Danville Utility Commission Meeting Agenda
4:00 p.m., February 24, 2020

City Council Chambers, Danville City Hall

I. Call to Order

A. Roll Call

B. Announcements

II. Discussion/Business Items

A. Minutes of the January 27, 2020 Commission Meeting

B. Review of December Financial Statements

C. Fiscal Year 2021 Utilities Budget

D. Kentuck Substation Property Acquisition

III. Communications

A. City Manager

B. Utilities Staff

C. Commission Members

D. Public Comments

E. Director's Report

IV. Adjournment

Next Utility Commission Meeting

4:00 p.m. Monday, March 23, 2020

City Council Chambers
4th Floor, City Hall

Danville Utility Commission
4:00 p.m. January 27, 2020 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present:	Vanessa Cain, Ken Larking, Helm Dobbins, Fred Shanks, Paul Liepe, Bill Donahue, Bert Eades
Commission Members Absent:	Shelia-Williamson-Branch
Staff Present:	Alan Johnson, Janet Davis, Jason Grey, Ryan Dodson, Jason Grey, Lori Millner, Michael Adkins, Michael Spencer, Philip Haley, Michael Nelson, Kelly Kinnett, Laura Blackwell
Others Present:	Charles Overbey, Inframark

Call to Order and Announcements

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

Discussion/Business Items

Minutes of November 25, 2019 Commission Meeting

Mr. Donahue asked for any corrections, deletions, or adjustments to the minutes from November 25, 2019.

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

Review of Utilities' Financial Statements

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

Danville Farm, Irish Road, and Whitmell Solar Metering and Billing

Jason Grey presented recommendations to allow American Municipal Power (AMP) to provide metering and billing services for the Danville Farm, Irish Road, and Whitmell solar generation facilities and to maintain the revenue grade meter/equipment and provide one power supply bill for all of the City's generation resources.

Mr. Liepe made a motion and Mr. Eades seconded that the Danville Utility Commission recommend to City Council allowing American Municipal Power to provide metering and billing services for the Danville Farm, Irish Road, and Whitmell Solar generation facilities. All present members voted in favor, and the motion carried unanimously.

Pittsylvania County Service Authority Water Proposal
Staff presented information from discussions with the Pittsylvania County Service Authority (PCSA) regarding purchasing water from the City of Danville and the City purchasing water from PCSA for Berry Hill Industrial Park.

Mr. Eades made a motion that the Danville Utility Commission recommend to City Council authorizing the City to sell water to the Pittsylvania County Service Authority (PCSA) for $1.92/100 cubic feet. This rate change would go into effect when either the City requires water for the Berry Hill Industrial Park or when PCSA requires additional water capacity at their Brosville system.

Mr. Eades also made a motion that the Danville Utility Commission recommend to City Council authorizing the City to purchase water from the Pittsylvania County Service Authority at Henry County's audited rate plus a fixed $0.35/1,000 gallon markup to serve the Berry Hill Industrial Park.

Mr. Liepe seconded both motions. All present members voted in favor, and the motions carried unanimously.

Introduction to Fiscal Year 2021 Utilities Budget

Lori Millner presented the proposed Wastewater, Water, Gas, Electric and Telecommunication budgets for FY2021 including capital improvement projects.

Wastewater
Mr. Grey explained to the Commission that the $2 million for Northside Process Plant Modifications is for a digestion system added to the plant in order to be able to handle the waste. This will also will allow for power generation and will provide processing for food service operations.

Gas
Mr. Grey told the Commission that Danville Utilities plans to expand the natural gas line further into Pittsylvania County to increase revenue and decrease demand on the electric system.

Mr. Shanks asked if incentives will be in place for customers who connect to the gas line. Mr. Grey responded that all rebates and incentives will apply to these customers as well.

Telecommunications
Mr. Shanks inquired as to the justification for borrowing funds from the gas fund. Mr. Grey explained that the revenue in the Telecommunications fund has been flat, and this would allow Danville Utilities to go into unserved areas.

Mr. Shanks asked what is the current fund balance for the gas fund, and what would loaning funds to the telecommunications fund to do that balance. Mr. Adkins said that Danville Utilities is required to carry about $5.5 million in the fund. At the beginning of fiscal year 2020, there was an unrestricted fund balance of $16 million, indicating a $10 million surplus.

Mr. Dobbins requested that staff provide a table at the next meeting that shows each division's capital projects indicating what comes from operating revenue, the fund balance, any bonds, or any other form of debt. This will allow the Commission to see the big picture of each division's projects.

Mr. Grey responded that there is a report available in the budget software, and that staff will provide this at the next meeting.

Mr. Dobbins further mentioned that depending on whether projects are funded through fund balances or bonded debt determines what the future of the City looks like monetarily.

Mr. Grey mentioned that all debt schedules can be provided to the Commission. Telecommunications currently does not have any debt associated with the fund.

Mr. Dobbins requested that all divisions be shown in the tables provided at the next meeting.

Mr. Donahue requested that the minutes reflect the request for the level of debt over the next five years and how that debt will increase or decrease with the bonding.

Mr. Dobbins added that the Commission would like to also see the operating revenue and fund balance.

Mr. Grey stated that in the electric fund there is a lot catching up on a lot of capital expenses and the projects are 30-40 years along and should be bonded because they are long term assets.

Mr. Donahue stated that rate payers will eventually pay for the capital expenses through principal and interest.

Mr. Grey stated that some projects such as substations will not be performed but every 30 years, and that is one of the major expenses.

Mr. Donahue replied that we are not putting capital back into Danville Utilities at a replacement rate and that our plants are continuing to get older even at the current level of investment. He wants Danville Utilities to not just look at catching up, but also towards investing in the future.

Mr. Dobbins said that Danville Utilities has to be careful not to get too much in debt to lose the bond rating.

Mr. Larking responded that there are policies in place that will prevent going in debt to the point of losing the good bond rating.

Mr. Dobbins replied that it would be good to see what the aggregate effect operating revenue, fund balance, and debt have on the bond rating.

Department Discussions

There was no further communication from Commission staff or the public.

Mr. Grey reported that the construction at the solar farm is progressing nicely and it will be online June 1, 2020.

Adjournment
Mr. Donohue stated the next meeting is scheduled for February 24, 2020. There being no further business, a motion was made by Mr. Dobbins and seconded by Mr. Liepe that the meeting be adjourned. The meeting adjourned at 5:13pm.

Submitted by Janet C. Davis
Secretary to the DUC

February 24, 2020
Date Approved

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Chairman
Danville Utility Commission

Commission Item Number: DUC200224 - 1
Utility Commission Meeting: February 24, 2020
Item: II. B. Review of December Financial Statements

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 31, 2019 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 19-20 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	4,804,842.07	4,203,693.17	8,572,303.36	60,958,402.50	290,177.09	78,829,418.19	167,810,680.00	83,171,454.38
COST OF SALES								
PURCHASED SERVICES	-	-	6,124,550.17	45,809,495.43	25,612.28	51,959,657.88	108,918,670.00	54,956,368.79
PRODUCTION	-	-	-	340,459.28	-	340,459.28	1,130,043.91	333,036.90
TOTAL COST OF SALES	-	-	6,124,550.17	46,149,954.71	25,612.28	52,300,117.16	110,048,713.91	55,289,405.69
GROSS PROFIT	4,804,842.07	4,203,693.17	2,447,753.19	14,808,447.79	264,564.81	26,529,301.03	57,761,966.09	27,882,048.69
GROSS PROFIT %	100.00%	100.00%	28.55%	24.29%	91.17%	33.65%	34.42%	33.52%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	1,199,517.16	839,532.31	-	793,841.66	-	2,832,891.13	6,579,595.90	2,642,321.30
ENGINEERING	-	108,580.17	151,208.65	346,374.26	-	606,163.08	1,921,617.96	611,709.17
DISTRIBUTION	1,038,750.30	272,265.87	321,926.58	6,832,374.64	-	8,465,317.39	16,650,837.81	7,649,278.54
SERVICE	3,648.86	45,243.73	20,535.23	-	-	69,427.82	404,720.00	86,917.82
METERS & REGULATORS	-	47,860.85	72,221.55	162,958.85	(270.45)	282,770.80	746,240.00	266,475.33
GENERAL & ADMINISTRATIVE	884,242.49	1,474,976.69	1,953,655.60	2,738,671.14	443,280.98	7,494,826.90	15,142,849.65	7,113,130.93
TOTAL OPERATING EXPENSES	3,126,158.81	2,788,459.62	2,519,547.61	10,874,220.55	443,010.53	19,751,397.12	41,445,861.32	18,369,833.09
OPERATING INCOME (LOSS)	1,678,683.26	1,415,233.55	(71,794.42)	3,934,227.24	(178,445.72)	6,777,903.91	16,316,104.77	9,512,215.60
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	109,805.67	117,076.80	134,511.79	377,629.67	11,198.21	750,222.14	1,015,800.00	790,920.63
ENERGY EFFICIENCY RECOVERY	-	-	-	(178,520.61)	-	(178,520.61)	(479,811.79)	(172,549.93)
RECOVERIES AND REBATES	6,849.38	8,110.36	225.52	367.73	-	15,552.99	19,320.00	247,963.73
GAIN/LOSS ON DISPOSAL	-	8,525.00	-	18,723.21	-	27,248.21	48,140.00	15,706.50
JOBBING INCOME (LOSS)	18,149.79	8,683.83	11,385.19	149,200.99	1,914.20	189,334.00	455,610.00	234,221.27
INTEREST ON LONG TERM INDEBTEDNESS	(62,402.34)	(64,429.96)	(26,986.18)	(802,345.23)	-	(956,163.71)	(1,859,960.00)	(981,200.77)
NET INCOME (LOSS)	1,751,085.76	1,493,199.58	47,341.90	3,499,283.00	(165,333.31)	6,625,576.93	15,515,202.98	9,647,277.03
OPERATING TRANSFERS IN(OUT)	(352,879.98)	(475,150.02)	(1,593,165.00)	(5,214,805.02)	(40,500.00)	(7,676,500.02)	(15,353,000.00)	(10,449,000.02)
NET INCOME AFTER TRANSFERS	1,398,205.78	1,018,049.56	(1,545,823.10)	(1,715,522.02)	(205,833.31)	(1,050,923.09)	162,202.98	(801,722.99)
NET ASSETS JULY 1, AS RESTATED	60,553,912.35	45,516,684.17	56,018,959.51	176,913,450.37	9,115,652.75	348,118,659.15		
NET INCOME AFTER TRANSFERS	1,398,205.78	1,018,049.56	(1,545,823.10)	(1,715,522.02)	(205,833.31)	(1,050,923.09)		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	25,964.00	-	-	-	-	25,964.00		
NET ASSETS DECEMBER 2019	61,978,082.13	46,534,733.73	54,473,136.41	175,197,928.35	8,909,819.44	347,093,700.06		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	3,897,330.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	23,972,995.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	45,016,663.88	28,291,336.29	38,558,747.68	111,531,457.28	7,239,327.74	230,637,532.87		
RESTRICTED FOR PROJECTS IN PROGRESS	6,658,935.33	7,782,962.65	3,932,153.60	14,198,852.45	510,724.50	33,083,628.53		
RESTRICTED FOR ENCUMBRANCES	1,375,723.72	134,769.19	85,559.06	928,652.36	9,690.52	2,534,394.85		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00		
DEFERRED OUTFLOWS - PENSION	66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00		
UNRESTRICTED	4,642,999.76	4,610,033.68	9,621,408.49	31,194,965.73	711,847.09	50,781,254.75		
TOTAL NET ASSETS	61,978,082.13	46,534,733.73	54,473,136.41	175,197,928.35	8,909,819.44	347,093,700.06		

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

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	DECEMBER 31, 2019
ASSETS							
Equity in pooled Cash and Investments	$	11,740,439.59	11,790,777.99	12,452,307.36	40,422,969.53	999,903.05	77,406,397.52
Receivables (Net of allowances for Uncollectible):							
Accounts		1,029,031.55	217,145.74	2,095,403.24	14,104,386.03	71,763.45	17,517,730.01
Power/Gas Cost Recovery		-	-	(148,109.85)	3,056,647.39	-	2,908,537.54
Pension Assets		386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Inventory of Gas, Materials and Supplies, at Cost		-	601,818.42	747,751.55	1,814,580.48	200,674.25	3,364,824.70
Fixed Assets		98,678,240.74	74,917,168.90	70,419,500.04	312,234,814.92	10,803,379.28	567,053,103.88
Accumulated Depreciation		(47,195,364.09)	(39,317,535.34)	(29,384,810.23)	(137,807,906.78)	(3,226,802.95)	(256,932,419.39)
Deferred Outflows - Pension		66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
TOTAL ASSETS	$	64,705,393.79	49,427,898.71	57,277,942.11	238,072,334.57	8,967,306.08	418,450,875.26
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	111,444.28	124,323.82	1,591,821.45	8,801,019.44	52,662.32	10,681,271.31
Accrued Interest Payable		46,985.05	47,680.32	21,463.32	566,185.89	-	682,314.58
Customer Deposits		-		-	3,718,338.95	-	3,718,338.95
Accrued Vacation, Sick Leave & Workers Comp.		-	89,146.49	56,089.38	592,168.46	4,824.32	742,228.65
Deferred Gain / Loss - Refunding Bonds		(142,336.10)	(135,244.97)	(76,652.87)	(1,360,633.24)	-	(1,714,867.18)
Original Issue Premium/Discount (Refunding Bonds)		158,121.97	149,568.36	86,054.52	11,512,583.04	-	11,906,327.89
General Obligation Bonds Payable		2,553,096.63	2,617,690.96	1,126,029.90	39,021,878.53	-	45,318,696.02
Revenue Bonds Payable		(0.17)	-	-	-	-	(0.17)
Long-Term Leases, Notes, and Contracts Payable		-	-	-	22,865.15	-	22,865.15
TOTAL LIABILITIES	$	2,727,311.66	2,893,164.98	2,804,805.70	62,874,406.22	57,486.64	71,357,175.20
Net Assets							
Contributed Capital	$	3,897,330.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	23,972,995.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	45,016,663.88	28,291,336.29	38,558,747.68	111,531,457.28	7,239,327.74	230,637,532.87
Restricted for Incomplete Projects		6,658,935.33	7,782,962.65	3,932,153.60	14,198,852.45	510,724.50	33,083,628.53
Restricted for Subsequent Expenses		1,375,723.72	134,769.19	85,559.06	928,652.36	9,690.52	2,534,394.85
Net Pension Assets		386,429.00	1,039,349.00	934,757.00	3,622,378.00	100,981.00	6,083,894.00
Deferred Outflows - Pension		66,617.00	179,174.00	161,143.00	624,465.00	17,408.00	1,048,807.00
Unrestricted		4,642,999.76	4,610,033.68	9,621,408.49	31,194,965.73	711,847.09	50,781,254.75
Total Retained Earnings	$	58,080,751.69	41,858,450.81	53,132,625.83	161,476,305.82	8,572,570.85	323,120,705.00
TOTAL NET ASSETS	$	61,978,082.13	46,534,733.73	54,473,136.41	175,197,928.35	8,909,819.44	347,093,700.06
TOTAL LIABILITIES AND NET ASSETS	$	64,705,393.79	49,427,898.71	57,277,942.11	238,072,334.57	8,967,306.08	418,450,875.26

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

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	DECEMBER 31, 2019
Operating revenues:							
Charges for Services	$	4,804,842.07	4,203,693.17	8,572,303.36	60,958,402.50	290,177.09	78,829,418.19
Operating Expenses:							
Purchased Services	$	-	-	6,124,550.17	45,809,495.43	25,612.28	51,959,657.88
Production		-	-	-	340,459.28	-	340,459.28
Transmission & Treatment		1,199,517.16	839,532.31	-	793,841.66	-	2,832,891.13
Engineering		-	108,580.17	151,208.65	346,374.26	-	606,163.08
Distribution		1,038,750.30	272,265.87	321,926.58	6,832,374.64	-	8,465,317.39
Service		3,648.86	45,243.73	20,535.23	-	-	69,427.82
Meters & Regulators		-	47,860.85	72,221.55	162,958.85	(270.45)	282,770.80
Administrative		884,242.49	1,474,976.69	1,953,655.60	2,738,671.14	443,280.98	7,494,826.90
Total Operating Expenses	$	3,126,158.81	2,788,459.62	8,644,097.78	57,024,175.26	468,622.81	72,051,514.28
Operating Income (Loss)	$	1,678,683.26	1,415,233.55	(71,794.42)	3,934,227.24	(178,445.72)	6,777,903.91
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		18,149.79	8,683.83	11,385.19	149,200.99	1,914.20	189,334.00
Interest Income		109,805.67	117,076.80	134,511.79	377,629.67	11,198.21	750,222.14
Energy Efficiency Recovery		-	-	-	(178,520.61)	-	(178,520.61)
Gain (Loss) on Disposal of Property		-	8,525.00	-	18,723.21	-	27,248.21
Recoveries and Rebates		6,849.38	8,110.36	225.52	367.73	-	15,552.99
Interest Expense		(62,402.34)	(64,429.96)	(26,986.18)	(802,345.23)	-	(956,163.71)
Total Non-Operating Revenues (Expenses)	$	72,402.50	77,966.03	119,136.32	(434,944.24)	13,112.41	(152,326.98)
Income (Loss) Before Operating Transfers	$	1,751,085.76	1,493,199.58	47,341.90	3,499,283.00	(165,333.31)	6,625,576.93
Operating Transfers:							
Transfers In (Out)		(352,879.98)	(475,150.02)	(1,593,165.00)	(5,214,805.02)	(40,500.00)	(7,676,500.02)
Total Operating Transfers	$	(352,879.98)	(475,150.02)	(1,593,165.00)	(5,214,805.02)	(40,500.00)	(7,676,500.02)
Net Income (Loss)	$	1,398,205.78	1,018,049.56	(1,545,823.10)	(1,715,522.02)	(205,833.31)	(1,050,923.09)
Net Assets - July 1, 2019, as restated		60,553,912.35	45,516,684.17	56,018,959.51	176,913,450.37	9,115,652.75	348,118,659.15
Net Income (Loss)		1,398,205.78	1,018,049.56	(1,545,823.10)	(1,715,522.02)	(205,833.31)	(1,050,923.09)
Contribution In Aid of Construction		25,964.00	-	-	-	-	25,964.00
Net Assets - December 31, 2019	$	61,978,082.13	46,534,733.73	54,473,136.41	175,197,928.35	8,909,819.44	347,093,700.06

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

WASTEWATER - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	DECEMBER 2019	PERCENT OF CURRENT BUDGET	DECEMBER 2018
OPERATING REVENUE	9,158,550.00		9,158,550.00	4,804,842.07	52.46%	4,990,329.20
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,050,270.00	7,031.83	3,057,301.83	1,199,517.16	39.23%	1,027,218.43
ENGINEERING	-		-	-		-
DISTRIBUTION	2,230,480.00	72,914.98	2,303,394.98	1,038,750.30	45.10%	1,329,067.30
SERVICE	143,400.00		143,400.00	3,648.86	2.54%	28,413.30
METERS & REGULATORS	-		-	-		-
BAD DEBT	35,800.00		35,800.00	19,067.10	53.26%	19,451.99
GENERAL & ADMINISTRATIVE	1,832,710.00		1,832,710.00	865,175.39	47.21%	834,292.10
TOTAL OPERATING EXPENSES	7,292,660.00	79,946.81	7,372,606.81	3,126,158.81	42.40%	3,238,443.12
OPERATING INCOME (LOSS)	1,865,890.00	(79,946.81)	1,785,943.19	1,678,683.26	93.99%	1,751,886.08
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	118,540.00		118,540.00	109,805.67	92.63%	108,936.14
RECOVERIES AND REBATES	-		-	6,849.38		4,244.50
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	46,020.00		46,020.00	18,149.79	39.44%	35,581.16
INTEREST ON LONG TERM INDEBTEDNESS	(127,120.00)		(127,120.00)	(62,402.34)	49.09%	(84,912.89)
NET INCOME (LOSS)	1,903,330.00	(79,946.81)	1,823,383.19	1,751,085.76	96.03%	1,815,734.99
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(352,879.98)	50.00%	(3,346,879.98)
NET INCOME AFTER TRANSFERS	1,197,570.00	(79,946.81)	1,117,623.19	1,398,205.78	125.11%	(1,531,144.99)
CONTRIBUTION IN AID	35,000.00		35,000.00	25,964.00	74.18%	
REGULAR CAPITAL MAINTENANCE	(598,420.00)		(598,420.00)	(189,666.26)	31.69%	
CAPITAL PROJECTS	(1,350,000.00)	(5,232,529.00)	(6,582,529.00)	(432,347.41)	6.57%	
DEBT SERVICE	(727,290.00)		(727,290.00)	(147,105.50)	20.23%	
DEPRECIATION	2,115,000.00		2,115,000.00	991,865.76	46.90%	
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 DECEMBER 31, 2019

WATER - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	DECEMBER 2019	PERCENT OF CURRENT BUDGET	DECEMBER 2018
OPERATING REVENUE	8,758,450.00		8,758,450.00	4,203,693.17	48.00%	4,024,662.34
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,892,690.00	(68,059.20)	1,824,630.80	839,532.31	46.01%	831,372.81
ENGINEERING	371,830.00	19,254.89	391,084.89	108,580.17	27.76%	100,918.66
DISTRIBUTION	702,810.00	4,690.02	707,500.02	272,265.87	38.48%	259,336.88
SERVICE	136,380.00		136,380.00	45,243.73	33.17%	29,426.62
METERS & REGULATORS	178,160.00		178,160.00	47,860.85	26.86%	57,784.82
BAD DEBT	27,500.00		27,500.00	15,257.98	55.48%	13,985.39
GENERAL & ADMINISTRATIVE	3,155,010.00	109,818.09	3,264,828.09	1,459,718.71	44.71%	1,315,075.96
TOTAL OPERATING EXPENSES	6,464,380.00	65,703.80	6,530,083.80	2,788,459.62	42.70%	2,607,901.14
OPERATING INCOME (LOSS)	2,294,070.00	(65,703.80)	2,228,366.20	1,415,233.55	63.51%	1,416,761.20
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	143,850.00		143,850.00	117,076.80	81.39%	122,760.06
RECOVERIES AND REBATES	13,320.00		13,320.00	8,110.36	60.89%	9,776.71
GAIN/LOSS ON DISPOSAL	12,490.00		12,490.00	8,525.00	68.25%	5,408.25
JOBBING INCOME (LOSS)	91,050.00		91,050.00	8,683.83	9.54%	25,884.05
INTEREST ON LONG TERM INDEBTEDNESS	(111,200.00)		(111,200.00)	(64,429.96)	57.94%	(85,211.05)
NET INCOME (LOSS)	2,443,580.00	(65,703.80)	2,377,876.20	1,493,199.58	62.80%	1,495,379.22
OPERATING TRANSFERS IN (OUT)	(950,300.00)		(950,300.00)	(475,150.02)	50.00%	(471,150.00)
NET INCOME AFTER TRANSFERS	1,493,280.00	(65,703.80)	1,427,576.20	1,018,049.56	71.31%	1,024,229.22
CONTRIBUTION IN AID	-		-	-		
REGULAR CAPITAL MAINTENANCE	(1,238,100.00)	(32,313.93)	(1,270,413.93)	(140,531.24)	11.06%	
CAPITAL PROJECTS	(1,000,000.00)	(6,540,155.68)	(7,540,155.68)	(987,075.72)	13.09%	
DEBT SERVICE	(821,300.00)		(821,300.00)	(128,339.50)	15.63%	
DEPRECIATION	1,685,000.00		1,685,000.00	790,038.60	46.89%	
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 DECEMBER 31, 2019

GAS - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	DECEMBER 2019	PERCENT OF CURRENT BUDGET	DECEMBER 2018
OPERATING REVENUE	21,453,960.00		21,453,960.00	8,572,303.36	39.96%	10,150,046.03
	-					
COST OF SALES	-					
PURCHASED SERVICES	12,794,670.00		12,794,670.00	6,124,550.17	47.87%	6,731,270.40
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	12,794,670.00	-	12,794,670.00	6,124,550.17		6,731,270.40
GROSS PROFIT	8,659,290.00	-	8,659,290.00	2,447,753.19		3,418,775.63
GROSS PROFIT %	40.36%		40.36%	28.55%		33.68%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-			-		-
ENGINEERING	438,250.00	72,999.75	511,249.75	151,208.65	29.58%	152,806.49
DISTRIBUTION	645,870.00	9,798.00	655,668.00	321,926.58	49.10%	260,905.27
SERVICE	124,940.00		124,940.00	20,535.23	16.44%	29,077.90
METERS & REGULATORS	188,380.00		188,380.00	72,221.55	38.34%	65,758.83
BAD DEBT	51,440.00		51,440.00	31,938.71	62.09%	40,364.62
GENERAL & ADMINISTRATIVE	3,805,550.00	8,431.98	3,813,981.98	1,921,716.89	50.39%	1,816,562.01
TOTAL OPERATING EXPENSES	5,254,430.00	91,229.73	5,345,659.73	2,519,547.61	47.13%	2,365,475.12
OPERATING INCOME (LOSS)	3,404,860.00	(91,229.73)	3,313,630.27	(71,794.42)	-2.17%	1,053,300.51
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	161,550.00		161,550.00	134,511.79	83.26%	126,766.45
RECOVERIES AND REBATES	-		-	225.52		234,460.02
GAIN/LOSS ON DISPOSAL	5,150.00		5,150.00	-		68.25
JOBBING INCOME (LOSS)	154,820.00		154,820.00	11,385.19	7.35%	52,843.39
INTEREST ON LONG TERM INDEBTEDNESS	(47,340.00)		(47,340.00)	(26,986.18)	57.01%	(32,015.64)
NET INCOME (LOSS)	3,679,040.00	(91,229.73)	3,587,810.27	47,341.90	1.32%	1,435,422.98
OPERATING TRANSFERS IN (OUT)	(3,186,330.00)		(3,186,330.00)	(1,593,165.00)	50.00%	(1,529,665.02)
NET INCOME AFTER TRANSFERS	492,710.00	(91,229.73)	401,480.27	(1,545,823.10)	-385.03%	(94,242.04)
CONTRIBUTION IN AID			-			
REGULAR CAPITAL MAINTENANCE	(822,200.00)	(90,960.77)	(913,160.77)	(208,995.35)	22.89%	
CAPITAL PROJECTS	(1,500,000.00)	(1,989,551.81)	(3,489,551.81)	(361,563.64)	10.36%	
DEBT SERVICE	(221,390.00)		(221,390.00)	(94,970.50)	42.90%	
DEPRECIATION	1,556,000.00		1,556,000.00	781,980.72	50.26%	
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 DECEMBER 31, 2019

ELECTRIC - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	DECEMBER 2019	PERCENT OF CURRENT BUDGET	DECEMBER 2018
OPERATING REVENUE	127,879,720.00		127,879,720.00	60,958,402.50	47.67%	63,472,540.70
COST OF SALES						
PURCHASED SERVICES	96,067,000.00		96,067,000.00	45,809,495.43	47.68%	48,197,120.72
PRODUCTION	889,770.00	240,273.91	1,130,043.91	340,459.28		333,036.90
TOTAL COST OF SALES	96,956,770.00	240,273.91	97,197,043.91	46,149,954.71		48,530,157.62
GROSS PROFIT	30,922,950.00	(240,273.91)	30,682,676.09	14,808,447.79		14,942,383.08
GROSS PROFIT %	24.18%		23.99%	24.29%		23.54%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,611,140.00	86,523.27	1,697,663.27	793,841.66	46.76%	783,730.06
ENGINEERING	959,840.00	59,443.32	1,019,283.32	346,374.26	33.98%	357,984.02
DISTRIBUTION	12,987,030.00	(2,755.19)	12,984,274.81	6,832,374.64	52.62%	5,799,969.09
SERVICE	-		-	-		-
METERS & REGULATORS	379,700.00		379,700.00	162,958.85	42.92%	142,931.68
BAD DEBT	305,800.00		305,800.00	283,159.03	92.60%	219,059.13
GENERAL & ADMINISTRATIVE	4,805,060.00	92,927.08	4,897,987.08	2,455,512.11	50.13%	2,480,269.11
TOTAL OPERATING EXPENSES	21,048,570.00	236,138.48	21,284,708.48	10,874,220.55	51.09%	9,783,943.09
OPERATING INCOME (LOSS)	9,874,380.00	(476,412.39)	9,397,967.61	3,934,227.24	41.86%	5,158,439.99
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	574,980.00		574,980.00	377,629.67	65.68%	420,794.92
ENERGY EFFICIENCY RECOVERY	-	(479,811.79)	(479,811.79)	(178,520.61)	37.21%	(172,549.93)
RECOVERIES AND REBATES	6,000.00		6,000.00	367.73	6.13%	(517.50)
GAIN/LOSS ON DISPOSAL	30,500.00		30,500.00	18,723.21	61.39%	10,230.00
JOBBING INCOME (LOSS)	141,590.00		141,590.00	149,200.99	105.38%	94,468.80
INTEREST ON LONG TERM INDEBTEDNESS	(1,574,300.00)		(1,574,300.00)	(802,345.23)	50.97%	(779,061.19)
NET INCOME (LOSS)	9,053,150.00	(956,224.18)	8,096,925.82	3,499,283.00	43.22%	4,731,805.09
OPERATING TRANSFERS IN (OUT)	(10,429,610.00)		(10,429,610.00)	(5,214,805.02)	50.00%	(5,060,805.02)
NET INCOME AFTER TRANSFERS	(1,376,460.00)	(956,224.18)	(2,332,684.18)	(1,715,522.02)	73.54%	(328,999.93)

CONTRIBUTION IN AID			-			
FEDERAL AID - CAPITAL PROJECTS			-			
REGULAR CAPITAL MAINTENANCE	(3,505,530.00)	(309,896.39)	(3,815,426.39)	(1,465,735.19)	38.42%	
CAPITAL PROJECTS	(500,000.00)	(8,631,948.27)	(9,131,948.27)	(5,976,794.85)	65.45%	
DEBT SERVICE	(2,916,660.00)		(2,916,660.00)	(1,667,132.70)	57.16%	
DEPRECIATION	8,573,000.00		8,573,000.00	4,087,663.26	47.68%	
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 DECEMBER 31, 2019

TELECOMMUNICATIONS - FINAL

	ORIGINAL BUDGET 2019-20	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2019-20	DECEMBER 2019	PERCENT OF CURRENT BUDGET	DECEMBER 2018
OPERATING REVENUE	560,000.00		560,000.00	290,177.09	51.82%	533,876.11
COST OF SALES						
PURCHASED SERVICES	57,000.00		57,000.00	25,612.28	44.93%	27,977.67
PRODUCTION			-	-		-
TOTAL COST OF SALES	57,000.00	-	57,000.00	25,612.28		27,977.67
GROSS PROFIT	503,000.00	-	503,000.00	264,564.81		505,898.44
GROSS PROFIT %	89.82%		89.82%	91.17%		94.76%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT			-	(270.45)		92.11
GENERAL & ADMINISTRATIVE	907,790.00	5,012.50	912,802.50	443,280.98	48.56%	373,978.51
TOTAL OPERATING EXPENSES	907,790.00	5,012.50	912,802.50	443,010.53	48.53%	374,070.62
OPERATING INCOME (LOSS)	(404,790.00)	(5,012.50)	(409,802.50)	(178,445.72)	43.54%	131,827.82
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	16,880.00		16,880.00	11,198.21	66.34%	11,663.06
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	22,130.00		22,130.00	1,914.20	8.65%	25,443.87
INTEREST ON LONG TERM INDEBTEDNESS	-		-	-		-
NET INCOME (LOSS)	(365,780.00)	(5,012.50)	(370,792.50)	(165,333.31)	44.59%	168,934.75
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(40,500.00)	50.00%	(40,500.00)
NET INCOME AFTER TRANSFERS	(446,780.00)	(5,012.50)	(451,792.50)	(205,833.31)	45.56%	128,434.75
CONTRIBUTION IN AID			-		0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(31,500.33)	126.00%	
CAPITAL PROJECTS	(250,000.00)	(464,478.49)	(714,478.49)	(197,253.66)	27.61%	
DEPRECIATION	476,620.00		476,620.00	215,132.58	45.14%	
CONTINGENCY			-			

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

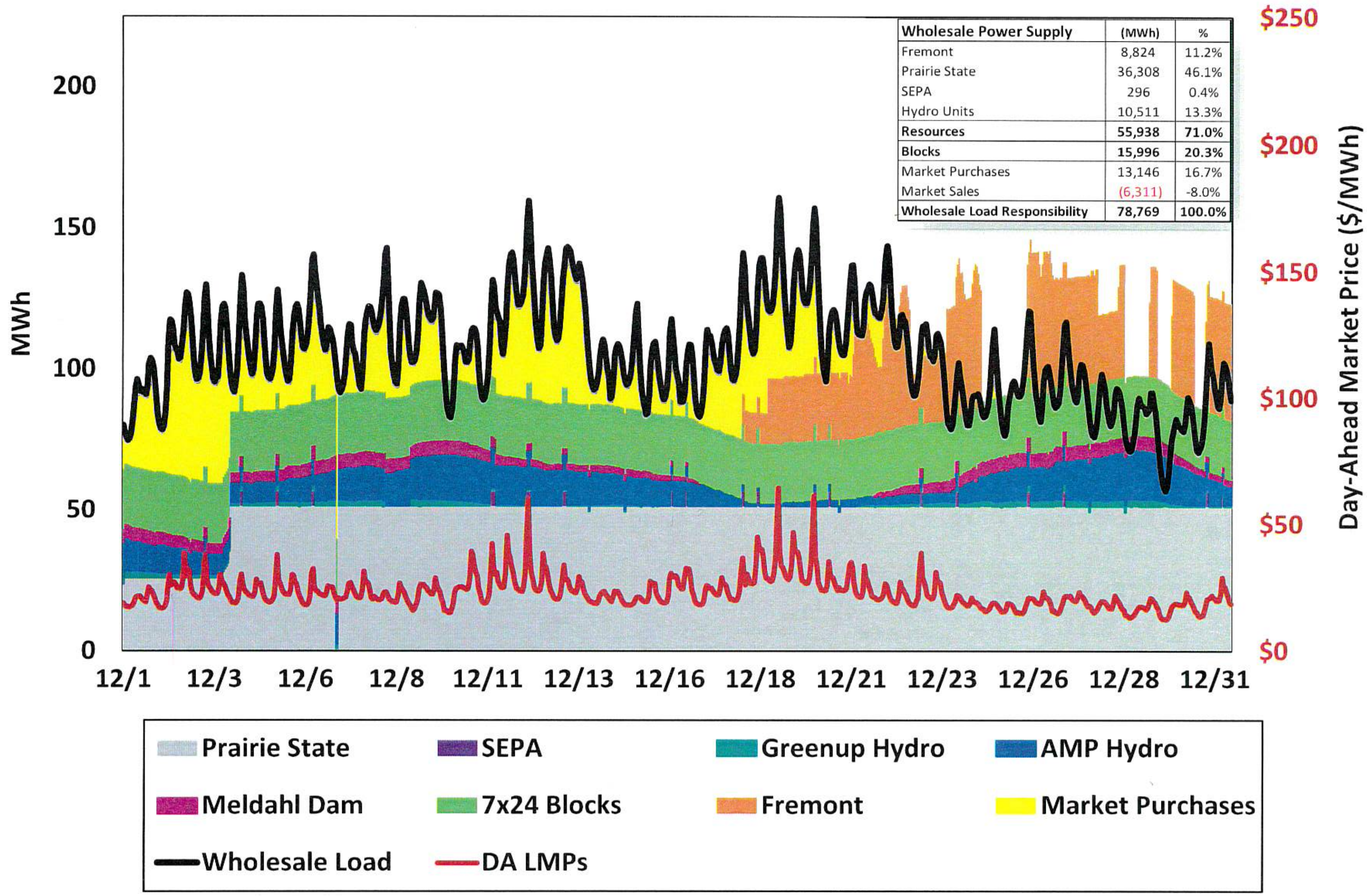
BILLING MONTH	TOTAL POWER COST	HLF POWER COST	**NON-HLF POWER COST**	TOTAL kWh SALES	HLF kWh SALES	NON-HLF kWh SALES	PCA / kWh	POWER COST / kWh RECOVERED IN BASE RATE	TOTAL POWER COST / kWh RECOVERED	HLF STRANDED COSTS RECOVERED	**NON-HLF POWER COST RECOVERED**	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	**CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - $4,000,000)**	
Jul-19	$ 8,122,121.31	$ 1,156,447.21	**$ 6,965,674.10**	83,529,980	11,893,200	71,636,780	$0.005000	$0.086200	$0.091200		**$ 6,533,274.38**	$ (432,399.72)		**$ (5,082,054.00)**	ACTUAL
Aug-19	$ 7,744,425.65	$ 1,102,670.00	**$ 6,641,755.65**	83,529,980	11,893,200	71,636,780	$0.005000	$0.086200	$0.091200		**$ 6,533,274.38**	$ (108,481.27)		**$ (5,190,535.27)**	ACTUAL
Sep-19	$ 7,875,097.92	$ 1,131,175.58	**$ 6,743,922.34**	88,571,701	12,722,400	75,849,301	$0.012000	$0.086200	$0.098200		**$ 7,448,401.37**	$ 704,479.03		**$ (4,486,056.24)**	ACTUAL
Oct-19	$ 7,270,911.76	$ 1,112,340.92	**$ 6,158,570.84**	78,776,316	12,051,600	66,724,716	$0.025000	$0.086200	$0.111200		**$ 7,419,788.47**	$ 1,261,217.63		**$ (3,224,838.61)**	ACTUAL
Nov-19	$ 7,286,341.23	$ 1,258,888.70	**$ 6,027,452.53**	66,808,750	11,542,800	55,265,950	$0.025000	$0.086200	$0.111200		**$ 6,145,573.59**	$ 118,121.06		**$ (3,106,717.55)**	ACTUAL
Dec-19	$ 7,510,597.56	$ 1,046,358.72	**$ 6,464,238.84**	74,790,242	10,419,600	64,370,642	$0.015000	$0.086200	$0.101200		**$ 6,514,309.00**	$ 50,070.16		**$ (3,056,647.39)**	ACTUAL
Jan-20	$ 9,041,393.61	$ 1,035,224.40	**$ 8,006,169.21**	94,586,539	10,830,000	83,756,539	$0.007500	$0.086200	$0.093700		**$ 7,847,987.69**	$ (158,181.52)		**$ (3,214,828.91)**	PROJECTED
Feb-20	$ 7,837,004.72	$ 961,163.87	**$ 6,875,840.85**	96,356,708	11,817,600	84,539,108	$0.007500	$0.086200	$0.093700		**$ 7,921,314.45**	$ 1,045,473.60		**$ (2,169,355.31)**	PROJECTED
Mar-20	$ 7,585,193.95	$ 983,065.53	**$ 6,602,128.42**	84,812,710	10,992,000	73,820,710	$0.012000	$0.086200	$0.098200		**$ 7,249,193.73**	$ 647,065.31		**$ (1,522,290.00)**	PROJECTED
Apr-20	$ 6,868,398.91	$ 1,096,622.61	**$ 5,771,776.30**	73,892,327	11,797,800	62,094,527	$0.018000	$0.086200	$0.104200		**$ 6,470,249.75**	$ 698,473.45		**$ (823,816.55)**	PROJECTED
May-20	$ 7,342,713.97	$ 1,310,689.45	**$ 6,032,024.51**	64,036,241	11,430,600	52,605,641	$0.025000	$0.086200	$0.111200		**$ 5,849,747.33**	$ (182,277.18)		**$ (1,006,093.74)**	PROJECTED
Jun-20	$ 7,927,356.32	$ 1,254,989.03	**$ 6,672,367.29**	77,005,307	12,190,800	64,814,507	$0.020000	$0.086200	$0.106200		**$ 6,883,300.65**	$ 210,933.36		**$ (795,160.38)**	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	
Jul-19	$ 3.86171	$ 3.90072	$ -	$ 0.2500	$ (0.16491)	$ 3.84529	$ 4.09529	$ (205,387.81)	$ 404,146.79	$ 418,995.89	$ 14,849.10		$ 749,547.68	Final
Aug-19	$ 3.43537	$ 3.47007	$ -	$ 0.2500	$ (0.28008)	$ 3.84061	$ 4.09061	$ (528,620.04)	$ 425,295.16	$ 374,459.48	$ (50,835.68)		$ 698,711.99	Final
Sep-19	$ 3.90042	$ 3.90237	$ -	$ 0.2500	$ (0.36700)	$ 4.19972	$ 4.44972	$ (837,224.83)	$ 436,543.53	$ 482,740.56	$ 46,197.03		$ 744,909.02	Final
Oct-19	$ 4.15220	$ 4.15220	$ 1.76305	$ 0.2500	$ (0.29000)	$ 5.34967	$ 3.83662	$ (1,097,446.13)	$ 608,600.43	$ 501,271.63	$ (107,328.80)		$ 637,580.23	Final
Nov-19	$ 3.65958	$ 3.65958	$ 3.26380	$ 0.2500	$ (0.51456)	$ 6.52744	$ 3.51364	$ (1,094,994.67)	$ 1,062,044.67	$ 740,111.17	$ (321,933.50)		$ 315,646.73	Final
Dec-19	$ 3.61191	$ 3.61191	$ 3.28489	$ 0.2500	$ (0.54742)	$ 6.28632	$ 3.25142	$ (734,777.68)	$ 1,166,720.05	$ 999,183.18	$ (167,536.88)		$ 148,109.85	Final
Jan-20	$ 3.42255	$ 3.42255	$ 3.27340	$ 0.2500	$ (0.54742)	$ 6.15030	$ 3.12690	$ (172,504.86)	$ 1,396,480.96	$ 1,076,620.95	$ (319,860.00)		$ (171,750.15)	Est
Feb-20	$ 3.85594	$ 3.85594	$ 3.24525	$ 0.2500	$ (0.58050)	**$ 6.52069**	**$ 3.52544**	$ 381,300.48	$ 1,060,711.40	$ 1,244,356.13	$ 183,644.73		$ 11,894.58	Est
Mar-20	$ 2.99736	$ 2.99736	$ 3.24525	$ 0.2500	$ (0.58050)	$ 5.66211	$ 2.66686	$ 600,664.20	$ 857,369.79	$ 671,021.17	$ (186,348.62)		$ (174,454.05)	Est
Apr-20	$ 3.87869	$ 3.87869	$ 1.62263	$ 0.2500	$ (0.58050)	$ 4.92081	$ 3.54819	$ 525,260.83	$ 608,395.11	$ 802,413.95	$ 194,018.85		$ 19,564.80	Est
May-20	$ 3.55332	$ 3.55332	$ -	$ 0.2500	$ (0.58050)	$ 2.97282	$ 3.22282	$ 257,633.45	$ 470,468.38	$ 473,023.35	$ 2,554.97		$ 22,119.77	Est
Jun-20	$ 3.83296	$ 3.83296	$ -	$ 0.2500	$ (0.58050)	$ 3.25246	$ 3.50246	$ 5.24	$452,680.90	$ 430,567.36	$ (22,113.54)		$ 6.23	Est

Hourly Danville Wholesale Power Supply
December 2019



Wholesale Power Supply	(MWh)	%
Fremont	8,824	11.2%
Prairie State	36,308	46.1%
SEPA	296	0.4%
Hydro Units	10,511	13.3%
Resources	**55,938**	**71.0%**
Blocks	**15,996**	**20.3%**
Market Purchases	13,146	16.7%
Market Sales	(6,311)	-8.0%
Wholesale Load Responsibility	**78,769**	**100.0%**

Strategic Plan Priorities and Actions Report
1st Quarter, 2020

Key	
Not Started	
Progressing	
Completed	

Customer Satisfaction
Danville Utilities will be recognized by customers for providing safe, reliable, responsive, and competitive utility services.

Goals	Status	Comments
To achieve 90% customer satisfaction by 2025.		Key Accounts Manager working with Electricities on their member residential survey. Looking to conduct in the Spring.
To increase participation in the rebate programs by 25% by 2025 from 2018 figures.		Have seen an increase in participation since taking the residential rebate processing in-house.
To proactively inform customers of outages through the notification system.		Technology staff has upgraded the customer outage map to show meter outage notifications. Will look to integrate customer notification system in 2020.

Customer Satisfaction		
Danville Utilities will be recognized by customers for providing safe, reliable, responsive, and competitive utility services.		
Actions	**Status**	**Comments**
Conduct satisfaction surveys and review previous surveys for residential customers.		Key Accounts Manager working with Electricities on their member residential survey. Looking to conduct in the Spring.
Conduct satisfaction surveys for commercial/industrial customers.		Key Accounts Manager working with Electricities on their member survey. Looking to conduct in the Spring.
Enhance energy cost savings programs (energy audits, workshops, marketing literature, and rebates).		Looking to work with Nexant in 2020 to review rebate program.

Inform public of notification systems developed through the Technology Development and Advancement team.		Technology staff has upgraded the customer outage map to show meter outage notifications. Will look to integrate customer notification system in 2020.

Cost and Asset Management
Danville Utilities will provide reliable utility services while managing cost and maintaining competitive rates.

Goals	Status	Comments
To reduce PJM capacity demand by 10% by 2021 from peak demand in 2016.		10 MW Whitmell solar and 12 MW Ringgold Solar will be completed by July 1, 2020.
To reduce AEP transmission peak demand by 7.5% by 2021 from peak demand in 2016.		Three 1.8 MW diesel peaking generators EPA compliant and ready for winter 2020.
To implement the asset management tool by 2020 within budget.		Hired a new Fleet and Asset Manager to lead this task.
To reduce lost and unaccounted materials by 2% annually once the new system is implemented.		Looking to include in CityWorks software package currently owned by the City.
To present a balanced rate study with utility rates in the 60th percentile of comparable utility providers.		2021 Rate Study will begin summer 2020.
To work with Human Resources to establish salary grades within 5% of market ranges.		Human Resources currently conducting Compensation study.

Cost and Asset Management		
Danville Utilities will provide reliable utility services while managing cost and maintaining competitive rates.		
Actions	**Status**	**Comments**
Develop electric peak load reduction programs to focus efforts to lower electric load during PJM five coincidental peaks and American Electric Power (AEP) one coincidental peak.		Will include in the 2021 rate study and energy efficiency programs.
Create an asset and fleet management plan.		New Fleet and Asset Manager started January 1, 2020.

Cost and Asset Management		
Danville Utilities will provide reliable utility services while managing cost and maintaining competitive rates.		
Actions	**Status**	**Comments**
Conduct a rate study every two years to evaluate the current rate structure.		Will start summer 2020. Present to DUC in November 2020.
Implement barcoding system for warehouse inventory.		Reviewing CityWorks capabilities.
Review necessary salary grades compared to market in fiscal year 2021 budget.		Human Resources currently completing a compensation study.

Infrastructure Management
Danville Utilities will maintain and upgrade critical infrastructure to provide quality services.

Goals	**Status**	**Comments**
To reduce outages 5% per year.		Working on various reliability projects to improve outage rate. Will look to start tracking ratio.
To achieve targeted take rates for each utility expansion area.		Assembling plans for FY2021 budget
To assist Economic Development with recruiting new prospects.		Working with Economic Development on several projects.
To expand infrastructure capacity in Economic Development enterprise zones in order to serve future customers.		Working with AEP on electric territory adjustment at Schoolfield site to the City of Danville.

Infrastructure Management
Danville Utilities will maintain and upgrade critical infrastructure to provide quality services.

Actions	**Status**	**Comments**
Complete capital plan within budgeted year and within 5% of allowed budget.		
Develop an infrastructure asset management system for all utilities to determine capital needs.		

Infrastructure Management
Danville Utilities will maintain and upgrade critical infrastructure to provide quality services.

Actions	Status	Comments
Develop a plan to grow all utilities to improve quality of life.		

Workforce Planning
Danville Utilities will be an employer of choice.

Goals	Status	Comments
To achieve a 10% reduction in workplace accidents per year once department specific safety manual is implemented.		Safety and Training Manager working with employees on any safety issues and new regulations.
To have five or less vacancies at any one time throughout the department.		Currently the department has 15 vacancies, mostly in Water & Gas. Looking to reclassify several positions to realign positions with future projects.

Workforce Planning
Danville Utilities will be an employer of choice.

Actions	Status	Comments
Develop department specific safety manual to provide clarification on safety procedures.		Looking to start in 2020
Develop an employee on boarding/exit program.		Safety and Training Manager currently working on a draft.

Technology Development and Advancement
Danville Utilities will evaluate and explore current and future technologies to determine its value to the customer's experience and to improve communication.

Actions	Status	Comments
Develop technology plan to prioritize implementation or improvement of customer information systems.		Technology staff has updated the on-line outage map that is populated with metering system outage information. Looking to integrate outage notification system in 2020.

Commission Item Number: DUC200224 - 2
Utility Commission Meeting: February 24, 2020
Item: II. C. Fiscal Year 2021 Utilities Budget

Fiscal Year 2021 Utilities Budget

Preliminary FY 2021 budget proposals were reviewed at the January 27th Commission meeting. All funds are currently balanced. 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 2021 increases and brief the Commission on the matter at the April 27th 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 revised FY 2020 budget. A suggested motion follows:

Recommendation:
I move that the Danville Utility Commission approve the Utility Department's Proposed Fiscal Year 2021 Budget for submission to the City Manager and inclusion in his budget proposal to the 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 27th meeting, should on-going evaluations reveal revenue shortfalls.

Wastewater		2018	2019	2020	2021	2022	2023	2024	2025	5YR Total	8 YR Total
Northside Process Plant Modifications Phase III	w w	$0	$600,000	$0	$2,000,000	$0	$0	$0	$0	$2,000,000	$2,600,000
Sandy Creek Sewer Collector Improvements	v v	$800,000	$800,000	$0	$0	$0	$0	$0	$0	$0	$1,600,000
SOVA Megasite Sewer Improvement	v v z z	$0	$0	$0	$3,600,000	$0	$0	$0	$0	$3,600,000	$3,600,000
Fall Creek Sewer Reconstruction	v v	$0	$0	$0	$0	$0	$800,000	$800,000	$0	$1,600,000	$1,600,000
Luna Lake Road Sewers	v v	$0	$0	$0	$0	$0	$0	$0	$800,000	$800,000	$800,000
Apple Branch Sewer Line Replacement	v v	$0	$0	$800,000	$0	$800,000	$0	$0	$0	$800,000	$1,600,000
Sewer Line Reconstruction	v v z z	$250,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$1,500,000	$2,350,000
New Sewer Lines/Inflow & Infiltration Reduction	v v z z	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$1,250,000	$2,000,000
Replacement of Main Line Sanitary Sewer	v v	$0	$0	$0	$0	$800,000	$0	$0	$0	$800,000	$800,000
Water											
Berry Hill Industrial Park Water Infrastructure	v v w w x x y y z z	$0	$0	$0	$4,500,000	$4,000,000	$0	$0	$0	$8,500,000	$8,500,000
Schoolfield Dam Repair	z z	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$50,000
Ballou Reservoir Main Lines	v v	$800,000	$0	$0	$0	$0	$0	$0	$0	$0	$800,000
Water Treatment Plant Modifications	z z v v x x	$2,000,000	$2,000,000	$0	$0	$0	$0	$0	$0	$0	$4,000,000
Water Line Reconstruction	v v	$200,000	$500,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000	$6,700,000
DRI Reservoir	z z	$0	$3,000,000	$0	$0	$0	$0	$0	$0	$0	$3,000,000
Gas											
Gas Main Replacements	v v w w z z	$1,500,000	$2,300,000	$1,500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$2,500,000	$7,800,000
Pittsylvania County Natural Gas Expansion	v v z z	$0	$0	$0	$3,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$7,000,000	$7,000,000
Electric											
AEP Fourth Delivery Point-West Fork Substation	x x	$0	$0	$0	$0	$4,000,000	$0	$0	$0	$4,000,000	$4,000,000
Energy Efficiency	w w	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$500,000
Joint Use Audit & Pole Attachment Contract Update	v v	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$500,000
Line Rebuilds/25 kV Conversion	x x	$0	$2,000,000	$2,000,000	$1,800,000	$1,600,000	$1,600,000	$1,600,000	$1,500,000	$8,100,000	$12,100,000
Substation Upgrades	x x	$2,000,000	$2,000,000	$3,000,000	$4,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000	$16,000,000	$23,000,000
Behind The Meter Generation	w w x x	$0	$500,000	$1,500,000	$0	$0	$0	$0	$0	$0	$2,000,000
System Reliability	v v	$200,000	$500,000	$500,000	$0	$0	$0	$0	$0	$0	$1,200,000
Street Light Upgrade Program	v v w w x x	$500,000	$500,000	$1,500,000	$0	$0	$0	$0	$0	$0	$2,500,000
Utilities Warehouse	w w	$2,300,000	$0	$0	$0	$0	$0	$0	$0	$0	$2,300,000
Telecommunication											

n Danville Ph 3 - Fiber to the Home	v v z z z z- Gas	$450,000	$900,000	$0	$1,500,000	$600,000	$300,000	$300,000	$1,300,000	$4,000,000	$5,350,000
		$11,800,000	$16,650,000	$12,350,000	$22,450,000	$17,850,000	$8,750,000	$8,750,000	$9,650,000	$67,450,000	$108,250,000

Revenue	v v	$4,350,000	$4,750,000	$3,833,820	$6,540,110	$4,950,000	$4,150,000	$4,150,000	$4,150,000	$23,940,110	$36,873,930
Bonds	x x	$3,000,000	$4,000,000	$8,000,000	$5,800,000	$12,600,000	$4,600,000	$4,600,000	$4,500,000	$32,100,000	$47,100,000
Fund Balance	z z	$1,250,000	$5,100,000	$516,180	$4,609,890	$300,000	$0	$0	$1,000,000	$5,909,890	$12,776,070
Reporgrammed Funds	w w	$3,200,000	$2,800,000	$0	$3,000,000	$0	$0	$0	$0	$3,000,000	$9,000,000
Contribution in Aid	y y	$0	$0	$0	$2,500,000	$0	$0	$0	$0	$2,500,000	$2,500,000
		$11,800,000	$16,650,000	$12,350,000	$22,450,000	$17,850,000	$8,750,000	$8,750,000	$9,650,000	$67,450,000	$108,250,000

			2018	2019	2020	2021	2022	2023	2024	2025
Source by Fund										
Revenue	v v									
		Wastewater	$1,300,000	$1,350,000	$1,350,000	$2,643,690	$2,150,000	$1,350,000	$1,350,000	$1,350,000
		Water	$1,000,000	$1,000,000	$1,000,000	$1,510,370	$1,000,000	$1,000,000	$1,000,000	$1,000,000
		Gas	$1,100,000	$1,100,000	$983,820	$2,329,680	$1,500,000	$1,500,000	$1,500,000	$1,500,000
		Electric	$700,000	$1,000,000	$500,000	$0	$0	$0	$0	$0
		Telecommunications	$250,000	$300,000	$0	$56,370	$300,000	$300,000	$300,000	$300,000
Bonds	x x									
		Wastewater	$0	$0	$0	$0	$0	$0	$0	$0
		Water	$1,000,000	$0	$0	$0	$4,000,000	$0	$0	$0
		Gas	$0	$0	$0	$0	$0	$0	$0	$0
		Electric	$2,000,000	$4,000,000	$8,000,000	$5,800,000	$8,600,000	$4,600,000	$4,600,000	$4,500,000
		Telecommunications	$0	$0	$0	$0	$0	$0	$0	$0
Fund Balance	z z									
		Wastewater	$0	$0	$0	$1,506,310	$0	$0	$0	$0
		Water	$1,050,000	$4,500,000	$0	$489,630	$0	$0	$0	$0
		Gas	$0	$0	$516,180	$1,170,320	$0	$0	$0	$0
		Electric	$0	$0	$0	$0	$0	$0	$0	$0
		Telecommunications	$200,000	$600,000	$0	$1,443,630	$300,000	$0	$0	$1,000,000
Reprogrammed Funds	w w									
		Wastewater	$0	$600,000	$0	$2,000,000	$0	$0	$0	$0
		Water	$0	$0	$0	$1,000,000	$0	$0	$0	$0
		Gas	$400,000	$1,200,000	$0	$0	$0	$0	$0	$0
		Electric	$2,800,000	$1,000,000	$0	$0	$0	$0	$0	$0
		Telecommunications	$0	$0	$0	$0	$0	$0	$0	$0
Contribution in Aid	y y									
		Wastewater	$0	$0	$0	$0	$0	$0	$0	$0
		Water	$0	$0	$0	$2,500,000	$0	$0	$0	$0
		Gas	$0	$0	$0	$0	$0	$0	$0	$0
		Electric	$0	$0	$0	$0	$0	$0	$0	$0
		Telecommunications	$0	$0	$0	$0	$0	$0	$0	$0
			$11,800,000	$16,650,000	$12,350,000	$22,450,000	$17,850,000	$8,750,000	$8,750,000	$9,650,000

CITY OF DANVILLE - UTILITIES DEPARTMENT
PROPOSED BUDGET FOR FY 2021
WASTEWATER FUND - 51
FUND SUMMARY BY FUNCTION

DESCRIPTION	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 BUDGET	PROPOSED FY 2021 BUDGET	BUDGET TO BUDGET FY 2020 vs FY 2021 $ CHANGE	% DIFF
Revenue						
Rev-Use Money/Property	149,661	211,864	118,540	118,200	-340	0 %
Charges for Services	9,588,633	9,956,338	9,158,550	9,118,040	-40,510	0 %
Miscellaneous Revenue	64,537	101,121	81,020	86,500	5,480	7 %
Recovered Cost	6,005	10,079	0	0	0	0 %
Non-Revenue Receipts	0	0	0	0	0	0 %
Total -- Operating Revenue	**9,808,836**	**10,279,402**	**9,358,110**	**9,322,740**	-35,370	**0 %**
Transfer from Fund Balance	0	0	0	0	0	0 %
Total Revenue	**9,808,836**	**10,279,402**	**9,358,110**	**9,322,740**	**-35,370**	**0 %**
Operating Expenses						
Treatment Plants	2,629,847	2,749,434	3,050,270	3,088,200	37,930	1 %
Public Works	1,232,797	1,717,772	1,540,720	1,701,090	160,370	10 %
Administration Services	618,272	570,964	713,790	724,360	10,570	1 %
Debt Service	1,145,186	1,038,424	727,290	333,340	-393,950	-54 %
Capital Expenses	261,060	54,219	698,420	126,300	-572,120	-82 %
Subtotal -- Operating Expense (Net of Source of Supply)	**5,887,162**	**6,130,813**	**6,730,490**	**5,973,290**	-757,200	**-11 %**
Depreciation	1,978,162	1,947,127	2,115,000	2,145,750	30,750	1 %
Source of Supply	0	0	0	0	0	0 %
Total -- Operating Expense	**7,865,324**	**8,077,940**	**8,845,490**	**8,119,040**	**-726,450**	**-8 %**
Annual Contribution to General Fund	693,760	693,760	705,760	705,760	0	0 %
Total Expenditures	**8,559,084**	**8,771,700**	**9,551,250**	**8,824,800**	**-726,450**	**-8 %**
Add - Depreciation	1,978,162	1,947,127	2,115,000	2,145,750	30,750	1 %
Revenue in excess of Operating Expense	**3,227,914**	**3,454,829**	**1,921,860**	**2,643,690**	**721,830**	**38 %**
Capital Improvements						
Capital Projects	2,891	0	0	0	0	0 %
Sewer Capital Projects	960,898	430,034	1,350,000	4,150,000	2,800,000	207 %
Total -- Capital Improvements	**963,789**	**430,034**	**1,350,000**	**4,150,000**	2,800,000	**207 %**
Revenues Over(Under) Expenses	**2,264,125**	**3,024,795**	**571,860**	**-1,506,310**	**-2,078,170**	**-363 %**

CITY OF DANVILLE - UTILITIES DEPARTMENT
PROPOSED BUDGET FOR FY 2021
WASTEWATER FUND - 51
REVENUES

ORG-KEY	OBJECT	ACCOUNT DESCRIPTION	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 BUDGET	PROPOSED FY 2021 BUDGET	BUDGET FY 20 VS BUDGET FY 21 $ CHANGE	% DIFF
Miscellaneous Revenue								
5124703	43630	Contribution in Aid	28,900	38,281	35,000	38,000	3,000	9 %
5100000	43740	Misc Revenue	35,637	62,839	46,020	48,500	2,480	5 %
5100000	43620	Gain on Disposal of Property	0	0	0	0	0	0 %
5100000	43630	Contribution in Aid	0	0	0	0	0	0 %
5140912	43630	Contribution in Aid	0	0	0	0	0	0 %
	Miscellaneous Revenue		**64,537**	**101,120**	**81,020**	**86,500**	5,480	**7 %**
Charges for Services								
5100000	42747	Penalties-Non-Pay	11,138	10,502	13,300	11,000	-2,300	-17 %
5100000	42746	Penalties	206	863	180	200	20	11 %
5100000	42742	Rural Strong Waste Surcharge	166,373	223,647	151,840	175,000	23,160	15 %
5100000	42740	Industrial Pretreatment Fees	213,636	219,015	211,150	210,000	-1,150	-1 %
5100000	42710	Municipal Sales	148,823	143,635	143,680	183,190	39,510	27 %
5100000	42706	Industrial Sales	1,130,481	1,150,995	1,194,780	1,190,690	-4,090	0 %
5100000	42704	Commercial Sales	3,294,869	3,643,956	3,264,200	3,205,680	-58,520	-2 %
5100000	42702	Residential Sales	4,623,107	4,563,724	4,616,660	4,579,520	-37,140	-1 %
5100000	42701	Rate Change Revenue	0	0	-437,240	-437,240	0	0 %
5100000	42748	Miscellaneous Charges	0	0	0	0	0	0 %
	Charges for Services		**9,588,633**	**9,956,337**	**9,158,550**	**9,118,040**	-40,510	**0 %**
Rev-Use Money/Property								
5100000	41750	Interest on Investments	149,661	211,864	118,540	118,200	-340	0 %
5100000	43680	Sale-Salvage and Surplus Prop	0	0	0	0	0	0 %
	Rev-Use Money/Property		**149,661**	**211,864**	**118,540**	**118,200**	-340	**0 %**
Recovered Cost								
5127701	43810	Recoveries and Rebates	0	1,045	0	0	0	0 %
5100000	43810	Recoveries and Rebates	6,005	9,034	0	0	0	0 %
	Recovered Cost		**6,005**	**10,079**	**0**	**0**	0	**0 %**
		TOTAL REVENUE	**9,808,836**	**10,279,400**	**9,358,110**	**9,322,740**	-35,370	**0 %**

CITY OF DANVILLE - UTILITIES DEPARTMENT
PROPOSED BUDGET FOR FY 2021
WATER FUND - 52
FUND SUMMARY BY FUNCTION

DESCRIPTION	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 BUDGET	PROPOSED FY 2021 BUDGET	BUDGET TO BUDGET FY 2020 vs FY 2021 $ CHANGE	BUDGET TO BUDGET FY 2020 vs FY 2021 % DIFF
Revenue						
Rev-Use Money/Property	280,006	330,192	238,260	284,940	46,680	20 %
Charges for Services	7,935,550	7,760,917	8,693,830	8,408,480	-285,350	-3 %
Miscellaneous Revenue	69,170	32,614	78,200	2,581,490	2,503,290	3,201 %
Recovered Cost	14,011	21,115	13,320	17,980	4,660	35 %
Non-Revenue Receipts	0	0	0	0	0	0 %
Total -- Operating Revenue	**8,298,737**	**8,144,838**	**9,023,610**	**11,292,890**	2,269,280	**25 %**
Transfer from Fund Balance	0	0	0	0	0	0 %
Total Revenue	**8,298,737**	**8,144,838**	**9,023,610**	**11,292,890**	**2,269,280**	**25 %**
Operating Expenses						
Laboratory	93,600	97,680	105,610	104,680	-930	-1 %
Operations-Main	1,200,306	1,204,369	1,265,960	1,302,370	36,410	3 %
Operations-Industrial	331,105	150,086	162,940	156,230	-6,710	-4 %
Treatment-Main	176,002	187,446	359,450	348,620	-10,830	-3 %
Administration Services	1,347,205	1,285,509	1,611,890	1,896,850	284,960	18 %
Engineering	274,699	195,265	371,830	309,270	-62,560	-17 %
Distribution	527,119	387,012	616,960	544,430	-72,530	-12 %
Service	210,275	231,539	222,230	242,590	20,360	9 %
Meters & Regulators	101,602	114,592	178,160	140,980	-37,180	-21 %
Debt Service	889,093	928,353	821,300	359,710	-461,590	-56 %
Capital Expenses	648,957	1,046,933	1,338,100	926,490	-411,610	-31 %
Subtotal -- Operating Expense (Net of Source of Supply)	**5,799,963**	**5,828,784**	**7,054,430**	**6,332,220**	-722,210	**-10 %**
Depreciation	1,539,579	1,553,216	1,685,000	1,752,540	67,540	4 %
Source of Supply	0	0	0	0	0	0 %
Total -- Operating Expense	**7,339,542**	**7,382,000**	**8,739,430**	**8,084,760**	**-654,670**	**-7 %**
Annual Contribution to General Fund	942,300	942,300	950,300	950,300	0	0 %
Total Expenditures	**8,281,842**	**8,324,300**	**9,689,730**	**9,035,060**	**-654,670**	**-7 %**
Add - Depreciation	1,539,579	1,553,216	1,685,000	1,752,540	67,540	4 %
Revenue in excess of Operating Expense	**1,556,474**	**1,373,754**	**1,018,880**	**4,010,370**	**2,991,490**	**294 %**
Capital Improvements						
Capital Projects	447,671	2,354,109	1,000,000	4,500,000	3,500,000	350 %
Sewer Capital Projects	0	0	0	0	0	0 %
Total -- Capital Improvements	**447,671**	**2,354,109**	**1,000,000**	**4,500,000**	3,500,000	**350 %**
Revenues Over(Under) Expenses	**1,108,803**	**-980,355**	**18,880**	**-489,630**	**-508,510**	**-2,693 %**

CITY OF DANVILLE - UTILITIES DEPARTMENT
PROPOSED BUDGET FOR FY 2021
WATER FUND - 52
REVENUES

ORG-KEY	OBJECT	ACCOUNT DESCRIPTION	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 BUDGET	PROPOSED FY 2021 BUDGET	BUDGET FY 20 VS BUDGET FY 21 $ CHANGE	% DIFF
Rev-Use Money/Property								
5240322	41910	Rental Income	27,154	26,737	17,300	28,350	11,050	64 %
5200000	43680	Sale-Salvage and Surplus Prop	-4,162	186	12,490	1,970	-10,520	-84 %
5200000	41930	Leases	64,097	57,229	64,620	64,620	0	0 %
5200000	41750	Interest on Investments	192,644	246,041	143,850	190,000	46,150	32 %
5200000	41770	Interest on Bond Funds	0	0	0	0	0	0 %
5200001	41930	Leases	272	0	0	0	0	0 %
5240323	41910	Rental Income	0	0	0	0	0	0 %
		Rev-Use Money/Property	**280,005**	**330,193**	**238,260**	**284,940**	46,680	**20 %**
Miscellaneous Revenue								
5200001	43740	Misc Revenue	69,170	9,121	61,100	56,000	-5,100	-8 %
5200000	43740	Misc Revenue	0	23,494	17,100	25,490	8,390	49 %
5200000	43620	Gain on Disposal of Property	0	0	0	0	0	0 %
5200000	43630	Contribution in Aid	0	0	0	0	0	0 %
5240903	43630	Contribution in Aid	0	0	0	0	0	0 %
5240906	43630	Contribution in Aid	0	0	0	0	0	0 %
5240308	43630	Contribution in Aid	0	0	0	2,500,000	2,500,000	0 %
5200002	43740	Misc Revenue	0	0	0	0	0	0 %
5140312	43630	Contribution in Aid	0	0	0	0	0	0 %
		Miscellaneous Revenue	**69,170**	**32,615**	**78,200**	**2,581,490**	2,503,290	**3,201 %**
Recovered Cost								
5200000	43810	Recoveries and Rebates	14,011	21,115	13,320	17,980	4,660	35 %
		Recovered Cost	**14,011**	**21,115**	**13,320**	**17,980**	4,660	**35 %**
Charges for Services								
5200000	42748	Miscellaneous Charges	29,280	29,150	29,380	30,490	1,110	4 %
5200000	42747	Penalties-Non-Pay	9,558	7,819	10,400	10,030	-370	-4 %
5200000	42746	Penalties	40	26	40	30	-10	-25 %
5200000	42710	Municipal Sales	176,659	167,246	168,210	175,030	6,820	4 %
5200000	42706	Industrial Sales	924,082	890,512	945,730	876,170	-69,560	-7 %
5200000	42704	Commercial Sales	3,072,895	2,992,810	3,301,460	3,094,580	-206,880	-6 %
5200000	42702	Residential Sales	3,723,035	3,673,355	3,789,130	3,772,670	-16,460	0 %
5200000	42701	Rate Change Revenue	0	0	449,480	449,480	0	0 %
5200000	42712	Metered Sales Industrial	0	0	0	0	0	0 %
		Charges for Services	**7,935,549**	**7,760,918**	**8,693,830**	**8,408,480**	-285,350	**-3 %**
		TOTAL REVENUE	**8,298,735**	**8,144,841**	**9,023,610**	**11,292,890**	2,269,280	**25 %**

UTILITIES ALL FUNDS

CAPITAL PROJECTS - FY 2018 - 2025

Fund/Department	FY 2018	FY2019	FY2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	5 Yr Total	8 Yr Total
51 Wastewater Fund										
Northside Process Plant Modifications Phase III	$0	$600,000	$0	$2,000,000	$0	$0	$0	$0	$2,000,000	$2,600,000
ww		$600,000		$2,000,000						
Sandy Creek Sewer Collector Improvements	$800,000	$800,000	$0	$0	$0	$0	$0	$0	$0	$1,600,000
vv	$800,000	$800,000								
SOVA Megasite Sewer Improvement	$0	$0	$0	$3,600,000	$0	$0	$0	$0	$3,600,000	$3,600,000
vv				$2,093,690						
zz				$1,506,310						
Fall Creek Sewer Reconstruction	$0	$0	$0	$0	$0	$800,000	$800,000	$0	$1,600,000	$1,600,000
vv						$800,000	$800,000			
Luna Lake Road Sewers	$0	$0	$0	$0	$0	$0	$0	$800,000	$800,000	$800,000
vv								$800,000		
Apple Branch Sewer Line Replacement	$0	$0	$800,000	$0	$800,000	$0	$0	$0	$800,000	$1,600,000
vv			$800,000		$800,000					
Sewer Line Reconstruction	$250,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$1,500,000	$2,350,000
zz										
vv	$250,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000		
New Sewer Lines/Inflow & Infiltration Reduction	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$1,250,000	$2,000,000
zz										
vv	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000		
Replacement of Main Line Sanitary Sewer	$0	$0	$0	$0	$800,000	$0	$0	$0	$800,000	$800,000
vv					$800,000					

51 Wastewater Fund Total	**$1,300,000**	**$1,950,000**	**$1,350,000**	**$6,150,000**	**$2,150,000**	**$1,350,000**	**$1,350,000**	**$1,350,000**	**$12,350,000**	**$16,950,000**
52 Water Fund										
Berry Hill Industrial Park Water Infrastructure	$0	$0	$0	$4,500,000	$4,000,000	$0	$0	$0	$8,500,000	$8,500,000
yy				$2,500,000						
xx					$4,000,000					
zz				$489,630						
vv				$510,370						
ww				$1,000,000						
Schoolfield Dam Repair	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$50,000
zz	$50,000									
Ballou Reservoir Main Lines	$800,000	$0	$0	$0	$0	$0	$0	$0	$0	$800,000
vv	$800,000									
Water Treatment Plant Modifications	$2,000,000	$2,000,000	$0	$0	$0	$0	$0	$0	$0	$4,000,000
zz	$1,000,000	$1,500,000								
vv		$500,000								
xx	$1,000,000									
Water Line Reconstruction	$200,000	$500,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$5,000,000	$6,700,000
vv	$200,000	$500,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000		
DRI Reservoir	$0	$3,000,000	$0	$0	$0	$0	$0	$0	$0	$3,000,000
zz		$3,000,000								
52 Water Fund Total	**$3,050,000**	**$5,500,000**	**$1,000,000**	**$5,500,000**	**$5,000,000**	**$1,000,000**	**$1,000,000**	**$1,000,000**	**$13,500,000**	**$23,050,000**
53 Gas Fund										
Gas Main Replacements	$1,500,000	$2,300,000	$1,500,000	$500,000	$500,000	$500,000	$500,000	$500,000	$2,500,000	$7,800,000
vv	$1,100,000	$1,100,000	$983,820	$500,000	$500,000	$500,000	$500,000	$500,000		
ww	$400,000	$1,200,000								
zz			$516,180							
Pittsylvania County Natural Gas Expansion	$0	$0	$0	$3,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$7,000,000	$7,000,000
vv				$1,829,680	$1,000,000	$1,000,000	$1,000,000	$1,000,000		

zz				$1,170,320						
53 Gas Fund Total	**$1,500,000**	**$2,300,000**	**$1,500,000**	**$3,500,000**	**$1,500,000**	**$1,500,000**	**$1,500,000**	**$1,500,000**	**$9,500,000**	**$14,800,000**
54 Electric Fund										
AEP Fourth Delivery Point-West Fork Substation	$0	$0	$0	$0	$4,000,000	$0	$0	$0	$4,000,000	$4,000,000
xx					$4,000,000					
Energy Efficiency	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$500,000
ww	$500,000									
Joint Use Audit & Pole Attachment Contract Update	$0	$500,000	$0	$0	$0	$0	$0	$0	$0	$500,000
vv		$500,000								
Line Rebuilds/25 kV Conversion	$0	$2,000,000	$2,000,000	$1,800,000	$1,600,000	$1,600,000	$1,600,000	$1,500,000	$8,100,000	$12,100,000
xx		$2,000,000	$2,000,000	$1,800,000	$1,600,000	$1,600,000	$1,600,000	$1,500,000		
Substation Upgrades	$2,000,000	$2,000,000	$3,000,000	$4,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000	$16,000,000	$23,000,000
xx	$2,000,000	$2,000,000	$3,000,000	$4,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000		
Behind The Meter Generation	$0	$500,000	$1,500,000	$0	$0	$0	$0	$0	$0	$2,000,000
ww		$500,000								
xx			$1,500,000							
System Reliability	$200,000	$500,000	$500,000	$0	$0	$0	$0	$0	$0	$1,200,000
vv	$200,000	$500,000	$500,000							
Street Light Upgrade Program	$500,000	$500,000	$1,500,000	$0	$0	$0	$0	$0	$0	$2,500,000
vv	$500,000									
ww		$500,000								
xx			$1,500,000							
Utilities Warehouse	$2,300,000	$0	$0	$0	$0	$0	$0	$0	$0	$2,300,000
ww	$2,300,000									

54 Electric Fund Total	**$5,500,000**	**$6,000,000**	**$8,500,000**	**$5,800,000**	**$8,600,000**	**$4,600,000**	**$4,600,000**	**$4,500,000**	**$28,100,000**	**$48,100,000**
55 Telecommunications										
n Danville Ph 3 - Fiber to the Home	$450,000	$900,000	$0	$1,500,000	$600,000	$300,000	$300,000	$1,300,000	$4,000,000	$5,350,000
vv	$250,000	$300,000		$56,370	$300,000	$300,000	$300,000	$300,000		
zz	$200,000	$600,000		$193,630	$300,000					
zz (Gas)				$1,250,000				$1,000,000		
55 Telecommunications Total	**$450,000**	**$900,000**	**$0**	**$1,500,000**	**$600,000**	**$300,000**	**$300,000**	**$1,300,000**	**$4,000,000**	**$5,350,000**
TOTAL	**$11,800,000**	**$16,650,000**	**$12,350,000**	**$22,450,000**	**$17,850,000**	**$8,750,000**	**$8,750,000**	**$9,650,000**	**$67,450,000**	**$108,250,000**

Funding Source:	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**5 Yr Total**	**8 Yr Total**
Bonds (xx)	$3,000,000	$4,000,000	$8,000,000	$5,800,000	$12,600,000	$4,600,000	$4,600,000	$4,500,000	$32,100,000	$47,100,000
Utility Fund Revenues (vv)	$4,350,000	$4,750,000	$3,833,820	$6,540,110	$4,950,000	$4,150,000	$4,150,000	$4,150,000	$23,940,110	$36,873,930
Gas Fund Balance (zz)	$0	$0	$516,180	$2,420,320	$0	$0	$0	$1,000,000	$3,420,320	$3,936,500
Telecommunication Fund Balance (zz)	$200,000	$600,000	$0	$193,630	$300,000	$0	$0	$0	$493,630	$1,293,630
Reprogrammed Funds (ww)	$3,200,000	$2,800,000	$0	$3,000,000	$0	$0	$0	$0	$3,000,000	$9,000,000

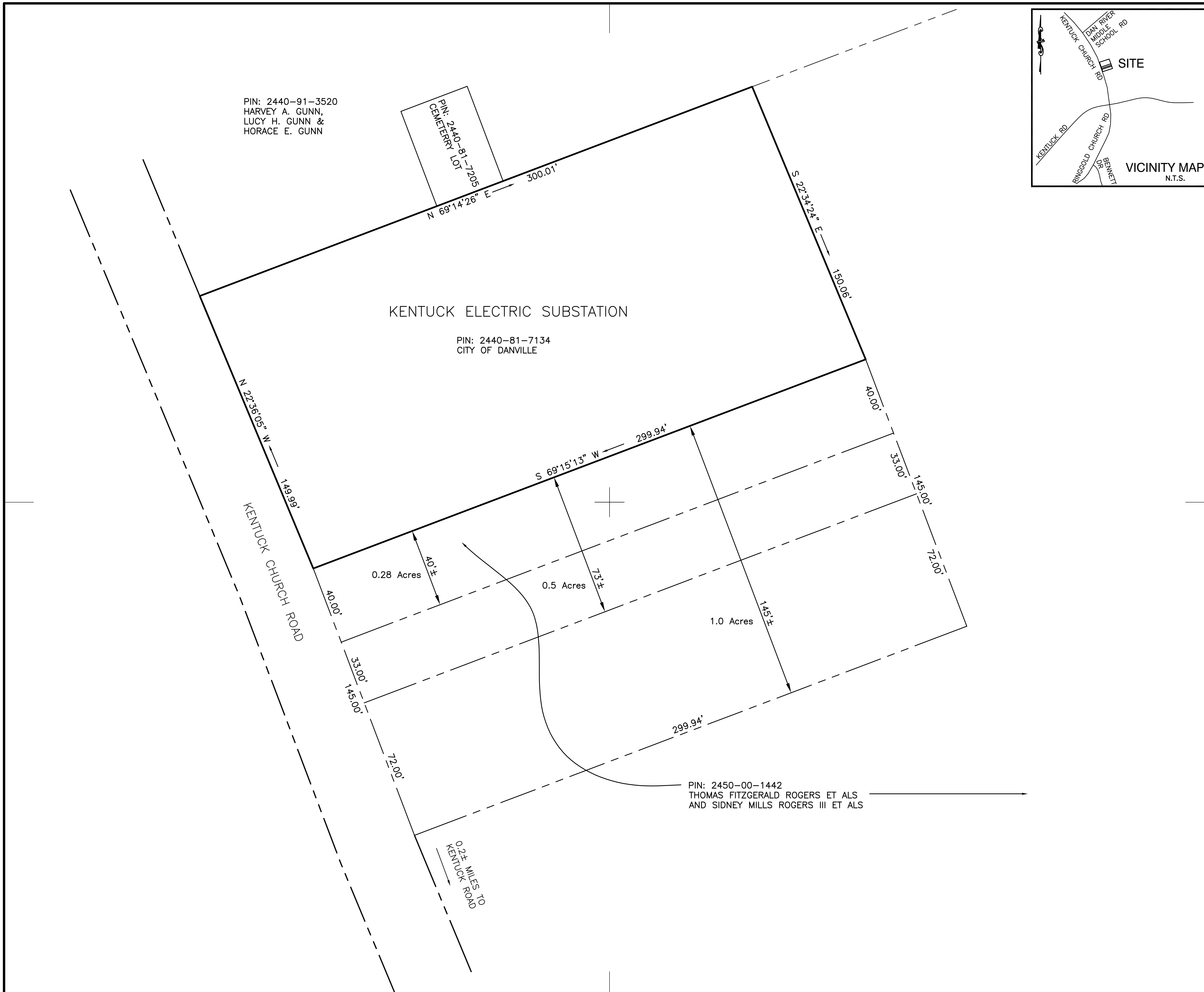
Contribution-in-Aid (yy)	$0	$0	$0	$2,500,000	$0	$0	$0	$0	$2,500,000	$2,500,000
Water Fund Balance (zz)	$1,050,000	$4,500,000	$0	$1,995,940	$0	$0	$0	$0	$1,995,940	$7,545,940
Total Funding	**$11,800,000**	**$16,650,000**	**$12,350,000**	**$22,450,000**	**$17,850,000**	**$8,750,000**	**$8,750,000**	**$9,650,000**	**$67,450,000**	**$108,250,000**

Commission Item Number: DUC200224 - 3
Utility Commission Meeting: February 24, 2020
Item: II. D. Kentuck Substation Property Acquisition

Kentuck Substation Property Acquisition

As part of the Kentuck substation upgrade, an additional half acre of land is needed to accommodate the open-air design needed to upgrade the station to meet current design standards. Staff has been able to negotiate a purchase price of $15,000 with the current property owner for a half acre of land adjoining the substation.

Recommendation:
I move that the Danville Utility Commission recommend to City Council purchasing a half acre adjacent to Kentuck substation for $15,000 in order to expand the Kentuck substation footprint.



Dewberry

Dewberry Engineers Inc.
551 PINEY FOREST ROAD
DANVILLE, VA 24540
PHONE: 434.797.4497
FAX: 434.797.4341

EXHIBIT SHOWING THREE PROPOSED
PROPERTY EXPANSION AREAS
ADJACENT TO KENTUCK SUBSTATION
FOR CITY OF DANVILLE

DANVILLE POWER & LIGHT
KENTUCK ELECTRIC SUBSTATION

BLAIRS MAGISTERIAL DISTRICT
COUNTY, VIRGINIA

SEAL

No.	DATE	BY	Description

REVISIONS

DRAWN BY PGL
APPROVED BY RHB
CHECKED BY RHB
PARTY CHIEF
DATE 2-3-2020

SCALE: 1" = 30'
0' 50' 100'

P:\50125345\CAD\Survey\DPL KENTUCK.dwg

PROJECT NO. 50125345

SHEET NO. 1 of 1

FILE NO. V