Danville Utility Commission Meeting Agenda
4:00 p.m., October 24, 2022

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

II. Discussion/Business Items

A. Minutes of the August 22, 2022 Commission Meeting

B. Review of Utilities' Financial Statements

C. Proposed Fiscal Year 2024 CIP Projects

D. 501(c)(3) Water Taps-Waiving Fee

E. Public Utility Regulatory Policies Act of 1978-Two Additional Standards

III. Communications

A. City Manager

B. Utilities Staff

C. Commission Members

D. Public Comments

E. Director's Report

IV. Adjournment

<u>Next Utility Commission Meeting</u>

4:00 p.m. Monday, December 5, 2022

City Council Chambers
4^{th} Floor, City Hall

Danville Utility Commission

4:00 p.m. August 22, 2022 Meeting
Council Chambers, City Hall

Minutes

Commission Members Present: Sheila Williamson-Branch, Ken Larking, Mary Williamson, Vanessa Cain, Vic Ingram, Anna Kautzman

Commission Members Absent: Helm Dobbins, Steven Merricks, Gary Miller

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Michael Adkins

Others Present:

Call to Order

Chairman Cain 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 July 25, 2022 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from July 25, 2022. Ms. Cain noted one correction regarding the date of the August meeting.

All members voted in favor of approving the minutes as amended.

Review of Utilities' Financial Statements

Mr. Adkins presented the utility financial statements for June for each utility fund.

Electric and Gas Winter Supply Update

Jason Grey provided an overview of this winter's plans to protect against higher electric and natural gas market prices. Included was a recommendation to enter into a three-year purchase power agreement with American Municipal Power for 20 MWs from a wind farm in Pennsylvania.

Mr. Larking made a motion that the Danville Utility Commission recommend to City Council approving a three-year purchase power agreement with American Municipal Power for 20 megawatts of wind energy at $47.75/megawatt-hour starting October 1, 2022. Ms.

Williamson-Branch seconded, all members voted in favor, and the motion carried unanimously.

Department Discussions

Mr. Grey updated the Commission on the battery storage project. He stated that the batteries should be into port this week and tested in September.

There were no further communications from commission members or the public.

Adjournment

Ms. Cain requested approval from the Commission to cancel the September meeting and the Commission approved the request. Ms. Cain stated the next meeting is scheduled for October 24, 2022. Ms. Cain adjourned the meeting at 4:20 p.m.

October 24, 2022
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Commission Item Number: DUC221024 - 1
Utility Commission Meeting: October 24, 2022
Item: II. B. Review of Utilities' Financial Statements

Financial Report

August financials will be reviewed.

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2022 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 22-23 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	1,544,671.65	1,443,847.59	3,230,731.37	24,236,102.27	126,752.27	30,582,105.15	162,929,530.00	26,498,687.80
COST OF SALES								
PURCHASED SERVICES	-	-	2,509,356.37	18,139,710.56	12,386.27	20,661,453.20	101,014,550.00	17,428,056.18
PRODUCTION	-	-	-	72.00	-	72.00	-	-
TOTAL COST OF SALES	-	-	2,509,356.37	18,139,782.56	12,386.27	20,661,525.20	101,014,550.00	17,428,056.18
GROSS PROFIT	1,544,671.65	1,443,847.59	721,375.00	6,096,319.71	114,366.00	9,920,579.95	61,914,980.00	9,070,631.62
GROSS PROFIT %	100.00%	100.00%	22.33%	25.15%	90.23%	32.44%	38.00%	34.23%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	389,550.24	348,685.81	-	404,238.13	-	1,142,474.18	7,125,674.44	1,045,379.57
ENGINEERING	-	51,948.71	41,230.35	108,253.15	-	201,432.21	1,865,669.45	202,749.63
DISTRIBUTION	345,196.93	147,903.97	105,119.83	2,359,260.60	-	2,957,481.33	17,626,257.93	2,511,179.41
SERVICE	9,703.27	14,364.90	5,456.36	-	-	29,524.53	451,530.00	22,178.33
METERS & REGULATORS	-	18,049.02	27,190.65	68,548.77	14.40	113,802.84	621,140.00	89,078.89
GENERAL & ADMINISTRATIVE	306,586.97	588,385.80	621,744.23	1,003,902.06	138,021.29	2,658,640.35	16,984,849.78	2,385,929.59
TOTAL OPERATING EXPENSES	1,051,037.41	1,169,338.21	800,741.42	3,944,202.71	138,035.69	7,103,355.44	44,675,121.60	6,256,495.42
OPERATING INCOME (LOSS)	493,634.24	274,509.38	(79,366.42)	2,152,117.00	(23,669.69)	2,817,224.51	17,239,858.40	2,814,136.20
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	24,803.09	31,183.87	37,219.87	96,467.33	2,506.49	192,180.65	218,750.00	51,567.62
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(50,000.00)	-
RECOVERIES AND REBATES	-	5,196.58	131.09	(11,371.89)	-	(6,044.22)	(145,500.00)	(4,347.88)
GAIN/LOSS ON DISPOSAL	1,707.06	-	-	72,234.64	-	73,941.70	52,000.00	7,628.00
JOBBING INCOME (LOSS)	6,476.49	8,769.54	82,065.90	124,050.88	206.27	221,569.08	197,240.00	64,887.12
INTEREST ON LONG TERM INDEBTEDNESS	(22,280.13)	(19,444.77)	(14,386.23)	(150,942.74)	-	(207,053.87)	(1,557,180.00)	(233,268.03)
NET INCOME (LOSS)	504,340.75	300,214.60	25,664.21	2,282,555.22	(20,956.93)	3,091,817.85	15,955,168.40	2,700,603.03
OPERATING TRANSFERS IN(OUT)	(117,626.30)	(158,883.70)	(532,721.30)	(1,762,101.30)	(13,500.00)	(2,584,832.60)	(15,509,000.00)	(2,584,833.32)
NET INCOME AFTER TRANSFERS	386,714.45	141,330.90	(507,057.09)	520,453.92	(34,456.93)	506,985.25	446,168.40	115,769.71
NET ASSETS JULY 1, AS RESTATED	60,199,896.19	48,741,905.94	56,745,845.80	157,136,398.48	8,143,095.29	330,967,141.70		
NET INCOME AFTER TRANSFERS	386,714.45	141,330.90	(507,057.09)	520,453.92	(34,456.93)	506,985.25		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	6,736.00	-	-	-	-	6,736.00		
NET ASSETS JUNE 30, 2023	60,593,346.64	48,883,236.84	56,238,788.71	157,656,852.40	8,108,638.36	331,480,862.95		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,033,021.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,108,686.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	46,565,904.49	32,048,280.12	38,576,098.13	110,705,825.25	6,444,375.46	234,340,483.45		
RESTRICTED FOR PROJECTS IN PROGRESS	8,192,623.04	11,786,830.89	9,188,786.86	3,657,519.48	547,562.97	33,373,323.24		
RESTRICTED FOR ENCUMBRANCES	2,590,305.08	65,855.79	11,002.35	1,118,296.73	7,537.30	3,792,997.25		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	188,204.07	8,121,666.07		
DEFERRED OUTFLOWS - PENSION	(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)		
UNRESTRICTED	(1,613,055.41)	(1,232,630.88)	6,049,563.79	23,956,119.41	583,709.97	27,743,706.88		
TOTAL NET ASSETS	60,593,346.64	48,883,236.84	56,238,788.71	157,656,852.40	8,108,638.36	331,480,862.95		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
AUGUST 31, 2022

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2022
ASSETS							
Equity in pooled Cash and Investments	$	8,700,036.44	10,003,094.89	13,678,505.14	27,717,546.97	1,043,254.75	61,142,438.19
Receivables (Net of allowances for Uncollectible):							
Accounts		1,245,355.51	960,171.47	2,289,755.51	16,108,279.93	32,262.96	20,635,825.38
Power/Gas Cost Recovery		-	-	(18,822.39)	211,100.14	-	192,277.75
Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	188,204.07	8,121,666.07
Inventory of Gas, Materials and Supplies, at Cost		-	623,692.08	1,462,122.38	2,244,686.90	160,774.00	4,491,275.36
Fixed Assets		103,428,990.61	81,393,942.58	70,464,684.54	307,450,410.61	11,153,974.70	573,892,003.04
Accumulated Depreciation		(51,588,261.48)	(43,500,184.75)	(29,867,095.10)	(137,199,006.14)	(4,372,350.65)	(266,526,898.12)
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
TOTAL ASSETS	$	62,272,179.08	50,387,707.77	58,641,565.08	219,184,207.41	8,140,119.83	398,625,779.17
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	414,541.37	191,871.66	1,643,448.22	10,185,520.01	21,354.54	12,456,735.80
Accrued Interest Payable		22,487.87	20,918.12	12,733.34	562,121.42	-	618,260.75
Customer Deposits		-		-	4,024,486.09	-	4,024,486.09
Accrued Vacation, Sick Leave & Workers Comp.		-	122,486.36	65,614.08	555,661.68	10,126.93	753,889.05
Deferred Gain / Loss - Refunding Bonds		(104,335.76)	(100,317.40)	(54,554.19)	(1,087,442.77)	-	(1,346,650.12)
Original Issue Premium/Discount (Refunding Bonds)		132,075.19	128,672.65	64,029.13	4,328,465.44	-	4,653,242.41
General Obligation Bonds Payable		1,214,063.94	1,140,839.54	671,505.79	42,582,934.02	-	45,609,343.29
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	375,609.12	-	375,609.12
TOTAL LIABILITIES	$	1,678,832.44	1,504,470.93	2,402,776.37	61,527,355.01	31,481.47	67,144,916.22
Net Assets							
Contributed Capital	$	4,033,021.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,108,686.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	46,565,904.49	32,048,280.12	38,576,098.13	110,705,825.25	6,444,375.46	234,340,483.45
Restricted for Incomplete Projects		8,192,623.04	11,786,830.89	9,188,786.86	3,657,519.48	547,562.97	33,373,323.24
Restricted for Subsequent Expenses		2,590,305.08	65,855.79	11,002.35	1,118,296.73	7,537.30	3,792,997.25
Net Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	188,204.07	8,121,666.07
Deferred Outflows - Pension		(338,490.00)	(631,626.50)	(440,412.00)	(1,846,280.00)	(66,000.00)	(3,322,808.50)
Unrestricted		(1,613,055.41)	(1,232,630.88)	6,049,563.79	23,956,119.41	583,709.97	27,743,706.88
Total Retained Earnings	$	56,560,325.20	44,206,953.92	54,898,278.13	143,935,229.87	7,771,389.77	307,372,176.89
TOTAL NET ASSETS	$	60,593,346.64	48,883,236.84	56,238,788.71	157,656,852.40	8,108,638.36	331,480,862.95
TOTAL LIABILITIES AND NET ASSETS	$	62,272,179.08	50,387,707.77	58,641,565.08	219,184,207.41	8,140,119.83	398,625,779.17

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2022

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2022
Operating revenues:							
Charges for Services	$	1,544,671.65	1,443,847.59	3,230,731.37	24,236,102.27	126,752.27	30,582,105.15
Operating Expenses:							
Purchased Services	$	-	-	2,509,356.37	18,139,710.56	12,386.27	20,661,453.20
Production		-	-	-	72.00	-	72.00
Transmission & Treatment		389,550.24	348,685.81	-	404,238.13	-	1,142,474.18
Engineering		-	51,948.71	41,230.35	108,253.15	-	201,432.21
Distribution		345,196.93	147,903.97	105,119.83	2,359,260.60	-	2,957,481.33
Service		9,703.27	14,364.90	5,456.36	-	-	29,524.53
Meters & Regulators		-	18,049.02	27,190.65	68,548.77	14.40	113,802.84
Administrative		306,586.97	588,385.80	621,744.23	1,003,902.06	138,021.29	2,658,640.35
Total Operating Expenses	$	1,051,037.41	1,169,338.21	3,310,097.79	22,083,985.27	150,421.96	27,764,880.64
Operating Income (Loss)	$	493,634.24	274,509.38	(79,366.42)	2,152,117.00	(23,669.69)	2,817,224.51
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		6,476.49	8,769.54	82,065.90	124,050.88	206.27	221,569.08
Interest Income		24,803.09	31,183.87	37,219.87	96,467.33	2,506.49	192,180.65
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		1,707.06	-	-	72,234.64	-	73,941.70
Recoveries and Rebates		-	5,196.58	131.09	(11,371.89)	-	(6,044.22)
Interest Expense		(22,280.13)	(19,444.77)	(14,386.23)	(150,942.74)	-	(207,053.87)
Total Non-Operating Revenues (Expenses)	$	10,706.51	25,705.22	105,030.63	130,438.22	2,712.76	274,593.34
Income (Loss) Before Operating Transfers	$	504,340.75	300,214.60	25,664.21	2,282,555.22	(20,956.93)	3,091,817.85
Operating Transfers:							
Transfers In (Out)		(117,626.30)	(158,883.70)	(532,721.30)	(1,762,101.30)	(13,500.00)	(2,584,832.60)
Total Operating Transfers	$	(117,626.30)	(158,883.70)	(532,721.30)	(1,762,101.30)	(13,500.00)	(2,584,832.60)
Net Income (Loss)	$	386,714.45	141,330.90	(507,057.09)	520,453.92	(34,456.93)	506,985.25
Net Assets - July 1, 2022, as restated		60,199,896.19	48,741,905.94	56,745,845.80	157,136,398.48	8,143,095.29	330,967,141.70
Net Income (Loss)		386,714.45	141,330.90	(507,057.09)	520,453.92	(34,456.93)	506,985.25
Contribution In Aid of Construction		6,736.00	-	-	-	-	6,736.00
Net Assets -June 30, 2023	$	60,593,346.64	48,883,236.84	56,238,788.71	157,656,852.40	8,108,638.36	331,480,862.95

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2022

WASTEWATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	AUGUST 2022	PERCENT OF CURRENT BUDGET	AUGUST 2021
OPERATING REVENUE	9,078,570.00		9,078,570.00	1,544,671.65	17.01%	1,513,885.27
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,406,230.00	10,645.11	3,416,875.11	389,550.24	11.40%	531,578.11
ENGINEERING	-		-	-		-
DISTRIBUTION	2,562,230.00	251,152.37	2,813,382.37	345,196.93	12.27%	371,531.70
SERVICE	153,300.00		153,300.00	9,703.27	6.33%	6,192.64
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	13,966.89	38.80%	6,226.10
GENERAL & ADMINISTRATIVE	1,775,230.00		1,775,230.00	292,620.08	16.48%	284,724.91
TOTAL OPERATING EXPENSES	7,932,990.00	261,797.48	8,194,787.48	1,051,037.41	12.83%	1,200,253.46
OPERATING INCOME (LOSS)	1,145,580.00	(261,797.48)	883,782.52	493,634.24	55.85%	313,631.81
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	29,950.00		29,950.00	24,803.09	82.81%	7,672.69
RECOVERIES AND REBATES	-		-	-		1,253.51
GAIN/LOSS ON DISPOSAL	-		-	1,707.06		-
JOBBING INCOME (LOSS)	40,000.00		40,000.00	6,476.49	16.19%	5,143.66
INTEREST ON LONG TERM INDEBTEDNESS	(45,060.00)		(45,060.00)	(22,280.13)	49.45%	(25,461.03)
NET INCOME (LOSS)	1,170,470.00	(261,797.48)	908,672.52	504,340.75	55.50%	302,240.64
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(117,626.30)	16.67%	(117,626.66)
NET INCOME AFTER TRANSFERS	464,710.00	(261,797.48)	202,912.52	386,714.45	190.58%	184,613.98
CONTRIBUTION IN AID	40,000.00		40,000.00	6,736.00	16.84%	
REGULAR CAPITAL MAINTENANCE	(837,370.00)	(35,866.90)	(873,236.90)	(20,343.88)	2.33%	
CAPITAL PROJECTS	(1,550,000.00)	(6,085,878.83)	(7,635,878.83)	(296,148.81)	3.88%	
DEBT SERVICE	(145,330.00)		(145,330.00)	(133,459.50)	91.83%	
DEPRECIATION	2,028,770.00		2,028,770.00	338,128.00	16.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2022

WATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	AUGUST 2022	PERCENT OF CURRENT BUDGET	AUGUST 2021
OPERATING REVENUE	8,905,150.00		8,905,150.00	1,443,847.59	16.21%	1,492,471.58
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,967,950.00	29,160.57	1,997,110.57	348,685.81	17.46%	308,312.11
ENGINEERING	359,270.00	7,220.00	366,490.00	51,948.71	14.17%	53,380.83
DISTRIBUTION	723,140.00	584.41	723,724.41	147,903.97	20.44%	105,534.42
SERVICE	148,410.00		148,410.00	14,364.90	9.68%	9,480.26
METERS & REGULATORS	99,270.00		99,270.00	18,049.02	18.18%	12,974.06
BAD DEBT	30,000.00		30,000.00	11,070.65	36.90%	5,157.50
GENERAL & ADMINISTRATIVE	3,637,470.00	170.00	3,637,640.00	577,315.15	15.87%	536,118.27
TOTAL OPERATING EXPENSES	6,965,510.00	37,134.98	7,002,644.98	1,169,338.21	16.70%	1,030,957.45
OPERATING INCOME (LOSS)	1,939,640.00	(37,134.98)	1,902,505.02	274,509.38	14.43%	461,514.13
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	33,800.00		33,800.00	31,183.87	92.26%	8,514.67
RECOVERIES AND REBATES	13,000.00		13,000.00	5,196.58	39.97%	2,924.86
GAIN/LOSS ON DISPOSAL	7,000.00		7,000.00	-	0.00%	-
JOBBING INCOME (LOSS)	72,510.00		72,510.00	8,769.54	12.09%	19,420.34
INTEREST ON LONG TERM INDEBTEDNESS	(79,470.00)		(79,470.00)	(19,444.77)	24.47%	(22,220.87)
NET INCOME (LOSS)	1,986,480.00	(37,134.98)	1,949,345.02	300,214.60	15.40%	470,153.13
OPERATING TRANSFERS IN (OUT)	(953,300.00)		(953,300.00)	(158,883.70)	16.67%	(158,883.34)
NET INCOME AFTER TRANSFERS	1,033,180.00	(37,134.98)	996,045.02	141,330.90	14.19%	311,269.79
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,638,650.00)	(566,454.28)	(2,205,104.28)	(161,653.40)	7.33%	
CAPITAL PROJECTS	(1,000,000.00)	(8,837,530.90)	(9,837,530.90)	(94,150.89)	0.96%	
DEBT SERVICE	(130,740.00)		(130,740.00)	(116,475.50)	89.09%	
DEPRECIATION	1,660,660.00		1,660,660.00	276,778.00	16.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2022

GAS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	AUGUST 2022	PERCENT OF CURRENT BUDGET	AUGUST 2021
OPERATING REVENUE	22,408,490.00		22,408,490.00	3,230,731.37	14.42%	2,227,568.04
	-					
COST OF SALES	-					
PURCHASED SERVICES	13,715,730.00		13,715,730.00	2,509,356.37	18.30%	1,604,058.87
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	13,715,730.00	-	13,715,730.00	2,509,356.37		1,604,058.87
GROSS PROFIT	8,692,760.00	-	8,692,760.00	721,375.00		623,509.17
GROSS PROFIT %	38.79%		38.79%	22.33%		27.99%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	374,400.00	9,115.79	383,515.79	41,230.35	10.75%	56,345.31
DISTRIBUTION	731,290.00	584.43	731,874.43	105,119.83	14.36%	105,170.07
SERVICE	149,820.00		149,820.00	5,456.36	3.64%	6,505.43
METERS & REGULATORS	125,380.00		125,380.00	27,190.65	21.69%	16,729.63
BAD DEBT	55,000.00		55,000.00	35,974.73	65.41%	13,811.16
GENERAL & ADMINISTRATIVE	3,786,130.00	4,097.44	3,790,227.44	585,769.50	15.45%	541,952.60
TOTAL OPERATING EXPENSES	5,222,020.00	13,797.66	5,235,817.66	800,741.42	15.29%	740,514.20
OPERATING INCOME (LOSS)	3,470,740.00	(13,797.66)	3,456,942.34	(79,366.42)	-2.30%	(117,005.03)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	41,550.00		41,550.00	37,219.87	89.58%	10,006.36
RECOVERIES AND REBATES	(5,000.00)		(5,000.00)	131.09	-2.62%	187.69
GAIN/LOSS ON DISPOSAL			-	-	0.00%	-
JOBBING INCOME (LOSS)	111,400.00		111,400.00	82,065.90	73.67%	3,132.81
INTEREST ON LONG TERM INDEBTEDNESS	(25,440.00)		(25,440.00)	(14,386.23)	56.55%	(16,440.13)
NET INCOME (LOSS)	3,593,250.00	(13,797.66)	3,579,452.34	25,664.21	0.72%	(120,118.30)
OPERATING TRANSFERS IN (OUT)	(3,196,330.00)		(3,196,330.00)	(532,721.30)	16.67%	(532,721.66)
NET INCOME AFTER TRANSFERS	396,920.00	(13,797.66)	383,122.34	(507,057.09)	-132.35%	(652,839.96)
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(866,130.00)	(243,313.20)	(1,109,443.20)	(38,632.04)	3.48%	
CAPITAL PROJECTS	(3,000,000.00)	(5,167,512.35)	(8,167,512.35)	(49,546.65)	0.61%	
DEBT SERVICE	(88,430.00)		(88,430.00)	(86,174.50)	97.45%	
DEPRECIATION	1,690,430.00		1,690,430.00	281,738.00	16.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2022

ELECTRIC

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	AUGUST 2022	PERCENT OF CURRENT BUDGET	AUGUST 2021
OPERATING REVENUE	121,768,640.00		121,768,640.00	24,236,102.27	19.90%	21,153,097.19
COST OF SALES						
PURCHASED SERVICES	87,238,820.00		87,238,820.00	18,139,710.56	20.79%	15,811,938.03
PRODUCTION	-	-	-	72.00		-
TOTAL COST OF SALES	87,238,820.00	-	87,238,820.00	18,139,782.56		15,811,938.03
GROSS PROFIT	34,529,820.00	-	34,529,820.00	6,096,319.71		5,341,159.16
GROSS PROFIT %	28.36%		28.36%	25.15%		25.25%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,667,250.00	44,438.76	1,711,688.76	404,238.13	23.62%	205,489.35
ENGINEERING	1,092,950.00	22,713.66	1,115,663.66	108,253.15	9.70%	93,023.49
DISTRIBUTION	13,254,730.00	102,546.72	13,357,276.72	2,359,260.60	17.66%	1,928,943.22
SERVICE	-		-	-		-
METERS & REGULATORS	396,490.00		396,490.00	68,548.77	17.29%	59,375.20
BAD DEBT	375,000.00		375,000.00	124,975.89	33.33%	73,197.27
GENERAL & ADMINISTRATIVE	5,978,830.00	367,082.34	6,345,912.34	878,926.17	13.85%	792,613.63
TOTAL OPERATING EXPENSES	22,765,250.00	536,781.48	23,302,031.48	3,944,202.71	16.93%	3,152,642.16
OPERATING INCOME (LOSS)	11,764,570.00	(536,781.48)	11,227,788.52	2,152,117.00	19.17%	2,188,517.00
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	110,830.00		110,830.00	96,467.33	87.04%	24,706.08
ENERGY EFFICIENCY RECOVERY	(50,000.00)	-	(50,000.00)	-	0.00%	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	(11,371.89)	7.41%	(8,713.94)
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	72,234.64	160.52%	7,628.00
JOBBING INCOME (LOSS)	309,110.00	(333,980.00)	(24,870.00)	124,050.88	-498.80%	37,911.46
INTEREST ON LONG TERM INDEBTEDNESS	(1,407,210.00)		(1,407,210.00)	(150,942.74)	10.73%	(169,146.00)
NET INCOME (LOSS)	10,618,800.00	(870,761.48)	9,748,038.52	2,282,555.22	23.42%	2,080,902.60
OPERATING TRANSFERS IN (OUT)	(10,572,610.00)		(10,572,610.00)	(1,762,101.30)	16.67%	(1,762,101.66)
NET INCOME AFTER TRANSFERS	46,190.00	(870,761.48)	(824,571.48)	520,453.92	-63.12%	318,800.94
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(3,171,090.00)	(1,098,069.18)	(4,269,159.18)	(305,119.75)	7.15%	
CAPITAL PROJECTS	-	-	-	(306,519.95)	#DIV/0!	
DEBT SERVICE	(3,191,720.00)	-	(3,191,720.00)	(848,448.00)	26.58%	
DEPRECIATION	8,696,410.00		8,696,410.00	1,449,402.00	16.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2022

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	AUGUST 2022	PERCENT OF CURRENT BUDGET	AUGUST 2021
OPERATING REVENUE	768,680.00		768,680.00	126,752.27	16.49%	111,665.72
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	12,386.27	20.64%	12,059.28
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	12,386.27		12,059.28
GROSS PROFIT	708,680.00	-	708,680.00	114,366.00		99,606.44
GROSS PROFIT %	92.19%		92.19%	90.23%		89.20%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT	-		-	14.40		-
GENERAL & ADMINISTRATIVE	939,840.00	-	939,840.00	138,021.29	14.69%	132,128.15
TOTAL OPERATING EXPENSES	939,840.00	-	939,840.00	138,035.69	14.69%	132,128.15
OPERATING INCOME (LOSS)	(231,160.00)	-	(231,160.00)	(23,669.69)	10.24%	(32,521.71)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	2,620.00		2,620.00	2,506.49	95.67%	667.82
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(1,800.00)		(1,800.00)	206.27	-11.46%	(721.15)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(230,340.00)	-	(230,340.00)	(20,956.93)	9.10%	(32,575.04)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(13,500.00)	16.67%	(13,500.00)
NET INCOME AFTER TRANSFERS	(311,340.00)	-	(311,340.00)	(34,456.93)	11.07%	(46,075.04)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(3,126.25)	12.51%	
CAPITAL PROJECTS	-	(526,044.66)	(526,044.66)	(355.44)	0.07%	
DEPRECIATION	485,610.00		485,610.00	80,936.00	16.67%	

GAS OPERATING STATISTICS
YTD August 2022 and 2021

	YTD 2023	YTD 2022	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	13,227	13,238	-11	-0.0831%
Commercial	1,507	1,503	4	0.2661%
Small Firm Industrial	15	14	1	7.1429%
Municipal	51	52	-1	-1.9231%
Large Firm Industrial	4	4	0	0.0000%
Interruptible Industrial	5	6	-2	-25.0000%
Industrial Transportation	7	6	1	16.6667%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	-	-	0	0.0000%
TOTAL CUSTOMERS	14,817	14,824	-8	-0.0506%
NATURAL GAS SALES-DEKATHERMS:				
Residential	21,244	22,266	-1,022	-4.5898%
Commercial	29,932	30,037	-105	-0.3512%
Small Firm Industrial	433	331	102	30.8448%
Municipal	601	575	26	4.5009%
Large Firm Industrial	2,813	2,639	174	6.5934%
Interruptible Industrial	227,452	303,736	-76,284	-25.1152%
Industrial Transportation	91,587	30,419	61,168	201.0848%
Interruptible Commercial	8,930	10,810	-1,880	-17.3913%
Commercial Transportation	-	-	0	0.0000%
TOTAL DEKATHERMS	382,992	400,813	-17,821	-4.4463%

ELECTRIC OPERATING STATISTICS
YTD August 2022 and 2021

	YTD 2023	YTD 2022	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	37,418	37,356	62	0.1660%
Commercial	4,833	4,825	8	0.1658%
Industrial	16	16	0	0.0000%
High Load Factor	8	8	0	0.0000%
Municipal	285	280	5	1.7857%
Outdoor Lighting	6,097	6,093	4	0.0656%
TOTAL CUSTOMERS	48,657	48,578	79	0.1626%
KILOWATT HOURS SALES:				
Residential	91,854,536	88,771,215	3,083,321	3.4733%
Commercial	52,956,616	50,453,977	2,502,639	4.9602%
Industrial	2,503,030	2,529,080	-26,050	-1.0300%
High Load Factor	24,021,600	23,151,600	870,000	3.7578%
Municipal	3,488,818	3,803,008	-314,190	-8.2616%
Outdoor Lighting	2,268,121	2,339,498	-71,377	-3.0510%
TOTAL KILOWATT HOURS	177,092,721	171,048,378	6,044,343	3.5337%

KEY IN YELLOW CELLS ONLY. TWEAK THE PCA IN COLUMN "L" TO ACHIEVE THE DESIRED RECOVERY.

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)**	
Apr-22	$ 8,062,455.32	$ 1,389,042.39	**$ 6,673,412.93**	64,999,168	11,198,400	53,800,768	$0.035000	$0.086200	$0.121200		**$ 6,520,653.08**	$ (152,759.85)		**$ (1,235,489.56)**	ACTUAL
May-22	$ 7,443,751.72	$ 1,324,646.72	**$ 6,119,105.00**	60,743,727	10,809,600	49,934,127	$0.060000	$0.086200	$0.146200		**$ 7,300,369.37**	$ 1,181,264.37		**$ (54,225.20)**	ACTUAL
Jun-22	$ 8,474,484.73	$ 1,361,212.05	**$ 7,113,272.68**	73,229,060	11,762,400	61,466,660	$0.030000	$0.086200	$0.116200		**$ 7,142,425.89**	$ 29,153.21		**$ (25,071.98)**	ACTUAL
Jul-22	$ 8,921,496.29	$ 1,241,888.99	**$ 7,679,607.30**	83,714,391	11,653,200	72,061,191	$0.015000	$0.086200	$0.101200		**$ 7,292,592.56**	$ (387,014.74)		**$ (412,086.73)**	ACTUAL
Aug-22	$ 9,218,214.27	$ 1,220,995.94	**$ 7,997,218.33**	93,378,330	12,368,400	81,009,930	$0.015000	$0.086200	$0.101200		**$ 8,198,204.92**	$ 200,986.59		**$ (211,100.14)**	ACTUAL
Sep-22	$ 7,413,558.23	$ 1,037,953.30	**$ 6,375,604.93**	86,603,969	12,125,200	74,478,769	$0.025000	$0.086200	$0.111200		**$ 8,282,039.17**	$ 1,906,434.24		**$ 1,695,334.10**	PROJECTED
Oct-22	$ 7,350,141.82	$ 1,189,922.94	**$ 6,160,218.88**	69,777,747	11,296,400	58,481,347	*$0.045000*	$0.086200	$0.131200		**$ 7,672,752.77**	$ 1,512,533.89		**$ 3,207,868.00**	PROJECTED
Nov-22	$ 7,674,565.42	$ 1,326,640.89	**$ 6,347,924.53**	64,044,143	11,070,800	52,973,343	*$0.035000*	$0.086200	$0.121200		**$ 6,420,369.17**	$ 72,444.64		**$ 3,280,312.64**	PROJECTED
Dec-22	$ 7,479,613.22	$ 1,081,709.03	**$ 6,397,904.19**	71,378,300	10,322,800	61,055,500	$0.020000	$0.086200	$0.106200		**$ 6,484,094.07**	$ 86,189.88		**$ 3,366,502.52**	PROJECTED

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Printed: 9/27/2022

Future months (still in blue) show projections.

After PGA's are calculated, hard code them before reconciling the month

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	**DEMAND Recovery** (Independent of Commod) **Cum Over (Under) Demand Recovery Current FY**	**COMMODITY - Rolling Recovery** (Does not include Demand Recovery) **Monthly Commodity Cost**	**Monthly Commodity Recovered**	**Monthly Commod Over (Under) Recovery**	Adjustments	**Commodity Recovery Balance Over (Under) +/- $2,000,000**	
Apr-22	$ 5.22280	$ 5.22280	$ 1.70000	$ -	$ (0.25000)	$ 5.42136	$ 3.72136	$ 361,682.27	$ 1,218,066.22	$ 1,317,317.73	$ 99,251.51		($315,080.88)	Final
May-22	$ 5.60546	$ 5.60546	$ 0.76592		$ 0.50000	$ 7.28570	$ 6.51978	$ 198,980.26	$ 1,258,051.03	$ 1,498,134.65	$ 240,083.62		($74,997.26)	Final
Jun-22	$ 5.21693	$ 5.21693	$ -	$ -	$ 1.50000	$ 7.46549	$ 7.46549	$ (2,917.54)	$1,255,911.53	$ 1,457,944.68	$ 202,033.15		$127,035.89	FY FINAL
Jul-22	$ 6.20160	$ 6.20160	$ -	$ -	$ -	$ 6.25815	$ 6.25815	$ (212,903.60)	$ 846,844.40	$ 830,757.95	$ (16,086.46)		$110,949.43	Final
Aug-22	$ 7.64163	$ 7.64163	$ -	$ -	$ 1.00000	$ 7.14144	$ 7.14144	$ (422,889.66)	$ 1,211,618.44	$ 1,119,491.40	$ (92,127.04)		$18,822.39	Final
Sep-22	$ 7.62108	$ 7.62108	$ -	$ -		$ 7.62108	$ 7.62108	$ (624,709.98)	$ 1,250,320.72	$ 1,287,952.14	$ 37,631.42		$56,453.81	Est
Oct-22	$ 5.57613	$ 5.57613	$ -	$ -	$ 0.50000	$ 6.07613	$ 6.07613	$ (834,615.97)	$ 1,090,106.26	$ 1,039,839.43	$ (50,266.83)		$6,186.99	Est
Nov-22	$ 6.11601	$ 6.11601	$ 2.30000	$ -	$ -	$ 8.41601	$ 6.11601	$ (836,460.82)	$ 1,838,871.94	$ 1,484,658.08	$ (354,213.86)		($348,026.87)	Est
Dec-22	$ 5.70625	$ 5.70625	$ 2.30000	$ -	$ -	$ 8.00625	$ 5.70625	$ (616,564.36)	$ 2,052,367.07	$ 1,996,742.77	$ (55,624.31)		($403,651.18)	Est

Commission Item Number: DUC221024 - 2
Utility Commission Meeting: October 24, 2022
Item: II. C. <u>Proposed Fiscal Year 2024 CIP Projects</u>

Proposed Fiscal Year 2024 CIP Projects

Jason Grey will present proposed Fiscal Year 2024 Capital Improvement Plan projects.

PROPOSED FY24 CIP PROJECTS

Danville Utility Commission

October 24, 2022

FY24 WASTEWATER PLANT PROJECTS

Replace Southside Pumping Station-$10-15M (Grants and Bond funding)

1) Preliminary Engineering Report (underway)
2) Applying for ARPA funding (December deadline)
3) Additional matching grant funds available in summer 2023 (DEQ)
4) Pump station is currently rated at 7.6 MGD. Need to expand to 11 MGD
5) Need extra capacity to serve new industry on southern portion of the river

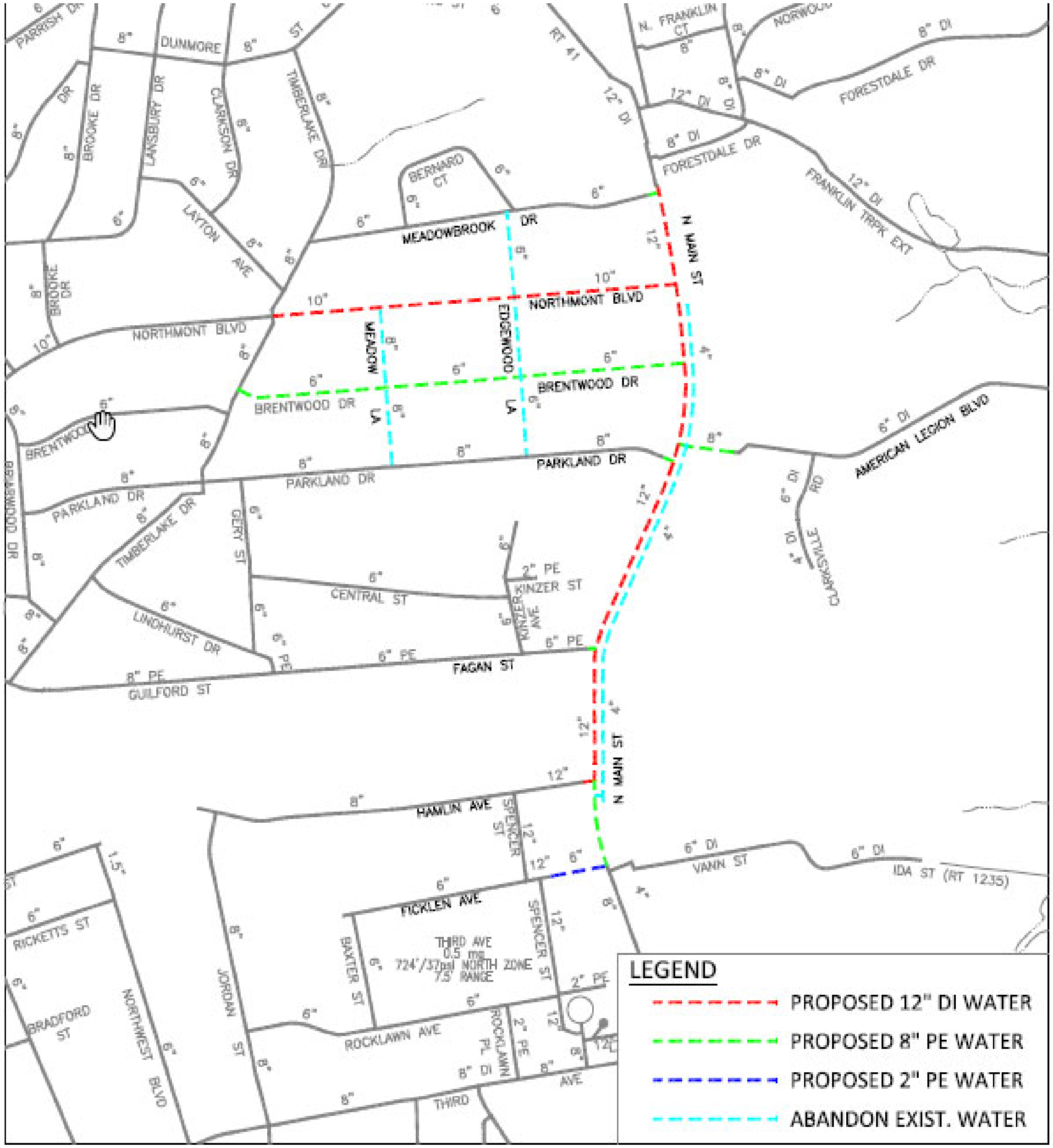
FY24 WATER PROJECTS

Replace Cast Iron Water Mains-$6M ($3M VDH Funding and $3M Bonds)

1) Capital Project List (master plan recommendations)

- **a) North Main Street (phase 2)-$1.4M**
- **b) Westview neighborhood Phase 1 (Northmont/North Main Street)-$3M**
- **c) Henry Street check valve-$100,000**
- **d) Kemper Road Improvements-$500,000**
- **e) AMI module replacements-$500,000**
- **f) Vandola Road water main extension-$100,000 (share with gas fund)**
- **g) Westover Drive Pumping Station relocation (phase 1)-$500,000**
- **h) Westover Drive fire flow improvements (phase 1)-$400,000**
- **I) Lead service line audit-$500,000 (grants)**

North Main Street: Meadowbrook to Hamlin
Cast Iron Water Line Replacement

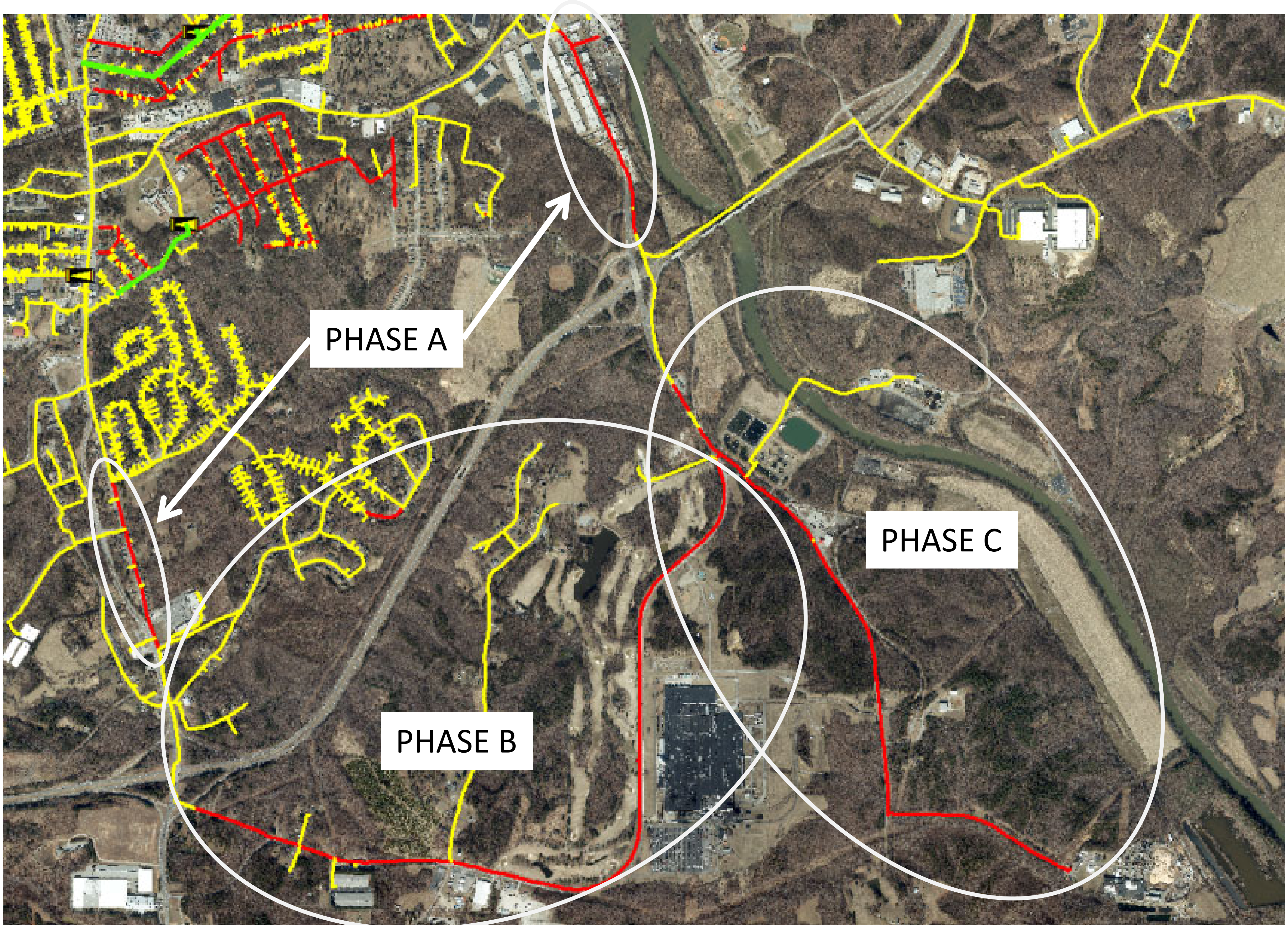


FY 22 Gas Capital Projects

FY24 $2.6M ($1.5M grant funding, $1.1M revenue and fund balance)

- Goodyear Loop Phase 4-(Danville Bypass to Cottage Grove Court ~1 mile)-$1.5M (PHMSA Grant Funding 100%)
- Residential Expansion into Pittsylvania County (Mount Hermon)-$1M
- Vandola Road Gas extension-~$100,000 (shared with water)

PUMPKIN CREEK CAST IRON AND GOODYEAR BLVD: 12" DUCTILE IRON OLD PHASES



DANVILLE UTILITIES

Cyber Park and New Design Substation

- **FY24 $6M (Bonds)**
  - Cyber Park Substation (new)
    - $1.5M
  - New Design Substation (upgrade)
    - $4.5M

Substation Summary

18 Substations with Transformer Manufacturer Dates

		Cost
Southside (Fall 2022)	$3.5 million	
Westover (Fall 2022)	$3.5 Million	
	Total	*$7.0 Million*

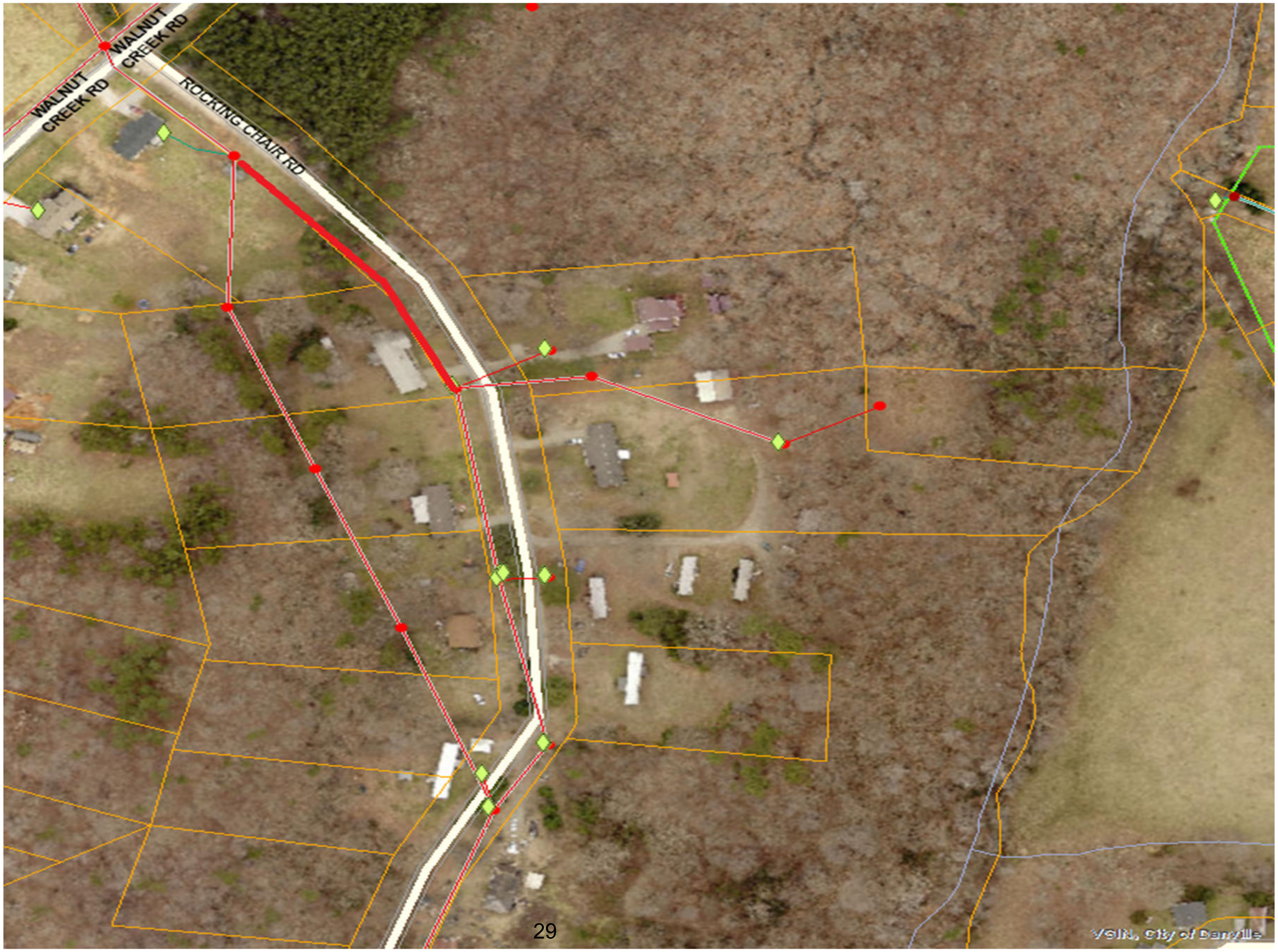
	Cost
Ballou (Fall 2023)-Econ Dev	$2.5 Million
Westfork 4th Delivery Point (Fall 2023)	$1.5 Million
Airside Expansion (Spring 2023)-Econ Dev	$2.0 Million
Total	$5.5 Million

	Cost
Cyber Park Substation (2023)	$3.0 Million
New Design (2023-24)	$4.5 Million

Kentuck	2021
Whitmell (2021)	2021
Schoolfield (2020)	2020
Riverside (2020)	2020(138-69), 2020, 2020
White Oak	1997
Westfork	1997
Piney Forest	1979, 2008
Brantley	1978(138 kV), 2014
Bridge Street	2004
Tunstall	2006
Cain Creek	2009
Rocksprings	2011(138-69), 1993, 2003

Red – targeted fiscal year

RELIABILITY PROJECTS$1.5M



QUESTIONS?

Commission Item Number: DUC221024 - 3
Utility Commission Meeting: October 24, 2022
Item: II. D. <u>501(c)(3) Water Taps-Waiving Fee</u>

501(c)(3) Water Taps-Waiving Fee

Local 501(c)(3) organizations have requested that the City waive the $1,500 flat residential water tap charge for new development. This will assist local non-profit entities with developing new housing for those who qualify for assistance inside the City. Currently, the department on average performs approximately ten water taps per year for non-profits.

Recommendation:
I move that the Danville Utility Commission approve waiving the residential water tap charge for Habitat for Humanity and any other similar nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code for the purpose of constructing single-family dwellings that will be given to or sold below the appraised value to low-income persons.

Commission Item Number: DUC221024 - 4
Utility Commission Meeting: October 24, 2022
Item: II. E. Public Utility Regulatory Policies Act of 1978-Two Additional Standards

Public Utility Regulatory Policies Act of 1978-Two Additional Standards

There are two new PURPA "Public Utility Regulatory Policies Act of 1978" standards that the City is required to start considering by November 15, 2022 due to the 2021 Investment and Infrastructure Jobs Act. The two standards involve 1) promoting demand response and reduction across all customer classes and 2) promote the electrification of the transportation sector by creating rate options and supporting programs. The consideration process concludes on November 15, 2023 after requesting comments and having a public hearing process.

Recommendation:
I move that the Danville Utility Commission recommend to City Council approving the process to commence consideration of two new PURPA standards.