

Water

Fiscal Year 2023

Revenue

Charges for Services

Revenues are forecasted based upon results of the 2021 biennial rate review, which evaluated 2017 – 2019 statistics obtained from our customer information system and evaluation of FY 2022 realized revenue.

Expenditures

Laboratory: Decrease of \$12,290 due to a decrease in salaries and benefits

Operations Main: Increase of \$43,270 due to an increase in salaries and maintenance service contracts

Operations Industrial: Increase of \$7,190 due to an increase in contractors expense offset by a decrease in outside miscellaneous services

Water Treatment Maintenance: Increase of \$17,800 due to an increase in salaries and benefits

Administration Services: Increase of \$9,590 due primarily to changes in interdepartmental allocations

Engineering: Increase of \$16,190 due to increase in engineering services, equipment and small tools and uniforms

Distribution and Service: Increase of \$64,570 due to increases in salaries and benefits, temporary services, travel and training expenses and uniform expenses

Meters & Regulators: Increase of \$15,400 due to increased expenses for equipment and small tools and uniforms

Debt Service: Decrease of \$261,930 in principal payment on general obligation bonds

Capital Expenses

Regular Capital

Equipment and Vehicles

Shared with Gas Fund:

Vehicles: 3 vehicles (including aftermarket expenses)	\$62,950
1 dump truck replacement	\$35,000
Machinery & Equipment: Fusion equipment	\$5,000

Other Regular Capital

Projects: Contractors, locators and other materials	\$509,310
Meters and modules	\$298,600

Water Treatment Plant Regular Capital

Repairs and maintenance tanks and equipment	\$165,000
Repairs and maintenance of the building	\$70,000
Improvements to pumps and motors	\$150,000

Projects

CIPs include:

Water Line Reconstruction	\$6,000,000
Off-stream Reservoir	\$3,500,000

Adopted Budget - FY 2023

Water

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

	Adopted Budget FY 2022	Adopted Budget FY 2023
Estimated Revenue		
Rev-Use Money/Property	92,440	119,090
Charges for Services	9,028,870	8,855,470
Miscellaneous Revenue	45,000	46,000
Recovered Cost	16,000	13,000
Total Estimated Revenue	9,182,310	9,033,560
Operating Expenses		
Administration Services	3,647,660	3,738,010
Engineering	343,080	359,270
Distribution	532,550	587,770
Service	274,430	283,780
Meters & Regulators	83,870	99,270
Treatment-Main	414,820	432,620
Laboratory	104,560	92,270
Operations-Main	1,245,800	1,289,070
Operations-Industrial	157,830	165,020
Capital Expenses	1,944,070	1,638,650
Capital Projects	2,544,260	1,000,000
Total Operating Expenses	11,292,930	9,685,730
Net Operating Income (Loss)	-2,110,620	-652,170
Add:		
Depreciation	1,673,710	1,660,660
Deduct:		
Debt Service Principal	392,670	130,740
Capital Expenditures from Current Operating Funds	0	0
Contribution to City's General Fund	953,300	953,300
Contribution To(From) Retained Earnings	(1,782,880)	(75,550)

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 category is the largest part of that revenue stream, representing 15,000 customers. The commercial base represents 2,198 customers and the industrial base has 35 customers. The municipal 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 was increased in FY20 from \$2.40/100 cubic feet to \$2.60/100 cubic feet to increase revenue for pending water capital projects and as recommend in the 2019 biennial rate study. There was a corresponding decrease in the wastewater consumption charge. 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 alternation to their services and revenue for damages from third parties to property and equipment.

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use Money & Property	\$ 299,601	\$ 226,966	\$ 92,440	\$ 119,090	\$ 26,650
Charges for Services	8,575,241	8,390,318	9,028,870	8,855,470	(173,400)
Miscellaneous Rev	17,177	81,886	45,000	46,000	1,000
Recovered Cost	10,552	11,626	16,000	13,000	(3,000)
Totals	\$ 8,902,571	\$ 8,710,796	\$ 9,182,310	\$ 9,033,560	\$ (148,750)

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 of water distribution provides leadership to the 42 employees who work within water distribution, service, engineering, and metering.

Expenditures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 60,422	\$ 113,496	\$ 170,640	\$ 195,260	\$ 24,620
Employee Benefits	86,660	68,378	50,680	56,780	6,100
Purchased Services	205,102	97,758	80,100	86,140	6,040
Internal Service	101,954	100,229	118,930	132,590	13,660
Other Operating Exp	59,226	49,541	65,560	68,970	3,410
Cost Allocation	49,259	164,270	130,400	207,240	76,840
Capital Outlay	-	79	500	380	(120)
Debt Service	-	-	-	37,500	37,500
Depreciation	1,462,935	1,480,774	1,466,620	1,414,090	(52,530)
Totals	\$ 2,025,558	\$ 2,074,525	\$ 2,083,430	\$ 2,198,950	\$ 115,520

Personnel

One position is shared between Water Distribution Administration and Gas Distribution Administration:

50% Division Director of Water and Gas

In FY2020, a Facilities and Fleet Manager (FFM) position was created from a reclassification of a vacant position in the Water & Gas Division. It is now an allocated position. This employee oversees the maintenance of all Utilities' buildings and of the 100+ utility vehicles in the Department's fleet.

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
DIVISION DIR OF WATER & GAS	0.500	0.500	0.500	0.500
CUSTODIAN			1.000	
FLEET & FACILITIES MANAGER	1.000	1.000		
Total	1.500	1.500	1.500	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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 128,321	\$ 169,476	\$ 230,140	\$ 247,450	\$ 17,310
Employee Benefits	14,901	21,987	29,800	29,410	(390)
Purchased Services	17,922	17,948	20,660	22,660	2,000
Internal Service	11,054	11,268	15,000	15,000	-
Other Operating Exp	3,106	3,434	31,570	28,940	(2,630)
Capital Outlay	34,521	4,805	15,910	15,810	(100)
Totals	\$ 209,825	\$ 228,918	\$ 343,080	\$ 359,270	\$ 16,190

Personnel

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
CONSTRUCTION INSPECTOR		0.500	0.500	0.500
W&G CORROSION TECHNICIAN	1.000		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
SENIOR SECRETARY	0.250	0.250	0.250	0.250
FLEET & FACILITIES MANAGER			1.000	1.000
W&G PROJECT ENGINEER		0.500		
Total	3.750	3.750	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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 352,154	\$ 369,957	\$ 363,940	\$ 391,090	\$ 27,150
Employee Benefits	41,926	48,096	47,890	48,920	1,030
Purchased Services	33,514	180,487	78,850	81,640	2,790
Internal Service	36,251	41,109	26,350	28,120	1,770
Other Operating Exp	67,115	149,802	156,370	169,110	12,740
Capital Outlay	4,240	4,574	-	4,260	4,260
Totals	\$ 535,200	\$ 794,025	\$ 673,400	\$ 723,140	\$ 49,740

Personnel

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
PUBLIC SERVICE WORKER	0.390	0.130		
CONSTRUCTION WORKER				
UTILITIES PIPELINE TECHNICIAN I	1.040	1.690	1.040	1.040
UTILITIES PIPELINE TECHNICIAN II	0.130	0.130	0.520	0.770
UTILITIES PIPELINE TECHNICIAN III	0.130	0.130	0.390	0.390
W&G CONSTRUCTION INSPECTOR	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	0.780	0.650	0.390	0.390
W&G WELDER/CREW SUPERVISOR	0.130	0.130	0.130	0.130
W&G CONSTRUCTION CREW SUPERVSR			0.260	0.260
W&G SYSTEMS CONTROL SUPERINTEN			0.250	0.250
W&G DISTRIBUTION SUPERINTENDEN	0.500	0.500	0.500	0.500
W&G CONSTRUCTION INSPECTOR	0.500			
Total	8.100	7.360	7.480	7.730

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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 43,519	\$ 41,525	\$ 105,160	\$ 123,740	\$ 18,580
Employee Benefits	4,915	5,238	13,720	14,870	1,150
Purchased Services	-	116	3,000	500	(2,500)
Internal Service	2,150	3,452	3,300	-	(3,300)
Other Operating Exp	12,009	5,822	8,400	9,300	900
Totals	\$ 62,593	\$ 56,153	\$ 133,580	\$ 148,410	\$ 14,830

Personnel

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
PUBLIC SERVICE WORKER	0.390	0.130		
UTILITIES PIPELINE TECHNICIAN I	1.040	1.690		1.040
UTILITIES PIPELINE TECHNICIAN II	0.130	0.130	1.040	0.770
UTILITIES PIPELINE TECHNICIAN III	0.130	0.130	0.520	0.390
W&G CREW SUPERVISOR	0.780	0.650	0.390	0.390
W&G WELDER/CREW SUPERVISOR	0.130	0.130	0.130	0.130
W&G CONSTRUCTION CREW SUPERVSR			0.650	0.260
Total	2.600	2.860	2.730	2.980

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 and operating and maintaining water and fire hydrant valves.

Expenditures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 54,019	\$ 56,509	\$ 50,730	\$ 53,930	\$ 3,200
Employee Benefits	6,524	7,932	6,870	6,840	(30)
Purchased Services	997	974	1,400	1,380	(20)
Internal Service	3,518	7,228	4,000	4,500	500
Other Operating Exp	9,358	9,068	20,870	32,620	11,750
Totals	\$ 74,416	\$ 81,711	\$ 83,870	\$ 99,270	\$ 15,400

Personnel

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

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
W&G METER TECHNICIAN	1.350	0.900	0.450	0.900
W&G SYSTEMS CONTROL SUPERINTEN	0.500	0.500	0.250	0.250
Total	1.850	1.400	0.700	1.150

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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 112,533	\$ 97,653	\$ 202,950	\$ 222,350	\$ 19,400
Employee Benefits	12,841	11,874	25,910	26,240	330
Purchased Services	830,460	1,059,389	88,000	153,600	65,600
Internal Service	27,087	19,897	-	-	-
Other Operating Exp	302,262	490,374	914,410	704,010	(210,400)
Capital Outlay	101,691	323,284	145,800	147,450	1,650
Capital Projects	-	-	2,544,260	1,000,000	(1,544,260)
Totals	\$ 1,386,874	\$ 2,002,471	\$ 3,921,330	\$ 2,253,650	\$ (1,667,680)

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 2023:

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
PUBLIC SERVICE WORKER	0.720	0.240		
CONSTRUCTION WORKER				
UTILITIES PIPELINE TECHNICIAN I	1.920	3.120	1.920	1.920
UTILITIES PIPELINE TECHNICIAN II	0.240	0.240	0.960	0.960
UTILITIES PIPELINE TECHNICIAN III	0.240	0.240	0.720	0.720
W&G METER TECHNICIAN	0.150	0.100	0.050	0.100
W&G CREW SUPERVISOR	1.440	1.200	0.720	0.720
W&G WELDER/CREW SUPERVISOR	0.240	0.240	0.480	0.240
W&G CONSTRUCTION CREW SUPERVSR			0.240	0.480
Total	4.950	5.380	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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 69,224	\$ 70,602	\$ 70,840	\$ 73,590	\$ 2,750
Employee Benefits	8,215	9,431	10,270	10,140	(130)
Purchased Services	40	404	1,970	1,970	-
Internal Service	16,893	15,830	18,580	22,730	4,150
Other Operating Exp	86,388	77,483	95,120	93,870	(1,250)
Cost Allocation	776,695	972,348	990,140	1,059,250	69,110
Depreciation	121,530	120,850	207,090	246,570	39,480
Debt Service	100,252	76,971	45,220	30,940	(14,280)
Transfer Out	950,300	950,300	1,078,300	953,300	(125,000)
Totals	\$ 2,129,537	\$ 2,294,219	\$ 2,517,530	\$ 2,492,360	\$ (25,170)

Personnel

Position Title	FY 2020	FY 2021	FY 2022	FY 2023
	FTEs	FTEs	FTEs	FTEs
SENIOR SECRETARY	0.500	0.500	0.500	0.500
WATER TREATMENT MANAGER	1.000			
DIVISION DIR WTR/WSTWTR TRTMNT	0.500	0.500	0.500	0.500
Total	2.000	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 six million gallons per day.

Expenditures

	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 525,785	\$ 572,757	\$ 623,920	\$ 647,180	\$ 23,260
Employee Benefits	63,743	74,754	85,370	82,110	(3,260)
Purchased Services	144,089	170,027	160,500	168,000	7,500
Internal Service	717,081	763,518	682,140	706,640	24,500
Other Operating Exp	238,098	265,241	358,160	364,020	5,860
Capital Outlay	16,850	1,200	-	-	-
Debt Service	5,727	261	12,920	11,030	(1,890)
Totals	\$ 1,711,373	\$ 1,847,758	\$ 1,923,010	\$ 1,978,980	\$ 55,970

Personnel

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

Position Title	FY 2020 FTEs	FY 2021 FTEs	FY 2022 FTEs	FY 2023 FTEs
PLUMBING/CROSS CNCTN INSPECTOR	0.500	0.500	0.500	0.500
WTR TRTMNT PLNT OPRTR TRAINEE	4.000	4.000	2.000	
WATER TRTMNT PLNT OPERATOR III	1.000	2.000	1.000	2.000
WATER TRTMNT PLNT OPERATOR II				1.000
WATER TRTMNT PLNT OPERATOR I	1.000	1.000	4.000	4.000
WATER TRTMNT PLNT OPERATR SUPV	3.000	2.000	2.000	2.000
UTILITY PLANT MAINTENANCE WORK 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
WATER CHEMIST	1.000	1.000	1.000	1.000
Total	13.500	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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Purchased Services	\$1,479,384	\$ 314,685	\$ 280,000	\$ 225,000	\$ (55,000)
Capital Outlay	10,603	144,638	287,000	160,000	(127,000)
Totals	\$1,489,987	\$ 459,323	\$ 567,000	\$ 385,000	\$ (182,000)

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 2020 Actual	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	Increase/ (Decrease)
Expenditures:					
Debt Service	\$ 719,094	\$ 359,700	\$ 392,670	\$ 130,740	\$ (261,930)
Totals	\$ 719,094	\$ 359,700	\$ 392,670	\$ 130,740	\$ (261,930)