DANVILLE UTILITY COMMISSION AGENDA

CITY COUNCIL CHAMBERS

August 24, 2026

4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. ITEMS FOR DISCUSSION

1. Minutes of the July 27, 2026 Commission Meeting
2. Review of June (unaudited) Financial Statements
3. Utilities Capital 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: September 28, 2026 at 4:00pm

Danville Utility Commission

STAFF REPORT

DATE: August 24, 2026

TO: Danville Utility Commission

FROM: Janet Davis, Key Accounts Manager

RE: Minutes of the July 27, 2026 Commission Meeting

ATTACHMENTS

1. July 27 2026 DUC Minutes

Danville Utility Commission

4:00 p.m. July 27, 2026 Meeting
Council Chambers, City Hall

Minutes

Commission Members Present: Sheila Williamson-Branch, Ken Larking, Anna Kautzman, Gary Miller, Fred Shanks

Commission Members Absent: Murray Whittle, Steven Merricks, Mary Williamson

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

Others Present:

Election of Chair/Vice-Chair

Mr. Ryan Dodson from the City Attorney's office called the meeting to order and held the Chairman and Vice Chairman elections. Mr. Shanks nominated Ms. Kautzman to the office of Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor and the nomination passed unanimously. Ms. Kautzman nominated Mr. Shanks to the office of Vice Chairman. Hearing no other nominations, Mr. Dodson closed the nominations. All members voted in favor, and the nomination passed.

Discussion/Business Items

Minutes of April 27, 2026 Commission Meeting

Ms. Kautzman asked for any corrections, deletions, or adjustments to the minutes from April 27, 2026.

Mr. Shanks made a motion to approve the minutes. Mr. Larking seconded, all members voted in favor, and the motion was carried unanimously.

Review of Utilities' Financial Statements

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

Mr. Shanks asked what was sold during the last reporting period. Mr. Grey responded it was for the four delivery points.

HVAC/Insulation Program Update

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

Mr. Shanks asked if the new HVAC systems included mini split systems. Ms. Davis replied that heat pumps were used where applicable, but when it wasn't feasible, mini splits were used.

Dr. Miller asked if landlords could receive multiple grants. Ms. Davis responded that all houses that received a letter qualified.

Department Discussions and Public Comment

No one from the public signed up to speak during public comments.

Mr. Grey mentioned that the lead service line contractor is going throughout the territory identifying service line type. The inventory will be modeled and identified service lines that are lead or galvanized will be replaced.

Mr. Grey also said the substation outage on July 4^{th} is an ongoing legal matter. He said the substations have cameras and fences around them, and Danville Utilities is looking at updating security at critical infrastructure locations.

Mr. Shanks asked if it is common across the state or nation to have copper theft. Mr. Grey responded that it is very common among electric utilities and varies based on the price of copper.

Mr. Grey lastly emphasized the "common-sense" measures to conserve water as requested by the Commonwealth of Virginia.

Adjournment

Ms. Kautzman stated the next meeting is scheduled for August 24, 2026. There being no further business, Ms. Kautzman adjourned the meeting at 4:30 p.m.

August 24, 2026
Date Approved

Submitted by Janet Davis
Secretary to the DUC

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Chairman
Danville Utility Commission

Danville Utility Commission

STAFF REPORT

DATE: August 24, 2026

TO: Danville Utility Commission

FROM: Amy Chandler, Director of Finance

RE: Review of June (unaudited) Financial Statements

June financials will be reviewed.

ATTACHMENTS

1. June 2026 Utility Financial Statement Packet

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF NET ASSETS - UNAUDITED
JUNE 30, 2026

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2026
ASSETS							
Equity in pooled Cash and Investments	$	9,412,577.28	6,048,784.15	15,608,265.59	20,232,149.53	1,631,965.32	52,933,741.87
Receivables (Net of allowances for Uncollectible):							
Accounts		1,461,685.98	1,677,517.31	1,265,474.95	19,867,588.42	21,868.10	24,294,134.76
Power/Gas Cost Recovery		-	-	(953,612.52)	(2,347,758.21)	-	(3,301,370.73)
Loans		-	12,120,192.91	-	-	-	12,120,192.91
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		-	922,036.42	903,817.73	3,524,924.45	240,203.63	5,590,982.23
Fixed Assets		114,901,282.84	104,935,346.95	75,437,434.36	369,751,726.77	11,513,279.15	676,539,070.07
Accumulated Depreciation		(58,458,610.61)	(49,055,226.99)	(35,766,785.04)	(167,896,859.70)	(6,023,007.24)	(317,200,489.58)
Deferred Outflows - Pension		171,684.00	288,743.00	230,324.00	853,564.00	37,935.00	1,582,250.00
TOTAL ASSETS	$	67,512,252.49	76,977,139.75	56,756,623.07	244,102,829.26	7,427,465.96	452,776,310.53
LIABILITIES AND NET ASSETS							
Liabilities							
Accounts Payable	$	1,112,621.81	746,763.45	660,567.80	10,861,058.56	27,492.13	13,408,503.75
Accrued Interest Payable		44,870.62	161,958.37	4,655.06	776,091.11	-	987,575.16
Customer Deposits		-		-	3,730,997.07	-	3,730,997.07
Accrued Vacation, Sick Leave & Workers Comp.		-	160,358.43	153,161.80	601,293.51	16,130.35	930,944.09
Deferred Revenue		-	5,494,638.88	-	-	-	5,494,638.88
Deferred Gain / Loss - Refunding Bonds		(53,400.63)	(53,425.63)	(25,038.39)	(680,031.18)	-	(811,895.83)
Original Issue Premium/Discount (Refunding Bonds)		344,704.99	1,174,646.84	30,204.47	6,187,311.86	-	7,736,868.16
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	1,247,146.20	-	8,026,368.39
TOTAL LIABILITIES	$	5,097,382.27	26,221,599.12	1,250,508.78	83,535,534.67	43,622.48	116,148,647.32
Net Assets							
Contributed Capital	$	4,284,965.78	4,756,736.04	1,483,240.36	14,510,580.74	337,248.59	25,372,771.51
Retained Earnings:							
Restricted for Investment in Fixed Assets	$	48,217,816.61	25,970,865.05	37,755,284.84	121,025,338.11	5,153,023.32	238,122,327.93
Restricted for Incomplete Projects		6,601,616.64	16,148,225.74	15,757,365.35	4,524,845.21	465,418.30	43,497,471.24
Restricted for Subsequent Expenses		145,877.51	73,332.17	19,118.84	1,482,392.40	-	1,720,720.92
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		3,140,960.68	3,766,635.63	459,400.90	18,906,644.13	1,422,931.27	27,696,572.61
Total Retained Earnings	$	58,129,904.44	45,998,804.59	54,022,873.93	146,056,713.85	7,046,594.89	311,254,891.70
TOTAL NET ASSETS	$	62,414,870.22	50,755,540.63	55,506,114.29	160,567,294.59	7,383,843.48	336,627,663.21
TOTAL LIABILITIES AND NET ASSETS	$	67,512,252.49	76,977,139.75	56,756,623.07	244,102,829.26	7,427,465.96	452,776,310.53

CITY OF DANVILLE
UTILITY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
FOR THE PERIOD ENDED JUNE 30, 2026

		WASTEWATER	WATER	GAS	ELECTRIC	TELECOM	JUNE 30, 2026
Operating revenues:							
Charges for Services	$	9,728,151.37	9,676,271.43	20,065,325.13	151,963,688.16	798,726.60	192,232,162.69
Operating Expenses:							
Purchased Services	$	-	-	11,561,967.48	118,736,916.48	38,056.62	130,336,940.58
Production		-	-	-	3,991.73	-	3,991.73
Transmission & Treatment		4,065,159.92	2,385,708.27	-	1,874,639.95	-	8,325,508.14
Engineering		-	276,935.04	301,375.25	1,241,068.75	-	1,819,379.04
Distribution		1,923,819.86	1,318,859.81	1,324,884.43	7,646,369.71	-	12,213,933.81
Service		112,647.46	230,713.97	83,789.48	-	-	427,150.91
Meters & Regulators		-	152,629.23	180,044.16	656,423.52	-	989,096.91
Administrative		2,789,741.61	4,299,547.43	4,180,867.02	15,533,781.85	1,006,044.73	27,809,982.64
Total Operating Expenses	$	8,891,368.85	8,664,393.75	17,632,927.82	145,693,191.99	1,044,101.35	181,925,983.76
Operating Income (Loss)	$	836,782.52	1,011,877.68	2,432,397.31	6,270,496.17	(245,374.75)	10,306,178.93
Non-Operating Revenues (Expenses):							
Jobbing Income (Loss)		58,904.00	375,438.61	1,178,462.50	2,301,107.76	31,588.63	3,945,501.50
Interest Income		290,535.24	222,088.20	449,670.62	262,690.15	48,105.54	1,273,089.75
Energy Efficiency Recovery		-	-	-	-	-	-
Gain (Loss) on Disposal of Property		1,674.50	10,215.50	10,680.50	10,747,196.36	-	10,769,766.86
Recoveries and Rebates		237,180.83	-	-	669,833.15	-	907,013.98
Federal and State Grants		-	-	-	-	-	-
Interest Expense		(54,433.29)	(495,766.99)	(10,856.37)	(2,008,119.53)	-	(2,569,176.18)
Total Non-Operating Revenues (Expenses)	$	533,861.28	111,975.32	1,627,957.25	11,972,707.89	79,694.17	14,326,195.91
Income (Loss) Before Operating Transfers	$	1,370,643.80	1,123,853.00	4,060,354.56	18,243,204.06	(165,680.58)	24,632,374.84
Operating Transfers:							
Transfers In (Out)		(742,540.00)	(1,020,080.00)	(2,109,110.00)	(6,620,390.00)	(115,780.00)	(10,607,900.00)
Total Operating Transfers	$	(742,540.00)	(1,020,080.00)	(2,109,110.00)	(6,620,390.00)	(115,780.00)	(10,607,900.00)
Net Income (Loss)	$	628,103.80	103,773.00	1,951,244.56	11,622,814.06	(281,460.58)	14,024,474.84
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)		628,103.80	103,773.00	1,951,244.56	11,622,814.06	(281,460.58)	14,024,474.84
Contribution In Aid of Construction		72,187.00	80,453.12	142,729.78	788,958.21	-	1,084,328.11
Net Assets -June 30, 2026	$	62,414,870.22	50,755,540.63	55,506,114.29	160,567,294.59	7,383,843.48	336,627,663.21

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2026

WASTEWATER

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	JUNE 2026	PERCENT OF CURRENT BUDGET	JUNE 2025
OPERATING REVENUE	9,387,520.00		9,387,520.00	9,728,151.37	103.63%	9,820,794.49
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	4,400,190.00	32,618.55	4,432,808.55	4,065,159.92	91.71%	4,010,706.47
ENGINEERING	-		-	-		-
DISTRIBUTION	2,003,630.00		2,003,630.00	1,923,819.86	96.02%	1,979,268.21
SERVICE	184,920.00		184,920.00	112,647.46	60.92%	120,668.66
METERS & REGULATORS	-		-	-		-
DEPRECIATION	1,670,190.00		1,670,190.00	1,670,190.00	100.00%	1,967,370.00
BAD DEBT	40,000.00		40,000.00	73,639.38	184.10%	64,057.93
GENERAL & ADMINISTRATIVE	1,106,597.50		1,106,597.50	1,045,912.23	94.52%	860,741.24
TOTAL OPERATING EXPENSES	9,405,527.50	32,618.55	9,438,146.05	8,891,368.85	94.21%	9,002,812.51
OPERATING INCOME (LOSS)	(18,007.50)	(32,618.55)	(50,626.05)	836,782.52	-1652.87%	817,981.98
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	54,200.00		54,200.00	290,535.24	536.04%	252,839.98
RECOVERIES AND REBATES	66,347.50		66,347.50	237,180.83	0.00%	4,125.04
GAIN/LOSS ON DISPOSAL	-		-	1,674.50	0.00%	1,451.00
JOBBING INCOME (LOSS)	36,050.00		36,050.00	58,904.00	163.40%	47,414.96
INTEREST ON LONG TERM INDEBTEDNESS	(127,780.00)		(127,780.00)	(54,433.29)	42.60%	(32,938.88)
NET INCOME (LOSS)	10,810.00	(32,618.55)	(21,808.55)	1,370,643.80	-6284.89%	1,090,874.08
OPERATING TRANSFERS IN (OUT)	(742,540.00)	-	(742,540.00)	(742,540.00)	100.00%	(705,759.96)
NET INCOME AFTER TRANSFERS	(731,730.00)	(32,618.55)	(764,348.55)	628,103.80	-82.18%	385,114.12
CONTRIBUTION IN AID	70,000.00		70,000.00	72,187.00	103.12%	
REGULAR CAPITAL MAINTENANCE	(1,540,820.00)	(590,830.75)	(2,131,650.75)	(967,167.31)	45.37%	
CAPITAL PROJECTS	-	(6,151,344.26)	(6,151,344.26)	(3,814,211.06)	62.01%	
DEBT SERVICE	(169,520.00)		(169,520.00)	-	0.00%	
DEPRECIATION	1,670,190.00		1,670,190.00	1,670,190.00	100.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2026

WATER

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	JUNE 2026	PERCENT OF CURRENT BUDGET	JUNE 2025
OPERATING REVENUE	9,264,850.00	-	9,264,850.00	9,676,271.43	104.44%	9,634,800.66
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,385,490.00	18,415.43	2,403,905.43	2,385,708.27	99.24%	2,110,557.87
ENGINEERING	391,490.00	16,506.25	407,996.25	276,935.04	67.88%	257,527.65
DISTRIBUTION	1,441,430.00	-	1,441,430.00	1,318,859.81	91.50%	1,040,084.35
SERVICE	223,640.00	-	223,640.00	230,713.97	103.16%	172,094.17
METERS & REGULATORS	159,440.00	-	159,440.00	152,629.23	95.73%	135,577.88
DEPRECIATION	1,442,130.00	-	1,442,130.00	1,442,129.88	100.00%	1,519,860.12
BAD DEBT	30,000.00	-	30,000.00	69,337.66	231.13%	51,545.50
GENERAL & ADMINISTRATIVE	2,845,125.00	76,617.63	2,921,742.63	2,788,079.89	95.43%	2,382,505.63
TOTAL OPERATING EXPENSES	8,918,745.00	111,539.31	9,030,284.31	8,664,393.75	95.95%	7,669,753.17
OPERATING INCOME (LOSS)	346,105.00	(111,539.31)	234,565.69	1,011,877.68	431.38%	1,965,047.49
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	103,300.00		103,300.00	222,088.20	214.99%	342,779.66
RECOVERIES AND REBATES	6,000.00		6,000.00	-	0.00%	-
GAIN/LOSS ON DISPOSAL	3,400.00		3,400.00	10,215.50	300.46%	-
JOBBING INCOME (LOSS)	744,365.00		744,365.00	375,438.61	50.44%	346,997.18
FEDERAL AND STATE GRANTS	-	-	-	-	#DIV/0!	-
INTEREST ON LONG TERM INDEBTEDNESS	(571,580.00)		(571,580.00)	(495,766.99)	86.74%	(458,917.45)
NET INCOME (LOSS)	631,590.00	(111,539.31)	520,050.69	1,123,853.00	216.10%	2,195,906.88
OPERATING TRANSFERS IN (OUT)	(1,020,080.00)		(1,020,080.00)	(1,020,080.00)	100.00%	(966,300.00)
NET INCOME AFTER TRANSFERS	(388,490.00)	(111,539.31)	(500,029.31)	103,773.00	-20.75%	1,229,606.88
CONTRIBUTION IN AID	-		-	80,453.12	0.00%	
REGULAR CAPITAL MAINTENANCE	(961,510.00)	(5,560.86)	(967,070.86)	(561,157.14)	58.03%	
CAPITAL PROJECTS	-	(6,941,454.09)	(6,941,454.09)	(3,400,142.07)	48.98%	
DEBT SERVICE	(516,610.00)		(516,610.00)	-	0.00%	
DEPRECIATION	1,442,130.00		1,442,130.00	1,442,129.88	100.00%	

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2026

GAS

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	JUNE 2026	PERCENT OF CURRENT BUDGET	JUNE 2025
OPERATING REVENUE	19,864,170.00	-	19,864,170.00	20,065,325.13	101.01%	18,885,168.03
COST OF SALES						
PURCHASED SERVICES	12,875,000.00		12,875,000.00	11,561,967.48	89.80%	11,182,328.98
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	12,875,000.00	-	12,875,000.00	11,561,967.48		11,182,328.98
GROSS PROFIT	6,989,170.00	-	6,989,170.00	8,503,357.65		7,702,839.05
GROSS PROFIT %	35.18%		35.18%	42.38%		40.79%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	396,830.00	9,736.41	406,566.41	301,375.25	74.13%	290,473.19
DISTRIBUTION	1,400,310.00	-	1,400,310.00	1,324,884.43	94.61%	1,106,853.12
SERVICE	146,230.00	-	146,230.00	83,789.48	57.30%	58,401.66
METERS & REGULATORS	186,670.00	-	186,670.00	180,044.16	96.45%	150,747.07
DEPRECIATION	1,589,130.00	-	1,589,130.00	1,589,130.00	100.00%	1,578,100.08
BAD DEBT	60,000.00	-	60,000.00	125,745.58	209.58%	69,141.67
GENERAL & ADMINISTRATIVE	2,583,600.00	-	2,583,600.00	2,465,991.44	95.45%	2,358,911.85
TOTAL OPERATING EXPENSES	6,362,770.00	9,736.41	6,372,506.41	6,070,960.34	95.27%	5,612,628.64
OPERATING INCOME (LOSS)	626,400.00	(9,736.41)	616,663.59	2,432,397.31	394.44%	2,090,210.41
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	114,700.00		114,700.00	449,670.62	392.04%	475,788.56
RECOVERIES AND REBATES	-		-	-	0.00%	180.08
GAIN/LOSS ON DISPOSAL	-		-	10,680.50	0.00%	42,370.00
JOBBING INCOME (LOSS)	283,780.00		283,780.00	1,178,462.50	415.27%	590,345.57
FEDERAL AND STATE GRANTS	-	-	-	-	0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	(46,580.00)		(46,580.00)	(10,856.37)	23.31%	(18,006.66)
NET INCOME (LOSS)	978,300.00	(9,736.41)	968,563.59	4,060,354.56	419.21%	3,180,887.96
OPERATING TRANSFERS IN (OUT)	(2,109,110.00)		(2,109,110.00)	(2,109,110.00)	100.00%	(6,199,329.96)
NET INCOME AFTER TRANSFERS	(1,130,810.00)	(9,736.41)	(1,140,546.41)	1,951,244.56	-171.08%	(3,018,442.00)

CONTRIBUTION IN AID			-	142,729.78	0.00%
REGULAR CAPITAL MAINTENANCE	(418,790.00)	(70,156.51)	(488,946.51)	(462,464.31)	94.58%
CAPITAL PROJECTS	-	(4,345,880.23)	(4,345,880.23)	(1,126,735.08)	25.93%
DEBT SERVICE	(103,110.00)		(103,110.00)	-	0.00%
DEPRECIATION	1,589,130.00		1,589,130.00	1,589,130.00	100.00%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2026

ELECTRIC

	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	JUNE 2026	PERCENT OF CURRENT BUDGET	JUNE 2025
OPERATING REVENUE	139,117,080.00	-	139,117,080.00	151,963,688.16	109.23%	141,532,398.63
COST OF SALES						
PURCHASED SERVICES	104,894,010.00	-	104,894,010.00	118,736,916.48	113.20%	109,350,341.48
PRODUCTION	-	-	-	3,991.73		103,337.72
TOTAL COST OF SALES	104,894,010.00	-	104,894,010.00	118,740,908.21		109,453,679.20
GROSS PROFIT	34,223,070.00	-	34,223,070.00	33,222,779.95		32,078,719.43
GROSS PROFIT %	24.60%		24.60%	21.86%		22.67%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	2,042,660.00	67,251.00	2,109,911.00	1,874,639.95	88.85%	1,717,002.12
ENGINEERING	1,297,370.00	43,740.95	1,341,110.95	1,241,068.75	92.54%	1,171,882.59
DISTRIBUTION	6,768,560.00	992,758.05	7,761,318.05	7,646,369.71	98.52%	6,749,618.16
METERS & REGULATORS	599,180.00	-	599,180.00	656,423.52	109.55%	574,609.91
DEPRECIATION	8,150,650.00	-	8,150,650.00	8,150,649.96	100.00%	8,206,890.00
BAD DEBT	400,000.00	-	400,000.00	622,499.14	155.62%	430,558.86
GENERAL & ADMINISTRATIVE	6,979,193.50	771,959.71	7,751,153.21	6,760,632.75	87.22%	5,832,433.54
TOTAL OPERATING EXPENSES	26,237,613.50	1,875,709.71	28,113,323.21	26,952,283.78	95.87%	24,682,995.18
OPERATING INCOME (LOSS)	7,985,456.50	(1,875,709.71)	6,109,746.79	6,270,496.17	102.63%	7,395,724.25
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	500,000.00	-	500,000.00	262,690.15	52.54%	496,946.30
RECOVERIES AND REBATES	162,503.50	8,395.33	170,898.83	669,833.15	391.95%	2,775,804.10
GAIN/LOSS ON DISPOSAL	25,000.00	-	25,000.00	10,747,196.36	42988.79%	30,082.00
JOBBING INCOME (LOSS)	2,888,190.00	(12,155.48)	2,876,034.52	2,301,107.76	80.01%	2,169,188.28
FEDERAL AND STATE GRANTS	-	-	-	-	0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	(2,557,070.00)	-	(2,557,070.00)	(2,008,119.53)	78.53%	(1,933,208.26)
NET INCOME (LOSS)	9,004,080.00	(1,879,469.86)	7,124,610.14	18,243,204.06	256.06%	10,934,536.67
OPERATING TRANSFERS IN (OUT)	(6,620,390.00)	-	(6,620,390.00)	(6,620,390.00)	100.00%	(10,135,609.96)
NET INCOME AFTER TRANSFERS	2,383,690.00	(1,879,469.86)	504,220.14	11,622,814.06	2305.11%	798,926.71

CONTRIBUTION IN AID	-		-	788,958.21	0.00%
FEDERAL AID - CAPITAL PROJECTS	-	-	-	-	0.00%
REGULAR CAPITAL MAINTENANCE	(6,057,980.00)	(1,127,781.63)	(7,185,761.63)	(4,523,077.42)	62.94%
CAPITAL PROJECTS	(26,910.00)	(5,666,400.73)	(5,693,310.73)	(10,663,077.93)	187.29%
DEBT SERVICE	(4,540,970.00)	-	(4,540,970.00)	-	0.00%
DEPRECIATION	8,150,650.00	-	8,150,650.00	8,150,649.96	100.00%

UTILITY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - UNAUDITED
FOR THE PERIOD ENDED JUNE 30, 2026

TELECOMMUNICATIONS

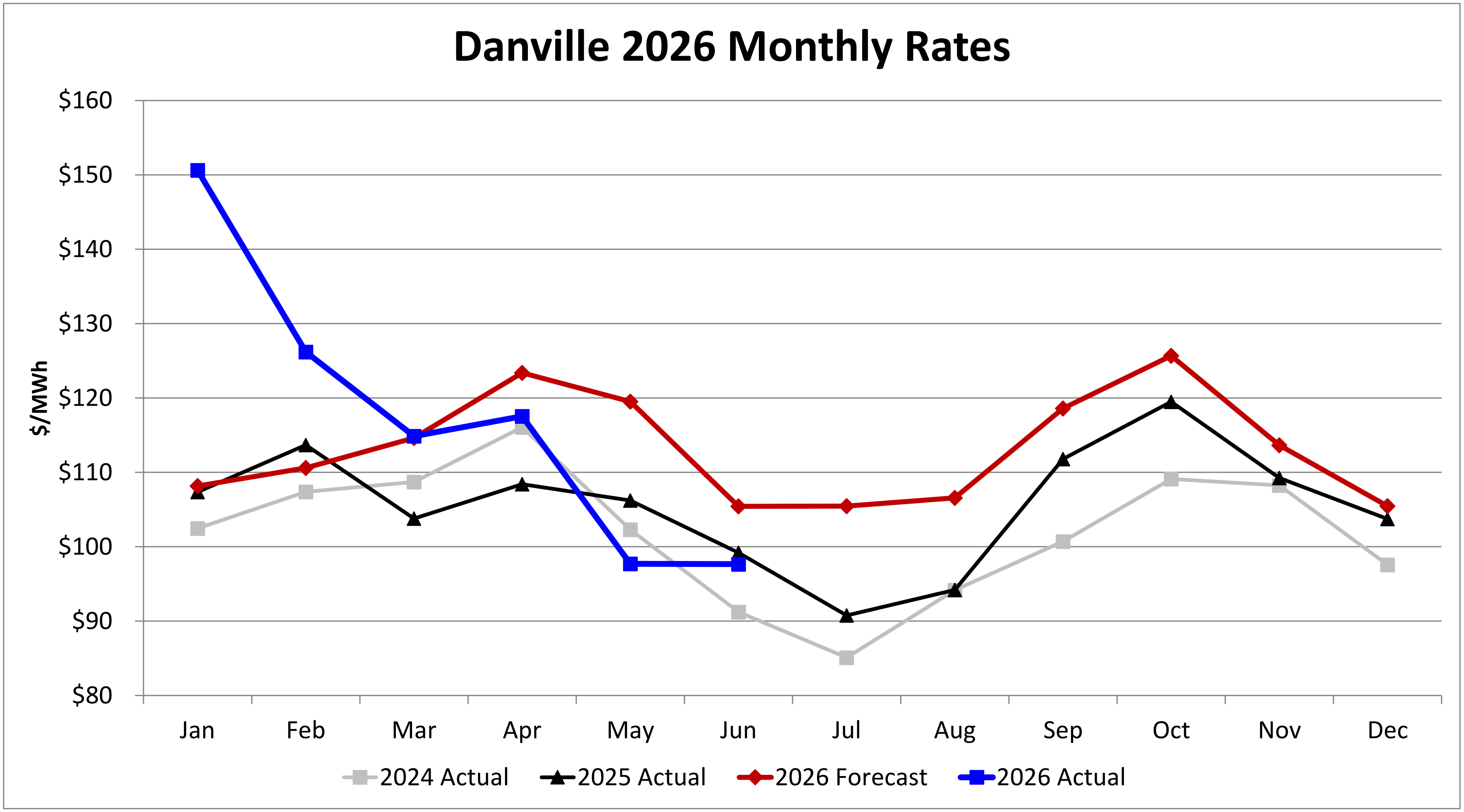
	ORIGINAL BUDGET 25-26	ADJUSTMENTS AND CARRYFORWARDS	CURRENT BUDGET 25-26	JUNE 2026	PERCENT OF CURRENT BUDGET	JUNE 2025
OPERATING REVENUE	853,270.00		853,270.00	798,726.60	93.61%	847,067.91
COST OF SALES						
PURCHASED SERVICES	70,000.00		70,000.00	38,056.62	54.37%	61,400.57
PRODUCTION	-		-	-		-
TOTAL COST OF SALES	70,000.00	-	70,000.00	38,056.62		61,400.57
GROSS PROFIT	783,270.00	-	783,270.00	760,669.98		785,667.34
GROSS PROFIT %	91.80%		91.80%	95.24%		92.75%
OPERATING EXPENSES						
TRANSMISSION & TREATMENT	-		-	-		-
ENGINEERING	-		-	-		-
DISTRIBUTION	-		-	-		-
SERVICE	-		-	-		-
METERS & REGULATORS	-		-	-		-
DEPRECIATION	445,170.00	-	445,170.00	445,170.00	100.00%	440,540.04
BAD DEBT	-		-	-		-
GENERAL & ADMINISTRATIVE	517,530.00	265.54	517,795.54	560,874.73	108.32%	509,123.08
TOTAL OPERATING EXPENSES	962,700.00	265.54	962,965.54	1,006,044.73	104.47%	949,663.12
OPERATING INCOME (LOSS)	(179,430.00)	(265.54)	(179,695.54)	(245,374.75)	136.55%	(163,995.78)
NON-OPERATING REVENUE (EXPENSE)						
INTEREST INCOME ON INVESTMENTS	9,900.00	-	9,900.00	48,105.54	485.91%	48,474.89
RECOVERIES AND REBATES	-	-	-	-	0.00%	-
GAIN/LOSS ON DISPOSAL	-	-	-	-	0.00%	-
JOBBING INCOME (LOSS)	700.00	-	700.00	31,588.63	4512.66%	24,090.90
FEDERAL AND STATE GRANTS	-	-	-		0.00%	-
INTEREST ON LONG TERM INDEBTEDNESS	-	-	-	-	0.00%	-
NET INCOME (LOSS)	(168,830.00)	(265.54)	(169,095.54)	(165,680.58)	97.98%	(91,429.99)
OPERATING TRANSFERS IN (OUT)	(115,780.00)		(115,780.00)	(115,780.00)	100.00%	(81,000.00)
NET INCOME AFTER TRANSFERS	(284,610.00)	(265.54)	(284,875.54)	(281,460.58)	98.80%	(172,429.99)
CONTRIBUTION IN AID	-		-	-	0.00%	
REGULAR CAPITAL MAINTENANCE	(115,000.00)	-	(115,000.00)	(60,439.28)	52.56%	
CAPITAL PROJECTS		(479,576.76)	(479,576.76)	(68,719.18)	0.00%	
DEPRECIATION	445,170.00	-	445,170.00	445,170.00	100.00%	

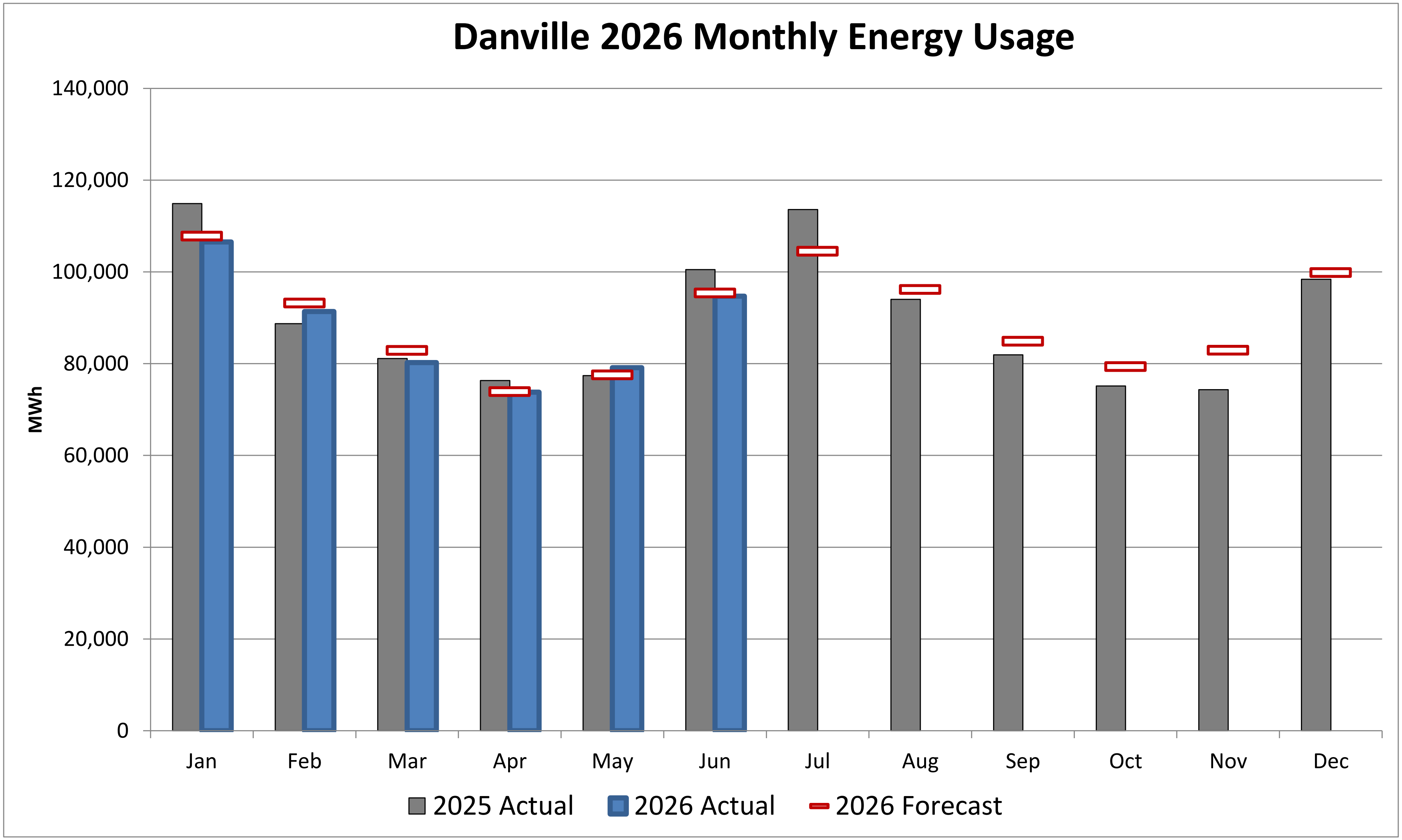
Future months (still in blue) show projections.

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

Mo Rate Applied	WACOG	WACOG Plus Losses	Demand Rate Firm	Demand Rate Interruptible	Adjustments	PGA (f)	PGA (i)	DEMAND Recovery (Independent of Commod) Cum Over (Under) Demand Recovery Current FY	COMMODITY - Rolling Recovery (Does not include Demand Recovery) 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	$ 3.06763	$ 3.06763	$ 2.00000	$ -	$ -	$ 5.59192	$ 3.59192	$ 1,158,999.26	$ 173,313.96	$ 226,449.00	$ 53,135.04	$953,612.52	Final

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	$ 9,305,729.82	$ 1,455,248.71	**$ 7,850,481.11**	81,300,913	12,714,000	68,586,913	*$0.030000*	$0.086200	$0.116200	**$ 7,969,799.29**	$ 119,318.18		**$ 2,347,758.22**	ACTUAL


Danville 2026 Monthly Rates
$160
$150
$140
$130
$120
$110
$100
$90
$80
$/MWh
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2024 Actual
2025 Actual
2026 Forecast
2026 Actual



Danville 2026 Monthly Energy Usage
MWh
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2025 Actual
2026 Actual
2026 Forecast

Danville Utility
Commission

STAFF REPORT

DATE: August 24, 2026

TO: Danville Utility Commission

FROM: Jason Grey, Director of Utilities

RE: Utilities Capital Project Update

Jason Grey, Director of Utilities, will provide an overview of current capital projects, including progress, schedules, and major milestones for water, wastewater, natural gas, and electric utility infrastructure initiatives.

ATTACHMENTS

1. Danville_Utilities_CIP_Project_Portfolio

CIP PROJECT PORTFOLIO

Danville Utility Commission

Portfolio Overview

Current list of capital projects and named owners from CIP Owners.xlsx

3	6	3	4	1
Water	Gas	Wastewater	Electric	Water Treatment

WASTEWATER

Southside Pumping Station

Project Cost

$35,000,000

COMPLETION DATE

12/01/2028

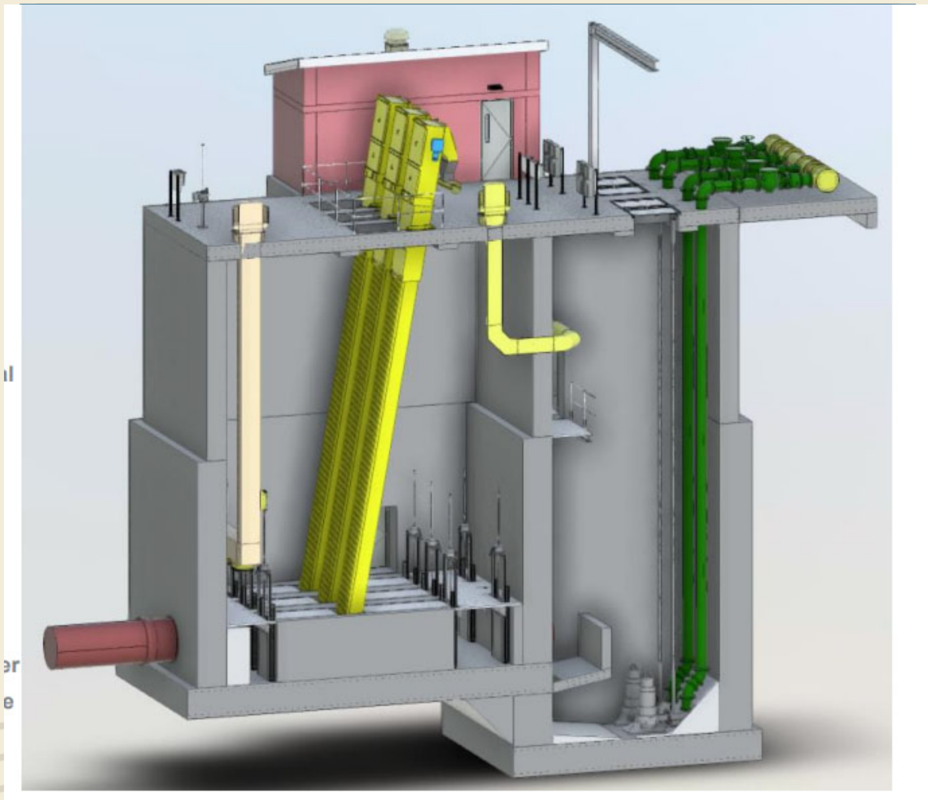
STATUS / NOTE

Engineering/Permitting

Working description

Major pump station replacement or upgrade to improve conveyance capacity, reliability, and long-term wastewater service.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



WASTEWATER

Northside Primary Clarifier

Project Cost

$1,200,000

COMPLETION DATE

05/01/2027

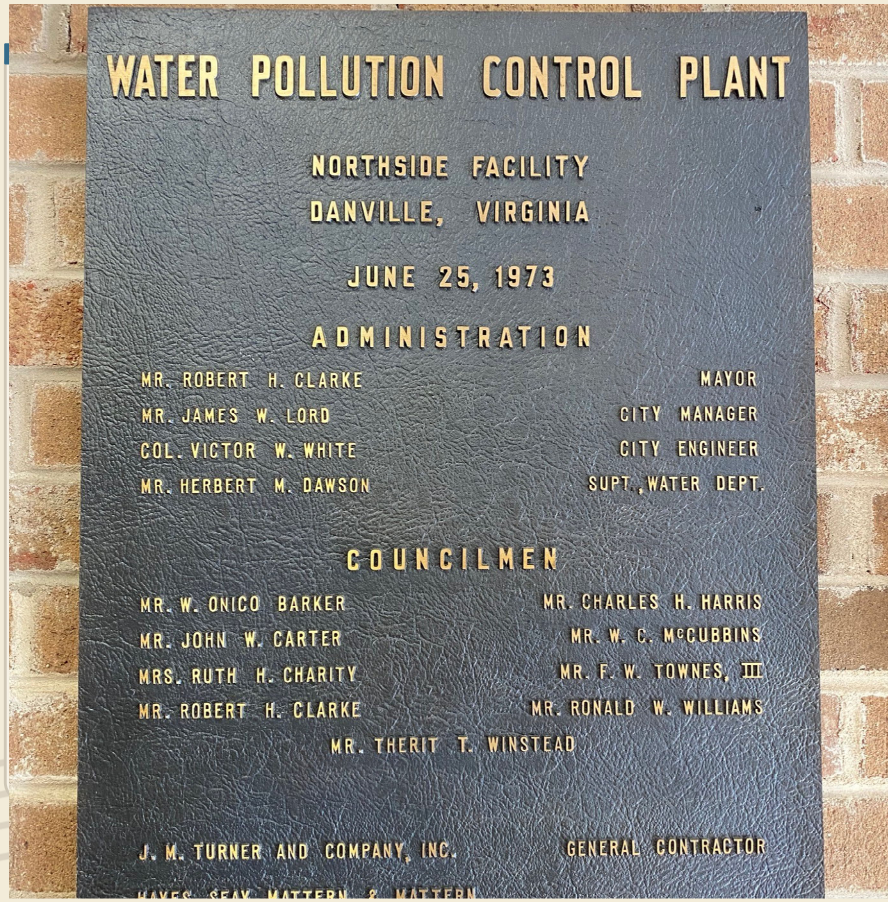
STATUS / NOTE

Notice to proceed-July 2026

Working description

Primary clarifier rehabilitation or replacement to maintain treatment performance and reduce operational risk at Northside.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



WASTEWATER

Northside Stormwater Pumping Station

Project Cost

$2,000,000

COMPLETION DATE

08/31/2026

STATUS / NOTE

Construction Underway

Working description

Stormwater pumping station project associated with Northside wastewater facilities and storm flow management. Will divert stormwater flow through the treatment plant to avoid any potential of DEQ outfall violations.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

WATER

Lead Service Line Inventory and Replacement

Project Cost

$8,000,000

COMPLETION DATE

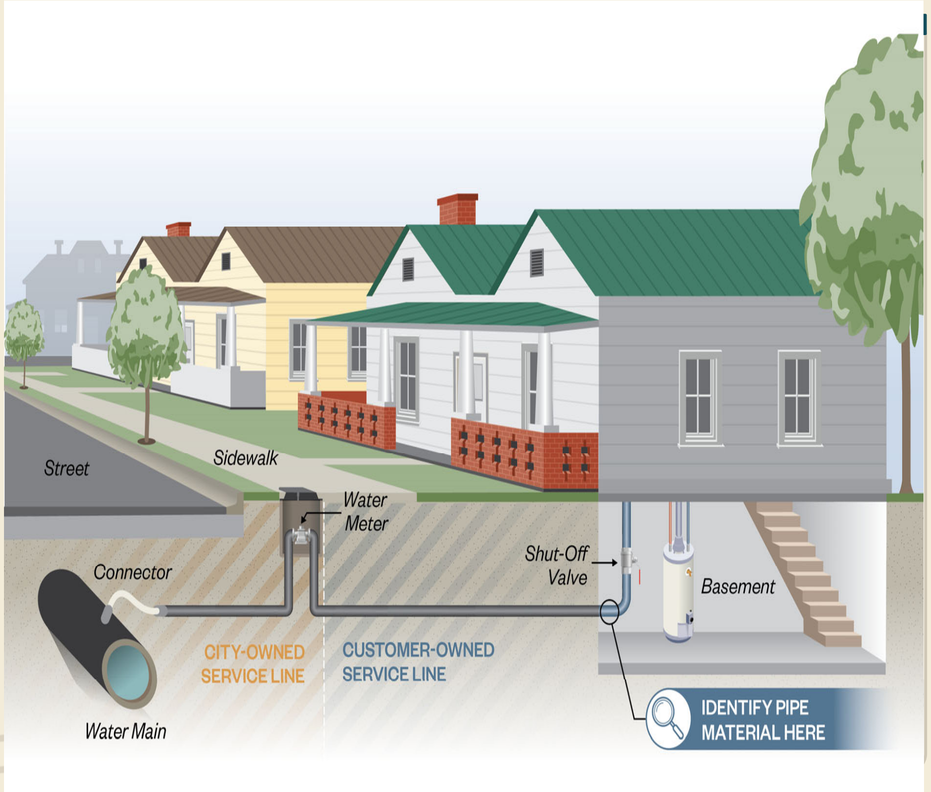
10/01/2027

STATUS / NOTE

Inventory

Working description

Inventory and replacement effort for lead and copper rule-related service line compliance and customer-side risk reduction. Contractor Crew has started inventory efforts. Final inventory must be submitted to the Virginia Department of Health by October 2027. After that date all lead, galvanized and unknown service lines have to be replaced.



WATER

Northmont Water Main Replacement

Project Cost

$4,500,000

COMPLETION DATE

07/31/2027

STATUS / NOTE

Construction-Starts Sept 2026

Working description

Replacement of aging water mains in the Northmont area to improve reliability, maintainability, and service continuity. Project is funded with a combination of a grant, low-interest loan, and internal funds.

WATER TREATMENT

Water Plant Improvements

Project Cost

$600,000

COMPLETION DATE

06/30/2028

STATUS / NOTE

Engineering/Evaluation underway

Working description

Water treatment plant filter gallery replacement, coagulant trial and replacement, plate settler installations, sedimentation basin replacements to address aging infrastructure and maintain robust treatment operations during high turbidity events.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

WATER

Trotters Creek Water Main Extension

Project Cost

$6,000,000

COMPLETION DATE

05/31/2027

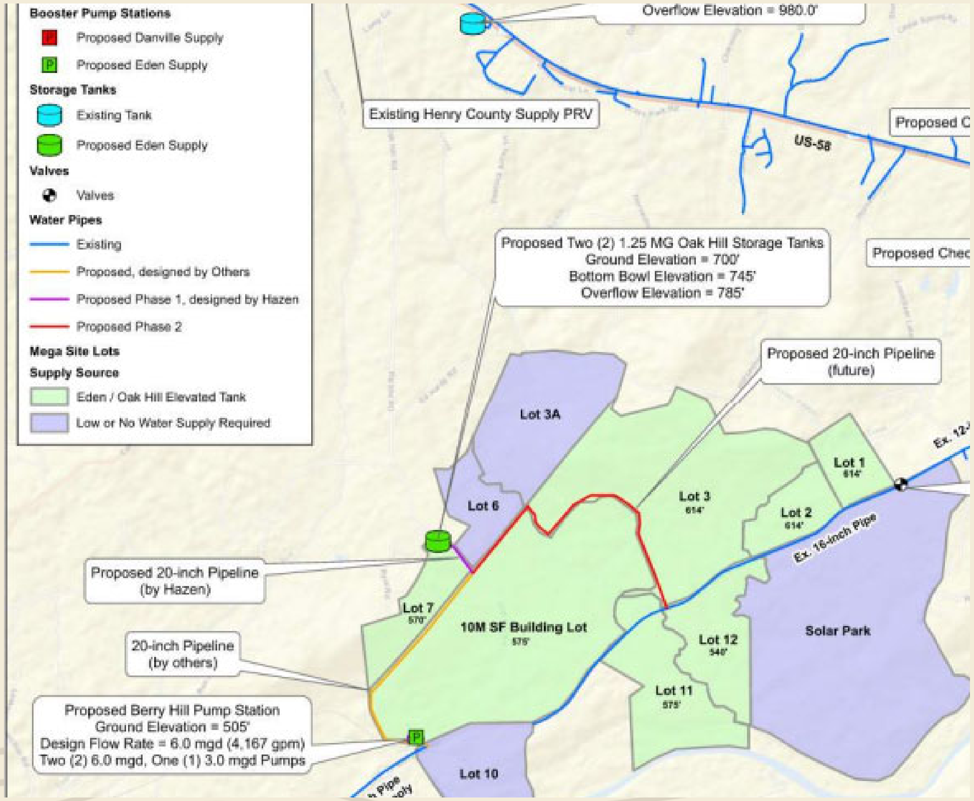
STATUS / NOTE

Engineering Completed-Procurement underway

Working description

Water main extension along the Trotters Creek corridor in the Southern Virginia Megasite at Berry Hill to connect the 20” water amin to feed Microporous and other park tenants. This project is funded with FY27 bonds.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



8

Berry Hill Natural Gas Extension

Project Cost

$8,000,000

COMPLETION DATE

06/30/2027

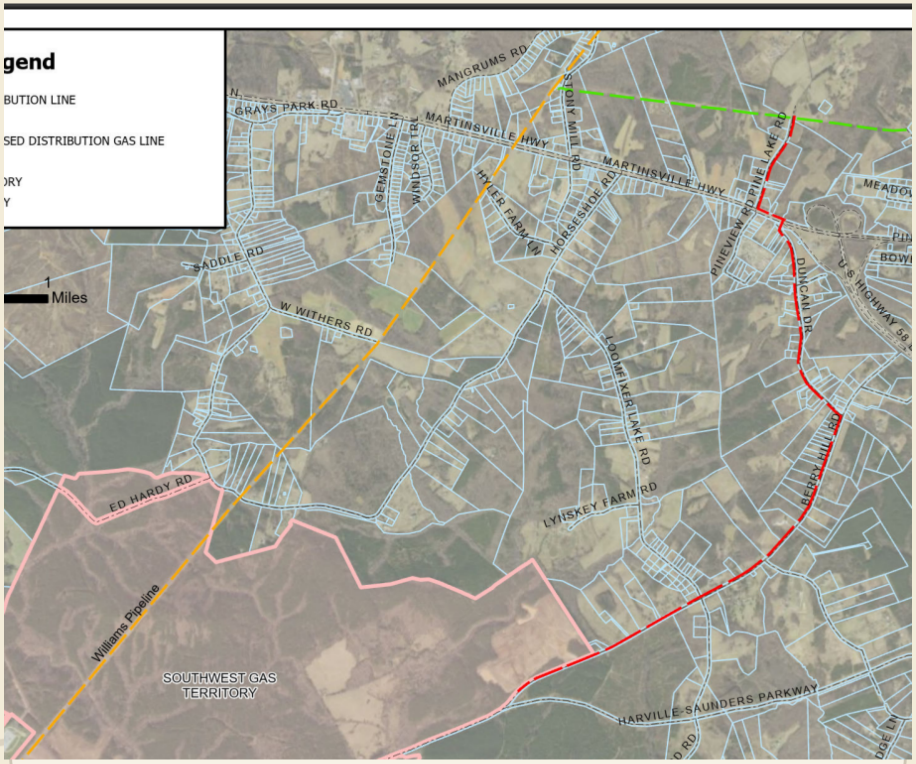
STATUS / NOTE

Engineering Completed-Construction Procurement

Working description

Natural gas extension project supporting growth and industrial service needs in the Berry Hill area. The City is partner with Southwestern Virginia Gas to bring natural gas capacity to the industrial park. The project will be funded with a $6,000,000 VEDP grant, $460,000 engineering grant from the Tobacco Commission, and a $2,000,000 loan from the Tobacco Commission.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



GAS

Sandy Creek NG Regulator Project

Project Cost

$1,500,000

COMPLETION DATE

12/31/2027

STATUS / NOTE

Engineering

Working description

Natural gas regulator project for the replacement of the Sandy Creek regulator station on Mount Cross Road near Riverside Drive to support safe pressure control and system operations.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

GAS

Transco Gas Gate Improvements Ph 1

Project Cost

$500,000

COMPLETION DATE

09/01/2026

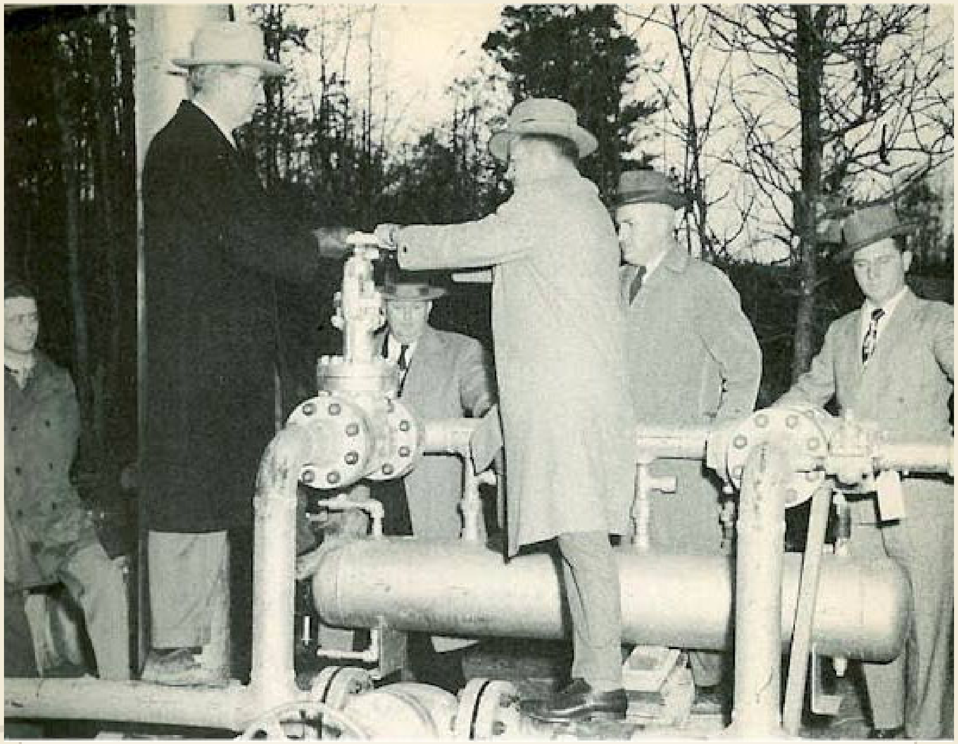
STATUS / NOTE

Construction Underway

Working description

Phase 1 improvements at the Transco gas gate to enhance gate station bypass piping to meet compliance requirements and operational reliability.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



DANVILLE VIRGINIA

GAS

Transco Gas Gate Improvements Ph 2

PRIMARY OWNER

$2,000,000

COMPLETION DATE

12/30/2027

STATUS / NOTE

Grant funding application

Working description

Phase 2 improvements at the Transco gas gate including replacing the building and adding telemetry and metering to further strengthen station performance.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

GAS

PHMSA Goodyear/South Main Gas Main Replacement

Project Cost

$10,200,000

COMPLETION DATE

June 2028

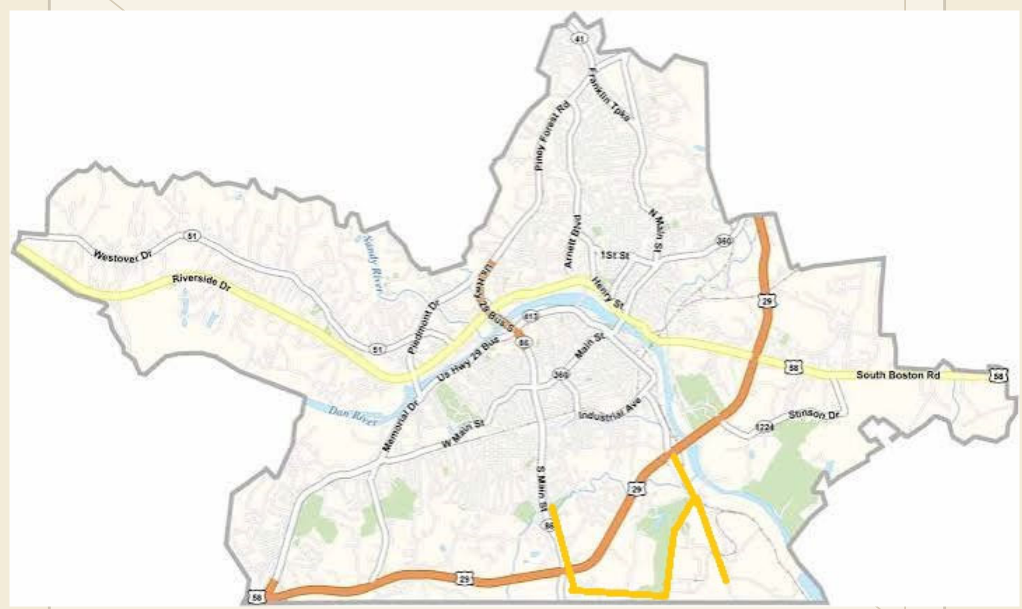
STATUS / NOTE

Engineering Completed

Working description

Gas main replacement project in the Goodyear/South Main corridor, aligned with pipeline safety modernization priorities.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.



GAS

Robertson Bridge Regulator Station Improvements

Project Cost

$1,500,000

COMPLETION DATE

12/30/2027

STATUS / NOTE

Engineering

Working description

Regulator station improvements at Robertson Bridge to support pressure control, reliability, and safe system operations.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

ELECTRIC

Swedwood/Morgan Olson Substation

Project Cost

$8,000,000

COMPLETION DATE

10/01/2027

STATUS / NOTE

Engineering

Working description

Substation project supporting the Swedwood/Morgan Olson area and future electric capacity needs.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

ELECTRIC

Mount Cross Road Battery Storage

Project Cost

$1,500,000 (City cost)

COMPLETION DATE

08/31/2026

STATUS / NOTE

Testing and Commissioning

Working description

Battery energy storage project intended to support peak demand management and grid flexibility. Project partially funded with Tobacco Commission grant/loan funding.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

ELECTRIC

New Design Substation

Project Cost

$6,000,000

COMPLETION DATE

10/31/2026

STATUS / NOTE

Under Construction

Working description

Substation upgrade project to improve reliability and increase electric capacity of aging substation equipment.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

DANVILLE VIRGINIA

ELECTRIC

Electric Reliability Projects

Project Cost

$3,500,000 (annual project)

COMPLETION DATE

On-going

STATUS / NOTE

On-going

Working description

Portfolio of electric system reliability improvements; includes pole replacements, line reconductoring, and pole/equipment inspections.

Suggested exhibit to insert: site photo, map, plan sheet, or progress photo.

Project Cost Summary

Capital projects and estimated costs by utility

WATER	
Lead Service Line Inventory & Replacement	$8,000,000
Northmont Water Main Replacement	$4,500,000
Trotters Creek Water Main Extension	$6,000,000
Water subtotal	**$18,500,000**
GAS	
Berry Hill Natural Gas Extension	$8,000,000
Sandy Creek NG Regulator Project	$1,500,000
Transco Gas Gate Improvements Ph 1	$500,000
Transco Gas Gate Improvements Ph 2	$2,000,000
PHMSA Goodyear/South Main Gas Main Replacement	$10,200,000
Robertson Bridge Regulator Station Improvements	$1,500,000
Gas subtotal	**$23,700,000**

WASTEWATER	
Northside Stormwater Pumping Station	$2,000,000
Southside Pumping Station	$35,000,000
Northside Primary Clarifier	$1,200,000
Wastewater subtotal	**$37,700,000**
ELECTRIC	
Swedwood/Morgan Olson Substation	$8,000,000
Mount Cross Road Battery Storage (City cost)	$1,500,000
New Design Substation	$6,000,000
Electric Reliability Projects (annual)	$3,500,000
Electric subtotal	**$19,000,000**
WATER TREATMENT	
Water Plant Improvements	$600,000
Water Treatment subtotal	**$600,000**
TOTAL PORTFOLIO	**$100,000,000**

Questions