Danville Utility Commission Meeting Agenda
4:00 p.m., October 1, 2018

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

B. Announcements

II. Discussion/Business Items

A. Minutes of the August 27, 2018 Commission Meeting

B. Review of Utilities' Financial Statements

C. Discussion on Fiscal Year 2019 and 2020 Capital Projects

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 3, 2018

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. August 27, 2018 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present:	Sheila Williamson-Branch, Fred Shanks, Bill Donahue, Ken Larking, Bert Eades
Commission Members Absent:	Vanessa Cain, Helm Dobbins
Staff Present:	Ryan Dodson, Jason Grey, Janet Davis, Kelly Kinnett, Mike Spencer, Jennifer Holley, Michael Adkins, Alan Johnson, Phillip Haley
Others Present:	Jerry Shupe and Charles Overby, Inframark

Call to Order and Announcements

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

Mr. Donahue asked were there any announcements. Mr. Grey announced that Mr. Nicholas resigned his position on the Commission due to time constraints.

Mr. Grey also requested that the September and October meetings be merged into one meeting on October 1, 2018 due to schedule conflicts. Mr. Larking stated that if neither he nor Mr. Reynolds can attend, the acting City Manager will attend.

A motion was made by Mr. Eades to merge the September and October meetings with the merged meeting to take place October 1, 2018. Ms. Williams-Branch seconded, all members voted in favor, and the motion carried unanimously.

Discussion/Business Items

Minutes of July 23, 2018 Commission Meeting

Mr. Donahue asked for any corrections, deletions, or adjustments to the minutes from July 23, 2018.

Mr. Eades made a motion to approve the minutes. Mr. Larking seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Mr. Adkins presented the utility financial statements for each utility fund and addressed questions from the commissioners.

Wastewater Plant Operations Report

Mr. Grey introduced Mr. Jerry Shupe from Inframark. Mr. Shupe reported on the recent improvements to the wastewater treatment plant and summarized operations over the past 12 months. He also discussed forecasted future projects.

Department Discussions
Mr. Adkins introduced the Commission to Phillip Haley, the new Division Director of Customer Accounts.

Mr. Grey reported on the five month anniversary of the Kentuck solar facility. He also reported that Prairie State's plant is operating very well and the rate has been reduced per megawatt hour.

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

Adjournment

Mr. Donohue stated the next meeting is scheduled for October 1, 2018. There being no further business, Mr. Donohue adjourned the meeting at 5:05 p.m.

Submitted by Janet C. Davis
Secretary to the DUC

October 1, 2018
Date Approved

____
Chairman
Danville Utility Commission

Commission Item Number: DUC18101 - 1
Utility Commission Meeting: October 1, 2018
Item: II. B. Review of Utilities' Financial Statements

Financial Report

July financials will be reviewed.

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JULY 31, 2018 (YTD)
UNAUDITED

	WASTEWATER	**WATER**	**GAS**	**ELECTRIC**	**TELECOM**	**TOTAL**	**CURRENT 18-19 BUDGET**	**LAST YEAR TO DATE**
OPERATING REVENUE	835,222.09	715,965.98	1,130,667.29	11,501,419.81	18,594.27	14,201,869.44	174,068,820.00	14,384,099.36
COST OF SALES								
PURCHASED SERVICES	-	-	886,330.82	8,605,971.46	4,369.98	9,496,672.26	115,643,820.00	9,885,019.33
PRODUCTION	-	-	-	72,198.82	-	72,198.82	1,044,135.64	54,108.12
TOTAL COST OF SALES	-	-	886,330.82	8,678,170.28	4,369.98	9,568,871.08	116,687,955.64	9,939,127.45
GROSS PROFIT	835,222.09	715,965.98	244,336.47	2,823,249.53	14,224.29	4,632,998.36	57,380,864.36	4,444,971.91
GROSS PROFIT %	100.00%	100.00%	21.61%	24.55%	76.50%	32.62%	32.96%	30.90%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	38,368.84	127,138.23	-	70,416.95	-	235,924.02	6,675,482.99	338,210.89
ENGINEERING	-	16,392.89	29,197.16	89,613.92	-	135,203.97	1,877,840.58	98,500.52
DISTRIBUTION	147,830.68	30,227.34	28,448.40	937,521.37	-	1,144,027.79	16,310,997.57	1,054,149.65
SERVICE	2,406.26	5,840.02	3,166.07	-	-	11,412.35	408,200.00	9,693.90
METERS & REGULATORS	-	9,634.14	11,291.86	20,925.84	-	41,851.84	707,317.00	40,236.68
GENERAL & ADMINISTRATIVE	133,839.20	227,074.49	258,398.60	607,579.25	70,161.58	1,297,053.12	14,900,543.30	949,241.60
TOTAL OPERATING EXPENSES	322,444.98	416,307.11	330,502.09	1,726,057.33	70,161.58	2,865,473.09	40,880,381.44	2,490,033.24
OPERATING INCOME (LOSS)	512,777.11	299,658.87	(86,165.62)	1,097,192.20	(55,937.29)	1,767,525.27	16,500,482.92	1,954,938.67
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	15,751.79	18,785.09	21,247.83	64,131.65	1,752.02	121,668.38	886,000.00	97,554.83
ENERGY EFFICIENCY RECOVERY	-	-	-	(13,932.26)	-	(13,932.26)	(864,670.49)	(9,799.64)
RECOVERIES AND REBATES	-	35.38	398.46	144.25	-	578.09	16,200.00	235.28
GAIN/LOSS ON DISPOSAL	-	5,318.25	68.25	1,822.00	-	7,208.50	50,100.00	-
JOBBING INCOME (LOSS)	2,590.00	(5,182.89)	6,141.83	74,176.79	2,043.79	79,769.52	438,822.20	42,549.88
INTEREST ON LONG TERM INDEBTEDNESS	(4,422.82)	-	-	(5,750.76)	-	(10,173.58)	(2,006,720.00)	(5,905.85)
NET INCOME (LOSS)	526,696.08	318,614.70	(58,309.25)	1,217,783.87	(52,141.48)	1,952,643.92	15,020,214.63	2,079,573.17
OPERATING TRANSFERS IN(OUT)	(57,813.33)	(78,525.00)	(254,944.17)	(885,134.17)	(6,750.00)	(1,283,166.67)	(14,848,000.00)	(1,251,583.26)
NET INCOME AFTER TRANSFERS	468,882.75	240,089.70	(313,253.42)	332,649.70	(58,891.48)	669,477.25	172,214.63	827,989.91
NET ASSETS JULY 1, AS RESTATED	60,515,697.95	43,885,762.98	54,159,844.50	183,830,756.10	9,087,797.03	351,479,858.56		
NET INCOME AFTER TRANSFERS	468,882.75	240,089.70	(313,253.42)	332,649.70	(58,891.48)	669,477.25		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	2,743.00	-	-	-	-	2,743.00		
NET ASSETS JULY 2018	60,987,323.70	44,125,852.68	53,846,591.08	184,163,405.80	9,028,905.55	352,152,078.81		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	3,835,828.01	4,676,282.92	1,340,232.51	13,721,622.53	337,248.59	23,911,214.56		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	45,124,382.68	24,971,957.02	38,027,119.42	110,934,457.25	7,269,724.60	226,327,640.97		
RESTRICTED FOR PROJECTS IN PROGRESS	6,199,111.90	10,111,928.12	4,384,811.45	19,966,836.30	817,010.01	41,479,697.78		
RESTRICTED FOR ENCUMBRANCES	540,124.61	96,266.09	188,008.51	872,751.45	2,829.49	1,699,980.15		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00		
DEFERRED OUTFLOWS - PENSION	206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00		
UNRESTRICTED	4,931,706.50	3,335,286.53	9,086,756.19	35,311,330.27	516,597.86	53,181,677.35		
TOTAL NET ASSETS	60,987,323.70	44,125,852.68	53,846,591.08	184,163,405.80	9,028,905.55	352,152,078.81		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
JULY 31, 2018

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JULY 31, 2018
ASSETS						
Equity in pooled Cash and Investments	$ 10,459,439.80	12,416,744.61	13,638,617.31	37,429,190.11	1,127,396.14	75,071,387.97
Receivables (Net of allowances for Uncollectible):						
Accounts	1,088,999.14	489,321.31	1,177,135.35	16,974,951.36	20,077.26	19,750,484.42
Power/Gas Cost Recovery	-	-	(933,385.85)	12,208,591.95	-	11,275,206.10
Pension Assets	356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00
Inventory of Gas, Materials and Supplies, at Cost	-	404,001.09	545,125.22	1,842,991.62	237,894.00	3,030,011.93
Fixed Assets	97,133,412.65	70,551,995.57	68,085,568.37	292,186,898.20	10,238,304.14	538,196,178.93
Accumulated Depreciation	(44,424,515.32)	(37,222,397.32)	(27,253,876.72)	(126,300,499.78)	(2,631,330.95)	(237,832,620.09)
Deferred Outflows - Pension	206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00
TOTAL ASSETS	$ 64,819,736.27	48,114,679.26	56,553,448.68	239,641,961.46	9,127,339.59	418,257,165.26
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	$ 21,243.21	147,434.48	1,146,399.99	9,419,312.75	94,409.51	10,828,799.94
Accrued Interest Payable	62,482.72	61,105.31	24,935.13	542,451.85	-	690,975.01
Customer Deposits	-		-	3,637,132.64	-	3,637,132.64
Accrued Vacation, Sick Leave & Workers Comp.	-	98,928.48	71,182.76	620,069.56	4,024.53	794,205.33
Deferred Gain / Loss - Refunding Bonds	(142,429.95)	(131,767.79)	(81,627.31)	(1,313,003.02)	-	(1,668,828.07)
Original Issue Premium/Discount (Refunding Bonds)	152,490.65	138,743.05	90,581.74	3,022,702.68	-	3,404,518.12
General Obligation Bonds Payable	3,514,685.83	3,674,383.05	1,455,385.29	39,520,618.98	-	48,165,073.15
Revenue Bonds Payable	223,940.11	-	-	-	-	223,940.11
Long-Term Leases, Notes, and Contracts Payable	-	-	-	29,270.22	-	29,270.22
TOTAL LIABILITIES	$ 3,832,412.57	3,988,826.58	2,706,857.60	55,478,555.66	98,434.04	66,105,086.45
Net Assets						
Contributed Capital	$ 3,835,828.01	4,676,282.92	1,340,232.51	13,721,622.53	337,248.59	23,911,214.56
Retained Earnings:						
Restricted for Investment in Fixed Assets	$ 45,124,382.68	24,971,957.02	38,027,119.42	110,934,457.25	7,269,724.60	226,327,640.97
Restricted for Incomplete Projects	6,199,111.90	10,111,928.12	4,384,811.45	19,966,836.30	817,010.01	41,479,697.78
Restricted for Subsequent Expenses	540,124.61	96,266.09	188,008.51	872,751.45	2,829.49	1,699,980.15
Net Pension Assets	356,170.00	934,132.00	819,663.00	3,356,408.00	85,495.00	5,551,868.00
Deferred Outflows - Pension	206,230.00	540,882.00	474,602.00	1,943,430.00	49,504.00	3,214,648.00
Unrestricted	4,931,706.50	3,335,286.53	9,086,756.19	35,311,330.27	516,597.86	53,181,677.35
Total Retained Earnings	$ 57,151,495.69	39,449,569.76	52,506,358.57	170,441,783.27	8,691,656.96	328,240,864.25
TOTAL NET ASSETS	$ 60,987,323.70	44,125,852.68	53,846,591.08	184,163,405.80	9,028,905.55	352,152,078.81
TOTAL LIABILITIES AND NET ASSETS	$ 64,819,736.27	48,114,679.26	56,553,448.68	239,641,961.46	9,127,339.59	418,257,165.26

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JULY 31, 2018

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JULY 31, 2018
Operating revenues:						
Charges for Services	$ 835,222.09	715,965.98	1,130,667.29	11,501,419.81	18,594.27	14,201,869.44
Operating Expenses:						
Purchased Services	$ -	-	886,330.82	8,605,971.46	4,369.98	9,496,672.26
Production	-	-	-	72,198.82	-	72,198.82
Transmission & Treatment	38,368.84	127,138.23	-	70,416.95	-	235,924.02
Engineering	-	16,392.89	29,197.16	89,613.92	-	135,203.97
Distribution	147,830.68	30,227.34	28,448.40	937,521.37	-	1,144,027.79
Service	2,406.26	5,840.02	3,166.07	-	-	11,412.35
Meters & Regulators	-	9,634.14	11,291.86	20,925.84	-	41,851.84
Administrative	133,839.20	227,074.49	258,398.60	607,579.25	70,161.58	1,297,053.12
Total Operating Expenses	$ 322,444.98	416,307.11	1,216,832.91	10,404,227.61	74,531.56	12,434,344.17
Operating Income (Loss)	$ 512,777.11	299,658.87	(86,165.62)	1,097,192.20	(55,937.29)	1,767,525.27
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	2,590.00	(5,182.89)	6,141.83	74,176.79	2,043.79	79,769.52
Interest Income	15,751.79	18,785.09	21,247.83	64,131.65	1,752.02	121,668.38
Energy Efficiency Recovery	-	-	-	(13,932.26)	-	(13,932.26)
Gain (Loss) on Disposal of Property	-	5,318.25	68.25	1,822.00	-	7,208.50
Recoveries and Rebates	-	35.38	398.46	144.25	-	578.09
Interest Expense	(4,422.82)	-	-	(5,750.76)	-	(10,173.58)
Total Non-Operating Revenues (Expenses)	$ 13,918.97	18,955.83	27,856.37	120,591.67	3,795.81	185,118.65
Income (Loss) Before Operating Transfers	$ 526,696.08	318,614.70	(58,309.25)	1,217,783.87	(52,141.48)	1,952,643.92
Operating Transfers:						
Transfers In (Out)	(57,813.33)	(78,525.00)	(254,944.17)	(885,134.17)	(6,750.00)	(1,283,166.67)
Total Operating Transfers	$ (57,813.33)	(78,525.00)	(254,944.17)	(885,134.17)	(6,750.00)	(1,283,166.67)
Net Income (Loss)	$ 468,882.75	240,089.70	(313,253.42)	332,649.70	(58,891.48)	669,477.25
Net Assets - July 1, 2018, as restated	60,515,697.95	43,885,762.98	54,159,844.50	183,830,756.10	9,087,797.03	351,479,858.56
Net Income (Loss)	468,882.75	240,089.70	(313,253.42)	332,649.70	(58,891.48)	669,477.25
Contribution In Aid of Construction	2,743.00	-	-	-	-	2,743.00
Net Assets - July 31, 2018	$ 60,987,323.70	44,125,852.68	53,846,591.08	184,163,405.80	9,028,905.55	352,152,078.81

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JULY 31, 2018

WASTEWATER - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	JULY 2018	PERCENT OF CURRENT BUDGET	JULY 2017
OPERATING REVENUE	9,644,240.00		9,644,240.00	835,222.09	8.66%	811,798.91
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,984,790.00	63,824.16	3,048,614.16	38,368.84	1.26%	43,804.39
ENGINEERING	-		-	-		-
DISTRIBUTION	2,510,580.00	29,936.07	2,540,516.07	147,830.68	5.82%	135,691.89
SERVICE	133,640.00		133,640.00	2,406.26	1.80%	4,842.25
METERS & REGULATORS	-		-	-		-
BAD DEBT	35,400.00		35,400.00	2,720.47	7.68%	(996.33)
GENERAL & ADMINISTRATIVE	1,768,050.00		1,768,050.00	131,118.73	7.42%	135,150.98
TOTAL OPERATING EXPENSES	7,432,460.00	93,760.23	7,526,220.23	322,444.98	4.28%	318,493.18
OPERATING INCOME (LOSS)	2,211,780.00	(93,760.23)	2,118,019.77	512,777.11	24.21%	493,305.73
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	104,000.00		104,000.00	15,751.79	15.15%	11,563.60
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	51,800.00		51,800.00	2,590.00	5.00%	4,807.00
INTEREST ON LONG TERM INDEBTEDNESS	(168,950.00)		(168,950.00)	(4,422.82)	2.62%	-
NET INCOME (LOSS)	2,198,630.00	(93,760.23)	2,104,869.77	526,696.08	25.02%	509,676.33
OPERATING TRANSFERS IN (OUT)	(693,760.00)		(693,760.00)	(57,813.33)	8.33%	(57,813.37)
NET INCOME AFTER TRANSFERS	1,504,870.00	(93,760.23)	1,411,109.77	468,882.75	33.23%	451,862.96
CONTRIBUTION IN AID	35,000.00		35,000.00	2,743.00	7.84%	
REGULAR CAPITAL MAINTENANCE	(440,860.00)	(4,189.66)	(445,049.66)	(1,006.74)	0.23%	
CAPITAL PROJECTS	(1,350,000.00)	(4,312,562.56)	(5,662,562.56)	(7,493.58)	0.13%	
DEBT SERVICE	(1,038,450.00)		(1,038,450.00)	-	0.00%	
DEPRECIATION	2,083,000.00		2,083,000.00	168,143.73	8.07%	
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 JULY 31, 2018

WATER - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	JULY 2018	PERCENT OF CURRENT BUDGET	JULY 2017
OPERATING REVENUE	8,317,890.00		8,317,890.00	715,965.98	8.61%	708,509.22
COST OF SALES						
PURCHASED SERVICES						
PRODUCTION						
TOTAL COST OF SALES						
GROSS PROFIT						
GROSS PROFIT %						
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,835,210.00	35,205.09	1,870,415.09	127,138.23	6.80%	214,637.69
ENGINEERING	266,240.00	17,581.24	283,821.24	16,392.89	5.78%	17,157.31
DISTRIBUTION	667,110.00	1,462.00	668,572.00	30,227.34	4.52%	69,535.75
SERVICE	144,770.00		144,770.00	5,840.02	4.03%	2,916.67
METERS & REGULATORS	167,020.00		167,020.00	9,634.14	5.77%	6,634.00
BAD DEBT	31,600.00		31,600.00	2,155.80	6.82%	(626.63)
GENERAL & ADMINISTRATIVE	2,909,650.00	28,406.70	2,938,056.70	224,918.69	7.66%	231,605.71
TOTAL OPERATING EXPENSES	6,021,600.00	82,655.03	6,104,255.03	416,307.11	6.82%	541,860.50
OPERATING INCOME (LOSS)	2,296,290.00	(82,655.03)	2,213,634.97	299,658.87	13.54%	166,648.72
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	126,000.00		126,000.00	18,785.09	14.91%	14,069.25
RECOVERIES AND REBATES	10,000.00		10,000.00	35.38		-
GAIN/LOSS ON DISPOSAL	12,500.00		12,500.00	5,318.25		-
JOBBING INCOME (LOSS)	120,330.00		120,330.00	(5,182.89)	-4.31%	17,812.91
INTEREST ON LONG TERM INDEBTEDNESS	(153,690.00)		(153,690.00)	-	0.00%	-
NET INCOME (LOSS)	2,411,430.00	(82,655.03)	2,328,774.97	318,614.70	13.68%	198,530.88
OPERATING TRANSFERS IN (OUT)	(942,300.00)		(942,300.00)	(78,525.00)	8.33%	(78,525.00)
NET INCOME AFTER TRANSFERS	1,469,130.00	(82,655.03)	1,386,474.97	240,089.70	17.32%	120,005.88
CONTRIBUTION IN AID	-		-	-		
REGULAR CAPITAL MAINTENANCE	(1,008,800.00)	(172,734.10)	(1,181,534.10)	(24,544.68)	2.08%	
CAPITAL PROJECTS	(5,500,000.00)	(3,354,938.70)	(8,854,938.70)	-	0.00%	
DEBT SERVICE	(928,370.00)		(928,370.00)	-	0.00%	
DEPRECIATION	1,680,000.00		1,680,000.00	130,864.14	7.79%	
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 JULY 31, 2018

GAS - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	JULY 2018	PERCENT OF CURRENT BUDGET	JULY 2017
OPERATING REVENUE	22,462,280.00		22,462,280.00	1,130,667.29	5.03%	1,142,441.83
COST OF SALES						
PURCHASED SERVICES	13,343,220.00		13,343,220.00	886,330.82	6.64%	716,528.73
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	13,343,220.00	-	13,343,220.00	886,330.82		716,528.73
GROSS PROFIT	9,119,060.00	-	9,119,060.00	244,336.47		425,913.10
GROSS PROFIT %	40.60%		40.60%	21.61%		37.28%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-			-		-
ENGINEERING	421,730.00	166,621.02	588,351.02	29,197.16	4.96%	22,064.41
DISTRIBUTION	654,250.00	139.50	654,389.50	28,448.40	4.35%	37,103.47
SERVICE	129,790.00		129,790.00	3,166.07	2.44%	1,934.98
METERS & REGULATORS	190,620.00	67.00	190,687.00	11,291.86	5.92%	9,212.81
BAD DEBT	49,700.00		49,700.00	8,261.63	16.62%	(1,326.45)
GENERAL & ADMINISTRATIVE	3,917,080.00		3,917,080.00	250,136.97	6.39%	242,457.73
TOTAL OPERATING EXPENSES	5,363,170.00	166,827.52	5,529,997.52	330,502.09	5.98%	311,446.95
OPERATING INCOME (LOSS)	3,755,890.00	(166,827.52)	3,589,062.48	(86,165.62)	-2.40%	114,466.15
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	141,000.00		141,000.00	21,247.83	15.07%	15,076.76
RECOVERIES AND REBATES	-		-	398.46		235.28
GAIN/LOSS ON DISPOSAL	7,100.00		7,100.00	68.25		-
JOBBING INCOME (LOSS)	183,790.00	(4,841.99)	178,948.01	6,141.83	3.43%	(9,622.14)
INTEREST ON LONG TERM INDEBTEDNESS	(58,030.00)		(58,030.00)	-	0.00%	-
NET INCOME (LOSS)	4,029,750.00	(171,669.51)	3,858,080.49	(58,309.25)	-1.51%	120,156.05
OPERATING TRANSFERS IN (OUT)	(3,059,330.00)		(3,059,330.00)	(254,944.17)	8.33%	(254,944.13)
NET INCOME AFTER TRANSFERS	970,420.00	(171,669.51)	798,750.49	(313,253.42)	-39.22%	(134,788.08)
CONTRIBUTION IN AID	-		-	-		
REGULAR CAPITAL MAINTENANCE	(974,810.00)	(221,523.90)	(1,196,333.90)	(11,919.55)	1.00%	
CAPITAL PROJECTS	(1,100,000.00)	(2,001,917.26)	(3,101,917.26)	(1,520.16)	0.05%	
DEBT SERVICE	(234,390.00)		(234,390.00)	-	0.00%	
DEPRECIATION	1,565,000.00		1,565,000.00	132,686.93	8.48%	
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 JULY 31, 2018

ELECTRIC - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	JULY 2018	PERCENT OF CURRENT BUDGET	JULY 2017
OPERATING REVENUE	133,009,810.00		133,009,810.00	11,501,419.81	8.65%	11,678,568.52
COST OF SALES						
PURCHASED SERVICES	102,237,000.00		102,237,000.00	8,605,971.46	8.42%	9,168,263.70
PRODUCTION	921,400.00	122,735.64	1,044,135.64	72,198.82		54,108.12
TOTAL COST OF SALES	103,158,400.00	122,735.64	103,281,135.64	8,678,170.28		9,222,371.82
GROSS PROFIT	29,851,410.00	(122,735.64)	29,728,674.36	2,823,249.53		2,456,196.70
GROSS PROFIT %	22.44%		22.35%	24.55%		21.03%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,705,580.00	50,873.74	1,756,453.74	70,416.95	4.01%	79,768.81
ENGINEERING	987,030.00	18,638.32	1,005,668.32	89,613.92	8.91%	59,278.80
DISTRIBUTION	12,446,280.00	1,240.00	12,447,520.00	937,521.37	7.53%	811,818.54
SERVICE	-		-	-		-
METERS & REGULATORS	349,610.00		349,610.00	20,925.84	5.99%	24,389.87
BAD DEBT	309,500.00		309,500.00	58,787.71	18.99%	(8,121.88)
GENERAL & ADMINISTRATIVE	4,543,160.00	434,816.60	4,977,976.60	548,791.54	11.02%	297,002.88
TOTAL OPERATING EXPENSES	20,341,160.00	505,568.66	20,846,728.66	1,726,057.33	8.28%	1,264,137.02
OPERATING INCOME (LOSS)	9,510,250.00	(628,304.30)	8,881,945.70	1,097,192.20	12.35%	1,192,059.68
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	502,000.00		502,000.00	64,131.65	12.78%	55,282.13
ENERGY EFFICIENCY RECOVERY	-	(864,670.49)	(864,670.49)	(13,932.26)	1.61%	(9,799.64)
RECOVERIES AND REBATES	6,200.00		6,200.00	144.25	2.33%	-
GAIN/LOSS ON DISPOSAL	30,500.00		30,500.00	1,822.00	5.97%	-
JOBBING INCOME (LOSS)	77,410.00	(9,215.81)	68,194.19	74,176.79	108.77%	26,374.52
INTEREST ON LONG TERM INDEBTEDNESS	(1,626,050.00)		(1,626,050.00)	(5,750.76)	0.35%	(5,905.85)
NET INCOME (LOSS)	8,500,310.00	(1,502,190.60)	6,998,119.40	1,217,783.87	17.40%	1,258,010.84
OPERATING TRANSFERS IN (OUT)	(10,071,610.00)		(10,071,610.00)	(885,134.17)	8.79%	(835,134.13)
NET INCOME AFTER TRANSFERS	(1,571,300.00)	(1,502,190.60)	(3,073,490.60)	332,649.70	-10.82%	422,876.71
CONTRIBUTION IN AID	-		-	-		
FEDERAL AID - CAPITAL PROJECTS	-		-	-		
REGULAR CAPITAL MAINTENANCE	(3,482,900.00)	(381,322.15)	(3,864,222.15)	(68,020.21)	1.76%	
CAPITAL PROJECTS	(1,000,000.00)	(14,504,619.66)	(15,504,619.66)	(356,263.88)	2.30%	
DEBT SERVICE	(2,686,600.00)		(2,686,600.00)	(65,000.00)	2.42%	
DEPRECIATION	8,635,000.00		8,635,000.00	679,960.12	7.87%	
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 JULY 31, 2018

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2018-19	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2018-19	JULY 2018	PERCENT OF CURRENT BUDGET	JULY 2017
OPERATING REVENUE	634,600.00		634,600.00	18,594.27	2.93%	42,780.88
COST OF SALES						
PURCHASED SERVICES	63,600.00		63,600.00	4,369.98	6.87%	226.90
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	63,600.00	-	63,600.00	4,369.98		226.90
GROSS PROFIT	571,000.00	-	571,000.00	14,224.29		42,553.98
GROSS PROFIT %	89.98%		89.98%	76.50%		99.47%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	-		-	-		-
DISTRIBUTION	-		-	-		-
SERVICE	-		-	-		-
METERS & REGULATORS	-		-	-		-
BAD DEBT	-		-	-		-
GENERAL & ADMINISTRATIVE	873,180.00		873,180.00	70,161.58	8.04%	54,095.59
TOTAL OPERATING EXPENSES	873,180.00	-	873,180.00	70,161.58	8.04%	54,095.59
OPERATING INCOME (LOSS)	(302,180.00)	-	(302,180.00)	(55,937.29)	18.51%	(11,541.61)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	13,000.00		13,000.00	1,752.02	13.48%	1,563.09
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	19,550.00		19,550.00	2,043.79	10.45%	3,177.59
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	(269,630.00)	-	(269,630.00)	(52,141.48)	19.34%	(6,800.93)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(6,750.00)	8.33%	(25,166.63)
NET INCOME AFTER TRANSFERS	(350,630.00)	-	(350,630.00)	(58,891.48)	16.80%	(31,967.56)
CONTRIBUTION IN AID	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(105,000.00)	(10,000.00)	(115,000.00)	(15,929.36)	13.85%	
CAPITAL PROJECTS	(600,000.00)	(30,750.00)	(630,750.00)	(212,810.63)	33.74%	
DEPRECIATION	459,200.00	-	459,200.00	32,726.37	7.13%	
CONTINGENCY		-	-	-		

PGA

Mo Rate Applied	WACOG	WACOG Plus Losses	PGA (f)	PGA (i)	Cumulative Demand Cost	Cumulative Demand Recovery	Cumulative Over (Under) Demand Recovery	Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commodity Over (Under) Recovery	Adjustments	Commodity Recovery Balance Over (Under) +/- $2,000,000
Aug-16	$ 4.31935	$ 4.37402	$ 5.80000	$ 4.03837				$ 419,348.98	$ 524,869.81	$ 105,520.83		$ 59,330.39
Sep-16	$ 3.96650	$ 4.01671	$ 5.80000	$ 4.85278				$ 468,994.79	$ 608,595.46	$ 139,600.66		$ (48,777.82)
Oct-16	$ 3.95172	$ 4.00174	$ 5.80000	$ 3.86388				$ 659,947.57	$ 677,778.59	$ 17,831.02		$ (287,317.09)
Nov-16	$ 4.15469	$ 4.20728	$ 5.80000	$ 3.83151				$ 940,281.23	$ 891,428.66	$ (48,852.57)		$ (608,143.11)
Dec-16	$ 3.77139	$ 3.81913	$ 5.80000	$ 3.92085				$ 1,343,304.02	$ 1,513,746.60	$ 170,442.58		$ (713,468.29)
Jan-17	$ 3.98632	$ 4.03678	$ 5.80000	$ 3.94439				$ 1,484,875.16	$ 2,003,866.26	$ 518,991.09		$ (470,244.35)
Feb-17	$ 3.58179	$ 3.63392	$ 5.80000	$ 3.53150				$ 1,000,551.50	$ 1,886,652.77	$ 886,101.26		$ 137,462.08
Mar-17	$ 3.31705	$ 3.35904	$ 6.00000	$ 3.22893				$ 949,180.44	$ 1,317,437.34	$ 368,256.90		$ 230,253.25
Apr-17	$ 4.06530	$ 4.11676	$ 6.00000	$ 3.99225				$ 682,598.18	$ 1,169,716.99	$ 487,118.81		$ 465,915.43
May-17	$ 3.91726	$ 3.96685	$ 6.00000	$ 4.03998				$ 595,540.25	$ 780,657.05	$ 185,116.80		$ 394,953.84
Jun-17	$ 4.12043	$ 4.17259	$ 6.00000	$ 5.30895				$ 571,765.15	$ 745,048.04	$ 173,282.89		$ 140,898.64
Jul-17	$ 3.92603	$ 3.96569	$ 6.50000	$ 4.45806	$ 256,078.39	$ 68,473.73	$ (187,604.66)	$ 459,952.49	$ 545,491.20	$ 85,538.71		$ 38,334.84
Aug-17	$ 3.84785	$ 3.88672	$ 6.50000	$ 5.30438	$ 512,156.78	$ 141,091.83	$ (371,064.95)	$ 474,490.56	$ 517,308.77	$ 42,818.21		$ (107,204.02)
Sep-17	$ 3.94235	$ 3.98217	$ 6.75000	$ 4.69278	$ 759,587.48	$ 235,508.40	$ (524,079.08)	$ 460,546.04	$ 576,504.66	$ 115,958.62		$ (144,259.54)
Oct-17	$ 3.92903	$ 3.96872	$ 6.75000	$ 3.88404	$ 1,015,665.87	$ 353,474.81	$ (662,191.06)	$ 654,343.77	$ 594,797.16	$ (59,546.61)		$ (341,915.28)
Nov-17	$ 3.92912	$ 3.96881	$ 6.25000	$ 3.95760	$ 1,281,844.17	$ 579,509.51	$ (702,334.66)	$ 1,019,960.09	$ 877,458.05	$ (142,502.04)		$ (524,560.92)
Dec-17	$ 3.63988	$ 3.67665	$ 6.25000	$ 3.86643	$ 1,557,295.08	$ 1,108,756.40	$ (448,538.68)	$ 1,406,762.48	$ 1,264,291.85	$ (142,470.63)		$ (413,235.57)
Jan-18	$ 2.74228	$ 2.76998	$ 5.50000	$ 3.81302	$ 1,832,745.99	$ 1,933,416.18	$ 100,670.19	$ 1,581,288.20	$ 1,396,145.66	$ (185,142.54)		$ (48,981.55)
Feb-18	$ 3.98700	$ 4.02727	$ 6.25000	$ 4.08129	$ 2,080,379.07	$ 2,626,021.94	$ 545,642.87	$ 1,197,677.30	$ 1,706,167.71	$ 508,490.42		$ 904,779.24
Mar-18	$ 3.31716	$ 3.35067	$ 5.60000	$ 3.46799	$ 2,355,829.98	$ 2,989,007.33	$ 633,177.35	$ 1,116,127.84	$ 898,255.82	$ (217,872.02)		$ 774,441.70
Apr-18	$ 3.83066	$ 3.86935	$ 6.04420	$ 4.10520	$ 2,599,927.08	$ 3,376,106.45	$ 776,179.37	$ 728,408.09	$ 1,116,386.78	$ 387,978.69		$ 1,298,304.15
May-18	$ 3.96657	$ 4.00664	$ 3.88645	$ 4.13645	$ 2,852,660.75	$ 3,381,854.13	$ 529,193.38	$ 624,485.16	$ 700,818.35	$ 76,333.19		$ 1,127,651.35
Jun-18	$ 3.97273	$ 4.01285	$ 3.94946	$ 4.30946	$ 3,096,757.85	$ 3,388,276.42	$ 291,518.57	$612,158.33	$ 575,324.01	$ (36,834.32)		$ 1,090,817.03
Jul-18	$ 3.84198	$ 3.88079	$ 3.54319	$ 3.79319	$ 252,733.67	$ 2,311.02	$ (250,422.65)	$ 635,726.16	$ 478,294.98	$ (157,431.18)		**$ 933,385.85**

PCA

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	POWER COST RECOVERED	POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	CUMULATIVE POWER COST RECOVERY
Aug-16	$ 8,540,773.47			102,226,935			$0.004000	$0.086200	$0.089700	$ 103,139.41	$ 9,272,895.43	$ 732,121.96		$ (11,811,278.63)
Sep-16	$ 7,969,247.72			94,751,997			$0.004000	$0.086200	$0.089700	$ 103,139.41	$ 8,602,393.54	$ 633,145.82		$ (11,178,132.81)
Oct-16	$ 7,607,033.00			74,780,670			$0.005000	$0.086200	$0.090700	$ 123,674.41	$ 6,906,281.13	$ (700,751.87)	$4,000,000	$ (7,878,884.68)
Nov-16	$ 7,411,126.97			68,383,440			$0.005000	$0.086200	$0.090700	$ 123,674.41	$ 6,326,052.42	$ (1,085,074.55)		$ (8,963,959.23)
Dec-16	$ 8,677,538.19			75,061,456			$0.005000	$0.086200	$0.090700	$ 123,674.41	$ 6,931,748.45	$ (1,745,789.74)		$ (10,709,748.97)
Jan-17	$ 7,069,119.69			84,911,416			$0.006000	$0.086200	$0.091700	$ 123,674.41	$ 7,910,051.29	$ 840,931.60		$ (9,868,817.37)
Feb-17	$ 6,725,335.69			80,445,427			$0.006000	$0.086200	$0.091700	$ 162,521.08	$ 7,539,366.74	$ 814,031.05		$ (9,054,786.32)
Mar-17	$ 7,062,441.72			70,438,957			$0.006000	$0.086200	$0.091700	$ 162,521.08	$ 6,621,773.41	$ (440,668.31)		$ (9,495,454.63)
Apr-17	$ 6,703,901.03			65,870,869			$0.007000	$0.086200	$0.092700	$ 162,521.08	$ 6,268,750.61	$ (435,150.42)		$ (9,930,605.05)
May-17	$ 6,969,859.81			66,207,867			$0.007000	$0.086200	$0.092700	$ 162,521.08	$ 6,299,990.35	$ (669,869.46)	$687,784.13	$ (9,912,690.38)
Jun-17	$ 8,083,919.08			75,005,261			$0.007000	$0.086200	$0.092700	$ 162,521.12	$ 7,115,508.77	$ (968,410.31)		$ (10,881,100.69)
Jul-17	$ 9,168,263.70			85,917,013			$0.013000	$0.086200	$0.099200	$ 66,749.00	$ 8,589,716.64	$ (578,547.06)		$ (11,459,647.75)
Aug-17	$ 8,671,257.64			95,068,568			$0.013000	$0.086200	$0.099200	$ 59,381.71	$ 9,490,183.62	$ 818,925.98		$ (10,640,721.77)
Sep-17	$ 7,912,766.54			84,576,198			$0.013000	$0.086200	$0.099200	$ 59,381.67	$ 8,449,340.50	$ 536,573.96		$ (10,104,147.81)
Oct-17	$ 8,126,319.30			72,875,167			$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,340,938.36	$ (785,380.94)		$ (10,889,528.75)
Nov-17	$ 8,150,015.51			70,957,079			$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,148,745.95	$ (1,001,269.56)		$ (11,890,798.31)
Dec-17	$ 8,859,099.93			77,108,988			$0.014000	$0.086200	$0.100200	$ 38,846.67	$ 7,765,167.31	$ (1,093,932.62)		$ (12,984,730.93)
Jan-18	$ 13,667,017.49			96,635,190			$0.016000	$0.086200	$0.102200	$ 38,846.63	$ 9,914,963.05	$ (3,752,054.44)		$ (16,736,785.37)
Feb-18	$ 6,743,352.25			89,222,126			$0.016000	$0.086200	$0.102200		$ 9,118,501.30	$ 2,375,149.05		$ (14,361,636.32)
Mar-18	$ 7,844,141.48			81,238,480			$0.016000	$0.086200	$0.102200		$ 8,302,572.65	$ 458,431.17		$ (13,903,205.15)
Apr-18	$ 6,526,042.43			74,500,759			$0.018000	$0.086200	$0.104200		$ 7,762,979.12	$ 1,236,936.69		$ (12,666,268.46)
May-18	$ 7,689,910.20			64,902,149			$0.018000	$0.086200	$0.104200		$ 6,762,803.93	$ (927,106.27)		$ (13,593,374.73)
Jun-18	$ 8,368,476.01	$ 1,254,736.42	$ 7,113,739.59	82,867,317	12,424,800	70,442,517	$0.018000	$0.086200	$0.104200		$ 7,340,110.27	$ 226,370.68	$202,109.00	$ (13,164,895.05)
Jul-18	**$ 8,585,496.67**	**$ 1,148,730.43**	**$ 7,436,766.24**	**91,238,385**	**12,207,600**	**79,030,785**	**$0.020000**	**$0.086200**	**$0.106200**		**$ 8,393,069.34**	**$ 956,303.10**		**$ (12,208,591.95)**

Commission Item Number: DUC18101 - 2
Utility Commission Meeting: October 1, 2018
Item: II. C. <u>Discussion on Fiscal Year 2019 and 2020 Capital Projects</u>

<u>Discussion on Fiscal Year 2019 and 2020 Capital Projects</u>

Division Directors will present the progress made on current fiscal year 2019 capital projects and what proposed projects will likely be included in the upcoming fiscal year 2020 budget presentation in January.

FY19/FY20 CAPITAL PROJECTS

Danville Utility Commission

October 1, 2018

Alan Johnson

Director of Water and Wastewater Treatment

WATER AND WASTEWATER TREATMENT

WASTEWATER CIP

Project	FY19	FY20	FY21
1. Replace two influent pumps		$135,000	
2. Replace Return Activated Sludge (RAS) pumps	$100,000		
3. Add smaller blower 2,000 to 4,000 SCFM		$200,000	
4. Replace Southside influent pumps			$100,000
5. Replace gaseous chlorine with sodium hypochlorite	$200,000		
6. Purchase compact tractor with bucket attachment	$15,000		
7. Additional SCADA upgrades		$25,000	
8. Demo of chlorine contact tank	$35,000		
9. Replace Motor Control Center at Airside Lift Station and install connection for backup generator	$100,000		
Totals	$450,000	$360,000	$130,000

Future CIP projects

Typical Hypo feed system

Industrial Plant CIP

Project	FY19
1. Replace and increase output of finish pump #1	$80,000
2. Install backup generator for finish water pumps to supply clarified water during power outages.	$20,000
Total	$100,000

South Filter Gallery

Valve & condensation mitigation

Project Estimate $2M

North Filter Gallery

Valve & condensation mitigation

Project Estimate $2M

Dan River Reservior

20 MG storage

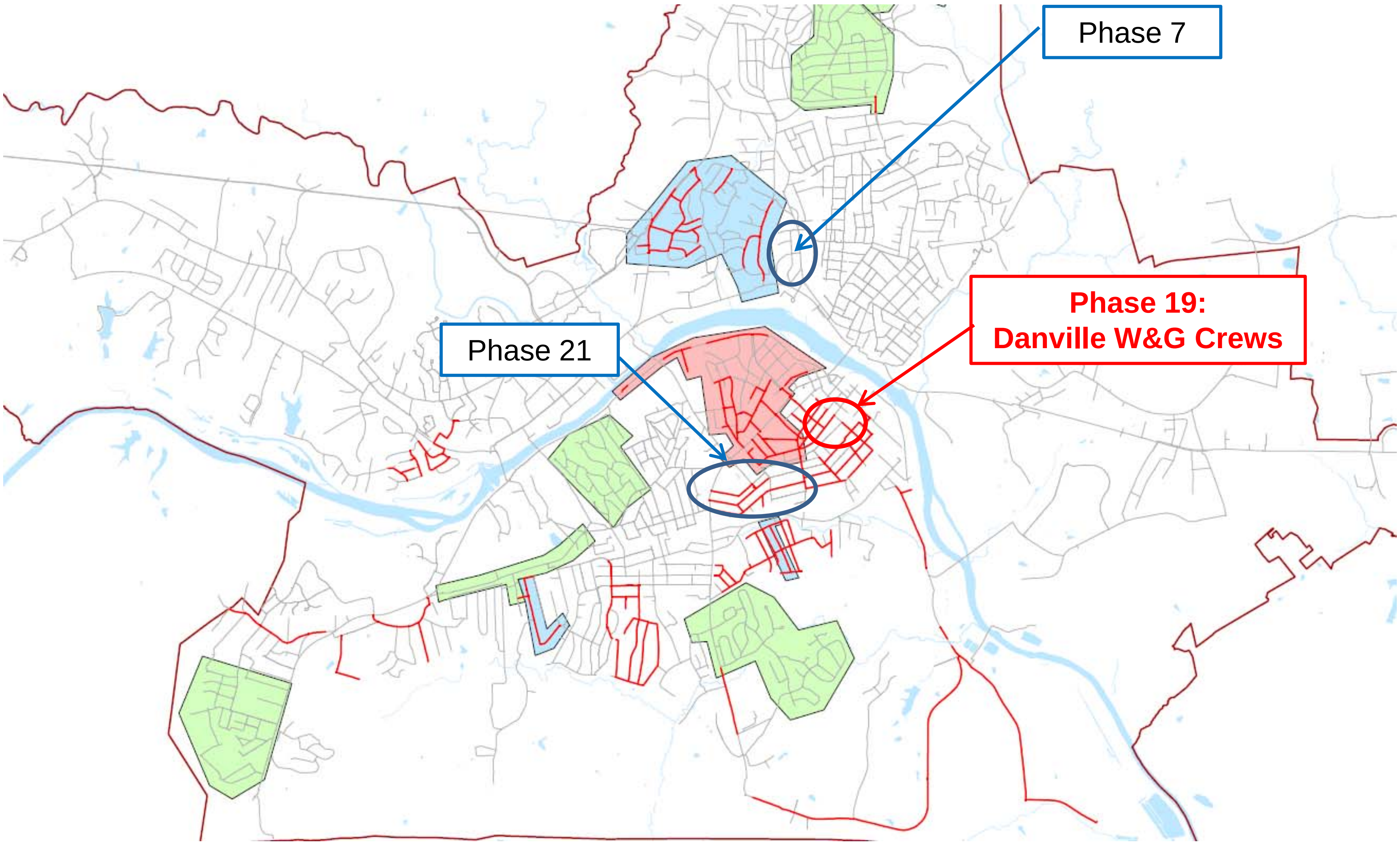
Project Estimate-$3M

Kelly Kinnett, P.E.

Director of Water and Gas

WATER AND GAS

FISCAL YEAR 19
Replacement Projects: Water

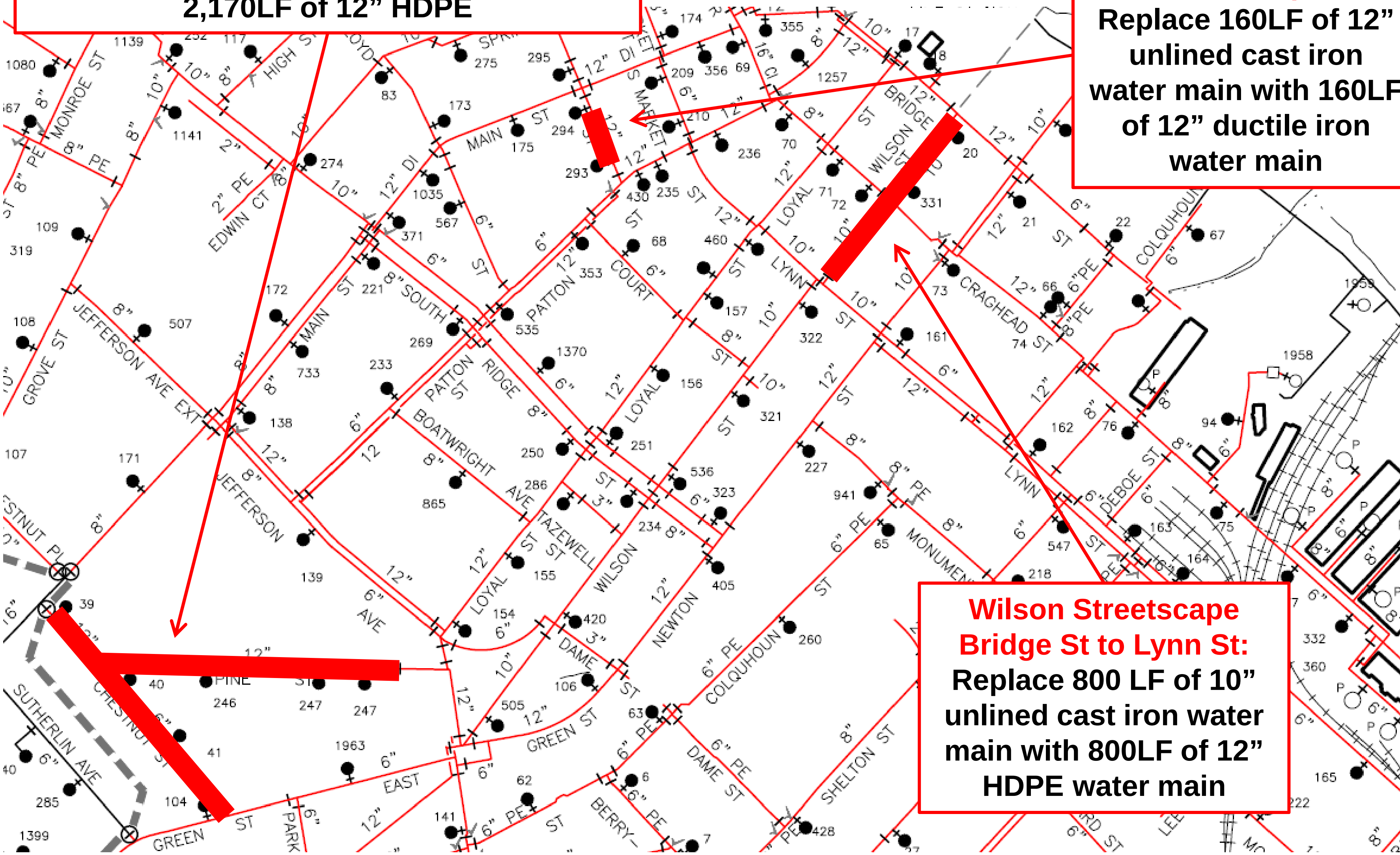


Red Box: City of Danville Utilities Water & Gas Crews
Blue Box: Classic City Mechanical (Blanket Contract)

FY19 RCM Water Projects

Pine and Chestnut Street Paving Overlay:
Replace unlined 12” Cast Iron with 2,170LF of 12” HDPE

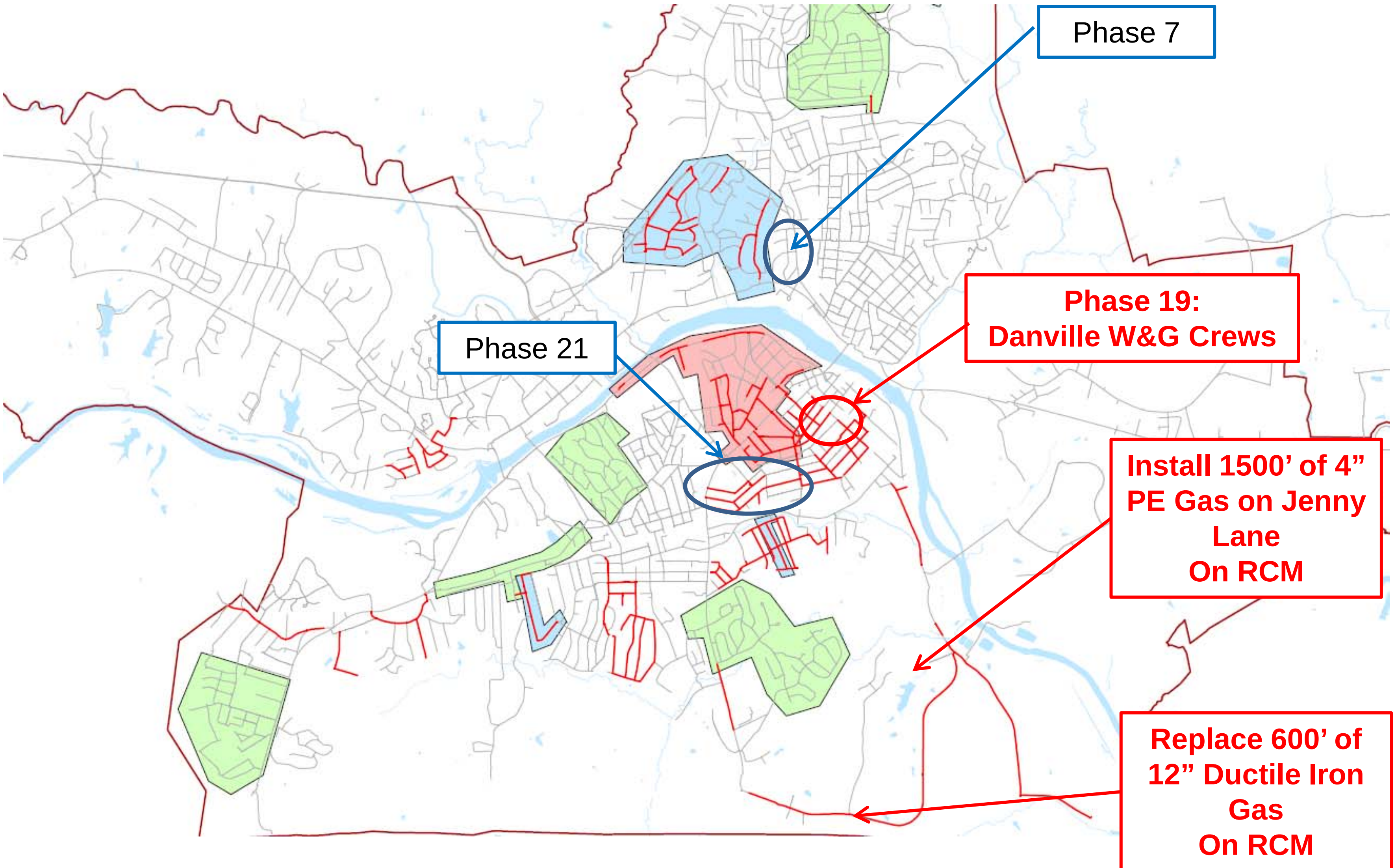
South Union Streetscape:
Replace 160LF of 12” unlined cast iron water main with 160LF of 12” ductile iron water main



Wilson Streetscape Bridge St to Lynn St:
Replace 800 LF of 10” unlined cast iron water main with 800LF of 12” HDPE water main

Red Box: City of Danville Utilities Water & Gas Crews

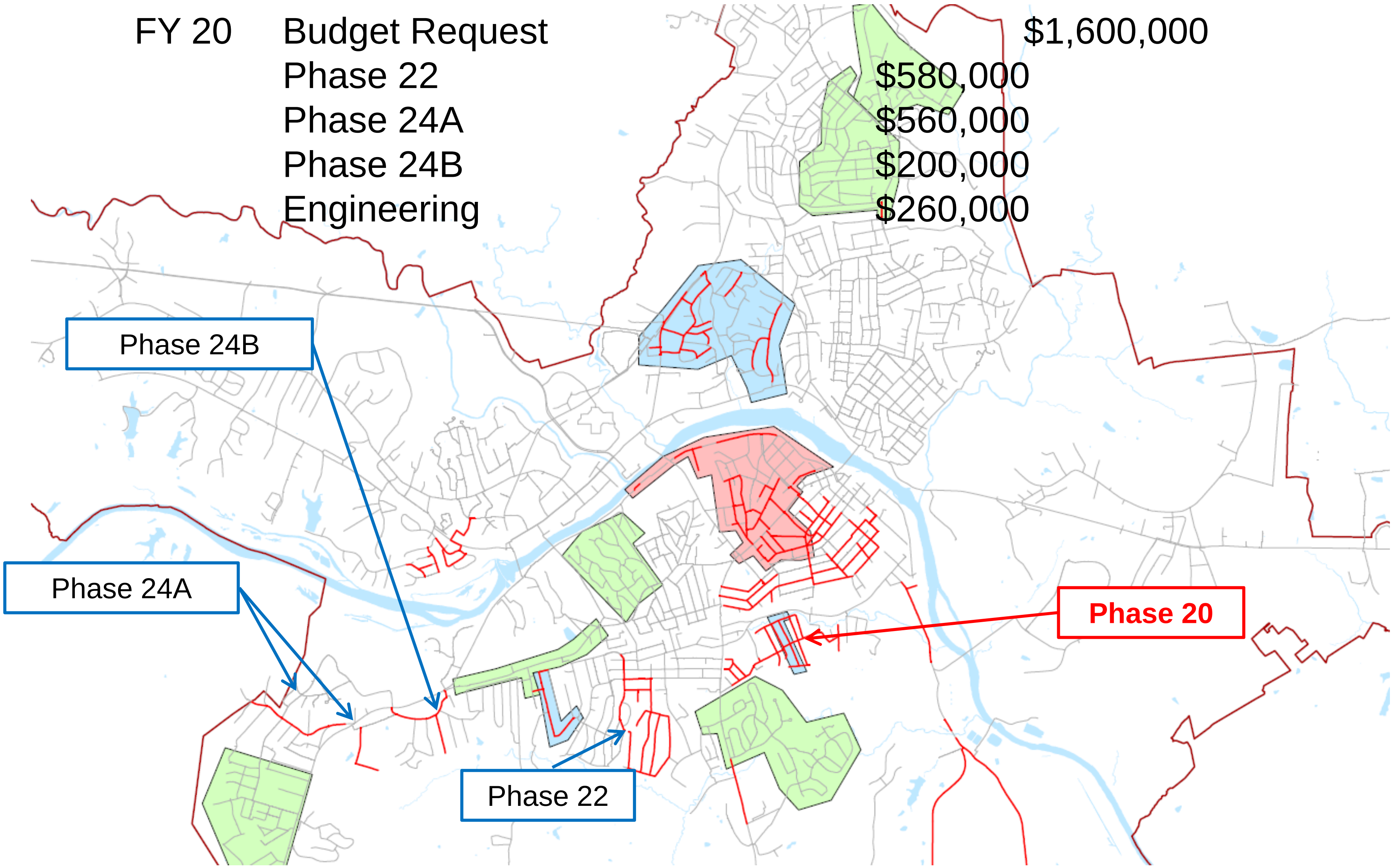
FISCAL YEAR 19:
Gas Replacement Projects



Red Box: City of Danville Utilities Water & Gas Crews
Blue Box: Classic City Mechanical (Blanket Contract)

FISCAL YEAR 20
Waterline Replacement Projects

FY 20	Budget Request	$1,600,000
	Phase 22	$580,000
	Phase 24A	$560,000
	Phase 24B	$200,000
	Engineering	$260,000



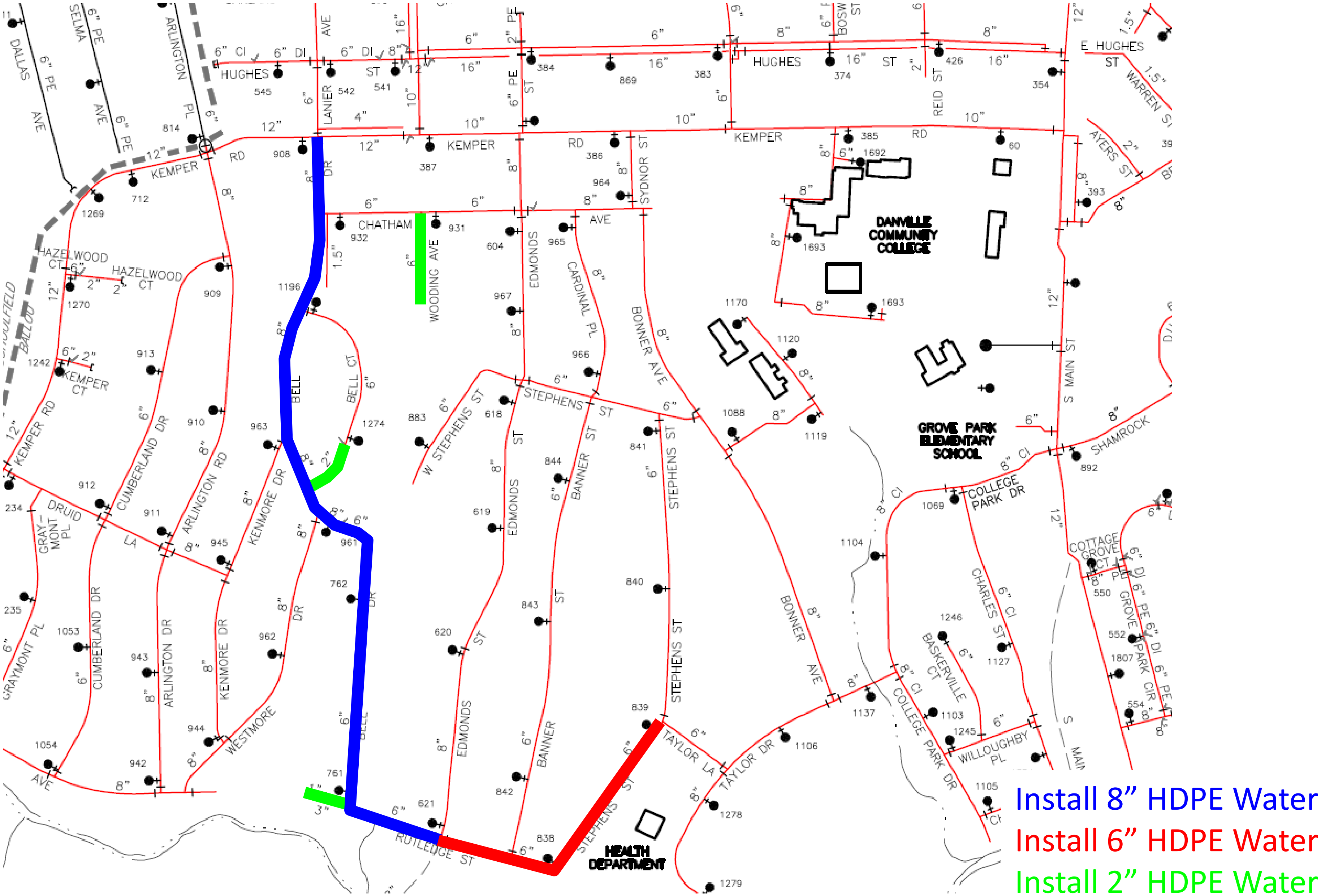
Red : Danville Utilities Water & Gas Crews included in Regular Capital Maintenance

Blue : Classic City Mechanical (Blanket Contract) in the CIP Request

FY20 - Phase 22 Water Replacement

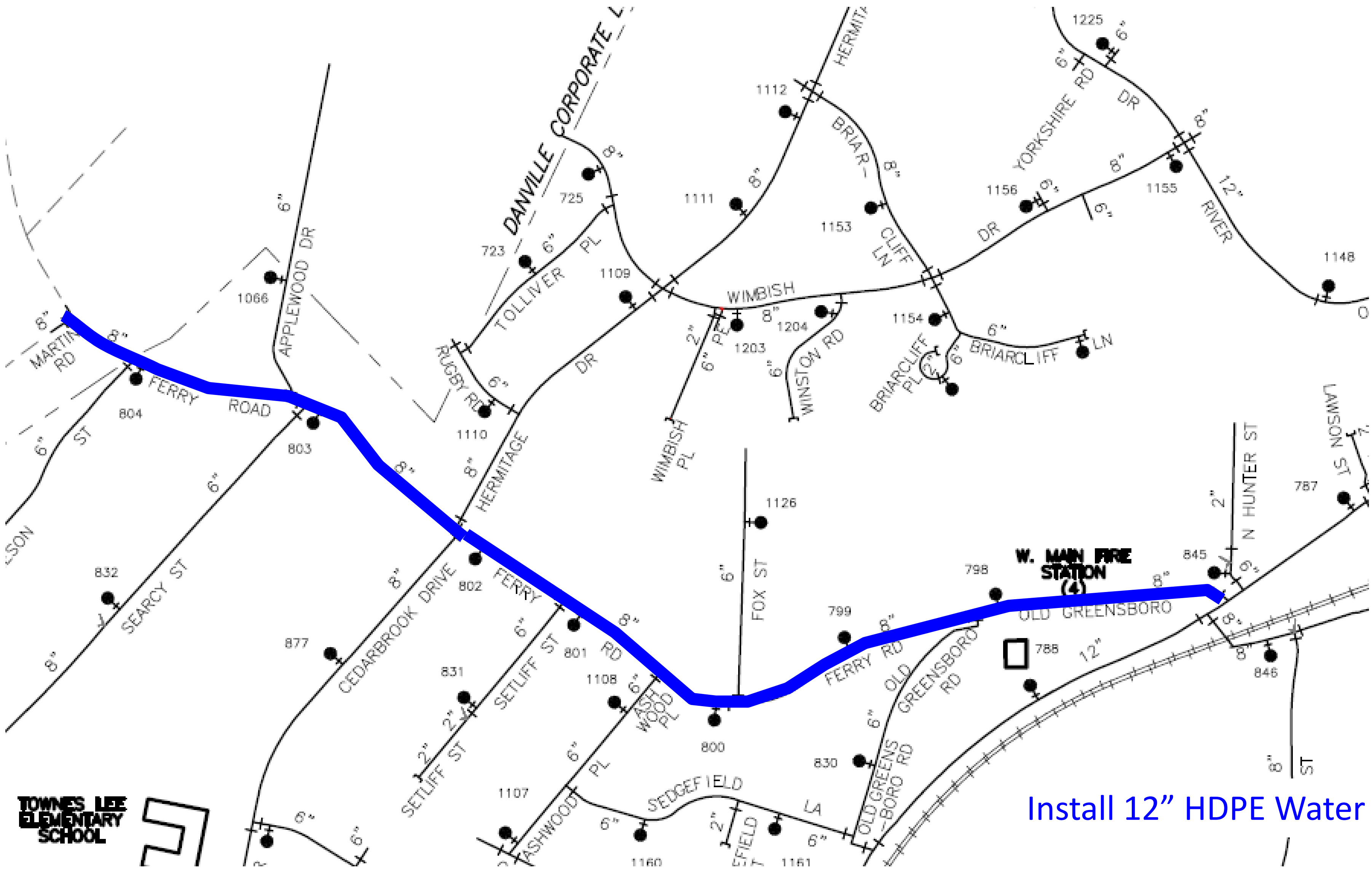
Replace 1.16 miles water main and 74 services

Construction Cost: $580,000



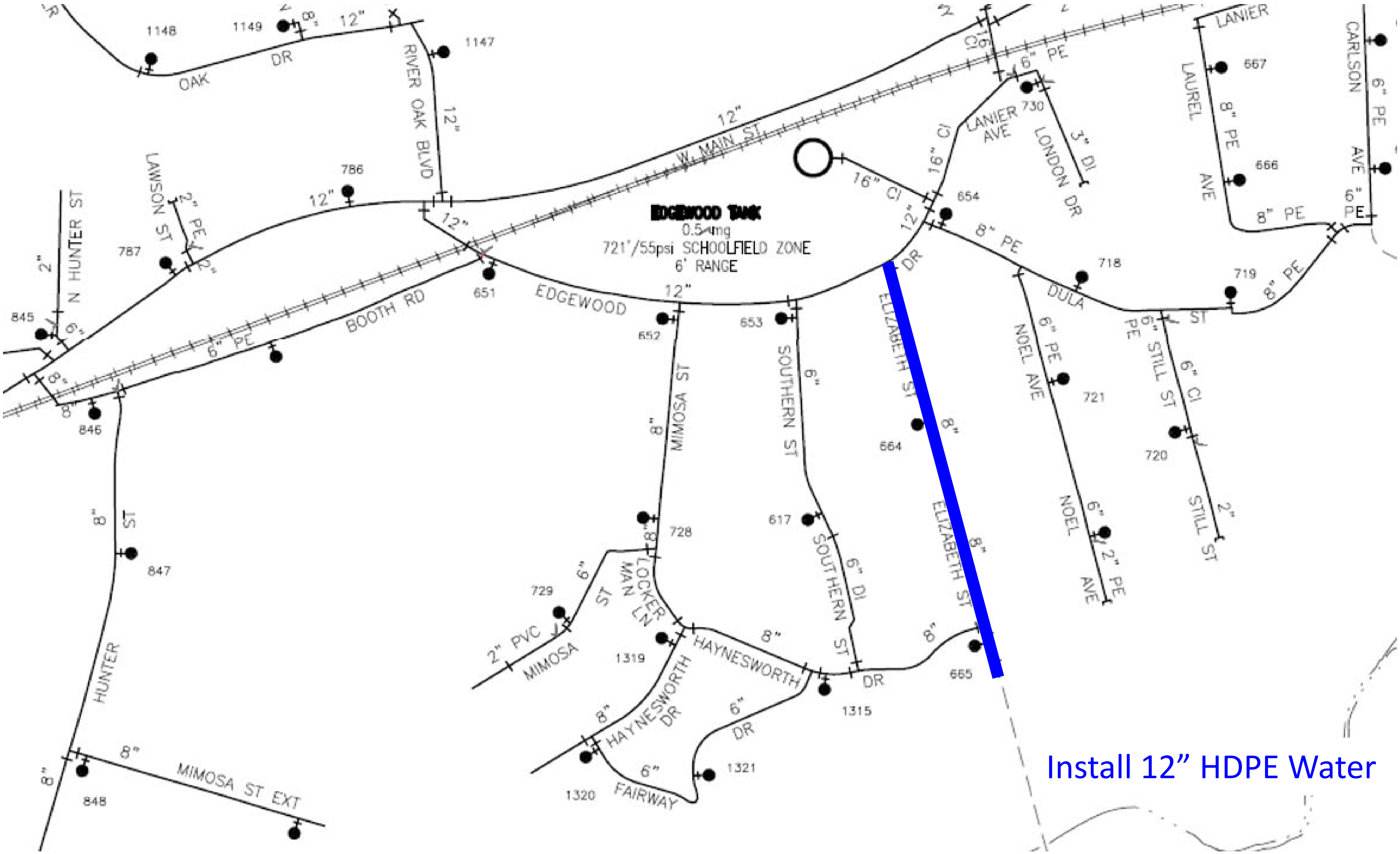
FY20 - Phase 24A Water Replacement Replace 0.89 miles water main and 65 services

Construction Cost: $560,000



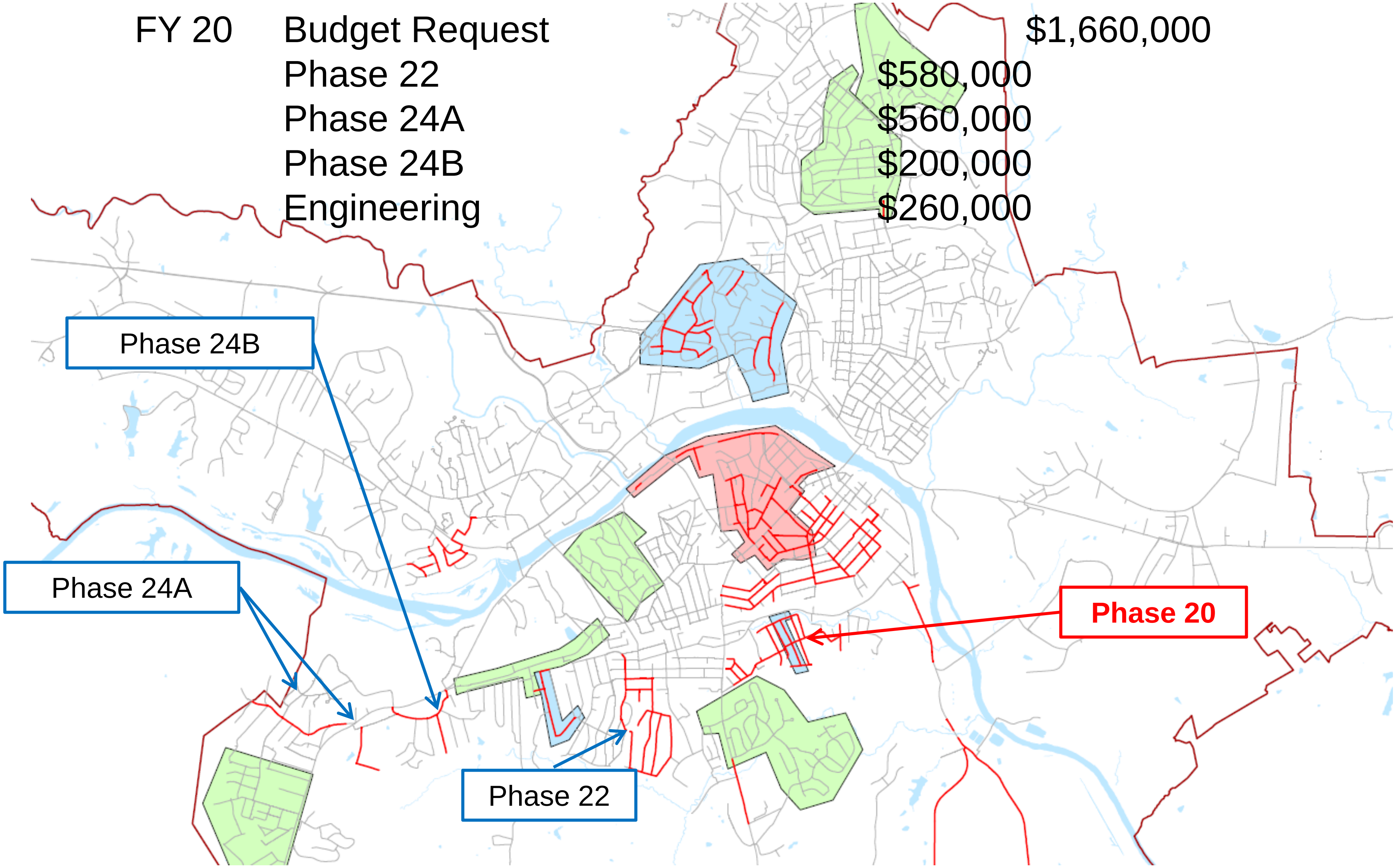
FY20 - Phase 24B Water Replacement Replace 0.29 miles water main and 33 Services

Construction Cost: $200,000



FISCAL YEAR 20
Gas Cast Iron Replacement Projects

FY 20	Budget Request	$1,660,000
	Phase 22	$580,000
	Phase 24A	$560,000
	Phase 24B	$200,000
	Engineering	$260,000

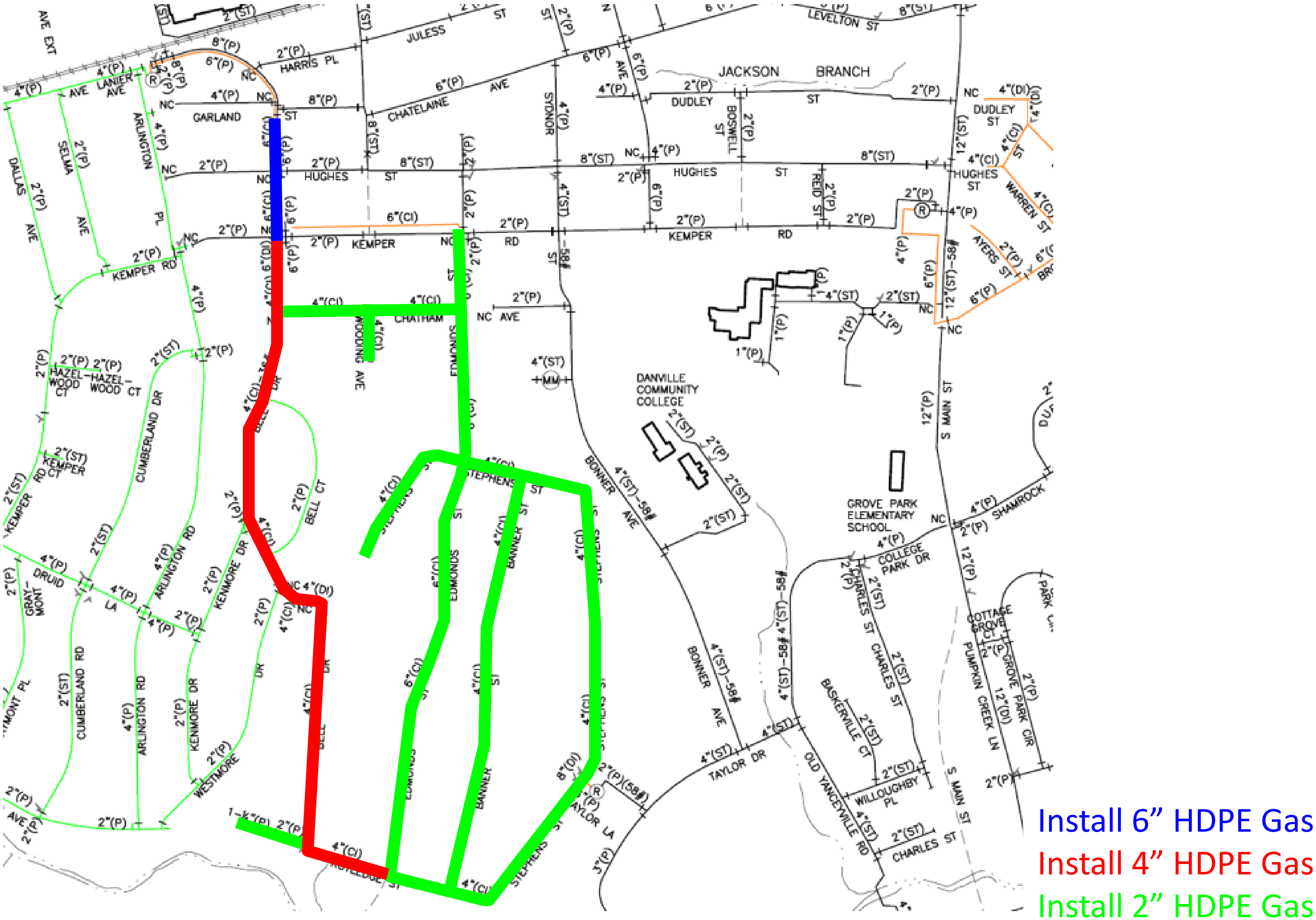


Red : Danville Utilities Water & Gas Crews included in Regular Capital Maintenance 18

Blue : Classic City Mechanical (Blanket Contract) in the CIP Request

FY20 - Phase 22 Gas Replacement Replace 2.98 miles main Renew 174 Services

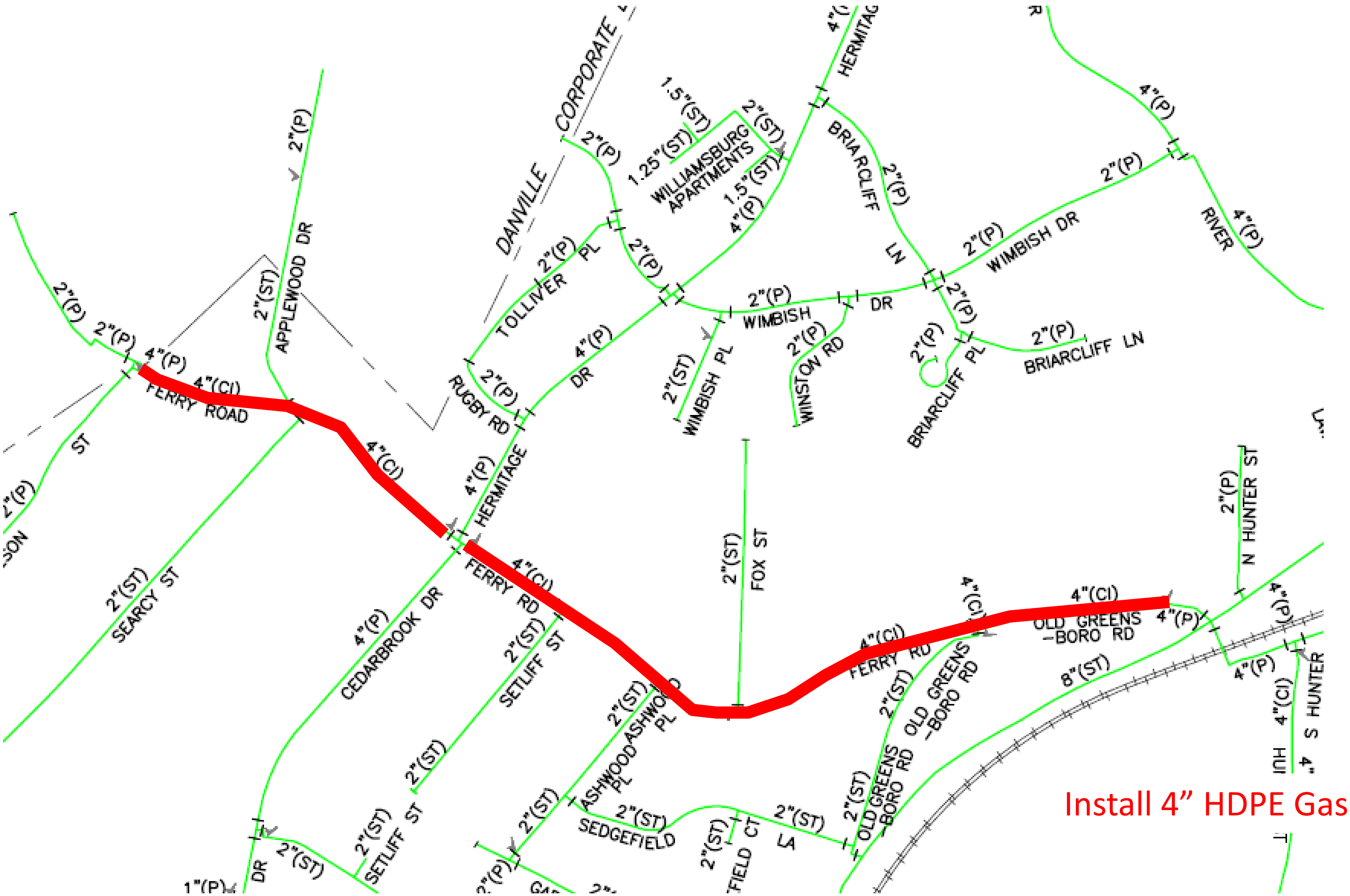
Construction Cost: $710,000



FY20 - Phase 24A Gas Replacement

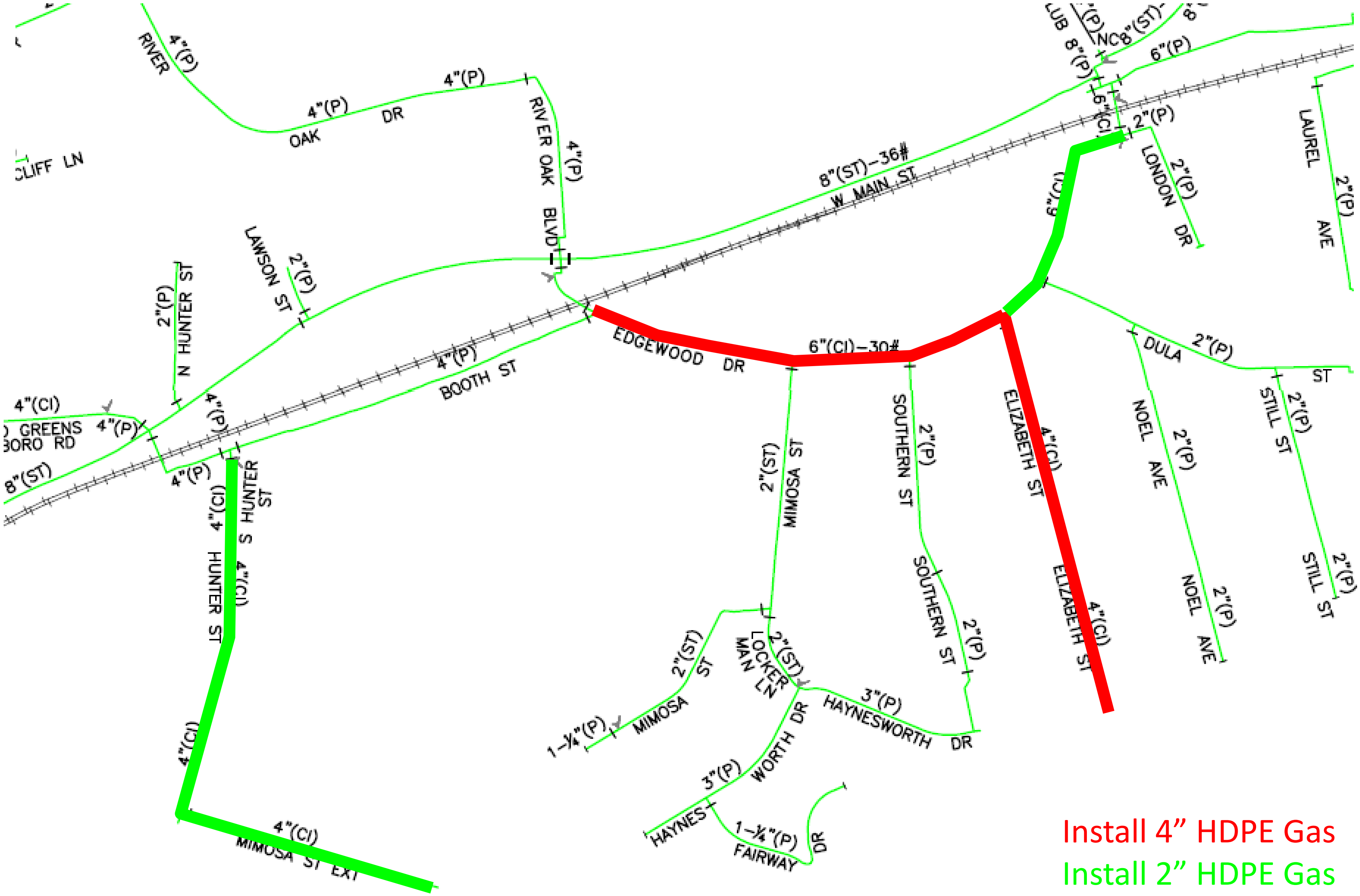
Replace 0.74 miles gas main Renew 60 Services

Construction Cost: $230,000



FY20 - Phase 24B Gas Replacement Replace 1.18 miles gas main Renew 100 Services

Construction Cost: $280,000



Water & Gas Budget Summary

Gas Capital Improvement Plan
Cast Iron Main Replacement Program

FY 20	Budget Request		$1,500,000
	Phase 22	$710,000	
	Phase 24A	$230,000	
	Phase 24B	$280,000	
	Engineering	$260,000	
	Sandy River Regulator Station	$ 23,275 *	

***Total Project Cost: $310,500**

Water Capital Improvement Plan

FY 20	Budget Request		$1,660,000
	Phase 22	$580,000	
	Phase 24A	$560,000	
	Phase 24B	$200,000	
	Engineering	$260,000	

POWER AND LIGHT

FY20 Electric Budget Information

Line reconductoring/rebuilds-$1,000,000

25kv conversion-$1,000,000

Riverside Substation upgrade-$3,000,000

Reliability Work-$500,000

LED Streetlight upgrades-$1,500,000

Behind the Meter projects-$600,000

TOTAL: $7,600,000

Power & Light 25 KV Conversion Plan

25 kV Conversions

Proj#	FY	Feeder	Line Section	Status	Weeks Labor	Miles	Labor Cost	Material Cost	Cost	Available Funding
6	18	KT783	Hwy360Part1	Const 10%	8.5	9.5	$102,462	$15,815	$118,277	$750,000
8	18	WL761	Hwy57W	Const 75%	5.0	4.8	$0	$9,538	$9,538	$631,723
9	18	WL761	Hwy41FromHwy817		12.8	11.3	$153,840	$24,527	$178,367	$622,185
10	18	KT781	Hwy729PastHwy713		11.4	10.8	$136,398	$25,997	$162,395	$443,818
12	18	KT783	Hwy360Part2	Const 5%	11.6	12.3	$139,380	$22,898	$162,278	$281,423
14	18	WF815	Hwy610offHwy58	Ready	10.5	7.9	$125,409	$26,848	$76,129	$119,145
20	18	AS834	Hwy119		9.4	11.2	$112,755	$16,431	$129,186	$43,017
21	19	AS834	Hwy58E		8.9	10.0	$106,467	$13,393	$119,860	$1,043,017
23	19	WF813	Hwy622PastHwy621		10.4	8.9	$124,632	$17,584	$142,216	$923,157
15	19	KT783	Hwy360Part3		11.7	13.3	$140,307	$21,550	$161,857	$780,941
16	19	WF813	Hwy621		6.8	7.9	$81,423	$13,207	$94,630	$619,084
17	19	WF815	Hwy58PastHwy855		14.8	10.3	$177,561	$42,856	$220,417	$524,454
18	19	WL761	Hwy612		8.7	8.4	$104,688	$16,941	$121,629	$304,037
19	19	WL761	Hwy41PastHwy844		10.3	9.3	$123,825	$23,185	$147,010	$182,407
22	19	KT783	Hwy360Part4		10.6	10.9	$126,840	$19,016	$145,856	$35,397
24	20	WF811	Hwy862		8.5	9.6	$102,000	$28,202	$130,202	$735,397
25	20	WF815	Hwy58WPastHwy622		9.4	6.9	$112,845	$33,990	$146,835	$605,195
26	20	WF813	Hwy622UpperEnd		10.9	7.1	$131,013	$29,655	$160,668	$458,360
27	20	WR754	Hwy874LostCorners		8.8	9.5	$105,600	$18,876	$124,476	$297,692
28	20	WR754	Hwy863BerryHillRd		9.3	7.8	$111,882	$28,201	$140,083	$173,216
29	20	KT783	Hwy360Part5		10.5	9.0	$125,637	$20,548	$146,185	$33,133
					209	197	$2,444,964	$469,258	$2,838,094	

FY	Labor (weeks)	Miles	Costs
2018	69.2	67.8	$836,169
2019	79.1	79.1	$1,153,475
2020	57.4	49.8	$848,449

Labor cost/ week	$12,000
Balance	$0
2018 Request	$750,000
2019 Request	$1,000,000
2020 Request	$700,000

Reconductor / Rebuild Projects Plan

Reconductor/ Rebuild Projects

ID	FY	Project Name	Description	Miles	Cost $K	Notes	Status	Avail Funds		
1	18	Barker Rd Three phase	Install UG and bore	0.25	50		in eng 80%	$1,204		
2	18	River St Reconductor	0.75 mi Reconductor	0.75	150	two 1900' segments	in construction	$1,154	2017 Balance	Miles
3	18	Ringgold Church Rd Part 1	1.62 mi 3-ph Rebuild	1.62	405		in eng 90%	$1,004	$764	
4	18	Ringgold Depot Rd Part 1	1 mi 3-ph Build	1.00	250			$599	2018 Funds	
5	18	W Main Schoolfield Feeder	0.75 mi New build	0.75	350	1300' UG 3500' OH	in eng 10 %	$349	$440	5.37
6	18	Wilkerson Rd Three phase	1 mi 3-ph Build	1.00	160		released	-$1	2019 Funds	
7	19	Ringgold Church Rd Part 2	1.62 mi 3-ph Rebuild	1.62	405		in eng 90%	$1,000	$1,000	4.87
8	19	Ringgold Depot Rd Part 2	1.0 mi 3-ph Rebuild	1.00	250			$595		
9	19	Withers Rd Reconductor	1.0 mi Reconductor	1.00	250			$345	2020 Funds	
10	19	Whispering Pines Rd	1.25 mi 3-ph Build	1.25	313			$33	$1,000	3.50
11	20	S. Boston Hwy	1.75 mi 3-ph Rebuild	1.75	438			$1,033	2021 Funds	
12	20	US Hwy 58- Pounds to Hackberry	1.75 mi Recond	1.75	438			$595		
								$0		

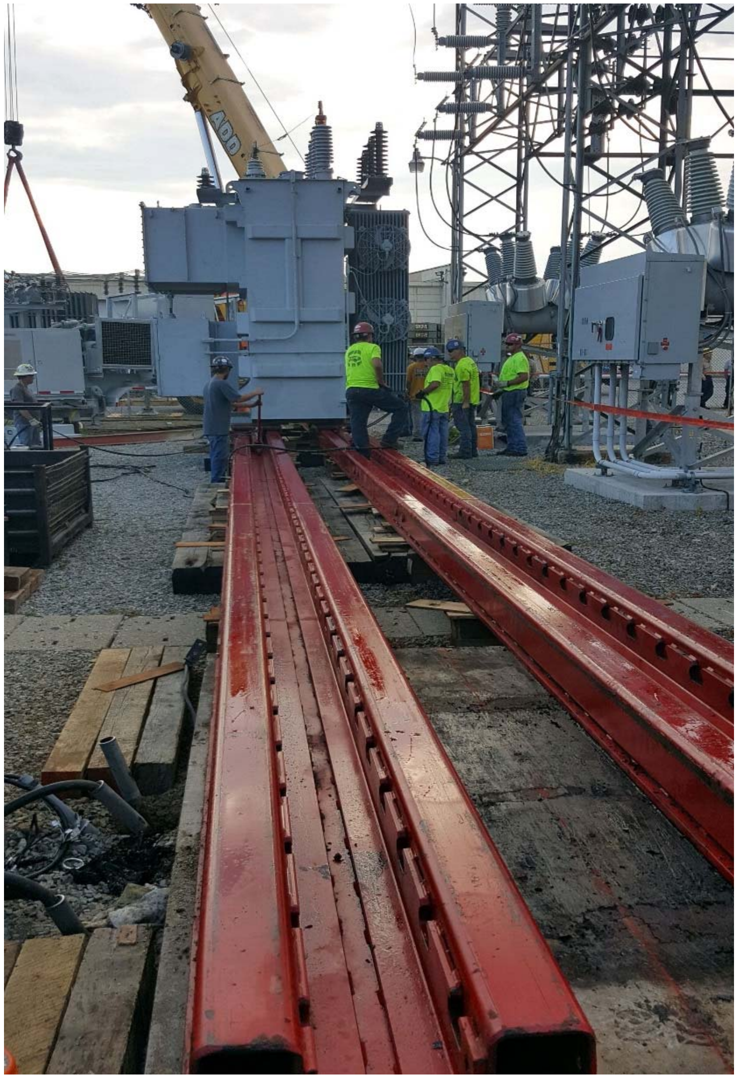
Power & Light Substations

17 Substations with Transformer Manufacturer Dates

Brantly	1978(138-69), 2014
Cain Creek	2009
Kentuck (2018/19)	1969
Southside (2021/2022)	1973
Schoolfield (2017/18)	1962/1971
Westover (2022/23)	1975
Whitmell (2020/21)	1972
Westfork	1997
Riverside (2019/20)	1961(138-69), 1961, 1971
White Oak	1997
Piney Forest	1979, 2008
Bridge Street	2004
New Design	1970, 1972
Airside	1990
Rocksprings	2011(138-69), 1993, 2003
Tunstall	2006

Red(target fiscal years)

Riverside Substation FY20-$3M



Whitmell and Kentuck Solar proejcts
FY20-$600,000

Construction

- Behind the meter resource
- Mitigate increases in transmission and capacity costs
- Low cost of energy

LED Streetlight replacements
FY20-$1.5M

Construction

- Replace existing lights with LED or other energy-efficient lighting
- Replaced 4,000 lights in FY19
- Estimated improved lighting performance
- Reduction in maintenance expense
- Focus on main thoroughfares

Vegeatation Management
FY20-$2.5M

- Increase right-of-way budget from $1.9M to $2.5M
- Bid out substation feeders
- Get to a 4-5 year cutting cycle
- Funded out of operating budget

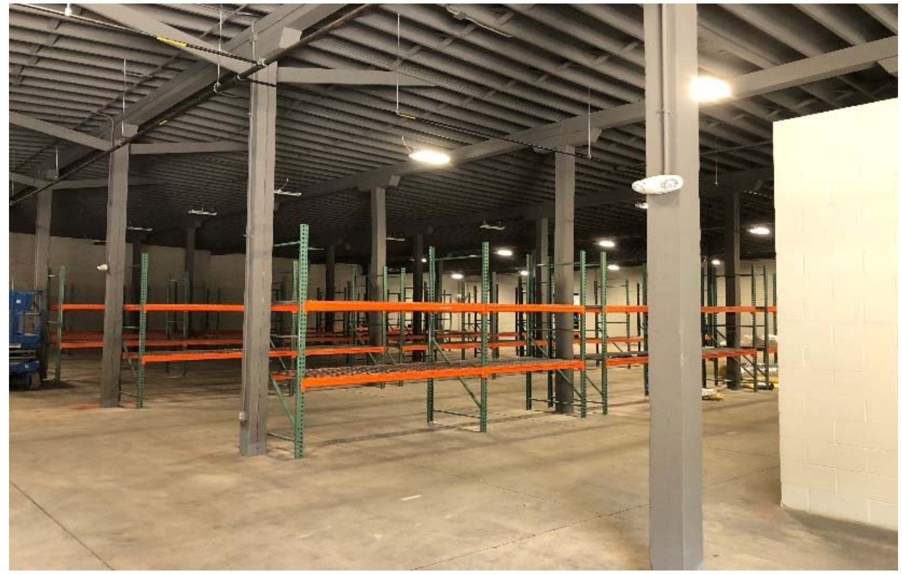
Jennifer B. Holley, CPA

Division Director of Support Services

FY 19 CIP UPDATE

864 Monument Street Warehouse

- Property acquired from the IDA January 2018 for $650,000
- 4.44 acres; 49,739 square feet
- Contract awarded to J.E. Burton Construction for Phase 1 for $1,398,796
- Phase 1
  - includes exterior storage and driveway of 1.9 acres
  - 1100 square feet of office space
  - 23,636 of interior storage
  - LED motion sensor lighting
  - Gas heaters
  - Large ceiling fans
  - New shelving and storage racks
  - New roof
  - Concrete repair
  - Expected completion November 2018; occupancy by December 31, 2018
- Phase 2
  - 24,934 square feet of interior storage
  - To be included in FY21 or later budget
  - Storage of large items/overflow until renovation



34

FY 2020 CIP Projects

Danville Utility Commission

October 1, 2018

Fiscal Year 2018

- Grove Park – 262 Homes passed
  Completed 10/18

Fiscal Year 2019

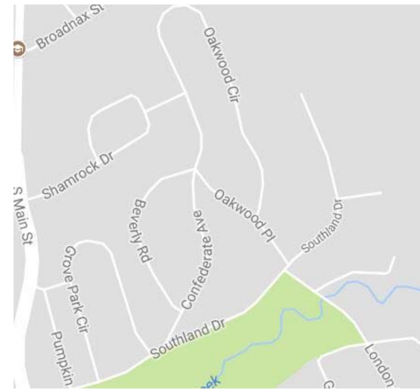
- Grove Park – 262 Homes Passed
  Complete 10/18
- Country Club – 40 Homes
  Begin 4/2019

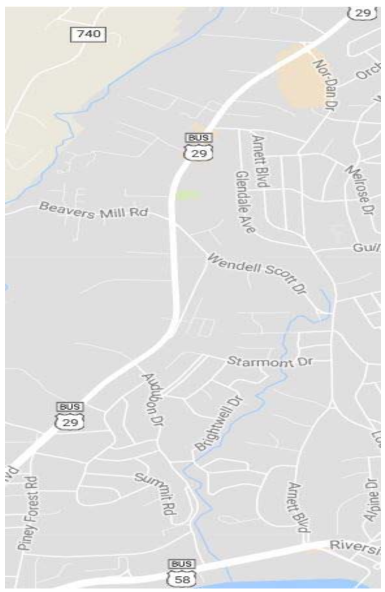
Fiscal Year 2020

- Starmont – 864 Homes to be completed in three phases
  Begin Phase 1 7/2019

CIP Projects

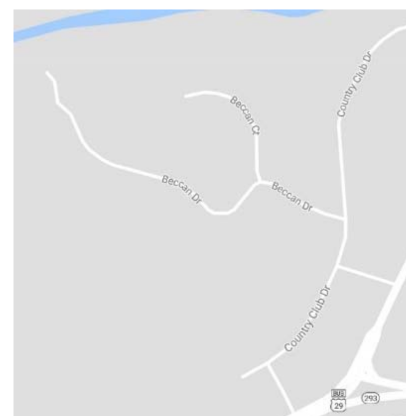
Grove Park
262 Homes





Starmont
864 Homes

Country Club
40 Homes



Summary

Neighborhood	Number of Homes Passed
Grove Park	262
Starmont	864
Country Club Dr	40
Total (Including Completed)	3002

Summary (contd.)

Fiscal Year 2018

- Expenditures $500,000 Budgeted

Fiscal Year 2019

- ~302 homes= $600,000 Budgeted

Fiscal Year 2020

- ~ 320 homes=$650,000 CIP

Take Rate

- 10% take rate year 1
- ~5% annual increase

QUESTIONS?