Danville Utility Commission Meeting Agenda
4:00 p.m., February 28, 2022

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

II. Discussion/Business Items

A. Minutes of the January 24, 2022 Commission Meeting
B. Review of December Financial Statements
C. Fiscal Year 2023 Utilities Budget
D. New nDanville Internet Service Provider-Zitel

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, March 28, 2022

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. January 24, 2022 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Ken Larking, Helm Dobbins, Paul Liepe, Anna Kautzman, Vic Ingram, Vanessa Cain, Gary Miller, Steven Merricks

Commission Members Absent: Sheila Williamson-Branch

Staff Present: Jason Grey, Ryan Dodson, Lori Flanigan, Janet Davis, Michael Adkins, Jennifer Holley

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 December 6, 2021 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from December 6, 2021.

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

Review of Utilities' Financial Statements

Ms. Holley presented the November financial statements for each utility fund.

Introduction to Fiscal Year 2023 Utilities Budget
Lori Flanigan presented the proposed Wastewater, Water, Gas, Electric and Telecommunication budgets for FY2023 including capital improvement projects.

Wastewater
The wastewater budget contains capital projects for the Fall Creek Sanitary Sewer Reconstruction/Rehabilitation, new sewer lines, and sewer line reconstruction. The Fall

Creeks Sanitary Sewer project will be funded by the Wastewater Fund Balance, while the other projects will be funded by revenues.

Water
The water budget contains funding for waterline replacements. The replacements will be financed by state grants, bonds, and water revenues. An off-stream reservoir project will be financed by state grants and bonds.

Gas
The gas fund includes funding for the new natural gas transmission pipeline project. The project will be financed by the gas fund balance and revenues.

Electric
The electric budget contains funding for substation construction and upgrades. The projects will occur at Ballou Substation, West Fork Substation (AEP Fourth Delivery Point), New Design Substation, and Airside Substation. There is also an underground electric distribution conversion project in the budget. All electric fund projects will be financed with bonds.

Mr. Dobbins asked why the power supply cost will go down in the next fiscal year but go back up the following year.

Mr. Grey responded that next year there will be retirements, especially in coal that will drive cost back up.

Telecommunications
The telecommunications budget contains no new projects.

Department Discussions

Mr. Larking reiterated that any feedback from the public and utility commission is taken into consideration before the budget goes before City Council for approval. He also complimented the crews for their work during the last winter storm.

Ms. Kautzman echoed Mr. Larking's sentiments regarding the winter storm.

Mr. Dobbins thanked utility staff for the Energy Information Administration (EIA) information provided in the agenda packet as did Ms. Cain.

Mr. Ingram thanked utilities for the excellent job during the storm as well.

There was no further communication from the public.

Mr. Grey thanked staff for their help during the last storm.

Adjournment
Ms. Cain stated the next meeting is scheduled for February 28, 2022. There being no further business, a motion was made by Mr. Larking and seconded by Mr. Dobbins that the meeting be adjourned. The meeting adjourned at 4:25pm.

February 28, 2022
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Commission Item Number: DUC220228 - 1
Utility Commission Meeting: February 28, 2022
Item: II. B. <u>Review of December Financial Statements</u>

Financial Report

December financials will be reviewed.

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED DECEMBER, 2021 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 21-22 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	4,519,250.57	4,370,782.90	10,323,084.56	59,841,479.56	363,611.20	79,418,208.79	160,918,330.00	76,241,281.84
COST OF SALES								
PURCHASED SERVICES	-	-	7,231,688.93	45,288,435.43	35,783.89	52,555,908.25	101,883,430.00	52,006,721.23
PRODUCTION	-	-	-	531.28	-	531.28	158,866.34	264,637.72
TOTAL COST OF SALES	-	-	7,231,688.93	45,288,966.71	35,783.89	52,556,439.53	102,042,296.34	52,271,358.95
GROSS PROFIT	4,519,250.57	4,370,782.90	3,091,395.63	14,552,512.85	327,827.31	26,861,769.26	58,876,033.66	23,969,922.89
GROSS PROFIT %	100.00%	100.00%	29.95%	24.32%	90.16%	33.82%	36.59%	31.44%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	1,585,233.07	931,314.84	-	837,070.78	-	3,353,618.69	7,034,140.34	2,920,390.00
ENGINEERING	-	129,854.79	128,733.09	320,276.39	-	578,864.27	1,867,567.11	654,599.88
DISTRIBUTION	1,081,112.72	365,311.89	308,766.81	6,467,968.50	-	8,223,159.92	17,353,690.84	8,178,577.49
SERVICE	39,997.59	29,812.11	20,988.59	-	-	90,798.29	406,010.00	95,508.12
METERS & REGULATORS	-	37,048.75	47,631.40	177,172.51	74.40	261,927.06	592,750.00	255,021.33
GENERAL & ADMINISTRATIVE	891,809.77	1,660,985.94	1,704,836.89	2,657,569.18	409,529.35	7,324,731.13	15,854,066.06	7,080,013.03
TOTAL OPERATING EXPENSES	3,598,153.15	3,154,328.32	2,210,956.78	10,460,057.36	409,603.75	19,833,099.36	43,108,224.35	19,184,109.85
OPERATING INCOME (LOSS)	921,097.42	1,216,454.58	880,438.85	4,092,455.49	(81,776.44)	7,028,669.90	15,767,809.31	4,785,813.04
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	36,328.03	43,889.25	48,574.56	137,051.66	3,415.98	269,259.48	271,390.00	403,795.40
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(110,160.09)	-
RECOVERIES AND REBATES	3,552.92	8,290.16	431.37	-	-	12,274.45	(157,500.00)	(37,218.75)
GAIN/LOSS ON DISPOSAL	-	3,387.50	16,369.50	(5,183.99)	-	14,573.01	46,500.00	5,450.46
JOBBING INCOME (LOSS)	19,232.65	34,448.91	(43,502.57)	343,861.07	(1,310.55)	352,729.51	797,730.00	451,924.30
INTEREST ON LONG TERM INDEBTEDNESS	(35,966.59)	(34,805.76)	(18,597.65)	(887,514.25)	-	(976,884.25)	(1,620,130.00)	(993,445.83)
NET INCOME (LOSS)	944,244.43	1,271,664.64	883,714.06	3,680,669.98	(79,671.01)	6,700,622.10	14,995,639.22	4,616,318.62
OPERATING TRANSFERS IN(OUT)	(352,879.98)	(476,650.02)	(1,598,164.98)	(5,286,304.98)	(40,500.00)	(7,754,499.96)	(16,009,000.00)	(7,676,500.02)
NET INCOME AFTER TRANSFERS	591,364.45	795,014.62	(714,450.92)	(1,605,635.00)	(120,171.01)	(1,053,877.86)	(1,013,360.78)	(3,060,181.40)
NET ASSETS JULY 1, AS RESTATED	60,362,757.48	48,418,809.41	55,974,564.69	160,618,427.54	8,400,760.74	333,775,319.86		
NET INCOME AFTER TRANSFERS	591,364.45	795,014.62	(714,450.92)	(1,605,635.00)	(120,171.01)	(1,053,877.86)		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	21,392.00	-	-	-	-	21,392.00		
NET ASSETS DECEMBER 31, 2021	60,975,513.93	49,213,824.03	55,260,113.77	159,012,792.54	8,280,589.73	332,742,834.00		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,008,014.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,083,679.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	46,478,153.22	31,110,344.28	38,584,112.72	105,521,128.38	6,683,924.92	228,377,663.52		
RESTRICTED FOR PROJECTS IN PROGRESS	7,958,515.30	11,898,784.58	6,574,183.49	15,186,883.85	550,475.20	42,168,842.42		
RESTRICTED FOR ENCUMBRANCES	1,311,793.11	118,228.25	64,590.45	936,788.02	15,089.36	2,446,489.19		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00		
DEFERRED OUTFLOWS - PENSION	(338,490.00)	(631,627.00)	(440,411.00)	(1,846,280.00)	(66,000.00)	(3,322,808.00)		
UNRESTRICTED	394,489.86	(128,434.00)	7,623,889.53	19,148,900.76	533,077.66	27,571,923.81		
TOTAL NET ASSETS	60,975,513.93	49,213,824.03	55,260,113.77	159,012,792.54	8,280,589.73	332,742,834.00		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
DECEMBER 31, 2021

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	DECEMBER 31, 2021
ASSETS							
Equity in pooled Cash and Investments	$	9,278,814.86	11,104,723.50	11,713,798.41	36,133,582.49	948,226.85	69,179,146.11
Receivables (Net of allowances for Uncollectible):							
Accounts		1,142,186.51	1,123,410.68	3,612,938.70	13,341,092.99	49,812.21	19,269,441.09
Power/Gas Cost Recovery		-	-	449,047.12	(1,034,736.51)	-	(585,689.39)
Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Inventory of Gas, Materials and Supplies, at Cost		-	543,186.51	685,317.18	2,057,200.15	207,192.95	3,492,896.79
Fixed Assets		102,403,541.49	79,789,190.92	69,580,172.10	299,600,158.92	11,097,181.89	562,470,245.32
Accumulated Depreciation		(50,305,764.34)	(42,432,972.75)	(28,837,267.00)	(132,159,147.41)	(4,076,008.38)	(257,811,159.88)
Deferred Outflows - Pension		(338,490.00)	(631,627.00)	(440,411.00)	(1,846,280.00)	(66,000.00)	(3,322,808.00)
TOTAL ASSETS	$	63,004,836.52	51,034,529.86	57,836,422.51	220,589,339.63	8,321,179.52	400,786,308.04
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	388,921.86	90,227.54	1,665,517.98	7,847,995.58	28,245.18	10,020,908.14
Accrued Interest Payable		28,791.24	27,588.01	15,263.09	613,263.31	-	684,905.65
Customer Deposits		-		-	3,822,300.18	-	3,822,300.18
Accrued Vacation, Sick Leave & Workers Comp.		-	133,299.31	77,245.87	601,669.40	12,344.61	824,559.19
Deferred Gain / Loss - Refunding Bonds		(117,069.42)	(112,040.35)	(61,933.14)	(1,188,148.12)	-	(1,479,191.03)
Original Issue Premium/Discount (Refunding Bonds)		145,669.81	142,696.76	72,485.27	4,638,344.76	-	4,999,196.60
General Obligation Bonds Payable		1,583,009.27	1,538,934.56	807,729.67	44,748,063.96	-	48,677,737.46
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	493,058.02	-	493,058.02
TOTAL LIABILITIES	$	2,029,322.59	1,820,705.83	2,576,308.74	61,576,547.09	40,589.79	68,043,474.04
Net Assets							
Contributed Capital	$	4,008,014.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,083,679.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	46,478,153.22	31,110,344.28	38,584,112.72	105,521,128.38	6,683,924.92	228,377,663.52
Restricted for Incomplete Projects		7,958,515.30	11,898,784.58	6,574,183.49	15,186,883.85	550,475.20	42,168,842.42
Restricted for Subsequent Expenses		1,311,793.11	118,228.25	64,590.45	936,788.02	15,089.36	2,446,489.19
Net Pension Assets		824,548.00	1,538,618.00	1,072,827.00	4,497,469.00	160,774.00	8,094,236.00
Deferred Outflows - Pension		(338,490.00)	(631,627.00)	(440,411.00)	(1,846,280.00)	(66,000.00)	(3,322,808.00)
Unrestricted		394,489.86	(128,434.00)	7,623,889.53	19,148,900.76	533,077.66	27,571,923.81
Total Retained Earnings	$	56,967,499.49	44,537,541.11	53,919,603.19	145,291,170.01	7,943,341.14	308,659,154.94
TOTAL NET ASSETS	$	60,975,513.93	49,213,824.03	55,260,113.77	159,012,792.54	8,280,589.73	332,742,834.00
TOTAL LIABILITIES AND NET ASSETS	$	63,004,836.52	51,034,529.86	57,836,422.51	220,589,339.63	8,321,179.52	400,786,308.04

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED DECEMBER 31, 2021

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	DECEMBER 31, 2021
Operating revenues:						
Charges for Services	$ 4,519,250.57	4,370,782.90	10,323,084.56	59,841,479.56	363,611.20	79,418,208.79
Operating Expenses:						
Purchased Services	$ -	-	7,231,688.93	45,288,435.43	35,783.89	52,555,908.25
Production	-	-	-	531.28	-	531.28
Transmission & Treatment	1,585,233.07	931,314.84	-	837,070.78	-	3,353,618.69
Engineering	-	129,854.79	128,733.09	320,276.39	-	578,864.27
Distribution	1,081,112.72	365,311.89	308,766.81	6,467,968.50	-	8,223,159.92
Service	39,997.59	29,812.11	20,988.59	-	-	90,798.29
Meters & Regulators	-	37,048.75	47,631.40	177,172.51	74.40	261,927.06
Administrative	891,809.77	1,660,985.94	1,704,836.89	2,657,569.18	409,529.35	7,324,731.13
Total Operating Expenses	$ 3,598,153.15	3,154,328.32	9,442,645.71	55,749,024.07	445,387.64	72,389,538.89
Operating Income (Loss)	$ 921,097.42	1,216,454.58	880,438.85	4,092,455.49	(81,776.44)	7,028,669.90
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	19,232.65	34,448.91	(43,502.57)	343,861.07	(1,310.55)	352,729.51
Interest Income	36,328.03	43,889.25	48,574.56	137,051.66	3,415.98	269,259.48
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	-	3,387.50	16,369.50	(5,183.99)	-	14,573.01
Recoveries and Rebates	3,552.92	8,290.16	431.37	-	-	12,274.45
Interest Expense	(35,966.59)	(34,805.76)	(18,597.65)	(887,514.25)	-	(976,884.25)
Total Non-Operating Revenues (Expenses)	$ 23,147.01	55,210.06	3,275.21	(411,785.51)	2,105.43	(328,047.80)
Income (Loss) Before Operating Transfers	$ 944,244.43	1,271,664.64	883,714.06	3,680,669.98	(79,671.01)	6,700,622.10
Operating Transfers:						
Transfers In (Out)	(352,879.98)	(476,650.02)	(1,598,164.98)	(5,286,304.98)	(40,500.00)	(7,754,499.96)
Total Operating Transfers	$ (352,879.98)	(476,650.02)	(1,598,164.98)	(5,286,304.98)	(40,500.00)	(7,754,499.96)
Net Income (Loss)	$ 591,364.45	795,014.62	(714,450.92)	(1,605,635.00)	(120,171.01)	(1,053,877.86)
Net Assets - July 1, 2021, as restated	60,362,757.48	48,418,809.41	55,974,564.69	160,618,427.54	8,400,760.74	333,775,319.86
Net Income (Loss)	591,364.45	795,014.62	(714,450.92)	(1,605,635.00)	(120,171.01)	(1,053,877.86)
Contribution In Aid of Construction	21,392.00	-	-	-	-	21,392.00
Net Assets -DECEMBER 31, 2021	$ 60,975,513.93	49,213,824.03	55,260,113.77	159,012,792.54	8,280,589.73	332,742,834.00

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2021

WASTEWATER - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	DECEMBER 2021	PERCENT OF CURRENT BUDGET	DECEMBER 2020
OPERATING REVENUE	8,861,030.00		8,861,030.00	4,519,250.57	51.00%	4,456,669.14
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,087,770.00	107,845.36	3,195,615.36	1,585,233.07	49.61%	1,265,818.04
ENGINEERING	-		-	-		-
DISTRIBUTION	2,557,570.00	40,939.97	2,598,509.97	1,081,112.72	41.61%	1,149,761.99
SERVICE	145,590.00		145,590.00	39,997.59	27.47%	38,827.08
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	20,150.71	55.97%	8,713.54
GENERAL & ADMINISTRATIVE	1,726,320.00		1,726,320.00	871,659.06	50.49%	894,199.42
TOTAL OPERATING EXPENSES	7,553,250.00	148,785.33	7,702,035.33	3,598,153.15	46.72%	3,357,320.07
OPERATING INCOME (LOSS)	1,307,780.00	(148,785.33)	1,158,994.67	921,097.42	79.47%	1,099,349.07
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	35,300.00		35,300.00	36,328.03	102.91%	70,422.52
RECOVERIES AND REBATES	-		-	3,552.92		2,516.45
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	42,640.00		42,640.00	19,232.65	45.10%	17,261.28
INTEREST ON LONG TERM INDEBTEDNESS	(60,380.00)		(60,380.00)	(35,966.59)	59.57%	(44,557.66)
NET INCOME (LOSS)	1,325,340.00	(148,785.33)	1,176,554.67	944,244.43	80.26%	1,144,991.66
OPERATING TRANSFERS IN (OUT)	(830,760.00)		(830,760.00)	(352,879.98)	42.48%	(352,879.98)
NET INCOME AFTER TRANSFERS	494,580.00	(148,785.33)	345,794.67	591,364.45	171.02%	792,111.68
CONTRIBUTION IN AID	40,000.00		40,000.00	21,392.00	53.48%	
REGULAR CAPITAL MAINTENANCE	(811,920.00)	(114,972.59)	(926,892.59)	(146,674.28)	15.82%	
CAPITAL PROJECTS	(3,550,000.00)	(4,875,174.27)	(8,425,174.27)	(1,246,877.28)	14.80%	
DEBT SERVICE	(362,730.00)		(362,730.00)	(127,236.00)	35.08%	
DEPRECIATION	2,048,820.00		2,048,820.00	991,278.60	48.38%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2021

WATER - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	DECEMBER 2021	PERCENT OF CURRENT BUDGET	DECEMBER 2020
OPERATING REVENUE	9,053,710.00		9,053,710.00	4,370,782.90	48.28%	4,348,023.05
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,910,090.00	93,188.64	2,003,278.64	931,314.84	46.49%	928,026.45
ENGINEERING	343,080.00	31,926.56	375,006.56	129,854.79	34.63%	107,797.81
DISTRIBUTION	673,400.00	1,582.27	674,982.27	365,311.89	54.12%	440,090.38
SERVICE	133,580.00		133,580.00	29,812.11	22.32%	31,393.80
METERS & REGULATORS	83,870.00		83,870.00	37,048.75	44.17%	38,798.28
BAD DEBT	31,000.00		31,000.00	16,746.17	54.02%	7,714.49
GENERAL & ADMINISTRATIVE	3,442,340.00		3,442,340.00	1,644,239.77	47.77%	1,678,001.20
TOTAL OPERATING EXPENSES	6,617,360.00	126,697.47	6,744,057.47	3,154,328.32	46.77%	3,231,822.41
OPERATING INCOME (LOSS)	2,436,350.00	(126,697.47)	2,309,652.53	1,216,454.58	52.67%	1,116,200.64
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	39,100.00		39,100.00	43,889.25	112.25%	66,445.70
RECOVERIES AND REBATES	16,000.00		16,000.00	8,290.16	51.81%	5,871.72
GAIN/LOSS ON DISPOSAL	1,500.00		1,500.00	3,387.50	225.83%	-
JOBBING INCOME (LOSS)	67,900.00		67,900.00	34,448.91	50.73%	33,180.84
INTEREST ON LONG TERM INDEBTEDNESS	(58,140.00)		(58,140.00)	(34,805.76)	59.87%	(44,101.17)
NET INCOME (LOSS)	2,502,710.00	(126,697.47)	2,376,012.53	1,271,664.64	53.52%	1,177,597.73
OPERATING TRANSFERS IN (OUT)	(1,078,300.00)		(1,078,300.00)	(476,650.02)	44.20%	(475,150.02)
NET INCOME AFTER TRANSFERS	1,424,410.00	(126,697.47)	1,297,712.53	795,014.62	61.26%	702,447.71
CONTRIBUTION IN AID	-		-		0.00%	
REGULAR CAPITAL MAINTENANCE	(1,944,070.00)	(102,281.25)	(2,046,351.25)	(346,188.85)	16.92%	
CAPITAL PROJECTS	(2,544,260.00)	(8,210,552.16)	(10,754,812.16)	(556,189.98)	5.17%	
DEBT SERVICE	(392,670.00)		(392,670.00)	(111,044.00)	28.28%	
DEPRECIATION	1,673,710.00		1,673,710.00	793,977.60	47.44%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2021

GAS - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	DECEMBER 2021	PERCENT OF CURRENT BUDGET	DECEMBER 2020
OPERATING REVENUE	19,630,430.00		19,630,430.00	10,323,084.56	52.59%	7,470,635.45
	-					
COST OF SALES	-					
PURCHASED SERVICES	10,984,320.00		10,984,320.00	7,231,688.93	65.84%	5,534,362.86
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	10,984,320.00	-	10,984,320.00	7,231,688.93		5,534,362.86
GROSS PROFIT	8,646,110.00	-	8,646,110.00	3,091,395.63		1,936,272.59
GROSS PROFIT %	44.04%		44.04%	29.95%		25.92%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	373,050.00	55,730.73	428,780.73	128,733.09	30.02%	107,319.76
DISTRIBUTION	680,510.00	1,582.27	682,092.27	308,766.81	45.27%	299,784.88
SERVICE	126,840.00		126,840.00	20,988.59	16.55%	25,287.24
METERS & REGULATORS	116,750.00		116,750.00	47,631.40	40.80%	42,731.44
BAD DEBT	90,000.00		90,000.00	23,433.71	26.04%	13,434.19
GENERAL & ADMINISTRATIVE	3,587,350.00	9,546.28	3,596,896.28	1,681,403.18	46.75%	1,936,850.27
TOTAL OPERATING EXPENSES	4,974,500.00	66,859.28	5,041,359.28	2,210,956.78	43.86%	2,425,407.78
OPERATING INCOME (LOSS)	3,671,610.00	(66,859.28)	3,604,750.72	880,438.85	24.42%	(489,135.19)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	53,110.00		53,110.00	48,574.56	91.46%	75,948.61
RECOVERIES AND REBATES	(20,000.00)		(20,000.00)	431.37	-2.16%	316.47
JOBBING INCOME (LOSS)	119,800.00		119,800.00	(43,502.57)	-36.31%	5,198.90
INTEREST ON LONG TERM INDEBTEDNESS	(31,590.00)		(31,590.00)	(18,597.65)	58.87%	(21,750.06)
NET INCOME (LOSS)	3,792,930.00	(66,859.28)	3,726,070.72	883,714.06	23.72%	(429,421.27)
OPERATING TRANSFERS IN (OUT)	(3,321,330.00)		(3,321,330.00)	(1,598,164.98)	48.12%	(1,593,165.00)
NET INCOME AFTER TRANSFERS	471,600.00	(66,859.28)	404,740.72	(714,450.92)	-176.52%	(2,022,586.27)
CONTRIBUTION IN AID			-		0.00%	
REGULAR CAPITAL MAINTENANCE	(813,510.00)	(101,196.85)	(914,706.85)	(130,726.69)	14.29%	
CAPITAL PROJECTS	(1,213,790.00)	(4,907,652.97)	(6,121,442.97)	(331,239.64)	5.41%	
DEBT SERVICE	(132,210.00)		(132,210.00)	(82,156.00)	62.14%	
DEPRECIATION	1,573,910.00		1,573,910.00	794,534.10	50.48%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2021

ELECTRIC - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	DECEMBER 2021	PERCENT OF CURRENT BUDGET	DECEMBER 2020	PERCENT CHANGE FROM PRIOR YEAR	DOLLAR CHANGE FROM PRIOR YEAR
OPERATING REVENUE	122,710,850.00		122,710,850.00	59,841,479.56	48.77%	59,623,854.06	0.36%	217,625.50
								-
COST OF SALES								-
PURCHASED SERVICES	90,841,110.00		90,841,110.00	45,288,435.43	49.85%	46,440,384.44	-2.48%	(1,151,949.01)
PRODUCTION	-	158,866.34	158,866.34	531.28		264,637.72	-99.80%	(264,106.44)
TOTAL COST OF SALES	90,841,110.00	158,866.34	90,999,976.34	45,288,966.71		46,705,022.16	-3.03%	(1,416,055.45)
GROSS PROFIT	31,869,740.00	(158,866.34)	31,710,873.66	14,552,512.85		12,918,831.90	12.65%	1,633,680.95
GROSS PROFIT %	25.97%		25.84%	24.32%		21.67%		
								-
OPERATING EXPENSES								-
TRANSMISSION & TREATMENT	1,775,300.00	59,946.34	1,835,246.34	837,070.78	45.61%	726,545.51	15.21%	110,525.27
ENGINEERING	1,018,860.00	44,919.82	1,063,779.82	320,276.39	30.11%	439,482.31	-27.12%	(119,205.92)
DISTRIBUTION	13,411,230.00	(13,123.67)	13,398,106.33	6,467,968.50	48.28%	6,288,940.24	2.85%	179,028.26
SERVICE	-		-	-		-		-
METERS & REGULATORS	392,130.00		392,130.00	177,172.51	45.18%	173,491.61	2.12%	3,680.90
BAD DEBT	350,000.00		350,000.00	147,164.01	42.05%	132,598.92	10.98%	14,565.09
GENERAL & ADMINISTRATIVE	5,386,780.00	243,721.78	5,630,501.78	2,510,405.17	44.59%	1,969,866.16	27.44%	540,539.01
								-
TOTAL OPERATING EXPENSES	22,334,300.00	335,464.27	22,669,764.27	10,460,057.36	46.14%	9,730,924.75	7.49%	729,132.61
								-
OPERATING INCOME (LOSS)	9,535,440.00	(494,330.61)	9,041,109.39	4,092,455.49	45.26%	3,187,907.15	28.37%	904,548.34
								-
NON-OPERATING REVENUE (EXPENSE)								-
INTEREST INCOME ON INVESTMENTS	135,000.00		135,000.00	137,051.66	101.52%	185,695.04	-26.20%	(48,643.38)
ENERGY EFFICIENCY RECOVERY	-	(110,160.09)	(110,160.09)	-	0.00%	-	#DIV/0!	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	-	0.00%	(45,923.39)	-100.00%	45,923.39
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	(5,183.99)	-11.52%	5,450.46	-195.11%	(10,634.45)
JOBBING INCOME (LOSS)	570,830.00		570,830.00	343,861.07	60.24%	397,464.51	-13.49%	(53,603.44)
INTEREST ON LONG TERM INDEBTEDNESS	(1,470,020.00)		(1,470,020.00)	(887,514.25)	60.37%	(883,036.94)	0.51%	(4,477.31)
NET INCOME (LOSS)	8,662,750.00	(604,490.70)	8,058,259.30	3,680,669.98	45.68%	2,847,556.83	29.26%	833,113.15
OPERATING TRANSFERS IN (OUT)	(10,697,610.00)		(10,697,610.00)	(5,286,304.98)	49.42%	(5,214,805.02)	1.37%	(71,499.96)
								-
NET INCOME AFTER TRANSFERS	(2,034,860.00)	(604,490.70)	(2,639,350.70)	(1,605,635.00)	60.83%	(2,367,248.19)	-32.17%	761,613.19
CONTRIBUTION IN AID	-		-		0.00%			
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%			
REGULAR CAPITAL MAINTENANCE	(3,638,070.00)	(354,024.10)	(3,992,094.10)	(1,674,367.20)	41.94%		DON'T CHANGE WHEN DOING FINAL	
CAPITAL PROJECTS	(551,240.00)	(14,189,172.22)	(14,740,412.22)	(1,981,506.76)	13.44%			
DEBT SERVICE	(3,354,780.00)	-	(3,354,780.00)	(2,038,088.17)	60.75%			
DEPRECIATION	8,980,360.00		8,980,360.00	4,091,296.80	45.56%			
CONTINGENCY			-		#DIV/0!			

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED DECEMBER 31, 2021

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2021-22	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2021-22	DECEMBER 2021	PERCENT OF CURRENT BUDGET	DECEMBER 2020
OPERATING REVENUE	662,310.00		662,310.00	363,611.20	54.90%	342,100.14
COST OF SALES						
PURCHASED SERVICES	58,000.00		58,000.00	35,783.89	61.70%	31,973.93
PRODUCTION			-	-		-
TOTAL COST OF SALES	58,000.00	-	58,000.00	35,783.89		31,973.93
GROSS PROFIT	604,310.00	-	604,310.00	327,827.31		310,126.21
GROSS PROFIT %	91.24%		91.24%	90.16%		90.65%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	74.40		(2.48)
GENERAL & ADMINISTRATIVE	937,420.00	13,588.00	951,008.00	409,529.35	43.06%	438,637.32
TOTAL OPERATING EXPENSES	937,420.00	13,588.00	951,008.00	409,603.75	43.07%	438,634.84
OPERATING INCOME (LOSS)	(333,110.00)	(13,588.00)	(346,698.00)	(81,776.44)	23.59%	(128,508.63)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	8,880.00		8,880.00	3,415.98	38.47%	5,283.53
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(3,440.00)		(3,440.00)	(1,310.55)	38.10%	(1,181.23)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(327,670.00)	(13,588.00)	(341,258.00)	(79,671.01)	23.35%	(124,406.33)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(40,500.00)	50.00%	(40,500.00)
NET INCOME AFTER TRANSFERS	(408,670.00)	(13,588.00)	(422,258.00)	(120,171.01)	28.46%	(164,906.33)
CONTRIBUTION IN AID	-		-		0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(13,530.73)	54.12%	
CAPITAL PROJECTS	(50,000.00)	(528,576.58)	(578,576.58)	(39,570.65)	6.84%	
DEPRECIATION	479,950.00		479,950.00	222,813.84	46.42%	

GAS OPERATING STATISTICS
YTD December 2021 and 2020

	YTD 2021	YTD 2020	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	13,228	13,170	58	0.4404%
Commercial	1,508	1,493	15	1.0047%
Small Firm Industrial	14	14	0	0.0000%
Municipal	51	52	-1	-1.9231%
Large Firm Industrial	4	5	-1	-20.0000%
Interruptible Industrial	6	6	0	0.0000%
Industrial Transportation	6	7	-1	-14.2857%
Interruptible Commercial	1	1	0	0.0000%
Commercial Transportation	-	-	0	0.0000%
TOTAL CUSTOMERS	14,818	14,748	70	0.4746%
NATURAL GAS SALES-DEKATHERMS:				
Residential	204,108	191,396	12,712	6.6417%
Commercial	140,700	126,279	14,421	11.4200%
Small Firm Industrial	14,860	12,657	2,203	17.4054%
Municipal	6,421	6,605	-184	-2.7858%
Large Firm Industrial	28,562	22,613	5,949	26.3079%
Interruptible Industrial	934,808	766,132	168,676	22.0166%
Industrial Transportation	106,277	97,307	8,970	9.2182%
Interruptible Commercial	37,818	45,539	-7,721	-16.9547%
Commercial Transportation	-	-	0	0.0000%
TOTAL DEKATHERMS	1,473,554	1,268,528	205,026	16.1625%

ELECTRIC OPERATING STATISTICS
YTD December 2021 and 2020

	YTD 2021	YTD 2020	YTD Change	YTD % Change
NUMBER OF CUSTOMERS:				
Residential	37,366	37,138	228	0.6139%
Commercial	4,822	4,760	62	1.3025%
Industrial	17	16	1	6.2500%
High Load Factor	8	7	1	14.2857%
Municipal	279	285	-6	-2.1053%
Outdoor Lighting	6,104	6,019	85	1.4122%
TOTAL CUSTOMERS	48,596	48,225	371	0.7693%
KILOWATT HOURS SALES:				
Residential	229,317,644	226,697,161	2,620,483	1.1559%
Commercial	137,000,331	133,440,648	3,559,683	2.6676%
Industrial	9,971,910	5,861,050	4,110,860	70.1386%
High Load Factor	68,716,800	65,197,200	3,519,600	5.3984%
Municipal	11,020,660	10,996,371	24,289	0.2209%
Outdoor Lighting	6,976,305	7,257,767	-281,462	-3.8781%
TOTAL KILOWATT HOURS	463,003,650	449,450,197	13,553,453	3.0156%

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)**	
Aug-21	$ 8,073,473.45	$ 1,085,315.82	**$ 6,988,157.63**	89,863,970	12,080,400	77,783,570	$0.010000	$0.086200	$0.096200		**$ 7,482,779.43**	$ 494,621.80		**$ 1,289,552.42**	ACTUAL
Sep-21	$ 7,343,675.06	$ 1,020,999.38	**$ 6,322,675.68**	88,184,572	12,260,400	75,924,172	$0.010000	$0.086200	$0.096200		**$ 7,303,905.35**	$ 981,229.67		**$ 2,270,782.10**	ACTUAL
Oct-21	$ 7,255,110.59	$ 1,200,176.91	**$ 6,054,933.68**	68,855,359	11,390,400	57,464,959	$0.015000	$0.086200	$0.101200		**$ 5,815,453.85**	$ (239,479.83)		**$ 2,031,302.26**	ACTUAL
Nov-21	$ 7,922,986.41	$ 1,389,928.40	**$ 6,533,058.01**	63,779,336	11,188,800	52,590,536	$0.015000	$0.086200	$0.101200		**$ 5,322,162.24**	$ (1,210,895.77)		**$ 820,406.49**	ACTUAL
Dec-21	$ 6,946,580.34	$ 1,047,377.37	**$ 5,899,202.97**	71,136,005	10,725,600	60,410,405	$0.015000	$0.086200	$0.101200		**$ 6,113,532.99**	$ 214,330.02		**$ 1,034,736.51**	ACTUAL
Jan-22	$ 8,433,047.66	$ 1,070,417.65	**$ 7,362,630.01**	79,873,132	10,138,400	69,734,732	$0.012000	$0.086200	$0.098200		**$ 6,847,950.71**	$ (514,679.30)		**$ 520,057.21**	PROJECTED
Feb-22	$ 7,542,164.03	$ 993,426.27	**$ 6,548,737.76**	84,630,348	11,147,200	73,483,148	$0.010000	$0.086200	$0.096200		**$ 7,069,078.82**	$ 520,341.06		**$ 1,040,398.27**	PROJECTED
Mar-22	$ 7,429,232.71	$ 1,059,235.47	**$ 6,369,997.24**	72,149,237	10,286,800	61,862,437	*$0.015000*	$0.086200	$0.101200		**$ 6,260,478.63**	$ (109,518.61)		**$ 930,879.66**	PROJECTED
Apr-22	$ 7,197,322.04	$ 1,230,623.97	**$ 5,966,698.07**	64,544,205	11,036,000	53,508,205	*$0.030000*	$0.086200	$0.116200		**$ 6,217,653.44**	$ 250,955.37		**$ 1,181,835.03**	PROJECTED
May-22	$ 7,864,851.09	$ 1,464,230.66	**$ 6,400,620.43**	60,547,665	11,272,400	49,275,265	*$0.030000*	$0.086200	$0.116200		**$ 5,725,785.78**	$ (674,834.65)		**$ 507,000.39**	PROJECTED
Jun-22	$ 7,854,614.95	$ 1,191,589.79	**$ 6,663,025.16**	71,459,415	10,840,800	60,618,615	$0.015000	$0.086200	$0.101200		**$ 6,134,603.89**	$ (528,421.27)		**$ (21,420.89)**	PROJECTED

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	
Aug-21	$ 2.62648	$ 2.62648	$ -	$ -	$ -	$ 3.23195	$ 3.23195	$ (379,285.15)	$ 619,702.12	$ 599,364.31	$ (20,337.81)		$73,966.40	Final
Sep-21	$ 3.03629	$ 3.03629	$ -	$ -	$ -	$ 3.66043	$ 3.66043	$ (575,740.95)	$ 670,891.12	$ 655,174.19	$ (15,716.93)		$58,249.47	Final
Oct-21	$ 3.95210	$ 3.95210	$ -	$ -	$ 0.95000	$ 4.99909	$ 4.99909	$ (780,103.61)	$ 977,658.44	$ 885,795.97	$ (91,862.46)		($33,613.00)	Final
Nov-21	$ 4.57666	$ 4.57666	$ 2.08224	$ -	$ 0.37000	$ 6.78119	$ 4.69895	$ (791,555.81)	$ 1,727,309.94	$ 1,141,331.12	$ (585,978.82)		($619,591.81)	Final
Dec-21	$ 3.55460	$ 3.55460	$ 2.08224	$ -	$ 0.40000	$ 6.36820	$ 4.28596	$ (607,055.04)	$ 1,451,350.26	$ 1,621,894.96	$ 170,544.70		($449,047.12)	Est
Jan-22	$ 3.68469	$ 3.68469	$ 2.10000	$ -	$ 0.50000	$ 6.98594	$ 4.88594	$ (305,419.01)	$ 1,827,203.97	$ 1,794,747.75	$ (32,456.23)		($481,503.34)	Est
Feb-22	$ 3.94488	$ 3.94488	$ 2.10000	$ -	$ 0.25000	$ 6.29488	$ 4.19488	$ 79,834.63	$ 1,856,128.54	$ 2,177,074.48	$ 320,945.94		($160,557.41)	Est
Mar-22	$ 3.71130	$ 3.71130	$ 2.10000	$ -	$ 0.25000	$ 6.06130	$ 3.96130	$ 308,282.50	$ 1,366,496.69	$ 1,458,109.96	$ 91,613.27		($68,944.13)	Est
Apr-22	$ 2.73420	$ 2.73420	$ 2.10000	$ -		$ 4.83420	$ 2.73420	$ 362,423.35	$ 782,011.95	$ 985,606.97	$ 203,595.02		$134,650.89	Est
May-22	$ 2.02311	$ 2.02764	$ -	$ -		$ 2.02764	$ 2.02764	$ 158,060.61	$ 684,770.80	$ 754,935.52	$ 70,164.73		$204,815.61	Est
Jun-22	$ 2.82153	$ 2.85376	$ -	$ -		$ 2.85376	$ 2.85376	$ (38,382.37)	$729,835.64	$ 726,303.70	$ (3,531.94)		$201,283.67	Est

Commission Item Number: DUC220228 - 2
Utility Commission Meeting: February 28, 2022
Item: II. C. Fiscal Year 2023 Utilities Budget

Fiscal Year 2023 Utilities Budget

Preliminary FY 2023 budget proposals were reviewed at the January 24th Commission meeting*. Should on-going evaluations reveal additional revenue shortfalls; staff will make the budget expenditure adjustments necessary to bring the budgets back into balance without further FY 2023 increases and brief the Commission on the matter at the April 25th meeting.

In order that the City Manager benefit from explicit guidance from the Commission in time to finalize his budget proposals and present them to City Council by March 1st, it is recommended that the Utility Commission endorse the FY 2023 budget. A suggested motion follows:

Recommendation:
I move that the Danville Utility Commission approve the Utility Department's Proposed Fiscal Year 2023 Budget for submission to City Council with the Commission's recommendation for its adoption by the Council.
I further move that staff make the budget expenditure adjustments necessary to bring the budgets back into balance and brief the Commission on actions taken at the April 25th meeting, should on-going evaluations reveal revenue shortfalls.

***Link to January 24th Danville Utility Commission agenda with budget:**
https://www.danvilleva.gov/ArchiveCenter/ViewFile/Item/4687

Commission Item Number: DUC220228 - 3
Utility Commission Meeting: February 28, 2022
Item: II. D. <u>New nDanville Internet Service Provider-Zitel</u>

New nDanville Internet Service Provider-Zitel

Representatives from Bedford based internet service provider, Zitel, will be introduced as another provider on the nDanville network. Zitel is making their final connections to offer broadband services in Danville starting this spring.