

Wastewater

Fiscal Year 2024

Revenue

Revenues are forecasted based upon the 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. Revenues are projected to increase by 10% or \$900,670 with total expenditures expected to increase by 17%.

Expenditures

Treatment Plants: Increase of \$588,550 primarily in Contractors

Public Works: Increase of \$312,440 largely due to increases in machinery and equipment

Administration Services: Increase of \$14,500 due to an increase in Contractor expenses

Debt Service: FY24 debt service expenses increased by \$7,600

Capital Expenses

Regular Capital

Engineering for treatment modifications	\$ 20,000
Small pump replacements	\$ 25,000
Stormwater pumping stations	\$ 1,200,000
Primary clarifier rehabilitation	\$ 250,000

Projects

The following projects are included in the Wastewater Fund:

<u>Project Name</u>	<u>Project Cost</u>	<u>Funding Source</u>
Fall Creek Sanitary Sewer Reconstruction & Rehabilitation	\$ 1,000,000	Bonds
New Sewer Lines (Public Works)	\$ 300,000	Revenues
Sewer Line Reconstruction (Public Works)	\$ 300,000	Revenues
Cane Creek Boulevard and Airside Drive Force Main (Public Works)	\$ 950,000	Revenues
Southside Plant Improvements	\$ 15,500,000	Revenues and Grant
Wastewater Total	<u>\$ 18,050,000</u>	

Adopted Budget - FY 2024

Wastewater

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

	Adopted Budget FY 2023	Adopted Budget FY 2024
Estimated Revenue		
Rev-Use Money/Property	29,950	58,640
Charges for Services	9,078,570	9,955,550
Miscellaneous Revenue	80,000	75,000
Total Estimated Revenue	9,188,520	10,089,190
Operating Expenses		
Administration Services	1,850,080	1,893,660
Treatment Plants	3,406,230	3,941,690
Sewer Capital Projects	1,550,000	2,550,000
Public Works	2,721,740	2,963,600
Capital Expenses	837,370	1,616,990
Capital Projects	0	500,000
Total Operating Expenses	10,365,420	13,465,940
Net Operating Income (Loss)	-1,176,900	-3,376,750
Add:		
Depreciation	2,028,770	1,959,530
Deduct:		
Debt Service Principal	145,330	152,930
Capital Expenditures from Current Operating Funds	0	0
Contribution to City's General Fund	705,760	705,760
Contribution To(From) Retained Earnings	780	(2,275,910)

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.

CHARGES FOR SERVICES: This revenue category include consumer fees and is the major revenue source for the Wastewater Fund. The residential category is the largest part of that revenue stream, representing 14,076 customers. The commercial base represents 2,009 customers and the industrial base has 31 customers. The municipal class represents charges to the City for its municipal facilities. Other revenues in this category include Industrial Pretreatment fees and Rural Strong Waste Surcharges, penalties for non-payment and reconnection fees. Other revenues in this category include penalties for nonpayment.

Tyson Foods and Aerofarms will start receiving wastewater services in 2023 from Pittsylvania County/Danville. This is the biggest difference from the FY2023 budget compared to the proposed FY2024. Overall, the wastewater fund is in good financial health and meets current unrestricted fund policies. The wastewater fund has also recently completed a major bar screen upgrade project at the Northside Plant. There are annual distribution improvement projects that Public Works plans for on an annual basis.

MISCELLANEOUS REVENUE

Miscellaneous revenue includes fees charged to customers who request alternation to their services, as well as fees collected from septic haulers.

REVENUES

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use Money & Property	\$ 109,116	\$ 57,993	\$ 29,950	\$ 58,640	\$ 28,690
Charges for Services	8,852,597	8,845,381	9,078,570	9,955,550	876,980
Miscellaneous Rev	98,190	77,447	80,000	75,000	(5,000)
Totals	\$ 9,059,903	\$ 8,980,821	\$ 9,188,520	\$ 10,089,190	\$ 900,670

Description

The Public Works Department Sanitary Sewer Maintenance Section of the Wastewater fund has the responsibility to maintain 381 miles of sanitary sewer lines. Sewer maintenance includes routine inspecting, televising, cleaning, and repairing. The Sanitary Sewer Maintenance Section also maintains over 9,000 manholes, several pump station outfall lines, as well as sewer easements throughout the City. Sewer Maintenance is supported by the Street Maintenance Division including the installation of sewer cap-offs, sanitary sewer taps, repairs to sanitary sewer lines, reconstruction/rehabilitation of sewer lines, and creek and river crossings.

Capital Projects include new sewer lines, sewer connections, inflow & infiltration reduction studies, and sewer line reconstruction and replacement as outlined in the CSP.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 789,953	\$ 751,224	\$ 766,690	\$ 872,480	\$ 105,790
Employee Benefits	118,666	97,041	112,470	111,740	(730)
Purchased Services	1,929,683	1,447,655	225,470	226,470	1,000
Internal Service	230,974	212,121	291,240	309,000	17,760
Other Operating Exp	229,349	170,380	123,060	126,140	3,080
Cost Allocation	280,430	263,770	261,320	295,980	34,660
Capital Outlay	106,732	-	75,000	250,000	175,000
Capital Projects	-	-	1,550,000	2,550,000	1,000,000
Depreciation	879,799	1,294,758	977,650	887,020	(90,630)
Debt Service	24,686	13,949	6,210	7,270	1,060
Totals	\$ 4,590,272	\$ 4,250,898	\$ 4,389,110	\$ 5,636,100	\$ 1,246,990

Personnel

Sanitary Sewer Maintenance Section is funded by the Utilities Wastewater Fund and includes support staff from Street Maintenance Division.

Position Title	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs	FY 2024 FTEs
SR PUBLIC WORKS GIS/CAD TECH	0.250	0.250	0.250	0.250
PUBLIC WORKS CHIEF ENGINEER	0.750	0.750	0.750	0.750
ASST DIR OF PUBLC WRKS/CTY ENG	0.250	0.250	0.250	0.250
TRAINING & SAFETY MANAGER	0.075	0.080	0.075	0.080
APPLICATIONS SPECIALIST I	0.070	0.200	0.200	0.200
PUBLIC SERVICE WORKER		0.070	0.280	1.350
PUBLIC SERVICE WORKER/OPERATOR	3.560	3.560	2.140	2.070
MOTOR EQUIPMENT OPERATOR I	1.420	2.490	2.280	1.140
MOTOR EQUIPMENT OPERATOR II	3.420	3.420	1.490	3.630
MOTOR EQUIPMENT OPERATOR III	1.070		2.280	1.420
HEAVY EQUIPMENT OPERATOR	0.280	0.140	0.210	0.140
PW CREW SUPERVISOR	1.140	1.210	1.210	1.000
GENERAL SUPERVISOR	1.140	1.140	1.140	1.140
CONSTRUCTION INSPECTOR		0.250	0.500	0.500
DIVISION DIRECTOR OF STREETS	0.070	0.070	0.070	0.070
SENIOR SECRETARY		0.200		
ADMINISTRATIVE ASSISTANT		0.200		
SR ADMINISTRATIVE ASSISTANT		0.200		
ACCOUNT CLERK		0.600		
SENIOR ACCOUNT CLERK		0.200		
CCTV TECHNICIAN	1.000	1.000	1.000	1.000
DIVISION DIR OF SANITATION	0.300	0.300	0.300	0.300
Total	14.795	16.580	14.425	15.290

Description

Sewer Debt Service budgets and accounts for the retirement of principal for general obligation and revenue bonds for the Public Works portion of the Wastewater fund.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Debt Service	\$ 195,139	\$ 215,035	\$ 9,930	\$ 10,500	\$ 570
Totals	\$ 195,139	\$ 215,035	\$ 9,930	\$ 10,500	\$ 570

Description

The Wastewater Fund's mission is to provide reliable wastewater services to Danville's customers and collect and treat wastewater as cost effectively as possible while complying with the Virginia Department of Environmental Quality and the Environmental Protection Agency permit.

The Wastewater Fund provides for the operations and maintenance of the Northside Wastewater Treatment Plant, the Southside Treatment Plant, nine wastewater pumping stations, and wastewater collection lines. The operation of treatment plants and pumping stations is the responsibility of the Utilities Department. The Public Works Department maintains 340 miles of sewer lines and manages customer connections. The Northside Plant, a facility built in the mid-1970s, is permitted for twenty million gallons per day. Due to a loss of major industrial customers through closures of tobacco and textile facilities, the plant is currently treating only 6.0 million gallons per day. The Southside Plant functions as a pumping station and storage facility for waste sludge biosolids.

The capital-funding request for FY2024 is for construction of a storm water pumping station at the Northside Wastewater Treatment Plant to eliminate two storm water outfalls, primary clarifier rehabilitation bay #1. Bay #2 will be planned for in the FY2025 budget. Continual replacement of various pumps and motors at various wastewater pumping stations.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 70,602	\$ 73,706	\$ 76,480	\$ 84,500	\$ 8,020
Employee Benefits	9,430	9,293	10,140	10,160	20
Purchased Services	2,375,977	2,601,159	2,789,830	3,362,290	572,460
Internal Service	587,720	540,526	590,000	550,000	(40,000)
Other Operating Exp	82,475	112,479	115,140	113,640	(1,500)
Cost Allocation	516,080	523,536	584,750	606,480	21,730
Depreciation	1,078,304	661,656	1,051,120	1,072,510	21,390
Debt Service	53,379	46,199	38,850	35,800	(3,050)
Transfer Out	705,760	830,760	705,760	705,760	-
Totals	\$ 5,479,727	\$ 5,399,314	\$ 5,962,070	\$ 6,541,140	\$ 579,070

Personnel

The City of Danville owns the treatment facility, but contracts with INFRAMARK (previously known as Severn Trent) to operate the treatment process and nine wastewater pumping stations located throughout the service area.

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

Wastewater Capital plans and budgets for the capital expenditures at the Wastewater Treatment Plant. The projects planned for FY2024 are improvements at the Northside Wastewater Treatment Plant and Public Works sewer main infrastructure upgrades.

Expenditures

	FY 2021	FY 2022	FY 2023	FY 2024	Increase/ (Decrease)
	Actual	Actual	Adopted	Adopted	
Expenditures:					
Purchased Services	\$ 104,256	\$ 372,628	\$ 720,000	\$ 1,470,000	\$ 750,000
Internal Service	160,625	76,605	-	-	-
Capital Outlay	10,887	49,365	-	25,000	25,000
Capital Projects	-	-	-	500,000	500,000
Totals	\$ 275,768	\$ 498,598	\$ 720,000	\$ 1,995,000	\$ 1,275,000

Description

Wastewater Debt Service budgets and accounts for the retirement of principal for general obligation and revenue bonds for the Wastewater fund.

Expenditures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	Increase/ (Decrease)
Expenditures:					
Debt Service	\$ 138,195	\$ 147,687	\$ 135,400	\$ 142,430	\$ 7,030
Totals	\$ 138,195	\$ 147,687	\$ 135,400	\$ 142,430	\$ 7,030

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

Project/Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5 Yr Total
Public Works - Sewers						
Fall Creek Sanitary Sewer Reconstruction & Rehab	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Force Main - Cane Creek Blvd / Airside Dr	950,000	-	-	-	-	950,000
Luna Lake Road Sewers	-	-	-	800,000	800,000	1,600,000
New Sewer Lines/Inflow & Infiltration Reduction	300,000	300,000	300,000	300,000	300,000	1,500,000
Sewer Line Reconstruction	300,000	300,000	300,000	300,000	300,000	1,500,000
Tributary Lines to Jackson Branch Outfall	-	800,000	-	-	-	800,000
Tributary Lines to Sandy Creek Outfall	-	-	800,000	-	-	800,000
Public Works Sewers Total	\$ 2,550,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 8,150,000
Utilities						
Southside Plant Improvements	\$ 15,500,000	\$ 14,500,000	\$ -	\$ -	\$ -	\$ 30,000,000
Utilities Total	\$ 15,500,000	\$ 14,500,000	\$ -	\$ -	\$ -	\$ 30,000,000
Funding Source:						
Utility Fund Revenues	\$ 2,050,000	\$ 1,900,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 8,150,000
Debt Financing	1,000,000	-	-	-	-	1,000,000
Federal Grants	15,000,000	14,000,000	-	-	-	29,000,000
Total Funding	\$ 18,050,000	\$ 15,900,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 38,150,000

**WASTEWATER FUND
ADOPTED - CAPITAL & SPECIAL PROJECTS - FY 2024
FUNDING SOURCES**

<u>Dept/Project Name</u>	<u>Current Revenues</u>	<u>Debt Financing</u>	<u>Grants/CIA</u>	<u>Project Total</u>
<u>Public Works - Sewers</u>				
Fall Creek Sanitary Sewer Reconstruction & Rehabilitation	\$ -	\$ 1,000,000		\$ 1,000,000
New Sewer Lines/Inflow & Infiltration Reduction	300,000	-		300,000
Sewer Line Reconstruction	300,000	-		300,000
Force Main - Cane Creek Blvd / Airside Drive	950,000	-		950,000
Total Public Works	\$ 1,550,000	\$ 1,000,000	\$ -	\$ 2,550,000
<u>Utilities</u>				
Southside Plant Improvements	\$ 500,000	\$ -	\$ 15,000,000	\$ 15,500,000
Total Utilities	\$ 500,000	\$ -	\$ 15,000,000	\$ 15,500,000
Fund Total	\$ 2,050,000	\$ 1,000,000	\$ 15,000,000	\$ 18,050,000