

Adopted Budget - FY 2020

Gas

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

	Adopted Budget FY 2019	Adopted Budget FY 2020
Estimated Revenue		
Rev-Use Money/Property	505,340	468,880
Charges for Services	22,462,280	21,453,960
Miscellaneous Revenue	16,000	12,200
Transfer from Fund Balance	0	0
Total Estimated Revenue	22,983,620	21,935,040
Operating Expenses		
Administration Services	3,734,150	3,533,630
Engineering	421,730	438,250
Gas Control	13,823,330	13,324,930
Distribution	539,310	524,360
Service	244,730	246,450
Meters & Regulators	190,620	188,380
Capital Expenses	1,074,810	922,200
Capital Projects	1,100,000	1,500,000
Total Operating Expenses	21,128,680	20,678,200
Net Operating Income (Loss)	1,854,940	1,256,840
Add:		
Depreciation	1,565,000	1,556,000
Deduct:		
Debt Service Principal	234,390	221,390
Capital Expenditures from Current Operating Funds	0	0
Contribution to City's General Fund	3,059,330	3,186,330
Contribution To(From) Retained Earnings	126,220	(594,880)

GAS FUND

ADOPTED BUDGET - CAPITAL & SPECIAL PROJECTS - FY 2020-2024

Project/Source	PL#	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	5 Yr Total
Gas Distribution							
Cast Iron Main Replacement	60056	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 4,500,000
Gas Distribution Total		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 4,500,000
Funding Source:							
Utility Fund Revenues		\$ 905,120	\$ 1,150,000	\$ 1,150,000	\$ -	\$ -	\$ 3,205,120
Fund Balance		594,880	350,000	350,000	-	-	1,294,880
Total Funding		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 4,500,000

GAS FUND
ADOPTED BUDGET - CAPITAL & SPECIAL PROJECTS - FY 2020
FUNDING SOURCES

	Current Revenues	Fund Balance	Debt Financing	Grants/CIA	Other	Project Total
<i>Gas Distribution</i>						
Cast Iron Main Replacement	\$ 905,120	\$ 594,880	\$ -	\$ -	\$ -	\$ 1,500,000
Total Gas Distribution	\$ 905,120	\$ 594,880	\$ -	\$ -	\$ -	\$ 1,500,000
(1) Reprogrammed Funds						
Total Projects:	\$ 905,120	\$ 594,880	\$ -	\$ -	\$ -	\$ 1,500,000

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. Investments earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. Other sources include: **Rental Income that is offset by vehicle and equipment charges to the divisions for daily and monthly usage.** **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: The major revenue source for the Gas Fund is consumer fees. The residential category is the largest part of that revenue stream, representing 13,267 customers. The commercial base represent 1,514 customers and the industrial base represents 20 firms, 6 interruptible and 17 transport customers. The municipal class represent gas sold to the City for its municipal facilities. Other revenues in this category include penalties for non-payment and reconnection fees. The monthly charge for the Purchased Gas Adjustment is also included in Charges for Services. In FY20, the biennial rate study is recommending a 4% rate decrease for the natural gas fund. This rate decrease would be absorbed through the gas distribution charge based on the cost to serve for each customer class. Overall, it is an \$880,000 rate decrease moving forward. The decrease is possible due to the reduction in on-going capital projects. The gas fund is in the final years of a twenty-year gas main replacement project.

MISCELLANEOUS REVENUE: Miscellaneous revenue includes charges to customers who request alternation or expansion of their existing services and for amounts billed to third parties for damages to equipment and infrastructure.

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Revenues:					
Rev-Use Money & Property	\$ 530,717	\$ 481,369	\$ 505,340	\$ 468,880	\$ (36,460)
Charges for Services	20,652,400	21,846,999	22,462,280	21,453,960	(1,008,320)
Miscellaneous Rev	19,975	3,282	16,000	12,200	(3,800)
Transfer From Unreserved Fund Balance	-	-	-	516,180	516,180
Totals	\$ 21,203,092	\$ 22,331,650	\$ 22,983,620	\$ 22,451,220	\$ (532,400)

Description

Danville has been in the gas distribution business since 1876. In 1950, the City was the first to begin receiving natural gas from the new, Transcontinental Gas Pipeline allowing Danville access to gas produced along the Gulf Coast. Danville has entered into a gas-purchasing contract with Muni-Gas of Houston, Texas to purchase wholesale gas discounted from the market price.

Danville's gas system includes more than 356 miles of mains that are 1 ¼ to 12 inches in diameter. Twelve regulator stations allow Danville to supply just under 15,000 customers. Danville Utilities-Water and Gas is staffed with employees equipped to handle both natural gas and potable water distribution system construction, maintenance, and service.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 92,439	\$ 64,059	\$ 86,600	\$ 59,780	\$ (26,820)
Employee Benefits	13,364	49,951	9,610	18,470	8,860
Purchased Services	48,826	44,557	88,070	69,540	(18,530)
Internal Service	30,329	26,231	22,100	25,920	3,820
Other Operating Exp	227,354	226,091	268,240	255,550	(12,690)
Cost Allocation	1,501,338	1,501,666	1,636,500	1,501,030	(135,470)
Capital Outlay	806	995	-	-	-
Depreciation	1,539,687	1,561,023	1,565,000	1,556,000	(9,000)
Debt Service	76,467	67,229	58,030	47,340	(10,690)
Transfer Out	3,008,330	3,059,330	3,059,330	3,186,330	127,000
Totals	\$6,538,940	\$6,601,132	\$6,793,480	\$ 6,719,960	\$ (73,520)

Personnel

Position Title	FY 2019 FTEs	FY 2020 FTEs
DIVISION DIR OF WATER & GAS	0.50	0.50
Total	0.50	0.50

The Division Director position is allocated 50/50 to Water Distribution and Gas.

Goals

The Gas fund is performing well and is proposing a 4% overall rate decrease starting in FY20. The rate decrease is distributed across all customer classes based on their cost of service. The division is working to finish a 20-year gas main replacement capital project. Staff believes there is two years left in this long-term project and the remaining two funding years can be funded out of the gas unrestricted fund balance.

Description

Gas Engineering performs complex work managing the design, planning, and coordination of projects to ensure reliable, safe and efficient operation of Danville's natural gas 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 gas distribution system. In addition, Gas Engineering maintains and supports the Gas Geographic Information System, ensures compliance with Pipeline Safety and various environmental regulations, including the Distribution Integrity Management Program (DIMP), and performs investigations for response to regulatory and compliance issues. Additionally, Gas Engineering conducts leak surveys and corrosion tests on the natural gas distribution system.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$210,727	\$226,284	\$249,490	\$ 214,270	\$ (35,220)
Employee Benefits	31,021	32,769	41,620	32,890	(8,730)
Purchased Services	259,155	112,305	95,050	150,230	55,180
Internal Service	15,723	14,747	17,010	14,650	(2,360)
Other Operating Exp	15,704	15,849	16,400	19,300	2,900
Capital Outlay	2,217	1,743	2,160	6,910	4,750
Totals	\$534,547	\$403,697	\$421,730	\$ 438,250	\$ 16,520

Personnel

Position Title	FY 2019 FTEs	FY 2020 FTEs
WG GIS ENGINEERING TECHNICIAN	1.00	1.00
WATER & GAS ENGINEERING AIDE	0.50	
W&G SR ENGINEERING TECHNICIAN	1.00	1.00
W&G CHIEF ENGINEER	0.50	0.50
W&G COMPLIANCE COORDINATOR	1.00	1.00
SENIOR SECRETARY	0.25	0.25
WG GIS ENGINEERING TECHNICIAN	0.50	
Total	4.75	3.75

Description

Gas Distribution safely and properly installs, maintains and constructs gas mains, purges lines and installs valves. This division responds to emergencies regarding natural gas mains.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 190,390	\$ 166,851	\$ 274,210	\$ 269,960	\$ (4,250)
Employee Benefits	26,345	23,500	44,290	40,850	(3,440)
Purchased Services	39,251	64,393	95,780	94,150	(1,630)
Internal Service	21,017	21,598	39,760	35,940	(3,820)
Other Operating Exp	48,061	64,889	83,350	81,540	(1,810)
Capital Outlay	1,884	1,884	1,920	1,920	-
Totals	\$ 326,948	\$ 343,115	\$ 539,310	\$ 524,360	\$ (14,950)

Position Notes

Position Title	FY 2019 FTEs	FY 2020 FTEs
PUBLIC SERVICE WORKER	1.30	0.78
CONSTRUCTION WORKER	1.56	
MOTOR EQUIPMENT OPERATOR I	0.78	2.08
MOTOR EQUIPMENT OPERATOR II	0.52	0.26
MOTOR EQUIPMENT OPERATOR III		0.26
W&G CREW SUPERVISOR	1.04	1.56
W&G WELDER/CREW SUPERVISOR	0.26	0.26
W&G CONSTRUCTION CREW SUPERVSR	0.52	
W&G CONSTRUCTION INSPECTOR		0.50
W&G DISTRIBUTION SUPERVISOR	0.50	0.50
W&G DISTRIBUTION SUPERINTENDEN	0.50	0.50
Total	6.98	6.70

Positions are allocated to Water Distribution and Gas Distribution.

Description

The Gas Control division manages the purchase and dispatch of the City's natural gas supply. The division participates in negotiations for acquiring gas and delivery contracts to meet system and customer needs and develops and administers cost-effective and profitable gas usage strategies. Gas control insures the safe, reliable and efficient movement of gas through the system pipelines by monitoring pressure and flow through the installation, operation, and maintenance of electronic gas measurement equipment.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 243,554	\$ 342,895	\$ 372,100	\$ 403,730	\$ 31,630
Employee Benefits	32,708	47,591	56,640	58,020	1,380
Purchased Services	26,658	1,816	11,480	14,720	3,240
Internal Service	12,949	12,783	3,860	13,010	9,150
Other Operating Exp	28,922	38,415	36,030	40,780	4,750
Source of Supply	12,764,203	13,269,136	13,343,220	12,794,670	(548,550)
Capital Outlay	234	160	-	-	-
Totals	\$ 13,109,228	\$ 13,712,796	\$ 13,823,330	\$ 13,324,930	\$ (498,400)

Personnel

Position Title	FY 2019 FTEs	FY 2020 FTEs
GAS CONTROL TECHNICIAN	2.00	2.00
GAS CONTROL MANAGER	1.00	1.00
UTILITY OPERATOR	3.20	3.20
Total	6.20	6.20

Description

The Gas 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 gas meters in the distribution system. The group is responsible for meter disconnects and reconnections, and investigations and the operation and maintenance of gas valves.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 96,791	\$ 89,060	\$107,040	\$ 107,730	\$ 690
Employee Benefits	13,561	13,086	17,060	15,750	(1,310)
Purchased Services	456	2,785	11,530	13,140	1,610
Internal Service	7,576	6,632	7,800	6,990	(810)
Other Operating Exp	13,315	22,786	46,230	43,810	(2,420)
Capital Outlay	628	706	960	960	-
Totals	\$132,327	\$135,055	\$190,620	\$ 188,380	\$ (2,240)

Personnel

Position Title	FY 2019 FTEs	FY 2020 FTEs
W&G METER TECHNICIAN	1.35	1.35
W&G SYSTEMS CONTROL SUPERINTEN	0.50	0.50
	1.85	1.85

Description

The purpose of the Capital Improvement Program is to ensure the orderly expansion, modification and repair to the Gas 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

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 270,256	\$ 208,410	\$ 184,580	\$ 177,940	\$ (6,640)
Employee Benefits	35,922	29,744	28,280	34,990	6,710
Purchased Services	963,234	1,570,378	168,500	147,500	(21,000)
Internal Service	103,759	56,778	100,940	68,450	(32,490)
Other Operating Exp	348,290	194,903	354,510	284,920	(69,590)
Capital Outlay	102,519	41,416	138,000	108,400	(29,600)
Capital Projects	-	-	1,100,000	1,500,000	400,000
Contingency Approp	-	-	100,000	100,000	-
Totals	\$1,823,980	\$2,101,629	\$2,174,810	\$ 2,422,200	\$ 247,390

Personnel

Hourly Gas 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 2020:

Position Title	FY 2019 FTEs	FY 2020 FTEs
PUBLIC SERVICE WORKER	1.30	1.28
CONSTRUCTION WORKER	1.56	
MOTOR EQUIPMENT OPERATOR I	0.78	2.08
MOTOR EQUIPMENT OPERATOR II	0.52	0.26
MOTOR EQUIPMENT OPERATOR III		0.26
W&G CREW SUPERVISOR	1.04	1.56
W&G WELDER/CREW SUPERVISOR	0.26	0.26
W&G CONSTRUCTION CREW SUPERVSR	0.52	
W&G DISTRIBUTION SUPERVISOR	0.50	0.50
W&G DISTRIBUTION SUPERINTENDEN	0.50	0.50
Total	6.98	6.70

Description

Gas Distribution Service ensures that the gas distribution system is safe and reliable by: monitoring odorant levels at checkpoints throughout the gas system; maintaining meters and regulators; and recognizing abnormal conditions that might affect the safety of the public. Further, gas distribution service ensures safe operating conditions inside the customer's home by checking fuel pipes and gas lines and inspecting customer appliances for leaks and proper installation. This division responds to emergency calls regarding gas.

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Personnel Services	\$ 161,628	\$ 166,239	\$ 173,260	\$ 178,920	\$ 5,660
Employee Benefits	22,359	23,290	27,670	25,790	(1,880)
Purchased Services	3,426	2,006	10,600	8,340	(2,260)
Internal Service	22,363	22,067	23,400	24,200	800
Other Operating Exp	7,146	9,121	7,400	9,200	1,800
Capital Outlay	1,570	1,517	2,400	-	(2,400)
Totals	\$ 218,492	\$ 224,240	\$ 244,730	\$ 246,450	\$ 1,720

Personnel

Position Title	FY 2019 FTEs	FY 2020 FTEs
DISPATCHER	0.50	0.50
W&G SERVICE TECHNICIAN	3.50	3.50
	4.00	4.00

The Dispatcher is a shared position with the Electric Fund.

Accomplishments

Work with coordination with Customer Service to complete internal investigations and customer requests safely and efficiently.

Goals

Improve day-time response for leak investigations to an average response of less than ten minutes.

Improve over-all response time for leak investigations to an average response of less than thirty five minutes.

.

Description

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

Expenditures

	FY 2017 Actual	FY 2018 Actual	FY 2018 Adopted	FY 2020 Adopted	Increase/ (Decrease)
Expenditures:					
Debt Service	\$ 194,594	\$ 224,650	\$ 234,390	\$ 221,390	\$ (13,000)
Totals	\$ 194,594	\$ 224,650	\$ 234,390	\$ 221,390	\$ (13,000)

FY 2020 FIVE-YEAR CAPITAL & SPECIAL PROJECTS PLAN
PROJECT DESCRIPTION

Project Title: Cast Iron Main Replacement
Project No: 60056

Department: Utilites
Division: Gas Distribution
Section: N/A

Description:

Pipeline transportation is one of the safest and most cost-effective ways to transport natural gas. However, in 2011, following major natural gas pipeline incidents, DOT and PHMSA issued a Call to Action to accelerate the repair, rehabilitation, and replacement of the highest-risk pipeline infrastructure. Among other factors, pipeline age and material are significant risk indicators. Pipelines constructed of cast and wrought iron, as well as bare steel services, are the pipelines that pose the highest-risk for Danville.

This project provides funding for the continued replacement of our highest risk gas mains and steel service lines attached to them . The new pipe is polyethylene which does not corrode and has joints that are by design, stronger than the pipe.

Justification:

This project will increase public safety, reduce O&M by reducing the number of leak investigations and repairs, reduce gas loss, and reduce unplanned outages from hazardous leaks.

Comments:

Study: Cast iron replacement study (originally completed in 1994 and revised in 2008)

Funding	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Utility Revenues	905,120	1,500,000	1,500,000	1,500,000	-	5,405,120
Gas Fund Balance	594,880	-	-	-	-	594,880
Reprogrammed Funds	-	-	-	-	-	-
Total Funding Sources	1,500,000	1,500,000	1,500,000	1,500,000	-	6,000,000

Goals/Milestones:

FY 2020	Replace cast iron mains that have reached the end of life resulting in potential gas leaks
FY 2021	Replace cast iron mains that have reached the end of life resulting in potential gas leaks
FY 2022	Replace cast iron mains that have reached the end of life resulting in potential gas leaks
FY 2023	Replace cast iron mains that have reached the end of life resulting in potential gas leaks
FY 2024	