

Water

Fiscal Year 2024

Revenue

Charges for Services

Revenues are forecasted based upon results of the 2023 biennial rate review, which evaluated 2020 – 2022 statistics obtained from our customer information system and evaluation of FY 2023 realized revenue.

Expenditures

Laboratory: Increase of \$10,220 due to a increase in salaries as well as materials and supplies

Operations Main: Increase of \$146,250 due to an increase in chemical expenses

Operations Industrial: Decrease of \$3,230 due to an decrease in contractors expense

Water Treatment Maintenance: Increase of \$45,000 due to an increase in salaries and benefits

Administration Services: Increase of \$183,930 due primarily to changes in bond interest

Engineering: Increase of \$45,280 due to increase in salaries and benefits

Distribution and Service: Increase of \$280,240 due to increases in salaries and benefits

Meters & Regulators: Increase of \$24,040 due to increased expenses for equipment and small tools

Debt Service: FY24 debt service expenses total \$242,600 as compared to \$130,740 in FY23

Capital Expenses

Regular Capital

Equipment and Vehicles

Shared with Gas Fund

Vehicles: 4 vehicles (including aftermarket expenses)	\$ 100,000
Machinery & Equipment: Fusion equipment	\$ 5,000

Other Regular Capital

Projects: Contractors, locators, and other materials	\$ 334,630
Meters and modules	\$ 565,990

Water Treatment Plant Regular Capital

Repairs and maintenance tanks and equipment	\$ 165,000
Repairs and maintenance of the building	\$ 50,000
Improvements to pumps, motors, and various other equipment	\$ 355,000

Projects

The following projects are included in the Water Fund:

<u>Project Name</u>	<u>Project Cost</u>	<u>Funding Source</u>
Water Line Reconstruction	\$ 3,000,000	Bonds
Water Territory Expansion	\$ 100,000	Revenues
Water Total	<u>\$ 3,100,000</u>	

Adopted Budget - FY 2024

Water

Calculation of Contribution to(from) Fund Balance/General Fund

	Adopted Budget FY 2023	Adopted Budget FY 2024
Estimated Revenue		
Rev-Use Money/Property	119,090	153,670
Charges for Services	8,855,470	8,929,030
Miscellaneous Revenue	46,000	57,500
Recovered Cost	13,000	7,000
Total Estimated Revenue	9,033,560	9,147,200
Operating Expenses		
Administration Services	3,738,010	3,791,680
Engineering	359,270	404,550
Distribution	587,770	865,360
Service	283,780	286,430
Meters & Regulators	99,270	123,310
Treatment-Main	432,620	477,620
Laboratory	92,270	102,490
Operations-Main	1,289,070	1,435,320
Operations-Industrial	165,020	420,000
Capital Expenses	1,638,650	1,708,280
Capital Projects	1,000,000	100,000
Total Operating Expenses	9,685,730	9,715,040
Net Operating Income (Loss)	-652,170	-567,840
Add:		
Depreciation	1,660,660	1,494,790
Deduct:		
Debt Service Principal	130,740	242,600
Capital Expenditures from Current Operating Funds	0	0
Contribution to City's General Fund	953,300	966,300
Contribution To(From) Retained Earnings	(75,550)	(281,950)

Revenue categories for this fund are as follows:

REVENUE – USE OF MONEY/PROPERTY: This revenue category includes: **Interest on Investments** - All of the City’s funds are invested in secured accounts in an attempt to earn the highest possible return. Investment earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. **Sale-Salvage and Surplus Property** - This revenue represents the sale of surplus vehicles and equipment and funds received from the sale of scrap metal. This category also includes income from the lease of antennas attached to water towers.

CHARGES FOR SERVICES: This revenue category include consumer fees and is the major revenue source for the Water Fund. The residential customer class is the largest part of the water fund with approximately 15,000 customers. The commercial customer class represents approximately 2,198 customers and the industrial customer class represents approximately 35 customers. The municipal customer class represents charges to the City for its municipal facilities. Other revenues in this category include penalties for non-payment and reconnection fees and charges for commercial, industrial, and municipal fire lines.

The water consumption charge is being proposed to change in FY24 from \$2.50/100 cubic feet to \$2.55/100 cubic feet to increase revenue for pending water capital projects and as recommended in the 2023 biennial rate study. The water fund has a long-term capital project to replace obsolete water mains, primarily cast iron, with new polyethylene mains. The goal is to increase reliability by decreasing the number of water main breaks and related outages.

MISCELLANEOUS REVENUE:

Miscellaneous revenue includes fees charged to customers who request modifications to their services and revenue for damages from third parties to property and equipment.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use Money & Property	\$ 226,966	\$ 156,415	\$ 119,090	\$ 153,670	\$ 34,580
Charges for Services	8,390,318	8,230,849	8,855,470	8,929,030	73,560
Miscellaneous Rev	81,886	171,734	46,000	57,500	11,500
Recovered Cost	11,626	13,290	13,000	7,000	(6,000)
Totals	\$ 8,710,796	\$ 8,572,288	\$ 9,033,560	\$ 9,147,200	\$ 113,640

Description

The Water Fund's mission is to provide reliable high-quality drinking and industrial process water at the lowest cost possible while complying with all local, state, and federal laws, regulations, and standards. The City has owned and operated a potable supply system since 1876. Danville water system includes 334 miles of main and 17,943 water meters. The administrative division of water distribution provides leadership to over 40 employees who work within water distribution, service, engineering, and metering.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 113,496	\$ 126,698	\$ 195,260	\$ 225,430	\$ 30,170
Employee Benefits	68,378	19,005	56,780	54,990	(1,790)
Purchased Services	97,758	123,011	86,140	94,880	8,740
Internal Service	100,229	106,569	132,590	104,760	(27,830)
Other Operating Exp	49,541	59,769	68,970	73,470	4,500
Cost Allocation	164,270	119,810	207,240	170,890	(36,350)
Capital Outlay	79	26	380	500	120
Depreciation	1,480,774	1,479,639	1,414,090	1,389,930	(24,160)
Debt Service	-	-	37,500	37,500	-
Totals	\$ 2,074,525	\$ 2,034,527	\$ 2,198,950	\$ 2,152,350	\$ (46,600)

Personnel

The Division Director of Water and Gas position is shared 50/50 between Water Distribution Administration and Gas Distribution Administration.

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
DIVISION DIR OF WATER & GAS	0.500	0.500	0.500	0.500
FLEET & FACILITIES MANAGER	1.000			
Total	1.500	0.500	0.500	0.500

Description

Water Engineering performs complex work managing the design, planning, and coordination of projects to ensure reliable, safe and efficient operation of Danville’s water system. This is accomplished by managing projects for new main and service installations, main rehabilitation, economic development, roadway construction and relocations; performing system testing and calculations for adequate capacity; reviewing plans and engineering work performed by consultants and interpreting and implementing regulations related to construction of the water distribution system. In addition, Water Engineering maintains and supports the Water Geographic Information System and provides technical support to operations groups in the areas of measurement, asset management, valve maintenance and unidirectional flushing

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 169,476	\$ 175,784	\$ 247,450	\$ 247,570	\$ 120
Employee Benefits	21,987	21,142	29,410	27,680	(1,730)
Purchased Services	17,948	12,601	22,660	66,260	43,600
Internal Service	11,268	1,038	15,000	15,000	-
Other Operating Exp	3,434	5,507	28,940	29,620	680
Capital Outlay	4,805	11,661	15,810	18,420	2,610
Totals	\$ 228,918	\$ 227,733	\$ 359,270	\$ 404,550	\$ 45,280

Personnel

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
CONSTRUCTION INSPECTOR	0.500	0.500	0.500	0.500
W&G CORROSION TECHNICIAN		0.500	0.500	
WG GIS ENGINEERING TECHNICIAN	1.000	1.000	1.000	1.000
W&G SR ENGINEERING TECHNICIAN	1.000	1.000	1.000	1.000
W&G CHIEF ENGINEER	0.500	0.500	0.500	0.500
W&G COMPLIANCE COORDINATOR		0.500	0.500	0.500
SENIOR SECRETARY	0.250	0.250	0.250	0.250
FLEET & FACILITIES MANAGER		1.000	1.000	1.000
W&G PROJECT ENGINEER	0.500			0.500
Total	3.750	5.250	5.250	5.250

Description

Water Distribution installs, maintains and constructs water mains, purges water lines and installs valves and fire hydrants. This group makes repairs to broken water mains and responds to other emergencies on the water system.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 369,957	\$ 423,053	\$ 391,090	\$ 506,230	\$ 115,140
Employee Benefits	48,096	52,062	48,920	51,050	2,130
Purchased Services	180,487	130,190	81,640	126,080	44,440
Internal Service	41,109	40,534	28,120	320	(27,800)
Other Operating Exp	149,802	136,996	169,110	201,450	32,340
Capital Outlay	4,574	3,956	4,260	6,350	2,090
Totals	\$ 794,025	\$ 786,791	\$ 723,140	\$ 891,480	\$ 168,340

Personnel

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
UTILITIES PIPELINE TECHNICIAN I	1.690	1.040	1.040	3.000
MOTOR EQUIPMENT OPERATOR II	0.130	0.520	0.770	0.250
MOTOR EQUIPMENT OPERATOR III	0.130	0.390	0.390	0.500
DISPATCHER	0.500	0.500	0.500	0.500
W&G SERVICE TECHNICIAN	3.500	3.500	3.500	3.500
W&G CREW SUPERVISOR	0.650	0.390	0.390	1.250
W&G WELDER/CREW SUPERVISOR	0.130	0.130	0.130	0.250
W&G CONSTRUCTION CREW SUPERVSR		0.260	0.260	
W&G SYSTEMS CONTROL SUPERINTEN		0.250	0.250	0.250
W&G DISTRIBUTION SUPERINTENDEN	0.500	0.500	0.500	0.500
Total	7.230	7.480	7.730	10.000

Description

Water Distribution Service installs meters, activates, and deactivates AMI modules for meters, and performs field investigations for low and high consumption. Additionally, this division investigates reports of water leaks and responds to water emergencies.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 41,525	\$ 31,158	\$ 123,740	\$ 225,020	\$ 101,280
Employee Benefits	5,238	3,656	14,870	25,490	10,620
Purchased Services	116	-	500	500	-
Internal Service	3,452	3,092	-	-	-
Other Operating Exp	5,822	7,624	9,300	9,300	-
Totals	\$ 56,153	\$ 45,530	\$ 148,410	\$ 260,310	\$ 111,900

Personnel

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
UTILITIES PIPELINE TECHNICIAN I	1.690		1.040	3.000
UTILITIES PIPELINE TECHNICIAN II	0.130	1.040	0.770	0.250
UTILITIES PIPELINE TECHNICIAN III	0.130	0.520	0.390	0.500
W&G CREW SUPERVISOR	0.650	0.390	0.390	1.250
W&G WELDER/CREW SUPERVISOR	0.130	0.130	0.130	0.250
W&G CONSTRUCTION CREW SUPERVSR		0.650	0.260	
Total	2.730	2.730	2.980	5.250

The Utilities Pipeline Technician position title was previously Motor Equipment Operator. The position title change became effective in FY 2023 and had no budgetary impact.

Description

The Water metering and regulator division is responsible for the maintenance, operation, and installation of the automated meter reading modules and the physical meters. The team tests, calibrates and removes or installs all water meters in the distribution system. The group is responsible for meter disconnects and reconnections, and investigations.

Expenditures

	FY 2021	FY 2022	FY 2023	FY 2024	Increase/ (Decrease)
	Actual	Actual	Adopted	Adopted	
Expenditures:					
Personnel Services	\$ 56,509	\$ 63,134	\$ 53,930	\$ 63,590	\$ 9,660
Employee Benefits	7,932	8,056	6,840	7,400	560
Purchased Services	974	1,036	1,380	1,480	100
Internal Service	7,228	6,274	4,500	-	(4,500)
Other Operating Exp	9,068	8,323	32,620	50,840	18,220
Totals	\$ 81,711	\$ 86,823	\$ 99,270	\$ 123,310	\$ 24,040

Personnel

The water and gas meter technicians are shared with gas meters and regulators.

Position Title	FY 2021	FY 2022	FY 2023	FY 2024
	FTEs	FTEs	FTEs	FTEs
W&G METER TECHNICIAN	0.900	0.450	0.900	1.000
W&G SYSTEMS CONTROL SUPERINTEN	0.500	0.250	0.250	0.250
Total	1.400	0.700	1.150	1.250

Description

The purpose of the Capital Improvement Program is to ensure the orderly expansion, modification and repair to the water distribution system for improved customer reliability, to allow future growth, and improve operational efficiency. This mission is accomplished by systematic construction and/or modifications to the distribution system.

Expenditures

The decrease in Capital Projects reflects the proposed grant funding from the Virginia Department of Health for the Reservoir project and water main replacement project.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 97,653	\$ 57,852	\$ 222,350	\$ 4,810	\$ (217,540)
Employee Benefits	11,874	6,798	26,240	400	(25,840)
Purchased Services	1,059,389	1,049,766	153,600	179,200	25,600
Internal Service	19,897	14,877	-	-	-
Other Operating Exp	490,374	555,558	704,010	794,070	90,060
Capital Outlay	323,284	35,708	147,450	149,800	2,350
Capital Projects	-	-	1,000,000	100,000	(900,000)
Totals	\$ 2,002,471	\$ 1,720,559	\$ 2,253,650	\$ 1,228,280	\$ (1,025,370)

Personnel

Hourly water fund employees are accounted for within capital projects through our work order system. Although there are no employees exclusively or specifically assigned to capital projects, we forecast the following results for FY 2024:

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
MOTOR EQUIPMENT OPERATOR I	3.120	1.920	1.920	
MOTOR EQUIPMENT OPERATOR II	0.240	0.960	0.960	
MOTOR EQUIPMENT OPERATOR III	0.240	0.720	0.720	
W&G METER TECHNICIAN	0.100	0.050	0.100	
W&G CREW SUPERVISOR	1.200	0.720	0.720	
W&G WELDER/CREW SUPERVISOR	0.240	0.480	0.240	
W&G CONSTRUCTION CREW SUPERVSR		0.240	0.480	
Total	5.140	5.090	5.140	

Description

The Water Fund's mission is to provide reliable high-quality drinking and industrial process water at the lowest cost possible while complying with all local, state, and federal laws, regulations and standards. The City has owned and operated a potable supply system since 1876.

The administrative division processes accounts payable invoices and weekly and monthly payroll, establishes scheduling, contracts with vendors and plans the annual budget for the Water Treatment facility.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 70,602	\$ 73,706	\$ 73,590	\$ 80,610	\$ 7,020
Employee Benefits	9,431	17,570	10,140	10,160	20
Purchased Services	404	351	1,970	2,270	300
Internal Service	15,830	12,881	22,730	300	(22,430)
Other Operating Exp	77,483	96,223	93,870	96,180	2,310
Cost Allocation	972,348	988,169	1,059,250	1,142,040	82,790
Capital Outlay	-	-	-	400	400
Depreciation	120,850	112,731	246,570	104,860	(141,710)
Debt Service	76,971	58,140	30,940	203,770	172,830
Transfer Out	950,300	1,078,300	953,300	966,300	13,000
Totals	\$ 2,294,219	\$ 2,438,071	\$ 2,492,360	\$ 2,606,890	\$ 114,530

Personnel

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
SENIOR SECRETARY	0.500	0.500	0.500	0.500
DIVISION DIR WTR/WSTWTR TRTMNT	0.500	0.500	0.500	0.500
Total	1.000	1.000	1.000	1.000

Description

The Division of Water Treatment is responsible for water supply and treatment including operation and maintenance of raw water intake facilities, the potable water treatment plant, industrial water treatment plant, water booster stations, and water storage facilities. In 1966, the City added an industrial water system to serve the Goodyear Tire & Rubber plant and the City's wastewater treatment plants.

The Water Treatment Plant is designed to purify up to 18 million gallons per day, but currently operates at approximately 6 million gallons per day.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 572,757	\$ 622,691	\$ 647,180	\$ 720,610	\$ 73,430
Employee Benefits	74,754	73,257	82,110	82,120	10
Purchased Services	170,027	103,379	168,000	174,960	6,960
Internal Service	763,518	744,631	706,640	698,620	(8,020)
Other Operating Exp	265,241	330,804	364,020	500,810	136,790
Capital Outlay	1,200	-	-	-	-
Debt Service	261	(276)	11,030	258,310	247,280
Totals	\$ 1,847,758	\$ 1,874,486	\$ 1,978,980	\$ 2,435,430	\$ 456,450

Personnel

The Plumbing/Cross Connection Inspector is shared with Community Development.

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
PLUMBING/CROSS CNCTN INSPECTOR	0.500	0.500	0.500	0.500
WTR TRTMNT PLNT OPRTR TRAINEE	4.000	2.000		1.000
WATER TRTMNT PLNT OPERATOR I	1.000	4.000	4.000	2.000
WATER TRTMNT PLNT OPERATOR II			1.000	2.000
WATER TRTMNT PLNT OPERATOR III	2.000	1.000	2.000	1.000
WATER TRTMNT PLNT OPERATR SUPV	2.000	2.000	2.000	3.000
INDUSTRIAL MECHANIC	1.000	1.000	1.000	1.000
SENIOR INDUSTRIAL MECHANIC	2.000	2.000	2.000	2.000
WATER TREATMENT MANAGER	1.000	1.000	1.000	1.000
WATER CHEMIST	1.000	1.000	1.000	1.000
Total	14.500	14.500	14.500	14.500

Description

Water Treatment capital budgets and accounts for the repair and maintenance of equipment and tanks, repairs to the facilities and the replacement of vehicles, pumps, motors and equipment.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ -	\$ 41	\$ -	\$ -	\$ -
Employee Benefits	-	5	-	-	-
Purchased Services	314,685	431,930	225,000	215,000	(10,000)
Capital Outlay	144,638	139,338	160,000	365,000	205,000
Totals	\$ 459,323	\$ 571,314	\$ 385,000	\$ 580,000	\$ 195,000

Description

Water Debt Service budgets and accounts for the retirement of principal for general obligation bonds for the treatment division of the Water fund.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Debt Service	\$ 359,700	\$ 392,664	\$ 130,740	\$ 242,600	\$ 111,860
Totals	\$ 359,700	\$ 392,664	\$ 130,740	\$ 242,600	\$ 111,860

**WATER FUND
ADOPTED CAPITAL & SPECIAL PROJECTS - FY 2024-2028**

<u>Project/Source</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>	<u>5 Yr Total</u>
Water Distribution						
Water Territory Expansion	\$ 100,000	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 300,000
Water Line Reconstruction	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Total	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,000,000	\$ 3,000,000	\$ 15,300,000
Total Projects:	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 15,300,000</u>
Funding Source:						
Bonds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000
Utility Fund Revenues	100,000	100,000	100,000	-	-	300,000
Total Funding	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 15,300,000</u>

**WATER FUND
ADOTPED - CAPITAL & SPECIAL PROJECTS - FY 2024
FUNDING SOURCES**

<u>Dept/Project Name</u>	<u>Current Revenues</u>	<u>Debt Financing</u>	<u>Project Total</u>
Water Distribution			
Water Line Reconstruction	\$ -	\$ 3,000,000	\$ 3,000,000
Water Territory Expansion	100,000		100,000
Fund Total	<u>\$ 100,000</u>	<u>\$ 3,000,000</u>	<u>\$ 3,100,000</u>