DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

July 27, 2026

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Chair and Vice Chair Elections

2. Minutes of the April 27, 2026 Commission Meeting

3. Review of May Financial Statements

4. HVAC Replacement Project Update

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.

E. COMMUNICATIONS

A. Commission Members

B. Director

ADJOURN

Next Meeting: Monday, August 24, 2026 at 4:00pm

Danville Utility Commission

STAFF REPORT

DATE: July 27, 2026

TO: Danville Utility Commission

FROM: Christopher (Ryan) Dodson, Assistant City Attorney

RE: Chair and Vice Chair Elections

Ryan Dodson, Assistant City Attorney, will call the meeting to order and conduct the chair and vice chair elections for the Danville Utility Commission

ATTACHMENTS

None

Danville Utility Commission

STAFF REPORT

DATE: July 27, 2026

TO: Danville Utility Commission

FROM:

RE: Minutes of the April 27, 2026 Commission Meeting

ATTACHMENTS

1. April 27 2026 DUC Minutes

Danville Utility Commission
4:00 p.m. April 27, 2026 Meeting
Council Chambers, City Hall
Minutes

Commission Members Present: Michael Adkins*, Helm Dobbins, Vanessa Cain, Anna Kautzman, Steven Merricks, Murray Whittle, Fred Shanks

*Acting City Manager

Commission Members Absent: Mary Williamson, Gary Miller

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

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 March 23, 2026 Commission Meeting
Chairman Kautzman asked for any corrections, deletions, or adjustments to the minutes of March 23, 2026.

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

Review of Utilities' Financial Statements
Ms. Chandler reviewed the February 2026 utilities financial statements.

Utilities Public Information Presentation (PCA, Energy Assessments/Assistance, Neighbors Helping Neighbors)
Jason Grey presented the uses for the Power Cost Adjustment (PCA), the City's energy assessment efforts, and energy assistance programs including Neighbors Helping Neighbors.

Ms. Cain asked Mr. Grey who can customers can contact for energy programs. Mr. Grey encouraged customers to call 434-799-5270.

Department Discussions and Public Comment
No one from the public signed up to speak during public comments.

Mr. Shanks stated that he would like to hear some investment opportunities from Utilities staff to save funds over the long run.

Mr. Grey said that Danville Utilities utilizes as many behind-the-meter options allowable by the Federal Energy Regulatory Commission (FERC), but must stay below regulations to not be considered a transmission agency.

Adjournment

Chairman Kautzman stated the next meeting is scheduled for June 22, 2026, due to the next scheduled meeting falling on Memorial Day. There being no further business, Ms. Kautzman adjourned the meeting at 4:39 p.m.

__**July 27, 2026**__________
Date Approved

Submitted by Janet C. Davis
Secretary to the DUC

____
Chairman
Danville Utility Commission

Danville Utility
Commission

STAFF REPORT

DATE: July 27, 2026

TO: Danville Utility Commission

FROM: Amy Chandler, Director of Finance

RE: Review of May Financial Statements

May financials will be reviewed.

ATTACHMENTS

1. May 2026 Utility Financial Statement Packet

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
MAY 31, 2026

	WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2026
ASSETS						
Equity in pooled Cash and Investments	$ 9,753,499.76	6,088,657.89	15,604,657.96	17,772,107.70	1,620,818.79	50,839,742.10
Receivables (Net of allowances for Uncollectible):						
Accounts	1,438,905.26	1,696,574.13	1,701,787.04	20,810,499.84	40,297.20	25,688,063.47
Power/Gas Cost Recovery	-	-	(900,477.48)	(2,228,440.03)	-	(3,128,917.51)
Loans	-	12,149,969.43	-	-	-	12,149,969.43
Pension Assets	23,633.00	39,746.00	31,704.00	117,494.00	5,222.00	217,799.00
Inventory of Gas, Materials and Supplies, at Cost	-	935,786.72	854,315.53	3,539,666.32	244,092.12	5,573,860.69
Fixed Assets	113,437,728.21	104,795,017.24	75,120,343.42	369,071,923.17	11,502,318.42	673,927,330.46
Accumulated Depreciation	(58,319,428.10)	(48,935,049.51)	(35,634,357.54)	(167,217,638.87)	(5,985,909.74)	(316,092,383.76)
Deferred Outflows - Pension	171,684.00	288,743.00	230,324.00	853,564.00	37,935.00	1,582,250.00
TOTAL ASSETS	$ 66,506,022.13	77,059,444.90	57,008,296.93	242,719,176.13	7,464,773.79	450,757,713.88
LIABILITIES AND NET ASSETS						
Liabilities						
Accounts Payable	$ 444,440.88	686,718.57	652,342.83	10,174,658.55	50,490.14	12,008,650.97
Accrued Interest Payable	12,260.01	170,383.57	6,792.10	777,156.85	-	966,592.53
Customer Deposits	-		-	3,778,757.01	-	3,778,757.01
Accrued Vacation, Sick Leave & Workers Comp.	-	164,805.88	150,636.46	661,652.75	16,130.35	993,225.44
Deferred Revenue	-	5,524,415.40	-	-	-	5,524,415.40
Deferred Gain / Loss - Refunding Bonds	(66,134.29)	(65,148.58)	(32,417.34)	(781,571.11)	-	(945,271.32)
Original Issue Premium/Discount (Refunding Bonds)	85,531.34	1,253,742.74	38,660.62	6,034,800.05	-	7,412,734.75
General Obligation Bonds Payable	1,319,418.81	5,668,457.69	375,536.94	43,721,234.21	-	51,084,647.65
Revenue Bonds Payable	2,329,166.67	6,140,400.00	-	17,090,433.33	-	25,560,000.00
Long-Term Leases, Notes, and Contracts						-
Payable	-	6,727,801.09	51,421.10	1,251,517.67	-	8,030,739.86
TOTAL LIABILITIES	$ 4,124,683.42	26,271,576.36	1,242,972.71	82,708,639.31	66,620.49	114,414,492.29
Net Assets						
Contributed Capital	$ 4,286,713.78	4,756,736.04	1,483,240.36	14,508,008.67	337,248.59	25,371,947.44
Retained Earnings:						
Restricted for Investment in Fixed Assets	$ 47,163,603.80	25,853,563.35	37,569,544.20	121,281,379.15	5,179,160.09	237,047,250.59
Restricted for Incomplete Projects	8,065,171.27	16,288,555.45	16,074,456.29	5,297,372.99	480,571.08	46,206,127.08
Restricted for Subsequent Expenses	472,763.39	153,298.42	19,118.84	1,265,048.88	432.21	1,910,661.74
Net Pension Assets	23,633.00	39,746.00	31,704.00	117,494.00	5,222.00	217,799.00
Deferred Outflows - Pension	171,684.00	288,743.00	230,324.00	853,564.00	37,935.00	1,582,250.00
Unrestricted	2,369,453.47	3,695,969.28	587,260.53	17,541,233.13	1,395,519.33	25,589,435.74
Total Retained Earnings	$ 58,094,624.93	46,031,132.50	54,282,083.86	145,502,528.15	7,060,904.71	310,971,274.15
TOTAL NET ASSETS	$ 62,381,338.71	50,787,868.54	55,765,324.22	160,010,536.82	7,398,153.30	336,343,221.59
TOTAL LIABILITIES AND NET ASSETS	$ 66,506,022.13	77,059,444.90	57,008,296.93	242,719,176.13	7,464,773.79	450,757,713.88

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED MAY 31, 2026

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	MAY 31, 2026
Operating revenues:							
Charges for Services	$	8,871,156.32	8,843,715.91	19,366,232.57	139,902,278.89	726,055.75	177,709,439.44
Operating Expenses:							
Purchased Services	$	-	-	11,138,565.66	109,431,276.66	37,800.17	120,607,642.49
Production		-	-	-	3,991.73	-	3,991.73
Transmission & Treatment		3,738,109.44	2,125,138.72	-	1,707,490.94	-	7,570,739.10
Engineering		-	256,047.77	280,507.84	1,047,920.01	-	1,584,475.62
Distribution		1,687,470.27	1,179,436.83	1,176,115.70	7,048,149.35	-	11,091,172.15
Service		100,218.22	206,111.29	79,499.64	-	-	385,829.15
Meters & Regulators		-	139,376.23	167,570.84	598,362.00	-	905,309.07
Administrative		2,485,130.40	3,832,211.42	3,808,518.67	14,226,830.86	917,153.57	25,269,844.92
Total Operating Expenses	$	8,010,928.33	7,738,322.26	16,650,778.35	134,064,021.55	954,953.74	167,419,004.23
Operating Income (Loss)	$	860,227.99	1,105,393.65	2,715,454.22	5,838,257.34	(228,897.99)	10,290,435.21
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		36,226.92	351,081.41	1,078,962.44	2,105,904.70	27,701.81	3,599,877.28
Interest Income		238,939.70	189,047.64	365,777.56	155,980.98	43,075.42	992,821.30
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		1,674.50	115.00	580.00	10,739,382.36	-	10,741,751.86
Recoveries and Rebates		237,180.83	-	-	668,708.15	-	905,888.98
Federal and State Grants		-	-	-	-	-	-
Interest Expense		(97,865.65)	(571,565.16)	(14,070.60)	(2,368,016.04)	-	(3,051,517.45)
Total Non-Operating Revenues (Expenses)	$	416,156.30	(31,321.11)	1,431,249.40	11,301,960.15	70,777.23	13,188,821.97
Income (Loss) Before Operating Transfers	$	1,276,384.29	1,074,072.54	4,146,703.62	17,140,217.49	(158,120.76)	23,479,257.18
Operating Transfers:							
Transfers In (Out)		(683,560.00)	(937,971.63)	(1,936,249.13)	(6,071,589.13)	(109,030.00)	(9,738,399.89)
Total Operating Transfers	$	(683,560.00)	(937,971.63)	(1,936,249.13)	(6,071,589.13)	(109,030.00)	(9,738,399.89)
Net Income (Loss)	$	592,824.29	136,100.91	2,210,454.49	11,068,628.36	(267,150.76)	13,740,857.29
Net Assets - July 1, 2025, as restated		61,714,579.42	50,571,314.51	53,412,139.95	148,155,522.32	7,665,304.06	321,518,860.26
Net Income (Loss)		592,824.29	136,100.91	2,210,454.49	11,068,628.36	(267,150.76)	13,740,857.29
Contribution In Aid of Construction		73,935.00	80,453.12	142,729.78	786,386.14	-	1,083,504.04
Net Assets -June 30, 2026	$	62,381,338.71	50,787,868.54	55,765,324.22	160,010,536.82	7,398,153.30	336,343,221.59

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2026

WASTEWATER

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	MAY 2026	PERCENT OF CURRENT BUDGET	MAY 2025
OPERATING REVENUE	9,387,520.00		9,387,520.00	8,871,156.32	94.50%	8,964,884.01
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	4,400,190.00	32,618.55	4,432,808.55	3,738,109.44	84.33%	3,695,153.38
ENGINEERING	-		-	-		-
DISTRIBUTION	2,003,630.00		2,003,630.00	1,687,470.27	84.22%	1,814,232.36
SERVICE	184,920.00		184,920.00	100,218.22	54.20%	104,913.56
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,670,190.00		1,670,190.00	1,531,007.50	91.67%	1,803,422.50
BAD DEBT	40,000.00		40,000.00	65,010.43	162.53%	61,770.48
GENERAL & ADMINISTRATIVE	1,040,250.00		1,040,250.00	889,112.47	85.47%	773,431.41
TOTAL OPERATING EXPENSES	9,339,180.00	32,618.55	9,371,798.55	8,010,928.33	85.48%	8,252,923.69
OPERATING INCOME (LOSS)	48,340.00	(32,618.55)	15,721.45	860,227.99	5471.68%	711,960.32
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	54,200.00		54,200.00	238,939.70	440.85%	164,346.25
RECOVERIES AND REBATES	-		-	237,180.83	0.00%	-
GAIN/LOSS ON DISPOSAL	-		-	1,674.50	0.00%	1,451.00
JOBBING INCOME (LOSS)	36,050.00		36,050.00	36,226.92	100.49%	43,481.57
FEDERAL AND STATE GRANTS	-		-		0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	(194,127.50)		(194,127.50)	(97,865.65)	50.41%	(35,239.34)
NET INCOME (LOSS)	(55,537.50)	(32,618.55)	(88,156.05)	1,276,384.29	-1447.87%	885,999.80
OPERATING TRANSFERS IN (OUT)	(742,540.00)	-	(742,540.00)	(683,560.00)	92.06%	(646,946.63)
NET INCOME AFTER TRANSFERS	(798,077.50)	(32,618.55)	(830,696.05)	592,824.29	-71.36%	239,053.17
CONTRIBUTION IN AID	70,000.00		70,000.00	73,935.00	105.62%	
REGULAR CAPITAL MAINTENANCE	(1,540,820.00)	(590,830.75)	(2,131,650.75)	(499,725.47)	23.44%	
CAPITAL PROJECTS	-	(6,151,344.26)	(6,151,344.26)	(2,818,098.27)	45.81%	
DEBT SERVICE	(169,520.00)		(169,520.00)	(169,510.19)	99.99%	
DEPRECIATION	1,670,190.00		1,670,190.00	1,531,007.50	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2026

WATER

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	MAY 2026	PERCENT OF CURRENT BUDGET	MAY 2025
OPERATING REVENUE	9,264,850.00	-	9,264,850.00	8,843,715.91	95.45%	8,535,341.39
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,385,490.00	18,415.43	2,403,905.43	2,125,138.72	88.40%	1,957,800.58
ENGINEERING	391,490.00	16,506.25	407,996.25	256,047.77	62.76%	234,726.90
DISTRIBUTION	1,441,430.00	-	1,441,430.00	1,179,436.83	81.82%	988,302.00
SERVICE	223,640.00	-	223,640.00	206,111.29	92.16%	159,740.76
METERS & REGULATORS	159,440.00	-	159,440.00	139,376.23	87.42%	125,970.24
DEPRECIATION	1,442,130.00	-	1,442,130.00	1,321,952.39	91.67%	1,393,205.11
BAD DEBT	30,000.00	-	30,000.00	61,407.49	204.69%	49,975.91
GENERAL & ADMINISTRATIVE	2,845,125.00	76,617.63	2,921,742.63	2,448,851.54	83.81%	2,166,653.50
TOTAL OPERATING EXPENSES	8,918,745.00	111,539.31	9,030,284.31	7,738,322.26	85.69%	7,076,375.00
OPERATING INCOME (LOSS)	346,105.00	(111,539.31)	234,565.69	1,105,393.65	471.25%	1,458,966.39
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	103,300.00		103,300.00	189,047.64	183.01%	288,604.00
RECOVERIES AND REBATES	6,000.00		6,000.00	-	0.00%	-
GAIN/LOSS ON DISPOSAL	3,400.00		3,400.00	115.00	3.38%	-
JOBBING INCOME (LOSS)	596,120.00		596,120.00	351,081.41	58.89%	269,553.91
FEDERAL AND STATE GRANTS	-	-	-	-	#DIV/0!	-
INTEREST ON LONG TERM INDEBTEDNESS	(571,580.00)		(571,580.00)	(571,565.16)	100.00%	(518,844.39)
NET INCOME (LOSS)	483,345.00	(111,539.31)	371,805.69	1,074,072.54	288.88%	1,498,279.91
OPERATING TRANSFERS IN (OUT)	(1,020,080.00)		(1,020,080.00)	(937,971.63)	91.95%	(885,775.00)
NET INCOME AFTER TRANSFERS	(536,735.00)	(111,539.31)	(648,274.31)	136,100.91	-20.99%	612,504.91
CONTRIBUTION IN AID	-		-	80,453.12	0.00%	
REGULAR CAPITAL MAINTENANCE	(961,510.00)	(5,560.86)	(967,070.86)	(542,440.26)	56.09%	
CAPITAL PROJECTS	-	(6,941,454.09)	(6,941,454.09)	(3,278,529.24)	47.23%	
DEBT SERVICE	(516,610.00)		(516,610.00)	(321,901.15)	62.31%	
DEPRECIATION	1,442,130.00		1,442,130.00	1,321,952.39	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2026

GAS

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	MAY 2026	PERCENT OF CURRENT BUDGET	MAY 2025
OPERATING REVENUE	19,864,170.00	-	19,864,170.00	19,366,232.57	97.49%	18,082,705.72
COST OF SALES						
PURCHASED SERVICES	12,875,000.00		12,875,000.00	11,138,565.66	86.51%	10,567,950.22
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	12,875,000.00	-	12,875,000.00	11,138,565.66		10,567,950.22
GROSS PROFIT	6,989,170.00	-	6,989,170.00	8,227,666.91		7,514,755.50
GROSS PROFIT %	35.18%		35.18%	42.48%		41.56%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	396,830.00	9,736.41	406,566.41	280,507.84	68.99%	267,908.70
DISTRIBUTION	1,400,310.00	-	1,400,310.00	1,176,115.70	83.99%	1,021,627.69
SERVICE	146,230.00	-	146,230.00	79,499.64	54.37%	51,449.16
METERS & REGULATORS	186,670.00	-	186,670.00	167,570.84	89.77%	137,321.27
DEPRECIATION	1,589,130.00	-	1,589,130.00	1,456,702.50	91.67%	1,446,591.74
BAD DEBT	60,000.00	-	60,000.00	108,400.88	180.67%	102,552.48
GENERAL & ADMINISTRATIVE	2,583,600.00	-	2,583,600.00	2,243,415.29	86.83%	2,119,700.05
TOTAL OPERATING EXPENSES	6,362,770.00	9,736.41	6,372,506.41	5,512,212.69	86.50%	5,147,151.09
OPERATING INCOME (LOSS)	626,400.00	(9,736.41)	616,663.59	2,715,454.22	440.35%	2,367,604.41
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	114,700.00		114,700.00	365,777.56	318.90%	282,842.92
RECOVERIES AND REBATES	-		-	-	0.00%	180.08
GAIN/LOSS ON DISPOSAL	-		-	580.00	0.00%	42,370.00
JOBBING INCOME (LOSS)	283,780.00		283,780.00	1,078,962.44	380.21%	556,750.25
FEDERAL AND STATE GRANTS	-	-	-	-	0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	(46,580.00)		(46,580.00)	(14,070.60)	30.21%	(19,083.85)
NET INCOME (LOSS)	978,300.00	(9,736.41)	968,563.59	4,146,703.62	428.13%	3,230,663.81
OPERATING TRANSFERS IN (OUT)	(2,109,110.00)		(2,109,110.00)	(1,936,249.13)	91.80%	(2,932,719.13)
NET INCOME AFTER TRANSFERS	(1,130,810.00)	(9,736.41)	(1,140,546.41)	2,210,454.49	-193.81%	297,944.68
CONTRIBUTION IN AID			-	142,729.78	0.00%	
REGULAR CAPITAL MAINTENANCE	(418,790.00)	(70,156.51)	(488,946.51)	(451,474.80)	92.34%	
CAPITAL PROJECTS	-	(4,345,880.23)	(4,345,880.23)	(820,633.65)	18.88%	
DEBT SERVICE	(103,110.00)		(103,110.00)	(103,107.15)	100.00%	
DEPRECIATION	1,589,130.00		1,589,130.00	1,456,702.50	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2026

ELECTRIC

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	MAY 2026	PERCENT OF CURRENT BUDGET	MAY 2025
OPERATING REVENUE	139,117,080.00	-	139,117,080.00	139,902,278.89	100.56%	129,164,137.28
COST OF SALES						
PURCHASED SERVICES	104,894,010.00	-	104,894,010.00	109,431,276.66	104.33%	99,307,669.16
PRODUCTION	-	-	-	3,991.73		-
TOTAL COST OF SALES	104,894,010.00	-	104,894,010.00	109,435,268.39		99,307,669.16
GROSS PROFIT	34,223,070.00	-	34,223,070.00	30,467,010.50		29,856,468.12
GROSS PROFIT %	24.60%		24.60%	21.78%		23.12%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,042,660.00	67,251.00	2,109,911.00	1,707,490.94	80.93%	1,694,677.82
ENGINEERING	1,297,370.00	43,740.95	1,341,110.95	1,047,920.01	78.14%	1,086,354.87
DISTRIBUTION	6,768,560.00	992,758.05	7,761,318.05	7,048,149.35	90.81%	6,147,062.17
METERS & REGULATORS	599,180.00	-	599,180.00	598,362.00	99.86%	524,380.38
DEPRECIATION	8,150,650.00	-	8,150,650.00	7,471,429.13	91.67%	7,522,982.50
BAD DEBT	24,860.00	-	24,860.00	20,129.00	80.97%	26,556.05
GENERAL & ADMINISTRATIVE	7,354,333.50	771,959.71	8,126,293.21	6,735,272.73	82.88%	5,720,093.46
TOTAL OPERATING EXPENSES	26,237,613.50	1,875,709.71	28,113,323.21	24,628,753.16	87.61%	22,722,107.25
OPERATING INCOME (LOSS)	7,985,456.50	(1,875,709.71)	6,109,746.79	5,838,257.34	95.56%	7,134,360.87
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	500,000.00	-	500,000.00	155,980.98	31.20%	448,315.30
RECOVERIES AND REBATES	162,503.50	8,395.33	170,898.83	668,708.15	391.29%	2,702,396.76
GAIN/LOSS ON DISPOSAL	25,000.00	-	25,000.00	10,739,382.36	42957.53%	14,582.00
JOBBING INCOME (LOSS)	2,888,190.00	(12,155.48)	2,876,034.52	2,105,904.70	73.22%	2,322,959.14
FEDERAL AND STATE GRANTS	-	-	-	-	0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	(2,557,070.00)	-	(2,557,070.00)	(2,368,016.04)	92.61%	(2,242,899.27)
NET INCOME (LOSS)	9,004,080.00	(1,879,469.86)	7,124,610.14	17,140,217.49	240.58%	10,379,714.80
OPERATING TRANSFERS IN (OUT)	(6,620,390.00)	-	(6,620,390.00)	(6,071,589.13)	91.71%	(9,249,309.13)
NET INCOME AFTER TRANSFERS	2,383,690.00	(1,879,469.86)	504,220.14	11,068,628.36	2195.20%	1,130,405.67

CONTRIBUTION IN AID	-		-	786,386.14	0.00%	
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(6,057,980.00)	(1,127,781.63)	(7,185,761.63)	(4,207,421.98)	58.55%	
CAPITAL PROJECTS	(26,910.00)	(5,666,400.73)	(5,693,310.73)	(10,298,929.77)	180.90%	
DEBT SERVICE	(4,540,970.00)	-	(4,540,970.00)	(4,200,649.96)	92.51%	
DEPRECIATION	8,150,650.00	-	8,150,650.00	7,471,429.13	91.67%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED MAY 31, 2026

TELECOMMUNICATIONS

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	MAY 2026	PERCENT OF CURRENT BUDGET	MAY 2025
OPERATING REVENUE	853,270.00		853,270.00	726,055.75	85.09%	783,521.13
COST OF SALES						
PURCHASED SERVICES	70,000.00		70,000.00	37,800.17	54.00%	56,764.07
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	70,000.00	-	70,000.00	37,800.17		56,764.07
GROSS PROFIT	783,270.00	-	783,270.00	688,255.58		726,757.06
GROSS PROFIT %	91.80%		91.80%	94.79%		92.76%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	-		-	-		-
DISTRIBUTION	-		-	-		-
SERVICE	-		-	-		-
METERS & REGULATORS	-		-	-		-
DEPRECIATION	445,170.00	-	445,170.00	408,072.50	91.67%	403,828.37
BAD DEBT	-		-	-		-
GENERAL & ADMINISTRATIVE	517,530.00	265.54	517,795.54	509,081.07	98.32%	458,656.64
TOTAL OPERATING EXPENSES	962,700.00	265.54	962,965.54	917,153.57	95.24%	862,485.01
OPERATING INCOME (LOSS)	(179,430.00)	(265.54)	(179,695.54)	(228,897.99)	127.38%	(135,727.95)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	9,900.00	-	9,900.00	43,075.42	435.11%	31,261.54
RECOVERIES AND REBATES	-	-	-	-	0.00%	-
GAIN/LOSS ON DISPOSAL	-	-	-	-	0.00%	-
JOBBING INCOME (LOSS)	700.00	-	700.00	27,701.81	3957.40%	5,015.17
FEDERAL AND STATE GRANTS	-	-	-		0.00%	
INTEREST ON LONG TERM INDEBTEDNESS	-	-	-	-	0.00%	-
NET INCOME (LOSS)	(168,830.00)	(265.54)	(169,095.54)	(158,120.76)	93.51%	(99,451.24)
OPERATING TRANSFERS IN (OUT)	(115,780.00)		(115,780.00)	(109,030.00)	94.17%	(74,250.00)
NET INCOME AFTER TRANSFERS	(284,610.00)	(265.54)	(284,875.54)	(267,150.76)	93.78%	(173,701.24)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(115,000.00)	-	(115,000.00)	(30,175.33)	26.24%	
CAPITAL PROJECTS	-	(479,576.76)	(479,576.76)	(88,022.40)	0.00%	
DEPRECIATION	445,170.00	-	445,170.00	408,072.50	91.67%	

Future months (still in blue) show projections.

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

								DEMAND Recovery (Independent of Commod)	**COMMODITY - Rolling Recovery** *(Does not include Demand Recovery)*				
Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	**Cum Over (Under) Demand Recovery Current FY**	**Monthly Commodity Cost**	**Monthly Commodity Recovered**	**Monthly Commod Over (Under) Recovery**	**Commodity Recovery Balance Over (Under) +/- $2,000,000**	
Jun-25	$ 4.38519	$ 4.38519	$ 2.15000	$ -		$ 5.17432	$ 3.02432	$ 10,273.69	$305,994.68	$ 414,687.01	$ 108,692.34	$1,558,813.40	Final
Jul-25	$ 3.96358	$ 3.96358	$ -	$ -	$ -	$ 3.46063	$ 3.46063	$ (310,169.04)	$ 312,672.57	$ 332,764.84	$ 20,092.26	$1,578,905.66	Final
Aug-25	$ 4.09117	$ 4.09262	$ 0.25000	$ -	$ -	$ 3.91448	$ 3.66448	$ (623,057.37)	$ 319,778.92	$ 415,523.43	$ 95,744.51	$1,674,650.17	Final
Sep-25	$ 3.64752	$ 3.64752	$ 0.35000	$ -	$ -	$ 3.65003	$ 3.30003	$ (920,163.32)	$ 303,929.61	$ 379,033.79	$ 75,104.18	$1,749,754.35	Final
Oct-25	$ 3.85406	$ 3.85406	$ 0.45000	$ -	$ -	$ 4.27733	$ 3.82733	$ (1,223,756.60)	$ 484,576.38	$ 428,722.20	$ (55,854.18)	$1,693,900.16	Final
Nov-25	$ 3.76503	$ 3.76503	$ 3.35000	$ -	$ -	$ 6.29894	$ 2.94894	$ (1,202,805.60)	$ 765,660.18	$ 612,060.63	$ (153,599.55)	$1,540,300.61	Final
Dec-25	$ 4.21419	$ 4.22405	$ 3.50000	$ -	$ -	$ 7.01885	$ 3.51885	$ (845,832.52)	$ 1,493,218.53	$ 1,097,969.69	$ (395,248.84)	$1,145,051.77	Final
Jan-26	$ 7.61255	$ 7.63215	$ 3.00000	$ -	$ -	$ 7.27312	$ 4.27312	$ (368,897.15)	$ 2,618,721.53	$ 1,254,934.15	$ (1,363,787.37)	($218,735.60)	Final
Feb-26	$ 5.15473	$ 5.21631	$ 2.00000	$ -	$ -	$ 7.40641	$ 5.40641	$ 57,588.18	$ 1,435,367.43	$ 2,051,435.24	$ 616,067.82	$397,332.21	Final
Mar-26	$ 3.18501	$ 3.18501	$ 5.00000	$ -	$ -	$ 8.29854	$ 3.29854	$ 1,513,368.00	$ 464,824.95	$ 687,059.49	$ 222,234.55	$619,566.76	Final
Apr-26	$ 3.27753	$ 3.27753	$ 2.00000	$ -	$ -	$ 5.98167	$ 3.98167	$ 1,461,337.41	$ 246,021.17	$ 465,138.69	$ 219,117.52	$838,684.28	Final
May-26	$ 2.51649	$ 2.51649	$ 2.00000	$ -	$ -	$ 4.96611	$ 2.96611	$ 1,322,347.76	$ 176,610.86	$ 238,404.06	$ 61,793.20	$900,477.48	Final
Jun-26	$ 3.74101	$ 3.74101	$ 2.00000	$ -	$ -	$ 5.59192	$ 3.59192	$ 1,087,230.92	$ 37,410.08	$ 297,847.39	$ 260,437.31	$1,160,914.80	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-25	$ 10,042,672.32	$ 1,844,404.57	**$ 8,198,267.75**	77,394,378	14,214,000	63,180,378	*$0.020000*	$0.086200	$0.106200	**$ 6,709,756.14**	$ (1,488,511.61)		**$ 21,136.92**	ACTUAL
Jul-25	$ 10,374,088.11	$ 1,462,760.64	**$ 8,911,327.47**	99,777,754	14,068,800	85,708,954	*$0.010000*	$0.086200	$0.096200	**$ 8,245,201.37**	$ (666,126.10)		**$ (644,989.19)**	ACTUAL
Aug-25	$ 8,911,168.27	$ 1,263,006.37	**$ 7,648,161.90**	102,886,433	14,582,400	88,304,033	*$0.020000*	$0.086200	$0.106200	**$ 9,377,888.30**	$ 1,729,726.40		**$ 1,084,737.21**	ACTUAL
Sep-25	$ 9,209,528.44	$ 1,514,267.73	**$ 7,695,260.71**	85,980,136	14,137,200	71,842,936	*$0.025000*	$0.086200	$0.111200	**$ 7,988,934.48**	$ 293,673.77		**$ 1,378,410.98**	ACTUAL
Oct-25	$ 9,036,030.30	$ 1,508,834.34	**$ 7,527,195.96**	74,294,026	12,405,600	61,888,426	*$0.035000*	$0.086200	$0.121200	**$ 7,500,877.23**	$ (26,318.73)		**$ 1,352,092.25**	ACTUAL
Nov-25	$ 8,172,131.72	$ 1,420,841.78	**$ 6,751,289.94**	72,366,792	12,582,000	59,784,792	*$0.045000*	$0.086200	$0.131200	**$ 7,843,764.71**	$ 1,092,474.77		**$ 2,444,567.02**	ACTUAL
Dec-25	$ 10,256,355.71	$ 1,436,356.00	**$ 8,819,999.71**	82,224,732	11,515,200	70,709,532	*$0.045000*	$0.086200	$0.131200	**$ 9,277,090.60**	$ 457,090.89		**$ 2,901,657.91**	ACTUAL
Jan-26	$ 16,109,207.32	$ 1,946,018.32	**$ 14,163,189.00**	90,217,334	10,898,400	79,318,934	*$0.010000*	$0.086200	$0.096200	**$ 7,630,481.45**	$ (6,532,707.55)		**$ (3,631,049.64)**	ACTUAL
Feb-26	$ 11,584,475.68	$ 1,274,102.86	**$ 10,310,372.82**	107,219,578	11,792,400	95,427,178	*$0.010000*	$0.086200	$0.096200	**$ 9,180,094.52**	$ (1,130,278.30)		**$ (4,761,327.94)**	ACTUAL
Mar-26	$ 9,271,610.52	$ 1,334,064.88	**$ 7,937,545.64**	76,543,361	11,013,600	65,529,761	*$0.070000*	$0.086200	$0.156200	**$ 10,235,748.67**	$ 2,298,203.03		**$ (2,463,124.91)**	ACTUAL
Apr-26	$ 8,723,803.78	$ 1,510,925.31	**$ 7,212,878.47**	74,371,361	12,880,800	61,490,561	*$0.070000*	$0.086200	$0.156200	**$ 9,604,825.63**	$ 2,391,947.16		**$ (71,177.75)**	ACTUAL
May-26	$ 7,782,786.81	$ 1,403,640.50	**$ 6,379,146.31**	67,787,470	12,225,600	55,561,870	*$0.070000*	$0.086200	$0.156200	**$ 8,678,764.09**	$ 2,299,617.78		**$ 2,228,440.03**	ACTUAL
Jun-26	$ 9,402,185.95	$ 1,671,500.14	**$ 7,730,685.81**	72,566,982	12,900,800	59,666,182	*$0.030000*	$0.086200	$0.116200	**$ 6,933,210.35**	$ (797,475.46)		**$ 1,430,964.58**	PROJECTED

Danville Utility
Commission

STAFF REPORT

DATE: July 27, 2026

TO: Danville Utility Commission

FROM: Janet Davis, Key Accounts Manager

RE: HVAC Replacement Project Update

Janet Davis, Key Accounts Manager, will provide a presentation on the City's HVAC and insulation replacement project funded with casino tax revenues. She will discuss how the program is structured and how eligible customers can participate in the program.

ATTACHMENTS

1. Danville_Utility_Commission_HVAC_Insulation_Program

HVAC/Insulation Program Status

July 27, 2026

Danville Utility Commission

DANVILLE UTILITIES

Program Logistics – FY2026

$500,000 Budgeted from Casino Funds

- City customers could apply

Accounts of 3,000 kWh or higher for three winter months (December, January, February)

- Further sorted using GIS data to determine kWh per square foot of house
- Letters/Applications sent to the top 500 users of energy per square foot

Homeowners eligible for 75% grant, landlords eligible for 50% grant towards new Heat Pump and/or Insulation

- Contractors in the program determined need and estimates were reviewed by Danville Utilities for compliance and oversight. Mini Splits were installed where ductwork was not capable of being installed
- All insulation and heat pumps brought houses up to current Virginia Uniform State Building Code Requirements (i.e. R-49 insulation in attics, 14.3 SEER2 heat pumps)

Smart Thermostats

- All HVAC replacements received a smart thermostat installed with the installation to further assist with energy savings

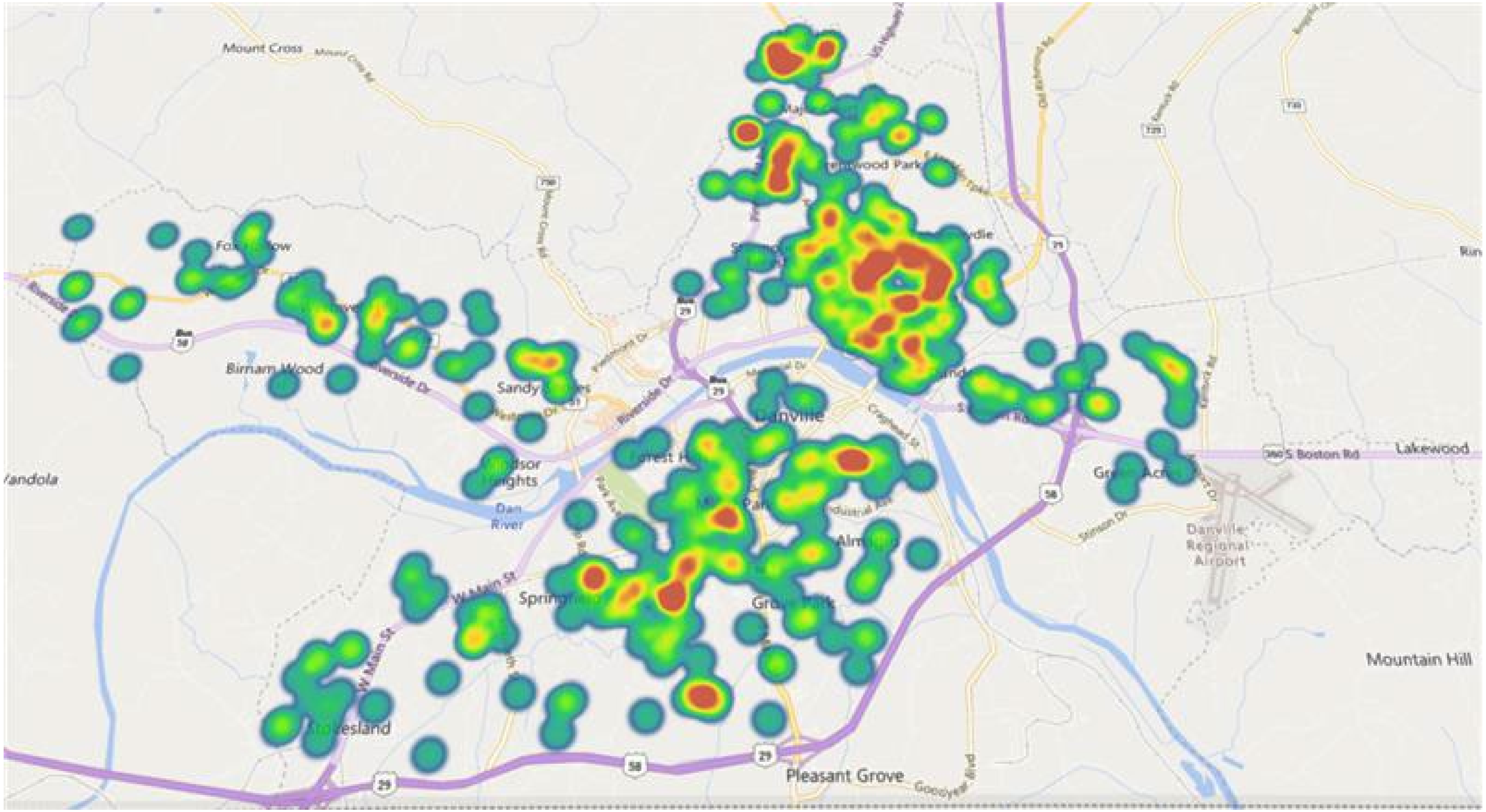
Results – Fiscal Year 2026

Applications: 72, with 51 approved for 2026 Fiscal Year

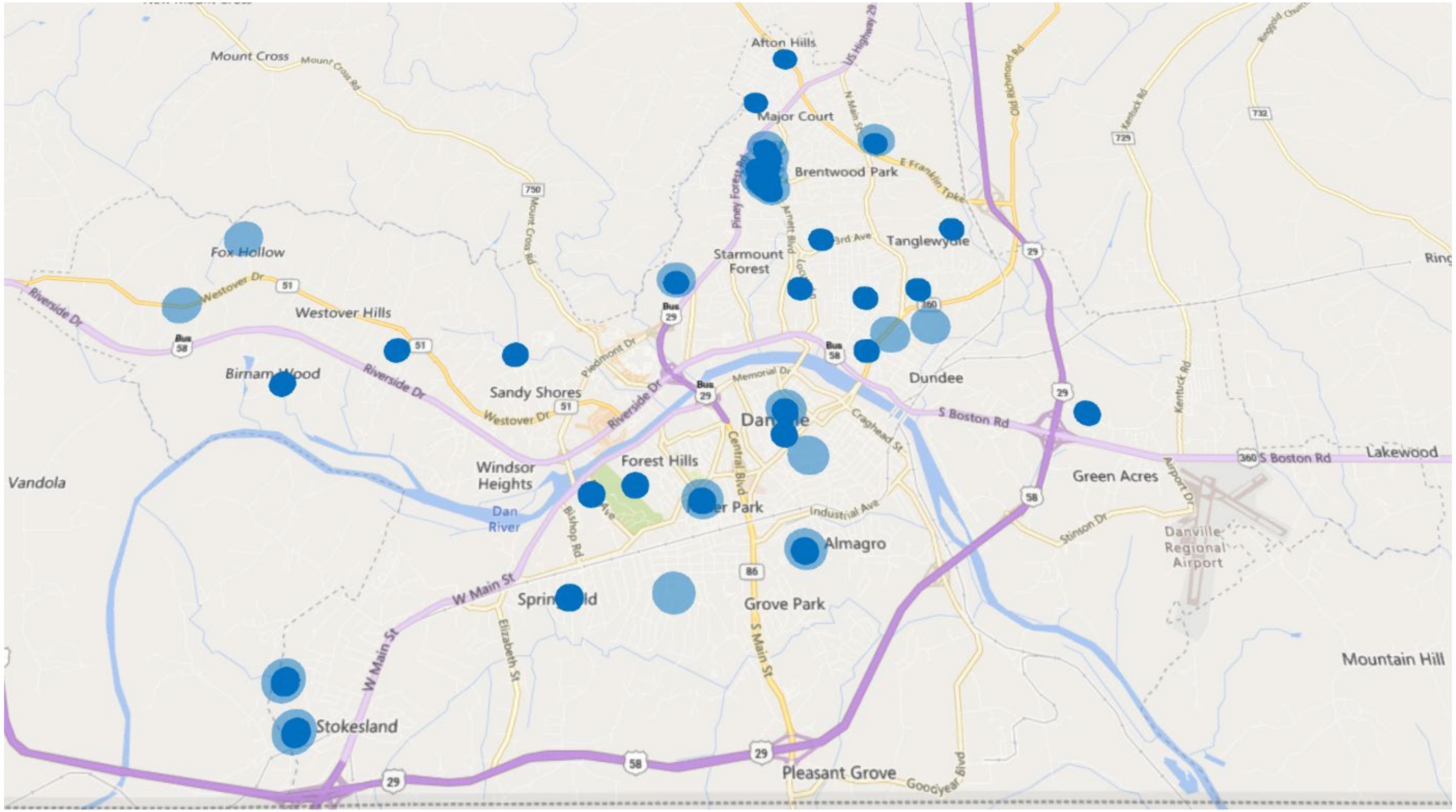
- Insulation: 48 Customers approved
- HVAC: 48 Customers approved
- Complete Insulation: 11 with 17 jobs pending, 20 customers either could not afford their portion or decided against having work completed
- Complete HVAC: 25 with 9 jobs pending, 14 customers either could not afford their portion or decided against having work completed
- Pending jobs either are still waiting for quotes or are in process
- All funds for FY2026 are projected to be expended with these projects

DANVILLE UTILITIES

Heat Map – Letters Sent



Completed Projects



Key

HVAC

Insulation

HVAC & Insulation

Before and After Examples

What’s Next?

Program Continues into Fiscal Year 2027

- Additional $500,000 was allocated from casino funds for FY2027
- 20 Customers on waiting list for additional funds to be available
- Customers are still calling with inquiries that received letter
- Evaluating sending letters to Summer peaking City residents or direct phone contact with non-participants from FY2026

Questions?