DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

June 24, 2024

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the April 22, 2024 Commission Meeting
2. Review of April Financial Statements
3. Grant Funded Capital Projects

ADJOURN

Next Meeting: July 22, 2024 at 4:00pm

Danville Utility
Commission

STAFF REPORT

DATE: June 24, 2024

TO: Danville Utility Commission

FROM:

RE: Minutes of the April 22, 2024 Commission Meeting

ATTACHMENTS

1. April 22 2024 DUC Minutes

Danville Utility Commission 4:00 p.m. April 22, 2024 Meeting Council Chambers, City Hall **Minutes**	

Commission Members Present: Ken Larking, Helm Dobbins, Sheila Williamson-Branch, Vanessa Cain, Mary Williamson, Anna Kautzman, Steven Merricks, Gary Miller, Murray Whittle

Commission Members Absent:

Staff Present: Ryan Dodson, Jason Grey, Janet Davis, Amy Chandler, Michael Adkins, Alan Johnson, Jeff Bustamante

Others Present: Rusty Nigro and Roger Arnold, Hazen and Sawyer

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 March 25, 2024 Commission Meeting
Chairman Cain asked for any corrections, deletions, or adjustments to the minutes of March 25, 2024.

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

Review of Utilities' Financial Statements
Ms. Chandler reviewed the February 2024 utilities financial statements.

Ms. Williamson-Branch asked what recovery efforts are in place to recover bad debt for each fund.

Ms. Chandler responded that accounts that are over 75 days due go to collections and about $4-5,000 is being recovered each week.

Mr. Adkins added that the revenue has also increased, which is in line percentagewise with the bad debt.

Lead and Copper Service Line Mandate

Alan Johnson introduced Roger Arnold and Rusty Nigro from Hazen and Sawyer, a water and wastewater engineering firm. Mr. Arnold and Ms. Nigro presented information on the federal Environmental Protection Agency (EPA) lead and copper service line inventory mandate. All water utilities are required to provide an inventory of public and private service lines to the EPA by October 2024. Their firm has been retained to provide the Virginia Department of Health and the EPA the information required. They discussed the additional sampling requirements that will be required with the mandate.

Dr. Miller asked if the homeowner is responsible for the cost of replacement of lead service lines. Mr. Arnold responded that the utilities are required to make sure the private line is replaced, but not required to pay for replacement.

Mr. Dobbins asked if lines that contain a portion of lead must be replaced. Mr. Arnold responded that the only lines that must be replaced are 100% lead content.

Mr. Dobbins asked after BIL funds are exhausted for lead service line replacement, will funds come from the General Fund, Utility funds, or some other means. Mr. Grey responded that the structure for funding is yet to be determined, but that will be a discussion for City Council and the Utility Commission.

Ms. Williamson-Branch asked will houses built prior to 1979 be considered. Mr. Arnold responded that houses built prior to 1979 will be prioritized for identification if no service records exist stating the type of line.

Mr. Whittle asked if customers may be required to replace copper pipes in their homes. Ms. Nigro responded that lead solder was used prior to 1986. Mr. Arnold said currently there is currently no requirement to replace lead solder.

Department Discussions

There were no comments from the Director, commission members or the public.

Adjournment

Chairman Cain stated the next meeting is scheduled for June 24, 2024. There being no further business, Mr. Larking made a motion to close that was seconded by Ms. Williamson-Branch. Ms. Cain adjourned the meeting at 4:42 p.m.

June 24, 2024
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: June 24, 2024

TO: Danville Utility Commission

FROM: Amy Chandler, Assistant Director of Finance

RE: Review of April Financial Statements

April financials will be reviewed.

ATTACHMENTS

1. DUC Financial Statements April 2024

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
APRIL 30, 2024

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	APRIL 30, 2024
ASSETS							
Equity in pooled Cash and Investments	$	7,108,657.32	12,142,054.76	15,579,728.05	14,774,556.68	1,366,872.46	50,971,869.27
Receivables (Net of allowances for Uncollectible):							
Accounts		1,264,674.16	1,177,676.47	2,312,302.72	14,710,864.92	32,826.79	19,498,345.06
Power/Gas Cost Recovery		-	-	(83,401.56)	(1,716,989.15)	-	(1,800,390.71)
Pension Assets		93,746.00	172,308.00	123,133.00	507,623.00	20,347.00	917,157.00
Inventory of Gas, Materials and Supplies, at Cost		-	1,101,778.15	798,018.39	4,153,528.92	262,935.66	6,316,261.12
Fixed Assets		107,917,614.16	89,874,726.69	73,046,465.14	331,615,433.74	11,314,818.84	613,769,058.57
Accumulated Depreciation		(54,700,461.39)	(46,044,196.99)	(32,500,588.31)	(150,879,147.07)	(5,103,907.70)	(289,228,301.46)
Deferred Outflows - Pension		287,260.00	527,994.00	377,311.00	1,555,480.00	62,346.00	2,810,391.00
TOTAL ASSETS	$	61,971,490.25	58,952,341.08	59,652,968.43	214,721,351.04	7,956,239.05	403,254,389.85
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	28,816.58	570,704.91	870,440.35	9,469,598.35	41,214.42	10,980,774.61
Accrued Interest Payable		18,679.85	111,687.88	10,742.85	668,400.51	-	809,511.09
Customer Deposits		-		-	4,120,535.04	-	4,120,535.04
Accrued Vacation, Sick Leave & Workers Comp.		1,440.00	155,673.98	86,380.94	614,499.48	10,973.20	868,967.60
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)		115,600.57	870,708.76	55,572.99	5,023,065.15	-	6,064,947.47
General Obligation Bonds Payable		1,049,281.76	4,403,984.74	576,229.99	44,362,014.29	-	50,391,510.78
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	$	1,122,216.66	9,727,022.96	1,552,191.88	66,489,189.56	52,187.62	78,942,808.68
Net Assets							
Contributed Capital	$	4,149,360.78	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,225,025.40
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	47,994,511.76	30,265,290.59	38,620,738.51	115,837,092.81	5,873,662.55	238,591,296.22
Restricted for Incomplete Projects		6,763,736.45	11,709,906.88	7,842,361.74	4,438,478.66	473,049.57	31,227,533.30
Restricted for Subsequent Expenses		971,005.92	41,347.74	6,246.66	1,228,974.77	1,780.99	2,249,356.08
Net Pension Assets		93,746.00	172,308.00	123,133.00	507,623.00	20,347.00	917,157.00
Deferred Outflows - Pension		287,260.00	527,994.00	377,311.00	1,555,480.00	62,346.00	2,810,391.00
Unrestricted		876,912.68	2,360,181.99	10,167,786.06	12,498,369.71	1,197,962.73	27,101,213.17
Total Retained Earnings	$	56,699,912.81	44,549,035.20	56,760,265.97	134,510,538.95	7,566,802.84	300,086,555.77
TOTAL NET ASSETS	$	60,849,273.59	49,225,318.12	58,100,776.55	148,232,161.48	7,904,051.43	324,311,581.17
TOTAL LIABILITIES AND NET ASSETS	$	61,971,490.25	58,952,341.08	59,652,968.43	214,721,351.04	7,956,239.05	403,254,389.85

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED APRIL 30, 2024

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	APRIL 30, 2024
Operating revenues:						
Charges for Services	$ 7,668,529.71	7,466,278.32	17,478,456.10	107,311,232.64	734,465.14	140,658,961.91
Operating Expenses:						
Purchased Services	$ -	-	9,954,711.90	82,111,969.84	55,092.10	92,121,773.84
Production	-	-	-	1,524.14	-	1,524.14
Transmission & Treatment	2,850,254.46	1,579,123.98	-	1,552,849.88	-	5,982,228.32
Engineering	-	210,618.45	223,803.74	1,177,087.69	-	1,611,509.88
Distribution	1,590,235.44	759,244.38	868,917.53	4,791,561.78	-	8,009,959.13
Service	83,949.77	128,833.49	42,150.23	-	-	254,933.49
Meters & Regulators	-	108,250.92	112,352.77	432,059.95	-	652,663.64
Administrative	2,361,439.53	3,013,939.12	3,211,236.31	11,928,531.63	725,489.68	21,240,636.27
Total Operating Expenses	$ 6,885,879.20	5,800,010.34	14,413,172.48	101,995,584.91	780,581.78	129,875,228.71
Operating Income (Loss)	$ 782,650.51	1,666,267.98	3,065,283.62	5,315,647.73	(46,116.64)	10,783,733.20
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	32,283.66	250,091.64	501,021.80	1,967,599.05	13,798.25	2,764,794.40
Interest Income	161,086.93	309,246.03	318,919.83	526,382.00	28,957.68	1,344,592.47
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	5,250.00	-	33,780.00	18,627.00	-	57,657.00
Recoveries and Rebates	-	-	421.12	(53,564.01)	-	(53,142.89)
Interest Expense	(43,058.32)	(371,641.96)	(23,846.61)	(1,913,170.24)	-	(2,351,717.13)
Total Non-Operating Revenues (Expenses)	$ 155,562.27	187,695.71	830,296.14	545,873.80	42,755.93	1,762,183.85
Income (Loss) Before Operating Transfers	$ 938,212.78	1,853,963.69	3,895,579.76	5,861,521.53	(3,360.71)	12,545,917.05
Operating Transfers:						
Transfers In (Out)	(588,133.30)	(805,250.00)	(2,666,108.30)	(7,863,008.30)	(67,500.00)	(11,989,999.90)
Total Operating Transfers	$ (588,133.30)	(805,250.00)	(2,666,108.30)	(7,863,008.30)	(67,500.00)	(11,989,999.90)
Net Income (Loss)	$ 350,079.48	1,048,713.69	1,229,471.46	(2,001,486.77)	(70,860.71)	555,917.15
Net Assets - July 1, 2023, as restated	60,440,030.93	48,176,604.43	56,871,305.09	150,233,648.25	7,974,912.14	323,696,500.84
Net Income (Loss)	350,079.48	1,048,713.69	1,229,471.46	(2,001,486.77)	(70,860.71)	555,917.15
Contribution In Aid of Construction	59,163.18	-	-	-	-	59,163.18
Net Assets -June 30, 2024	$ 60,849,273.59	49,225,318.12	58,100,776.55	148,232,161.48	7,904,051.43	324,311,581.17

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2024

WASTEWATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	APRIL 2024	PERCENT OF CURRENT BUDGET	APRIL 2023
OPERATING REVENUE	9,955,550.00		9,955,550.00	7,668,529.71	77.03%	7,506,023.10
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,941,690.00	56,981.91	3,998,671.91	2,850,254.46	71.28%	2,828,401.67
ENGINEERING	-	-	-	-		-
DISTRIBUTION	1,908,710.00	189,651.62	2,098,361.62	1,590,235.44	75.78%	1,310,784.56
SERVICE	160,600.00	-	160,600.00	83,949.77	52.27%	46,511.99
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,959,530.00	-	1,959,530.00	1,668,327.00	85.14%	1,690,640.00
BAD DEBT	36,000.00	-	36,000.00	68,401.74	190.00%	72,582.77
GENERAL & ADMINISTRATIVE	749,350.00	-	749,350.00	624,710.79	83.37%	613,789.28
TOTAL OPERATING EXPENSES	8,755,880.00	246,633.53	9,002,513.53	6,885,879.20	76.49%	6,562,710.27
OPERATING INCOME (LOSS)	1,199,670.00	(246,633.53)	953,036.47	782,650.51	82.12%	943,312.83
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	58,640.00		58,640.00	161,086.93	274.70%	87,871.37
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	5,250.00		-
JOBBING INCOME (LOSS)	35,000.00		35,000.00	32,283.66	92.24%	25,675.25
INTEREST ON LONG TERM INDEBTEDNESS	(43,070.00)		(43,070.00)	(43,058.32)	99.97%	(50,497.17)
NET INCOME (LOSS)	1,250,240.00	(246,633.53)	1,003,606.47	938,212.78	93.48%	1,006,362.28
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(588,133.30)	83.33%	(588,133.26)
NET INCOME AFTER TRANSFERS	544,480.00	(246,633.53)	297,846.47	350,079.48	117.54%	418,229.02
CONTRIBUTION IN AID	40,000.00		40,000.00	59,163.18	147.91%	
REGULAR CAPITAL MAINTENANCE	(1,616,990.00)	(4,959.50)	(1,621,949.50)	(117,204.89)	7.23%	
CAPITAL PROJECTS	(3,050,000.00)	(4,515,079.08)	(7,565,079.08)	(1,306,087.24)	17.26%	
DEBT SERVICE	(152,930.00)		(152,930.00)	(152,922.11)	99.99%	
DEPRECIATION	1,959,530.00		1,959,530.00	1,668,327.00	85.14%	

WATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	APRIL 2024	PERCENT OF CURRENT BUDGET	APRIL 2023
OPERATING REVENUE	8,929,030.00		8,929,030.00	7,466,278.32	83.62%	6,801,483.94
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,177,120.00	7,212.99	2,184,332.99	1,579,123.98	72.29%	1,724,932.70
ENGINEERING	404,550.00	1,220.00	405,770.00	210,618.45	51.91%	184,512.54
DISTRIBUTION	891,480.00	12,521.00	904,001.00	759,244.38	83.99%	597,428.85
SERVICE	260,310.00		260,310.00	128,833.49	49.49%	65,624.31
METERS & REGULATORS	123,310.00		123,310.00	108,250.92	87.79%	80,956.16
DEPRECIATION	1,494,790.00		1,494,790.00	1,286,991.52	86.10%	1,383,890.00
BAD DEBT	30,000.00		30,000.00	57,796.05	192.65%	77,433.35
GENERAL & ADMINISTRATIVE	2,023,620.00	10,160.00	2,033,780.00	1,669,151.55	82.07%	1,584,651.99
TOTAL OPERATING EXPENSES	7,405,180.00	31,113.99	7,436,293.99	5,800,010.34	78.00%	5,699,429.90
OPERATING INCOME (LOSS)	1,523,850.00	(31,113.99)	1,492,736.01	1,666,267.98	111.63%	1,102,054.04
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	69,670.00		69,670.00	309,246.03	443.87%	119,164.76
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	250,091.64	189.46%	142,146.38
INTEREST ON LONG TERM INDEBTEDNESS	(499,580.00)		(499,580.00)	(371,641.96)	74.39%	(85,871.67)
NET INCOME (LOSS)	1,240,440.00	(31,113.99)	1,209,326.01	1,853,963.69	153.31%	1,282,690.09
OPERATING TRANSFERS IN (OUT)	(966,300.00)		(966,300.00)	(805,250.00)	83.33%	(794,416.74)
NET INCOME AFTER TRANSFERS	274,140.00	(31,113.99)	243,026.01	1,048,713.69	431.52%	488,273.35

CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(1,128,280.00)	(375,386.98)	(1,503,666.98)	(1,071,704.74)	71.27%	
CAPITAL PROJECTS	(680,000.00)	(11,632,968.98)	(12,312,968.98)	(5,035,024.34)	40.89%	
DEBT SERVICE	(242,600.00)		(242,600.00)	(242,595.95)	100.00%	
DEPRECIATION	1,494,790.00		1,494,790.00	1,286,991.52	86.10%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2024

GAS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	APRIL 2024	PERCENT OF CURRENT BUDGET	APRIL 2023
OPERATING REVENUE	27,234,710.00		27,234,710.00	17,478,456.10	64.18%	23,595,684.64
	-					
COST OF SALES	-					
PURCHASED SERVICES	18,221,520.00		18,221,520.00	9,954,711.90	54.63%	16,183,764.27
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	18,221,520.00	-	18,221,520.00	9,954,711.90		16,183,764.27
GROSS PROFIT	9,013,190.00	-	9,013,190.00	7,523,744.20		7,411,920.37
GROSS PROFIT %	33.09%		33.09%	43.05%		31.41%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	378,230.00		378,230.00	223,803.74	59.17%	182,041.15
DISTRIBUTION	863,640.00	34,521.00	898,161.00	868,917.53	96.74%	580,477.29
SERVICE	258,810.00		258,810.00	42,150.23	16.29%	42,871.02
METERS & REGULATORS	159,230.00		159,230.00	112,352.77	70.56%	111,389.56
DEPRECIATION	1,554,450.00		1,554,450.00	1,336,508.16	85.98%	1,408,690.00
BAD DEBT	50,000.00		50,000.00	122,183.74	244.37%	120,902.29
GENERAL & ADMINISTRATIVE	2,205,950.00	19,003.40	2,224,953.40	1,752,544.41	78.77%	1,574,349.94
TOTAL OPERATING EXPENSES	5,470,310.00	53,524.40	5,523,834.40	4,458,460.58	80.71%	4,020,721.25
OPERATING INCOME (LOSS)	3,542,880.00	(53,524.40)	3,489,355.60	3,065,283.62	87.85%	3,391,199.12
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	100,110.00		100,110.00	318,919.83	318.57%	135,990.19
RECOVERIES AND REBATES	-		-	421.12	0.00%	18,831.29
GAIN/LOSS ON DISPOSAL	-		-	33,780.00	0.00%	-
JOBBING INCOME (LOSS)	115,940.00		115,940.00	501,021.80	432.14%	94,264.34
INTEREST ON LONG TERM INDEBTEDNESS	(23,850.00)		(23,850.00)	(23,846.61)	99.99%	(28,379.60)
NET INCOME (LOSS)	3,735,080.00	(53,524.40)	3,681,555.60	3,895,579.76	105.81%	3,611,905.34
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)		(3,199,330.00)	(2,666,108.30)	83.33%	(2,663,608.26)
NET INCOME AFTER TRANSFERS	535,750.00	(53,524.40)	482,225.60	1,229,471.46	254.96%	948,297.08

CONTRIBUTION IN AID			-	-	0.00%
REGULAR CAPITAL MAINTENANCE	(558,860.00)	(111,294.17)	(670,154.17)	(658,057.82)	98.19%
CAPITAL PROJECTS	(1,100,000.00)	(7,412,671.89)	(8,512,671.89)	(682,416.50)	8.02%
DEBT SERVICE	(93,030.00)		(93,030.00)	(93,022.95)	99.99%
DEPRECIATION	1,554,450.00		1,554,450.00	1,287,675.74	82.84%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2024

ELECTRIC

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	APRIL 2024	PERCENT OF CURRENT BUDGET	APRIL 2023
OPERATING REVENUE	132,932,400.00		132,932,400.00	107,311,232.64	80.73%	108,447,792.31
COST OF SALES						
PURCHASED SERVICES	97,843,510.00		97,843,510.00	82,111,969.84	83.92%	83,521,762.90
PRODUCTION	-	-	-	1,524.14		1,709.63
TOTAL COST OF SALES	97,843,510.00	-	97,843,510.00	82,113,493.98		83,523,472.53
GROSS PROFIT	35,088,890.00	-	35,088,890.00	25,197,738.66		24,924,319.78
GROSS PROFIT %	26.40%		26.40%	23.48%		22.98%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,686,950.00	32,875.71	1,719,825.71	1,552,849.88	90.29%	1,410,467.76
ENGINEERING	1,373,980.00	104,816.41	1,478,796.41	1,177,087.69	79.60%	680,819.28
DISTRIBUTION	5,165,740.00	365,506.45	5,531,246.45	4,791,561.78	86.63%	4,889,588.05
SERVICE	-		-	-		-
METERS & REGULATORS	384,260.00		384,260.00	432,059.95	112.44%	365,289.94
DEPRECIATION	8,104,400.00		8,104,400.00	6,944,547.52	85.69%	7,247,010.00
BAD DEBT	375,000.00		375,000.00	522,758.13	139.40%	757,351.09
GENERAL & ADMINISTRATIVE	5,984,870.00	430,962.21	6,415,832.21	4,461,225.98	69.53%	4,994,996.17
TOTAL OPERATING EXPENSES	23,075,200.00	934,160.78	24,009,360.78	19,882,090.93	82.81%	20,345,522.29
OPERATING INCOME (LOSS)	12,013,690.00	(934,160.78)	11,079,529.22	5,315,647.73	47.98%	4,578,797.49
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	202,680.00		202,680.00	526,382.00	259.71%	294,128.28
RECOVERIES AND REBATES	(100,000.00)		(100,000.00)	(53,564.01)	53.56%	653,820.18
GAIN/LOSS ON DISPOSAL	30,000.00		30,000.00	18,627.00	62.09%	81,956.64
JOBBING INCOME (LOSS)	881,450.00	(421,488.00)	459,962.00	1,967,599.05	427.77%	1,331,501.41
INTEREST ON LONG TERM INDEBTEDNESS	(2,374,200.00)		(2,374,200.00)	(1,913,170.24)	80.58%	(1,655,548.61)
NET INCOME (LOSS)	10,653,620.00	(1,355,648.78)	9,297,971.22	5,861,521.53	63.04%	5,284,655.39
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)		(10,635,610.00)	(7,863,008.30)	73.93%	(8,810,508.26)
NET INCOME AFTER TRANSFERS	18,010.00	(1,355,648.78)	(1,337,638.78)	(2,001,486.77)	149.63%	(3,525,852.87)
CONTRIBUTION IN AID	-		-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(5,002,930.00)	(2,390,905.41)	(7,393,835.41)	(4,482,588.22)	60.63%	
CAPITAL PROJECTS	-	(6,359,647.79)	(6,359,647.79)	(8,739,401.90)	137.42%	
DEBT SERVICE	(3,627,660.00)	-	(3,627,660.00)	(3,627,657.84)	100.00%	
DEPRECIATION	8,104,400.00		8,104,400.00	6,944,547.52	85.69%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED APRIL 30, 2024

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	APRIL 2024	PERCENT OF CURRENT BUDGET	APRIL 2023
OPERATING REVENUE	679,200.00		679,200.00	734,465.14	108.14%	720,748.15
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	55,092.10	91.82%	62,070.54
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	55,092.10		62,070.54
GROSS PROFIT	619,200.00	-	619,200.00	679,373.04		658,677.61
GROSS PROFIT %	91.17%		91.17%	92.50%		91.39%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
DEPRECIATION	437,520.00		437,520.00	372,886.68	85.23%	404,680.00
BAD DEBT	-		-	-		1,987.67
GENERAL & ADMINISTRATIVE	424,900.00	1,000.00	425,900.00	352,603.00	82.79%	334,856.11
TOTAL OPERATING EXPENSES	862,420.00	1,000.00	863,420.00	725,489.68	84.03%	741,523.78
OPERATING INCOME (LOSS)	(243,220.00)	(1,000.00)	(244,220.00)	(46,116.64)	18.88%	(82,846.17)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	7,150.00		7,150.00	28,957.68	405.00%	10,898.84
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(4,000.00)		(4,000.00)	13,798.25	-344.96%	(1,762.66)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(240,070.00)	(1,000.00)	(241,070.00)	(3,360.71)	1.39%	(73,709.99)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(67,500.00)	83.33%	(67,500.00)
NET INCOME AFTER TRANSFERS	(321,070.00)	(1,000.00)	(322,070.00)	(70,860.71)	22.00%	(141,209.99)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(50,000.00)		(50,000.00)	(68,097.84)	136.20%	
CAPITAL PROJECTS	-	(511,734.11)	(511,734.11)	(20,586.70)	0.00%	
DEPRECIATION	437,520.00		437,520.00	372,886.68	85.23%	

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	code them before reconciling the month 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**	
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	$ 2.99052	$ 2.99052	$ -	$ -		$ 2.90941	$ 2.90941	$ (607,494.24)	$ 396,379.89	$ 415,296.14	$ 18,916.25		$444,694.20	Final
Oct-23	$ 3.13574	$ 3.13574	$ -	$ -		$ 3.12898	$ 3.12898	$ (815,550.09)	$ 560,575.63	$ 505,448.59	$ (55,127.05)		$389,567.16	Final
Nov-23	$ 3.44007	$ 3.44007	$ 2.30000	$ -		$ 5.76637	$ 3.46637	$ (784,198.82)	$ 1,017,157.78	$ 809,551.53	$ (207,606.25)		$181,960.91	Final
Dec-23	$ 3.79286	$ 3.79286	$ 2.30000	$ -		$ 6.03701	$ 3.73701	$ (561,584.48)	$ 1,251,812.85	$ 1,113,970.69	$ (137,842.16)		$44,118.75	Final
Jan-24	$ 4.04189	$ 4.04491	$ 2.30000	$ -	$ 0.50000	$ 6.59506	$ 4.29506	$ (192,093.98)	$ 1,566,585.25	$ 1,353,368.96	$ (213,216.29)		($169,097.54)	FInal
Feb-24	$ 3.68072	$ 3.68072	$ 2.30000	$ -	$ (0.50000)	$ 5.52527	$ 3.22527	$ 203,807.62	$ 1,125,023.95	$ 1,182,517.71	$ 57,493.76		($111,603.78)	FInal
Mar-24	$ 3.78541	$ 3.85477	$ 2.00000	$ -	$ (0.50000)	$ 5.40403	$ 3.40403	$ 331,877.52	$ 768,479.16	$ 806,791.50	$ 38,312.33		($73,291.45)	Final
Apr-24	$ 3.57033	$ 3.64319	$ 2.15000	$ -	$ (0.50000)	$ 5.17062	$ 3.02062	$ 367,675.72	$ 418,521.38	$ 575,214.40	$ 156,693.02		$83,401.57	Final
May-24	$ 3.07959	$ 3.13333	$ -	$ -		$ 3.13333	$ 3.13333	$ 159,576.85	$ 340,864.01	$ 478,776.17	$ 137,912.16		$221,313.73	Est
Jun-24	$ 3.45053	$ 3.52095	$ -	$ -		$ 3.52095	$ 3.52095	$ (40,494.64)	$314,149.66	$ 449,590.25	$ 135,440.59		$356,754.32	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	**NON-HLF POWER COST RECOVERED**	NON-HLF POWER COST OVER / (UNDER) RECOVERY	ADJUSTMTS	**CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - $4,000,000)**	
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**	ACTUAL
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**	ACTUAL
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**	ACTUAL
Sep-23	$ 7,736,873.95	$ 1,123,666.43	**$ 6,613,207.52**	89,639,427	13,018,800	76,620,627	*$0.020000*	$0.086200	$0.106200	**$ 8,137,110.59**	$ 1,523,903.07		**$ 3,478,829.72**	ACTUAL
Oct-23	$ 7,576,923.46	$ 1,348,678.26	**$ 6,228,245.20**	68,495,099	12,192,000	56,303,099	*$0.035000*	$0.086200	$0.121200	**$ 6,823,935.60**	$ 595,690.40		**$ 4,074,520.12**	ACTUAL
Nov-23	$ 7,671,684.17	$ 1,378,516.74	**$ 6,293,167.43**	67,289,620	12,091,200	55,198,420	*$0.035000*	$0.086200	$0.121200	**$ 6,690,048.50**	$ 396,881.07		**$ 4,471,401.19**	ACTUAL
Dec-23	$ 7,964,523.87	$ 1,236,793.81	**$ 6,727,730.06**	75,969,883	11,797,200	64,172,683	$0.020000	$0.086200	$0.106200	**$ 6,815,138.93**	$ 87,408.87		**$ 4,558,810.06**	ACTUAL
Jan-24	$ 10,044,642.44	$ 1,386,274.86	**$ 8,658,367.58**	86,958,053	12,001,200	74,956,853	*$0.010000*	$0.086200	$0.096200	**$ 7,210,849.26**	$ (1,447,518.32)		**$ 3,111,291.74**	ACTUAL
Feb-24	$ 8,798,361.97	$ 1,276,950.80	**$ 7,521,411.17**	87,989,766	12,770,400	75,219,366	*$0.005000*	$0.086200	$0.091200	**$ 6,860,006.18**	$ (661,404.99)		**$ 2,449,886.75**	ACTUAL
Mar-24	$ 8,165,377.78	$ 1,359,137.63	**$ 6,806,240.15**	72,345,491	12,042,000	60,303,491	*$0.010000*	$0.086200	$0.096200	**$ 5,801,195.83**	$ (1,005,044.32)		**$ 1,444,842.43**	ACTUAL
Apr-24	$ 7,988,247.31	$ 1,415,151.81	**$ 6,573,095.50**	68,638,496	12,159,600	56,478,896	*$0.035000*	$0.086200	$0.121200	**$ 6,845,242.20**	$ 272,146.70		**$ 1,716,989.13**	ACTUAL
May-24	$ 6,852,463.14	$ 1,232,257.93	**$ 5,620,205.20**	60,062,169	10,800,800	49,261,369	*$0.045000*	$0.086200	$0.131200	**$ 6,463,091.57**	$ 842,886.37		**$ 2,559,875.50**	PROJECTED
Jun-24	$ 7,866,030.70	$ 1,308,888.12	**$ 6,557,142.58**	68,676,498	11,427,600	57,248,898	*$0.020000*	$0.086200	$0.106200	**$ 6,079,832.98**	$ (477,309.60)		**$ 2,082,565.90**	PROJECTED

Danville Utility Commission

STAFF REPORT

DATE: June 24, 2024

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: Grant Funded Capital Projects

Jason Grey will provide information on capital projects that have recently received grant funding. He will also discuss other grant applications that the City has submitted to possibly fund upcoming capital projects.

ATTACHMENTS

1. Capital Projects DUC 062424

Grant Funded Capital Projects

WASTEWATER PLANT PROJECTS

Southside Pumping Station-~$30M

1) Preliminary Engineering Report (completed)

2) 2023 Virginia Department of Environmental Quality Clean Water Revolving Loan program

a) Part of the Federal Bipartisan Infrastructure Law Bill 2021

a) Received low interest loan offer for **$10.5M at 0.5%**

b) Received **$4.5M** in principal forgiveness

b) apply for second round of funding $15M-summer 2024

3) Pump station is currently rated at 7.6 MGD. Need to expand to 11 MGD

Water Capital Projects

1) Virginia Department of Health-Federal Bipartisan Infrastructure Law Bill 2021

   a) $500,000-Lead and Copper Inventory Surveying funds

      I. Inventory due October 16, 2024

   b) $8,000,000-Lead and Copper replacement funding (applied May 2024)

2) Relocation of Westover Pumping Station and associated water main improvements

   a) $7,731,000-(applied May 2024)

   b) construct new pumping station closer to Piedmont Drive

   c) interconnect existing distribution mains to improve fire flow/water quality

3) Berry Hill 20" Water Main Project-Trotter's Creek

   a) Completing an US Economic Development Administration grant for $5,000,000 (60/40 cost share)

   b) the water main project would allow the entire park to be served

Gas Capital Project

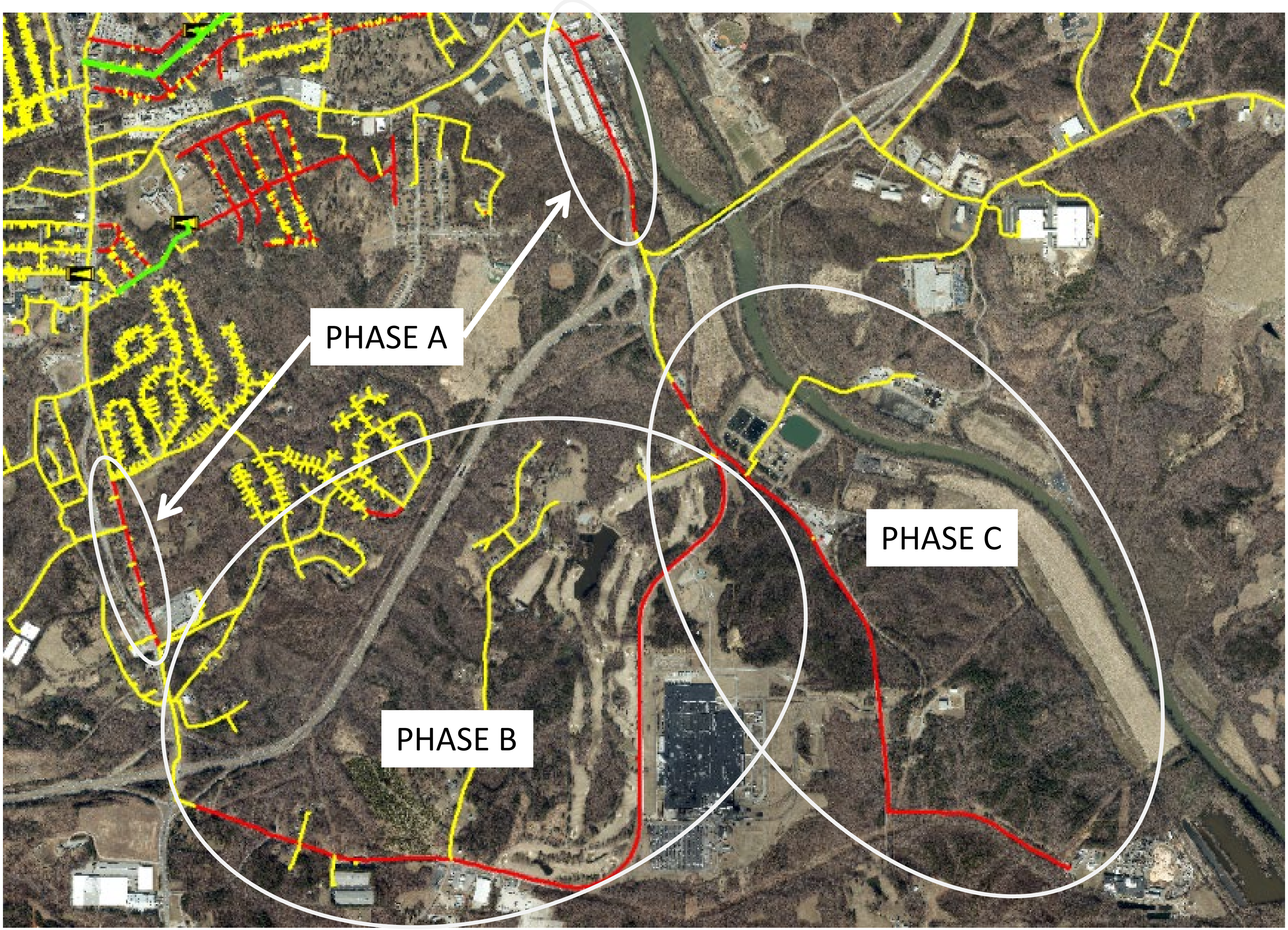
FY23-Replace "Goodyear Gas Main Loop"

- Received **$10,052,738** award on May 10, 2024 (100% Grant funding)
- Replaces leak prone ductile iron gas main with higher capacity steel gas main
- Goodyear Blvd, Gypsum Road & South Main Street
- Funded as part of the Federal Bipartisan Infrastructure Law Bill 2021

FY24 PHMSA Grant Application

- Submitted application on June 18 for $7.6M to replace aged gas main and service lines in various parts of the system. This grant application would upgrade two regulator stations to current technology.

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



Electric Reliability Projects

Distribution

1) Various electric circuit upgrades with new poles and advanced switching technology- $10,000,000
2) Transmission Upgrades-$15,000,000
3) Underground electric conversions- $3,000,000
4) Pinnacles Transmission Upgrades-$5,000,000
5) Various reliability project improvements-$3,000,000

TOTAL=$36,000,000

1) Department of Energy-Grid Resilience and Innovation Partnership Program. Funds are from the Federal Bipartisan Infrastructure Law Bill 2021.

2) Eligible Funding amount based on capital investment made into system over the past five years.

3) City would be responsible for matching $9,000,000 or 25% of project. All projects have to be completed within five years.

4) Awards will be made late November/December timeframe.

DANVILLE UTILITIES

Electric Vehicle Fast Charger-Vistor’s Center

1) Department of Energy-Energy Efficiency and Conservation Block Grant Program (100% grant) $76,580

2) Funds will be used to cover the cost to install DC fast charger at the Visitor's Center

3) Charger would be managed by a 3rd party and charge rates that would cover our electric costs for anyone using the fast charger

4) The DC fast charger can charge a vehicle in less than an hour.

Summary

Funded			
		Grants	**Loans**
Wastewater		$4.5M	$10.5M
Water		$0.5M	
Gas		$10.1M	
Total		**$15.1M**	**$10.5M**
Applied			
		Grants	**Loans**
Wastewater			$15M
Water		$10.9M	$9.9M
Gas		$7.6M	
Electric		$27M	$9M
Total		**$45.5M**	**$33.9M**

Questions?