



## DANVILLE UTILITY COMMISSION AGENDA

### CITY COUNCIL CHAMBERS

February 24, 2025

4:00 PM

#### A. CALL TO ORDER

#### B. ROLL CALL

#### C. ITEMS FOR DISCUSSION

1. Minutes of the January 27, 2025 Commission Meeting
2. Review of December Financial Statements
3. FY26 Budget Follow-up
4. Smart Thermostat Program-Residential Peak Shaving

#### D. PUBLIC COMMENT

*Members of the public who desire to speak on any item not on the agenda will be heard during this period. The Chairman/Vice Chairman of the Commission may restrict the number of speakers and limit the length of public comment to three minutes for individuals and five minutes for groups. The group must be present and have a single speaker to be eligible for the five-minute comment period. Sign up shall be in-person and closes when the meeting starts. Comments shall be limited to the provision of information to the Commission and not for the answering of questions.*

#### ADJOURN

*Next Meeting: March 24, 2025 at 4:00pm*



**Danville Utility  
Commission**

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# STAFF REPORT

DATE: February 24, 2025  
TO: Danville Utility Commission  
FROM:  
RE: Minutes of the January 27, 2025 Commission Meeting

## ATTACHMENTS

1. January 27 2025 DUC Minutes



**Danville Utility Commission**  
4:00 p.m. January 27, 2025 Meeting  
Council Chambers, City Hall  
**Minutes**

**Commission Members Present:** Michael Adkins\*, Helm Dobbins, Vanessa Cain, Mary Williamson, Steven Merricks, Gary Miller, Murray Whittle, Anna Kautzman

\*Acting City Manager

**Commission Members Absent:** Sheila Williamson-Branch

**Staff Present:** Jason Grey, Ryan Dodson, Tiffany Swanson-Jones, Janet Davis, Amy Chandler, Henrietta Weaver, Ken Larking (Arrived late. Mr. Adkins acted as City Manager until arrival due to scheduling conflict)

**Others Present:**

**Call to Order**

Chairman Kautzman 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 December 10, 2024 Commission Meeting**

Ms. Kautzman asked for any corrections, deletions, or adjustments to the minutes from December 10, 2024.

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

**Review of Utilities' Financial Statements**

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

Dr. Miller asked about how Caesar's has affected utilities, particularly natural gas and water. Ms. Chandler replied that it was too soon to see how this will reflect in the budget as the new facility just recently opened.

### 2025 Biennial Rate Study Follow-up

Mr. Grey presented a summary of the suggested recommendations from the rate study performed by Utility Financial Solutions.

Ms. Kautzman asked how the proposed increases compare to other utilities. Mr. Grey responded that other utilities have seen double digit rate increases and commended the Commission, City Council for keeping the financials within the biennial rate study recommendations to keep the increases minimal.

A motion was made by Mr. Adkins and seconded by Ms. Cain that the Danville Utility Commission recommend the 2025 biennial rate study to City Council for fiscal years 2026/2027 including the various rate adjustments to meet cost of service requirements. All present members voted in favor, and the motion carried unanimously.

### Introduction to Fiscal Year 2026 Utilities Budget

Ms. Swanson-Jones presented the proposed Wastewater, Water, Gas, Electric and Telecommunication budgets for FY2026. Mr. Grey presented capital improvement projects.

#### **Wastewater**

The wastewater budget contains capital funding for new sewer lines, sewer line reconstruction, and Southside plant improvements.

#### **Water**

The water budget contains capital funding for water line reconstruction and lead service line replacement.

#### **Gas**

The gas budget contains capital funding for gas gate replacement, ductile iron gas main replacement, and gas system regulator station upgrades.

#### **Electric**

The electric budget contains capital funding for substation upgrades, electric system reliability and improvement, and Mount Cross Battery Storage.

### Department Discussions

Mr. Larking apologized for his tardiness and thanked Mr. Adkins for acting on his behalf and making the motion to approve the rate study recommendations to send to City Council for approval.

There was no comment from the public.

**Adjournment**

Ms. Kautzman announced that the next Utility Commission meeting will be Monday, February 24 at 4:00pm. Being no further business, a motion was made by Mr. Dobbins and seconded by Ms. Cain that the meeting be adjourned. The meeting was adjourned at 4:48pm.

Submitted by Janet C. Davis  
Secretary to the DUC

**February 24, 2025**  
\_\_\_\_\_  
Date Approved  
  
\_\_\_\_\_  
Chairman  
Danville Utility Commission



**Danville Utility  
Commission**

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# STAFF REPORT

DATE: February 24, 2025  
TO: Danville Utility Commission  
FROM: Amy Chandler, Assistant Director of Finance  
RE: Review of December Financial Statements

December financials will be reviewed.

## **ATTACHMENTS**

1. All Utilities Financial Statements Dec 2024

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

	<b>WASTEWATER</b>	<b>WATER</b>	<b>GAS</b>	<b>ELECTRIC</b>	<b>TELECOM</b>	<b>DECEMBER 31, 2024</b>
<b>ASSETS</b>						
Equity in pooled Cash and Investments	\$ 7,828,229.64	15,354,063.19	10,961,495.26	23,474,694.05	1,448,875.97	59,067,358.11
Receivables (Net of allowances for Uncollectible):						
Accounts	1,317,885.54	1,205,469.97	2,423,929.73	15,990,904.69	29,169.99	20,967,359.92
Power/Gas Cost Recovery	-	-	(163,643.74)	(2,874,268.13)	-	(3,037,911.87)
Prepays	-	-	-	40,871.67	-	40,871.67
Pension Assets	241.00	437.00	339.00	1,270.00	52.00	2,339.00
Inventory of Gas, Materials and Supplies, at Cost	-	1,052,163.51	986,823.63	3,658,537.63	237,041.77	5,934,566.54
Fixed Assets	109,129,251.01	91,860,184.13	73,721,346.72	347,833,730.31	11,367,412.28	633,911,924.45
Accumulated Depreciation	(55,955,956.11)	(46,924,639.14)	(33,436,460.56)	(155,898,303.71)	(5,351,251.08)	(297,566,610.60)
Deferred Outflows - Pension	204,863.00	370,729.00	287,487.00	1,077,328.00	44,446.00	1,984,853.00
<b>TOTAL ASSETS</b>	<b>\$ 62,524,514.08</b>	<b>62,918,407.66</b>	<b>54,781,317.04</b>	<b>233,304,764.51</b>	<b>7,775,746.93</b>	<b>421,304,750.22</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 520,952.00	1,206,701.09	1,450,894.75	12,945,740.45	38,772.78	16,163,061.07
Accrued Interest Payable	15,546.25	112,859.51	8,814.80	614,005.89	-	751,226.45
Customer Deposits	-	-	-	4,094,540.99	-	4,094,540.99
Accrued Vacation, Sick Leave & Workers Comp.	720.00	172,113.20	95,148.63	671,420.51	10,630.38	950,032.72
Deferred Gain / Loss - Refunding Bonds	(78,868.45)	(76,871.53)	(39,796.29)	(883,111.04)	-	(1,078,647.31)
Original Issue Premium/Discount (Refunding Bonds)	100,565.96	1,325,392.63	47,116.76	6,446,030.99	-	7,919,106.34
General Obligation Bonds Payable	901,992.26	5,897,492.81	481,125.49	48,935,312.79	-	56,215,923.35
Revenue Bonds Payable	-	6,443,657.14	-	11,456,342.86	-	17,900,000.00
Long-Term Leases, Notes, and Contracts Payable	-	62,247.58	62,247.58	589,574.35	-	714,069.51
<b>TOTAL LIABILITIES</b>	<b>\$ 1,460,908.02</b>	<b>15,143,592.43</b>	<b>2,105,551.72</b>	<b>84,869,857.79</b>	<b>49,403.16</b>	<b>103,629,313.12</b>
<b>Net Assets</b>						
Contributed Capital	\$ 4,184,549.78	4,676,282.92	1,340,510.58	13,721,622.53	337,248.59	24,260,214.40
<b>Retained Earnings:</b>						
Restricted for Investment in Fixed Assets	\$ 48,065,055.35	26,607,343.44	38,393,682.04	112,259,228.47	5,678,912.61	231,004,221.91
Restricted for Incomplete Projects	7,391,804.94	12,831,624.85	4,529,406.91	14,504,428.54	529,755.24	39,787,020.48
Restricted for Subsequent Expenses	1,693,587.90	84,428.16	31,730.50	1,962,985.31	1,858.78	3,774,590.65
Net Pension Assets	241.00	437.00	339.00	1,270.00	52.00	2,339.00
Deferred Outflows - Pension	204,863.00	370,729.00	287,487.00	1,077,328.00	44,446.00	1,984,853.00
Unrestricted	(271,632.91)	3,574,698.86	8,380,096.29	5,985,371.87	1,178,516.55	18,847,050.66
<b>Total Retained Earnings</b>	<b>\$ 56,879,056.28</b>	<b>43,098,532.31</b>	<b>51,335,254.74</b>	<b>134,713,284.19</b>	<b>7,389,095.18</b>	<b>293,415,222.70</b>
<b>TOTAL NET ASSETS</b>	<b>\$ 61,063,606.06</b>	<b>47,774,815.23</b>	<b>52,675,765.32</b>	<b>148,434,906.72</b>	<b>7,726,343.77</b>	<b>317,675,437.10</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 62,524,514.08</b>	<b>62,918,407.66</b>	<b>54,781,317.04</b>	<b>233,304,764.51</b>	<b>7,775,746.93</b>	<b>421,304,750.22</b>

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

	<u>WASTEWATER</u>	<u>WATER</u>	<u>GAS</u>	<u>ELECTRIC</u>	<u>TELECOM</u>	<u>DECEMBER 31, 2024</u>
Operating revenues:						
Charges for Services	\$ 4,958,366.43	4,805,517.87	7,199,312.28	70,192,337.64	399,503.76	87,555,037.98
Operating Expenses:						
Purchased Services	\$ -	-	4,697,579.29	51,705,805.48	32,090.71	56,435,475.48
Production	-	-	-	-	-	-
Transmission & Treatment	1,905,214.48	1,013,764.77	-	979,650.92	-	3,898,630.17
Engineering	-	127,108.76	139,639.22	688,575.04	-	955,323.02
Distribution	1,032,697.59	557,448.04	544,230.76	3,112,410.85	-	5,246,787.24
Service	67,842.70	85,381.05	28,788.04	-	-	182,011.79
Meters & Regulators	-	61,614.72	73,190.91	278,303.03	-	413,108.66
Administrative	1,450,074.79	1,994,244.29	2,011,455.24	7,446,727.74	484,466.08	13,386,968.14
Total Operating Expenses	\$ 4,455,829.56	3,839,561.63	7,494,883.46	64,211,473.06	516,556.79	80,518,304.50
Operating Income (Loss)	\$ 502,536.87	965,956.24	(295,571.18)	5,980,864.58	(117,053.03)	7,036,733.48
Non-Operating Revenues (Expenses):						
Jobbing Income (Loss)	22,632.39	158,550.96	276,110.64	789,533.31	18,259.19	1,265,086.49
Interest Income	76,879.24	136,593.78	134,846.89	239,980.45	14,746.45	603,046.81
Energy Efficiency Recovery	-	-	-	-	-	-
Gain (Loss) on Disposal of Property	1,451.00	-	-	2,175.00	-	3,626.00
Recoveries and Rebates	-	-	180.08	148,319.64	-	148,499.72
Interest Expense	(19,460.79)	(252,409.61)	(10,730.73)	(1,112,952.80)	-	(1,395,553.93)
Total Non-Operating Revenues (Expenses)	\$ 81,501.84	42,735.13	400,406.88	67,055.60	33,005.64	624,705.09
Income (Loss) Before Operating Transfers	\$ 584,038.71	1,008,691.37	104,835.70	6,047,920.18	(84,047.39)	7,661,438.57
Operating Transfers:						
Transfers In (Out)	(352,879.98)	(483,150.00)	(4,599,664.98)	(5,317,804.98)	(40,500.00)	(10,793,999.94)
Total Operating Transfers	\$ (352,879.98)	(483,150.00)	(4,599,664.98)	(5,317,804.98)	(40,500.00)	(10,793,999.94)
Net Income (Loss)	\$ 231,158.73	525,541.37	(4,494,829.28)	730,115.20	(124,547.39)	(3,132,561.37)
Net Assets - July 1, 2024, as restated	60,808,611.33	47,249,273.86	57,170,594.60	147,704,791.52	7,850,891.16	320,784,162.47
Net Income (Loss)	231,158.73	525,541.37	(4,494,829.28)	730,115.20	(124,547.39)	(3,132,561.37)
Contribution In Aid of Construction	23,836.00	-	-	-	-	23,836.00
Net Assets -June 30, 2025	\$ 61,063,606.06	47,774,815.23	52,675,765.32	148,434,906.72	7,726,343.77	317,675,437.10

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

**WASTEWATER**

	<u>ORIGINAL BUDGET 24-25</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 24-25</u>	<u>DECEMBER 2024</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>DECEMBER 2023</u>
OPERATING REVENUE	9,313,207.00		9,313,207.00	4,958,366.43	53.24%	4,585,994.34
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	3,885,859.00	138,670.59	4,024,529.59	1,905,214.48	47.34%	1,809,323.76
ENGINEERING	-	-	-	-		-
DISTRIBUTION	2,023,432.87	29,058.31	2,052,491.18	1,032,697.59	50.31%	944,193.73
SERVICE	178,689.57	-	178,689.57	67,842.70	37.97%	52,031.27
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,967,370.00	-	1,967,370.00	983,685.00	50.00%	999,423.52
BAD DEBT	36,000.00	-	36,000.00	40,304.74	111.96%	58,024.60
GENERAL & ADMINISTRATIVE	871,445.42	-	871,445.42	426,085.05	48.89%	378,639.96
TOTAL OPERATING EXPENSES	8,962,796.86	167,728.90	9,130,525.76	4,455,829.56	48.80%	4,241,636.84
OPERATING INCOME (LOSS)	<u>350,410.14</u>	<u>(167,728.90)</u>	<u>182,681.24</u>	<u>502,536.87</u>	<u>275.09%</u>	<u>344,357.50</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	36,600.00		36,600.00	76,879.24	210.05%	64,573.06
RECOVERIES AND REBATES	-		-	-		-
GAIN/LOSS ON DISPOSAL	-		-	1,451.00		5,250.00
JOBGING INCOME (LOSS)	34,000.00		34,000.00	22,632.39	66.57%	17,638.72
INTEREST ON LONG TERM INDEBTEDNESS	<u>(35,250.00)</u>		<u>(35,250.00)</u>	<u>(19,460.79)</u>	<u>55.21%</u>	<u>(23,283.84)</u>
NET INCOME (LOSS)	<u>385,760.14</u>	<u>(167,728.90)</u>	<u>218,031.24</u>	<u>584,038.71</u>	<u>267.87%</u>	<u>408,535.44</u>
OPERATING TRANSFERS IN (OUT)	<u>(705,760.00)</u>		<u>(705,760.00)</u>	<u>(352,879.98)</u>	<u>50.00%</u>	<u>(352,879.98)</u>
NET INCOME AFTER TRANSFERS	<u><u>(319,999.86)</u></u>	<u><u>(167,728.90)</u></u>	<u><u>(487,728.76)</u></u>	<u><u>231,158.73</u></u>	<u><u>-47.39%</u></u>	<u><u>55,655.46</u></u>
CONTRIBUTION IN AID	40,000.00		40,000.00	23,836.00	59.59%	
REGULAR CAPITAL MAINTENANCE	(941,143.73)	(79,023.83)	(1,020,167.56)	(133,127.11)	13.05%	
CAPITAL PROJECTS	(600,000.00)	(6,378,802.08)	(6,978,802.08)	(412,996.50)	5.92%	
DEBT SERVICE	(160,370.00)		(160,370.00)	(147,289.50)	91.84%	
DEPRECIATION	1,967,370.00		1,967,370.00	983,685.00	50.00%	

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

**WATER**

	<u>ORIGINAL BUDGET 24-25</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 24-25</u>	<u>DECEMBER 2024</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>DECEMBER 2023</u>
OPERATING REVENUE	9,079,151.00		9,079,151.00	4,805,517.87	52.93%	4,525,887.30
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,272,223.40	-	2,272,223.40	1,013,764.77	44.62%	938,804.10
ENGINEERING	355,350.56	16,506.25	371,856.81	127,108.76	34.18%	121,978.35
DISTRIBUTION	1,294,085.31	1,846.00	1,295,931.31	557,448.04	43.02%	413,485.20
SERVICE	198,825.32	-	198,825.32	85,381.05	42.94%	61,431.24
METERS & REGULATORS	154,191.23	-	154,191.23	61,614.72	39.96%	61,322.31
DEPRECIATION	1,519,860.00	-	1,519,860.00	759,930.06	50.00%	770,357.88
BAD DEBT	30,000.00	-	30,000.00	36,923.92	123.08%	51,144.35
GENERAL & ADMINISTRATIVE	2,532,955.04	100.00	2,533,055.04	1,197,390.31	47.27%	976,208.74
TOTAL OPERATING EXPENSES	8,357,490.86	18,452.25	8,375,943.11	3,839,561.63	45.84%	3,394,732.17
OPERATING INCOME (LOSS)	<u>721,660.14</u>	<u>(18,452.25)</u>	<u>703,207.89</u>	<u>965,956.24</u>	<u>137.36%</u>	<u>1,131,155.13</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	67,700.00		67,700.00	136,593.78	201.76%	134,686.48
RECOVERIES AND REBATES	10,000.00		10,000.00	-	0.00%	-
GAIN/LOSS ON DISPOSAL	8,000.00		8,000.00	-	0.00%	-
JOBGING INCOME (LOSS)	432,493.20		432,493.20	158,550.96	36.66%	93,606.93
INTEREST ON LONG TERM INDEBTEDNESS	<u>(367,920.00)</u>		<u>(367,920.00)</u>	<u>(252,409.61)</u>	<u>68.60%</u>	<u>(182,939.50)</u>
NET INCOME (LOSS)	<u>871,933.34</u>	<u>(18,452.25)</u>	<u>853,481.09</u>	<u>1,008,691.37</u>	<u>118.19%</u>	<u>1,176,509.04</u>
OPERATING TRANSFERS IN (OUT)	<u>(966,300.00)</u>		<u>(966,300.00)</u>	<u>(483,150.00)</u>	<u>50.00%</u>	<u>(483,150.00)</u>
NET INCOME AFTER TRANSFERS	<u>(94,366.66)</u>	<u>(18,452.25)</u>	<u>(112,818.91)</u>	<u>525,541.37</u>	<u>-465.83%</u>	<u>693,359.04</u>
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(816,715.15)	(115,477.95)	(932,193.10)	(377,290.62)	40.47%	
CAPITAL PROJECTS	-	(10,458,740.01)	(10,458,740.01)	(2,714,001.17)	25.95%	
DEBT SERVICE	(557,230.00)		(557,230.00)	(347,116.93)	62.29%	
DEPRECIATION	1,519,860.00		1,519,860.00	759,930.06	50.00%	

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

GAS						
	ORIGINAL BUDGET 24-25	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 24-25	DECEMBER 2024	PERCENT OF CURRENT BUDGET	DECEMBER 2023
OPERATING REVENUE	20,506,922.00		20,506,922.00	7,199,312.28	35.11%	7,905,369.49
COST OF SALES	-		-	-		-
PURCHASED SERVICES PRODUCTION	12,519,009.00		12,519,009.00	4,697,579.29	37.52%	5,208,398.11
TOTAL COST OF SALES	12,519,009.00	-	12,519,009.00	4,697,579.29		5,208,398.11
GROSS PROFIT	7,987,913.00	-	7,987,913.00	2,501,732.99		2,696,971.38
GROSS PROFIT %	38.95%		38.95%	34.75%		34.12%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	376,172.26	23,000.00	399,172.26	139,639.22	34.98%	122,477.86
DISTRIBUTION	1,302,490.31	-	1,302,490.31	544,230.76	41.78%	482,084.83
SERVICE	162,576.26	-	162,576.26	28,788.04	17.71%	22,053.78
METERS & REGULATORS	185,913.74	(3,000.00)	182,913.74	73,190.91	40.01%	69,598.70
DEPRECIATION	1,578,100.00	-	1,578,100.00	789,050.04	50.00%	800,076.76
BAD DEBT	55,000.00	-	55,000.00	55,217.36	100.40%	116,818.91
GENERAL & ADMINISTRATIVE	2,409,665.05	-	2,409,665.05	1,167,187.84	48.44%	1,045,751.20
TOTAL OPERATING EXPENSES	6,069,917.62	20,000.00	6,089,917.62	2,797,304.17	45.93%	2,658,862.04
OPERATING INCOME (LOSS)	1,917,995.38	(20,000.00)	1,897,995.38	(295,571.18)	-15.57%	38,109.34
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	71,000.00		71,000.00	134,846.89	189.93%	127,187.88
RECOVERIES AND REBATES	-		-	180.08	0.00%	421.12
GAIN/LOSS ON DISPOSAL	-		-	-	0.00%	20,054.00
JOBGING INCOME (LOSS)	184,308.49		184,308.49	276,110.64	149.81%	277,141.60
INTEREST ON LONG TERM INDEBTEDNESS	(19,090.00)		(19,090.00)	(10,730.73)	56.21%	(13,056.30)
NET INCOME (LOSS)	2,154,213.87	(20,000.00)	2,134,213.87	104,835.70	4.91%	449,857.64
OPERATING TRANSFERS IN (OUT)	(3,199,330.00)	(3,000,000.00)	(6,199,330.00)	(4,599,664.98)	74.20%	(1,599,664.98)
NET INCOME AFTER TRANSFERS	(1,045,116.13)	(3,020,000.00)	(4,065,116.13)	(4,494,829.28)	110.57%	(1,149,807.34)
CONTRIBUTION IN AID			-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(318,632.50)	(29,012.33)	(347,644.83)	(258,338.73)	74.31%	
CAPITAL PROJECTS	-	(4,531,258.76)	(4,531,258.76)	(85,775.45)	1.89%	
DEBT SERVICE	(97,590.00)		(97,590.00)	(95,104.50)	97.45%	
DEPRECIATION	1,578,100.00		1,578,100.00	789,050.04	50.00%	

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

**ELECTRIC**

	ORIGINAL BUDGET 24-25	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 24-25	DECEMBER 2024	PERCENT OF CURRENT BUDGET	DECEMBER 2023
OPERATING REVENUE	135,268,081.00	-	135,268,081.00	70,192,337.64	51.89%	61,782,408.50
COST OF SALES						
PURCHASED SERVICES	97,085,465.00	-	97,085,465.00	51,705,805.48	53.26%	47,109,317.06
PRODUCTION	116,000.00	-	116,000.00	-		55,286.08
TOTAL COST OF SALES	97,201,465.00	-	97,201,465.00	51,705,805.48		47,164,603.14
GROSS PROFIT	38,066,616.00	-	38,066,616.00	18,486,532.16		14,617,805.36
GROSS PROFIT %	28.14%		28.14%	26.34%		23.66%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	1,897,670.40	50,304.80	1,947,975.20	979,650.92	50.29%	949,633.81
ENGINEERING	1,317,335.78	12,799.91	1,330,135.69	688,575.04	51.77%	824,939.56
DISTRIBUTION	6,111,984.95	575,069.27	6,687,054.22	3,112,410.85	46.54%	3,006,378.58
METERS & REGULATORS	562,827.90	-	562,827.90	278,303.03	49.45%	245,850.22
DEPRECIATION	8,206,890.00	-	8,206,890.00	4,103,445.00	50.00%	4,158,244.92
BAD DEBT	375,000.00	-	375,000.00	357,417.39	95.31%	452,286.97
GENERAL & ADMINISTRATIVE	6,550,924.14	431,770.87	6,982,695.01	2,985,865.35	42.76%	2,655,724.43
TOTAL OPERATING EXPENSES	25,022,633.17	1,069,944.85	26,092,578.02	12,505,667.58	47.93%	12,293,058.49
OPERATING INCOME (LOSS)	13,043,982.83	(1,069,944.85)	11,974,037.98	5,980,864.58	49.95%	2,324,746.87
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	141,300.00	-	141,300.00	239,980.45	169.84%	240,486.76
RECOVERIES AND REBATES	-	-	-	148,319.64	0.00%	8,093.87
GAIN/LOSS ON DISPOSAL	47,000.00	-	47,000.00	2,175.00	4.63%	14,115.00
JOBGING INCOME (LOSS)	2,773,949.53	(205,013.08)	2,568,936.45	789,533.31	30.73%	1,396,960.99
INTEREST ON LONG TERM INDEBTEDNESS	(1,750,460.00)	-	(1,750,460.00)	(1,112,952.80)	63.58%	(985,096.29)
NET INCOME (LOSS)	14,255,772.36	(1,274,957.93)	12,980,814.43	6,047,920.18	46.59%	2,999,307.20
OPERATING TRANSFERS IN (OUT)	(10,635,610.00)	-	(10,635,610.00)	(5,317,804.98)	50.00%	(5,317,804.98)
NET INCOME AFTER TRANSFERS	3,620,162.36	(1,274,957.93)	2,345,204.43	730,115.20	31.13%	(2,318,497.78)
CONTRIBUTION IN AID	-	-	-	-	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(6,928,453.18)	(727,343.15)	(7,655,796.33)	(1,776,315.35)	23.20%	
CAPITAL PROJECTS	(51,994.95)	(10,012,241.96)	(10,064,236.91)	(11,467,409.80)	113.94%	
DEBT SERVICE	(4,499,660.00)	-	(4,499,660.00)	(2,789,201.50)	61.99%	
DEPRECIATION	8,206,890.00	-	8,206,890.00	4,103,445.00	50.00%	

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

**TELECOMMUNICATIONS**

	<u>ORIGINAL BUDGET 24-25</u>	<u>ADJUSTMENTS AND CARRYFORWARDS</u>	<u>CURRENT BUDGET 24-25</u>	<u>DECEMBER 2024</u>	<u>PERCENT OF CURRENT BUDGET</u>	<u>DECEMBER 2023</u>
OPERATING REVENUE	744,180.00		744,180.00	399,503.76	53.68%	435,456.27
COST OF SALES						-
PURCHASED SERVICES	70,000.00		70,000.00	32,090.71	45.84%	33,646.81
PRODUCTION			-	-		-
TOTAL COST OF SALES	<u>70,000.00</u>	-	<u>70,000.00</u>	<u>32,090.71</u>		<u>33,646.81</u>
GROSS PROFIT	674,180.00	-	674,180.00	367,413.05		401,809.46
GROSS PROFIT %	90.59%		90.59%	91.97%		92.27%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT			-	-		-
ENGINEERING			-	-		-
DISTRIBUTION			-	-		-
SERVICE			-	-		-
METERS & REGULATORS			-	-		-
DEPRECIATION	440,540.00	-	440,540.00	220,270.02	50.00%	223,687.75
BAD DEBT			-	-		-
GENERAL & ADMINISTRATIVE	<u>462,414.35</u>	<u>(6,473.01)</u>	<u>455,941.34</u>	<u>264,196.06</u>	<u>57.95%</u>	<u>213,731.60</u>
TOTAL OPERATING EXPENSES	902,954.35	(6,473.01)	896,481.34	484,466.08	54.04%	437,419.35
OPERATING INCOME (LOSS)	<u>(228,774.35)</u>	<u>6,473.01</u>	<u>(222,301.34)</u>	<u>(117,053.03)</u>	<u>52.66%</u>	<u>(35,609.89)</u>
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	5,620.00	-	5,620.00	14,746.45	262.39%	11,424.24
RECOVERIES AND REBATES	-	-	-	-		-
GAIN/LOSS ON DISPOSAL	-	-	-	-		-
JOBGING INCOME (LOSS)	(553.84)	-	(553.84)	18,259.19	-3296.83%	14,087.13
INTEREST ON LONG TERM INDEBTEDNESS	-	-	-	-		-
NET INCOME (LOSS)	<u>(223,708.19)</u>	<u>6,473.01</u>	<u>(217,235.18)</u>	<u>(84,047.39)</u>	<u>38.69%</u>	<u>(10,098.52)</u>
OPERATING TRANSFERS IN (OUT)	<u>(81,000.00)</u>		<u>(81,000.00)</u>	<u>(40,500.00)</u>	<u>50.00%</u>	<u>(40,500.00)</u>
NET INCOME AFTER TRANSFERS	<u>(304,708.19)</u>	<u>6,473.01</u>	<u>(298,235.18)</u>	<u>(124,547.39)</u>	<u>41.76%</u>	<u>(50,598.52)</u>
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(100,000.00)	(6,473.01)	(106,473.01)	(65,131.12)	61.17%	
CAPITAL PROJECTS	-	-	-	(2,734.06)	0.00%	
DEPRECIATION	440,540.00	-	440,540.00	220,270.02	50.00%	

Mo Rate Applied	WACOG		Demand Rate Firm	Demand Rate Interruptible	Adjustments	<small>After PGAs are calculated, manually code them before reconciling the month</small> PGA (f)      PGA (i)		(Independent of Commodity)	(Does not include Demand Recovery)			Commodity Recovery Balance	
	WACOG	Plus Losses						Cum Over (Under) Demand Recovery Current FY	Monthly Commodity Cost	Monthly Commodity Recovered	Monthly Commodity Over (Under) Recovery	Over (Under) +/- \$2,000,000	
Jun-24	\$ 3.57523	\$ 3.64819	\$ 1.00000	\$ -		\$ 4.57274	\$ 3.57274	\$ (6,112.73)	\$ 357,369.86	\$ 447,669.89	\$ 90,300.03	\$235,984.30	Final
Jul-24	\$ 3.76443	\$ 3.84126	\$ -	\$ -	\$ -	\$ 3.49148	\$ 3.49148	\$ (214,058.68)	\$ 338,803.93	\$ 385,627.48	\$ 46,823.55	\$282,807.85	Final
Aug-24	\$ 3.62276	\$ 3.69669	\$ -	\$ -	\$ -	\$ 3.33419	\$ 3.33419	\$ (424,290.88)	\$ 281,995.86	\$ 341,458.68	\$ 59,462.83	\$342,270.68	Final
Sep-24	\$ 4.67503	\$ 4.77044	\$ -	\$ -	\$ -	\$ 3.87452	\$ 3.87452	\$ (626,426.88)	\$ 334,675.93	\$ 400,236.71	\$ 65,560.79	\$407,831.46	Final
Oct-24	\$ 3.72059	\$ 3.79652	\$ 0.50000	\$ -	\$ -	\$ 4.17206	\$ 3.67206	\$ (819,228.58)	\$ 537,755.08	\$ 460,129.30	\$ (77,625.78)	\$330,205.69	Final
Nov-24	\$ 3.88545	\$ 3.96474	\$ 2.32000	\$ -	\$ -	\$ 5.78201	\$ 3.46201	\$ (849,882.02)	\$ 749,514.54	\$ 613,732.70	\$ (135,781.85)	\$194,423.84	Final
Dec-24	\$ 3.39457	\$ 3.46385	\$ 2.32000	\$ -	\$ -	\$ 6.25016	\$ 3.93016	\$ (627,385.98)	\$ 1,222,344.57	\$ 1,191,564.48	\$ (30,780.09)	\$163,643.75	Final
Jan-25	\$ 3.41399	\$ 3.44452	\$ 2.40000	\$ -	\$ 0.25000	\$ 6.09452	\$ 3.69452	\$ (210,523.87)	\$ 1,371,352.20	\$ 1,347,620.16	\$ (23,732.03)	\$139,911.71	Est
Feb-25	\$ 3.29328	\$ 3.34936	\$ 2.40000	\$ -	\$ -	\$ 5.74936	\$ 3.34936	\$ 203,701.98	\$ 996,250.08	\$ 1,288,115.10	\$ 291,865.03	\$431,776.74	Est
Mar-25	\$ 3.21971	\$ 3.22735	\$ 2.32000	\$ -	\$ -	\$ 5.54735	\$ 3.22735	\$ 348,235.32	\$ 815,464.49	\$ 855,665.54	\$ 40,201.05	\$471,977.79	Est
Apr-25	\$ 2.89446	\$ 2.89446	\$ 2.32000	\$ -	\$ -	\$ 5.21446	\$ 2.89446	\$ 422,822.64	\$ 524,915.49	\$ 710,745.16	\$ 185,829.66	\$657,807.45	Est
May-25	\$ 2.88355	\$ 2.88355	\$ -	\$ -	\$ -	\$ 2.88355	\$ 2.88355	\$ 212,582.74	\$ 456,065.42	\$ 515,223.57	\$ 59,158.15	\$716,965.61	Est
Jun-25	\$ 2.99676	\$ 2.99676	\$ -	\$ -	\$ -	\$ 2.99676	\$ 2.99676	\$ 10,439.30	\$394,136.69	\$ 464,417.22	\$ 70,280.53	\$787,246.13	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	ADJUSTMNTS	CUMULATIVE POWER COST RECOVERY NON-HLF CUSTOMERS (+ / - \$4,000,000)	
Jun-24	\$ 8,759,899.57	\$ 1,478,826.77	\$ 7,281,072.80	77,615,049	13,102,800	64,512,249	\$0.015000	\$0.086200	\$0.101200	\$ 6,528,639.60	\$ (752,433.20)		\$ 1,437,163.42	ACTUAL
Jul-24	\$ 9,165,544.38	\$ 1,346,591.16	\$ 7,818,953.22	95,930,514	14,094,000	81,836,514	\$0.010000	\$0.086200	\$0.096200	\$ 7,872,672.65	\$ 53,719.43		\$ 1,490,882.85	ACTUAL
Aug-24	\$ 8,209,040.08	\$ 1,237,438.32	\$ 6,971,601.76	98,967,150	14,918,400	84,048,750	\$0.010000	\$0.086200	\$0.096200	\$ 8,085,489.75	\$ 1,113,887.99		\$ 2,604,770.84	ACTUAL
Sep-24	\$ 8,124,732.23	\$ 1,325,617.48	\$ 6,799,114.75	87,213,462	14,229,600	72,983,862	\$0.020000	\$0.086200	\$0.106200	\$ 7,750,886.14	\$ 951,771.39		\$ 3,556,542.23	ACTUAL
Oct-24	\$ 8,423,109.01	\$ 1,654,734.33	\$ 6,768,374.68	75,505,571	14,833,200	60,672,371	\$0.025000	\$0.086200	\$0.111200	\$ 6,746,767.66	\$ (21,607.02)		\$ 3,534,935.21	ACTUAL
Nov-24	\$ 8,328,281.35	\$ 1,624,047.67	\$ 6,704,233.68	70,287,811	13,706,400	56,581,411	\$0.030000	\$0.086200	\$0.116200	\$ 6,574,759.96	\$ (129,473.72)		\$ 3,405,461.49	ACTUAL
Dec-24	\$ 9,487,847.21	\$ 1,542,842.24	\$ 7,945,004.97	83,366,302	13,556,400	69,809,902	\$0.020000	\$0.086200	\$0.106200	\$ 7,413,811.59	\$ (531,193.38)		\$ 2,874,268.11	ACTUAL
Jan-25	\$ 9,402,152.11	\$ 1,367,851.25	\$ 8,034,300.86	82,093,563	11,943,200	70,150,363	\$0.010000	\$0.086200	\$0.096200	\$ 6,748,464.92	\$ (1,285,835.94)		\$ 1,588,432.17	PROJECTED
Feb-25	\$ 8,165,631.79	\$ 1,124,237.11	\$ 7,041,394.68	86,244,006	11,874,000	74,370,006	\$0.005000	\$0.086200	\$0.091200	\$ 6,782,544.55	\$ (258,850.13)		\$ 1,329,582.04	PROJECTED
Mar-25	\$ 7,618,418.43	\$ 1,268,791.29	\$ 6,349,627.14	66,680,833	11,105,200	55,575,633	\$0.015000	\$0.086200	\$0.101200	\$ 5,624,254.06	\$ (725,373.08)		\$ 604,208.96	PROJECTED
Apr-25	\$ 7,288,283.07	\$ 1,218,928.08	\$ 6,069,354.99	70,017,088	11,710,000	58,307,088	\$0.035000	\$0.086200	\$0.121200	\$ 7,066,819.07	\$ 997,464.08		\$ 1,601,673.04	PROJECTED
May-25	\$ 6,789,670.97	\$ 1,192,425.48	\$ 5,597,245.49	60,734,484	10,666,400	50,068,084	\$0.045000	\$0.086200	\$0.131200	\$ 6,568,932.62	\$ 971,687.13		\$ 2,573,360.18	PROJECTED
Jun-25	\$ 7,780,956.91	\$ 1,211,621.66	\$ 6,569,335.25	71,648,257	11,156,800	60,491,457	\$0.020000	\$0.086200	\$0.106200	\$ 6,424,192.73	\$ (145,142.52)		\$ 2,428,217.66	PROJECTED



## STAFF REPORT

DATE: February 24, 2025  
TO: Danville Utility Commission  
FROM: Jason Grey, Director of Utilities  
RE: FY26 Budget Follow-up

Jason Grey and Tiffany Swanson-Jones will be available to present and answer any follow-up questions relating to the FY26 budget.

**Recommendation:**

**I move that the Danville Utility Commission approve the Utility Department's Proposed Fiscal Year 2026 Budget for submission to City Council with the Commission's recommendation for its adoption by the Council.**

**I furthermore move that staff make the budget expenditure adjustments necessary to bring the budgets back into balance and brief the Commission on actions taken at the April 28th meeting, should on-going evaluations reveal revenue shortfalls.**

**ATTACHMENTS**

None



## STAFF REPORT

DATE: February 24, 2025  
TO: Danville Utility Commission  
FROM: Janet Davis, Key Accounts Manager  
RE: Smart Thermostat Program-Residential Peak Shaving

Jason Grey and Janet Davis will present information on the proposed Smart Thermostat Program that could benefit residential electric customers. This program would look to utilize existing smart thermostats and pre-cool or pre-heat homes prior to a peak electric event and offer the residential user an incentive.

**Recommendation:**

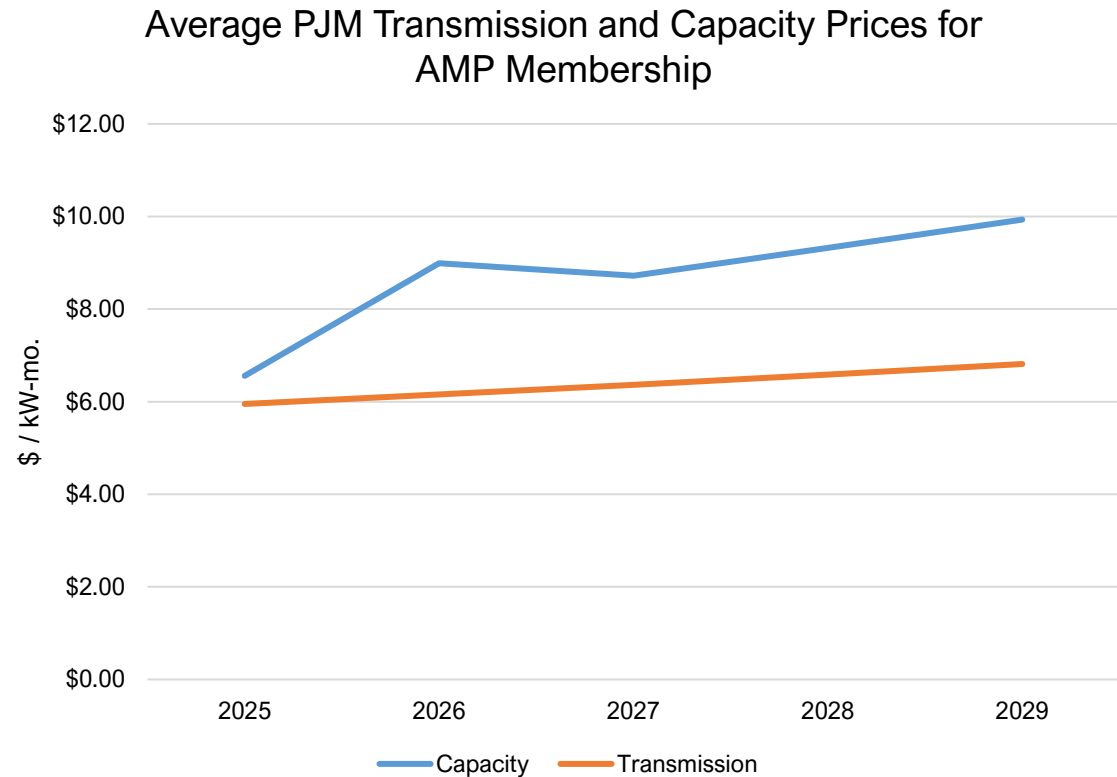
**I move that the Danville Utility Commission recommend to City Council approving the Smart Thermostat residential peak shaving program.**

**ATTACHMENTS**

1. CES Smart Thermostat Program Overview with Subscription Details 2025 (Final Council PPT) - Danville2

# Smart Thermostat Program-PJM Charges

*On average, capacity charges will increase 50 percent and transmission will increase 15 percent between 2025-2029.*



# The Opportunity is Peak Shaving

*Danville can avoid transmission and capacity costs by reducing retail customer load through management of connected technologies, focused initially on connected or smart thermostats.*

*This program has the potential to connect water heaters, electric vehicles, pool pumps and more down the line on a single platform.*



Sample Event: baseline is the gray line; event duration gray block— shows one-hour precool, two-hour event; green line is the AC load. The load shed was 1.23 kW/thermostat during the CP hour (the blue box HE 18), achieved 115.4 kW total load shed for CP hour. The load spike before the event is due to precooling; the load spike after the event is from the AC load coming back online.

# Community Energy Savings Program overview

- Combats rising transmission and capacity (T&C) charges by reducing peak demand through voluntary management of Wi-Fi connected thermostats.
- Thermostats are adjusted by AMP during peak events to reduce Member system load during 5CP and 1CP events, no more than 80 hours/year.
- 2024 performance exceeded 1.0 kW / thermostat load reduction expectations – achieved 1.3 kW / thermostat.
- Currently, there are 12 AMP Members participating whom have saved over \$78,000 in T&C charges.
- Danville can enroll now to start participating this summer.
- Minimal workload for Danville:
  - upload customer list to secure online file transfer for customer enrollment validation at least once per quarter.
  - provide supplemental marketing of the program.

*“The new Community Energy Savings: Smart Thermostat program is an easy way for us to engage with our customers and reduce peak demand costs for the whole community. Customers that sign up maintain control of their thermostat and receive a financial benefit while also helping their neighbors.”*

- Brian O’Connell, director of public infrastructure/utilities director  
City of Bowling Green, Ohio

# Estimates for Danville

- Estimating 1.0 – 1.5% of Danville’s total meters to enroll thermostats in the program
- Program cost is \$80/thermostat/year, billed quarterly on Danville’s power supply bill for thermostats enrolled during the prior quarter
- Estimating net savings for Danville will range between \$26,000-\$39,000/year

	1.0%	1.5%
Meters: 37,677	377	566
Total cost to Danville/year	\$30,160	\$45,280
Total estimated transmission & capacity savings / year for Danville	\$56,173	\$84,334
Total estimated net savings for Danville	\$26,013	\$39,054

# Customer experience

- Participation in the program and in the events are voluntary – easy for thermostat owners to opt out of events as needed
  - Customer survey shows that 96% are satisfied with ability to opt-out of temperature adjustments.
- Customers receive a one-time \$55 incentive for enrolling and if they stay enrolled, they are entered into a chance to win \$250 at the end of the summer
- Customer satisfaction is high (4.1/5.0)
  - 94% neutral/satisfied with impact to comfort
  - 93% expect to participate for as long as the program is offered

\*eligible thermostats include:

