



Danville Utility Commission Meeting Agenda **4:00 p.m., October 28, 2019**

City Council Chambers, Danville City Hall

- I. Call to Order**
 - A. Roll Call
 - B. Announcements
- II. Discussion/Business Items**
 - A. Minutes of the September 30, 2019 Commission Meeting
 - B. Review of Utilities' Financial Statements
 - C. Pittsylvania County Service Authority Water Contract
 - D. Closed Session
- III. Communications**
 - A. City Manager
 - B. Utilities Staff
 - C. Commission Members
 - D. Public Comments
 - E. Director's Report
- IV. Adjournment**

Next Utility Commission Meeting

4:00 p.m. Monday, November 25, 2019

**City Council Chambers
4th Floor, City Hall**



Commission Members Present: Sheila Williamson-Branch, Bill Donohue, Ken Larking, Helm Dobbins, Paul Liepe, Vanessa Cain, Bert Eades, Fred Shanks

Commission Members Absent:

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Kelly Kinnett, Mike Spencer, Jennifer Holley, Michael Adkins, Philip Haley, Lori Millner

Others Present: Garrett Cole, GDS Associates

Call to Order and Announcements

Chairman Donohue opened the meeting and asked that the attendance be recorded. As a quorum was present, the meeting was called to order.

Discussion/Business Items

Minutes of August 26, 2019 Commission Meeting

Mr. Donohue asked for any corrections, deletions, or adjustments to the minutes from August 26, 2019.

Mr. Dobbins made a motion to approve the minutes. Ms. Cain seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Holley presented the July utility financial statements for each utility fund and addressed questions from the commissioners.

Danville Power Supply and Market Update

Mr. Garrett Cole from GDS Associates presented Danville's current power supply and discuss market conditions. He also discussed future power supply changes and risks that could affect electric rates.

Department Discussions

There was no further communication from staff, commission members, or the public.

Mr. Grey provided handouts to the Commission members. The first handout was regarding peak shaving details. The loads were similar to last year. New diesel generators will help with peak shaving in the future. Overall about \$1.5 million was saved in avoidance through local resources (solar, Pinnacles hydro, generators, etc.). The other handout was a media release from Prairie State regarding an upcoming study.

Adjournment

There being no further business, Mr. Donohue adjourned the meeting at 5:35 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

October 28, 2019

Date Approved

Chairman
Danville Utility Commission



Commission Item Number: DUC191028 - 1
Utility Commission Meeting: October 28, 2019
Item: II. B. Review of Utilities' Financial Statements

Financial Report

August financials will be reviewed.

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
AUGUST 31, 2019

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2019
<u>ASSETS</u>						
Equity in pooled Cash and Investments	\$ 10,519,573.60	11,409,783.53	13,764,760.09	35,834,071.18	1,219,203.69	72,747,392.09
Receivables (Net of allowances for Uncollectible):						
Accounts	1,032,073.72	424,791.79	1,118,815.60	14,992,221.46	55,555.16	17,623,457.73
Power/Gas Cost Recovery	-	-	(778,758.97)	5,190,535.27	-	4,411,776.30
Pension Assets	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Inventory of Gas, Materials and Supplies, at Cost	-	597,008.12	743,207.00	1,885,625.61	193,345.84	3,419,186.57
Fixed Assets	98,391,063.52	73,919,953.35	70,085,065.69	306,481,685.48	10,626,628.83	559,504,396.87
Accumulated Depreciation	(46,534,120.25)	(38,790,842.94)	(28,863,489.75)	(135,082,797.94)	(3,083,381.23)	(252,354,632.11)
Deferred Outflows - Pension	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
TOTAL ASSETS	\$ 63,861,636.59	48,779,216.85	57,165,499.66	233,548,184.06	9,129,741.29	412,484,278.45
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities						
Accounts Payable	\$ 278,933.92	134,339.90	925,089.52	8,904,359.45	60,251.12	10,302,973.91
Accrued Interest Payable	46,985.05	47,680.32	21,463.32	566,185.89	-	682,314.58
Customer Deposits	-	-	-	3,740,334.33	-	3,740,334.33
Accrued Vacation, Sick Leave & Workers Comp.	-	89,146.49	56,089.38	592,168.46	4,824.32	742,228.65
Deferred Gain / Loss - Refunding Bonds	(130,298.19)	(120,768.66)	(74,362.86)	(1,224,676.39)	-	(1,550,106.10)
Original Issue Premium/Discount (Refunding Bonds)	139,250.55	126,876.41	82,466.47	3,153,310.05	-	3,501,903.48
General Obligation Bonds Payable	2,553,096.63	2,617,690.96	1,126,029.90	40,023,945.23	-	46,320,762.72
Revenue Bonds Payable	(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable	-	-	-	22,865.15	-	22,865.15
TOTAL LIABILITIES	\$ 2,887,967.79	2,894,965.42	2,136,775.73	55,778,492.17	65,075.44	63,763,276.55
Net Assets						
Contributed Capital	\$ 3,882,005.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	23,957,670.06
Retained Earnings:						
Restricted for Investment in Fixed Assets	\$ 45,412,889.01	27,829,028.78	38,746,931.85	115,724,686.12	7,205,999.01	234,919,534.77
Restricted for Incomplete Projects	6,946,112.55	8,780,178.20	4,266,587.95	12,035,509.42	687,474.95	32,715,863.07
Restricted for Subsequent Expenses	1,986,441.99	117,848.39	101,258.77	867,229.81	12,627.56	3,085,406.52
Net Pension Assets	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Deferred Outflows - Pension	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
Unrestricted	2,359,790.81	3,441,564.14	9,638,677.78	31,798,266.01	720,334.74	47,958,633.48
Total Retained Earnings	\$ 57,091,663.36	41,207,968.51	53,688,213.35	164,048,069.36	8,727,417.26	324,763,331.84
TOTAL NET ASSETS	\$ 60,973,668.80	45,884,251.43	55,028,723.93	177,769,691.89	9,064,665.85	348,721,001.90
TOTAL LIABILITIES AND NET ASSETS	\$ 63,861,636.59	48,779,216.85	57,165,499.66	233,548,184.06	9,129,741.29	412,484,278.45

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2019

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2019
Operating revenues:						
Charges for Services	\$ 1,681,407.94	1,396,032.25	1,702,128.22	22,230,403.38	100,621.97	27,110,593.76
Operating Expenses:						
Purchased Services	\$ -	-	1,480,504.47	15,866,546.96	9,642.88	17,356,694.31
Production	-	-	-	135,172.48	-	135,172.48
Transmission & Treatment	447,640.14	259,989.82	-	287,947.78	-	995,577.74
Engineering	-	36,858.32	40,496.49	99,953.10	-	177,307.91
Distribution	447,136.53	76,755.69	90,267.77	2,247,532.90	-	2,861,692.89
Service	1,078.58	15,513.14	7,841.16	-	-	24,432.88
Meters & Regulators	-	15,711.24	23,668.33	53,414.14	(266.64)	92,527.07
Administrative	278,169.64	487,484.90	549,689.28	935,359.44	132,876.07	2,383,579.33
Total Operating Expenses	\$ 1,174,024.89	892,313.11	2,192,467.50	19,625,926.80	142,252.31	24,026,984.61
Operating Income (Loss)	\$ 507,383.05	503,719.14	(490,339.28)	2,604,476.58	(41,630.34)	3,083,609.15
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	8,096.00	4,283.42	910.67	64,569.10	(18.33)	77,840.86
Interest Income	36,935.52	39,746.31	50,344.68	131,127.99	4,161.77	262,316.27
Energy Efficiency Recovery	-	-	-	(36,819.76)	-	(36,819.76)
Gain (Loss) on Disposal of Property	-	-	-	144.00	-	144.00
Recoveries and Rebates	5,803.16	5,669.19	225.52	367.73	-	12,065.60
Interest Expense	(31,473.62)	(27,467.46)	(20,322.17)	(169,355.78)	-	(248,619.03)
Total Non-Operating Revenues (Expenses)	\$ 19,361.06	22,231.46	31,158.70	(9,966.72)	4,143.44	66,927.94
Income (Loss) Before Operating Transfers	\$ 526,744.11	525,950.60	(459,180.58)	2,594,509.86	(37,486.90)	3,150,537.09
Operating Transfers:						
Transfers In (Out)	(117,626.66)	(158,383.34)	(531,055.00)	(1,738,268.34)	(13,500.00)	(2,558,833.34)
Total Operating Transfers	\$ (117,626.66)	(158,383.34)	(531,055.00)	(1,738,268.34)	(13,500.00)	(2,558,833.34)
Net Income (Loss)	\$ 409,117.45	367,567.26	(990,235.58)	856,241.52	(50,986.90)	591,703.75
Net Assets - July 1, 2019, as restated	60,553,912.35	45,516,684.17	56,018,959.51	176,913,450.37	9,115,652.75	348,118,659.15
Net Income (Loss)	409,117.45	367,567.26	(990,235.58)	856,241.52	(50,986.90)	591,703.75
Contribution In Aid of Construction	10,639.00	-	-	-	-	10,639.00
Net Assets - August 31, 2019	\$ 60,973,668.80	45,884,251.43	55,028,723.93	177,769,691.89	9,064,665.85	348,721,001.90

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2019

WASTEWATER - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	AUGUST 2019	PERCENT OF CURRENT BUDGET	AUGUST 2018
OPERATING REVENUE	9,158,550.00		9,158,550.00	1,681,407.94	18.36%	1,720,639.69
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,050,270.00	7,031.83	3,057,301.83	447,640.14	14.64%	85,830.72
ENGINEERING	-		-	-		-
DISTRIBUTION	2,230,480.00	72,914.98	2,303,394.98	447,136.53	19.41%	316,063.96
SERVICE	143,400.00		143,400.00	1,078.58	0.75%	12,926.52
METERS & REGULATORS	-		-	-		-
BAD DEBT	35,800.00		35,800.00	8,222.71	22.97%	1,421.46
GENERAL & ADMINISTRATIVE	1,832,710.00		1,832,710.00	269,946.93	14.73%	265,049.14
TOTAL OPERATING EXPENSES	7,292,660.00	79,946.81	7,372,606.81	1,174,024.89	15.92%	681,291.80
OPERATING INCOME (LOSS)	1,865,890.00	(79,946.81)	1,785,943.19	507,383.05	28.41%	1,039,347.89
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	118,540.00		118,540.00	36,935.52	31.16%	32,693.56
RECOVERIES AND REBATES	-		-	5,803.16		1,745.20
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBGING INCOME (LOSS)	46,020.00		46,020.00	8,096.00	17.59%	4,329.13
INTEREST ON LONG TERM INDEBTEDNESS	(127,120.00)		(127,120.00)	(31,473.62)	24.76%	(38,459.31)
NET INCOME (LOSS)	1,903,330.00	(79,946.81)	1,823,383.19	526,744.11	28.89%	1,039,656.47
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(117,626.66)	16.67%	(115,626.66)
NET INCOME AFTER TRANSFERS	1,197,570.00	(79,946.81)	1,117,623.19	409,117.45	36.61%	924,029.81
CONTRIBUTION IN AID	35,000.00		35,000.00	10,639.00	30.40%	
REGULAR CAPITAL MAINTENANCE	(598,420.00)		(598,420.00)	(36,388.17)	6.08%	
CAPITAL PROJECTS	(1,350,000.00)	(5,232,529.00)	(6,582,529.00)	(298,448.28)	4.53%	
DEBT SERVICE	(727,290.00)		(727,290.00)	(147,105.50)	20.23%	
DEPRECIATION	2,115,000.00		2,115,000.00	330,621.92	15.63%	
CONTINGENCY	(100,000.00)		(100,000.00)		0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2019

WATER - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	AUGUST 2019	PERCENT OF CURRENT BUDGET	AUGUST 2018
OPERATING REVENUE	8,758,450.00		8,758,450.00	1,396,032.25	15.94%	1,404,431.08
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,892,690.00	(68,059.20)	1,824,630.80	259,989.82	14.25%	288,085.45
ENGINEERING	371,830.00	19,254.89	391,084.89	36,858.32	9.42%	30,292.23
DISTRIBUTION	702,810.00	4,690.02	707,500.02	76,755.69	10.85%	75,633.49
SERVICE	136,380.00		136,380.00	15,513.14	11.37%	12,083.75
METERS & REGULATORS	178,160.00		178,160.00	15,711.24	8.82%	20,212.93
BAD DEBT	27,500.00		27,500.00	6,316.72	22.97%	1,501.89
GENERAL & ADMINISTRATIVE	3,155,010.00	109,818.09	3,264,828.09	481,168.18	14.74%	438,854.46
TOTAL OPERATING EXPENSES	6,464,380.00	65,703.80	6,530,083.80	892,313.11	13.66%	866,664.20
OPERATING INCOME (LOSS)	2,294,070.00	(65,703.80)	2,228,366.20	503,719.14	22.60%	537,766.88
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	143,850.00		143,850.00	39,746.31	27.63%	38,384.85
RECOVERIES AND REBATES	13,320.00		13,320.00	5,669.19		4,107.52
GAIN/LOSS ON DISPOSAL	12,490.00		12,490.00	-		5,318.25
JOBGING INCOME (LOSS)	91,050.00		91,050.00	4,283.42	4.70%	2,778.65
INTEREST ON LONG TERM INDEBTEDNESS	(111,200.00)		(111,200.00)	(27,467.46)	24.70%	(29,703.41)
NET INCOME (LOSS)	2,443,580.00	(65,703.80)	2,377,876.20	525,950.60	22.12%	558,652.74
OPERATING TRANSFERS IN (OUT)	(950,300.00)		(950,300.00)	(158,383.34)	16.67%	(157,050.00)
NET INCOME AFTER TRANSFERS	1,493,280.00	(65,703.80)	1,427,576.20	367,567.26	25.75%	401,602.74
CONTRIBUTION IN AID	-		-			
REGULAR CAPITAL MAINTENANCE	(1,238,100.00)	(32,313.93)	(1,270,413.93)	(53,360.99)	4.20%	
CAPITAL PROJECTS	(1,000,000.00)	(6,540,155.68)	(7,540,155.68)	(76,484.42)	1.01%	
DEBT SERVICE	(821,300.00)		(821,300.00)	(128,339.50)	15.63%	
DEPRECIATION	1,685,000.00		1,685,000.00	263,346.20	15.63%	
CONTINGENCY	(100,000.00)		(100,000.00)		0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2019

GAS - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	AUGUST 2019	PERCENT OF CURRENT BUDGET	AUGUST 2018
OPERATING REVENUE	21,453,960.00		21,453,960.00	1,702,128.22	7.93%	2,223,496.95
	-					
COST OF SALES	-					
PURCHASED SERVICES	12,794,670.00		12,794,670.00	1,480,504.47	11.57%	1,699,588.66
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	12,794,670.00	-	12,794,670.00	1,480,504.47		1,699,588.66
GROSS PROFIT	8,659,290.00	-	8,659,290.00	221,623.75		523,908.29
GROSS PROFIT %	40.36%		40.36%	13.02%		23.56%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	438,250.00	72,999.75	511,249.75	40,496.49	7.92%	53,670.67
DISTRIBUTION	645,870.00	9,798.00	655,668.00	90,267.77	13.77%	79,669.94
SERVICE	124,940.00		124,940.00	7,841.16	6.28%	9,103.64
METERS & REGULATORS	188,380.00		188,380.00	23,668.33	12.56%	22,888.86
BAD DEBT	51,440.00		51,440.00	26,509.36	51.53%	4,963.84
GENERAL & ADMINISTRATIVE	3,805,550.00	8,431.98	3,813,981.98	523,179.92	13.72%	506,645.40
TOTAL OPERATING EXPENSES	5,254,430.00	91,229.73	5,345,659.73	711,963.03	13.32%	676,942.35
OPERATING INCOME (LOSS)	3,404,860.00	(91,229.73)	3,313,630.27	(490,339.28)	-14.80%	(153,034.06)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	161,550.00		161,550.00	50,344.68	31.16%	42,419.26
RECOVERIES AND REBATES	-		-	225.52		398.46
GAIN/LOSS ON DISPOSAL	5,150.00		5,150.00	-		68.25
JOBGING INCOME (LOSS)	154,820.00		154,820.00	910.67	0.59%	(8,125.17)
INTEREST ON LONG TERM INDEBTEDNESS	(47,340.00)		(47,340.00)	(20,322.17)	42.93%	(21,976.75)
NET INCOME (LOSS)	3,679,040.00	(91,229.73)	3,587,810.27	(459,180.58)	-12.80%	(140,250.01)
OPERATING TRANSFERS IN (OUT)	(3,186,330.00)		(3,186,330.00)	(531,055.00)	16.67%	(509,888.34)
NET INCOME AFTER TRANSFERS	492,710.00	(91,229.73)	401,480.27	(990,235.58)	-246.65%	(650,138.35)
CONTRIBUTION IN AID			-			
REGULAR CAPITAL MAINTENANCE	(822,200.00)	(90,960.77)	(913,160.77)	(116,877.07)	12.80%	
CAPITAL PROJECTS	(1,500,000.00)	(1,989,551.81)	(3,489,551.81)	(119,247.56)	3.42%	
DEBT SERVICE	(221,390.00)		(221,390.00)	-	0.00%	
DEPRECIATION	1,556,000.00		1,556,000.00	260,660.24	16.75%	
CONTINGENCY	(100,000.00)		(100,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2019

ELECTRIC - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	AUGUST 2019	PERCENT OF CURRENT BUDGET	AUGUST 2018
OPERATING REVENUE	127,879,720.00		127,879,720.00	22,230,403.38	17.38%	22,398,488.69
COST OF SALES						
PURCHASED SERVICES	96,067,000.00		96,067,000.00	15,866,546.96	16.52%	16,865,589.17
PRODUCTION	889,770.00	230,273.91	1,120,043.91	135,172.48		107,059.70
TOTAL COST OF SALES	96,956,770.00	230,273.91	97,187,043.91	16,001,719.44		16,972,648.87
GROSS PROFIT	30,922,950.00	(230,273.91)	30,692,676.09	6,228,683.94		5,425,839.82
GROSS PROFIT %	24.18%		24.00%	28.02%		24.22%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,611,140.00	91,523.27	1,702,663.27	287,947.78	16.91%	156,276.40
ENGINEERING	959,840.00	59,443.32	1,019,283.32	99,953.10	9.81%	104,340.23
DISTRIBUTION	12,987,030.00	2,244.81	12,989,274.81	2,247,532.90	17.30%	1,971,999.04
SERVICE	-		-	-		-
METERS & REGULATORS	379,700.00		379,700.00	53,414.14	14.07%	49,541.92
BAD DEBT	305,800.00		305,800.00	86,872.31	28.41%	41,561.21
GENERAL & ADMINISTRATIVE	4,805,060.00	92,927.08	4,897,987.08	848,487.13	17.32%	915,080.13
TOTAL OPERATING EXPENSES	21,048,570.00	246,138.48	21,294,708.48	3,624,207.36	17.02%	3,238,798.93
OPERATING INCOME (LOSS)	9,874,380.00	(476,412.39)	9,397,967.61	2,604,476.58	27.71%	2,187,040.89
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	574,980.00		574,980.00	131,127.99	22.81%	130,696.86
ENERGY EFFICIENCY RECOVERY	-	(479,811.79)	(479,811.79)	(36,819.76)	7.67%	(23,204.51)
RECOVERIES AND REBATES	6,000.00		6,000.00	367.73	6.13%	144.25
GAIN/LOSS ON DISPOSAL	30,500.00		30,500.00	144.00	0.47%	3,111.00
JOBGING INCOME (LOSS)	141,590.00		141,590.00	64,569.10	45.60%	57,571.75
INTEREST ON LONG TERM INDEBTEDNESS	(1,574,300.00)		(1,574,300.00)	(169,355.78)	10.76%	(179,079.39)
NET INCOME (LOSS)	9,053,150.00	(956,224.18)	8,096,925.82	2,594,509.86	32.04%	2,176,280.85
OPERATING TRANSFERS IN (OUT)	(10,429,610.00)		(10,429,610.00)	(1,738,268.34)	16.67%	(1,720,268.34)
NET INCOME AFTER TRANSFERS	(1,376,460.00)	(956,224.18)	(2,332,684.18)	856,241.52	-36.71%	456,012.51
CONTRIBUTION IN AID			-			
FEDERAL AID - CAPITAL PROJECTS			-			
REGULAR CAPITAL MAINTENANCE	(3,505,530.00)	(309,896.39)	(3,815,426.39)	(606,091.65)	15.89%	
CAPITAL PROJECTS	(500,000.00)	(8,631,948.27)	(9,131,948.27)	(1,083,308.95)	11.86%	
DEBT SERVICE	(2,916,660.00)		(2,916,660.00)	(665,066.00)	22.80%	
DEPRECIATION	8,573,000.00		8,573,000.00	1,362,554.42	15.89%	
CONTINGENCY	(500,000.00)		(500,000.00)	-	0.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2019

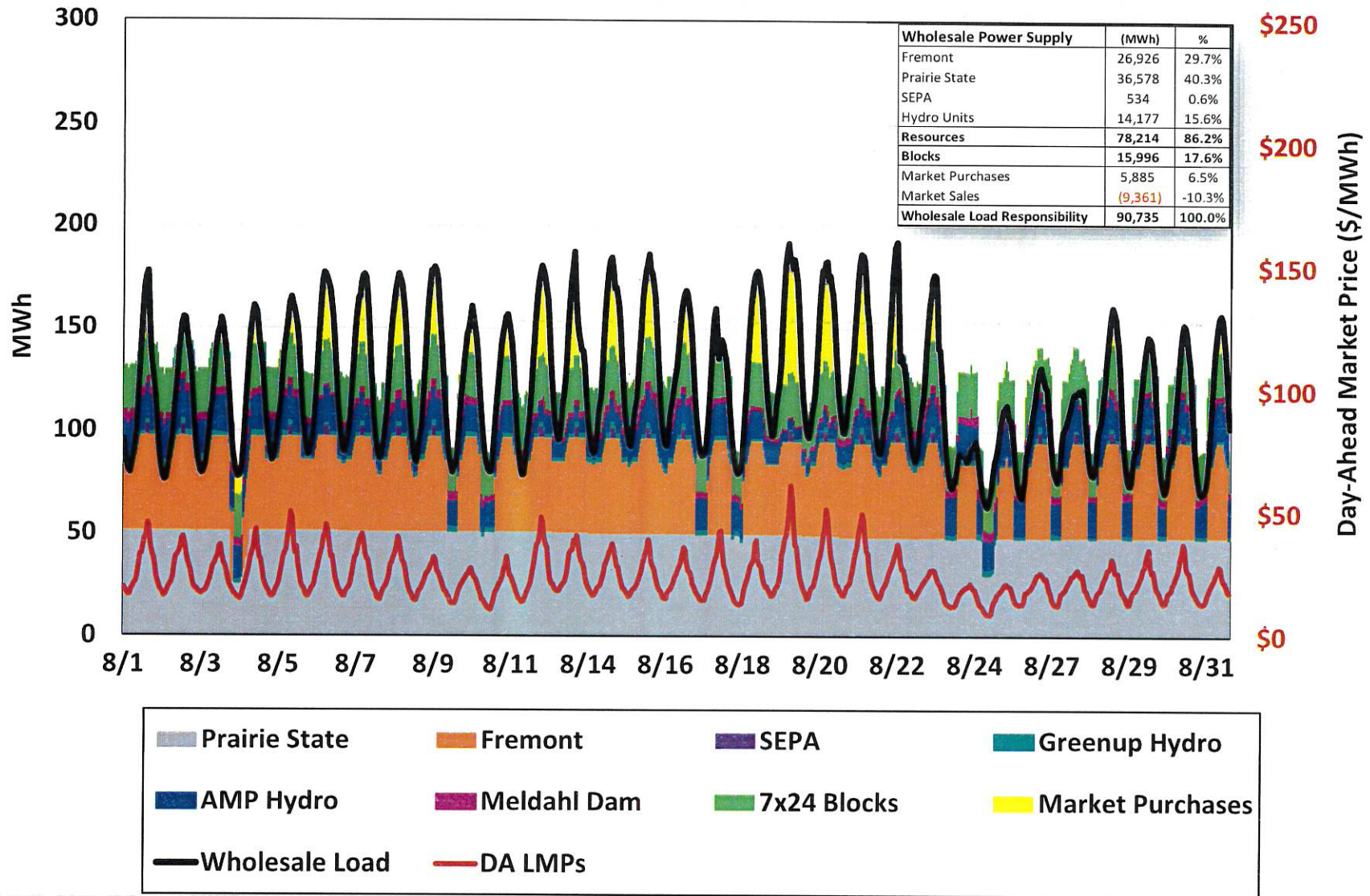
TELECOMMUNICATIONS - FINAL

	<u>ORIGINAL BUDGET 2019-20</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 2019-20</u>	<u>AUGUST 2019</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>AUGUST 2018</u>
OPERATING REVENUE	560,000.00		560,000.00	100,621.97	17.97%	231,497.58
COST OF SALES						
PURCHASED SERVICES	57,000.00		57,000.00	9,642.88	16.92%	9,146.34
PRODUCTION			-	-		-
TOTAL COST OF SALES	<u>57,000.00</u>	<u>-</u>	<u>57,000.00</u>	<u>9,642.88</u>		<u>9,146.34</u>
GROSS PROFIT	503,000.00	-	503,000.00	90,979.09		222,351.24
GROSS PROFIT %	89.82%		89.82%	90.42%		96.05%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	(266.64)		-
GENERAL & ADMINISTRATIVE	<u>907,790.00</u>	<u>5,012.50</u>	<u>912,802.50</u>	<u>132,876.07</u>	<u>14.56%</u>	<u>118,346.33</u>
TOTAL OPERATING EXPENSES	<u>907,790.00</u>	<u>5,012.50</u>	<u>912,802.50</u>	<u>132,609.43</u>	<u>14.53%</u>	<u>118,346.33</u>
OPERATING INCOME (LOSS)	<u>(404,790.00)</u>	<u>(5,012.50)</u>	<u>(409,802.50)</u>	<u>(41,630.34)</u>	<u>10.16%</u>	<u>104,004.91</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	16,880.00		16,880.00	4,161.77	24.66%	3,601.05
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBGING INCOME (LOSS)	22,130.00		22,130.00	(18.33)	-0.08%	4,115.05
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	<u>(365,780.00)</u>	<u>(5,012.50)</u>	<u>(370,792.50)</u>	<u>(37,486.90)</u>	<u>10.11%</u>	<u>111,721.01</u>
OPERATING TRANSFERS IN (OUT)	<u>(81,000.00)</u>		<u>(81,000.00)</u>	<u>(13,500.00)</u>	<u>16.67%</u>	<u>(13,500.00)</u>
NET INCOME AFTER TRANSFERS	<u>(446,780.00)</u>	<u>(5,012.50)</u>	<u>(451,792.50)</u>	<u>(50,986.90)</u>	<u>11.29%</u>	<u>98,221.01</u>
CONTRIBUTION IN AID			-		0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(5,880.67)	23.52%	
CAPITAL PROJECTS	(250,000.00)	(464,478.49)	(714,478.49)	(46,122.87)	6.46%	
DEPRECIATION	476,620.00		476,620.00	71,710.86	15.05%	
CONTINGENCY			-			

BILLING MONTH	TOTAL POWER COST	HLF POWER COST	NON-HLF POWER COST	TOTAL kWh SALES	HLF kWh SALES	NON-HLF kWh SALES	PCA / kWh	POWER COST / kWh RECOVERED IN BASE RATE	TOTAL POWER COST / kWh RECOVERED	HLF STRANDED COSTS RECOVERED	NON-HLF POWER COST RECOVERED	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+/- \$4,000,000)	
Mar-19	\$ 7,493,172.31	\$ 1,093,856.02	\$ 6,399,316.29	72,922,136	10,645,200	62,276,936	\$0.012000	\$0.086200	\$0.098200		\$ 6,115,595.13	\$ (283,721.16)		\$ (6,687,622.43)	ACTUAL
Apr-19	\$ 6,964,238.77	\$ 1,179,694.87	\$ 5,784,543.90	69,247,161	11,730,000	57,517,161	\$0.030000	\$0.086200	\$0.116200		\$ 6,683,494.14	\$ 898,950.24		\$ (5,788,672.20)	ACTUAL
May-19	\$ 7,117,261.61	\$ 1,291,685.24	\$ 5,825,576.37	63,951,946	11,606,400	52,345,546	\$0.030000	\$0.086200	\$0.116200		\$ 6,082,552.46	\$ 256,976.09		\$ (5,531,696.10)	ACTUAL
Jun-19	\$ 7,212,485.81	\$ 1,109,466.05	\$ 6,103,019.76	77,729,508	11,956,800	65,772,708	\$0.020000	\$0.086200	\$0.106200		\$ 6,985,061.58	\$ 882,041.82		\$ (4,649,654.28)	ACTUAL
Jul-19	\$ 8,122,121.31	\$ 1,156,447.21	\$ 6,965,674.10	83,529,980	11,893,200	71,636,780	\$0.005000	\$0.086200	\$0.091200		\$ 6,533,274.38	\$ (432,399.72)		\$ (5,082,054.00)	ACTUAL
Aug-19	\$ 7,744,425.65	\$ 1,102,670.00	\$ 6,641,755.65	83,529,980	11,893,200	71,636,780	\$0.005000	\$0.086200	\$0.091200		\$ 6,533,274.38	\$ (108,481.27)		\$ (5,190,535.27)	ACTUAL
Sep-19	\$ 7,574,515.00	\$ 1,144,885.96	\$ 6,429,629.04	86,147,684	13,021,200	73,126,484	\$0.012000	\$0.086200	\$0.098200		\$ 7,181,020.77	\$ 751,391.73		\$ (4,439,143.54)	PROJECTED
Oct-19	\$ 7,112,892.00	\$ 1,192,888.50	\$ 5,920,003.50	72,382,975	12,139,200	60,243,775	\$0.025000	\$0.086200	\$0.111200		\$ 6,699,107.82	\$ 779,104.32		\$ (3,660,039.22)	PROJECTED
Nov-19	\$ 6,949,350.00	\$ 1,247,974.21	\$ 5,701,375.79	66,985,768	12,029,400	54,956,368	\$0.025000	\$0.086200	\$0.111200		\$ 6,111,148.14	\$ 409,772.35		\$ (3,250,266.88)	PROJECTED
Dec-19	\$ 7,681,637.00	\$ 1,054,643.77	\$ 6,626,993.23	81,503,841	11,190,000	70,313,841	\$0.015000	\$0.086200	\$0.101200		\$ 7,115,760.68	\$ 488,767.45		\$ (2,761,499.42)	PROJECTED
Jan-20	\$ 9,041,393.61	\$ 1,035,224.40	\$ 8,006,169.21	94,586,539	10,830,000	83,756,539	\$0.007500	\$0.086200	\$0.093700		\$ 7,847,987.69	\$ (158,181.52)		\$ (2,919,680.94)	PROJECTED
Feb-20	\$ 7,837,004.72	\$ 961,163.87	\$ 6,875,840.85	96,356,708	11,817,600	84,539,108	\$0.007500	\$0.086200	\$0.093700		\$ 7,921,314.45	\$ 1,045,473.60		\$ (1,874,207.34)	PROJECTED

Mo Rate Applied	before reconciling the month						(Independent of Commodity)		(Does not include Demand Recovery)			Adjustments	Commodity Recovery Balance Over (Under) +/- \$2,000,000	
	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	Cum Over (Under) Demand Recovery Current FY	Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commodity Over (Under) Recovery			
Mar-19	\$ 3.27158	\$ 3.30463	\$ 3.12660	\$ 0.2500	\$ (0.14596)	\$ 6.36156	\$ 3.48496	\$ 1,048,916.46	\$ 1,079,291.13	\$ 682,473.34	\$ (396,817.79)		\$ 68,901.41	Final
Apr-19	\$ 3.91335	\$ 3.95288	\$ -	\$ 0.2500	\$ (0.14596)	\$ 3.58558	\$ 3.83558	\$ 741,843.69	\$ 673,250.93	\$ 952,074.26	\$ 278,823.33		\$ 347,724.74	Final
May-19	\$ 3.99924	\$ 4.03964	\$ -	\$ 0.2500	\$ (0.14596)	\$ 3.52427	\$ 3.77427	\$ 422,318.82	\$ 528,866.01	\$ 557,589.89	\$ 28,723.88		\$ 376,448.62	Final
Jun-19	\$ 4.57326	\$ 4.61945	\$ -	\$ 0.2500	\$ (0.14596)	\$ 3.68770	\$ 3.93770	\$ 114,182.61	\$481,941.91	\$ 526,837.96	\$ 44,896.05		\$ 421,344.67	Final
Jul-19	\$ 3.86171	\$ 3.90072	\$ -	\$ 0.2500	\$ (0.16491)	\$ 3.84529	\$ 4.09529	\$ (205,387.81)	\$ 404,146.79	\$ 418,995.89	\$ 14,849.10		\$ 436,193.77	Final
Aug-19	\$ 3.43537	\$ 3.47007	\$ -	\$ 0.2500	\$ (0.28008)	\$ 3.84061	\$ 4.09061	\$ (528,620.04)	\$ 425,295.16	\$ 374,459.48	\$ (50,835.68)		\$ 385,358.08	Final
Sep-19	\$ 4.44923	\$ 4.45146	\$ -	\$ 0.2500	\$ (0.36700)	\$ 4.19972	\$ 4.44972	\$ (837,228.32)	\$ 434,545.02	\$ 467,559.59	\$ 33,014.58		\$ 418,372.66	Est
Oct-19	\$ 3.87662	\$ 3.87662	\$ 1.76305	\$ 0.2500	\$ (0.29000)	\$ 5.34967	\$ 3.83662	\$ (1,084,781.39)	\$ 611,302.89	\$ 493,978.58	\$ (117,324.31)		\$ 301,048.35	Est
Nov-19	\$ 3.75666	\$ 3.75666	\$ 3.52610	\$ 0.2500	\$ (0.29000)	\$ 6.99276	\$ 3.71666	\$ (1,065,565.13)	\$ 985,170.41	\$ 686,511.54	\$ (298,658.86)		\$ 2,389.49	Est
Dec-19	\$ 3.59863	\$ 3.59863	\$ 3.52610	\$ 0.2500	\$ (0.29000)	\$ 6.83473	\$ 3.55863	\$ (669,556.30)	\$ 1,222,878.69	\$ 1,045,875.40	\$ (177,003.29)		\$ (174,613.80)	Est
Jan-20	\$ 3.55645	\$ 3.55645	\$ 3.52610	\$ 0.2500	\$ (0.29000)	\$ 6.79255	\$ 3.51645	\$ (47,695.14)	\$ 1,492,615.04	\$ 1,240,526.56	\$ (252,088.49)		\$ (426,702.29)	Est
Feb-20	\$ 4.15388	\$ 4.15388	\$ 3.52610	\$ 0.2500	\$ (0.29000)	\$ 7.38998	\$ 4.11388	\$ 569,747.71	\$ 1,211,383.66	\$ 1,511,594.78	\$ 300,211.12		\$ (126,491.17)	Est

Hourly Danville Wholesale Power Supply August 2019





Commission Item Number: DUC191028 - 2
Utility Commission Meeting: October 28, 2019
Item: II. C. Pittsylvania County Service Authority
Water Contract

Pittsylvania County Service Authority Water Contract

The Pittsylvania County Service Authority (PCSA) currently purchases over 500,000 gallons per day and is the City's largest water customer. PCSA has requested that the City offer a reduced rate for a guaranteed minimum demand. More information will be shared at the meeting. Included in the agenda material is the 2007 agreement between PCSA and the City of Danville along with recent and historical consumption information.

CITY OF DANVILLE - PITTSYLVANIA COUNTY - PITTSYLVANIA COUNTY SERVICE AUTHORITY
WATER & WASTEWATER AGREEMENT

1
2 THIS AGREEMENT, made this the 4th day of April, 2007, by and between the
3 CITY OF DANVILLE, VIRGINIA, hereinafter called "the City," the COUNTY OF
4 PITTSYLVANIA, VIRGINIA, hereinafter called "the County," and the PITTSYLVANIA
5 COUNTY SERVICE AUTHORITY, hereinafter called "the PCSA," which shall serve
6 as the Assignee of the County, and assume all the terms and conditions made in this
7 Agreement. Reference hereinafter to "all parties" or "the parties" means the City,
8 County, and PCSA. Reference to "either party" means the City or the PCSA, and
9 reference to "both parties" means the City and the PCSA acting under the authority
10 of the County.

11
12 **WITNESSETH THAT:**

13 WHEREAS, the City owns and operates a State-approved water treatment system
14 with sufficient capacity to provide potable water to its own customers and those of
15 the PCSA located in the contiguous suburban areas of the County, subject to
16 distribution system constraints noted herein; and

17
18 WHEREAS, the City also owns and operates a State-approved sewerage treatment
19 system with sufficient capacity to receive and treat wastewater from its own
20 customers and those of the PCSA located in the contiguous suburban areas of the
21 County, subject to collection system constraints noted herein; and

22
23 WHEREAS, to provide water and sewer service appropriate to the needs of its water
24 and sewer system customers in the most economic manner, the County wishes to
25 avail itself of the City's potable water supply and wastewater treatment capabilities
26 where practicable in areas contiguous to the City; and
27

1 THEREFORE, FOR IN CONSIDERATION of the premises and of the covenants and
2 obligations herein contained, the parties hereto covenant and agree, as follows:
3

4 I. REPLACEMENT OF EXISTING OBLIGATIONS

5 All parties hereto recognize that the City is obligated to certain contracts and
6 commitments for water, sewer, and both water and sewer services between the City
7 and various industrial and commercial firms and for domestic connections outside
8 the City limits, as well as contracts and project agreements with the County. Beyond
9 these commitments which shall remain in effect, this Agreement supercedes and
10 voids all existing agreements between the City and the County for water and for
11 sewer services, including, but not limited to the original Agreement dated October
12 11, 1972 and all subsequent agreements or amendments issued thereafter; Formal
13 Assignment of Agreement between the City, County and PCSA dated January 31,
14 1975; Agreement Amendment No. 1 dated January 5, 1981 between the City and
15 the County; Agreement dated August 18, 1986 between the City and PCSA;
16 Agreement #1 dated September 26, 1986 between the City and PCSA; Agreement
17 dated September 26, 1986 between the City and PCSA; Agreement 2-A dated
18 December 10, 1986 between the City and County; Second Amendment to the Water
19 and Sewer Agreement of October 11, 1972 between the City, County and PCSA
20 dated November 30, 1988; Operational Agreement dated May 16, 1990 between the
21 City and PCSA; and the Third Amendment to the Water and Sewer Agreement of
22 October 11, 1972 dated February 20, 1991 between the City, County and PCSA.
23

24 II. DEFINITIONS

25 Definitions, as applied to the following words, terms and abbreviations as used in
26 this Agreement shall have the following meaning:
27

28 All parties or the parties means the City of Danville, Pittsylvania County, and the
29 Pittsylvania County Service Authority.

1
2 Both parties means the City of Danville and the Pittsylvania County Service
3 Authority acting under the authority of Pittsylvania County.
4

5 Industrial Discharger means any person who introduces pollutants into a
6 treatment works from any non-domestic source regulated under the State or
7 Federal laws or local ordinances. The PCSA as presently constituted shall not
8 be deemed an industrial discharger.
9

10 Potable water means treated water free from disease-producing organisms,
11 poisonous substances, chemical, biological, and radioactive contaminants and is
12 of sufficient quality to serve as drinking water as certified and regulated by the
13 Virginia Department of Health and U.S. Environmental Protection Agency.
14

15 Service Area means the City and the suburban portions of the County served as
16 of the date of this Agreement, specifically all territory within the corporate limits of
17 the City as they existed as of November 1, 1988, subject to such changes as
18 may be made in the corporate limits pursuant to the boundary adjustments
19 agreement entered into by the City and the County as of November 7, 1988, if
20 such changes become effective prior to January 1, 1990, and the territory within
21 the County that the City is now serving with city-owned water or sewer lines. The
22 service area of the PCSA shall consist of all other territory lying within
23 Pittsylvania County, exclusive of the areas within the corporate limits of the
24 several incorporated towns now existing within the County. Service areas may
25 be adjusted or modified hereafter by mutual consent of the City and the PCSA by
26 a written document duly executed by authorized representative of the City and
27 the PCSA.
28

29 Sewerage works refers all facilities used for collecting, pumping, treating and
30 disposing of wastewater.

Wastewater means the spent or used water discharged by domestic residences, commercial properties, industry, and/or agriculture and can encompass a wide range of potential contaminants, concentrations, and combinations from the mixing of wastewaters from different sources.

Waterworks refers to all publicly owned and controlled facilities from the water meter connection at the user's service to the City's raw water intake in the Dan River for treating, pumping and distributing water satisfactorily to the needs of the user and of potable quality approved by the Virginia Department of Health.

III. COOPERATION OF THE PARTIES

To the fullest extent practical, all parties will work cooperatively in the implementation of this Agreement so as to ensure seamless, cost-effective, high-quality service to their respective utility customers. The parties will attempt to resolve problems and disagreements amicably in a timely fashion. Irreconcilable disputes arising between the parties shall be handled through the process described in Section VI.

A. The Danville City Manager and Pittsylvania County Administrator will oversee the implementation of this Agreement. Day-to-day operational responsibilities shall be delegated to the Water & Wastewater Treatment Division Director of the City's Utilities Department and the Pittsylvania County Service Authority Director. To the fullest extent possible, the City's Utilities Department and PCSA will maintain a cooperative working relationship that accommodates execution of this Agreement without recurrent intervention of the City Manager, County Administrator, or members of respective governing bodies. The Utilities Department will extend to the PCSA all the special services afforded its other Key Accounts, or large customers.

1 B. It is understood that regulatory-compliant treatment of water and wastewater
2 in volumes guaranteed to the County in this Agreement, as well as delivery of
3 potable water and collection of wastewater at desired locations, is dependent
4 on availability of properly sized and located distribution and collection facilities
5 where needed. As a portion of surplus system capacities currently available
6 will almost always be needed to serve contiguous developments already
7 underway in City and PCSA service areas, increasing capacity will likely
8 require additional infrastructure improvement investments. Additionally, to
9 increase water distribution and wastewater collection capacities at any
10 discrete location required by the PCSA could necessitate significant utility
11 system improvements elsewhere. The cost of improvements to the City's
12 system required to meet PCSA needs will be apportioned between the parties
13 on basis of relative benefits obtained. Consensus reached on how each
14 project will be implemented and financed shall be memorialized in a separate,
15 properly executed document.

16
17 C. The City as owner and operator of the water and wastewater treatment
18 systems referenced herein shall be responsible for bearing costs of
19 improvements benefiting customers in general and recover such costs
20 through retail rates charged to all its customers. The cost of improvements to
21 the City's system required to meet mutual City and PCSA needs will be
22 apportioned between the parties on basis of relative benefits obtained. As
23 with any other individual customer, the PSCA shall be responsible for bearing
24 the costs of improvements to the City's utility systems required to meet the
25 PCSA's needs and for which it is the sole beneficiary. However, where PSCA
26 initiated improvements would yield future benefit to the City's other
27 customers, the City will pay a proportionate share of associated costs at such
28 time as such benefits are realized. This will allow PSCA-funded
29 improvements to the City's utility systems be made when needed, but provide
30 the PSCA and County the opportunity to recover a portion of associated costs

1 from the City when it is ready to make use of the improvements. Likewise
2 any improvements the City makes in its system, which could benefit the
3 County in the future, should allow the County to participate and pay for such
4 benefits when they are realized.
5

6 D. The City and County have adopted and will maintain appropriate local
7 ordinances to protect the potable water system from contamination and
8 regulate the discharge of wastewater into sewerage collection systems.
9 County codes and PCSA regulations shall be consistent with applicable City
10 code sections on industrial wastewater pretreatment and provide for
11 enforcement by means of provisions for injunctions and civil and criminal
12 penalties for violators of regulations and user permits issued by the PCSA.
13 Within the limits and constraints of their respective police powers and general
14 law, all parties will enforce the applicable requirements of the ordinance
15 against violations thereof. Each party will give the other parties ninety (90)
16 days' advance notice of any proposed amendment in water and wastewater
17 ordinances and regulations and work in good faith to respond to problems
18 identified.

19
20 E. Each party has the right to enter and inspect the facilities owned and
21 operated by the other at any reasonable time. The right of entry and
22 inspection shall extend to public streets and easements. Each party
23 additionally has the right to be afforded access to other's records to ensure
24 appropriate enforcement of regulations and compliance with State and
25 Federal permitting and environmental regulations.
26

27 F. Because wastewater produced by industries can contain contaminants that
28 could inflict severe damage on sewerage works and the environment,
29 Industrial Dischargers are subject to all State and Federal regulations. The
30 City and PCSA will consequently coordinate permitting procedures for

1 Industrial Dischargers and permits for affected dischargers located in the
2 County will be jointly issued.

3
4 G. Should the available capacity of the City's water and/or wastewater facilities
5 be reduced due to circumstances beyond the City's control (i.e. flooding,
6 hurricanes, etc.), then the City and PCSA will cooperate to notify customers to
7 conserve so as to maximize public health and safety.

8
9 H. This Agreement does not deny the PCSA or its dischargers any right to
10 appeal or be heard as to any discharge limits or restrictions imposed under
11 applicable laws to the extent that such rights exist under such law. Further,
12 by this Agreement, the City does not limit or restrict or enlarge its rights to
13 exercise its legislative or governmental powers.

14
15 **IV. GENERAL SCOPE OF SERVICES**

16 All parties hereto recognize the following factors, which will affect access to water
17 and wastewater treatment plant capacity, joint use of existing service area facilities,
18 and the planning and construction of new facilities necessary to meet the needs of
19 the City and the County:

20
21 A. The water and wastewater components will be operated and controlled as a
22 self-supporting integral system with the City and County each owning,
23 funding, operating, and maintaining its own facilities under the direction of its
24 governing body. Each party is responsible for ensuring full compliance with
25 applicable State and Federal regulations covering construction and operation
26 of water and wastewater systems. All users of utility services provided by
27 each party will be subject to all rules, regulations and codes applicable to
28 these types of facilities and operation, as adopted by the respective governing
29 bodies and the Commonwealth of Virginia.

1
2 B. Water and wastewater services will be charged at established rates set by the
3 Danville City Council based on applicable meter sizes, except as identified in
4 Attachment "A". Customer charges for specified meters listed therein shall be
5 "grandfathered" at smaller than actual sizes, until such time as the flow
6 through any affected meter over a period of greater than two consecutive
7 months exceeds its smaller grandfathered meter capacity. In any such case,
8 the grandfathered size shall be converted to the actual size for billing
9 purposes and the County will be billed on the basis of the actual meter size
10 from that time forward. Should the County replace a grandfathered meter
11 with a differently sized meter, the newly installed meter shall be recorded at
12 its actual size for billing purposes. Miscellaneous service fees will likewise be
13 on the basis of fee schedules adopted by the Danville Utility Commission.
14 Amendment of rates and fees will be accomplished through public processes
15 prescribed in the Danville City Code, which permits customers to exercise
16 their rights in providing input to rate and fee modification processes.
17

18 C. The County is hereby allocated three million (3,000,000) gallons per day of
19 water and wastewater capacity for residential, commercial, institutional, and
20 industrial use. Limited to the treatment, delivery, and collection capacities of
21 the respective system, the County will have the right to receive water from the
22 City and to deliver wastewater into the City sewerage system at any time after
23 the execution of this Agreement.
24

25 D. Each party will endeavor to keep the others adequately informed of land
26 development projects and plans that might impact on water and wastewater
27 service and facility needs. Should the County require additional capacity to
28 serve its customers, it will notify the City in writing. The City will review such
29 requests in a timely manner and advise the County of its capability to meet

1 the expanded need. If the City can satisfy the allocation increase request, an
2 appropriate amendment to this agreement will be executed.
3

4 E. The cost of planning, design, and construction of any water or wastewater
5 facilities shall be borne by the jurisdiction needing such improvement. If the
6 City and County both benefit from a project, then its cost shall be assigned
7 based on the capacity each jurisdiction has requested, subject to a negotiated
8 written agreement approved by the parties. Funding of the costs of systems
9 or portions of systems required to serve County needs and extensions into
10 the County will be the responsibility of the County, or as agreed upon in
11 writing by all parties hereto. Likewise, in the event the City desires or is
12 required by developments within the City, to improve any components of its
13 water treatment plant and distribution system, or its sewer interceptors,
14 collectors, and wastewater treatment plant, it will be done by the City at its
15 expense.
16

17 F. Construction of regional and interconnected lines with the City system will be
18 only from plans and specifications approved by both parties hereto, and the
19 Virginia Department of Health and/or the Department of Environmental
20 Quality and subject to inspection by the City. All parties will review plans in a
21 timely fashion and endeavor to reach consensus on their contents.
22

23 G. Each party will be responsible for obtaining approval of State and Federal
24 authorities and for administration of design and construction of its own
25 facilities. With concurrence by the PCSA, the City will be responsible for
26 obtaining approvals for administration of design and construction of all joint
27 facilities.
28

- 1 H. Installations made by or at the expense of the PCSA within the service area
2 will conform to specifications and codes of the County and these facilities will
3 remain the responsibility and under the ownership of the County.
4
- 5 I. The City will install, own, and operate all master water meters supplying the
6 County with water, and all master meters for the measurement of wastewater
7 flows from the County into the City sewerage system. The PCSA will pay the
8 cost of these master meters, as well as for their relocation to accommodate
9 the PCSA's identified needs. If for any reason a master meter is removed
10 from service, the PCSA may purchase the master meter for \$1.00 from the
11 City. Where water or wastewater flow is too small to justify installation of
12 master meters, the flow will be taken as the total of water metered by users of
13 the line and the County will be billed for these services under current City
14 rates. In circumstances where City customers are served on the PCSA's side
15 of a master meter, the bill issued on that meter to the PCSA will be based
16 upon the reading at the master meter minus the amount of water used by the
17 affected City's customers. The amount of water used by each of these
18 customers shall be calculated by reading the individual meters or by
19 otherwise estimating as accurately as possible the amount of water used by
20 each. The City will read, record, and bill the County for master meter flows
21 on normal utility billing cycles. The County and the PCSA shall be held solely
22 accountable and liable for any contamination occurrence in their system,
23 which results in contamination of the City's water system through backflow or
24 backsiphonage from the County and PCSA system. The same would be true
25 for the City should the contamination event occur in the City's system.
26 Contamination shall mean anything in the water, which renders it not usable
27 as potable water. In addition the City and PCSA shall have joint responsibility
28 for the approval of backflow prevention devices installed at an industry or any
29 other high-risk customer in the PCSA system where the source of water is
30 from the City.

1
2 J. In the event of disruption of any water main or of any sewer collector or
3 interceptor owned or operated by the City that serves the County, then the
4 City will proceed to effect repairs therein or to provide safe and satisfactory
5 alternate lines for the continuation of service at the earliest time possible and
6 by emergency means if required. In the case of interruption of County service
7 due to improvements, extension or non-emergency repairs within the City, the
8 City will advise the County by appropriate communications not less than 24
9 hours in advance of a disruption with an estimate of the out-of-service time
10 and will return it to usage as quickly as possible.
11

12 K. Within those areas of the County where the City presently owns and operates
13 water or sewer lines, the City shall have the right to connect additional
14 customers to any such line if the customer's property abuts the line and the
15 house or structure to be served is no more than an average distance of one
16 lot away from the line. It is the intention of the parties that the City shall
17 provide water or sewer service pursuant to this section only to structures on a
18 lot abutting the main line and not to developments, subdivisions, large farms
19 or multi-unit users that may have some road frontage abutting the City's line.
20 The City shall not otherwise make new extension of its water or sewer lines
21 into areas located within the County for the purpose of providing water or
22 sewer service in such areas except with the explicit permission of the PCSA.
23 Additionally, any connection covered in this paragraph that requires more
24 than a standard one-inch meter shall require the approval and consent of the
25 PCSA.
26

27 L. The City or the PCSA may, with the other party's written consent, extend
28 water or sewer lines through each other's service areas for the purpose of
29 facilitating the provisions of water or sewer service to customers within their
30 respective service areas, as long as such extensions are not used to provide

1 such service within the other party's service areas. For example, to obtain
2 appropriate water pressure within a portion of its service area, the City may
3 with the PCSA's written consent construct an additional transmission line that
4 would loop through a PCSA service area, provided that line is not used to
5 provide service to customers within the PCSA service area.
6

7 M. No storm water or surface drainage will be diverted into sewerage systems
8 and connections of roof and foundation drains will also be excluded from
9 such.
10

11 N. The PCSA will cooperate fully with the City to evaluate infiltration/inflow (I/I)
12 on all of its sewer systems connected to the City. The PCSA will correct any
13 leaks, illegal connections or other deficiencies found. The PCSA will assist
14 the City in preparing any documentation to this effect that might be required
15 from regulatory agencies. All I/I costs incurred by the City, which includes the
16 PCSA system or flows from the PCSA system, shall be reimbursed by the
17 PCSA for their proportionate share of the costs. Further, the PCSA agrees to
18 keep the existing sewer meters functioning properly so that accurate PCSA
19 flow measurement can be obtained.
20

21 **V. INDUSTRIAL DISCHARGERS**

22 The City agrees, subject to the following provisions, to accept wastewater from
23 PCSA Industrial Dischargers into its wastewater treatment works under the following
24 conditions:
25

26 A. For each Industrial Discharger located in the County service area whose
27 wastewater is ultimately received by the City's treatment works, the PCSA
28 and the City agree to issue a joint discharge permit. City permits issued to
29 current Industrial Dischargers in the County that are contributing wastewater

1 to the City's treatment works shall be modified to constitute joint user permits
2 issued by both the PCSA and the City. The PCSA agrees to assume primary
3 responsibility for administering and enforcing the provisions of permits issued
4 to Industrial Dischargers located in its service area. The PCSA shall prohibit
5 any discharge that will ultimately be received by the City's treatment works by
6 an Industrial Discharger prior to that discharger having obtained a joint user
7 permit from the PCSA and the City. As owner of the wastewater treatment
8 works receiving industrial discharges and the jurisdiction subject to State and
9 Federal regulatory oversight, the City retains the authority to approve or reject
10 permits subject to the dispute resolution process provided in Section VI.
11

12 B. Industrial Dischargers shall comply with the provisions of the City's approved
13 pretreatment program, the user permit jointly issued by the PCSA and City,
14 and applicable federal, state and local law, all of which shall be incorporated
15 by reference as if fully set out in this document. Such permit shall include, at a
16 minimum, the following requirements:
17

18 1. Discharges of wastewater in excess of any specified limitation or
19 standard are prohibited.
20

21 2. Industrial Dischargers are immediately subject to the stricter standards
22 in the event that a federal or state categorical pretreatment standard
23 more stringent than the existing limitation is promulgated.
24

25 3. Industrial Dischargers must notify the PCSA and the City at least sixty
26 days prior to any modifications to plant or operations that would affect
27 its permit.
28

29 4. Industrial Dischargers must monitor discharges as specified and
30 provide required reports on schedule to the City. Moreover, any

1 request from the PCSA or the City for pertinent information must be
2 honored within ten days, if reasonably available within that period. If it
3 is determined that the information cannot be reasonably available
4 within ten days, the party of whom the information is requested shall
5 provide the date at which the information will be provided.
6

7 5. The PCSA and City as well as any Federal and/or State regulatory
8 agencies have the right to inspect or monitor permitted facilities and
9 systems and to inspect and copy all relevant records for the purpose of
10 determining permit compliance.
11

12 6. The City and PCSA are authorized to suspend service for violations.
13

14 7. The Industrial Discharger must reimburse the City or PCSA for any lab
15 fees and other direct costs of administering and enforcing the permit.
16

17 8. The Industrial Discharger must pay the City specified liquidated
18 damages for violations.

19
20 C. The City and PCSA will consult on disposition of discharge permits and
21 modification requests. Each party shall notify the other of a receipt of permit
22 or modification request within ten days of its receipt. Review and disposition
23 of the request will normally be completed within thirty (30) days of receipt. If
24 the City rejects the request, it shall advise the PCSA of reasons and of the
25 conditions, if any, under which the request would be accepted. The City and
26 PCSA will then jointly discuss disposition of the request with the applicant and
27 seek resolution. The City reserves the right to refuse to accept into its system
28 or for treatment in its plant any industrial wastewater that in its sole discretion
29 is of a quantity or quality that may have a deleterious effect upon components
30 of its system or treatment processes.

1
2
3
4
5
6
7

D. Except as specifically authorized by permit, customers are prohibited from discharging industrial wastewater from a tank truck or other vehicle into any portion of the PCSA system that discharges into the City's treatment works. Receipt of truck discharges is accommodated by permit at the City's Northside Treatment Plant.

VI. RESOLUTION PROCESS

All parties to this Agreement endeavor to work to resolve disputes amicably and shall negotiate in good faith to settle any and all disputes arising hereunder. A mediation process shall be followed in the event that a dispute cannot otherwise be resolved. The City and County shall equally share the costs of mediation activities, provided they are jointly approved in advance. Should the parties be unable to resolve a dispute, the following process will be employed:

A. Should the City Manager and County Administrator be unable to resolve any matters, they will so notify their respective governing bodies and then select one neutral person experienced in the subject matter to act as mediator who shall hear and review the point or points of disagreement. Should the City Manager and County Administrator be unable to agree upon a single mediator, they shall appoint a neutral third party to select an experienced and knowledgeable mediator. Failing agreement on selecting a neutral third party, the City Manager and County Administrator shall petition the three Judges of the Twenty-Second Judicial circuit to select and appoint a mediator. The parties' consent to selection of a mediator by any court shall not constitute consent to jurisdiction of such court or waiver of defenses as to venue or jurisdiction.

B. The mediator may hear testimony of the parties, request written statements and documentation, call upon other witnesses, and utilize such third party consultants as required in order to render a decision. Fees and costs incurred by the mediator shall be jointly approved in advance and shared equally by the City and County.

C. If the City Manager and County Administrator and the mediator are unable to settle the dispute within thirty (30) calendar days from selection, or such other

1 time as the parties agree, the mediator shall make a written recommendation
2 as to the resolution of the dispute. Each Party, in its sole discretion, shall
3 accept or reject such recommendation in writing within ten (10) calendar
4 days.

5
6 D. The parties reserve the right to file suit or pursue litigation in any court that is
7 otherwise proper with respect to jurisdiction and venue, provided that good
8 faith mediation shall be a condition precedent to the filing of any litigation in
9 law or equity by either party against the other party relating to this agreement
10 except injunctive litigation necessary to solely restrain or cure an imminent
11 threat to public or employee safety.

12
13 E. Nothing in this Section VI shall be construed to affect jurisdiction or venue
14 over any dispute that is otherwise appropriate under law. This agreement and
15 the performance thereof shall be governed by and enforced under the laws of
16 the Commonwealth of Virginia, and if legal action by either party is necessary
17 for or with respect to the enforcement of any or all of the terms and conditions
18 hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

20 VII. NOTICES

21 Where this agreement requires written notice to any of the parties, notice should be
22 given as follows:

23
24 If to the City: Danville City Manager
25 P.O. Box 3300
26 427 Patton Street
27 City of Danville
28 Danville, Virginia 24543-3300

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18

With a Copy to: Danville City Attorney
 P.O. Box 3300
 427 Patton Street
 City of Danville
 Danville, Virginia 24543-3300

If to the County: Pittsylvania County Administrator
 P.O Box 426
 21 N. Main Street
 Chatham, Virginia 24531

If to the PCSA: Executive Director
 Pittsylvania County Service Authority
 405 R & L Smith Drive
 Danville, Virginia 24540

VIII. REVIEW AND TERMINATION

This Agreement may be changed and modified only with the written consent of the governing bodies of both the City and the County. This Agreement shall be for an initial period of five years and automatically continued for successive five-year periods, unless either party has given to the other, at least three years written notice that it does not desire to renew the Agreement.

IN WITNESS WHEREOF, the City has caused this Agreement to be signed in its corporate name by its City Manager, and its seal affixed and attested by the Clerk of the City Council, the County has caused its corporate name to be signed hereto by its Chairman of the Board of Supervisors of the County and its seal affixed and attested by the Clerk of the Board and the PCSA has caused its corporate name to

1 be signed hereto by its Chairman of the Board of the Pittsylvania County Service
2 Authority and its seal affixed and attested by the Clerk of the Board all of which is
3 done as of the _____ day of _____, 2007, pursuant to
4 ordinances adopted by the City Council of the City and by resolution of the Board of
5 Supervisors of the County and by resolution of the Service Authority Board.
6

7 CITY OF DANVILLE

8
9 By _____

10 City Manager

11 [SEAL]

12 ATTEST:

13 Annette Y. Crane

14 Clerk

15 COUNTY OF PITTSYLVANIA

16
17 By Coy E. Harrell

18 Chairman, Board of Supervisors

19 [SEAL]

20 ATTEST:

21 William A. Steeper

22 Clerk

23 PITTSYLVANIA COUNTY SERVICE AUTHORITY

24 By Bob F. Barnes

25 Chairman, Service Authority Board

26 [SEAL]

27 ATTEST:

28 Dimple C. Mone

29 Clerk

I certify this to be a true
and correct copy of the original
document on file in my office.
Annette Y. Crane, CMC, City Clerk

BY Annette Y. Crane

Attachment "A"

SCHEDULE FOR GRANDFATHERED METER SIZES

PCSA Water System Locations	Actual Meter Size	Grandfathered
Woodlake Park	6	6
Greenwood Drive	2	1.5
Mt. Cross Road	6	4
Mt. Hermon	6	6
Ringgold Industrial Park	8	6
Brosville	6	6
Rt. 29 Shopping Center	6	1.5
North Point	4	3
Rt. 360	6	4

PCSA Wastewater System Locations	Actual Meter Size	Grandfathered
Industrial Park – Brockway	6	4
Fall Creek	6	6
Rt. 29 Shopping Center	6	1.5
Rt. 58 East	6	4

Revised March 7, 2007

PCSA - Monthly Water Usage
JAN 2007 - DEC 2007

LOCATION	<u>Mount Cross Rd</u>	<u>Franklin Turnpike</u>	<u>U.S. Hwy 29</u>	<u>U.S. Hwy 29</u>	<u>Greenwood Drive</u>	<u>Kentuck Road</u>	<u>Page Road</u>	<u>Old Richmond Road</u>	<u>North Pointe Lane</u>	<u>Cane Creek Parkway</u>	
	H-1518 & H-750 – Mt. Cross System	H-41 & Iris Lane - Mt. Hermon System	H-29N Shopping Center	H-29N – Disston/Woodlake - Rt. 29 North System	Greenwood Dr	H-729 P Lorillord/Ringgold Ind. Park	H-863 & Page St/Brosville - Rt. 58 West System	Old Richmond Rd & Little Creek - Rt. 360 (residnetial)	Seminole Trail/Northpoint Apts	S. Boston Rd/Cane Creek Centre Ind. Park	TOTAL
JAN	816,040	8,986,500	32,250	3,543,000	72,750	2,359,500	2,122,500	76,500	723,000		18,732,040
FEB	816,040	7,977,000	23,250	3,777,750	55,500	2,420,250	2,097,750	78,750	687,750		17,934,040
MARCH	630,005	7,704,750	30,000	3,108,000	53,250	2,481,750	1,837,500	75,750	711,000		16,632,005
APRIL	630,005	8,948,250	38,250	3,425,250	58,500	2,794,500	1,785,750	81,750	677,250		18,439,505
MAY	522,280	11,825,250	47,250	3,951,000	52,500	3,117,000	2,938,500	73,500	697,500		23,224,780
JUNE	522,280	12,537,000	44,250	4,599,750	73,500	3,083,250	3,629,250	103,500	609,000		25,201,780
JULY	533,445	11,571,750	55,500	4,251,000	62,250	2,262,000	3,930,000	85,500	645,000		23,396,445
AUG	533,445	11,511,750	48,000	3,870,750	75,000	3,522,750	2,866,500	123,000	669,000		23,220,195
SEPT	485,155	11,736,000	61,500	3,889,500	46,500	886,500	2,671,500	118,500	675,750	3,993,000	24,563,905
OCT	485,155	10,769,250	51,000	3,852,750	72,000	506,250	2,793,000	69,000	605,250	2,248,500	21,452,155
NOV	574,065	9,145,500	56,250	4,014,000	50,250	0	2,127,000	49,500	549,750	1,520,250	18,086,565
DEC	574,065	9,709,500	61,500	3,894,750	56,250	0	2,498,250	63,750	715,500	1,557,750	19,131,315
TOTAL	7,121,980	122,422,500	549,000	46,177,500	728,250	23,433,750	31,297,500	999,000	7,965,750	9,319,500	250,014,730

		<u>2018</u>					
<u>Location</u>	<u>PCSA (all)</u>						
Description	Potable H2O @\$2.40			% Mount	% Mount	% 29	Total % of PCSA
	(100 cu. Ft.)	(Converted)	Percent of	Cross	Hermon	North	Consumption
Month	Consumption	Mil. Gals.	WP Production	Area	Area	Area	
Jan.	22362	16,771,500.00	10.33		0.52	0.30	
Feb.	20899	15,674,250.00	12.24	0.07	0.42	0.31	
Mar.	19513	14,634,750.00	10.31		0.49	0.31	
April	20640	15,480,000.00	11.33	0.05	0.47	0.28	
May	21510	16,132,500.00	10.73		0.53	0.28	
June	23960	17,970,000.00	11.35	0.05	0.49	0.27	
July	23440	17,580,000.00	10.59		0.53	0.27	
Aug.	23164	17,373,000.00	11.24	0.04	0.49	0.26	
Sept.	22053	16,539,750.00	11.43		0.45	0.29	
Oct.	23933	17,949,750.00	12.04	0.04	0.41	0.27	
Nov.	21636	16,227,000.00	11.92		0.53	0.28	
Dec.	22008	16,506,000.00	11.93	0.05	0.49	0.27	
	Total	198,838,500.00	11.29				
	Max	17,970,000.00	Average	0.05	0.49	0.28	0.82
	Average	16,320,428.57					

		<u>2019</u>					
<u>Location</u>	<u>PCSA (all)</u>						
Description	Potable H2O @\$2.40			% Mount	% Mount	% 29	Total % of PCSA
	(100 cu. Ft.)	(Converted)	Percent of	Cross	Hermon	North	Consumption
Month	Consumption	Mil. Gals.	WP Production	Area	Area	Area	
Jan.	22292	16,719,000.00	11.94		0.52	0.28	
Feb.	22745	17,058,750.00	13.91	0.05	0.48	0.28	
Mar.	19035	14,276,250.00	10.09		0.51	0.31	
April	20245	15,183,750.00	11.11	0.11	0.48	0.28	
May	21730	16,297,500.00	10.55		0.56	0.26	
June	24250	18,187,500.00	12.50	0.05	0.56	0.24	
July	23544	17,658,000.00	11.31		0.52	0.36	
Aug.		-					
Sept.		-					
Oct.		-					
Nov.		-					
Dec.		-					
	Total	115,380,750.00	11.63				
	Max	18,187,500.00	Average	0.07	0.52	0.29	0.88
	Average	16,482,964.29					



Commission Item Number: DUC191028 - 3
Utility Commission Meeting: October 28, 2019
Item: II. C. Closed Session

Closed Session

Discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection (A) (3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended.