

## **Wastewater**

### **Fiscal Year 2023**

#### **Revenue**

Revenues are forecasted based upon the results of the 2021 biennial rate review which evaluated 2017 – 2019 statistics obtained from our customer information system and evaluation of FY 2021 realized revenue. Including the projected increase in gross revenue for FY 2023 of \$209,550, Charges for Services are within 2% of both Budget 2023 and Realized 2022 expenses.

#### **Expenditures**

**Treatment Plants:** Increase of \$318,460 primarily in Contractors

**Public Works:** Decrease of \$19,230 due to a decrease in wages and benefits

**Administration Services:** Decrease of \$63,910 due to a reduction in depreciation expense

**Debt Service:** Reflects retirement of general obligation bonds in FY 2023

#### **Capital Expenses**

##### **Regular Capital**

Engineering for treatment modifications	\$ 50,000
Pump replacements	\$120,000
Stormwater Improvements	\$550,000

#### **Projects**

We included \$1 million for the Fall Creek Sanitary Sewer Reconstruction & Rehabilitation project

New Sewer Lines \$250,000

Sewer Line Reconstruction \$300,000

All Wastewater projects in FY23 are for the Public Works Department.

Adopted Budget - FY 2023

Wastewater

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

	Adopted Budget FY 2022	Adopted Budget FY 2023
<b>Estimated Revenue</b>		
Rev-Use Money/Property	35,300	29,950
Charges for Services	8,861,030	9,078,570
Miscellaneous Revenue	82,640	80,000
<b>Total Estimated Revenue</b>	<b>8,978,970</b>	<b>9,188,520</b>
<b>Operating Expenses</b>		
Administration Services	1,933,520	1,850,080
Treatment Plants	3,087,770	3,406,230
Sewer Capital Projects	3,550,000	1,550,000
Public Works	2,717,340	2,721,740
Capital Expenses	811,920	837,370
<b>Total Operating Expenses</b>	<b>12,100,550</b>	<b>10,365,420</b>
Net Operating Income (Loss)	-3,121,580	-1,176,900
Add:		
Depreciation	2,048,820	2,028,770
Deduct:		
Debt Service Principal	362,730	145,330
Capital Expenditures from Current Operating Funds	0	0
Contribution to City's General Fund	705,760	705,760
<b>Contribution To(From) Retained Earnings</b>	<b>(2,141,250)</b>	<b>780</b>

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.

In the 2019 biennial rate study, the recommendation is for wastewater rates be lowered to directly offset the increase in water rates. The current wastewater consumption rate is \$2.58/100 cubic feet. The proposed FY20/21 rate is \$2.38/100 cubic feet. The wastewater fund is in good financial health and meets current unrestricted fund policies. The wastewater fund has also recently completed the majority of the plant improvements at the Northside Plant. There are annual distribution 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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
<b>Revenues:</b>					
Rev-Use Money & Property	\$ 210,406	\$ 109,116	\$ 35,300	\$ 29,950	\$ (5,350)
Charges for Services	8,771,225	8,852,597	8,861,030	9,078,570	217,540
Miscellaneous Rev	81,316	98,190	82,640	80,000	(2,640)
<b>Totals</b>	<b>\$ 9,062,947</b>	<b>\$ 9,059,903</b>	<b>\$ 8,978,970</b>	<b>\$ 9,188,520</b>	<b>\$ 209,550</b>

**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 2020 Actual	FY 2020 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
<b>Expenditures:</b>					
Personnel Services	\$ 577,524	\$ 789,953	\$ 785,110	\$ 773,040	\$ (12,070)
Employee Benefits	74,733	118,666	118,170	112,470	(5,700)
Purchased Services	1,187,679	1,929,683	210,140	225,470	15,330
Internal Service	236,868	230,974	290,350	291,240	890
Other Operating Exp	181,909	229,349	116,420	123,060	6,640
Cost Allocation	226,750	280,430	263,770	261,320	(2,450)
Capital Outlay	154,316	106,732	55,000	75,000	20,000
Capital Projects	-	-	3,550,000	1,550,000	(2,000,000)
Depreciation	845,498	879,799	975,790	977,650	1,860
Debt Service	44,132	24,686	14,180	6,210	(7,970)
<b>Totals</b>	<b>\$ 3,529,409</b>	<b>\$ 4,590,272</b>	<b>\$ 6,378,930</b>	<b>\$ 4,395,460</b>	<b>\$ (1,983,470)</b>

**Personnel**

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

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
SR PUBLIC WORKS GIS/CAD TECH		0.250	0.250	0.250
PUBLIC WORKS CHIEF ENGINEER		0.750	0.750	0.750
ASST DIR OF PUBLIC WRKS/CTY ENG		0.250	0.250	0.250
TRAINING & SAFETY MANAGER	0.070	0.075	0.080	0.075
APPLICATIONS SPECIALIST I		0.070	0.200	0.200
PUBLIC SERVICE WORKER			0.070	0.280
PUBLIC SERVICE WORKER/OPERATOR	3.630	3.560	3.560	2.140
MOTOR EQUIPMENT OPERATOR I	3.490	1.420	2.490	2.280
MOTOR EQUIPMENT OPERATOR II	3.490	3.420	3.420	1.490
MOTOR EQUIPMENT OPERATOR III	0.280	1.070		2.280
HEAVY EQUIPMENT OPERATOR		0.280	0.140	0.210
PW CREW SUPERVISOR	1.210	1.140	1.210	1.210
GENERAL SUPERVISOR	1.140	1.140	1.140	1.140
CONSTRUCTION INSPECTOR			0.250	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
<b>Total</b>	<b>14.680</b>	<b>14.795</b>	<b>16.580</b>	<b>14.425</b>

**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**

	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Increase/ (Decrease)</b>
<b>Expenditures:</b>					
Debt Service	\$ 469,155	\$ 195,139	\$ 215,040	\$ 9,930	\$ (205,110)
<b>Totals</b>	<b>\$ 469,155</b>	<b>\$ 195,139</b>	<b>\$ 215,040</b>	<b>\$ 9,930</b>	<b>\$ (205,110)</b>

## 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 handles customer connections. The Northside Plant is 20 million gallons per day facility built in the early 1970s. Due to a loss of major industrial customers through closures of tobacco and textile facilities, the plant is currently treating only 8.3 million gallons per day. The Southside Plant functions as a pumping station and storage facility for waste sludge biosolids.

The capital-funding request for FY2020 is for two RAS pumps at the Northside Wastewater Plant and a motor control center for the Airside Lift Station. The motor control center at Airside controls the wastewater pumps at that lift station that serves Nestle and Litehouse. The two RAS pumps requested are the last of six to be replaced at the Northside plant. They will be more reliable and operate more efficiently.

## Expenditures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
<b>Expenditures:</b>					
Personnel Services	\$ 69,224	\$ 70,602	\$ 71,950	\$ 77,220	\$ 5,270
Employee Benefits	8,204	9,430	10,270	10,140	(130)
Purchased Services	2,374,394	2,480,233	3,189,700	3,509,830	320,130
Internal Service	547,451	587,720	522,000	590,000	68,000
Other Operating Exp	92,507	82,475	107,100	115,140	8,040
Cost Allocation	493,436	516,080	526,370	584,750	58,380
Capital Outlay	9,989	10,887	50,000	-	(50,000)
Depreciation	1,112,000	1,078,304	1,073,030	1,051,120	(21,910)
Debt Service	59,662	53,379	46,200	38,850	(7,350)
Transfer Out	705,760	705,760	830,760	705,760	(125,000)
<b>Totals</b>	<b>\$ 5,472,627</b>	<b>\$ 5,594,870</b>	<b>\$ 6,427,380</b>	<b>\$ 6,682,810</b>	<b>\$ 255,430</b>

**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.

<b>Position Title</b>	<b>FY 2020 FTEs</b>	<b>FY 2021 FTEs</b>	<b>FY 2022 FTEs</b>	<b>FY 2023 FTEs</b>
SENIOR SECRETARY	0.500	0.500	0.500	0.500
DIVISION DIR WTR/WSTWTR TRTMNT	0.500	0.500	0.500	0.500
<b>Total</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>



**Description**

Wastewater Capital plans and budgets for the capital expenditures at the Wastewater Treatment Plant. There was no budget in FY 2022 nor any request for FY 2023.

**Expenditures**

	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Increase/ (Decrease)</b>
<b>Expenditures:</b>					
Purchased Services	\$ -	\$ 160,625	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ 160,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**Description**

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

**Expenditures**

	<b>FY 2020 Actual</b>	<b>FY 2021 Actual</b>	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>Increase/ (Decrease)</b>
<b>Expenditures:</b>					
Debt Service	\$ 173,111	\$ 138,195	\$ 147,690	\$ 135,400	\$ (12,290)
<b>Totals</b>	<b>\$ 173,111</b>	<b>\$ 138,195</b>	<b>\$ 147,690</b>	<b>\$ 135,400</b>	<b>\$ (12,290)</b>