DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

October 23, 2023

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the September 25, 2023 Commission Meeting
2. Financial Report
3. Proposed Fiscal Year 2025 Utilities Capital Projects

ADJOURN

Next Meeting: December 4, 2023 or December 11, 2023 at 4:00pm

Danville Utility Commission

STAFF REPORT

DATE: October 23, 2023

TO: Danville Utility Commission

FROM:

RE: Minutes of the September 25, 2023 Commission Meeting

ATTACHMENTS

1. September 25 2023 DUC Minutes

Danville Utility Commission

4:00 p.m. September 25, 2023 Meeting
Council Chambers, City Hall

Minutes

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

Commission Members Absent: Ronald Scearce, Helm Dobbins, Steven Merricks

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

Others Present:

Call to Order

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

Discussion/Business Items

Minutes of August 28, 2023 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from August 28, 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 July utility financial statements for each utility fund.

Renewable Energy Purchase Power Projects: Smokey Mountain Hydro and Blue Creek Wind-Renewable Energy Purchase Power Agreements (PPA)

Jason Grey provided the commission a proposal to replace expiring purchase power blocks and the Locust Ridge Wind (Purchase Power Agreement – PPA) with a contract for Smokey Mountain Hydro and Blue Creek Wind subscriptions. Danville Utilities is applying for an Empowering Rural America (ERA) grant through the USDA to possibly lower the cost of the PPA by up to 25% for 20-years. Staff recommended up to 20 megawatts of Smokey Mountain Hydro and up to 10 megawatts of Blue Creek wind if successful in receiving grant funding.

Ms. Kautzman asked what the term of the agreements is. Mr. Grey responded that the Smokey Mountain project would last for 10 years, and the Blue Creek wind project would last for 20 years.

Ms. Kautzman made a motion and Ms. Williamson-Branch seconded the motion that the Danville Utility Commission recommend to City Council approving entering into purchase power agreements for up to 20 megawatts of Smokey Mountain hydro generation and 10 megawatts of Blue Creek wind generation. All members voted in favor and the motion passed.

Department Discussions

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

Adjournment

Ms. Cain announced that the next meeting will be on October 23, 2023. Ms. Williamson made a motion to adjourn. Ms. Kautzman seconded. There being no further business, Ms. Cain adjourned the meeting at 4:19 p.m.

October 23, 2023
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: October 23, 2023

TO: Danville Utility Commission

FROM:

RE: Financial Report

ATTACHMENTS

1. All Utilities Financial Statements Aug 2023 DUC

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
AUGUST 31, 2023

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2023
ASSETS							
Equity in pooled Cash and Investments	$	7,487,416.20	15,794,946.17	14,524,186.98	29,172,794.30	1,284,779.77	68,264,123.42
Receivables (Net of allowances for Uncollectible):							
Accounts		1,184,009.39	1,095,006.88	1,400,682.26	13,119,194.71	25,726.21	16,824,619.45
Power/Gas Cost Recovery		-	-	(425,777.95)	(1,954,926.67)	-	(2,380,704.62)
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		-	1,130,154.03	1,188,406.42	2,876,457.62	187,809.19	5,382,827.26
Fixed Assets		106,748,652.67	84,706,952.25	71,769,342.35	320,301,448.34	11,242,582.70	594,768,978.31
Accumulated Depreciation		(53,362,654.43)	(45,010,929.71)	(31,427,725.51)	(145,297,458.87)	(4,804,343.30)	(279,903,111.82)
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	$	62,596,571.83	58,693,966.62	57,703,883.55	221,261,419.43	8,038,741.57	408,294,583.00
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	565,807.98	699,799.19	735,192.60	10,090,207.08	43,896.42	12,134,903.27
Accrued Interest Payable		18,679.85	111,687.88	10,742.85	668,400.51	-	809,511.09
Customer Deposits		-		-	4,135,775.90	-	4,135,775.90
Accrued Vacation, Sick Leave & Workers Comp.		-	155,673.98	86,380.94	614,499.48	10,973.20	867,527.60
Deferred Gain / Loss - Refunding Bonds		(91,602.10)	(88,594.45)	(47,175.24)	(984,650.97)	-	(1,212,022.76)
Original Issue Premium/Discount (Refunding Bonds)		117,040.57	870,708.76	55,572.99	5,023,065.15	-	6,066,387.47
General Obligation Bonds Payable		1,061,829.37	4,524,070.19	578,613.44	47,173,360.63	-	53,337,873.63
Revenue Bonds Payable		-	3,702,857.14	-	2,777,142.86	-	6,480,000.00
Long-Term Leases, Notes, and Contracts Payable		-	-	-	438,584.85	-	438,584.85
TOTAL LIABILITIES	$	1,671,755.67	9,976,202.69	1,419,327.58	69,936,385.49	54,869.62	83,058,541.05
Net Assets							
Contributed Capital	$	4,096,633.60	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,172,298.22
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	48,202,096.80	26,010,697.98	38,414,095.07	107,293,449.27	6,100,990.81	226,021,329.93
Restricted for Incomplete Projects		3,417,618.86	5,783,844.81	1,706,812.64	8,476,787.69	33,551.60	19,418,615.60
Restricted for Subsequent Expenses		3,180,983.07	(2,348,314.35)	1,163.75	1,994,807.67	3,603.30	2,832,243.44
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		1,918,035.83	14,396,749.57	14,684,994.93	19,220,447.78	1,487,733.65	51,707,961.76
Total Retained Earnings	$	56,828,182.56	44,041,481.01	54,944,045.39	137,603,411.41	7,646,623.36	301,063,743.73
TOTAL NET ASSETS	$	60,924,816.16	48,717,763.93	56,284,555.97	151,325,033.94	7,983,871.95	325,236,041.95
TOTAL LIABILITIES AND NET ASSETS	$	62,596,571.83	58,693,966.62	57,703,883.55	221,261,419.43	8,038,741.57	408,294,583.00

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED AUGUST 31, 2023

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	AUGUST 31, 2023
Operating revenues:							
Charges for Services	$	1,518,241.98	1,506,044.37	1,700,966.30	21,991,216.21	152,198.37	26,868,667.23
Operating Expenses:							
Purchased Services	$	-	-	1,181,303.97	16,164,312.18	11,380.86	17,356,997.01
Production		-	-	-	193.25	-	193.25
Transmission & Treatment		332,146.30	314,502.24	-	260,706.82	-	907,355.36
Engineering		-	36,956.02	36,862.63	345,291.18	-	419,109.83
Distribution		400,801.84	130,297.60	174,367.71	2,309,907.86	-	3,015,375.01
Service		21,206.91	12,668.39	5,897.96	-	-	39,773.26
Meters & Regulators		-	23,654.28	28,287.96	93,583.67	-	145,525.91
Administrative		328,591.08	606,425.18	631,821.89	1,202,741.54	139,648.82	2,909,228.51
Total Operating Expenses	$	1,082,746.13	1,124,503.71	2,058,542.12	20,376,736.50	151,029.68	24,793,558.14
Operating Income (Loss)	$	435,495.85	381,540.66	(357,575.82)	1,614,479.71	1,168.69	2,075,109.09
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		6,100.65	37,441.80	101,158.27	369,269.11	149.50	514,119.33
Interest Income		9,931.03	22,224.92	20,364.46	40,494.33	1,647.62	94,662.36
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		5,250.00	-	20,054.00	-	-	25,304.00
Recoveries and Rebates		-	-	378.50	(8,751.57)	-	(8,373.07)
Interest Expense		(18,943.64)	(16,532.88)	(12,231.87)	(132,311.23)	-	(180,019.62)
Total Non-Operating Revenues (Expenses)	$	2,338.04	43,133.84	129,723.36	268,700.64	1,797.12	445,693.00
Income (Loss) Before Operating Transfers	$	437,833.89	424,674.50	(227,852.46)	1,883,180.35	2,965.81	2,520,802.09
Operating Transfers:							
Transfers In (Out)		(117,626.66)	(161,050.00)	(533,221.66)	(1,772,601.66)	(13,500.00)	(2,597,999.98)
Total Operating Transfers	$	(117,626.66)	(161,050.00)	(533,221.66)	(1,772,601.66)	(13,500.00)	(2,597,999.98)
Net Income (Loss)	$	320,207.23	263,624.50	(761,074.12)	110,578.69	(10,534.19)	(77,197.89)
Net Assets - July 1, 2023, as restated		60,598,172.93	48,454,139.43	57,045,630.09	151,214,455.25	7,994,406.14	325,306,803.84
Net Income (Loss)		320,207.23	263,624.50	(761,074.12)	110,578.69	(10,534.19)	(77,197.89)
Contribution In Aid of Construction		6,436.00	-	-	-	-	6,436.00
Net Assets -June 30, 2024	$	60,924,816.16	48,717,763.93	56,284,555.97	151,325,033.94	7,983,871.95	325,236,041.95

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2023

WASTEWATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	AUGUST 2023	PERCENT OF CURRENT BUDGET	AUGUST 2022
OPERATING REVENUE	9,955,550.00		9,955,550.00	1,518,241.98	15.25%	1,544,671.65
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,941,690.00		3,941,690.00	332,146.30	8.43%	389,550.24
ENGINEERING	-		-	-		-
DISTRIBUTION	2,795,730.00		2,795,730.00	400,801.84	14.34%	345,196.93
SERVICE	160,600.00		160,600.00	21,206.91	13.20%	9,703.27
METERS & REGULATORS	-		-	-		-
BAD DEBT	36,000.00		36,000.00	31,436.47	87.32%	13,966.89
GENERAL & ADMINISTRATIVE	1,821,860.00		1,821,860.00	297,154.61	16.31%	292,620.08
TOTAL OPERATING EXPENSES	8,755,880.00	-	8,755,880.00	1,082,746.13	12.37%	1,051,037.41
OPERATING INCOME (LOSS)	1,199,670.00	-	1,199,670.00	435,495.85	36.30%	493,634.24
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	58,640.00		58,640.00	9,931.03	16.94%	24,803.09
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	5,250.00		1,707.06
JOBBING INCOME (LOSS)	35,000.00		35,000.00	6,100.65	17.43%	6,476.49
INTEREST ON LONG TERM INDEBTEDNESS	(43,070.00)		(43,070.00)	(18,943.64)	43.98%	(22,280.13)
NET INCOME (LOSS)	1,250,240.00	-	1,250,240.00	437,833.89	35.02%	504,340.75
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(117,626.66)	16.67%	(117,626.30)
NET INCOME AFTER TRANSFERS	544,480.00	-	544,480.00	320,207.23	58.81%	386,714.45
CONTRIBUTION IN AID	40,000.00		40,000.00	6,436.00	16.09%	
REGULAR CAPITAL MAINTENANCE	(4,166,990.00)		(4,166,990.00)	(9,217.86)	0.22%	
CAPITAL PROJECTS	(500,000.00)	-	(500,000.00)	(245,112.78)	49.02%	
DEBT SERVICE	(152,930.00)		(152,930.00)	(140,374.50)	91.79%	
DEPRECIATION	1,959,530.00		1,959,530.00	169,064.00	8.63%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2023

WATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	AUGUST 2023	PERCENT OF CURRENT BUDGET	AUGUST 2022
OPERATING REVENUE	8,929,030.00		8,929,030.00	1,506,044.37	16.87%	1,443,847.59
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,177,120.00		2,177,120.00	314,502.24	14.45%	348,685.81
ENGINEERING	404,550.00		404,550.00	36,956.02	9.14%	51,948.71
DISTRIBUTION	891,480.00		891,480.00	130,297.60	14.62%	147,903.97
SERVICE	260,310.00		260,310.00	12,668.39	4.87%	14,364.90
METERS & REGULATORS	123,310.00		123,310.00	23,654.28	19.18%	18,049.02
BAD DEBT	30,000.00		30,000.00	27,396.23	91.32%	11,070.65
GENERAL & ADMINISTRATIVE	3,518,410.00		3,518,410.00	579,028.95	16.46%	577,315.15
TOTAL OPERATING EXPENSES	7,405,180.00	-	7,405,180.00	1,124,503.71	15.19%	1,169,338.21
OPERATING INCOME (LOSS)	1,523,850.00	-	1,523,850.00	381,540.66	25.04%	274,509.38
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	69,670.00		69,670.00	22,224.92	31.90%	31,183.87
RECOVERIES AND REBATES	7,000.00		7,000.00	-	0.00%	5,196.58
GAIN/LOSS ON DISPOSAL	7,500.00		7,500.00	-	0.00%	-
JOBBING INCOME (LOSS)	132,000.00		132,000.00	37,441.80	28.37%	8,769.54
INTEREST ON LONG TERM INDEBTEDNESS	(499,580.00)		(499,580.00)	(16,532.88)	3.31%	(19,444.77)
NET INCOME (LOSS)	1,240,440.00	-	1,240,440.00	424,674.50	34.24%	300,214.60
OPERATING TRANSFERS IN (OUT)	(966,300.00)		(966,300.00)	(161,050.00)	16.67%	(158,883.70)
NET INCOME AFTER TRANSFERS	274,140.00	-	274,140.00	263,624.50	96.16%	141,330.90
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,128,280.00)		(1,128,280.00)	(250,597.51)	22.21%	
CAPITAL PROJECTS	(680,000.00)	-	(680,000.00)	(688,357.13)	101.23%	
DEBT SERVICE	(242,600.00)		(242,600.00)	(122,510.50)	50.50%	
DEPRECIATION	1,494,790.00		1,494,790.00	253,724.24	16.97%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2023

GAS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	AUGUST 2023	PERCENT OF CURRENT BUDGET	AUGUST 2022
OPERATING REVENUE	27,234,710.00		27,234,710.00	1,700,966.30	6.25%	3,230,731.37
	-					
COST OF SALES	-					
PURCHASED SERVICES	18,221,520.00		18,221,520.00	1,181,303.97	6.48%	2,509,356.37
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	18,221,520.00	-	18,221,520.00	1,181,303.97		2,509,356.37
GROSS PROFIT	9,013,190.00	-	9,013,190.00	519,662.33		721,375.00
GROSS PROFIT %	33.09%		33.09%	30.55%		22.33%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	378,230.00		378,230.00	36,862.63	9.75%	41,230.35
DISTRIBUTION	863,640.00		863,640.00	174,367.71	20.19%	105,119.83
SERVICE	258,810.00		258,810.00	5,897.96	2.28%	5,456.36
METERS & REGULATORS	159,230.00		159,230.00	28,287.96	17.77%	27,190.65
BAD DEBT	50,000.00		50,000.00	77,277.58	154.56%	35,974.73
GENERAL & ADMINISTRATIVE	3,760,400.00		3,760,400.00	554,544.31	14.75%	585,769.50
TOTAL OPERATING EXPENSES	5,470,310.00	-	5,470,310.00	877,238.15	16.04%	800,741.42
OPERATING INCOME (LOSS)	3,542,880.00	-	3,542,880.00	(357,575.82)	-10.09%	(79,366.42)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	100,110.00		100,110.00	20,364.46	20.34%	37,219.87
RECOVERIES AND REBATES	-		-	378.50	0.00%	131.09
GAIN/LOSS ON DISPOSAL	-		-	20,054.00	0.00%	-
JOBBING INCOME (LOSS)	115,940.00		115,940.00	101,158.27	87.25%	82,065.90
INTEREST ON LONG TERM INDEBTEDNESS	(23,850.00)		(23,850.00)	(12,231.87)	51.29%	(14,386.23)
NET INCOME (LOSS)	3,735,080.00	-	3,735,080.00	(227,852.46)	-6.10%	25,664.21
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)		(3,199,330.00)	(533,221.66)	16.67%	(532,721.30)
NET INCOME AFTER TRANSFERS	535,750.00	-	535,750.00	(761,074.12)	-142.06%	(507,057.09)
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(558,860.00)	-	(558,860.00)	(63,208.17)	11.31%	
CAPITAL PROJECTS	(1,100,000.00)	-	(1,100,000.00)	(143.36)	0.01%	
DEBT SERVICE	(93,030.00)		(93,030.00)	(90,639.50)	97.43%	
DEPRECIATION	1,554,450.00		1,554,450.00	140,869.00	9.06%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2023

ELECTRIC

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	AUGUST 2023	PERCENT OF CURRENT BUDGET	AUGUST 2022
OPERATING REVENUE	132,932,400.00		132,932,400.00	21,991,216.21	16.54%	24,236,102.27
COST OF SALES						
PURCHASED SERVICES	97,843,510.00		97,843,510.00	16,164,312.18	16.52%	18,139,710.56
PRODUCTION	-	-	-	193.25		72.00
TOTAL COST OF SALES	97,843,510.00	-	97,843,510.00	16,164,505.43		18,139,782.56
GROSS PROFIT	35,088,890.00	-	35,088,890.00	5,826,710.78		6,096,319.71
GROSS PROFIT %	26.40%		26.40%	26.50%		25.15%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,686,950.00		1,686,950.00	260,706.82	15.45%	404,238.13
ENGINEERING	1,373,980.00		1,373,980.00	345,291.18	25.13%	108,253.15
DISTRIBUTION	13,113,520.00		13,113,520.00	2,309,907.86	17.61%	2,359,260.60
SERVICE	-		-	-		-
METERS & REGULATORS	384,260.00		384,260.00	93,583.67	24.35%	68,548.77
BAD DEBT	375,000.00		375,000.00	292,741.44	78.06%	124,975.89
GENERAL & ADMINISTRATIVE	5,984,870.00		5,984,870.00	910,000.10	15.21%	878,926.17
TOTAL OPERATING EXPENSES	22,918,580.00	-	22,918,580.00	4,212,231.07	18.38%	3,944,202.71
OPERATING INCOME (LOSS)	12,170,310.00	-	12,170,310.00	1,614,479.71	13.27%	2,152,117.00
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	202,680.00		202,680.00	40,494.33	19.98%	96,467.33
RECOVERIES AND REBATES	(100,000.00)		(100,000.00)	(8,751.57)	8.75%	(11,371.89)
GAIN/LOSS ON DISPOSAL	30,000.00		30,000.00	-	0.00%	72,234.64
JOBBING INCOME (LOSS)	724,830.00		724,830.00	369,269.11	50.95%	124,050.88
INTEREST ON LONG TERM INDEBTEDNESS	(2,374,200.00)		(2,374,200.00)	(132,311.23)	5.57%	(150,942.74)
NET INCOME (LOSS)	10,653,620.00	-	10,653,620.00	1,883,180.35	17.68%	2,282,555.22
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)		(10,635,610.00)	(1,772,601.66)	16.67%	(1,762,101.30)
NET INCOME AFTER TRANSFERS	18,010.00	-	18,010.00	110,578.69	613.98%	520,453.92
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(5,002,930.00)	-	(5,002,930.00)	(925,467.29)	18.50%	
CAPITAL PROJECTS	-	-	-	(991,620.43)	#DIV/0!	
DEBT SERVICE	(3,627,660.00)	-	(3,627,660.00)	(816,311.50)	22.50%	
DEPRECIATION	8,104,400.00		8,104,400.00	1,371,942.32	16.93%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED AUGUST 31, 2023

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	AUGUST 2023	PERCENT OF CURRENT BUDGET	AUGUST 2022
OPERATING REVENUE	679,200.00		679,200.00	152,198.37	22.41%	126,752.27
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	11,380.86	18.97%	12,386.27
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	11,380.86		12,386.27
GROSS PROFIT	619,200.00	-	619,200.00	140,817.51		114,366.00
GROSS PROFIT %	91.17%		91.17%	92.52%		90.23%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
BAD DEBT	-		-	-		14.40
GENERAL & ADMINISTRATIVE	862,420.00	-	862,420.00	139,648.82	16.19%	138,021.29
TOTAL OPERATING EXPENSES	862,420.00	-	862,420.00	139,648.82	16.19%	138,035.69
OPERATING INCOME (LOSS)	(243,220.00)	-	(243,220.00)	1,168.69	-0.48%	(23,669.69)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	7,150.00		7,150.00	1,647.62	23.04%	2,506.49
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(4,000.00)		(4,000.00)	149.50	-3.74%	206.27
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(240,070.00)	-	(240,070.00)	2,965.81	-1.24%	(20,956.93)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(13,500.00)	16.67%	(13,500.00)
NET INCOME AFTER TRANSFERS	(321,070.00)	-	(321,070.00)	(10,534.19)	3.28%	(34,456.93)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(50,000.00)		(50,000.00)	(16,448.40)	32.90%	
CAPITAL PROJECTS	-	-	-	-	0.00%	
DEPRECIATION	437,520.00		437,520.00	596.66	0.14%	

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)	Final
Mar-23	$ 5.63031	$ 5.63031	$ 2.30000	$ -		$ 7.89371	$ 5.59371	$ 275,422.43	$ 1,240,219.65	$ 1,116,839.83	$ (123,379.82)		($172,424.83)	Final
Apr-23	$ 2.82059	$ 2.82059	$ 2.30000	$ -		$ 5.64322	$ 3.34322	$ 390,327.17	$ 443,690.39	$ 761,817.59	$ 318,127.20		$145,702.37	Final
May-23	$ 3.11297	$ 3.11297	$ 0.60000	$ -		$ 4.41751	$ 3.81751	$ 220,181.70	$ 422,580.44	$ 589,509.91	$ 166,929.47		$312,631.84	Final
Jun-23	$ 3.19175	$ 3.19175	$ (0.30000)	$ -		$ 3.68695	$ 3.98695	$ 8,395.30	$361,740.12	$ 485,101.57	$ 123,361.45		$435,993.29	FY FINAL
Jul-23	$ 3.36060	$ 3.36060	$ -	$ -		$ 3.27427	$ 3.27427	$ (199,324.67)	$ 371,556.21	$ 381,198.45	$ 9,642.24		$445,635.53	Final
Aug-23	$ 3.39081	$ 3.39081	$ -	$ -		$ 2.82158	$ 2.82158	$ (407,423.14)	$ 393,815.04	$ 373,957.47	$ (19,857.58)		$425,777.95	Final
Sep-23	$ 2.90941	$ 2.90941	$ -	$ -		$ 2.90941	$ 2.90941	$ (607,494.63)	$ 400,412.79	$ 470,711.25	$ 70,298.46		$496,076.41	Est
Oct-23	$ 3.08418	$ 3.08418	$ -	$ -		$ 3.08418	$ 3.08418	$ (817,400.62)	$ 569,368.16	$ 545,307.40	$ (24,060.76)		$472,015.65	Est
Nov-23	$ 3.42706	$ 3.42706	$ 2.30000	$ -		$ 5.72706	$ 3.42706	$ (821,287.17)	$ 1,030,972.83	$ 808,949.68	$ (222,023.15)		$249,992.50	Est
Dec-23	$ 3.65010	$ 3.65010	$ 2.30000	$ -		$ 5.95010	$ 3.65010	$ (615,129.71)	$ 1,310,511.59	$ 1,229,304.31	$ (81,207.28)		$168,785.23	Est

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

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)**
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)**
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**
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**
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**
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)**
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)**
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)**
Mar-23	$ 7,537,268.91	$ 1,274,864.35	**$ 6,262,404.56**	62,262,692	10,531,200	51,731,492	$0.030000	$0.086200	$0.116200		**$ 6,011,199.37**	$ (251,205.19)		**$ (1,455,425.23)**
Apr-23	$ 7,005,890.30	$ 1,143,404.80	**$ 5,862,485.50**	66,431,296	10,842,000	55,589,296	*$0.050000*	$0.086200	$0.136200		**$ 7,571,262.12**	$ 1,708,776.62		**$ 253,351.39**
May-23	$ 6,172,175.97	$ 1,111,792.43	**$ 5,060,383.54**	59,490,455	10,716,000	48,774,455	*$0.055000*	$0.086200	$0.141200		**$ 6,886,953.05**	$ 1,826,569.51		**$ 2,079,920.90**
Jun-23	$ 7,594,779.01	$ 1,379,311.23	**$ 6,215,467.78**	62,691,519	11,385,600	51,305,919	$0.030000	$0.086200	$0.116200		**$ 5,961,747.79**	$ (253,719.99)		**$ 1,826,200.91**
Jul-23	$ 8,170,169.04	$ 1,215,225.56	**$ 6,954,943.48**	77,249,233	11,490,000	65,759,233	*$0.010000*	$0.086200	$0.096200		**$ 6,326,038.21**	$ (628,905.27)		**$ 1,197,295.64**
Aug-23	$ 7,989,142.57	$ 1,070,532.20	**$ 6,918,610.37**	92,141,409	12,346,800	79,794,609	*$0.010000*	$0.086200	$0.096200		**$ 7,676,241.39**	$ 757,631.02		**$ 1,954,926.66**
Sep-23	$ 7,689,862.73	$ 1,084,531.76	**$ 6,605,330.97**	84,654,791	11,939,200	72,715,591	*$0.020000*	$0.086200	$0.106200		**$ 7,722,395.74**	$ 1,117,064.77		**$ 3,071,991.43**

Danville Utility Commission

STAFF REPORT

DATE: October 23, 2023

TO: Danville Utility Commission

FROM:

RE: Proposed Fiscal Year 2025 Utilities Capital Projects

ATTACHMENTS

1. Capital Projects DUC 102323

FY25 Capital Projects

FY25 WASTEWATER PLANT PROJECTS

Replace Southside Pumping Station-~$30M (Grants and Bond funding)

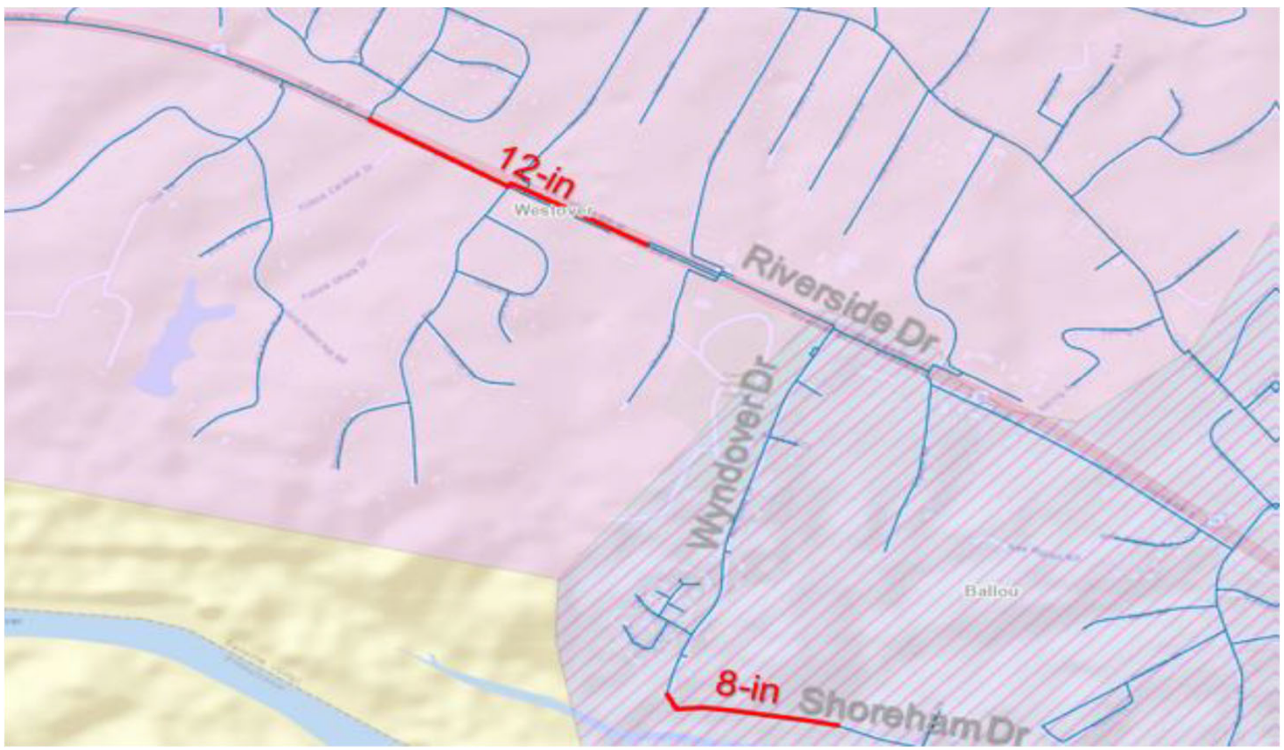
1) Preliminary Engineering Report (completed)
2) Clean Water Revolving Loan funding (December deadline)
    a) Received low interest loan offer $15M-September 2023
3) Pump station is currently rated at 7.6 MGD. Need to expand to 11 MGD
4) Need extra capacity to serve new industry on southern portion of the river

FY24 WATER PROJECTS

$8.1M ($4M VDH Funding /$4M Bonds & $100,000 water system expansion)

1) Engineering underway (master plan recommendations)

- **a) Westover Pumping Station relocation-pressure zone change ($4M)**
- **b) Henry Street check valve-$100,000**
- **c) Kemper Road Improvements-$500,000**
- **d) Ida Street water main extension-$100,000 ($100,000 share with gas fund)**
- **e) Westover Drive fire flow improvements (phase 1)-$400,000**
- **f) Northmont/Westview neighborhood water main replacement ($3M)**

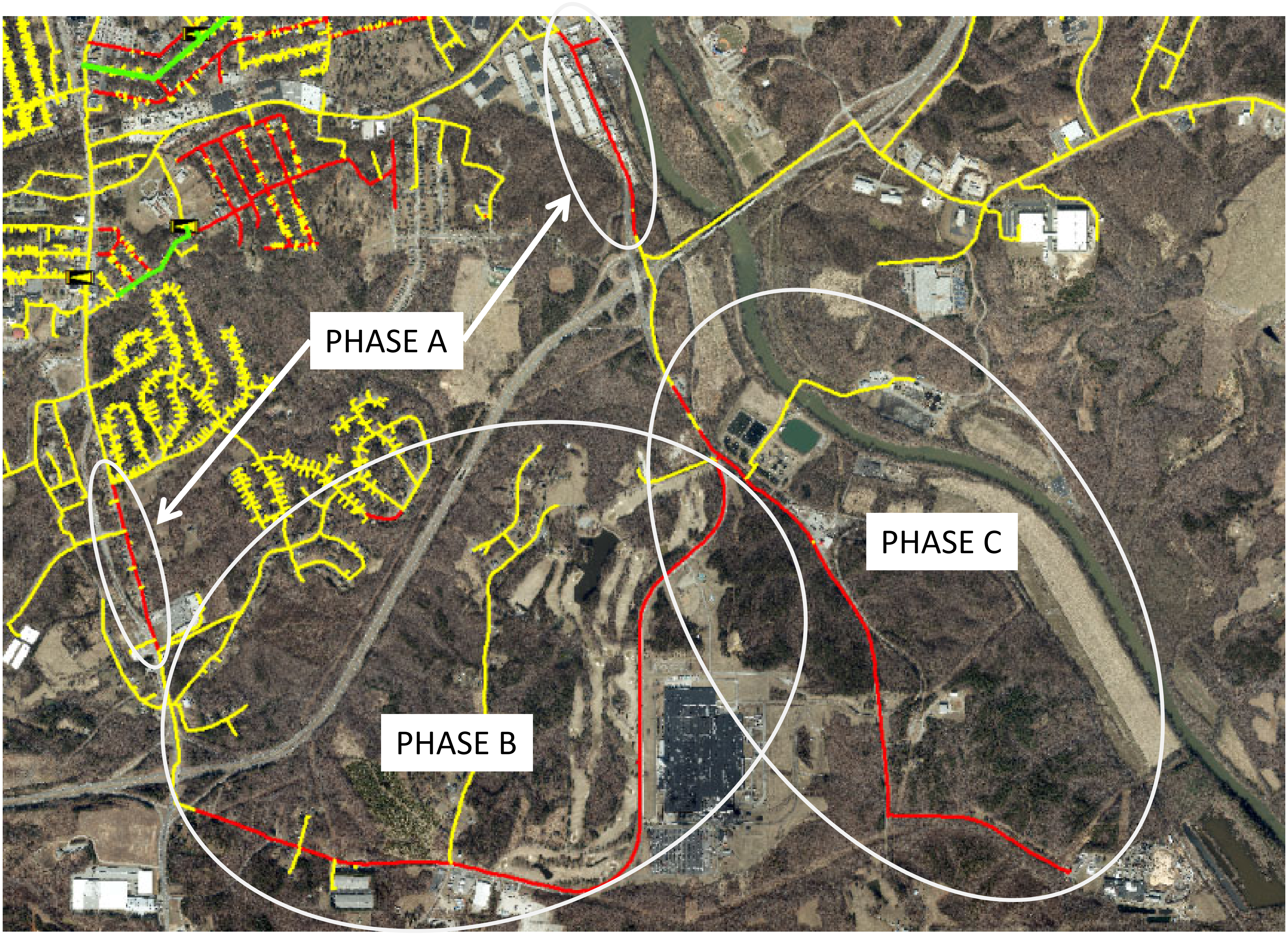


FY 25 Gas Capital Projects

FY24/25 Replace Goodyear Blvd/South Main Street Gas Main Loop

- Applied for a PHMSA Grant (Funding 100%) in July 2023 for $10M to replace 60% of the loop. Should hear back on award status in February 2024
- Transco gas gate expansion engineering- ($500,000)
- Ida Street gas extension-~$100,000 (shared with water)

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



New Design Substation (construction)

- **FY24 $2.5M (Bonds)**
  - New Design Substation (construction)
    - Transformers order in FY24

Brantley 138 kV Transformer Upgrade

- **FY24 $4M (Bonds)**
  - Replace 1978 138 kV Transformer
    - Lead time ~3-4 years

Substation Summary

18 Substations with Transformer Manufacturer Dates

		Cost
Ballou (Fall 2023)-Econ Dev		$2.5 Million
Westfork 4th Delivery Point (Fall 2023)		$1.5 Million
Airside Expansion 1990, 2022(Fall 2023)-		$2.0 Million
	Total	$5.5 Million
Cyber Park Substation (2024) New		$3.0 Million
New Design (2024-25)	**1970, 1971**	$4.5 Million

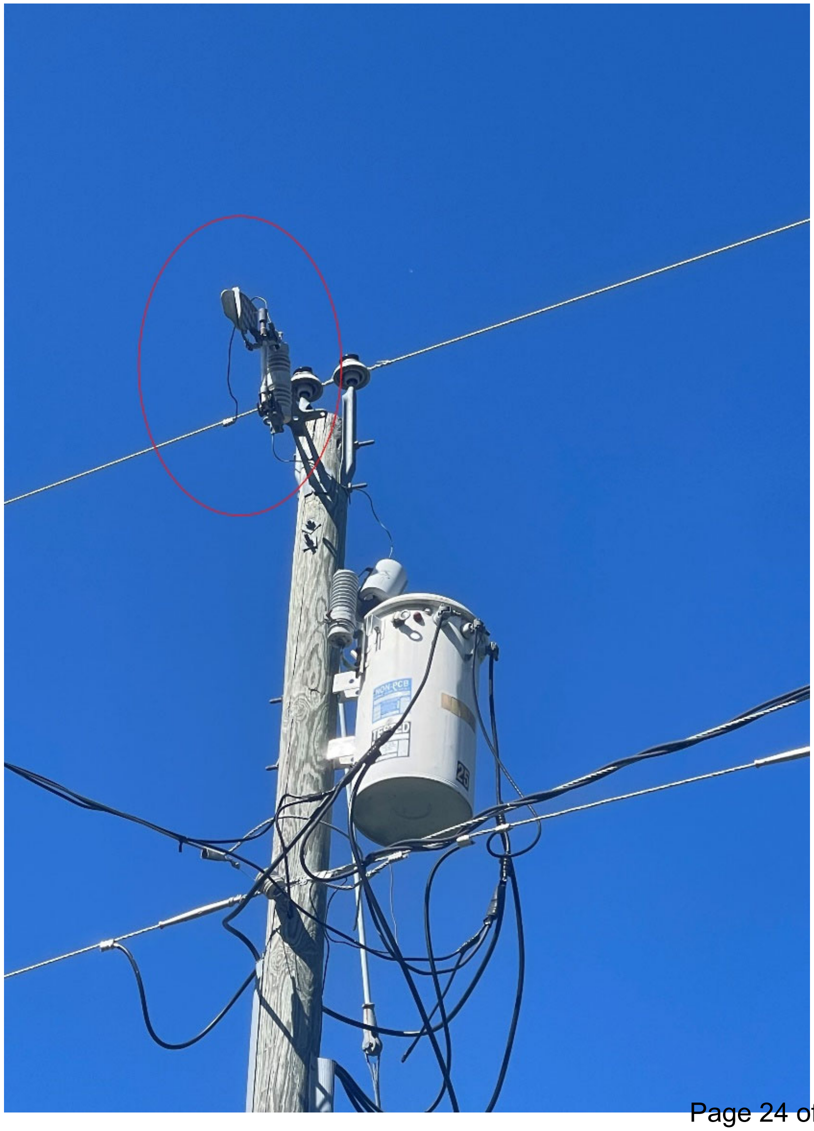
Westover	2022, 2022
Southside	2022, 2022
Kentuck	2021
Whitmell (2021)	2021
Schoolfield (2020)	2020
Riverside (2020)	2020(138-69), 2020, 2020
White Oak	1997
Westfork	1997
Piney Forest	1979, 2008
Brantley	1978(138 kV), 2014
Bridge Street	2004
Tunstall	2006
Cain Creek	2009
Rocksprings	2011(138-69), 1993, 2003

Red – targeted fiscal year

RELIABILITY PROJECTS $3M

No Transformer Protection

Transformer Protection



ENERGY EFFICIENCY PROJECT

1) Eliminate HomeSave/CustomSave Programs
2) Keep HVAC Tune-up rebate program
3) Create a Low-Income Energy Efficiency Program-Grant Funded
   a) Successful showing benefits with 2020 ARPA grant funds
   b) First ten participants show 83,000 kWh savings in first year
   c) Recently received the Virginia Energy Efficiency Council's Leadership Award for this program

Questions?