DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

July 22, 2024

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the June 24, 2024 Commission Meeting
2. Review of May Financial Statements
3. Proposed Distributed Generation Net Metering Policy Changes

ADJOURN

Next Meeting: August 26, 2024 at 4:00pm

Danville Utility Commission

STAFF REPORT

DATE: July 22, 2024

TO: Danville Utility Commission

FROM: Janet Davis, Key Accounts Manager

RE: Minutes of the June 24, 2024 Commission Meeting

Minutes of the June 24, 2024 Commission Meeting

ATTACHMENTS

1. June 24 2024 DUC Minutes

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Danville Utility Commission
4:00 p.m. June 24, 2024 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Ken Larking, Helm Dobbins, Anna Kautzman, Vanessa Cain

Commission Members Absent: Gary Miller, Sheila Williamson-Branch, Murray Whittle, Mary Williamson, Steven Merricks

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

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 April 22, 2024 Commission Meeting

Ms. Cain asked for any corrections, deletions, or adjustments to the minutes from April 22, 2024.

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

Review of Utilities' Financial Statements

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

Grant Funded Capital Projects

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

Mr. Dobbins asked what the terms would be for the second $15 million loan for the upgrades to the Southside Pumping Station should Danville Utilities receive it. Mr. Grey responded that he is hopeful that the same terms will apply as the first $15 million loan, 0.5% interest with some portion of loan forgiveness.

Department Discussions

Mr. Dobbins asked how the demand is being handled because of heat. Mr. Grey responded that some customers were moved proactively to another substation this past weekend due to high load and customers did not notice the change. This was primarily due to one substation being under construction.

There were no comments from the public.

Adjournment

Ms. Cain stated the next meeting is scheduled for July 22, 2024. Mr. Larking made a motion to adjourn. Mr. Dobbins seconded. There being no further business, Ms. Cain adjourned the meeting at 4:28 p.m.

July 22, 2024
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: July 22, 2024

TO: Danville Utility Commission

FROM: Amy Chandler, Assistant Director of Finance

RE: Review of May Financial Statements

May financials will be reviewed.

ATTACHMENTS

1. DUC Financial Statements May 2024

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
MAY 31, 2024

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2024
ASSETS							
Equity in pooled Cash and Investments	$	7,575,193.68	14,455,221.13	15,960,928.09	23,273,528.50	1,358,023.39	62,622,894.79
Receivables (Net of allowances for Uncollectible):							
Accounts		1,209,053.79	1,159,535.19	1,560,947.13	14,401,024.81	46,715.92	18,377,276.84
Power/Gas Cost Recovery		-	-	(145,684.26)	(2,189,596.64)	-	(2,335,280.90)
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		-	1,107,881.23	814,110.87	4,045,211.88	270,041.23	6,237,245.21
Fixed Assets		107,978,839.04	90,786,031.39	73,091,863.33	333,433,234.23	11,328,375.43	616,618,343.42
Accumulated Depreciation		(54,867,687.26)	(46,173,355.40)	(32,634,696.16)	(151,575,722.72)	(5,141,353.25)	(290,392,814.79)
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	$	62,276,405.25	62,035,615.54	59,147,913.00	223,450,783.06	7,944,495.72	414,855,212.57
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	99,373.13	492,007.56	644,938.94	9,502,137.18	32,971.48	10,771,428.29
Accrued Interest Payable		18,679.85	111,687.88	10,742.85	668,400.51	-	809,511.09
Customer Deposits		-		-	4,161,180.17	-	4,161,180.17
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	1,191,984.51	55,572.99	6,040,438.35	-	7,403,596.42
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		-	6,443,657.14	-	11,456,342.86	-	17,900,000.00
Long-Term Leases, Notes, and Contracts Payable		-	-	-	438,584.85	-	438,584.85
TOTAL LIABILITIES	$	1,192,773.21	12,710,401.36	1,326,690.47	76,258,946.72	43,944.68	91,532,756.44
Net Assets							
Contributed Capital	$	4,152,448.78	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,228,113.40
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	47,885,422.77	27,985,361.13	38,532,028.85	107,261,744.45	5,849,773.59	227,514,330.79
Restricted for Incomplete Projects		6,702,511.57	13,798,602.18	7,796,963.55	12,120,678.17	459,492.98	40,878,248.45
Restricted for Subsequent Expenses		1,018,332.41	32,817.25	994.44	1,160,223.60	260.33	2,212,628.03
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		1,231,170.51	2,659,842.70	10,027,592.11	12,419,944.59	1,233,428.55	27,571,978.46
Total Retained Earnings	$	56,931,183.26	44,648,931.26	56,480,711.95	133,470,213.81	7,563,302.45	299,094,342.73
TOTAL NET ASSETS	$	61,083,632.04	49,325,214.18	57,821,222.53	147,191,836.34	7,900,551.04	323,322,456.13
TOTAL LIABILITIES AND NET ASSETS	$	62,276,405.25	62,035,615.54	59,147,913.00	223,450,783.06	7,944,495.72	414,855,212.57

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2024

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2024
Operating revenues:						
Charges for Services	$ 8,428,093.42	8,203,711.00	18,336,464.95	117,331,062.14	809,976.16	153,109,307.67
Operating Expenses:						
Purchased Services	$ -	-	10,485,151.02	90,103,271.69	60,474.69	100,648,897.40
Production	-	-	-	1,524.14	-	1,524.14
Transmission & Treatment	2,910,047.42	1,736,813.99	-	1,822,867.23	-	6,469,728.64
Engineering	-	229,934.92	243,130.95	1,278,005.96	-	1,751,071.83
Distribution	1,775,515.06	835,207.49	949,317.07	5,427,023.85	-	8,987,063.47
Service	94,509.34	138,562.26	44,784.82	-	-	277,856.42
Meters & Regulators	-	117,792.78	127,245.90	476,397.09	-	721,435.77
Administrative	2,591,634.96	3,336,765.68	3,522,841.76	13,165,254.46	793,703.58	23,410,200.44
Total Operating Expenses	$ 7,371,706.78	6,395,077.12	15,372,471.52	112,274,344.42	854,178.27	142,267,778.11
Operating Income (Loss)	$ 1,056,386.64	1,808,633.88	2,963,993.43	5,056,717.72	(44,202.11)	10,841,529.56
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	35,912.31	265,106.61	562,066.99	2,027,928.74	15,133.33	2,906,147.98
Interest Income	173,805.93	332,286.22	346,221.64	562,993.99	28,957.68	1,444,265.46
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	5,250.00	-	33,780.00	28,247.00	-	67,277.00
Recoveries and Rebates	-	-	421.12	(55,219.99)	-	(54,798.87)
Interest Expense	(43,058.32)	(371,641.96)	(23,846.61)	(1,913,170.24)	-	(2,351,717.13)
Total Non-Operating Revenues (Expenses)	$ 171,909.92	225,750.87	918,643.14	650,779.50	44,091.01	2,011,174.44
Income (Loss) Before Operating Transfers	$ 1,228,296.56	2,034,384.75	3,882,636.57	5,707,497.22	(111.10)	12,852,704.00
Operating Transfers:						
Transfers In (Out)	(646,946.63)	(885,775.00)	(2,932,719.13)	(8,749,309.13)	(74,250.00)	(13,288,999.89)
Total Operating Transfers	$ (646,946.63)	(885,775.00)	(2,932,719.13)	(8,749,309.13)	(74,250.00)	(13,288,999.89)
Net Income (Loss)	$ 581,349.93	1,148,609.75	949,917.44	(3,041,811.91)	(74,361.10)	(436,295.89)
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)	581,349.93	1,148,609.75	949,917.44	(3,041,811.91)	(74,361.10)	(436,295.89)
Contribution In Aid of Construction	62,251.18	-	-	-	-	62,251.18
Net Assets -June 30, 2024	$ 61,083,632.04	49,325,214.18	57,821,222.53	147,191,836.34	7,900,551.04	323,322,456.13

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2024

WASTEWATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	MAY 2024	PERCENT OF CURRENT BUDGET	MAY 2023
OPERATING REVENUE	9,955,550.00		9,955,550.00	8,428,093.42	84.66%	8,231,754.63
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,941,690.00	56,981.91	3,998,671.91	2,910,047.42	72.78%	3,175,270.96
ENGINEERING	-	-	-	-		-
DISTRIBUTION	1,908,710.00	189,651.62	2,098,361.62	1,775,515.06	84.61%	1,406,357.45
SERVICE	160,600.00	-	160,600.00	94,509.34	58.85%	53,769.40
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,959,530.00	-	1,959,530.00	1,835,552.87	93.67%	1,859,704.00
BAD DEBT	36,000.00	-	36,000.00	72,230.43	200.64%	79,327.97
GENERAL & ADMINISTRATIVE	749,350.00	-	749,350.00	683,851.66	91.26%	670,386.98
TOTAL OPERATING EXPENSES	8,755,880.00	246,633.53	9,002,513.53	7,371,706.78	81.88%	7,244,816.76
OPERATING INCOME (LOSS)	1,199,670.00	(246,633.53)	953,036.47	1,056,386.64	110.84%	986,937.87
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	58,640.00		58,640.00	173,805.93	296.39%	98,926.36
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	5,250.00		-
JOBBING INCOME (LOSS)	35,000.00		35,000.00	35,912.31	102.61%	27,469.33
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	1,228,296.56	122.39%	1,062,836.39
OPERATING TRANSFERS IN (OUT)	(705,760.00)		(705,760.00)	(646,946.63)	91.67%	(646,946.63)
NET INCOME AFTER TRANSFERS	544,480.00	(246,633.53)	297,846.47	581,349.93	195.18%	415,889.76
CONTRIBUTION IN AID	40,000.00		40,000.00	62,251.18	155.63%	
REGULAR CAPITAL MAINTENANCE	(1,616,990.00)	(4,959.50)	(1,621,949.50)	(178,429.77)	11.00%	
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	1,835,552.87	93.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2024

WATER

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	MAY 2024	PERCENT OF CURRENT BUDGET	MAY 2023
OPERATING REVENUE	8,929,030.00		8,929,030.00	8,203,711.00	91.88%	7,461,409.59
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,177,120.00	7,212.99	2,184,332.99	1,736,813.99	79.51%	1,932,962.13
ENGINEERING	404,550.00	1,220.00	405,770.00	229,934.92	56.67%	200,085.42
DISTRIBUTION	891,480.00	12,521.00	904,001.00	835,207.49	92.39%	675,997.20
SERVICE	260,310.00		260,310.00	138,562.26	53.23%	77,213.34
METERS & REGULATORS	123,310.00		123,310.00	117,792.78	95.53%	92,312.57
DEPRECIATION	1,494,790.00		1,494,790.00	1,416,149.93	94.74%	1,522,279.00
BAD DEBT	30,000.00		30,000.00	61,854.75	206.18%	83,378.93
GENERAL & ADMINISTRATIVE	2,023,620.00	10,160.00	2,033,780.00	1,858,761.00	91.39%	1,935,044.64
TOTAL OPERATING EXPENSES	7,405,180.00	31,113.99	7,436,293.99	6,395,077.12	86.00%	6,519,273.23
OPERATING INCOME (LOSS)	1,523,850.00	(31,113.99)	1,492,736.01	1,808,633.88	121.16%	942,136.36
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	69,670.00		69,670.00	332,286.22	476.94%	136,269.61
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	265,106.61	200.84%	152,801.30
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	2,034,384.75	168.22%	1,150,532.18
OPERATING TRANSFERS IN (OUT)	(966,300.00)		(966,300.00)	(885,775.00)	91.67%	(873,858.37)
NET INCOME AFTER TRANSFERS	274,140.00	(31,113.99)	243,026.01	1,148,609.75	472.63%	276,673.81

CONTRIBUTION IN AID	-		-	-	0.00%
REGULAR CAPITAL MAINTENANCE	(1,128,280.00)	(375,386.98)	(1,503,666.98)	(1,328,889.76)	88.38%
CAPITAL PROJECTS	(680,000.00)	(11,632,968.98)	(12,312,968.98)	(5,689,144.02)	46.20%
DEBT SERVICE	(242,600.00)		(242,600.00)	(242,595.95)	100.00%
DEPRECIATION	1,494,790.00		1,494,790.00	1,416,149.93	94.74%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2024

GAS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	MAY 2024	PERCENT OF CURRENT BUDGET	MAY 2023
OPERATING REVENUE	27,234,710.00		27,234,710.00	18,336,464.95	67.33%	24,582,371.70
	-					
COST OF SALES	-					
PURCHASED SERVICES	18,221,520.00		18,221,520.00	10,485,151.02	57.54%	16,815,506.42
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	18,221,520.00	-	18,221,520.00	10,485,151.02		16,815,506.42
GROSS PROFIT	9,013,190.00	-	9,013,190.00	7,851,313.93		7,766,865.28
GROSS PROFIT %	33.09%		33.09%	42.82%		31.60%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	378,230.00		378,230.00	243,130.95	64.28%	202,362.40
DISTRIBUTION	863,640.00	34,521.00	898,161.00	949,317.07	105.70%	668,949.86
SERVICE	258,810.00		258,810.00	44,784.82	17.30%	47,121.65
METERS & REGULATORS	159,230.00		159,230.00	127,245.90	79.91%	125,549.95
DEPRECIATION	1,554,450.00		1,554,450.00	1,470,616.01	94.61%	1,549,559.00
BAD DEBT	50,000.00		50,000.00	131,926.96	263.85%	138,372.31
GENERAL & ADMINISTRATIVE	2,205,950.00	19,003.40	2,224,953.40	1,920,298.79	86.31%	1,728,656.32
TOTAL OPERATING EXPENSES	5,470,310.00	53,524.40	5,523,834.40	4,887,320.50	88.48%	4,460,571.49
OPERATING INCOME (LOSS)	3,542,880.00	(53,524.40)	3,489,355.60	2,963,993.43	84.94%	3,306,293.79
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	100,110.00		100,110.00	346,221.64	345.84%	156,299.45
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	562,066.99	484.79%	146,565.69
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	3,882,636.57	105.46%	3,599,610.62
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)		(3,199,330.00)	(2,932,719.13)	91.67%	(2,929,969.13)
NET INCOME AFTER TRANSFERS	535,750.00	(53,524.40)	482,225.60	949,917.44	196.99%	669,641.49
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(558,860.00)	(111,294.17)	(670,154.17)	(703,456.01)	104.97%	
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	1,416,768.97	91.14%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2024

ELECTRIC

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	MAY 2024	PERCENT OF CURRENT BUDGET	MAY 2023
OPERATING REVENUE	132,932,400.00		132,932,400.00	117,331,062.14	88.26%	116,721,315.44
COST OF SALES						
PURCHASED SERVICES	97,843,510.00		97,843,510.00	90,103,271.69	92.09%	89,735,755.49
PRODUCTION	-	-	-	1,524.14		1,709.63
TOTAL COST OF SALES	97,843,510.00	-	97,843,510.00	90,104,795.83		89,737,465.12
GROSS PROFIT	35,088,890.00	-	35,088,890.00	27,226,266.31		26,983,850.32
GROSS PROFIT %	26.40%		26.40%	23.20%		23.12%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,686,950.00	32,875.71	1,719,825.71	1,822,867.23	105.99%	1,624,993.71
ENGINEERING	1,373,980.00	104,816.41	1,478,796.41	1,278,005.96	86.42%	763,580.91
DISTRIBUTION	5,165,740.00	365,506.45	5,531,246.45	5,427,023.85	98.12%	5,627,142.99
SERVICE	-		-	-		-
METERS & REGULATORS	384,260.00		384,260.00	476,397.09	123.98%	426,501.25
DEPRECIATION	8,104,400.00		8,104,400.00	7,641,123.17	94.28%	7,971,711.00
BAD DEBT	375,000.00		375,000.00	550,219.05	146.73%	805,577.64
GENERAL & ADMINISTRATIVE	5,984,870.00	430,962.21	6,415,832.21	4,973,912.24	77.53%	5,533,115.08
TOTAL OPERATING EXPENSES	23,075,200.00	934,160.78	24,009,360.78	22,169,548.59	92.34%	22,752,622.58
OPERATING INCOME (LOSS)	12,013,690.00	(934,160.78)	11,079,529.22	5,056,717.72	45.64%	4,231,227.74
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	202,680.00		202,680.00	562,993.99	277.77%	331,276.63
RECOVERIES AND REBATES	(100,000.00)		(100,000.00)	(55,219.99)	55.22%	624,906.91
GAIN/LOSS ON DISPOSAL	30,000.00		30,000.00	28,247.00	94.16%	81,956.64
JOBBING INCOME (LOSS)	881,450.00	(421,488.00)	459,962.00	2,027,928.74	440.89%	1,496,256.41
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	5,707,497.22	61.38%	5,110,075.72
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)		(10,635,610.00)	(8,749,309.13)	82.26%	(9,691,559.13)
NET INCOME AFTER TRANSFERS	18,010.00	(1,355,648.78)	(1,337,638.78)	(3,041,811.91)	227.40%	(4,581,483.41)

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)	(5,052,801.57)	68.34%	
CAPITAL PROJECTS	-	(6,359,647.79)	(6,359,647.79)	(9,986,989.04)	157.04%	
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	7,641,123.17	94.28%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2024

TELECOMMUNICATIONS

	ORIGINAL BUDGET 2023-24	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 2023-24	MAY 2024	PERCENT OF CURRENT BUDGET	MAY 2023
OPERATING REVENUE	679,200.00		679,200.00	809,976.16	119.25%	787,363.22
COST OF SALES						
PURCHASED SERVICES	60,000.00		60,000.00	60,474.69	100.79%	67,929.66
PRODUCTION			-	-		-
TOTAL COST OF SALES	60,000.00	-	60,000.00	60,474.69		67,929.66
GROSS PROFIT	619,200.00	-	619,200.00	749,501.47		719,433.56
GROSS PROFIT %	91.17%		91.17%	92.53%		91.37%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
DEPRECIATION	437,520.00		437,520.00	410,915.50	93.92%	445,148.00
BAD DEBT	-		-	-		1,987.67
GENERAL & ADMINISTRATIVE	424,900.00	1,000.00	425,900.00	382,788.08	89.88%	386,630.44
TOTAL OPERATING EXPENSES	862,420.00	1,000.00	863,420.00	793,703.58	91.93%	833,766.11
OPERATING INCOME (LOSS)	(243,220.00)	(1,000.00)	(244,220.00)	(44,202.11)	18.10%	(114,332.55)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	7,150.00		7,150.00	28,957.68	405.00%	12,511.58
RECOVERIES AND REBATES			-	-		-
GAIN/LOSS ON DISPOSAL			-	-		-
JOBBING INCOME (LOSS)	(4,000.00)		(4,000.00)	15,133.33	-378.33%	(1,418.89)
INTEREST ON LONG TERM INDEBTEDNESS			-	-		-
NET INCOME (LOSS)	(240,070.00)	(1,000.00)	(241,070.00)	(111.10)	0.05%	(103,239.86)
OPERATING TRANSFERS IN (OUT)	(81,000.00)		(81,000.00)	(74,250.00)	91.67%	(74,250.00)
NET INCOME AFTER TRANSFERS	(321,070.00)	(1,000.00)	(322,070.00)	(74,361.10)	23.09%	(177,489.86)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(50,000.00)		(50,000.00)	(81,654.43)	163.31%	
CAPITAL PROJECTS	-	(511,734.11)	(511,734.11)	(20,586.70)	0.00%	
DEPRECIATION	437,520.00		437,520.00	410,915.50	93.92%	

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**	
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	$ 3.41544	$ 3.47504	$ -	$ -		$ 3.13333	$ 3.13333	$ 159,729.77	$ 319,505.69	$ 381,788.39	$ 62,282.70		$145,684.27	Final
Jun-24	$ 3.50129	$ 3.57274	$ 1.00000	$ -		$ 4.57274	$ 3.57274	$ (1,915.89)	$370,783.53	$ 508,216.41	$ 137,432.88		$283,117.15	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	$ 7,997,325.13	$ 1,462,056.75	**$ 6,535,268.38**	65,363,288	11,949,600	53,413,688	*$0.045000*	$0.086200	$0.131200	**$ 7,007,875.87**	$ 472,607.49		**$ 2,189,596.62**	ACTUAL
Jun-24	$ 7,866,030.70	$ 1,308,888.12	**$ 6,557,142.58**	68,676,498	11,427,600	57,248,898	*$0.015000*	$0.086200	$0.101200	**$ 5,793,588.49**	$ (763,554.09)		**$ 1,426,042.54**	PROJECTED

Danville Utility Commission

STAFF REPORT

DATE: July 22, 2024

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: Proposed Distributed Generation Net Metering Policy Changes

Jason Grey will provide information on the proposed revisions to the distributed generation net metering policy.

Recommendation: A suggested motion follows:
I move that the Danville Utility Commission approves the revisions to the distributed generation net metering policy including system size limitations and the option to enter into purchase power agreements for systems above net metering limits.

ATTACHMENTS

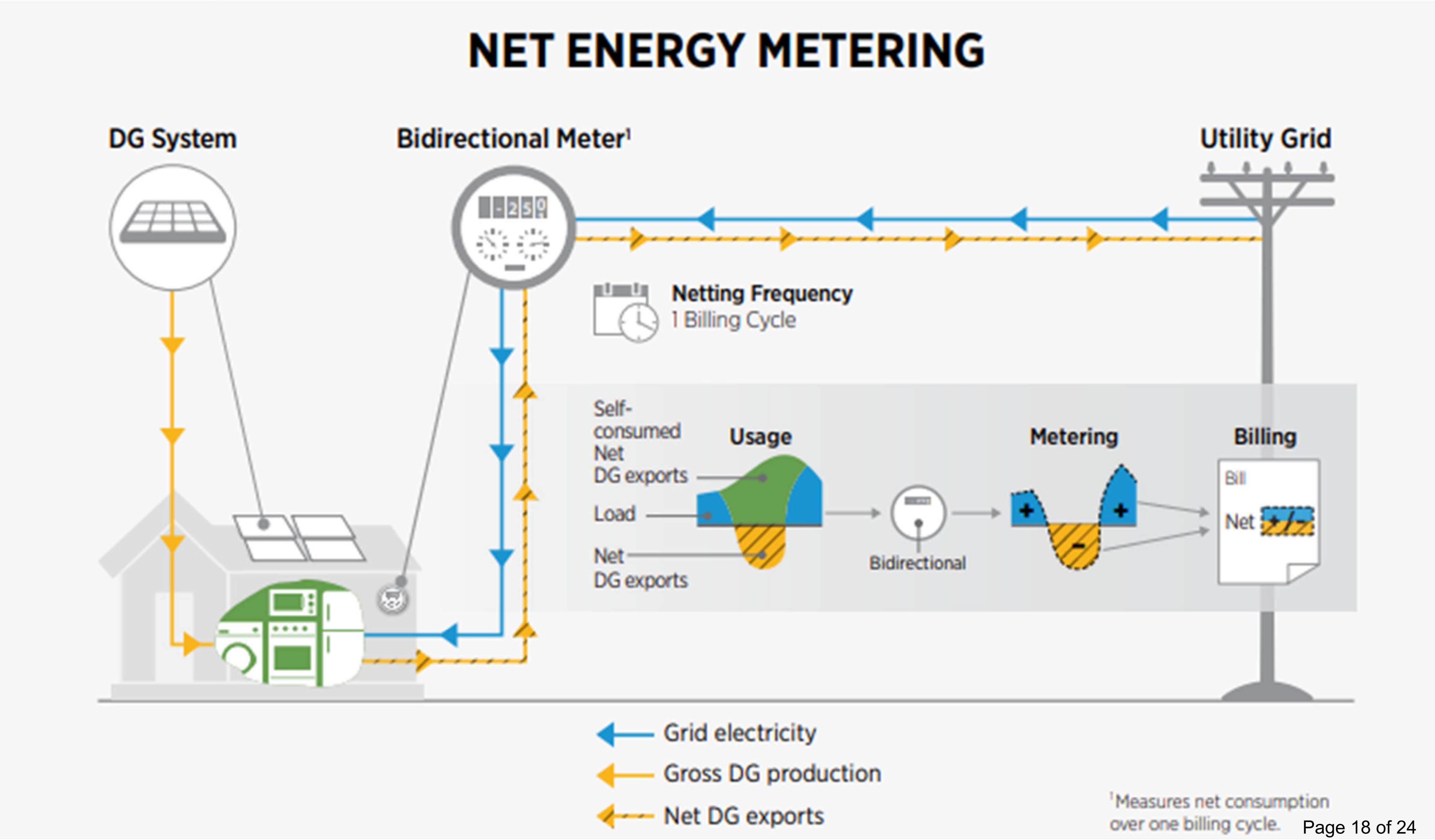
1. Net Metering Changes DUC 072224

Proposed Distributed Generation Net Metering Changes

What is Net Meter Metering??

Net metering- a billing mechanism that allows consumers who generate some or all of their own electricity to use that electricity anytime, instead of when it is generated. This is particularly important with renewable energy sources like wind and solar, which are non-dispatchable

What is Net Meter Metering??



# of current Net Metering Customers

- 220 net metering customers (July 1, 2024)
- 99% are residential customers
- Avg. residential customer system size
  - 7.5 KW
- Avg. commercial system size
  - 80 kW
- Growing number of requests over the past two years due to additional federal funding

City’s stance on roof-top solar/distributed generation

- We want to help customers make an informed decision on roof-top solar
- Information and other free resources on our Danville Utilities website about the pros-cons of roof-top solar
- Interconnection agreement required (website)

Net Metering Concerns

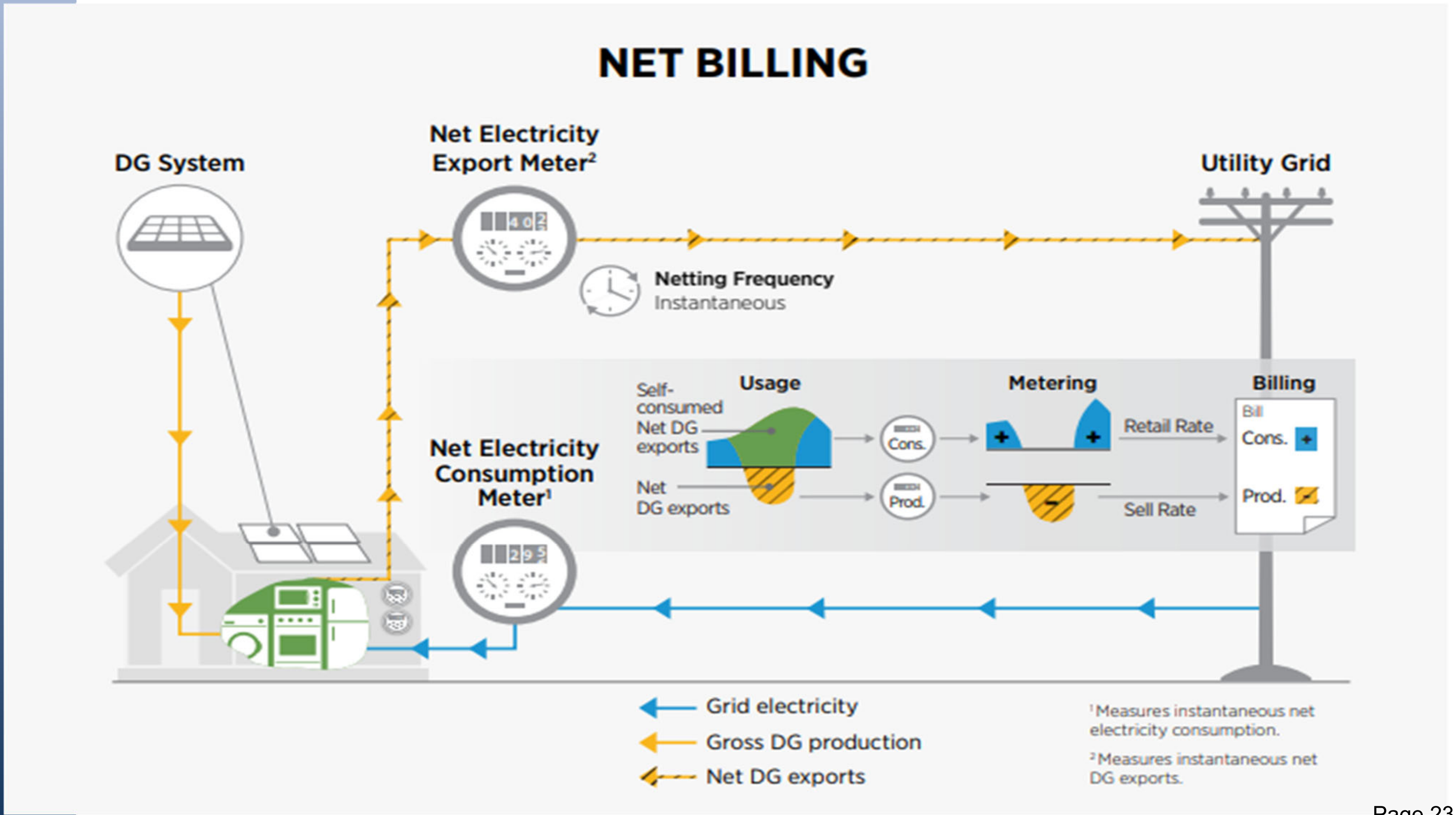
- Excess energy credits generated during lower cost summer months (avg $45/mWh) are being used during higher cost winter months (avg $80/mWh)
- Other non-net metering customers potentially could be subsidizing energy costs if systems are not sized appropriately
- Without limitations on system sizes, customers can install large systems that are 2 or 3 times the size of their electric needs to build-up credits for winter months and nighttime hours.
- Utility will not be able to collect fixed costs for system maintenance.

Policy Revisions

- Limit system size to 20 KW-Residential & 1,000 kW Non-residential
- Further limit distributed generation system size based on customer's highest 12-month peak demand. New customers will be required to provide a certified engineer's load projection.
- Requests above system limits will be required to enter into a purchase power agreement with Danville Utilities at the utility's avoided cost rate.

Next Steps

- 2025 Biennial Rate Study
  - Review “Net Billing” approach
  - No net metering credits
  - Excess energy sold at fixed rate



Questions?