DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

April 24, 2023

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the March 27, 2023 Commission Meeting
2. Review of February Financial Statements
3. Discussion on Public Utility Regulatory Policy Act of 1978 (PURPA) Standards to Consider
4. FY23 and FY24 Capital Project Updates

D. ADJOURN

Next Meeting: June 26, 2023 @ 4:00p.m.

Danville Utility Commission

STAFF REPORT

DATE: April 24, 2023

TO: Danville Utility Commission

FROM:

RE: **Minutes of the March 27, 2023 Commission Meeting**

Minutes of the March 27, 2023 Commission Meeting

ATTACHMENTS

1. March 27 2023 DUC Minutes

Danville Utility Commission
4:00 p.m. March 27, 2023 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Sheila Williamson-Branch, Helm Dobbins, Ken Larking, Anna Kautzman, Mary Williamson, Gary Miller

Commission Members Absent: Vanessa Cain, Ronald Scearce, Steven Merricks

Staff Present: Jason Grey, Ryan Dodson, Janet Davis, Amy Chandler

Others Present:

Call to Order

Vice Chairman Dobbins 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 March 1, 2023 Commission Meeting

Mr. Dobbins asked for any corrections, deletions, or adjustments to the minutes from March 1, 2023.

Ms. Kautzman made a motion to approve the minutes. Ms. Williamson-Branch seconded, all members voted in favor, and the motion carried unanimously.

Review of Utilities' Financial Statements

Ms. Chandler presented the January financial statements for each utility fund.

Discussion on Utilities Bad Debt Expenses

Amy Chandler, Assistant Director of Finance, discussed the utility's bad debt exposure, past write-offs, and the City's process for collecting delinquent payments.

Mr. Dobbins asked if customer accounts were marked paid if they received funding from COVID funds. Ms. Chandler responded that if they were approved for full payment, the account was marked paid.

Mr. Dobbins asked if payments are not sent to Collections until they are 140 days past the due date. Ms. Chandler confirmed this was correct.

Electric Renewable Energy Credits Discussion

Jason Grey provided an update on the renewable energy credit market. The City receives renewable energy credits from Pinnacles Hydro, Schoolfield Hydro, Ringgold Solar, and SEPA Hydro.

Electric and Water Revenue Bonds

Mr. Grey explained to the Commission how the City will use electric and water revenue bonds towards capital improvement projects in those two utility funds.

Mr. Dobbins asked if the cost of some materials may decrease as supply increases. Mr. Grey responded that it should go back down once supply is more readily available, but they will not be as low as they were a few years ago.

Department Discussions

Mr. Grey announced that staff has secured a lower cost gas hedge going into 2024. Danville Utilities was able to take advantage of the lower natural gas prices due to the warmer winter months.

There was no comment from the public.

Adjournment

Vice Chairman Dobbins stated the next meeting is scheduled for April 24, 2023. Mr. Larking made a motion to adjourn. Ms. Williamson-Branch seconded. All Commission members voted in favor of adjournment. There being no further business, Vice Chairman Dobbins adjourned the meeting at 4:35 p.m.

_ April 24, 2023 ___
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

____
Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: April 24, 2023

TO: Danville Utility Commission

FROM: Amy Chandler, Assistant Director of Finance

RE: **Review of February Financial Statements**

February financials will be reviewed.

ATTACHMENTS

1. DUC Financial Statements Feb 2023

UTILITY FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED FEBRUARY 28, 2023 (YTD)
UNAUDITED

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	TOTAL	CURRENT 22-23 BUDGET	LAST YEAR TO DATE
OPERATING REVENUE	6,132,401.81	5,611,590.54	19,852,807.13	89,523,807.35	567,122.36	121,687,729.19	162,929,530.00	112,739,608.61
COST OF SALES								
PURCHASED SERVICES	-	-	14,087,308.79	68,900,397.62	49,968.57	83,037,674.98	101,014,550.00	74,818,994.47
PRODUCTION	-	-	-	1,709.63	-	1,709.63	-	-
TOTAL COST OF SALES	-	-	14,087,308.79	68,902,107.25	49,968.57	83,039,384.61	101,014,550.00	74,818,994.47
GROSS PROFIT	6,132,401.81	5,611,590.54	5,765,498.34	20,621,700.10	517,153.79	38,648,344.58	61,914,980.00	37,920,614.14
GROSS PROFIT %	100.00%	100.00%	29.04%	23.03%	91.19%	31.76%	38.00%	33.64%
OPERATING EXPENSES								
TRANSMISSION & TREATMENT	1,831,284.75	1,391,750.22	-	1,192,054.20	-	4,415,089.17	7,125,674.44	4,374,776.33
ENGINEERING	-	153,666.78	150,354.44	531,958.97	-	835,980.19	1,865,669.45	757,569.74
DISTRIBUTION	1,701,116.21	506,831.98	444,632.94	9,685,525.56	-	12,338,106.69	17,626,257.93	10,826,734.82
SERVICE	32,940.82	52,689.16	31,118.44	-	-	116,748.42	451,530.00	108,812.98
METERS & REGULATORS	-	63,636.74	92,249.33	285,095.18	619.60	441,600.85	621,140.00	354,916.53
GENERAL & ADMINISTRATIVE	1,249,091.49	2,454,163.08	2,478,354.06	4,883,899.53	594,260.83	11,659,768.99	16,984,849.78	9,833,686.69
TOTAL OPERATING EXPENSES	4,814,433.27	4,622,737.96	3,196,709.21	16,578,533.44	594,880.43	29,807,294.31	44,675,121.60	26,256,497.09
OPERATING INCOME (LOSS)	1,317,968.54	988,852.58	2,568,789.13	4,043,166.66	(77,726.64)	8,841,050.27	17,239,858.40	11,664,117.05
NON-OPERATING REVENUE (EXPENSE)								
INTEREST INCOME ON INVESTMENTS	141,869.71	172,593.99	194,272.46	549,842.75	14,045.12	1,072,624.03	218,750.00	308,502.72
ENERGY EFFICIENCY RECOVERY	-	-	-	-	-	-	(160,251.09)	-
RECOVERIES AND REBATES	-	5,196.58	378.35	671,541.85	-	677,116.78	(145,500.00)	11,986.45
GAIN/LOSS ON DISPOSAL	-	-	-	81,956.64	-	81,956.64	52,000.00	4,939.61
JOBBING INCOME (LOSS)	19,659.60	105,992.02	66,337.64	750,375.81	(1,350.58)	941,014.49	197,240.00	214,649.51
INTEREST ON LONG TERM INDEBTEDNESS	(45,860.47)	(41,552.16)	(27,498.85)	(942,319.00)	-	(1,057,230.48)	(1,557,180.00)	(1,183,938.09)
NET INCOME (LOSS)	1,433,637.38	1,231,083.01	2,802,278.73	5,154,564.71	(65,032.10)	10,556,531.73	15,844,917.31	11,020,257.25
OPERATING TRANSFERS IN(OUT)	(470,506.52)	(635,533.48)	(2,130,886.52)	(7,048,406.52)	(54,000.00)	(10,339,333.04)	(15,509,000.00)	(10,339,333.28)
NET INCOME AFTER TRANSFERS	963,130.86	595,549.53	671,392.21	(1,893,841.81)	(119,032.10)	217,198.69	335,917.31	680,923.97
NET ASSETS JULY 1, AS RESTATED	60,237,956.22	48,812,751.44	56,788,199.80	157,530,095.86	8,150,508.29	331,519,511.61		
NET INCOME AFTER TRANSFERS	963,130.86	595,549.53	671,392.21	(1,893,841.81)	(119,032.10)	217,198.69		
FEDERAL GRANT	-	-	-	-	-	-		
CONTRIBUTION IN AID	42,449.00	-	-	-	-	42,449.00		
NET ASSETS JUNE 30, 2023	61,243,536.08	49,408,300.97	57,459,592.01	155,636,254.05	8,031,476.19	331,779,159.30		
NET ASSETS								
CONTRIBUTED CAPITAL - FIXED ASSETS	4,068,734.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,144,399.06		
RESTRICTED FOR INVESTMENT IN FIXED ASSETS	46,805,679.81	28,608,187.90	38,641,512.67	103,439,637.18	6,237,143.10	223,732,160.66		
RESTRICTED FOR PROJECTS IN PROGRESS	6,551,550.81	14,324,962.51	8,278,158.32	13,250,041.87	511,987.33	42,916,700.84		
RESTRICTED FOR ENCUMBRANCES	1,351,148.98	22,039.76	6,475.07	1,099,086.21	1,020.92	2,479,770.94		
RESTRICTED FOR ENERGY EFFICIENCY	-	-	-	-	-	-		
NET PENSION ASSETS	109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00		
DEFERRED OUTFLOWS - PENSION	429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00		
UNRESTRICTED	2,356,974.04	1,578,324.88	9,055,956.37	23,507,947.26	923,332.25	37,422,534.80		
TOTAL NET ASSETS	61,243,536.08	49,408,300.97	57,459,592.01	155,636,254.05	8,031,476.19	331,779,159.30		

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
FEBRUARY 28, 2023

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	FEBRUARY 28, 2023
ASSETS							
Equity in pooled Cash and Investments	$	9,203,709.31	13,580,544.35	13,662,346.32	28,551,268.80	1,089,218.85	66,087,087.63
Receivables (Net of allowances for Uncollectible):							
Accounts		1,358,527.69	1,153,409.19	3,854,082.64	16,790,139.08	104,625.28	23,260,783.88
Power/Gas Cost Recovery		-	-	49,045.01	1,204,220.03	-	1,253,265.04
Pension Assets		109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00
Inventory of Gas, Materials and Supplies, at Cost		-	954,550.48	1,136,409.45	2,854,225.01	191,769.57	5,136,954.51
Fixed Assets		104,718,749.98	82,605,810.96	71,375,313.08	311,662,938.11	11,189,550.34	581,552,362.47
Accumulated Depreciation		(52,602,532.36)	(44,330,518.75)	(30,712,309.10)	(141,546,604.31)	(4,615,158.65)	(273,807,123.17)
Deferred Outflows - Pension		429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00
TOTAL ASSETS	$	63,217,602.62	54,941,633.23	60,039,656.40	222,560,096.72	8,062,192.39	408,821,181.36
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	709,775.30	399,106.39	1,820,736.24	8,400,264.02	20,589.27	11,350,471.22
Accrued Interest Payable		22,487.87	20,918.12	12,733.34	562,121.42	-	618,260.75
Customer Deposits		-		-	4,075,113.92	-	4,075,113.92
Accrued Vacation, Sick Leave & Workers Comp.		-	122,486.36	65,614.08	555,661.68	10,126.93	753,889.05
Deferred Gain / Loss - Refunding Bonds		(104,335.76)	(100,317.40)	(54,554.19)	(1,087,442.77)	-	(1,346,650.12)
Original Issue Premium/Discount (Refunding Bonds)		132,075.19	430,299.25	64,029.13	4,992,420.84	-	5,618,824.41
General Obligation Bonds Payable		1,214,063.94	4,660,839.54	671,505.79	49,050,096.02	-	55,596,505.29
Revenue Bonds Payable		-	-	-	-	-	-
Long-Term Leases, Notes, and Contracts Payable		-	-	-	375,609.12	-	375,609.12
TOTAL LIABILITIES	$	1,974,066.54	5,533,332.26	2,580,064.39	66,923,844.25	30,716.20	77,042,023.64
Net Assets							
Contributed Capital	$	4,068,734.44	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,144,399.06
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	46,805,679.81	28,608,187.90	38,641,512.67	103,439,637.18	6,237,143.10	223,732,160.66
Restricted for Incomplete Projects		6,551,550.81	14,324,962.51	8,278,158.32	13,250,041.87	511,987.33	42,916,700.84
Restricted for Subsequent Expenses		1,351,148.98	22,039.76	6,475.07	1,099,086.21	1,020.92	2,479,770.94
Net Pension Assets		109,448.00	198,503.00	136,979.00	617,919.00	20,744.00	1,083,593.00
Deferred Outflows - Pension		429,700.00	779,334.00	537,790.00	2,425,991.00	81,443.00	4,254,258.00
Unrestricted		2,356,974.04	1,578,324.88	9,055,956.37	23,507,945.68	923,332.25	37,422,533.22
Total Retained Earnings	$	57,174,801.64	44,732,018.05	56,119,081.43	141,914,629.94	7,694,227.60	307,634,758.66
TOTAL NET ASSETS	$	61,243,536.08	49,408,300.97	57,459,592.01	155,636,252.47	8,031,476.19	331,779,157.72
TOTAL LIABILITIES AND NET ASSETS	$	63,217,602.62	54,941,633.23	60,039,656.40	222,560,096.72	8,062,192.39	408,821,181.36

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED FEBRUARY 28, 2023

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	FEBRUARY 28, 2023
Operating revenues:						
Charges for Services	$ 6,132,401.81	5,611,590.54	19,852,807.13	89,523,807.35	567,122.36	121,687,729.19
Operating Expenses:						
Purchased Services	$ -	-	14,087,308.79	68,900,397.62	49,968.57	83,037,674.98
Production	-	-	-	1,709.63	-	1,709.63
Transmission & Treatment	1,831,284.75	1,391,750.22	-	1,192,054.20	-	4,415,089.17
Engineering	-	153,666.78	150,354.44	531,958.97	-	835,980.19
Distribution	1,701,116.21	506,831.98	444,632.94	9,685,525.56	-	12,338,106.69
Service	32,940.82	52,689.16	31,118.44	-	-	116,748.42
Meters & Regulators	-	63,636.74	92,249.33	285,095.18	619.60	441,600.85
Administrative	1,249,091.49	2,454,163.08	2,478,354.06	4,883,899.53	594,260.83	11,659,768.99
Total Operating Expenses	$ 4,814,433.27	4,622,737.96	17,284,018.00	85,480,640.69	644,849.00	112,846,678.92
Operating Income (Loss)	$ 1,317,968.54	988,852.58	2,568,789.13	4,043,166.66	(77,726.64)	8,841,050.27
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	19,659.60	105,992.02	66,337.64	750,375.81	(1,350.58)	941,014.49
Interest Income	141,869.71	172,593.99	194,272.46	549,842.75	14,045.12	1,072,624.03
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	-	-	-	81,956.64	-	81,956.64
Recoveries and Rebates	-	5,196.58	378.35	671,541.85	-	677,116.78
Interest Expense	(45,860.47)	(41,552.16)	(27,498.85)	(942,319.00)	-	(1,057,230.48)
Total Non-Operating Revenues (Expenses)	$ 115,668.84	242,230.43	233,489.60	1,111,398.05	12,694.54	1,715,481.46
Income (Loss) Before Operating Transfers	$ 1,433,637.38	1,231,083.01	2,802,278.73	5,154,564.71	(65,032.10)	10,556,531.73
Operating Transfers:						
Transfers In (Out)	(470,506.52)	(635,533.48)	(2,130,886.52)	(7,048,406.52)	(54,000.00)	(10,339,333.04)
Total Operating Transfers	$ (470,506.52)	(635,533.48)	(2,130,886.52)	(7,048,406.52)	(54,000.00)	(10,339,333.04)
Net Income (Loss)	$ 963,130.86	595,549.53	671,392.21	(1,893,841.81)	(119,032.10)	217,198.69
Net Assets - July 1, 2022, as restated	60,237,956.22	48,812,751.44	56,788,199.80	157,530,095.86	8,150,508.29	331,519,511.61
Net Income (Loss)	963,130.86	595,549.53	671,392.21	(1,893,841.81)	(119,032.10)	217,198.69
Contribution In Aid of Construction	42,449.00	-	-	-	-	42,449.00
Net Assets -June 30, 2023	$ 61,243,536.08	49,408,300.97	57,459,592.01	155,636,254.05	8,031,476.19	331,779,159.30

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED FEBRUARY 28, 2023

WASTEWATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	FEBRUARY 2023	PERCENT OF CURRENT BUDGET	FEBRUARY 2022
OPERATING REVENUE	9,078,570.00		9,078,570.00	6,132,401.81	67.55%	5,972,563.07
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,406,230.00	10,645.11	3,416,875.11	1,831,284.75	53.60%	2,077,634.11
ENGINEERING	-		-	-		-
DISTRIBUTION	2,562,230.00	251,152.37	2,813,382.37	1,701,116.21	60.47%	1,396,043.52
SERVICE	153,300.00		153,300.00	32,940.82	21.49%	52,167.19
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	66,443.48	184.57%	37,513.91
GENERAL & ADMINISTRATIVE	1,775,230.00		1,775,230.00	1,182,648.01	66.62%	1,152,483.69
TOTAL OPERATING EXPENSES	7,932,990.00	261,797.48	8,194,787.48	4,814,433.27	58.75%	4,715,842.42
OPERATING INCOME (LOSS)	1,145,580.00	(261,797.48)	883,782.52	1,317,968.54	149.13%	1,256,720.65
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	29,950.00		29,950.00	141,869.71	473.69%	41,625.67
RECOVERIES AND REBATES	-		-	-		3,864.92
GAIN/LOSS ON DISPOSAL	-		-	-		-
JOBBING INCOME (LOSS)	40,000.00		40,000.00	19,659.60	49.15%	21,884.19
INTEREST ON LONG TERM INDEBTEDNESS	(45,060.00)		(45,060.00)	(45,860.47)	101.78%	(58,246.72)
NET INCOME (LOSS)	1,170,470.00	(261,797.48)	908,672.52	1,433,637.38	157.77%	1,265,848.71
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(470,506.52)	66.67%	(470,506.64)
NET INCOME AFTER TRANSFERS	464,710.00	(261,797.48)	202,912.52	963,130.86	474.65%	795,342.07
CONTRIBUTION IN AID	40,000.00		40,000.00	42,449.00	106.12%	
REGULAR CAPITAL MAINTENANCE	(837,370.00)	(35,866.90)	(873,236.90)	(171,199.07)	19.61%	
CAPITAL PROJECTS	(1,550,000.00)	(6,085,878.83)	(7,635,878.83)	(1,446,365.85)	18.94%	
DEBT SERVICE	(145,330.00)		(145,330.00)	(133,459.50)	91.83%	
DEPRECIATION	2,028,770.00		2,028,770.00	1,352,512.00	66.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED FEBRUARY 28, 2023

WATER

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	FEBRUARY 2023	PERCENT OF CURRENT BUDGET	FEBRUARY 2022
OPERATING REVENUE	8,905,150.00		8,905,150.00	5,611,590.54	63.02%	5,717,418.55
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,967,950.00	29,160.57	1,997,110.57	1,391,750.22	69.69%	1,251,449.53
ENGINEERING	359,270.00	7,220.00	366,490.00	153,666.78	41.93%	160,898.34
DISTRIBUTION	723,140.00	584.41	723,724.41	506,831.98	70.03%	486,518.80
SERVICE	148,410.00		148,410.00	52,689.16	35.50%	32,487.31
METERS & REGULATORS	99,270.00		99,270.00	63,636.74	64.10%	53,383.41
BAD DEBT	30,000.00		30,000.00	71,868.29	239.56%	31,286.92
GENERAL & ADMINISTRATIVE	3,637,470.00	170.00	3,637,640.00	2,382,294.79	65.49%	2,166,273.40
TOTAL OPERATING EXPENSES	6,965,510.00	37,134.98	7,002,644.98	4,622,737.96	66.01%	4,182,297.71
OPERATING INCOME (LOSS)	1,939,640.00	(37,134.98)	1,902,505.02	988,852.58	51.98%	1,535,120.84
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	33,800.00		33,800.00	172,593.99	510.63%	50,218.80
RECOVERIES AND REBATES	13,000.00		13,000.00	5,196.58	39.97%	8,290.16
GAIN/LOSS ON DISPOSAL	7,000.00		7,000.00	-	0.00%	3,387.50
JOBBING INCOME (LOSS)	72,510.00		72,510.00	105,992.02	146.18%	42,133.88
INTEREST ON LONG TERM INDEBTEDNESS	(79,470.00)		(79,470.00)	(41,552.16)	52.29%	(54,250.53)
NET INCOME (LOSS)	1,986,480.00	(37,134.98)	1,949,345.02	1,231,083.01	63.15%	1,584,900.65
OPERATING TRANSFERS IN (OUT)	(953,300.00)		(953,300.00)	(635,533.48)	66.67%	(635,533.36)
NET INCOME AFTER TRANSFERS	1,033,180.00	(37,134.98)	996,045.02	595,549.53	59.79%	949,367.29
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,638,650.00)	(566,454.28)	(2,205,104.28)	(689,245.54)	31.26%	
CAPITAL PROJECTS	(1,000,000.00)	(8,837,530.90)	(9,837,530.90)	(778,427.13)	7.91%	
DEBT SERVICE	(130,740.00)		(130,740.00)	(116,475.50)	89.09%	
DEPRECIATION	1,660,660.00		1,660,660.00	979,074.64	58.96%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED FEBRUARY 28, 2023

GAS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	FEBRUARY 2023	PERCENT OF CURRENT BUDGET	FEBRUARY 2022
OPERATING REVENUE	22,408,490.00		22,408,490.00	19,852,807.13	88.60%	17,537,502.76
	-					
COST OF SALES	-					
PURCHASED SERVICES	13,715,730.00		13,715,730.00	14,087,308.79	102.71%	11,612,876.93
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	13,715,730.00	-	13,715,730.00	14,087,308.79		11,612,876.93
GROSS PROFIT	8,692,760.00	-	8,692,760.00	5,765,498.34		5,924,625.83
GROSS PROFIT %	38.79%		38.79%	29.04%		33.78%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT				-		-
ENGINEERING	374,400.00	9,115.79	383,515.79	150,354.44	39.20%	158,613.41
DISTRIBUTION	731,290.00	584.43	731,874.43	444,632.94	60.75%	401,335.62
SERVICE	149,820.00		149,820.00	31,118.44	20.77%	24,158.48
METERS & REGULATORS	125,380.00		125,380.00	92,249.33	73.58%	64,692.44
BAD DEBT	55,000.00		55,000.00	113,663.96	206.66%	36,627.16
GENERAL & ADMINISTRATIVE	3,786,130.00	4,097.44	3,790,227.44	2,364,690.10	62.39%	2,217,595.10
TOTAL OPERATING EXPENSES	5,222,020.00	13,797.66	5,235,817.66	3,196,709.21	61.05%	2,903,022.21
OPERATING INCOME (LOSS)	3,470,740.00	(13,797.66)	3,456,942.34	2,568,789.13	74.31%	3,021,603.62
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	41,550.00		41,550.00	194,272.46	467.56%	55,893.28
RECOVERIES AND REBATES	(5,000.00)		(5,000.00)	378.35	-7.57%	(868.63)
GAIN/LOSS ON DISPOSAL			-	-	0.00%	16,918.17
JOBBING INCOME (LOSS)	111,400.00		111,400.00	66,337.64	59.55%	(59,290.75)
INTEREST ON LONG TERM INDEBTEDNESS	(25,440.00)		(25,440.00)	(27,498.85)	108.09%	(32,983.88)
NET INCOME (LOSS)	3,593,250.00	(13,797.66)	3,579,452.34	2,802,278.73	78.29%	3,001,271.81
OPERATING TRANSFERS IN (OUT)	(3,196,330.00)		(3,196,330.00)	(2,130,886.52)	66.67%	(2,130,886.64)
NET INCOME AFTER TRANSFERS	396,920.00	(13,797.66)	383,122.34	671,392.21	175.24%	870,385.17

CONTRIBUTION IN AID			-	-	0.00%
REGULAR CAPITAL MAINTENANCE	(866,130.00)	(243,313.20)	(1,109,443.20)	(403,210.91)	36.34%
CAPITAL PROJECTS	(3,000,000.00)	(5,167,512.35)	(8,167,512.35)	(595,596.32)	7.29%
DEBT SERVICE	(88,430.00)		(88,430.00)	(86,174.50)	97.45%
DEPRECIATION	1,690,430.00		1,690,430.00	1,126,952.00	66.67%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED FEBRUARY 28, 2023

ELECTRIC

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	FEBRUARY 2023	PERCENT OF CURRENT BUDGET	FEBRUARY 2022
OPERATING REVENUE	121,768,640.00		121,768,640.00	89,523,807.35	73.52%	83,038,420.59
COST OF SALES						
PURCHASED SERVICES	87,238,820.00		87,238,820.00	68,900,397.62	78.98%	63,158,485.59
PRODUCTION	-	-	-	1,709.63		-
TOTAL COST OF SALES	87,238,820.00	-	87,238,820.00	68,902,107.25		63,158,485.59
GROSS PROFIT	34,529,820.00	-	34,529,820.00	20,621,700.10		19,879,935.00
GROSS PROFIT %	28.36%		28.36%	23.03%		23.94%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,667,250.00	44,438.76	1,711,688.76	1,192,054.20	69.64%	1,045,692.69
ENGINEERING	1,092,950.00	22,713.66	1,115,663.66	531,958.97	47.68%	438,057.99
DISTRIBUTION	13,254,730.00	102,546.72	13,357,276.72	9,685,525.56	72.51%	8,542,836.88
SERVICE	-		-	-		-
METERS & REGULATORS	396,490.00		396,490.00	285,095.18	71.90%	236,840.68
BAD DEBT	375,000.00		375,000.00	712,206.49	189.92%	355,430.13
GENERAL & ADMINISTRATIVE	5,978,830.00	367,082.34	6,345,912.34	4,171,693.04	65.74%	3,289,154.63
TOTAL OPERATING EXPENSES	22,765,250.00	536,781.48	23,302,031.48	16,578,533.44	71.15%	13,908,013.00
OPERATING INCOME (LOSS)	11,764,570.00	(536,781.48)	11,227,788.52	4,043,166.66	36.01%	5,971,922.00
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	110,830.00		110,830.00	549,842.75	496.11%	156,802.96
ENERGY EFFICIENCY RECOVERY	(50,000.00)	(110,251.09)	(160,251.09)	-	0.00%	-
RECOVERIES AND REBATES	(153,500.00)		(153,500.00)	671,541.85	-437.49%	700.00
GAIN/LOSS ON DISPOSAL	45,000.00		45,000.00	81,956.64	182.13%	(15,366.06)
JOBBING INCOME (LOSS)	309,110.00	(333,980.00)	(24,870.00)	750,375.81	-3017.19%	211,701.76
INTEREST ON LONG TERM INDEBTEDNESS	(1,407,210.00)		(1,407,210.00)	(942,319.00)	66.96%	(1,038,456.96)
NET INCOME (LOSS)	10,618,800.00	(981,012.57)	9,637,787.43	5,154,564.71	53.48%	5,287,303.70
OPERATING TRANSFERS IN (OUT)	(10,572,610.00)		(10,572,610.00)	(7,048,406.52)	66.67%	(7,048,406.64)
NET INCOME AFTER TRANSFERS	46,190.00	(981,012.57)	(934,822.57)	(1,893,841.81)	202.59%	(1,761,102.94)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(3,171,090.00)	(1,098,069.18)	(4,269,159.18)	(1,547,755.11)	36.25%	
CAPITAL PROJECTS	-	(5,338,431.83)	(5,338,431.83)	(3,276,045.12)	61.37%	
DEBT SERVICE	(3,191,720.00)	-	(3,191,720.00)	(2,131,286.00)	66.78%	
DEPRECIATION	8,696,410.00		8,696,410.00	5,797,608.00	66.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED FEBRUARY 28, 2023

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2022-23	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2022-23	FEBRUARY 2023	PERCENT OF CURRENT BUDGET	FEBRUARY 2022
OPERATING REVENUE	768,680.00		768,680.00	567,122.36	73.78%	473,703.64
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	49,968.57	83.28%	47,631.95
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	49,968.57		47,631.95
GROSS PROFIT	708,680.00	-	708,680.00	517,153.79		426,071.69
GROSS PROFIT %	92.19%		92.19%	91.19%		89.94%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT	-		-	619.60		219.20
GENERAL & ADMINISTRATIVE	939,840.00	-	939,840.00	594,260.83	63.23%	547,102.55
TOTAL OPERATING EXPENSES	939,840.00	-	939,840.00	594,880.43	63.30%	547,321.75
OPERATING INCOME (LOSS)	(231,160.00)	-	(231,160.00)	(77,726.64)	33.62%	(121,250.06)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	2,620.00		2,620.00	14,045.12	536.07%	3,962.01
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(1,800.00)		(1,800.00)	(1,350.58)	75.03%	(1,779.57)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(230,340.00)	-	(230,340.00)	(65,032.10)	28.23%	(119,067.62)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(54,000.00)	66.67%	(54,000.00)
NET INCOME AFTER TRANSFERS	(311,340.00)	-	(311,340.00)	(119,032.10)	38.23%	(173,067.62)

CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(25,000.00)		(25,000.00)	(30,343.72)	121.37%	
CAPITAL PROJECTS	-	(526,044.66)	(526,044.66)	(8,713.61)	1.66%	
DEPRECIATION	485,610.00		485,610.00	323,744.00	66.67%	

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)	(Independent of Commod) Cum Over (Under) Demand Recovery Current FY	(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-22	$ 6.20160	$ 6.20160	$ -	$ -	$ -	$ 6.25815	$ 6.25815	$ (212,903.60)	$ 846,844.40	$ 830,757.95	$ (16,086.46)		$110,949.43	Final
Aug-22	$ 7.64163	$ 7.64163	$ -	$ -	$ 1.00000	$ 7.14144	$ 7.14144	$ (422,889.66)	$ 1,211,618.44	$ 1,119,491.40	$ (92,127.04)		$18,822.39	Final
Sep-22	$ 5.25490	$ 5.25490	$ -	$ -		$ 7.62108	$ 7.62108	$ (624,787.46)	$ 1,218,147.07	$ 1,301,945.53	$ 83,798.46		$102,620.85	Final
Oct-22	$ 5.75899	$ 5.75899	$ -	$ -	$ 0.50000	$ 6.07613	$ 6.07613	$ (834,773.52)	$ 1,363,552.21	$ 1,159,888.46	$ (203,663.75)		($101,042.89)	Final
Nov-22	$ 6.13625	$ 6.13625	$ 2.30000	$ -	$ -	$ 7.99570	$ 5.69570	$ (817,970.42)	$ 1,580,870.14	$ 1,267,428.62	$ (313,441.52)		($414,484.41)	Final
Dec-22	$ 6.45465	$ 6.45465	$ 2.30000	$ -		$ 7.92370	$ 5.62370	$ (628,329.17)	$ 2,621,457.93	$ 1,911,733.51	$ (709,724.42)		($1,124,208.84)	Final
Jan-23	$ 6.35242	$ 6.35242	$ 2.30000	$ -	$ 0.51000	$ 8.80682	$ 6.50682	$ (211,940.91)	$ 2,134,980.42	$ 2,422,595.03	$ 287,614.61		($836,594.22)	Final
Feb-23	$ 6.83153	$ 6.96362	$ 2.30000	$ -	$ 0.30000	$ 8.72018	$ 6.42018	$ 166,553.37	$ 1,409,387.92	$ 2,196,937.13	$ 787,549.21		($49,045.01)	Est
Mar-23	$ 5.54305	$ 5.54305	$ 2.30000	$ -		$ 7.89371	$ 5.59371	$ 408,849.82	$ 1,164,149.00	$ 1,536,258.26	$ 372,109.26		$323,064.25	Est
Apr-23	$ 3.18311	$ 3.18311	$ 2.30000	$ -		$ 5.48311	$ 3.18311	$ 466,495.74	$ 500,480.52	$ 754,052.31	$ 253,571.79		$576,636.03	Est
May-23	$ 3.59621	$ 3.59621	$ -	$ -		$ 3.59621	$ 3.59621	$ 256,479.49	$ 459,031.81	$ 629,899.95	$ 170,868.14		$747,504.18	Est
Jun-23	$ 3.51025	$ 3.51025	$ -	$ -		$ 3.51025	$ 3.51025	$ 54,552.48	$418,322.47	$ 526,722.91	$ 108,400.44		$855,904.61	Est

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-22	$ 8,921,496.29	$ 1,241,888.99	**$ 7,679,607.30**	83,714,391	11,653,200	72,061,191	$0.015000	$0.086200	$0.101200		**$ 7,292,592.56**	$ (387,014.74)		**$ (412,086.73)**	ACTUAL
Aug-22	$ 9,218,214.27	$ 1,220,995.94	**$ 7,997,218.33**	93,378,330	12,368,400	81,009,930	$0.015000	$0.086200	$0.101200		**$ 8,198,204.92**	$ 200,986.59		**$ (211,100.14)**	ACTUAL
Sep-22	$ 8,034,700.40	$ 1,181,484.39	**$ 6,853,216.01**	82,724,165	12,164,400	70,559,765	$0.025000	$0.086200	$0.111200		**$ 7,846,245.87**	$ 993,029.86		**$ 781,929.72**	ACTUAL
Oct-22	$ 7,212,051.28	$ 1,291,718.71	**$ 5,920,332.57**	66,121,889	11,842,800	54,279,089	$0.045000	$0.086200	$0.131200		**$ 7,121,416.48**	$ 1,201,083.91		**$ 1,983,013.63**	ACTUAL
Nov-22	$ 7,291,342.71	$ 1,255,831.27	**$ 6,035,511.44**	63,199,353	10,885,200	52,314,153	$0.035000	$0.086200	$0.121200		**$ 6,340,475.34**	$ 304,963.90		**$ 2,287,977.52**	ACTUAL
Dec-22	$ 12,071,580.84	$ 1,674,194.66	**$ 10,397,386.18**	72,351,844	10,034,400	62,317,444	$0.020000	$0.086200	$0.106200		**$ 6,618,112.55**	$ (3,779,273.63)		**$ (1,491,296.11)**	ACTUAL
Jan-23	$ 8,378,562.00	$ 991,046.29	**$ 7,387,515.71**	84,914,577	10,044,000	74,870,577	$0.010000	$0.086200	$0.096200		**$ 7,202,549.49**	$ (184,966.22)		**$ (1,676,262.32)**	ACTUAL
Feb-23	$ 7,611,735.13	$ 1,130,373.88	**$ 6,481,361.25**	80,692,721	11,983,200	68,709,521	$0.015000	$0.086200	$0.101200		**$ 6,953,403.53**	$ 472,042.28		**$ (1,204,220.04)**	ACTUAL
Mar-23	$ 7,661,318.20	$ 1,106,106.27	**$ 6,555,211.93**	70,009,132	10,107,600	59,901,532	$0.030000	$0.086200	$0.116200		**$ 6,960,558.02**	$ 405,346.09		**$ (798,873.95)**	PROJECTED
Apr-23	$ 7,490,376.26	$ 1,288,433.51	**$ 6,201,942.75**	63,128,207	10,858,800	52,269,407	*$0.050000*	$0.086200	$0.136200		**$ 7,119,093.29**	$ 917,150.54		**$ 118,276.59**	PROJECTED
May-23	$ 7,193,337.04	$ 1,331,169.14	**$ 5,862,167.90**	59,478,258	11,006,800	48,471,458	*$0.055000*	$0.086200	$0.141200		**$ 6,844,169.94**	$ 982,002.04		**$ 1,100,278.64**	PROJECTED
Jun-23	$ 7,874,720.86	$ 1,212,962.86	**$ 6,661,757.99**	69,959,266	10,776,000	59,183,266	$0.030000	$0.086200	$0.116200		**$ 6,877,095.53**	$ 215,337.54		**$ 1,315,616.18**	PROJECTED

Danville Utility Commission

STAFF REPORT

DATE: April 24, 2023

TO: Danville Utility Commission

FROM: Janet Davis, Key Accounts Manager

RE: **Discussion on Public Utility Regulatory Policy Act of 1978 (PURPA) Standards to Consider**

SUMMARY

The 2021 Infrastructure Investment and Jobs Act (IIJA) amends PURPA to add two new "must consider" provisions, relating to (1) demand response practices; and (2) electric vehicle charging programs. The IIJA requires nonregulated electric utilities to commence consideration of these standards no later than November 15, 2022, and this consideration must be concluded and a determination as to whether to adopt each standard made by November 15, 2023.

RECOMMENDATION

I move that the Danville Utility Commission recommend to City Council to not consider adding the two new PURPA provisions from the 2021 Infrastructure Investment and Jobs Act.

ATTACHMENTS

1. PURPA Shall Consider Results

PURPA “Shall Consider” Results

Danville Utility Commission

April 24, 2023

Background

- Implications of Recent Amendments through the Infrastructure Investment and Jobs Act (IIJA) to the Public Utility Regulatory Policies Act of 1978 (PURPA)
- Action required for nonregulated entities that have annual retail sales greater than 500,000 MWh
- “Shall consider” two, new standards and “make a determination” concerning implementation of such standards.
  - Standard 1- Demand-Response Practices: promotion of demand response activities by all rate classes and establish rate mechanisms for recovery of the costs from promoting those activities
  - Standard 2- Electric vehicle charging programs: promote affordable electric vehicle charging, improve customer experience with electric vehicle charging, accelerate third-party investment in electric vehicle charging, and recover marginal costs related to delivering electricity to electric vehicles

Background Cont'd

- Commence consideration of standards no later than November 15, 2022, and conclude with a determination on whether to adopt each standard by November 15, 2023.
- Danville Utility Commission (DUC) voted at the October 2022 meeting to commence consideration of the two new PURPA standards.
- A public meeting was announced two weeks prior and held on March 29, 2023; in addition, a survey was published for customers to provide input.

Results

- The survey provided mixed results with 50% of respondents wanting to adopt the new standards and 50% wanting to not adopt the new standards.

Recommendation

- We recommend to ***not consider*** these additional requirements due to:
  - Additional costs associated with meeting the requirements
  - Lack of current interest in the requirements from the public
- Should cost and interest change in the future, we can come back and recommend adoption of these requirements

Danville Utility
Commission

STAFF REPORT

DATE: April 24, 2023

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: **FY23 and FY24 Capital Project Updates**

Jason Grey will provide an update on FY23 capital improvement projects and plans for FY24 capital projects.

ATTACHMENTS

1. Capital Projects DUC 042423

CAPITAL PROJECT UPDATE
FY23/24

Danville Utility Commission

April 24, 2023

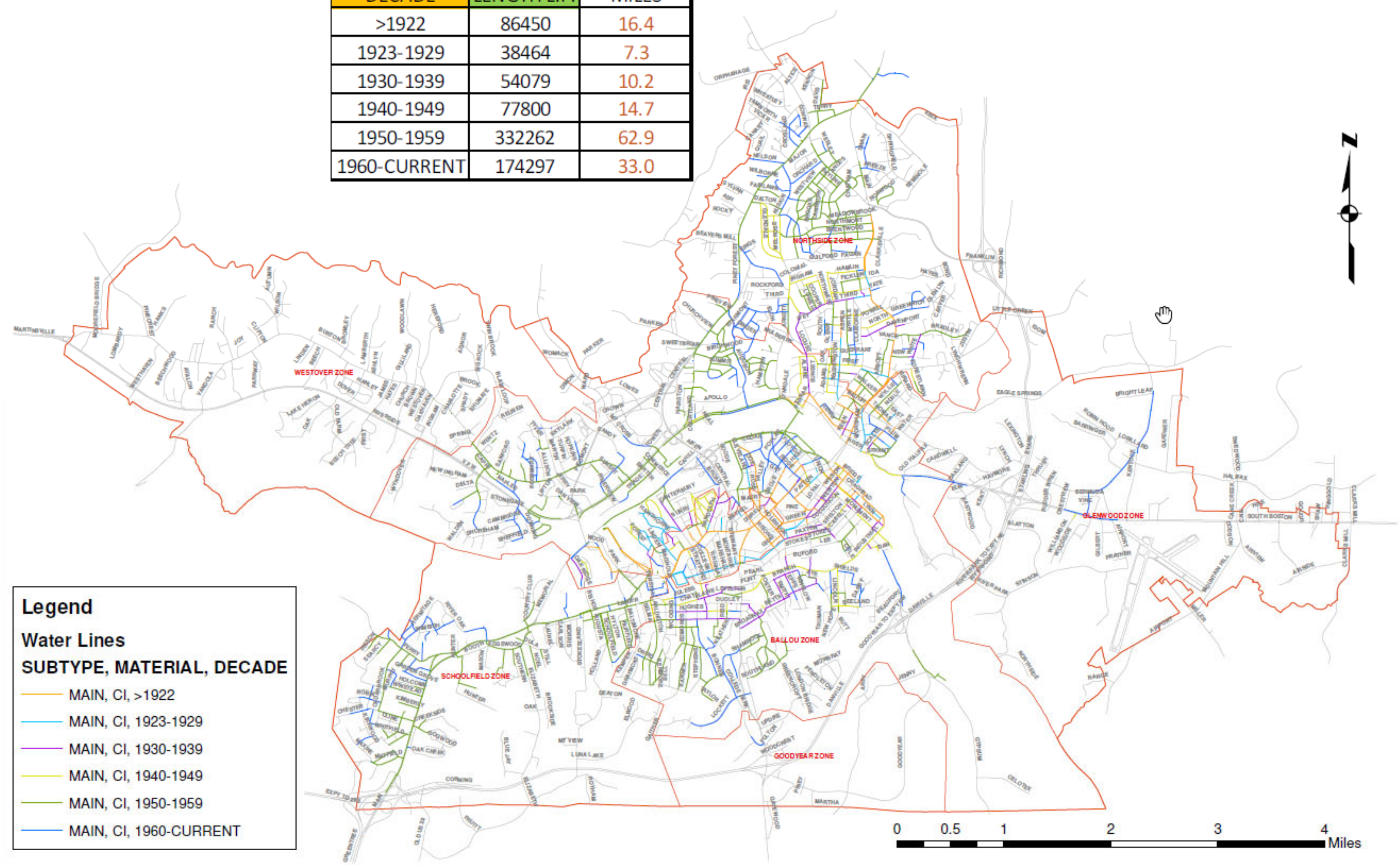
FY23 WASTEWATER PROJECT

Northside Wastewater Plant Bar Screen Replacements-$2.5M

Cast Iron Water Main Replacement Project

2021 CAST IRON WATER MAINS BY DECADE

DECADE	LENGTH L.F.	MILES
>1922	86450	16.4
1923-1929	38464	7.3
1930-1939	54079	10.2
1940-1949	77800	14.7
1950-1959	332262	62.9
1960-CURRENT	174297	33.0

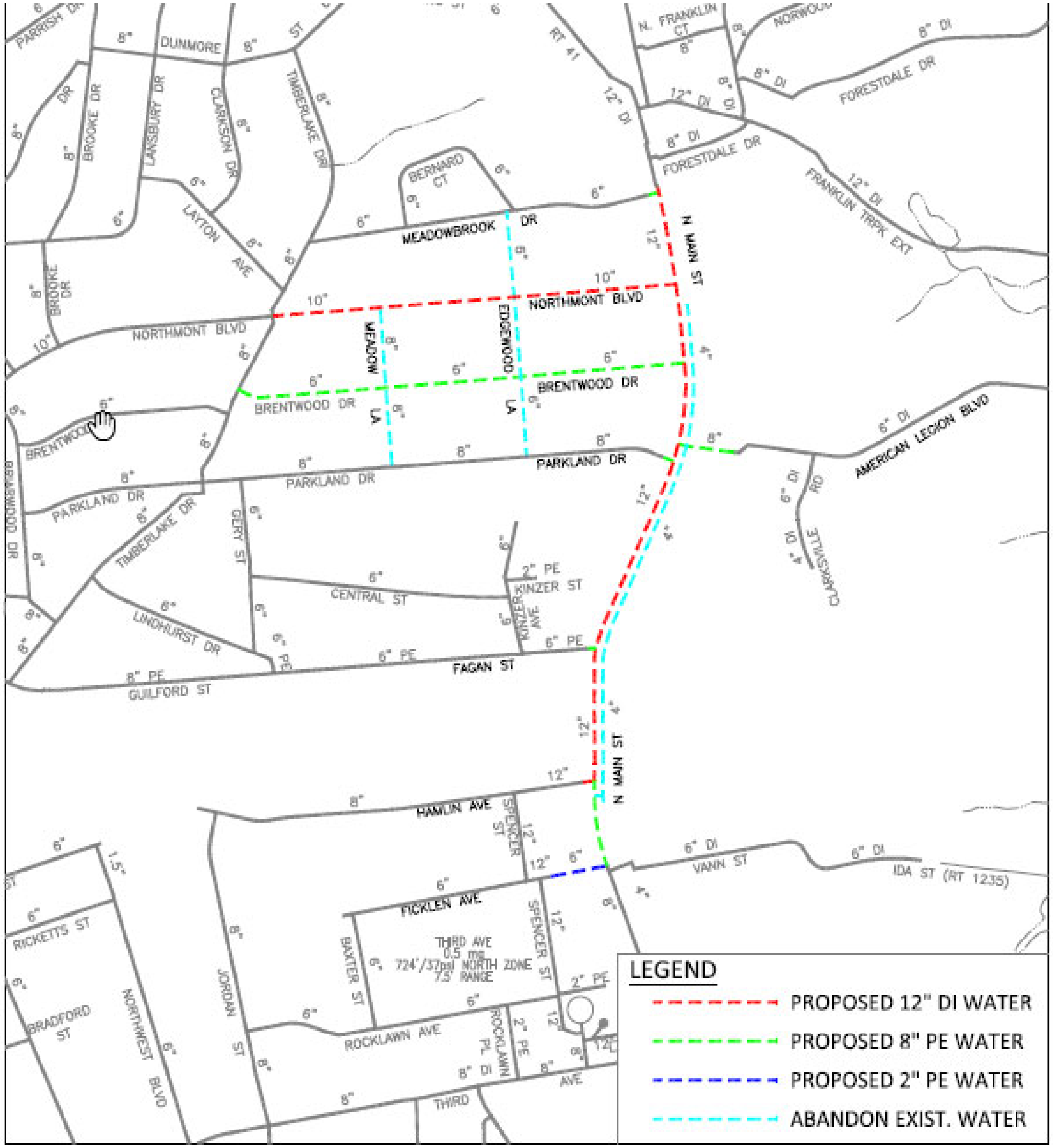


Bishop/Wood/Browder/Memorial Drive
Water main replacement project

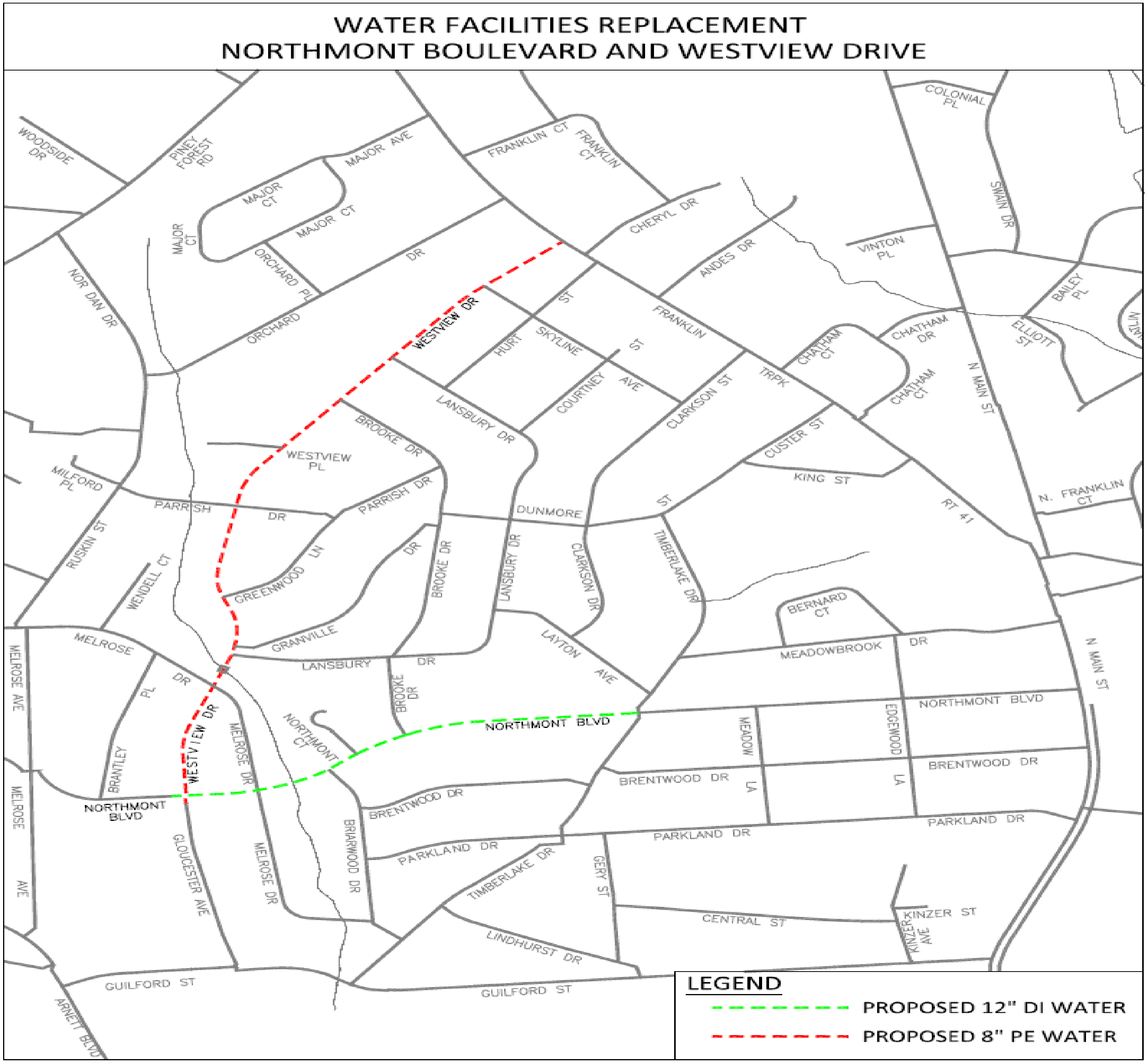
Bishop/Wood/Browder/Memorial Avenue
Water main replacement project

Street Name	Water Facilities Replacement							
	Estimated Main Footage	Main Footage Installed	Main Footage Remaining	% Main Complete	Estimated # Services	# Services Complete	# Services Remaining	% Services Complete
Wood Ave	2,168	1,025	1,143	47%	42	0	0	0%
Bishop Ave	1,366		1,366	0%	29	0	0	0%
Browder Ave	388		388	0%	0	0	0	0%
Park Ave	103		103	0%	2	0	0	0%
West Main St	0		0		1	0	0	0%
Totals:	**4,025**	**1,025**	**3,000**	**25%**	**74**	**0**	**0**	**0%**

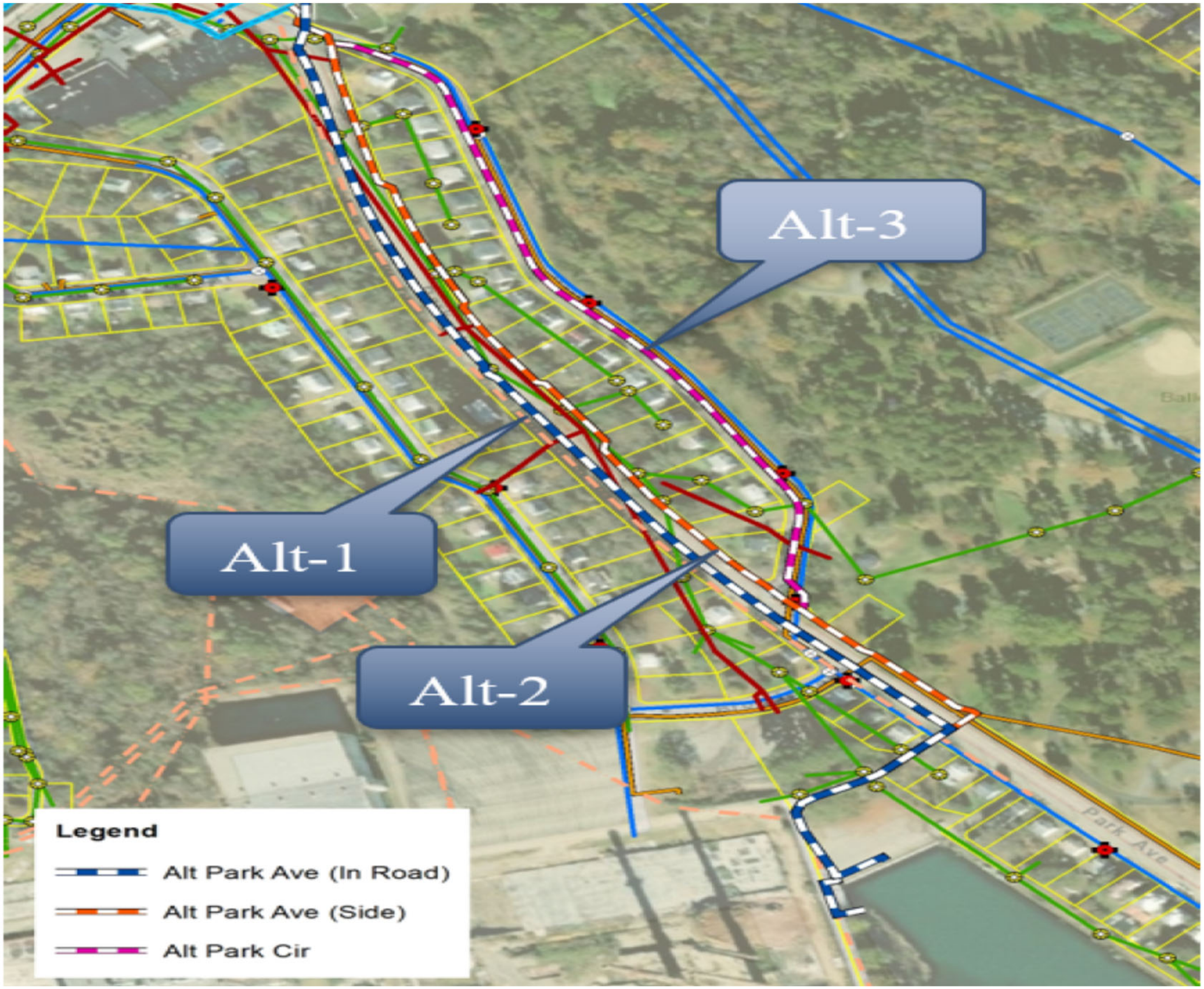
North Main Street: Meadowbrook to Hamlin
Cast Iron Water Line Replacement



North Main Street: Northmont to Westview



DAN RIVER RESERVOIR

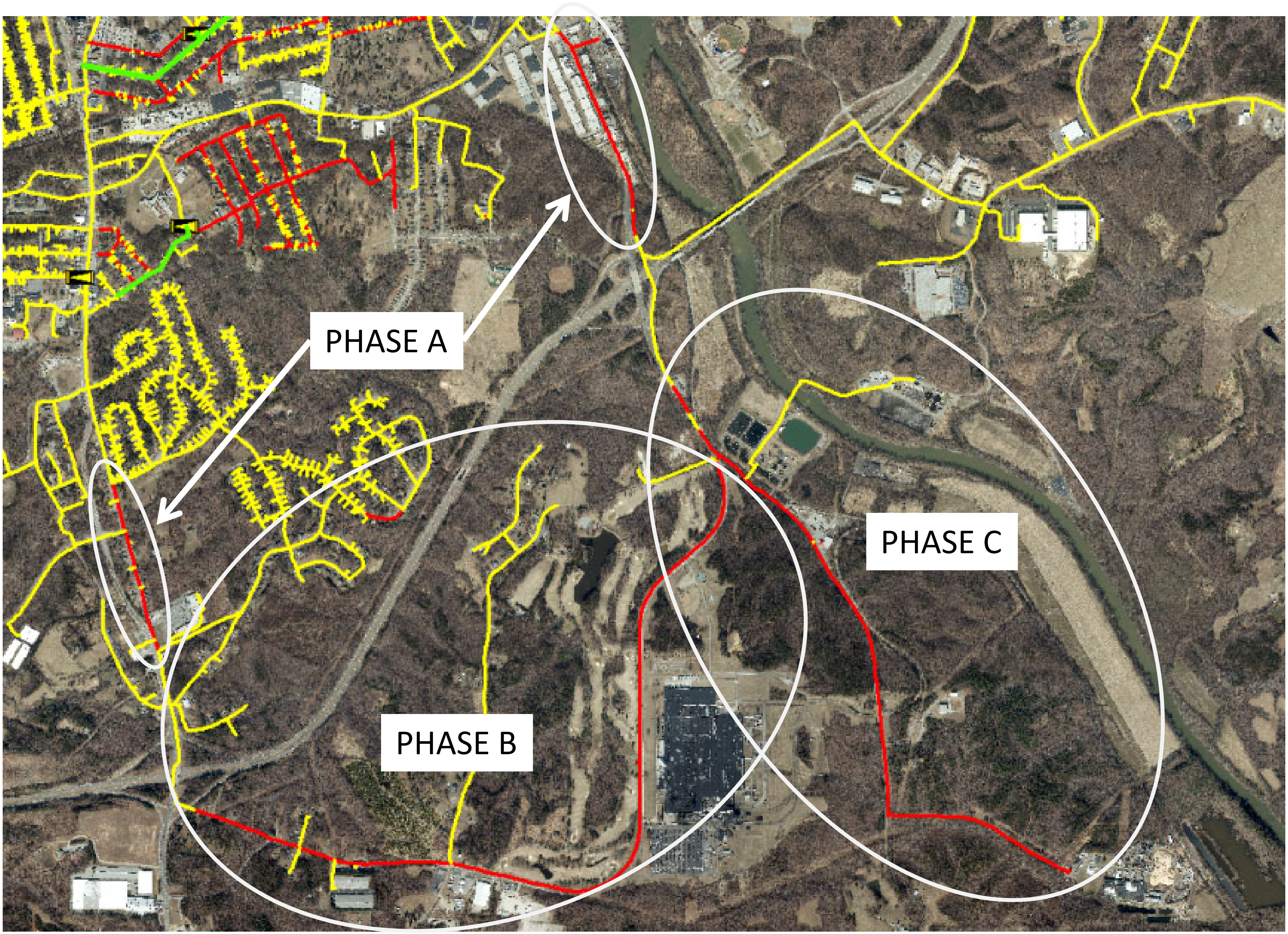


FY24 Gas Capital Projects

Goodyear Blvd/South Main Street/Industrial Avenue gas main replacement

- Goodyear Loop Phase A-Goodyear Blvd from Industrial Avenue to Danville Bypass ($3M)
- Residential Expansion into Pittsylvania County (Mount Hermon)-$1M
- Vandola Road Gas extension-~$100,000 (shared with water)

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



Electric Substations FY2023

Southside Substation Upgrade Expansion

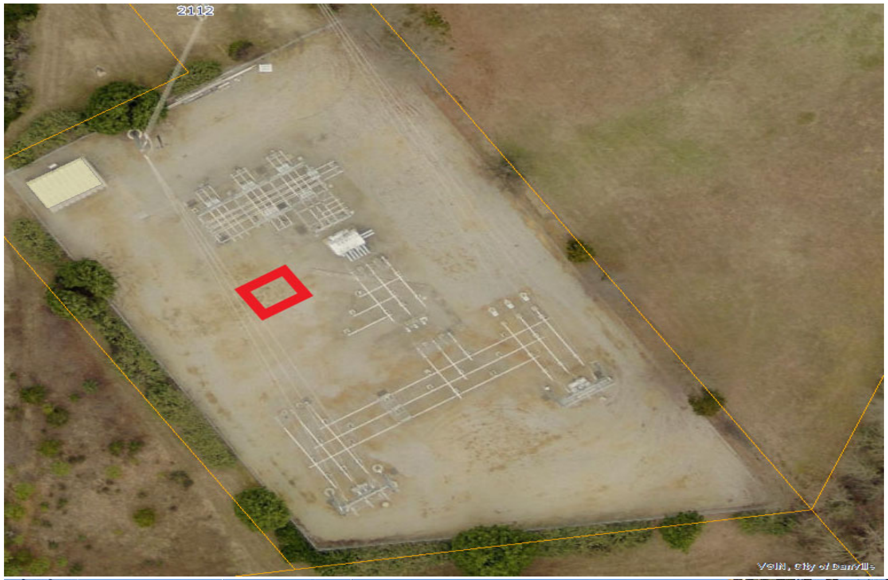
$4,000,000

Replacing existing transformer and adding two new transformers. All new equipment, breakers, relays, etc.

Looking to be completed by:

June 2023

Electric Substations FY2023/24



Airside Substation Expansion

$2,000,000

Expansion due to increased load in the Cane Creek Industrial Park.

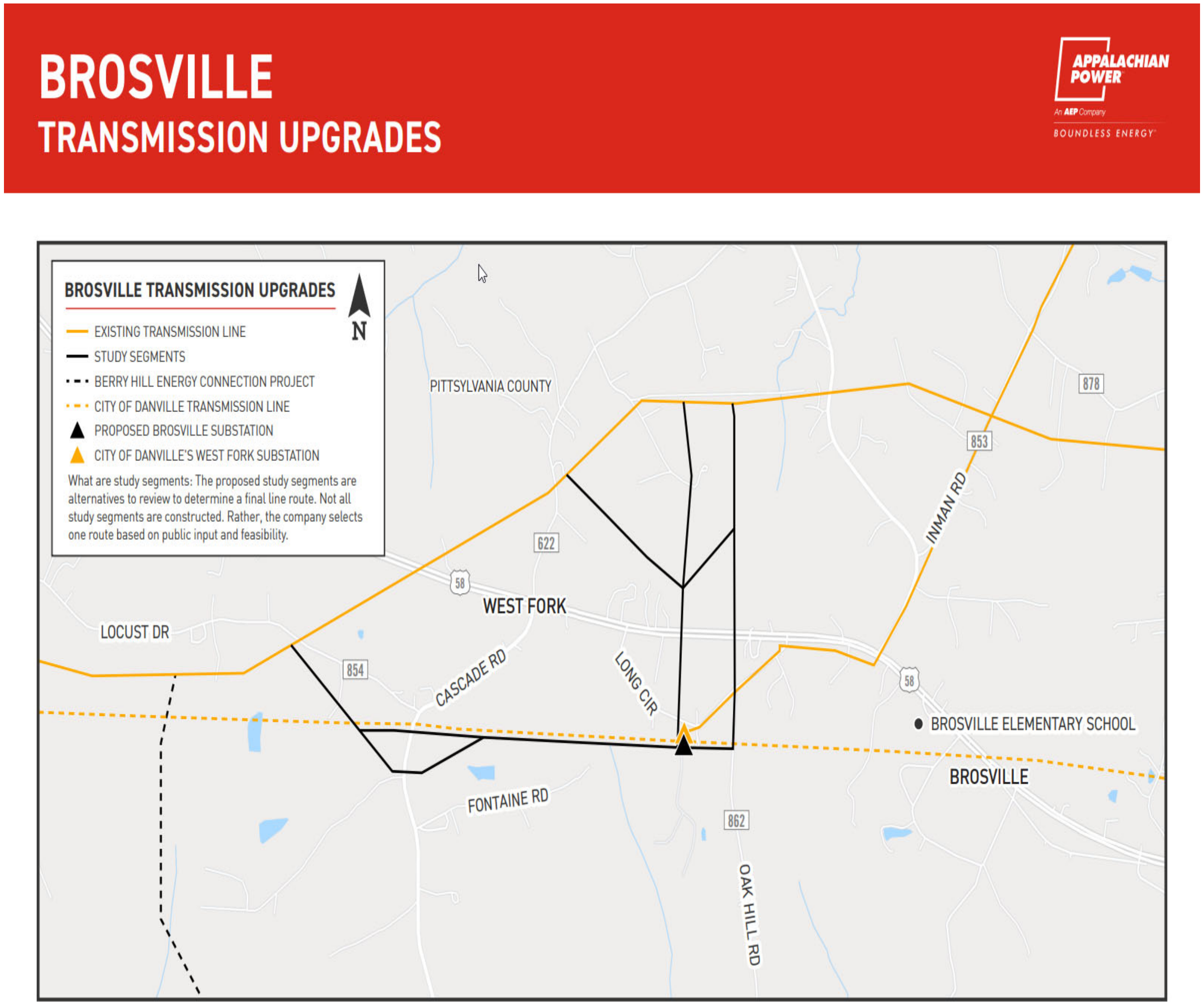
This project involves adding a second transformer and 69 kV breaker.

Ballou Substation

$2,000,000

Single transformer substation to serve Caesars electric load. The City will be taking a 69 kV service from AEP at the site to serve Caesars.

West Fork Substation-AEP 4th Delivery Point



West Fork Substation Expansion

$2,000,000

Expansion to accommodate 138 kV transformer and breakers.

AEP building a new 138 kV transmission line and substation to serve the City.

https://www.aeptransmission.com/virginia/Brosville/

FY24 Cyber Park and New Design Substation

- **FY24 $8M (Bonds)**
  - Cyber Park Substation (new)
    - Engineering underway
    - Transformer on order (Fall 2024)
  - New Design Substation (upgrade)
    - Engineering Fall 2023
    - (2) Transformers order summer 2023-delivered spring 2025

Substation Summary

Red – targeted fiscal year

18 Substations with Transformer Manufacturer Dates

		Cost
Southside (Fall 2022)	$3.5 million	
Westover (Fall 2022)	$3.5 Million	
	Total	*$7.0 Million*
Ballou (Fall 2023)-Econ Dev		$2.0 Million
Westfork 4th Delivery Point (Fall 2023)		$2.0 Million
Airside Expansion (Spring 2023)-Econ Dev		$2.0 Million
	Total	$6.0 Million
Cyber Park Substation (2024)		$4.0 Million
New Design (2023-24)		$4.0 Million

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

Questions?