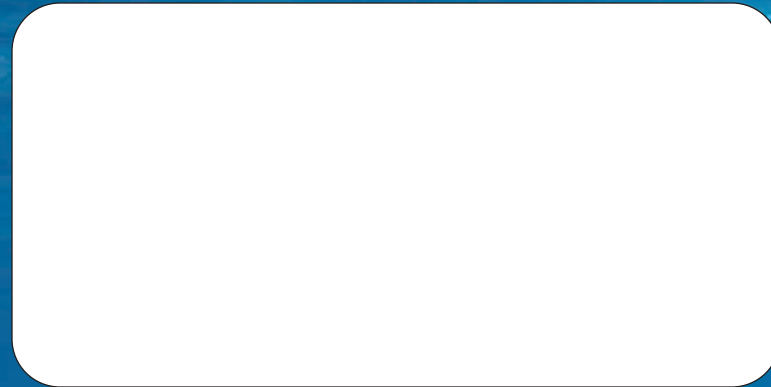




MONROE COUNTY
WATER AUTHORITY

475 Norris Drive
Rochester, New York 14610-0999

RETURN SERVICE REQUESTED



20
20
Annual
Report

The Year Technology Kept Us Safe



To Our Customers:

The year 2020 was like no other in the six-decade history of the Monroe County Water Authority. Operating in a once-in-a-century pandemic, our mission to provide safe water became more critical than ever. From hospitals and businesses to residential homes, clean water was a necessity in taking on the COVID-19 virus, as health officials urged frequent hand washings to prevent spread of the virus.

When the first COVID-19 case was reported in Monroe County in March, our senior staff met on a Sunday afternoon to outline a plan that would allow us to operate without interruption during the pandemic. We shared these thoughts with the Civil Service Employees Association (CSEA), which accepted the ideas and helped us move forward under these most unusual circumstances.

This report details some of the ways our people adapted and adjusted to fulfill our mission, all the while keeping as a top priority the safety of our employees and the public we serve.

The bottom line is: we got the job done. In fact, we even were able to continue work on planned capital improvements to our infrastructure, and we maintained a positive financial position.

Every one of our 210 employees was deemed to be essential. They responded to this designation by exhibiting a sense of duty that enabled us—day in and day out—to provide the vital commodity of water to nearly one million people. We could not be more proud of their achievement.

Nicholas A. Noce

Nicholas A. Noce
Executive Director

Scott D. Nasca

Scott D. Nasca
Chairperson

Board of Directors



Scott D. Nasca
Chairperson



Matthew J. Fero
Vice Chairperson



Joseph R. Rulison
Treasurer



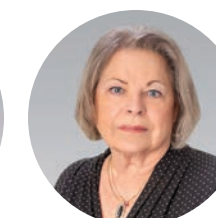
Allen S. Bernstein



Wendy Bleier-Mervis



Robert W. Hurlbut



Sheryl A. Volpe

Monroe County Water Authority wins prestigious J.D. Power Award

Monroe County Water Authority was honored to win the prestigious 2020 J.D. Power Award for ranking best in customer satisfaction among midsize water utilities in the northeast. The award was based on the J.D. Power 2020 Water Utility Residential Customer Satisfaction Study, which measured satisfaction among water utilities that deliver water to at least 400,000 customers.

In addition to ranking number one in the northeast midsize water utility category, Monroe County Water Authority ranked the highest in the areas of price; quality and reliability; conservation; and communications.

The J.D. Power Award is the nation's benchmark for quality products and service providers. This is the third time in five years that MCWA received the J.D. Power Award.



The year 2020 was like no other in the six-decade history of the Monroe County Water Authority.

Management Team

Nicholas A. Noce
Executive Director

Raymond W. Benshoff
Executive Director
of Operations

Stephen M. Savage, P.E.
Director of Engineering

Christopher J. LaManna, P.E.
Director of Production
& Transmission

Amy A. Molinari
Director of Finance
& Business Services

Five Years' Progress. In Three Weeks.

MCWA meets the challenges of COVID, without sacrificing customer service.



Early in the pandemic, a fully masked Monroe County Water Authority Board of Directors met in a garage at the Norris Drive headquarters in order to maintain social distancing and still make the crucial decisions about operations that needed to be made.

When the COVID-19 pandemic began to ravage the United States in the early months of 2020, Americans found themselves in a swirl of new phrases, acronyms and definitions.

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Suddenly, terms like “social distancing” and “PPE” were in everyday use, and states and municipalities had to define and determine what was an “essential business.”

Amid the confusion and uncertainty in the Greater Rochester area, one fact was clear: the Monroe County Water Authority was absolutely an essential business. Providing clean, safe water to residents and businesses definitely had to continue, uninterrupted. People were even being encouraged to wash their hands far more frequently than usual, requiring soap and plenty of water.

While the need was apparent, so was the challenge. How could MCWA fulfill its mission while working within all protocols and keeping its employees—and its customers—as safe as humanly possible?

For MCWA, the answer was a combination of quickly adjusted plans and dedicated employees who accepted the new conditions and got the job done.

Information Technology

“We basically crushed a five-year plan into three weeks.”

A good example of adapting to the situation comes from MCWA’s relatively small IT department, where long-term plans suddenly required short-term execution.

“We had a five-year plan in place to bring all our employees up to date in terms of laptops, wireless connectivity, and similar measures to allow for more remote reporting, less paperwork, and a greater level of efficiency,” said Larry Magguilli, Assistant to the Executive Director.

“When COVID hit,” he said, “we basically crushed that plan into three weeks. For example, we have about three dozen employees in trucks doing the necessary work in the field. They had cell phones, but no laptops or portable printers, and they had to come into the building for meetings and to receive assignments. Our five-year plan called for gradually training them—one by one, group by group—and converting their reporting to be wireless and virtually paperless.”

Instead, he said, it turned into a crash training course, where the supervisors were trained first and they, in turn, trained the crews.

“These are hard-working crews,” Magguilli said, “and they jumped on the idea and embraced the technology. They really stepped up, and now they love it.” As



The United States flag flew at half-staff in front of the Water Authority’s Norris Drive headquarters for most of the pandemic to honor those lost.

a result, he said, little of the five-year plan remains to be implemented.

However, even with the plan in place and the cooperation and eagerness of the trainees, MCWA faced a common problem in the early months of COVID—a shortage of equipment.

“Everyone remembers the shortage of toilet paper and face masks in those early months,” Magguilli said. “The same was true for technological equipment. Suppliers weren’t ready for the sudden surge in demand for things like laptops and WiFi hotspots. Everyone was trying to get them, and they were like gold. We struggled for a while, but by June or July we were basically wireless.”

MCWA also quickly turned to video conferencing where possible, allowing for meetings without people being physically together. And, the IT department divided its small staff, keeping half at home and half in the office each day.

Sign of the times: MCWA closed its offices to the public during the pandemic in a move to keep staff safe.

Engineering

“Lessons learned will help us in the future.”

When it came to embracing technology, the department of engineering’s reaction to the COVID pandemic brought a true sense of irony.

“Over the years, engineering in general has become significantly more reliant on the use of technology,” said Steve Savage, Director of Engineering. “Our mapping system is created and maintained electronically instead of being hand-drafted, projects are tracked using Oracle databases, field data are picked up with GPS equipment, and so on. Yet, we’ve experienced wind storms, ice storms, and other causes of power outages. As a result, going into 2020, we planned to focus on remembering where we came from and find ways to become less reliant on technology in various situations.”

“The question was,” he said, “what if there’s a power outage or problem with the computers we rely on to perform many of our operations? We wanted to identify tasks that we could perform manually, if necessary, and we wanted to generate paper hard copies if unable to read documents on a computer screen. We weren’t looking for sustained productivity, just a way to be less reliant on technology in certain situations.”

Then came COVID-19.

“That’s when we did a complete 180,” Savage said. “Almost overnight, we became 100 percent reliant on technology. Our workload was as busy as ever—maybe busier—and some of us simply had to be in the office, where we took all the precautions we possibly could.”



Through it all, Savage said, there was a tremendous amount of teamwork. “People pitched in to help one another, often taking on additional tasks that weren’t part of their usual assignments. That was critically important because the workload never lessened.”

Among other duties, the roughly three dozen employees in engineering are responsible for projects undertaken by MCWA as well as the review of projects by developers in towns and districts served by MCWA.

Prior to COVID, all of the engineering employees would work in the office, or at least start their day in the office. “But once the pandemic started,” Savage said, “we were able to relocate 60 percent of our staff to their homes or vehicles or a different office space, where they could interact remotely. Only about a dozen ever came into the office. Some employees were provided WiFi hotspots in vehicles so that they could create electronic communication in the field, and some employees couriered plans to those working remotely.”

Savage noted there were “lessons learned during all this that will help us in the future. For example, we used to have the developers from the towns come in for

meetings to review plans in person. But we found we can do that effectively remotely, saving everyone the time and expense of travel, and that’s something we may do more of going forward.”

Operations

“Everyone understood and responded to the challenge.”

When it came to operating MCWA’s vast distribution system, however, there was no “working from home” option. Some employees had to be at the controls, and others had to physically tend to infrastructure maintenance and repairs. Of 80 employees, only 10 were able to work remotely. For the rest, it was strictly on-site at one of the operations centers or with one of the crews on the road.

“We did our best to get some physical separation,” said Director of Operations Steve Trotta. “We opened an operations center we hadn’t used in years, and we divided our work crews, placing two at the westside operations center, two at the eastside operations center, and two at our treatment plant. We also staggered the crews’ start times, so even the two crews at the same location would not likely see one another. We did the same

thing with our hydrant and valve repair crews, and we reassigned vehicles from other departments or those working from home so each had their own.”

Under normal, pre-COVID circumstances, an emergency call for a repair might find a response team made up of a foreman, a mechanic, a laborer, and a heavy motor equipment operator all from different crews. It would depend on their current schedule or rotation, which avoided having someone working many extra hours. In 2020, that changed.

“We kept the crews consistent,” Trotta said. “If one person on

the crew became exposed to COVID and triggered contact tracing, it would affect only that crew. Had we still been routinely interchanging personnel according to a schedule, a single exposure could result in several crews being sidelined.”

Several times during the year one crew was out of service during a 10-day quarantine period, but the strategy avoided having many employees sidelined at the same time.

“Even with our hydrant crews, which consist of just two employees, if one person was out, the other worked alone,” Trotta said. “If one or two people were on vacation on a full crew, the others worked short-handed. We never interchanged personnel, and it worked out very well.”

Without question, the operating procedures were far less flexible than prior to the pandemic, but the job still got done. “It took

In a scene repeated daily across all departments, Assistant to the Executive Director Larry Magguilli holds a Webex meeting with staff as they deal with the constantly changing requirements brought on by COVID.



considerably more effort,” Trotta said, “but everyone understood and responded to the challenge.”

Production and Transmission
“We had no interruptions of service caused by the pandemic.”

Like those in the distribution area, employees in production and transmission knew their physical presence was required to get the job done.

“Throughout MCWA, adjustments were made to keep people as safe as possible,” said Chris LaManna, Director of Production and Transmission. “We used social distancing, wore masks, sanitized and washed hands, and so forth.”

“In our area, however, our people have to physically be at work every day to operate and maintain the water treatment plants and distribution system. If anything, providing clean water during a pandemic is even more important than usual, and the flow must go on without interruption.”

Flexibility was the key to fulfilling those responsibilities while honoring the health protocols, LaManna said. “In the early going, we were searching for the best ways to do things. Sometimes we’d make changes, and a few days later we’d realize that further adjustments to those changes were needed. We relied on everyone’s professionalism and understanding, and I’m proud to say we had no interruptions of service caused by the pandemic. Everyone put their concerns aside and focused on their jobs.”

One of the challenges was maintaining a daily schedule of water quality testing throughout the distribution system. “This meant someone went into commercial establishments on a daily basis and drew water samples directly from their taps,” LaManna said. “Pandemic or not, we needed to continue to test—every day—for water

quality monitoring and regulatory compliance. Our personnel took every possible precaution, of course, and maintained this important schedule uninterrupted.”

Like the engineering department, LaManna said, some of the adjustments made in production and distribution led to efficiencies that will stay in place going forward.

“For example,” he said, “we had some people take trucks home rather than report to the Shoremont facility each morning to pick them up. Because of the size of our system, having the trucks spread out geographically



Using the ubiquitous hand sanitizer became the new office ritual.

can sometimes allow us to improve the efficiency of our maintenance operations and decrease our response time in emergency situations. We may apply that in the future, maybe working out of more than a single central facility. Of course, we also did more with laptops and remote, electronic communications.”

Using video conferencing allowed production and transmission to keep all capital projects on track, and the efficiency of that practice will also continue.

Finance and Business Services
“Operationally, we didn’t miss a beat.”

The Department of Finance and Business Services, which includes accounting, customer service and the meter shop, quickly adhered to necessary protocols.

With a collective employee count among all three units totaling 37, only three employees had responsibilities allowing them to work from home. Therefore, finding ways to socially distance staff became critical.

“We staggered start times so we did not have people gathering in a lunch or break room at the same time,” said Amy Molinari, Director of Finance and Business Services. “We even rented a building to obtain the space needed to offer more physical separation.”

In customer service, a hallmark of MCWA over the years, phone calls could be received at an employee’s home or other remote locations. The tradition of having a real person answer every call was continued, with most calls answered within 12 seconds.

In accounting, additional COVID-related expenses needed to keep staff safe, such as masks and other PPE, cleaning supplies, and hand sanitizer, were carefully tracked.

In the meter shop, one of the primary jobs is to obtain meter readings from customers. Reading water meters during the pandemic came down to whether a home had a newer, automated meter that could be read simply by driving by the house, or the older style that required in-house visits to read. In general, only the automated meters were read, and no houses were entered except in absolute emergencies.

“While circumstances and procedures were certainly different during 2020,” Molinari said, “operationally, we didn’t miss a beat.”



Financial Highlights

	2020	Increase
	Metered	(Decrease)
	Consumption	From 2019
WATER SALES (million gallons)		
Residential & Commercial	13,506.5	997.4
Industrial	2,140.7	(324.6)
Water Districts	1,550.7	33.2
City of Rochester	3,044.8	(197.3)
Total	20,242.7	508.7
OPERATING REVENUES (000s omitted)	2020	Increase
	Amount	(Decrease)
		From 2019
Residential & Commercial	\$63,284	\$6,697
Industrial	6,222	(422)
Water Districts	4,024	176
Fire Services	1,361	28
Other	2,935	191
Total	\$77,826	\$6,670
OPERATING EXPENSES (000s omitted)	2020	Increase
	Actual	(Decrease)
		From 2019
Operating Departments		
Administration	\$4,049	\$(100)
Production/Transmission	14,161	886
Engineering	4,237	814
Facilities, Fleet & Operations	14,873	1,827
Finance & Business Services	8,449	1,488
Total	\$45,769	\$(4,915)

To review our audited financial statements, please visit:
mcwa.com

Operating Statistics

(2011-2020 unaudited)

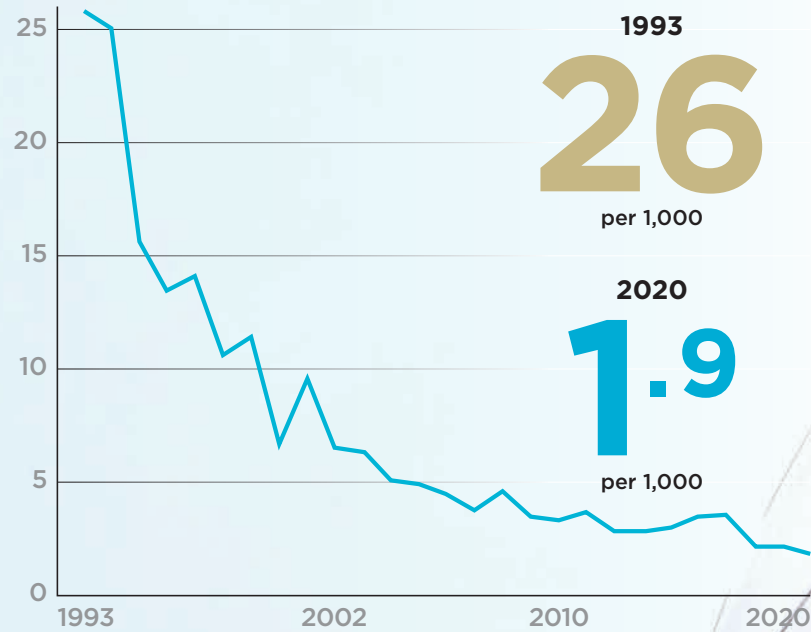
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Water Output (Million Gallons)										
Lake Ontario Production	18,844	17,991	17,090	17,811	18,063	18,483	16,552	17,761	16,400	17,622
Miscellaneous Purchases & Production	159	161	151	165	144	156	155	162	155	143
Active Customers										
Retail	173,134	173,554	180,238	181,677	182,394	183,651	184,718	185,751	186,311	187,498
Wholesale	20,404	20,588	21,928	17,603	18,125	18,608	18,570	24,449	24,775	28,905
Total	193,538	194,142	202,166	199,280	200,519	202,259	203,290	210,200	211,086	216,403
Water Sales (Million Gallons)										
Residential & Commercial	13,136	13,453	12,871	12,733	12,686	13,729	12,466	13,031	12,509	13,444
Large Commercial & Industrial	2,545	2,531	2,535	2,495	2,382	2,588	2,505	2,532	2,465	2,203
Wholesale	1,816	1,849	1,389	1,338	1,375	1,512	1,461	1,515	1,518	1,551
Total	17,497	17,833	16,795	16,566	16,443	17,829	16,432	17,078	16,492	17,198
Water Purchases (Net Exchange)	2,531	3,517	3,279	2,718	2,361	2,983	3,537	3,211	3,242	3,045
Revenues (000s omitted)										
Residential & Commercial	\$41,689	\$44,375	\$45,018	\$47,300	\$48,987	\$53,741	\$52,189	\$55,737	\$56,587	\$63,284
Large Commercial & Industrial	5,164	5,184	5,242	5,439	5,308	5,901	5,865	6,520	6,644	6,222
Wholesale	3,482	3,554	2,661	2,646	2,829	3,205	3,245	3,673	3,848	4,024
Total Metered	50,335	53,113	52,921	55,385	57,124	62,847	61,299	65,929	67,079	73,530
Fire Service	664	793	982	1,225	1,250	1,275	1,299	1,312	1,333	1,361
Interest Earnings	548	192	147	115	98	145	193	1,005	1,571	722
Federal Int. Subsidy Series 2010B Taxable Build America Bonds	2,059	2,003	1,855	1,859	1,852	1,865	1,876	1,860	1,833	1,798
Other	3,272	3,426	3,389	3,391	3,608	3,608	2,773	2,780	2,743	2,935
Total	\$56,878	\$59,527	\$59,294	\$61,975	\$63,932	\$69,740	\$67,440	\$72,886	\$74,560	\$80,346
Operating Expense (000s omitted)										
Production/Transmission	\$12,695	\$13,685	\$14,713	\$12,904	\$12,282	\$13,102	\$12,673	\$14,479	\$13,275	\$14,161
Engineering	2,761	2,407	2,852	3,373	3,554	3,709	3,448	3,786	3,423	4,237
Facilities, Fleet & Operations	11,509	11,716	11,201	12,975	12,933	11,671	12,831	13,728	13,046	14,873
Finance & Business Services	8,964	5,258	5,836	6,013	6,036	6,136	6,494	6,824	6,961	8,449
Administration	756	4,909	4,640	6,865	8,217	8,629	7,437	4,671	4,149	4,049
Total	\$36,685	\$37,975	\$39,242	\$42,130	\$43,022	\$43,247	\$42,883	\$43,488	\$40,854	\$45,769
Net Revenue	\$20,193	\$21,552	\$20,052	\$19,845	\$20,910	\$26,493	\$24,557	\$29,398	\$33,706	\$34,577
Cash Capital Program	\$5,835	\$12,452	\$4,633	\$9,364	\$16,443	\$18,878	\$14,662	\$16,345	\$13,502	\$15,266
Capital Lease Payments	\$1,421	\$1,376	\$1,303	\$1,231	\$641	\$620	\$586	\$341	\$331	\$0
Water Revenue Debt Service	\$8,193	\$7,991	\$10,020	\$10,568	\$10,619	\$10,837	\$10,863	\$11,511	\$11,899	\$11,078
Coverage Excluding Obligations on Lease Facilities	2.46	2.70	2.00	1.88	1.97	2.44	2.26	2.55	2.83	3.12

Performance Metrics

QUALITY

of quality complaints per 1,000 customers

MCWA's Customer Service Information System includes tracking mechanisms for categorizing and measuring the number of customer calls specific to quality. In 2020, MCWA received 359.



RESPONSIVENESS



Call center wait time

MCWA answers your calls faster. In 2020, the average wait time for customers to talk to a customer service representative was a fraction of the national median (**timed in seconds**).

MCWA
12.7
National Median
78

EFFICIENCY



Accounts per employee

In 2020, MCWA employees handled nearly double the number of customer accounts as the national median.

MCWA
880
National Median
462
accounts per employee

REINVESTMENT



Maintaining infrastructure

MCWA's goal is to implement a budget that reinvests a minimum of 2% of annual revenues in the renewal and replacement of our infrastructure. In 2020, our reinvestment in infrastructure replacement exceeded 25%.

MCWA
25%



RELIABILITY

Supply outages for more than 4 hours

Continuity of production capacity is paramount. In 2020, MCWA had **no** unplanned outages of supply capacity lasting more than four hours.

MCWA
0

COST

2020 rate comparison

MCWA residents pay less per month than our neighbors.



National Median.....	\$46.23
Onondaga County	\$36.05
City of Rochester.....	\$35.81

MCWA
32.25



MCWA

16.6

National Median

18.9
for utilities of similar size

Water main breaks per 100 miles of pipeline

The AWWA benchmark for system integrity is less than 18.9 combined leaks and breaks/100 miles of pipeline per year. MCWA's distribution system includes 3,385 miles of water main. In 2020, the number of breaks and leaks repaired was below the national median.

Customer Base

Large Commercial and Industrial	Sales 1000 Gallons
Lidestri Foods Inc. (2 meters)	379,309
Xerox	143,105
Rochester Institute of Technology (4 meters)	116,777
Wegmans - 1500 Brooks Ave. (2 meters)	56,424
Tech Park Owner LLC (2 meters)	48,380
Bonduelle USA Inc	
(was Birdseye) - Bergen (2 meters)	43,864
Arctic Glacier	28,124
Nazareth College (2 meters)	25,522
MCPW - NW Quadrant PLT	21,795
Six Flags Darien Lake	18,985
Subtotal	882,285
Remaining 429 Accounts	1,321,264
Total	2,203,549

Water Districts	Customers By Town	Sales 1000 Gallons
Genesee County	10,095	334,178
Wayne County Water & Sewer	8,850	334,022
Village of Brockport	1,840	248,883
Sea Breeze Water District	3,129	198,760
Village of Hilton	1,821	148,019
Village of Victor	1,010	80,677
Livingston County Water & Sewer	39	72,307
Town of Clarendon	809	55,286
Town of Murray	375	37,598
Village of Holley	780	33,873
Town of Canadice	145	6,378
Town of Farmington	12	698
Total	28,905	1,550,679

Residential and Small Commercial	Customers By Town	Sales 1000 Gallons
Town of Greece	33,365	2,376,636
Town of Irondequoit	16,650	1,057,583
Town of Perinton	14,256	1,047,329
Village of Fairport	2,067	125,498
Town of Henrietta	13,670	988,769
Town of Penfield	12,800	962,865

Residential and Small Commercial	Customers By Town	Sales 1000 Gallons
Town of Webster	14,173	960,853
Village of Webster	1,583	144,896
Town of Brighton	10,121	919,640
Town of Pittsford	9,071	760,293
Village of Pittsford	672	44,810
Town of Gates	10,411	711,689
Town of Chili	9,673	678,912
Town of Victor	4,639	407,544
Town of Ogden	5,069	361,404
Village of Spencerport	1,321	88,307
Town of Parma	3,799	231,109
Village of Hilton	192	7,022
Town of Hamlin	2,695	153,952
Village of East Rochester	2,405	153,118
Town of Mendon	1,922	140,827
Village of Honeoye Falls	862	67,087
Town of Clarkson	1,873	135,683
Town of Sweden	1,321	119,047
Town of Riga	1,208	77,017
Village of Churchville	887	45,788
Town of Rush	1,142	66,157
Town of LeRoy	817	65,040
Village of LeRoy	1,704	113,364
Town of Wheatland	620	50,283
Village of Scottsville	749	47,074
Town of Pembroke	608	48,280
Village of Corfu	290	13,088
Town of West Bloomfield	384	47,014
Town of Richmond	1,070	40,993
Town of Kendall	803	40,011
Town of Darien	379	20,229
Town of Stafford	558	27,440
Town of Byron	531	27,004
Town of Bergen	263	21,132
Village of Bergen	414	21,742
Town of Pavilion	341	19,802
Town of Caledonia	35	2,227
Village of Caledonia	6	925
Town of Bethany	36	1,185
Town of East Bloomfield	20	1,124
Town of Lima	12	961
Town of Covington	11	859
Total	187,498	13,443,612

To review our audited financial statements, please visit:
mcwa.com

