1,547,148
Total OPEB liability - ending	1,542,453	991,148	799,449	966,734	881,941	1,076,302	987,216	1,555,340	1,730,743
Covered-employee payroll	$ 6,971,945	$ 6,771,724	$ 6,339,643	$ 5,916,996	$ 5,262,437	$ 4,686,463	$ 4,583,540	$ 4,404,509	$ 3,899,735
Total OPEB liability as a percentage of covered-employee payroll	22.1%	14.6%	12.6%	16.3%	16.8%	23.0%	21.5%	35.3%	44.4%

This schedule is intended to show information for 10 years. Since fiscal year 2018 is the first year for this presentation, no earlier data is available. Additional years will be included as they become available. Assets are not accumulated or administered through a trust.

Exhibit 7

ALBEMARLE COUNTY SERVICE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2026

Fiscal Year Ended June 30,	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a percentage of Covered-Employee Payroll
VRS - Group Life Insurance - General Employees					
2018	$ 20,401	$ 20,401	$ -	$ 3,922,995	0.52%
2019	22,492	22,492	-	4,325,421	0.52%
2020	23,898	23,898	-	4,596,106	0.52%
2021	25,130	25,130	-	4,653,342	0.54%
2022	27,102	27,102	-	5,018,813	0.54%
2023	30,677	30,677	-	5,681,014	0.54%
2024	32,349	32,349	-	5,990,471	0.54%
2025	30,810	30,810	-	6,555,301	0.47%
2026	32,187	32,187	-	6,848,382	0.47%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

Exhibit 8

ALBEMARLE COUNTY SERVICE AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
June 30, 2026

Entity Fiscal Year Ended June 30,	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
VRS - Group Life Insurance - General Employees					
2018	0.02038%	$ 307,000	$ 3,757,862	8.17%	48.86%
2019	0.02063%	313,000	3,922,995	7.98%	51.22%
2020	0.02206%	358,975	4,325,421	8.30%	52.00%
2021	0.02233%	372,651	4,596,106	8.11%	52.64%
2022	0.02254%	262,427	4,653,342	5.64%	67.45%
2023	0.02307%	277,785	5,018,813	5.53%	67.21%
2024	0.02412%	289,274	5,681,014	5.09%	69.30%
2025	0.02333%	260,345	5,990,471	4.35%	73.41%
2026	0.02378%	228,808	6,555,301	3.49%	78.30%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

ALBEMARLE COUNTY SERVICE AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (the "System") benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020, through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows for all VRS Pension and OPEB plans:

Non-Metro – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ≈50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit and Longevity 50 basis points
Discount Rate	No change

Additional changes to actuarial assumptions as a result of the experience study and VRS Board action for Group Life Insurance VRS OPEB plans are as noted:

Retiree liability estimation for Life Only	Change from 1.618% to 2.0%

Note 3. Local Voluntary Early Retirement Incentive Plan

Assets are not accumulated or administered through a trust.

STATISTICAL SECTION

The statistical section of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health. This information has not been audited by the independent auditor.

Contents

Financial Trends ***Tables 1-2***

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity ***Tables 3-5***

These schedules contain information to help the reader assess the Authority's most significant revenue sources.

Debt Capacity ***Table 6-7***

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information ***Tables 8-9***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information ***Tables 10-17***

These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Table 1

ALBEMARLE COUNTY SERVICE AUTHORITY

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2017	**2018***	**2019**	**2020**	**2021**	**2022**	**2023****	**2024*****	**2025**	**2026**
Business-type activities										
Net investment in capital assets	$ 131,997,020	$ 140,238,885	$ 148,180,254	$ 156,610,823	$ 165,640,741	$ 172,031,606	$ 175,247,805	$ 178,591,470	$ 187,525,026	$ 213,060,386
Restricted for debt service	247,015	255,835	264,343	269,790	272,895	314,718	331,531	331,089	337,603	353,161
Unrestricted	29,077,339	36,007,519	37,580,516	43,394,497	46,047,071	47,742,895	53,942,334	57,786,980	54,475,231	39,863,029
Total business-type activities net position	$ 161,321,374	$ 176,502,239	$ 186,025,113	$ 200,275,110	$ 211,960,707	$ 220,089,219	$ 229,521,670	$ 236,709,539	$ 242,337,860	$ 253,276,576

* GASB Statement No. 75 was adopted in fiscal year 2018. Information from previous years presented is unavailable.
** GASB Statement No. 87 was adopted in fiscal year 2023. Information from previous years presented is unavailable.
***GASB Statement No. 101 was adopted in fiscal year 2025 and restated balances for 2024. Information from previous years presented is unavailable.

Table 2

ALBEMARLE COUNTY SERVICE AUTHORITY

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Operating expenses										
Operating expenses:										
Water	$ 12,816,458	$ 13,029,366	$ 13,762,043	$ 14,934,749	$ 15,418,833	$ 17,649,112	$ 20,218,241	$ 23,311,634	$ 26,898,663	$ 31,537,510
Sewer	9,613,692	9,664,393	12,468,623	12,201,559	13,285,061	13,545,928	14,746,778	16,222,364	17,481,329	19,797,228
Other*	3,302,779	3,336,765	3,625,254	3,669,899	3,898,244	4,114,076	4,305,016	4,354,813	4,863,273	5,004,049
Total operating expenses	$ 25,732,929	$ 26,030,524	$ 29,855,920	$ 30,806,207	$ 32,602,138	$ 35,309,116	$ 39,270,035	$ 43,888,811	$ 49,243,265	$ 56,338,787
Operating revenues										
Charges for services:										
Water	$ 13,916,547	$ 14,221,088	$ 14,365,666	$ 15,839,848	$ 15,919,103	$ 17,545,859	$ 18,720,236	$ 21,719,767	$ 22,876,443	$ 26,026,622
Sewer	11,869,460	12,232,244	12,688,282	13,662,193	13,964,581	15,279,189	15,332,086	17,399,595	18,362,595	20,033,498
Connection	359,660	331,838	356,398	367,451	141,043	131,415	178,642	178,849	175,477	254,865
Other*	-	-	-	-	-	-	-	-	494,609	623,334
Total operating revenues	$ 26,145,667	$ 26,785,170	$ 27,410,346	$ 29,869,492	$ 30,024,727	$ 32,956,463	$ 34,230,964	$ 39,298,211	$ 41,909,124	$ 46,938,319
Net (expense) revenue	$ 412,738	$ 754,646	$ (2,445,574)	$ (936,715)	$ (2,577,411)	$ (2,352,653)	$ (5,039,071)	$ (4,590,600)	$ (7,334,141)	$ (9,400,468)
Nonoperating revenues and expenses										
Investment earnings	$ 59,576	$ 348,572	$ 946,599	$ 733,385	$ 82,900	$ (631,795)	$ 1,084,854	$ 2,810,568	$ 2,880,166	$ 1,810,267
Miscellaneous revenues	412,944	552,586	51,050	333,752	548,486	381,926	462,076	441,025	68,056	107,412
Capital subsidies:										
Donated capital contributions	2,047,952	5,212,592	3,505,164	3,431,288	4,012,725	2,420,191	1,257,374	842,890	1,317,427	8,236,271
System development and capacity	7,669,360	9,960,885	8,127,803	10,903,430	10,067,913	8,872,713	11,988,935	9,652,464	8,773,102	10,222,800
Other expenses	(257,377)	(293,343)	(662,168)	(215,143)	(449,016)	(561,870)	(321,717)	(763,607)	(76,289)	(37,566)
Total nonoperating revenues and expenses	$ 9,932,455	$ 15,781,292	$ 11,968,448	$ 15,186,712	$ 14,263,008	$ 10,481,165	$ 14,471,522	$ 12,983,340	$ 12,962,462	$ 20,339,184
Change in net position	$ 10,345,193	$ 16,535,938	$ 9,522,874	$ 14,249,997	$ 11,685,597	$ 8,128,512	$ 9,432,451	$ 8,392,740	$ 5,628,321	$ 10,938,716

Table 3

ALBEMARLE COUNTY SERVICE AUTHORITY

WATER AND SEWER SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS
(IN MILLIONS OF GALLONS)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Type of Water Customer										
Single-family residential	747.21	751.98	736.24	802.07	841.10	843.20	818.62	843.49	853.10	859.19
Multi-family residential	393.56	392.13	398.38	407.54	439.01	444.72	432.07	452.26	455.56	442.04
Commercial (Offices)	51.50	45.65	44.48	42.05	36.94	43.84	52.58	80.26	45.19	46.99
Commercial (Other)	283.17	269.28	264.36	254.80	224.13	263.78	256.93	258.28	261.82	280.46
Industrial	19.68	17.28	18.41	17.16	11.27	12.20	10.73	11.04	10.15	8.97
Institutional	207.49	203.02	164.35	159.91	151.73	167.90	168.24	167.74	170.95	172.89
TOTAL WATER SOLD	1,702.61	1,679.34	1,626.22	1,683.53	1,704.18	1,775.64	1,739.17	1,813.07	1,796.77	1,810.54
Residential & irrigation 0-3,000	$3.99	$4.11	$4.27	$4.48	$4.48	$4.70	$5.05	$5.56	$5.95	$6.55
3,001-6,000	$7.98	$8.22	$8.55	$8.98	$8.98	$9.43	$10.14	$11.15	$11.93	$13.12
6,001-9,000	$11.97	$12.33	$12.82	$13.46	$13.46	$14.13	$15.19	$16.71	$17.88	$19.67
Over 9,000	$15.96	$16.44	$17.10	$17.96	$17.96	$18.86	$20.27	$22.30	$23.86	$26.25
Multi-family & non-residential	$7.70	$7.93	$8.25	$8.66	$8.66	$9.09	$10.14	$11.15	$11.93	$13.12

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Type of Sewer Customer										
Single-family residential	600.29	604.03	600.17	650.95	689.17	685.30	669.72	689.45	697.30	704.44
Multi-family residential	366.04	366.63	375.80	390.51	418.86	448.24	425.43	444.14	443.67	430.88
Commercial (Offices)	47.37	41.32	39.78	36.40	31.90	36.11	41.81	56.63	38.04	38.93
Commercial (Other)	236.26	239.30	233.57	217.44	195.02	225.71	220.52	222.72	227.45	244.61
Industrial	15.19	15.97	13.60	13.32	10.22	11.64	9.85	9.63	8.82	7.61
Institutional	143.41	144.23	144.03	138.98	133.31	143.42	144.46	145.39	142.00	143.76
TOTAL SEWER SOLD	1,408.56	1,411.48	1,406.95	1,447.60	1,478.48	1,550.42	1,511.79	1,567.96	1,557.28	1,570.23
Rate per 1,000 gallons	$8.50	$8.67	$8.93	$9.47	$9.47	$9.94	$10.24	$11.06	$11.83	$12.78

Table 4

ALBEMARLE COUNTY SERVICE AUTHORITY

WATER AND SEWER RATES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Monthly Service Charge[1]	$ 7.73	$ 7.92	$ 8.16	$ 8.57	$ 8.57	$ 9.00	$ 9.45	$ 10.40	$ 11.13	$ 12.24
Water Volume										
Single-family/Non-Residential										
0 - 3,000	3.99	4.11	4.27	4.48	4.48	4.70	5.05	5.56	5.95	6.55
3,001 - 6,000	7.98	8.22	8.55	8.98	8.98	9.43	10.14	11.15	11.93	13.12
6,000 - 9,000	11.97	12.33	12.82	13.46	13.46	14.13	15.19	16.71	17.88	19.67
Over 9,000	15.96	16.44	17.10	17.96	17.96	18.86	20.27	22.30	23.86	26.25
Multi-family/Non-Residential										
All Metered Consumption	7.70	7.93	8.25	8.66	8.66	9.09	10.14	11.15	11.93	13.12
Sewer Volume	8.50	8.67	8.93	9.47	9.47	9.94	10.24	11.06	11.83	12.78

[1] Monthly Service charge varies based on meter size. The amount represented here is for our standard 3/4" meters.

Table 5

ALBEMARLE COUNTY SERVICE AUTHORITY

TOP TEN REVENUE PAYERS
CURRENT YEAR AND NINE YEARS AGO

	Fiscal Year 2026			Fiscal Year 2017		
Customer	Water Billed (in gallons)	Rank	Percent of Total Water Sales	Water Billed (in gallons)	Rank	Percent of Total Water Sales
University of Virginia	34,115,765	1	1.88 %	24,945,800	1	1.47 %
PR Charger C'ville Holdings	27,326,527	2	1.51	-	-	-
Martha Jefferson Hospital	26,635,695	3	1.47	20,214,200	4	1.19
County of Albemarle	23,567,132	4	1.30	23,120,700	2	1.36
Four Seasons Apts.	22,932,100	5	1.27	18,123,000	9	1.06
SEMF Charleston	19,613,303	6	1.08	18,961,525	7	1.11
Westminster Canterbury	19,119,040	7	1.06	19,750,000	5	1.16
Turtle Creek Apts.	16,753,911	8	0.93	-	-	-
Southwood Mobile Homes	16,082,820	9	0.89	21,735,000	3	1.28
Westgate Apts.	14,118,967	10	0.78	-	-	-
Barracks West Apts.	-	-	-	19,352,900	6	1.14
Alb./Charlottesville Regional Jail	-	-	-	18,254,000	8	1.07
Abbington Crossing (Squire Hill)	-	-	-	17,907,100	10	1.05
	220,265,260		12.17%	202,364,225		11.89%
Total water consumption:	1,810,544,825			1,702,167,792		

	Fiscal Year 2026			Fiscal Year 2017		
Customer	Sewer Billed (in gallons)	Rank	Percent of Total Sewer Sales	Sewer Billed (in gallons)	Rank	Percent of Total Sewer Sales
University of Virginia	33,973,378	1	2.16 %	23,349,700	1	1.66 %
PR Charger C'ville Holdings	27,326,527	2	1.74	-	-	-
Four Seasons Apts.	22,932,100	3	1.46	18,123,000	5	1.29
Southwood Mobile Homes	19,849,800	4	1.26	-	-	-
SEMF Charleston	19,613,303	5	1.25	18,961,525	4	1.35
Westminster Canterbury	18,061,040	6	1.15	18,968,000	3	1.35
Martha Jefferson Hospital	16,744,661	7	1.07	-	-	-
Turtle Creek Apts.	16,560,415	8	1.05	16,735,000	7	1.19
Westgate Apts.	14,108,205	9	0.90	16,606,500	8	1.18
County of Albemarle	13,596,828	10	0.87	14,758,600	10	1.05
Barracks West Apts.	-	-	0.00	19,352,900	2	1.37
Abbington Crossing (Squire Hill)	-	-	0.00	17,907,100	6	1.27
Alb./Charlottesville Regional Jail	-	-	-	16,536,000	9	1.17
	202,766,257		12.91%	181,298,325		12.87%
Total sewer usage:	1,570,234,743			1,408,603,581		

Table 6

ALBEMARLE COUNTY SERVICE AUTHORITY

OUTSTANDING DEBT PER CONNECTION, PER CAPITA, AND DEBT PER CAPITA AS A PERCENTAGE OF INCOME PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Outstanding Revenue Bond	Lease & Subscription	Total Long-Term Liabilities (1)	Number of [1] Connections (2)	Debt per Connection (3) = (1)/(2)	Estimated [2] Population Served (4) = (2) * 2.5	Debt per Capita (5) = (1)/(4)	Income [3] per Capita (6)	Debt per Capita as a % Income per Capita (7) = (5)/(6)
2017	$ 7,903,000	$ -	$ 7,903,000	19,257	$ 410.40	48,143	$ 164.16	$ 60,964	0.2693 %
2018	7,440,000	-	7,440,000	19,738	376.94	49,345	150.78	67,630	0.2229
2019	6,963,000	-	6,963,000	20,252	343.82	50,630	137.53	74,613	0.1843
2020	6,472,000	-	6,472,000	20,787	311.35	51,968	124.54	74,613	0.1669
2021	5,966,000	-	5,966,000	21,238	280.91	53,095	112.36	77,657	0.1447
2022	5,057,840	-	5,057,840	21,595	234.21	53,988	93.69	77,606	0.1207
2023	4,583,080	188,171	4,771,251	22,138	215.52	55,345	86.21	85,867	0.1004
2024	4,088,320	100,002	4,188,322	22,640	185.00	56,600	74.00	91,201	0.0811
2025	3,573,560	9,218	3,582,778	23,064	155.34	57,660	62.14	102,987	0.0603
2026	3,038,800	-	3,038,800	23,470	129.48	58,675	51.79	110,137	0.0470

[1] Connections from Table 12

[2] The Virginia Department of Health estimates 2.5 residents per connection; this number is used in lieu of the population data in Table 8 which is representative of the entire county.

[3] Per capita income data from Table 8 (Source: U.S. Bureau of Economic Analysis, Charlottesville-Albemarle Area)

Note: The Authority is not subject to legal debt limitations, and has issued no debt which is overlapping with other jurisdictions during the last ten fiscal years.

Table 7

ALBEMARLE COUNTY SERVICE AUTHORITY

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expense[1]	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2017	$ 36,457,609	$ 22,430,150	$ 14,027,459	$ 449,000	$ 374,726	$ 823,726	17.03
2018	42,975,439	22,693,759	20,281,680	463,000	353,776	816,776	24.83
2019	40,149,708	26,230,666	13,919,042	477,000	332,183	809,183	17.20
2020	45,373,703	27,136,308	18,237,395	491,000	309,946	800,946	22.77
2021	44,736,751	28,703,894	16,032,857	506,000	287,044	793,044	20.22
2022	43,999,498	31,195,040	12,804,458	335,000	235,937	570,937	22.43
2023	49,024,203	34,965,018	14,059,185	375,000	102,153	477,153	29.46
2024	53,045,158	39,533,998	13,511,160	395,000	82,250	477,250	28.31
2025	54,947,875	44,379,992	10,567,883	415,000	74,029	489,029	21.61
2026	67,315,069	51,335,606	15,979,463	435,000	37,513	472,513	33.82

[1]Excluding depreciation and amortization

Table 8

ALBEMARLE COUNTY SERVICE AUTHORITY

COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Calendar Year	Population [1]	Personal Income [2]	Per Capita Income [2]	Per Capita Income as Percent (%) of U.S. Average [2]	School Enrollment [3]	Unemployment Rate [4]
2016	106,878	$ 9,182,721,000	$ 60,294	125 %	13,792	3.5 %
2017	107,702	9,375,633,000	60,964	124	13,910	3.3
2018	108,718	10,531,351,000	67,630	131	14,013	2.7
2019	109,330	11,702,008,000	74,613	137	14,435	2.5
2020	112,395	12,160,701,000	77,657	138	13,532	5.4
2021	113,535	12,230,910,000	77,606	130	13,749	3.2
2022	114,534	13,670,666,000	85,867	134	13,970	2.7
2023	115,676	14,583,689,000	91,201	132	13,821	2.6
2024	117,313	16,545,814,000	102,987	140	14,173	3.7
2025	118,356	17,850,944,000	110,137	142	14,052	3.7

[1] U.S. Census Bureau (estimates based on July 1)

[2] U.S. Bureau of Economic Analysis, Charlottesville-Albemarle Area, Personal Income, Population, Per Capita Personal Income

[3] County of Albemarle, Department of Education

[4] Virginia Labor Market Information, www.virginialmi.com

Calendar year 2026 statistics for the table above are not yet available.

Table 9

ALBEMARLE COUNTY SERVICE AUTHORITY

TEN LARGEST EMPLOYERS (ALBEMARLE COUNTY)
CURRENT YEAR AND NINE YEARS AGO

Employer	Estimated Product/Service	(1) Estimated Employment in 2026	Rank in 2026	(1) Estimated Employment in 2017	Rank in 2017
University of Virginia/Blue Ridge Hospital	Higher education	1,000 - over	1	1,000 - over	1
County of Albemarle	Local government	1,000 - over	2	1,000 - over	2
Sentara Healthcare/Martha Jefferson Hospital	Health care	1,000 - over	3	1,000 - over	3
U.S. Department of Defense	National security	1,000 - over	4	500-999	5
Atlantic Coast Athletic Club	Fitness center	500 - 999	5	-	-
Boar's Head Inn	Hotel/resort	500 - 999	6	-	-
Crutchfield Corporation	Electronics retailer	250 - 499	7	-	-
Farmington Country Club	Hotel/resort	250 - 499	8	-	-
Wal-Mart	Department store	250 - 499	9	250 - 499	8
Northrop Grumman Corporation	Computer & electronic mfg.	250 - 499	10	500- 999	6
State Farm Insurance	Insurance Services	-	-	1,000 - over	4
Piedmont Virginia Community College	Higher education	-	-	500- 999	7
GE Intelligent Platform Systems	Computer & electronic mfg.	-	-	250 - 499	9
CACI, Inc.	National security	-	-	250 - 499	10

Source: Virginia Employment Commission

(1) Actual number of employees not available

Table 10

ALBEMARLE COUNTY SERVICE AUTHORITY

FULL-TIME EMPLOYEES
LAST TEN FISCAL YEARS

	Fiscal Year									
Department	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Administration/I.T.	10	10	10	10	10	11	11	12	14	15
Finance	16	17	17	17	17	17	17	17	18	17
Engineering	16	16	17	17	17	17	17	17	18	18
Maintenance	33	33	33	33	34	34	34	34	34	37
Total	75	76	77	77	78	79	79	80	84	87

Table 11

ALBEMARLE COUNTY SERVICE AUTHORITY

OPERATING INDICATORS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
New connections	493	481	514	535	451	357	543	502	424	406
Water meters read[1]	235,879	241,978	248,182	254,786	260,699	265,753	271,418	277,998	283,742	288,911
Service orders processed[2]	16,988	12,055	8,179	11,091	10,640	8,306	7,988	5,162	4,876	7,446
Water main breaks	5	11	12	6	9	6	14	10	7	7
Sewer overflows	2	4	7	2	6	8	6	3	5	3
Sewer blockages	2	5	8	2	5	1	3	3	7	4

[1] Number of meters read for billing.

[2] Includes new service requests, requests for disconnection, meter installations & exchanges, investigations, and miscellaneous customer requests.

Table 12

ALBEMARLE COUNTY SERVICE AUTHORITY

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Number of water connections	19,257	19,738	20,252	20,787	21,238	21,595	22,138	22,640	23,064	23,470
Number of sewer connections	16,299	16,764	17,273	17,803	18,257	18,611	19,146	19,650	20,076	20,475
Miles of water lines	344.76	349.40	353.10	357.81	363.79	373.97	374.29	377.84	380.10	389.63
Miles of sewer lines	288.17	292.70	297.60	301.12	316.06	323.52	315.63	318.64	321.10	326.61
Fire hydrants	2,590	2,650	2,747	2,818	3,023	3,137	3,146	3,142	3,199	3,329
Water pumping stations	8	8	9	9	9	9	9	8	8	8
Sewer pumping stations	12	12	12	12	11	11	10	10	10	10
Water storage tanks	8	8	8	8	8	8	8	7	7	7

Table 13

ALBEMARLE COUNTY SERVICE AUTHORITY

REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Service Charges	Connection Charges	Rental Income	Interest/Investment Earnings(Loss)	Other	Total
2017	$ 25,786,007	$ 138,553	$ 17,213	$ 59,576	$ 738,948	$ 26,740,297
2018	26,453,332	140,451	16,603	348,572	843,004	27,801,962
2019	27,053,948	135,007	16,603	946,599	364,584	28,516,741
2020	29,502,041	147,876	16,603	733,385	639,080	31,038,985
2021	29,883,684	141,043	15,539	82,900	532,947	30,656,113
2022	32,825,048	131,415	18,357	(631,795)	363,569	32,706,594
2023	34,052,322	178,642	270	1,084,854	461,806	35,777,894
2024	39,119,362	178,849	-	2,810,568	441,025	42,549,804
2025	41,239,038	175,477	-	2,880,166	562,665	44,857,346
2026	46,060,120	254,865	-	1,810,267	730,746	48,855,998

Table 14

ALBEMARLE COUNTY SERVICE AUTHORITY

EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS

Fiscal Year	Water & Sewer Costs	Departmental Operating Expenses	Bond Interest Charges	Depreciation	Other	Total
2017	$ 14,928,569	$ 7,501,581	$ 374,726	$ 3,302,779	$ 4,761	$ 26,112,416
2018	15,289,280	7,404,479	353,776	3,336,765	55,201	26,439,501
2019	18,154,657	8,076,009	332,183	3,625,254	438,731	30,626,834
2020	18,694,581	8,441,727	309,946	3,669,899	7,553	31,123,706
2021	19,858,509	8,845,385	287,044	3,898,244	161,972	33,051,154
2022	21,923,767	9,271,273	235,937	4,114,076	325,933	35,870,986
2023	24,189,739	10,775,280	102,153	4,305,016	219,564	39,591,752
2024	27,585,689	11,948,309	82,250	4,354,813	681,357	44,652,418
2025	31,368,550	13,011,442	74,029	4,792,018	73,515	49,319,554
2026	36,837,563	14,497,175	37,513	5,003,181	921	56,376,353

Table 15

ALBEMARLE COUNTY SERVICE AUTHORITY

SCHEDULE OF INSURANCE IN FORCE
June 30, 2026

Insurer	Type of Coverage	Policy Number	Policy Period From	Policy Period To	Annual Premium
Virginia Risk Sharing Association	Local Government Liability Boiler & Machinery Cyber Liability General Business Policy: Auto General Liability/Excess Property Fidelity & Crime Workers' Compensation	P-2024-2025-VRSA-0107-1	7/1/2025	6/30/2026	$147,634

Table 16

ALBEMARLE COUNTY SERVICE AUTHORITY

BILLED SERVICES AND CONNECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Water Connections	Water Billions Gallons	Consumption Ratio Water/Sewer	Sewer Billions Gallons	Sewer Connections
2017	19,257	1.70	1.2	1.41	16,299
2018	19,738	1.68	1.2	1.41	16,764
2019	20,252	1.63	1.2	1.41	17,273
2020	20,787	1.68	1.2	1.45	17,803
2021	21,238	1.70	1.1	1.48	18,257
2022	21,595	1.78	1.1	1.55	18,611
2023	22,138	1.74	1.2	1.51	19,146
2024	22,640	1.81	1.2	1.57	19,650
2025	23,064	1.77	1.1	1.56	20,076
2026	23,470	1.81	1.2	1.57	20,475

Table 17

ALBEMARLE COUNTY SERVICE AUTHORITY

CONSTRUCTION ACTIVITY, PROPERTY VALUE, AND CASH EQUIVALENTS
LAST TEN FISCAL YEARS

Fiscal Year	Construction	Property Value	Cash & Cash Equivalents
2017	$ 11,673,410	$ 127,628,676	$ 30,010,727
2018	6,325,642	140,750,579	38,385,906
2019	9,392,718	145,137,081	40,275,478
2020	8,448,320	154,012,341	45,017,607
2021	8,639,796	162,344,686	21,749,451
2022	15,581,064	161,494,661	23,200,232
2023	11,563,824	168,443,035	28,535,583
2024	13,011,706	172,125,164	30,692,277
2025	18,888,152	174,127,963	27,182,581
2026	38,096,124	179,061,448	15,856,389

COMPLIANCE SECTION

BROWNEDWARDS
certified public accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of the Board of Directors
Albemarle County Service Authority
Charlottesville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Albemarle County Service Authority (the "Authority"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 20, 2026

Albemarle County Service Authority

Summary of Compliance Matters

Year Ended June 30, 2026

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, we performed tests of the Authority's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

Cash and Investment Laws
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act
Conflicts of Interest